

CHAPTER-1

AUDIT MANDATE

1.1 General

Supreme Audit Institution (SAI) of India performs its audit functions in harmony with the Auditing Standards promulgated by it, which are consistent with the International Organisation of Supreme Audit Institution (INTOSAI) Auditing Standards. SAI India Auditing Standards 4.9 in Chapter 1 (corresponding INTOSAI Auditing Standards 1.0.38) defines the scope of audit as under:

“The term ‘Audit’ includes financial audit, regularity audit and performance audit”. It further adds that in pursuance of the constitutional responsibility, the SAI is empowered to decide the nature, scope, extent, and quantum of audit to be conducted by him or on his behalf (refer Sections 23 and 24 of Comptroller and Auditor General’s (C&AG), Duties, Power and Conditions of Services (DPC) Act, 1971).

1.2 DUTIES AND POWERS OF the C&AG of India

The C&AG of India draws his authority from Articles 148 to 150 of the Constitution of India. The duties, powers and conditions of service are governed by the C&AG (DPC), Act 1971 henceforth referred to as Act.

1.3 Authority of the C&AG in regard to audit

Under Section 18 read with Section 2(e) of the Act, the C&AG has the authority:

- (i) to inspect any office of accounts under the control of the Union or of a State or of a Union Territory having a legislative assembly;
- (ii) to require that any accounts, books, papers and other documents which deal with or form the basis of or are otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may appoint for his inspection; and
- (iii) to put such questions or make such observations as he may consider necessary, to the person in charge of the office and to call for such information as he may require for the preparation of any account or report which it is his duty to prepare.

The person in charge of any office or department, the accounts of which have to be inspected and audited by the Comptroller and Auditor General, shall afford all facilities for

such inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

1.4 The portions of the Act related to Works Audit

1.4.1 Section 13 (a) of the C&AG's (DPC) Act, 1971

It shall be the duty of the C&AG to audit all expenditure from the Consolidated Fund of India and of each State and of each Union Territory having a Legislative Assembly and to ascertain whether the money shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged and whether the expenditure conforms to the authority which governs it.

1.4.2 Section -16 of the C&AG's (DPC) Act, 1971

It shall be the duty of C&AG to audit all receipts which are payable into the Consolidated Fund of India and of each State and of each Union Territory having a Legislative Assembly and to satisfy himself that the rules and procedures in that behalf are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed and to make for this purpose such examination of the accounts as he thinks fit and report thereon.

1.5 Request for special audit

The Comptroller and Auditor General or any officer so authorised shall give due consideration to a request for special audit of a programme, project or organisation within the audit jurisdiction provided that every such request:

- (i) is made with the approval of the Secretary to Government of the concerned department;
- (ii) shall state the justification and reasons that necessitate a special audit, including the results of any preliminary inquiry, investigation or study that may have already been conducted; and
- (iii) specify the period to be covered in the special audit.

The decision of the Comptroller and Auditor General or any officer so authorised in regard to the special audit shall be final. (Regulation on Audit and Accounts, 2007).

Notes-

- a) When a special audit for special reason e.g. suspected misappropriation or serious financial irregularities is undertaken at the request of the State Government,

it will be in pursuance of our statutory function and the cost thereof falls on the Audit Budget.

- b) The question of recovery of cost of audit will arise only when the audit is not statutory function of the Comptroller & Auditor General and is undertaken on a consent basis.

[C&AG letter No. 1615-admn.III/232-60. dated 11-8-60]

1.6 Utilising specialized skills from external sources

The Comptroller and Auditor General may, in special circumstances and if so required, utilise specialised skills from external sources in carrying out an audit or accounts task. (Regulation on Audit and Accounts, 2007, para 10 of Chapter 2)

1.7 Non submission of records to Audit Party by the Auditee Unit

Many a time it is observed that Auditee Units avoid to put up required records to Audit Party. In order to check the practice it is advised that the Inspecting Officer/Assistant Audit Officer should report the matter to Group Office by 4th day from the commencement of Audit, so that the matter may be taken up with senior officers of the Department for arranging the records being put up to Audit in proper way.

In case the problem is not resolved even after this is brought to the notice of the Chief executive concerned, an omnibus draft paragraph on all such problems that arise during the year should be considered for inclusion in the Audit Report for bringing to the notice of the Legislature through the Public Accounts Committee or the Committee on Public Undertakings the failure of the executives to discharge their statutory obligation.(MSO 2.1.9)

1.8 Power to dispense with detailed audit

Under Section 24 of the Act, the Comptroller and Auditor General may, when circumstances so warrant, dispense with any part of detailed audit of any accounts or class of transactions and apply such limited checks in relation to such accounts or transactions as he may determine. (Regulation on Audit and Accounts, 2007, para 15 of Chapter 3)

CHAPTER 2

Organisation, Duties and Internal Control Mechanism

The Economic Sector-II (ES-II) is *inter-alia* responsible for expenditure audit of engineering departments of Uttarakhand State like PWD, Irrigation, Minor Irrigation and its functioning is governed by various rules, codes and manuals (**Annexure-1**). It has two sections as brought in subsequent paragraphs.

2.1 ES-II (Coordination)

The duties of ES-II (C) includes:-

2.1.1 Preparation of Annual Audit Plan(MSO Audit para 6.1.11)

1. Early in January each year, the ES-II (C) will prepare a plan for local audit/compliance audit and inspections to be undertaken during the ensuing financial year based on the availability of parties during the year. The plan will be in the form of an annual programme and approved by the Accountant General (Audit). This will be further split up into quarterly programmes for various inspecting parties. In addition to the units selected for audit, copies of this programme of local audit should also be sent to the Administrative Departments and the Heads of the Departments concerned.

2. While preparing the Annual Audit Plan, care should be taken to include, on a regular basis, at least 25 per cent of the transactions from the Personal Ledger/Personal Deposit Accounts of the Drawing and Disbursing Officers being audited. Only amounts booked under Minor Head 106 under Major Head 8443 (relating to disbursements in the previous year's accounts) should be taken into account for this purpose. In respect of compliance audit, separate guidelines has been issued (February 2016) by HQ which can be referred to while planning the compliance audit. Important provisions for audit planning as per compliance audit guidelines are briefed below.

The compliance auditing guidelines reorient the planning process by instituting a top down, risk based and department centric approach. It is imperative that compliance audits are planned to achieve adequate coverage at an acceptably low level of audit risk, and audit processes are carried out in an economic, efficient and effective manner and result in a high quality audit report. However, given the size of Government and its implementing arms and the limited audit resources, it is impracticable to plan for audit coverage of all audit units in the audit universe-as defined at present. Proper planning and prioritization of compliance audits based on an appropriate risk assessment, is therefore, paramount. This

Audit universe is required to be broken down into audit units for the purpose of planning and scheduling audits.

This requires *top down, risk based, Department centric mechanism* for macro level planning and conducting compliance audits and preparation of annual compliance audit plans by (a) defining the apex auditable entities and audit units and (b) risk profiling. This exercise can provide a holistic view of functioning of the auditable entities without the risk of dismissing audit findings as a random view and statistically insignificant. The top down approach for identification of audit units mentioned in these guidelines therefore envisages that audit units are identified beginning with higher organisational hierarchies of the Apex Auditable Entity and fanning out to operational units at the field level. It requires preparing an organisation chart of the Departments to identify the audit units based on the above parameters and an annual Audit plan of compliance audits to be taken up and completed during the year should be prepared. Further, it must be the endeavour of the field offices to ensure coverage of all Apex Auditable Entities in a reasonable period of time, between three to five years.

3. For effective implementation of the audit planning methodology, the overall audit objectives should be set out as clearly as possible at the outset. In order to achieve the objectives, as many auditee units as feasible should be covered having regard to the availability of resources—human as well as financial. While identifying departments, institutions, programmes, issues, etc. for inclusion in the biennial audit plan, the quantum of expenditure/revenues, socio-economic significance, vulnerability to serious financial irregularities, political and managerial sensitivity of their activities and auditability of units will be taken into account. Other units that are not considered to be vulnerable or sensitive and have not been audited for prolonged periods should be considered for coverage in the biennial plan in such a way that these are also subjected to audit, preferably in a cycle of six to seven years. The periodicity and duration of audit should also be reviewed from time to time so as to ensure optimum coverage with the available resources. (MSO Audit para 2.1.26)

4. The Accountant General should watch the performance of the annual programme of inspection through quarterly review.

[C&AG's letter no. 1063-TA-II/222-82, dated 7-9-82]

5. Audit planning should also recognise the necessity of professional/technical assistance in complex areas of investigation. Therefore, provision may also be made in the plan for procurement of services of outside experts in the relevant fields, where necessary.

Note:

1. Inspection of Survey and Investigation division as well as wholly maintenance division need be done bi-annually.

[C&AG's letter No. 1063-TA-II/222-82, dated 7-9-82].

2. P.W. Offices- In drawing up the inspection programme, it will be necessary to keep in view that certain periods of the year which do not suit some offices. No inspection of P.W. offices are ordinarily covered out in the month of March and particularly during the last fortnight of the month.

