

Public Enterprises Circular No. PED/31

My. No: PED/Gen/2005  
Department of Public Enterprises  
01.07.2005

All Secretaries to Ministries,  
Chairmen of Corporations,  
Statutory Boards and Government Owned Companies.

### Audit Committee Meetings

It has been observed that audit committees have not been properly constituted and meetings held on a regular basis in Public Enterprises.

In this connection your attention is drawn to para 7.4.1 and 7.4.2 of the Public Enterprises Guidelines for Good Governance, which stipulates the composition of the Audit Committee, scope of work and the responsibility for regular reporting, copies of which are attached for reference.

Accordingly the Audit Committee of an enterprise should comprise at least 3 Executive Board Members chaired preferably by a person possessing financial management or the Treasury Representative with Chief Internal Auditor / Board Secretary as the convenor of meetings. Committee should sit at least once in 3 months and submit its report with recommendation for corrective action to the Board of Directors. A representative from the Auditor General / External Auditors should be invited as an observer,

I would appreciate if you would ensure that audit committee of the enterprise coming under your purview is properly constituted and meetings held on regular basis to oversee due diligence and control over financial aspects of the operations and performance of the enterprise and be accountable to the Board.



V. Kanagasabapathy,  
Director General of Public Enterprises

Cc: Auditor General.  
Treasury Representatives on the Boards of Public Enterprises