2.1.2 Use of Risk Assessment Methodology in Audit Planning

Risk assessment methodologies and techniques need considerable strengthening and an appropriate programme for risk assessment should be developed. The following could be some of the risk indicators:

1. Expenditure trends.
2. Persistent and unexplained excess draws.
3. Unadjusted account bills.
4. Transfers to Personal Ledger Accounts.
5. Large purchases.
6. Delivery under programmes not being susceptible to verification.
7. Leakage of revenue.
8. Lack of attention to serious audit objections,
9. Weaknesses in internal control mechanisms. (MSO Audit para 6.1.14)

2.1.3 Preparation of the tour programme

In accordance with the approved skeleton programme, ES-II (C) will prepare the Detailed Programme in the first week of March, June, September and December respectively for the next quarter, which should be submitted to the Accountant General for his approval . The ES-II (C) will maintain a register styled "Cycle Register" to regulate the frequency of inspection of a particular Division. On the basis of this register early in January each year the Section will draw up a skeleton programme of inspection of PW offices for the ensuing financial year and submit it to the Accountant General, through the Dy. Accountant General (Economic Sector) for approval.

2.1.4 Selection of staff for local audit

The Inspecting Officer is assisted at the inspection usually by two Assistant Audit Officers, and by a Senior Auditor/Auditor having a special aptitude for inspection work and experience of works audit section. Inspection work is important and the staff should be selected carefully.

The personnel of Public Works Inspection parties should include at least one experienced Assistant Audit Officer with adequate works Audit experience both in Central and local audits.

2.1.5 Intimation of inspection to the P.W. Offices

The audit office shall as far as possible give advance intimation of a minimum period of three weeks to the officer in charge of the office to be audited. The intimation for audit shall state the likely duration of audit and also provide a list of the basic records that should be kept ready before the arrival of the audit team. In cases where the audit involves an element of surprise check, no advance intimation need to be given. (Regulation on Audit and Accounts, 2007, para 177 of Chapter 13)

2.1.6 Documents to be supplied to Inspection parties from the Audit Office

Documents which may be supplied to the Inspection parties from the Audit Office are given below:-

A list of special recoveries of all kinds as noted in Part III of the Works Audit Register, the recovery of which has been unduly delayed should be made out and supplied to the Inspecting Officer who will investigate the delay and suggest measures for speedy recovery;

1. A consolidated list of outstanding paras from the previous Inspection Reports;
2. Inspection Report files of the previous years, objections which are still outstanding up to the previous inspection;
3. List or cases of Measurement books reported lost since the last inspection to be investigated on the spot ;
4. Statements of rents for one month only viz. for which the accounts are to be test audited ;
5. A list of Audit Notes issued by CASS section pending with the Divisional Officer at the time of inspection. Audit notes and Inspection Reports etc pending in Central Office may also be sent to the Inspecting Officer, where necessary, duly placed in a separate file;
6. All files containing cases of losses registered in the section. Each file should contain a note detailing the present position of the case and the action that is awaited. The Inspection Parties are not required to study and deal the cases denovo.
7. Cases regarding draft paras and advance paras where up-to-date position is awaited or a specific information is called for.
8. Abstract of Travelling Allowance bills for the selected month.

Note-The Original schedule, dockets, vouchers and other schedules relating to the expenditure on National Highways incurred by State Public Works Divisions are sent to the Pay and Accounts Officer (National Highways), Ministry of Shipping

and Transport in support of the claim for reimbursement of the expenditure. The duplicate copies thereof retained in the Divisional monthly accounts may be relied upon by the Inspecting parties for the purpose of the local audit of the divisions executing National Highways Works.

(Authority – C.A.G. letter No. 1535-TA II/224-75 dated 26.8.1977.)

2.1.7 Issuance of printed audit memo to audit team.

The ES-II section will issue the printed audit memos to the audit parties assigned the field audit. The concern party will keep the account of the same and in case of unused memos, they will be deposited to the ES-II section on completion of assigned audit.

2.1.8 Progress Register

1. In order to watch the timely disposal of the Report at various stages the ES-II (C) section should maintain a Progress Register in the form as per *Annexure-1*. The Register should be submitted to the Audit Officer concerned monthly.
2. In order to exercise a strict watch over the disposal of the draft AIRs at the various stages of their processing the ES-II (C) section shall maintain a Progress Register in proforma *Annexure-2* and submit the same to DAG (ES-II) weekly through the Audit Officer concerned.

2.1.9 Register of special points

A register of special points should be maintained by ES-II Section and it should be ensured that all cases/points arising out of the Annual Inspection Report (AIR) or otherwise, which need to be noted in the register of special points are promptly noted therein and are sent to the Inspection Officer concerned for investigation during the next local audit of the division concerned. The report of Inspecting Officer thereon as soon as received should be put up to the DAG (ES-II) for perusal.

2.1.10 Creation of Data Bank (MSO para-6.1.15)

Availability of adequate information/data is a vital prerequisite for preparation of the Audit Plan. A comprehensive data bank and documentation covering reports of various committees, Study Reports, Plan/Budget documents, newspaper and journal clippings, etc. should therefore be carefully built up in every Audit office under functional heads or subject-wise. A portfolio in respect of each scheme and programme, which is susceptible of performance appraisal, should also be maintained. It should *inter alia* contain complete details of the programme, its objectives, financial and physical targets, performance standards, financial ratios, time schedules for the different components of the programme, etc. Various documents of relevance brought out by the Planning Commission or Planning Department of the State Government, the National Statistical Organization and other institutions of national importance should be made use of in this context. These portfolios

should provide the necessary basic data and information for conducting meaningful audit. Before starting actual audit, the scheme document should be scrutinised carefully to see, to the extent possible, whether the targets fixed are realistic, and whether adequate inputs-- financial, material and organisational--have been provided. Preliminary action should be initiated to obtain all necessary and wanting information.

2.1.11 Updation of manual

Assistant Audit Officer, Economic Sector coordination will be responsible for keeping the Manual upto date and for ensuring that all orders necessitating any changes/modifications in the procedure etc. are incorporated in the manual from time to time.

2.1.12 Any other miscellaneous items

1. List of Registers, Reports and Return as given in *Annexure- 3*
2. Maintenance of Manual of Works Audit.
3. A monthly report in the format (*Annexure - 4*)
4. Disposal of Inspection Report and Test Audit Note

2.2 Draft Para Cell

The demarcation of duties of DP Cell includes:-

1. Processing of potential draft paras (PDP's) for approval
2. Processing of Factual Statements (FS) for approval
3. Issue of factual statement to the Government and the Head of the Departments in respect of cases proposed to be included in the Audit Report for their comment.
4. PDP sent to Report Section
5. Interface between the Accountant General and the State Administration for discussion of Audit finding before inclusion in the Audit Report.

CHAPTER-3

Arrangements for local audit/inspection.....MSO Audit(Para -6.2.1)

3.1 Local Audit may be distinguished from Inspection in that its purpose is to audit the initial accounts maintained in certain Government institutions and offices on the spot. The scope of Local Audit is not confined merely to seeing whether the initial accounts are maintained in proper form or whether the financial rules are properly observed but also includes a test audit in sufficient detail to verify the accuracy and completeness of accounts.

3.2 Classes of accounts with which Local Audit has to deal are so varied that it is not possible to prescribe any general rules and instructions that may be applicable to all local audits. It should, however, be borne in mind that the essential objective of the accounts of any institution is to present a definite financial picture and that an intelligent audit is not possible unless there is some consideration of the general financial picture as well as investigation of the details of the transactions that lead up to the financial results. Before taking up the audit of any particular institution, the local Audit staff should study the system of accounts and books prescribed to see why they have been prescribed and how far they fulfill the desired end. They should consult the periodical administration reports or other Government publications so as to obtain a correct perspective of the activities of the institution/office and to make their audit both intelligent and useful instead of allowing it to become merely a process of checking registers in a disconnected and mechanical way. Local Audit parties should also scrutinize certified *pro forma* accounts in institutions such as Agriculture/Horticulture farms where these are maintained.

3.3 The Accountant General should arrange for the inspection and test audit of the accounts of each Public Works Division by an Audit Officer of his establishment according to the programme of inspections. A broad outline of the duties and responsibilities that could be entrusted to different categories of personnel in the Public Works inspection parties as contained in Section VI of MSO (Audit) is given in the *Annexure-5*.

3.4 The test audit of the records should ordinarily be undertaken at the headquarters of the Divisional Officer. It is, however, open to the Accountant General to require the accounts records of sub-divisions or subordinate officers to be produced for inspection in the offices concerned or in the Divisional office itself.

3.5 The Divisional Officer should be given sufficient notice of the probable dates of inspection and should be requested to (i) obtain from his subordinate offices, the necessary books, documents, etc. which should be specified; and (ii) be present at his headquarters to meet the Inspecting Officer in time to discuss the results of the inspection with him.

3.6 Guidelines/Instructions to Audit Parties

Clear cut guidelines and instructions should be issued, in writing, to the Audit parties before they proceed on local inspection/audit. Additionally, various aspects of the audit are required to be discussed and guidelines provided to the parties by the Group Officers before they proceed to the field. It will be necessary for the Accountants General/Principal Directors of Audit as well as the Group Officers to devote their personal care and attention to this process.

3.7 The guidelines in respect of reviews

The guidelines in respect of reviews should cover, *inter alia*, the under mentioned aspects:

1. Objective of the review;
2. Areas to be covered;
3. Points to be seen;
4. Background material already available;
5. Additional information to be collected;
6. Methods of analysis of information;
7. Objections likely to be noticed; and
8. Time frame for completion of review;

These guidelines may be modified or amplified, if necessary, keeping in view various aspects that may be particularly relevant to the State concerned.

3.8 Duties in respect of work selected for analysis

1. Before the commencement of the detailed examination of the selected work(s) , the following records should be called for from the Divisional Office:
 1. Estimate for the work on which basis the Administrative approval and Expenditure sanction has been accorded by the competent authority.
 2. Detailed technically sanctioned estimate.
 3. Agreement(s)/work orders, if any, entered into with the contractor.
 4. Draft N.I.T., comparative statement, rejected tenders, accepted tenders etc.
 5. All correspondence files pertaining to the work(s).
 6. Contractor's ledger.
 7. Cement Register.
 8. Site order books.
 9. Deviation, extra and substituted items statement sanctioned for the work alongwith analysis of rates.

10. Reports of inspection of work(s) conducted by the Chief Engineer/Superintending Engineer/Executive Engineer and Assistant Engineer.
 11. Out-turns of vehicles used on the work(s).
 12. Any other record pertaining to the work.
2. In the course of analysis of a work or works to be done, the following points may be particularly looked into:
1. The estimate of the work concerned should be studied together with the relevant correspondence and all charges carefully examined to see whether any of these do not fall beyond the scope of sanction. Quantities should be compared with the quantities of work actually done with a view to verifying that savings due to abandonment or otherwise have not been utilized for additional work or that there have been no material alterations or modifications in the sanctioned design without the sanction of the competent authority.
 2. All payments and supplies of materials etc. should be made strictly in accordance with the contract agreements indicating no laxity in any of the terms. The rates provided in these contracts should be specially scrutinised with reference to the sanctioned estimate and the Schedule of Rates to see that they do not allow any concessions detrimental to the financial interests of Government.
 3. Quantities of the materials required for the work actually done should be worked out on the basis of the analysis given in the estimate or other established formulae and compared with the actual issues both in the case of direct issues to works or issues to contractors to investigate the differences, if substantial.
 4. The contractors and officers on whose behalf the recoverable charges are incurred do not get the benefit of any concession to which they would not have been entitled if they had themselves incurred the charges.
 5. All recoverable charges have been made good to Government by an equivalent cash recovery or short payment of dues.

The audit objections which are more than five years old should be especially reviewed from the point of view of settlement and cases of inaction by the department on old paras should be conspicuously brought out in the Inspection Report under “Review of old Objections”.

3.9 Selection of test month

The local audit of the accounts should cover the period from the date of last inspection to the month preceding the date of audit/ the month upto which monthly account has been

rendered to office of the AG (A&E). In addition to the month selected for detailed scrutiny, and intelligent review of another month's accounts should also be done. In case of longer period, number of months for detailed scrutiny, arithmetical accuracy and checking of receipts with receipts book may be taken as shown in the table below:

Sl. No.	Audit period	No. of test month for		
		Detailed scrutiny	Arithmetic accuracy	Checking of receipts with receipt book
1	Up to 18 months	1	1	1
2	More than 18 months, & Up to 5 years	2	2	2
3	Procedure as mention in Sl. No. 1 & 2 is for a block period of 5 years and may be adopted for the balance period beyond 5 years			

(AG's order dated 19.09.2013)

3.10 Examination of GPF records

A separate list of employees may be collected for marking the employee whose GPF record is checked. 100 *per cent* checking will be done in respect of GPF withdrawals. In addition, 100 *per cent* examination of GPF records will be conducted upto the employee strength of 20. From 21 to 100 examination of GPF records of additional 10 numbers and from 100 onwards examination of GPF records of further additional 10 numbers will be carried out by random sampling and the data will be maintained by the audit team and submitted to the ITA Section in the following performa on completion of the quarterly programme:

AIR No.	Name of the auditee unit	Audit period	Date of audit	No. of employees	No. of cases checked	Detail of objection

3.11 Requisition for data, information and documents

The requisition for data, information or documents shall be made in writing or during the course of recorded meetings and may be addressed to the persons in charge of various functions in the auditable entity or to the officer in charge of the auditable entity.

3.12 Preliminary Objection Memoranda

The Divisional Accountant should be frequently consulted by the Inspecting Staff during the course of inspection and if the Divisional Officer is at his headquarters, he should also be kept informed of the Objections by passing on the Preliminary Objections Memoranda to him. It is necessary that the points noticed during inspection are passed on, as and when

noticed, to the Head of the Office so that replies to the points may be furnished, discussed and, if possible, settled during the course of the inspection. As many points as possible raised during an inspection should be settled on the spot by discussion between the Inspecting Officer and the Head of the Office and important points which cannot be so settled should be included in the Inspection Report, or the Test Audit Note, just as their importance may warrant, by quoting cross-reference to the serial number of the paragraphs of the Preliminary Objection Memoranda/Audit Memo and vice versa. Only important points which matter, rather than irksome and meticulous points which do not matter but are a source of complaint and trouble to the Audit Office, should be taken.

These Audit Memo/Preliminary Objection Memoranda should be sent to the Central office where they should be filed as a record of the points settled by the Inspecting Officer on the spot.

3.13 Disposal of previous Inspection Reports.-

The first duty of the inspection staff on commencement of an inspection is to see the disposal of previous Inspection Reports. It shall be seen that:-

1. all points noticed in the last report have been settled.
2. any new procedure which may have been agreed to has actually been adopted in practice.
3. all recoveries promised have been made and.
4. all documents which were promised to be produced are made available for scrutiny.

3.14 Settlement of outstanding paragraphs of earlier inspection reports is one of the important duties of an Inspection Officer. The discussion and settlement of such outstanding objections in respect of offices situated at a station visited by an Inspection Party but which are not selected for inspection should as far as possible be done by the Inspecting Officer during his stay at that station.

Disposal of previous Inspection Reports is one of the important items of work allotted to the AAOs. The Branch Officer should also be actively associated in reviewing the pendency of the items in the old Inspection Reports and also the proposals of AAO/SOs either for settling the pending items or for their pursuance. The AAO/SO should take up this item of work with full vigour straight from the commencement of inspection so that by the time the AO's supervision commences, he will be in a position to present his finalized proposals. The Branch officer should also go through the finalized statement and, where necessary, independently review the pending items. The statement thus finalized in mutual consultation with AO and AAO will form the basis for the para in the Inspection Report and the annexure to the para should be finally got typed. Wherever paras in the previous IR are treated as settled, the remarks of AAO/AO indicating the basis and support for treating the item as settled should be available in rough notes. Similarly, if items in IR which are more than two years old are proposed to be kept pending, the circumstances in

which the items are pending, the efforts made by the Division and the Inspection Party should be recorded in the rough notes.

Further AG has also issued sectional circular for disposal of pending paras and one designated audit officer will be nominated for this purpose.

(Circular No. General Sector/pending paras/2015-16/1 dated 19.08.2015)

3.15 Supervision and review: The work of audit staff at each level and audit phase should be properly supervised during audit and a senior member of the audit staff should review documented work. (Regulation on Audit and Accounts, 2007, para 29.2 of Chapter 4)

CHAPTER 4

Important points to be looked into the examination of various initial accounts

4.1 Documents for indepth scrutiny of accounts

The Public Works inspection teams should undertake an in depth scrutiny of accounts and related documents of the Divisions and concentrate, in particular, on the following:

1. Allotment of funds.
2. Cash credit limits against budget allotment and deposits.
3. Utilisation of temporary imprest and reasons for unadjusted amounts and action taken for recovery.
4. Miscellaneous Public Work Advances.
5. Deposits against works.
6. Statement of works and expenditure incurred under Major Heads Roads and Bridges (3054, 5054), Civil Deposits (8443) etc.
7. Transfer entries
8. Remittances into the Treasury.
9. Misclassification of deposits and purchases under stock.
10. Road metal return and Material-at-Site Account.

4.2 List of initial accounts for inspection of Public Works Offices

A list of initial accounts and other documents required at an inspection of Public Works Offices is given in **Annexure-6** to this chapter. The detailed accounts procedure governing them is described in relevant rules. The Inspecting Officer should see that these accounts are maintained in accordance with the rules. He should also attend to the instructions bearing on the important accounts records as given in this Chapter.

All accounts records not specifically dealt with in the Manual should also be inspected and examined generally to see:-

1. that the prescribed procedure and forms are in use;
2. that they are kept up-to-date; and
3. that there are no financial irregularities or serious errors.

These instructions, however, are supplementary to the detailed instructions Contained in Para 6.1.2 to 6.1.4 of M.S.O.(Audit).

4.3 Cash Accounts

The arrangements for obtaining cash from treasuries, its custody, payment and accounting should be examined to see that they are in conformity with the rules on the subject contained in Departmental Financial Rules.

The Cash Book should be carefully scrutinised to see that it is properly written up and maintained in accordance with the instructions given in the Departmental Financial Rules. The selected month's transactions should be checked in full and arithmetical accuracy checked in respect of another month. In addition, it should be specially seen that:

1. private cash or accounts of members of the department, or undisbursed balances of cash obtained from treasuries or banks, on cheques for pay and allowances of establishment are not accounted for through the cash book or mixed up with the regular cash balance;
2. in respect of the selected month(s) all receipts of cash as shown in the counterfoils of receipt books are traceable, under proper dates and with correct particulars in the Cash Book;
3. cash received is promptly paid into the treasury through the Treasury Remittance Book and is duly acknowledged therein; any delay in remittance should be pointed out;
4. the cash book is closed and balance struck on the prescribed dates;
5. there is no erasure or interpolation and that errors are rectified properly;
6. there is no habitual or undue delay in the submission of sub-divisional cash books or copies thereof with all vouchers to the Divisional office;
7. there is evidence in the cash book of verification of all entries of receipts and payments and of the actual balance of cash in chest and that any deficit or surplus in the actual cash balance as compared with the book balance is accounted for.
8. entries in the vouchers taken from the Audit office agree with those in the Divisional and Sub-Divisional cash books and imprest accounts;
9. there is no tendency to keep an unduly large cash balance in hand;
10. cheques are not drawn and deposited in the cash chest at the close of the year for the purpose of showing the full amount of grant as utilised;
11. Receipt entries in the cash book should be initialed by the disbursing officer as required in Note 2 to Para 148 of FHB Vol VI, irrespective of whether the cash book is written by himself or by some body else;
12. Pages of the cash book should be machine numbered and the cash book should be examined by the head of the office or some other officer, nominated by him, who should record a certificate of the count on the fly leaf of the cash book; and
13. The cash counting certificate should be signed and not countersigned by the Executive Engineer.

4.4 Cheque and Receipt Books

The Cheque and receipt books should be examined to see that:

1. all the receipt books are entered in the “Register of Cheque and Receipt Books” and the Register is maintained and reviewed properly;
2. the corrections, if any, on the counterfoils or the memoranda of balances on their back do not disclose any financial irregularity or overdrawn;
3. the certificate of count of number of forms is duly recorded on the fly leaf of each book;
4. the counter foils of used receipt books are forwarded promptly to the Divisional Office for verification and return and the returned books bear the check certificate of the Divisional Accountant;
5. no receipt is signed before the receipt of the money has been recorded in the cash book or by an officer not authorised in this behalf;
6. no cheque is drawn unless the amount is to be paid at once; and
7. the procedure prescribed for time expired, cancelled or lost cheque is followed;

4.5 Imprest and Temporary Advance Accounts

The Imprest and Temporary Advance Accounts should be examined to see that:

1. imprest and advances, when first granted, are correctly entered in the cash book and that all subsequent increases and decreases are noted in red ink therein;
2. imprest accounts are regularly closed on due dates and promptly recouped before the cash book for the account of the month concerned is closed;
3. imprest accounts are properly examined by the recouping officer and recouped by a formal pay order and that they are abstracted and incorporated in the cash book;
4. Special sanction of competent authority exists for permanent imprests in excess of the limit fixed;
5. the Sub-Divisional Officers do not enhance or permanently reduce or close imprests without the orders of the Divisional Officer;
6. Certificates of count of cash balances in the Imprest Accounts are given after actual count; and
7. receipts from the imprest holders have been obtained and filled for imprests outstanding on 31st March.

4.6 Estimates

1. The procedure for preparing estimates for works and sanction thereof is laid down in relevant Financial Hand Book Vol-VI (FHB Vol-VI)/Uttarakhand Procurement Rules 2008. No work should, therefore, normally be commenced or undertaken

unless a properly detailed design and estimate have been sanctioned and allotment of funds made.

2. The Inspection party should collect the number of cases where the works are undertaken without a technically sanctioned estimates, and record the same in the Inspection Report.
3. As a matter of fact, the expenditure on a work should not exceed the amount of sanctioned estimate. Should, however, there be any cases in which an excess has occurred, these should be collected in the form of a statement and steps taken to have the excesses regularised, scrutinised and commented upon in the Report, if necessary.

4.7 Delegation of Financial Powers

Delegation of financial powers to the officers of Uttarakhand Public Works Department/Irrigation Department for according of Administrative Approval and Expenditure sanction, technical sanction, acceptance of tenders, purchase of stores etc., were accorded vide GO dated 25 May 2010.

The Inspecting Officers may bring to notice the instances where the Technical sanction to various component parts of a project are being accorded by the Superintending Engineer/Executive Engineers after splitting up the works estimates to the extent the officers are empowered to accord Technical sanction under their normal powers although the estimate of the project as a whole is beyond their competency of Technical Sanction. Any deviation from this or deviation on the basis of exceptional circumstances can be examined in audit. Issues arising out of violation of delegation of financial powers in general may be suitably highlighted in local audit.

4.8 Checking of T.A. Bills

The travelling allowance bills of regular non-gazetted establishment whose abstract bills are received in audit and drawn in the month selected for the purpose should be checked to see :

1. that the journeys indicated in the bills correspond to the details in the measurement books;
2. the purpose of journey;
3. that journeys were not performed from and to the same places again where the purpose could be served by halting at a place instead of returning to base; and
4. that proper control and check by the Divisional Officer and Divisional Accountant exists.

4.9 Transfer Entries

All transfer entries involving the rectification of errors should be examined to see that they do not indicate any defect in the system of accounting or any of the following irregularities :

1. Expenditure is deliberately charged to a wrong estimate, because estimate has not been sanctioned;
2. Materials are issued unnecessarily to works merely to utilise grant and are re-transferred to stock later on;
3. To hide excesses over estimates; and
4. To conceal the fact that certain materials have been too long lying at the site of a work without being used.

Transfer entries of March, March final and March Supplementary should be scrutinised with special care and attempt should be made to link subsequent T. Es. with the previous ones.

4.10 Employment of Labour

4.10.1 For employment of departmental Labour on Muster Rolls, the rates given in Standard schedule of rates published by the State Public Works Department at regular intervals should be applied. If the prevailing rates of wages in a particular locality be lower than these rates, the Executive Engineer shall authorise the employment of labour at the prevalent rates, subject to the provisions of the Minimum Wages Act. The rates for various kinds of labour as paid by the Division may be compared with those authorised by the Deputy Commissioner.

4.10.2 Record of daily attendance of labour employed departmentally on daily wages is required to be kept in the Muster Rolls along with the progress of work done which is then recorded in the Measurement Books also. In the local audit of muster rolls, it should be seen that the progress achieved is commensurate with the amount paid and the rates paid compare favourably with those given in the relevant Schedule of Rates.

4.11 Muster Rolls

Muster Rolls should be generally examined to see that:

1. payment is made through Muster Rolls only to day labourers and never to (a) permanent or temporary employees whose pay is chargeable to the head "Establishment" or (b) "members of the W.C. Estt." employed upon the actual execution of a specific work or upon the subordinate supervision of departmental labour, stores etc

2. attendance is taken daily and record of attendance is checked, at intervals, by responsible officers of the sub-divisions;
3. disbursement and with it the certification of disbursement, is not entrusted as a rule to officials of low standing;
4. systematic record is maintained of the unpaid items, and of their payment, and that wages remaining unpaid for three months are regularly reported to the Divisional Officer;
5. progress of work done is shown and that the cost is not so largely in excess of its value, at current rates as to indicate either loss to Government or need for closer financial control;
6. The forms issued by the Executive Engineers/Assistant Engineers are registered in his office to watch their proper use and forms not used for over three months are called for by the Assistant Engineers and examined; and
7. Unpaid wages during the selected month should be linked with the original entry in the Muster Roll and the Unpaid Wages Register.

4.12 Measurement Books

4.12.1 In the Public Works Department all payments to contractors and suppliers are made on the basis of measurement recorded in the Measurement Books, the general instructions for writing of which are given in the fly leaf attached in the Measurement Book itself. The compliance thereof should be seen.

4.12.2 The genuineness of some entries in the Measurement Books may be verified by comparison in respect of dates and other particulars with T.A. journals of the subordinates concerned which should contain all journeys both within and beyond Eight Kilometers Radius, performed in connection with the measurements of works.

4.12.3 The Inspecting Officer should investigate cases of Measurement Books lost since the last inspection and report the result of his investigation to the Central Office with comments as regards:

- (a) Adequacy of the action taken against the person responsible for the loss, in case the loss was not merely accidental.
- (b) Adequacy of the measures adopted to ensure that works entered in the lost Measurement Book and already paid for are not paid a second time.

4.12.4 In the case of lost Measurement Books it should be seen that:

1. the Assistant Engineers has prepared a list of all claims for works or supplies which are then outstanding;

2. the list if verified by him by reference to Bill Book/Office copies of bills, Works abstracts, petty vouchers, Muster Rolls or Cash Book to ascertain that none of the claims entered therein has been already paid for ;
3. a certificate to this effect has been recorded by the Assistant Engineer on the list ; and
4. after the above verification, the works not paid for have been remeasured and entered in a fresh Measurement Book for payment as usual.

Note—The sanction of the Finance Department to the write-off of a Measurement Book is not necessary in cases where any financial implications are not involved.

4.12.5 The M.B. being primarily the initial record made on the spot by personal measurement (by a responsible executive officer or subordinate) of quantities of work done or materials received and only secondarily and incidentally a record of expenditure incurred on the basis of quantities, it is obvious that in a case where, the service to be paid for is not susceptible of measurement such as Octroi Duty, Municipal Taxes, Electric Charges and Railway Freight, etc. or where it is not possible to determine the quantity of work done, entries need not be made in the Measurement Books. If, however, it is desired to keep a record of the petty payments of the nature detailed above as a safeguard against double payments, the maintenance of a special register for the purpose is suggested, in which a separate page or a number of pages may be set apart for each particular class of charge. Any supplies of which quantity accounts have to be kept under the rules should, however, be recorded in the M.B. irrespective of the amount involved.

4.13 Check measurements

4.13.1 The percentage for check of measurement departmentally prescribed for the PWD and Irrigation Department are noted below:-

Particulars	Contract work	Daily labour
Executive Engineer	5%	1% to 2%
Sub Divisional Officer /Assistant Engineer	25%	15%

Particulars	Original works and maintenance of drains and flood works	Other maintenance works
Executive Engineer	2%	1%
Assistant Engineer	20%	10%

Note: Check measurement of silt clearance. The following instructions have been issued in connection with measurement of silt clearance:

4.13.2 As each separate entry of each measurement has to be ticked off after verification and as each entry of internal clearance cannot be verified when channel is running, the certificate of having checked the measurements from outside earth is not only wrong but fictitious. An effort should be made to check the internal measurements before the channel is run. If however, any measurements are checked afterwards, the checking officer should make fresh entries himself of the outside earth in the measurement book. If he does not do so, it is not correct to say that measurements have even been checked. In that case the officer can give a certificate only to the effect that he is satisfied that measurements are not wrong, but such checking will not count and should not be entered on the page reserved for this purpose in the measurement book.

4.14 Materials and Consumption statements

4.14.1 The contractor shall use all cement issued to him on the work for which it has been supplied. Cement surplus after the completion of the work shall not be disposed of without the previous consent of the Executive Engineer in writing.

4.14.2 The stone etc. obtained from excavation, rock cutting will remain the Government property. The useful portions shall be separated from the useless ones and deposited in regular stocks as directed by the Executive Engineer-in-charge.

4.15 Maintenance of Material at Site Account

It should be seen:

1. That proper materials at site accounts are maintained for major works executed departmentally;
2. That the value of materials at site of each major work at end of last month according to the Register of works agrees with the balances shown in material at site account;
3. That materials at site of completed works including those transferred to surplus lists from completed works are scrutinised as to the circumstances under which they were obtained in excess of requirements or in advance of requirements and became surplus owing to change of design, and that instances indicating lack of forethought etc., are noticed;
4. that issues or materials to works are correctly classified under Issues to contractor's and 'Issues direct to Works' and that issues to contractors are promptly debited to their Ledger Accounts and value recovered;
5. that there are no undue delays in the submission by Sub-Divisional Officers of materials at site accounts and annual reports of verification of materials at site of work;

6. that materials are not issued in excess of requirements as per data;
7. that the unused balances of materials at site of works, are verified (1) once a year (2) on the completion of work and (3) when a Gazetted Officer or a subordinate in direct charge of a work is transferred before the accounts of it are closed;
8. that proper numerical accounts of the receipts, issues and balances of surplus materials at site of completed works or of dismantled material are maintained as a supplement to stock returns, pending their eventual disposal by sale or otherwise; and
9. that the materials of any of the major works are not utilised as a temporary Stock account for material for other works in the Division.

4.16 Tenders

1. Whether the entries in the Tender Register were made by the Divisional officer himself?
2. Whether details of number of tender schedules prepared and sold and certificate for destruction of unsold schedules have been recorded?
3. Whether details of tender received have been noted and only those tenderers who had purchased tender schedules have quoted?
4. Whether reasons for non-acceptance of lowest tender recorded?
5. Whether any negotiation was made after opening the tender and was it with the lowest (L1) or any other tenderer?
6. Whether signatures of tenderers present at the time of opening of tenders have been obtained?
7. Whether the cost of tender form realized was correct?
8. Whether the cost of tender forms sold in a month was verified with PW II Other Remittances(OR) schedules received from treasury regarding their actual credit in treasury accounts and PW III OR head cleared periodically by crediting Revenue head?
9. In respect of special cases and where lowest tender has not been accepted whether the files were called for and scrutinized in detail?
10. Whether the tabulation of tenders has been made correctly and calculations were correct?
11. Whether EMD obtained was correct and in the authorized form?
12. Whether there was long delay in finalizing tenders?
13. Whether there were serious consequences owing to the delay in finalizing tenders?
14. Whether the list of Registered tenderers was maintained and fees have been collected regularly?
15. Whether tender notices and conditions were prepared in the prescribed form?
16. Whether tender conditions contained any ambiguity or lacuna or error?
17. Whether tenders have been called for and accepted by the competent authority?

18. Whether tender notices were published and given publicity as ordered by Government from time to time?
19. Whether sufficient time was allowed to quote tender?
20. Whether extension of time granted to give tenders was given adequate publicity?
21. Whether conditions regarding Sales Tax, Excise duty etc., had been stated beyond ambiguity?
22. Whether issue rates of materials and hire charges of equipments supplied departmentally have been mentioned beyond ambiguity?
23. Whether the issue rates include storage charge?
24. Whether recovery at separate rates for bitumen supplied in bulk and in drums had been specified?
25. Whether reference to quarries had been correctly indicated?
26. In the case of earth work, whether the method of measurement of quantity of work done was correctly stated?
27. Whether various conditions stipulated in Tender notice conform with the standing orders/rules of the department/Government.
28. Whether tender conditions stipulate payment only after inspection and measurement by department?
29. Whether various provisions contained in the Tender Transparency Act / Rules were followed?
30. In the case of tenders/quotations for departmental sale whether conditions regarding recovery of Sales Tax and Income Tax wherever applicable had been specified and actually realised?
31. In cases where tenderers had backed out after receipt of acceptance notice, whether the EMD had been forfeited and further penal action, if any necessary, had been taken?

4.17 Agreements

1. Whether a Register of Agreements is maintained, noting serially the agreements executed at Divisional / Higher level?
2. Whether the agreements had been entered into in the proper form, signed on all pages and have been kept in safe custody?
3. Whether the details in the agreement schedule had been correctly taken from the selected tenders?
4. Whether the reasons for supplementary agreements had been examined?
5. Whether deviations from the agreement conditions had been approved by the authority who executed the original agreement?
6. Whether conditions regarding deduction of Income Tax (and Surcharge thereon) incorporated and recoveries made correctly?
7. Whether the wordings in the Agreement had been correctly made and as per the prescribed form?

8. Whether conditions regarding appointment of technical Assistants had been incorporated according to the Government Orders (Qualification, number or same T.A for more than one work, etc.)?
9. Whether Security Deposit had been obtained and is it in the approved Form?
10. Whether fresh conditions other than those in the Tender Notice have been included, if so, the effect thereof was scrutinised?

4.18 Payments

1. Whether each entry in the cash book for selected months was traced in vouchers, acquittance rolls or other records to verify actual payment on the relevant date?
2. When aggregate figure is noted in cash book, Whether the total of individual disbursements has been verified?
3. When payment was made for major purchases, was register of stocks verified in proof of having taken to stock?
4. Whether any sub-voucher required to be sent to A.G. has been kept in the office?
5. Whether all sub vouchers not required to be sent to A.G. have been cancelled preventing their fraudulent use?
6. Whether remittances into treasuries were supported by proper challans?
7. Whether the cheque and cash columns were correctly posted?
8. Whether the register of cheques and source of receipt of cheques were verified?
9. Whether intimation to Treasury had been given whenever new cheque books was brought into use?
10. Whether counterfoils of all used cheque books and all unused/incomplete cheque books were produced?
11. Whether the cheque leaves have been machine numbered and certificate of count of leaves recorded?
12. Whether all the leaves were available in the books used during the selected months?
13. Whether cheques had been signed{counterfoils initialled) by the delegated Officer?
14. For cancelled cheques, Whether both counterfoils and original cheque leaves were available and they bore cancellation entries?
15. Whether amounts have been written in figures and words in cheque/counterfoils and are correct?
16. Whether cheque books in use/still to be used are kept in safe custody?
17. Whether the cheques bore the entry for crossed cheques/Account payee wherever required?
18. When a single cheque was issued for two or more items, whether the total has been verified?
19. Whether deductions have been made from bills and gross figure has been noted as expenditure?
20. Whether the deductions have been taken in receipt side noting relevant head of account?
21. Whether self cheques have been taken in receipt side as cash?

22. Whether D.D./Cheques received from others were promptly sent to Treasury for collection and entered in the Cash book on the dates of sending to Treasury?

4.19 Settlement with Treasuries

1. Whether the register of remittances (classification was also to be shown against each item) and the register of cheques drawn were maintained?
2. Whether opening balances in the schedules were verified with the closing balances of previous month?
3. Whether the amount shown in the SSWT as 'Remitted into treasury' agreed with the total amount accounted as "PWI Remittances" in the Register/ Cash Book/Monthly account?
4. Whether individual item-wise details have been obtained from Treasury in respect of the figure 'Amount accounted by Treasury' and the certificate bore the signature and seal of Treasury Officer?
5. Whether amount shown in the SSWT as cheques drawn, agreed with the details of cheques drawn in the register of cheques drawn and as per cash book/accounts?
6. Whether the amount relating to 'Cheques paid by Treasury' was supported by a list containing cheque number, amount and date of payment and also bearing the signature and seal of Treasury Officer?
7. Whether pairing of individual items of receipt/cheque properly done with reference to Division lists and Treasury lists? (The independent pairing is to be done by the Party for selected months)
8. Whether only the unpaired items were taken to explain the closing differences?
9. When a remittance was made by D.D/Cheque, and the amount credited by Treasury was for net amount after deduction of collection charges, Whether suitable adjustments made in the Division accounts and necessary action taken to realize collection charges from the parties?
10. Whether any cheque was paid by Treasury without revalidation when the period of validity of the cheque had expired?
11. When amounts accounted for in Division as "Remittances into Treasury" were not reflected in the Treasury list of Remittances in the same month or next month, whether the original challans have been verified to ensure correctness of remittance?
12. Whether the Division had taken action with Treasury to ascertain details of credits appearing in Treasury but not in Division and necessary adjustments were carried out early?
13. Whether in respect of cheques accounted for in Treasury list but not in Division, the cheque number, etc., were available.
14. In respect of cheques encashed and included in Treasury list, but not appearing in the list of cheques drawn by the Division, whether the details were copied and verified with treasury records? (Intelligent scrutiny is to be made with reference to Treasury records to find out the name of the drawing officer by whom the cheque

book containing the particular leaf was being used, etc. to verify whether there was a case of drawal of fraudulent cheque or only misclassification in treasury)

15. Whether the Division has made frequent visits to Treasury for prompt reconciliation and the officer visiting the Treasury was not the same person who was dealing with the Register of Remittances etc. in the Division Office?
16. Whether the entries (audited and passed) in the Treasury Bills Book for the selected month were verified in the Treasury records?

4.20 Establishment bills and service books (S.B)

1. Whether salary has been drawn only for the sanctioned strength of the staff?
2. Whether the names of the persons for whom salary had been drawn appear in the register of Service Books?
3. Whether all the Service Books noted in the Register of Service Books were produced?
4. When any Service Books was not produced, whether proof of having sent it to any other office was produced?
5. Whether the pay noted in the bills was verified from the entries in the Service Books?
6. Whether correctness of drawal of DA, HRA, etc., in the bills had been verified?
7. Whether total of the bills had been verified?
8. Whether recoveries noted in various registers were checked with the entries in pay bills and postings in the Registers were up-to-date?
9. When advances were drawn, whether notings had been made in the Register for recoveries to watch adjustments?
10. Whether deduction of Income Tax had been correctly done?
11. Whether various claims in the bills were correct with reference to the rules and orders?
12. Whether all Service Books of persons retiring within five years and the prescribed percentage of other Service Books in Divisions and all the other Service Books of the selected sub-divisions were scrutinised and list of Service Books checked has been prepared?
13. Whether entry regarding dates of birth was certified as verified with reference to authentic record and not altered without the orders of competent authority and adequate proof?
14. When date of birth was originally noted in local era, whether conversion to A.D. era was correctly done?
15. Whether it was verified that no officer was retained in service beyond his attaining the age of superannuation?
16. Whether the Service Books have been periodically shown to the incumbents and their signatures obtained in the prescribed columns?
17. Whether quinquennial attestations had been done?
18. Whether account numbers and the fact of having obtained nomination for GPF/DCRG/FP etc., has been noted in the Service Book?

19. Whether entries relating to service had continuity? If there was any break, was it explained properly?
20. Whether pay scales have been written in full and are correct?
21. Whether event for a fresh entry was noted such as increment, promotions etc?
22. Whether sanction of increment has been correctly done?
23. Whether leave accounts have been maintained?
24. Whether postings in leave account against sanction of leave has been verified?
25. Whether pay has been correctly computed?
26. Whether period of leave as seen from Attendance Register has been verified in the Service Book?
27. Whether pay fixation has been correctly done and details entered in the S.B.?
28. Whether option statements are attached?
29. When recoveries of excess pay had been made, whether notings had been made in the Service Book?
30. Whether the certificate that entries had been verified with pay bills, acquittance rolls, leave account etc., had been recorded periodically in the SB?
31. Whether Register of pay slips was correctly maintained and entries therein had been checked with pay slips issued by AG? Whether bills had been prepared accordingly?
32. Whether LPCs issued had been correctly prepared and all recoveries due have been noted therein?
33. Whether recoveries had been noted in the Register for recoveries with reference to LPCs received from other offices?

4.21 Deposit Register

It should be seen:

1. that reference to agreements of Security Deposits is quoted in the Deposit Register;
2. that there are no avoidable delays in the adjustment of long standing items;
3. that the Deposit Registers are properly maintained and correctly posted and reviewed by Accountant/Executive Engineer monthly;
4. that notes regarding refunds are duly made by Accountant/Executive Engineer to avoid double refunds; and
5. that balances tally with the Schedule sent with monthly accounts.

4.22 Register of Tools & Plants

Before taking up the actual audit, it should be seen:

1. Undue delays in the submission of Sub-Divisional Returns to the Divisional Officer should be noted.

2. The actual transactions of two months in the year should be traced in Parts I, II and III of the Registers and also to see that 10 percent of the closing balance of the test audited Register are correctly carried forward in the next Register.
3. that the audited Register of the previous year is complete in all respects and that no entries in it have been tampered with;
4. that the Register bears the necessary certificates of audit by the Divisional Accountant/Divisional Accounts Officer on due date;
5. that in Part I of the Register the articles are correctly grouped under the prescribed sub-heads;
6. that in Part II the entries are made separately for each contractor or other person to whom the articles are lent, etc;
7. that the shortages and surpluses are brought out and dealt with in accordance with the instructions in this regard; and
8. that the certificate of count of the balances has been recorded by the officer in charge and countersigned by the Sub-Divisional Officer.

4.23 Register of Works (FHB Vol-VI)

4.23.1 (a) The permanent and collective record of the expenditure incurred in the division, during a year, on each work estimated to cost more than Rs. 20,000 is the Register of works. This record is maintained in the Divisional Office.

(b) There are two forms of Registers of Works corresponding respectively to the two forms of Works Abstracts (Form 33 and 34) for Major and Minor Estimates. The detailed Form 40 should be used for Major Estimates other than those referred to in Note 1 below paragraph 485, and the simpler Form 41 for Minor Estimates. In respect of petty works no record is necessary beyond the petty Works Requisition and Account, Form 32, which is self-explanatory.

4.23.2 The Register of Works is posted monthly from Works Abstracts. A separate folio or set of folios of Form 40 should be assigned to each Estimate but entries relating to two Minor Estimates can be made on a single page of Form 41. When separate Works Abstracts are prepared, under paragraph 486 and 489 for the sub-works or parts of a Major Estimate, the transactions relating to each Works Abstract should be posted separately and an abstract for the entire work should be prepared on a separate folio or set of folios for comparing the cost of the work and its sub-works with the provision in the estimate. The following instructions should receive special attention :--

1. The register of works is not a classified account of works; for facility of reference it should be supplied with an index which should be sub-divided under the prescribed heads of account classification.
2. The sanctioned amount of estimate should be entered in respect of each work. When supplementary estimates are sanctioned, the additional amounts sanctioned should be entered below the corresponding amounts of the original estimate and both totalled. But when a revised estimate is sanctioned the register of the original

estimate should be closed and the revised estimate should be entered on a fresh folio, prominently marked "Revised Estimate" in red ink, and a reference to the folio on which the original estimates is to be found should be entered thereon.

3. In the case of works for which specific appropriations are sanctioned individually, vide paragraph 112, the amount of appropriation for the year should be noted in the register at the top of the page, any additions or deductions made during the year being noted in the same place.
4. The blank vertical columns in Form no. 40 should be utilized for the final sub-heads of the estimate and for as many of the suspense heads as may be operated upon, but the sub-columns for "quantity" and the horizontal columns for "rate of cost" should be left blank in respect of sub-heads for which there are no quantities in works abstracts, vide paragraph 490.
5. In Form no. 41, the final charges on works should be posted in the column "Total value of work done" and the single column "Suspense accounts" should embrace the transactions under all the suspense accounts.

4.24 Deposit works

Deposits for works other than taqavi works are passed through the head "Public Works Deposits", Such works are known as deposits works and the detailed rules relating to them are given in Chapter XIX of the Financial Hand Book Vol-VI.

4.25 CONTRACTORS LEDGER

- 1) That the ledger was maintained up-to-date;
- 2) That postings had been made promptly and correctly;
- 3) That totals were correct; and
- 4) That there was delay in recovery of dues from contractors; if so, that reasons had been analysed in major cases.

4.26 WORKS ABSTRACT

- 1) That the works abstract was maintained up-to-date in all cases;
- 2) That the value of materials noted in the works abstract tallied with the figure in Materials-at-site account; and
- 3) That the amount under Contractors' Suspense agreed with the figure in Contractor's ledger.

4.27 Register of miscellaneous pw advances

- 1) That the amount had been taken under the head only under proper authority;
- 2) That follow up action was taken promptly to clear the items; and
- 3) That the files of a few major cases were called for and scrutinised in detail;

4.28 Advances to Contractor (Uttarakhand Procurement Rules, 2008)

1. Ordinarily, advances to contractors are prohibited and payment should be made only against the work actually done. However, exceptions may be permitted in a few predefined uses only with the sanction of the Government or by the Competent Authority on the basis of established rules and procedure. Some of these instances may include:-

1. mobilization advance
2. advance against machinery equipment
3. advance for accelerating progress of works

2. The advances shall be subject to payment of interest, till the amount is deducted or adjusted. A bank guarantee or adjustment of advance should be taken to secure the repayment or adjustment of advance. In case bank guarantee is taken its authenticity and validity period should be checked before acceptance.

4.29 Advance payment to suppliers(Uttarakhand Procurement Rules, 2008)

(1) Ordinarily, payments for services rendered or supplies made, should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in the following types of cases:-

1. Advance payment demanded by firms holding maintenance contract for servicing of Air-conditioners, Computers, other costly equipments etc.
2. Advance payment demanded by firms against fabrication contracts, turn-key contracts etc.

(2) Such advance payments should not exceed the following limits:

1. 30 *per cent* of the contract value to private firms.
2. 40 *per cent* of the contract value to a State/Central Government agency or a public undertaking agency.
3. In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

(3) With adequate safeguards, the administrative department with the consent of Finance Department, may relax the rates. While making any advance payment as above adequate safeguard in the form of bank guarantee etc should be obtained from the firm.

4.30 Processing of Work (Uttarakhand Procurement Rules, 2008)

Following stages should be normally observed for the execution of work:

1. Preparation of Preliminary Project Report (PPR);
2. Acceptance of necessity;
3. Administrative Approval;
4. Financial sanction;
5. Preparation of Detailed Project Report (DPR) & Detailed Estimates;

6. Technical sanction;
7. Appropriation of funds;
8. Preparation of Tender documents;
9. Call of Tenders and Award of Work;
10. Execution of works; and
11. Monitoring of works and Quality Assurance.

4.31 Method of Starting any new work, repair, maintenance etc. (Uttarakhand Procurement Rules, 2008)

Before starting any original work, repair, maintenance etc. the following principles should be observed:

No work shall be commenced or liability incurred in connection with it until:

1. Administrative approval is received from the competent authority;
2. There is availability of budget and a sanction order to incur expenditure from the competent authority;
3. A properly detailed design has been approved;
4. Estimates containing the detailed specification and quantities of various items have been approved by Public Works Department (PWD) or any other specialized agency;
5. Funds to cover the expenditure during the year have been provided by the competent authority;
6. Tenders have been invited and processed in accordance with the rules; and
7. A work order has been issued under prescribed norms.

4.32 Amount of Earnest Money, Performance Guarantee, Security Deposit, Bonus and Liquidated damages (Uttarakhand Procurement Rules, 2008)

Ordinarily the following percentages for Earnest money are specified. Exact amount may be decided by the procuring entity depending on the type of work, quantum of work and the urgency involved.

Earnest Money

1.	For works estimated to cost upto ₹ 25 crore	2 % of the estimated cost
2.	For works estimated to cost more than ₹ 25 crore	₹ 50 lakh plus 1% of the excess of estimated cost over ₹ 25 crore

1. Performance Guarantee - 5% of the contract value.
2. Security Deposit - 5 % of the contract value.

3. Bonus - 1% of the contract value per month subject to a maximum of 5% of contract value.
4. Liquidated Damages - For repair works costing up to ₹.10,00,000/- (₹Ten lakh) - 1% of the contract value per week and for all other works 0.5% of the contract value per week of delay subject to a maximum of 10% of contract value.

4.33 Audit of the Accounts of the selected Month

During verification of accounts of the selected month all unvouched cash and transfer entry charges as shown in the schedule dockets should be audited in detail. It should be seen that:

1. There is on record a voucher correct in all respects in support of each item of expenditure for which a voucher is required to be submitted to audit which appears in cash books and Transfer entry book;
2. the charge is in order;
3. it is traceable into the schedule docket concerned;
4. the vouchers were checked by the Divisional Accountant;
5. the quantities paid for are traceable with the supporting details in the record of measurement quoted in the vouchers;
6. in each case the record of measurement itself is in order;
7. the rates at which payments were made for the several items of works or supply as shown in a voucher are in accordance with the terms and conditions of the relevant agreement, indent or order etc;
8. terms and conditions had been duly sanctioned by the competent authority before the liability was incurred and are not open to any objection from audit point of view;
9. the payments have actually been made to the persons entitled to receive them;
10. the cheques have been drawn in favour of actual payee;
11. the endorsements and acknowledgements of the payees on cheques do not give rise to any suspicion of fraudulent payment;
12. the quantities of both receipt and issue are correctly taken into account;
13. both receipt and issue have been valued correctly;
14. issue of works have been classified under appropriate sub-heads or suspense accounts and carried to the ledger or material account concerned;
15. the original error does not disclose a defect in the system of accounting or indicate any financial irregularity;
16. the Transfer entry involving the rectification was necessary and in order;
17. the total charges on each work agree with the total of the relevant schedule docket; and
18. the Works Abstract have been correctly prepared and signed by the Divisional Accountant and Divisional Officer and posted in the register of works and the entries in the Works register are reviewed by the Divisional Officer.

4.34 Analysis of Work: Records to be collected from the Divisional Office-

Before the commencement of the detailed examination of the selected work(s) , the following records should be called for from the Divisional Office:

1. Estimate for the work on which basis the Administrative approval and Expenditure sanction has been accorded by the competent authority;
2. Detailed technically sanctioned estimate;
3. Agreement(s)/work orders, if any, entered into with the contractor;
4. Draft N.I.T., comparative statement, rejected tenders, accepted tenders etc;
5. All correspondence files pertaining to the work(s);
6. Contractor's ledger;
7. Cement Register;
8. Site order books;
9. Deviation, extra and substituted items statement sanctioned for the work alongwith analysis of rates;
10. Reports of inspection of work(s) conducted by the Chief Engineer/Superintending Engineer/Executive Engineer and Assistant Engineer;
11. Out-turns of vehicles used on the work(s); and
12. Any other record pertaining to the work.

4.35 Stock Accounts

The initial account record relating to stock for the month(s) selected for test audit should be checked with the schedule dockets and vouchers of the month(s) received from the Works Audit Department and the records for the period of inspection should be scrutinised generally to see that :

1. the initial accounts are in proper order and the receipts and issues are recorded therein in the order of occurrence ;
2. there are no fictitious adjustments in the accounts;
3. authority exists for the receipt or issue of materials and there is proper acknowledgement for every issue accounted for ;
4. materials received are examined and measured at the time of actual receipt by an authorised person ;
5. NOTE-The method of verifying the quality and quantity of stores, whether collected for work or stock, should be examined to see that the verification is complete and reliable in accordance with rules.
6. the value accounts are mentioned, and issue rates fixed in accordance with the instructions thereto.
7. the head "stock" is charged only with expenditure connected with the acquisition of stock materials and with manufacture operations and is duly credited with the value

- of materials issued to works, or sold, transferred or otherwise disposed of..
Materials purchased specially for a work should be charged to that work ;
8. Issues to works are correctly classified as “Issues to Contractors” or “Issues direct to works” and correctly charged for, if necessary, at higher rates;
 9. in respect of stock issues to works :
 - the issues are ordinarily confined to materials which have to be supplied under the conditions specified in the contracts;
 - the issues are charged for at the rates shown therein, the difference between the stock issue rates and those chargeable under the contracts being treated an additional final outlay on the work concerned;
 - no carriage of incidental charges is debited against stock for moving the materials from or to a work ;
 10. in the case of materials collected for work or for stock, the collection is not made for in advance or much in excess of the actual requirement ;
 11. in the case of materials or stock surplus to requirements or obsolete, proper steps are taken to circulate lists of such materials to other offices or departments in the locality and that suitable arrangements are made to dispose of all such materials without loss to Government ; and
 12. adequate action has been taken to secure the adjustment of profits and losses due to revaluation, stock taking or other causes and for the disposal of unserviceable or surplus materials.

4.36 Verification of Reserve Stock Limit

The reserve stock limit should be examined and with reference to the balance of stock at any particular period to see that the limit has not been exceeded without the approval of competent authority. It should also be seen that the limit fixed is reasonable based on actual requirements.

4.37 Construction of Irrigation Project

4.37.1 Planning-General

In order to ensure preparation of sound and economical project, it is necessary to conduct thorough and systematic investigations of storage works, diversion works, and distribution works. The prospective site for constructing a dam for storage of water is marked on toposheet. A preliminary note is prepared on the basis of toposheet studies and is got approved from Government/Chief Engineer. A preliminary survey of the dam site, sub soil exploration by a few bore holes and approximate canal alignment based on toposheet studies are carried out. Available information regarding rainfall, approximate yield from the catchments area, existing trend of crop pattern etc. is collected and general feasibility of the project is studied. On the basis of this study, an approximate project is formulated and a rough estimate is worked out. A preliminary report incorporating this rough study is submitted to Government/Chief Engineer for preliminary approval. This approval is

accorded by Government/Chief Engineer if the project is considered feasible. The feasibility of a project is judged from cost benefit ratio. Cost benefit ratio is the product arrived at after division of total annual benefit by annual cost.

On receipt of preliminary approval from the Government/Chief Engineer the following operations are carried out:

1. Carrying out detailed surveys and investigations;
2. Preparing designs and drawings; and
3. Preparation of Project Report.

The operations (1) and (2) include the following field investigations:

Hydrological investigations;
Climatological investigations;
Silt investigations;
Surveys;
Geological investigations;
Foundation exploration;
Construction material investigations;
Special field tests;
Constructions Planning and
Hydraulic model studies.

A project report contains chapter on the following aspect:

Salient features;
General description and history of the project;
Head works;
Irrigation;
Construction materials, labour and equipments;
Submergence of land and rehabilitation;
Colonies, approach roads and communications;
Estimates and analysis of rates;
Construction programme and organization; and
Financial forecast and benefits.

The total cost of the project shown in the project report is based on detailed and realistic estimates prepared.

4.37.2 Estimates

The estimates of a project are generally divided into:

Head works;
Main Canal and Branches; and
Distributaries.

These heads are further sub divided as under:

A	Preliminary	K.	Buildings
B	Land	L.	Earthwork
C	Works	M	Plantation
D	Regulator		
E	Falls	O	Miscellaneous
F*	River & Hill Torrent works	P	maintenance
(F(i)	CD Works		
*G	Bridges	Q	Special tools and Plants
*H	Escapes	R.	Communications

*These sub-heads are generally applicable to main canal and braches.

In order to prepare a proper and realistic estimate, data relating to location of quarries, lead lift and sample tests is collected. Further, adequate number of trial pits and bore holes are taken to ascertain sub-strata, as any variation in actual strata leads considerable increase in project costs. Rates in estimates for labour, material etc. are generally based on the schedule of rates of the division/region for the year in which estimates are prepared. Rate analysis for important items is prepared in details. Lead and lift charges are added in the completed item as per schedule of rates, if leads and lifts involved are more than those considered in the item itself.

The total cost of a project is arrived at by adding amount for establishment audit secretariat, leave and pensionary charges etc. as fixed by Government. The total cost is classified as A-Direct charges and B-Indirect charges. Direct charges include cost of works, establishment charges, ordinary tools and plants charges, losses on stock and deduction for receipts and recoveries on account of salvage value of temporary buildings and ordinary tools and plants etc, based on cost of works on percentage basis. Indirect charges include capitalization of abatement of land revenue, audit and secretariat charges and leave and pensionary charges on percentage basis based on works costs.

The project report and plans and estimates are submitted to Government for according administrative approval. In respect of major projects, clearance from Central Water Commission is required.

4.37.3 Execution

After the project is technically sanctioned, the estimates are split up into suitable bits and put to tender and are generally allotted to the lowest tenderers. Tenders are mainly of two types: percentage tender and item rate tender. In percentage tender, the contractor quotes his percentage above or below the estimated cost put to tender. In item rate tender, the contractor quotes his rate against each item. Two schedules are attached to the tender. In one schedule, the particulars of materials like cement, steel etc, to be supplied by the

department are given indicating the quality rate and place of delivery. In another schedule, the items of work to be executed are mentioned indicating the estimated quantities and estimated/tendered rates for each item of work. The contractor commences his work after getting layout from the department.

Tender provides for levy of compensation for non-observance of the prescribed time schedule for the progress of work. In the event of continued slow progress or abandonment of work, the Executive Engineer, is empowered to rescind the contract or take up the balance work departmentally or through another contractor at the risk and cost of the original contractor, in accordance with the guidelines issued by Government.

4.37.4 Specifications

Generally, strata of excavation is classified as hard strata and soft strata. Hard strata includes all rock occurring in masses which normally needs regular blasting, for quarrying. Soft strata covers all kinds of materials, such as shale, indurated clay, soil silt, sand and gravel, soft average and hard murum, soft and decomposed rock and any other material, which can best be removed with a shovel after loosening with a pick and bar. The decision of the Engineer in charge regarding classification of strata is conclusive and binding on the contractor.

Excavation is to be done in accordance with the lines, grades, levels and dimensions shown in the drawing. In some cases due to jointed and layered nature of the foundation rock, some portion of loose and dislodged boulders or blocks of rock may have to be removed beyond the required designed base width of the foundations from structural considerations. The excavation upto the specified width (payline) is considered for payment and extra excavation beyond pay line is not paid for.

The excavated material is to be sorted for use, in the dam as directed by the Engineer in charge and hauled directly to the place of use if possible. The excavated material which is not considered fit for use in the embankment is to be immediately removed and deposited as directed by the Engineer in-Charge.

Other specification included in the tenders relate to works of preparation of foundations, back filling, masonry, concrete, reinforcement, drilling and grouting, drainage arrangement, etc.

4.38 Dam

Dam is a hydraulic structure constructed across a river to store water on its upstream side. Dams are mainly of three categories: masonry dam, reinforced cement concrete dam (RCC) and earth dam. Suitability of a particular type of dam is decided on due consideration of the physical factors of the site such as topography, geological and foundation conditions, availability of construction materials etc. In masonry and RCC dams the techniques to be followed are mostly the same. These dams have a central spillway through which surplus discharge flows from the reservoir down stream. In earth dam, the overflow section for the discharge of surplus water is called waste weir.

Dam seat is prepared by removing top soil and foundation (cut off trench) is excavated along the center line of the dam till sufficiently impervious stratum either of sound rock or soil is met with. The foundation is further grouted with cement slurry to prevent possible leakages. At suitable levels, drains (longitudinal, cross, toe) are provided to remove seepage water. In masonry and RCC Dams, the seepage water is collected in drainage gallery constructed in the dams and pumped out. In earth dam the foundation is filled with impervious clay. The dam is raised with two zones consisting of hearting and casing. The hearting zone is made up of impervious material, while the casing zone consists of pervious material like murrum. The material is laid in successive uniform and continuous layers and compacted with machinery. The object of compaction is to improve the soil properties in regard to strength, liability to settlement and resistance to weathering. In order to protect upstream slope from erosion due to wave wash rubble pitching is provided. On the downstream side of the dam, rock toe is constructed to prevent damage to embankment due to seepage of water. In masonry and RCC dams, pen-stroke (a closed conduct or pipe) is constructed for supplying water under pressure to a turbine, even if there is no immediate proposal for generation of electricity. In these dams radial gates are erected in spillway to reduce the area of submergence, operating these gates, flood water is released. In some cases, water is released through gates for irrigation and non-irrigation purposes also.

Location of different components of the project and storage levels are indicated with reference to reduced levels (RL) worked out on the basis of bench marks fixed. Dead storage of the reservoir is the storage below the still level. It cannot be utilized. It is provided for silting of the reservoir during the period of its life, which is generally taken from 50 to 100 years. Live storage is the run off of the river stored for the purposes of irrigation, power, water supply etc. Dam is raised above full reservoir level (FRL) to dissipate floods. This level is called high flood level (HFL) Beyond this level, also dam is raised for certain height called free board. This level is called top bund level (TBL). From the head regulator in the dam, water is released into main canal.

4.39 General Audit checks in relation to para 4.37 & 4.38 above

It should be seen that work executed conforms to the approved drawings, prescribed specifications and foundation has been approved by the competent authority i.e. Executive Engineer/Superintending Engineer. If any excavation is done beyond the designed depth, it should be ascertained whether excess excavation has been made under the orders of the competent authority.

The following points should also be seen:

1. The materials (soil, murrum, stone and sand) utilized are from the approved borrow area/quarries;
2. In earth dams the compaction of earth layers has been done to the specified proctor density;
3. In masonry dams the quantity of mortar is upto the specified percentage of masonry laid;

4. In RCC dams the crushing strength of cubes of concrete conforms to the prescribed specifications;
5. In the permeability test, if the loss of water is more than the permissible value specified, it is to be seen whether drilling and grouting work has been carried out by the contractor at his own cost to achieve the required degree of permeability; and
6. In cases, any strengthening works have been taken, reasons for taking up the works, estimates for the works and deficiencies in the original work should be critically examined to highlight the avoidable expenditure.

4.40 Distribution System

4.40.1 Distribution system comprises main canal, branches, distributaries, minor and various masonry structures on them. A branch canal has a discharge of more than 100 cusecs (cubic feet per second) at head taking its supply generally from the main canal. A distributary has a discharge of more than 25 cusecs at head, taking its supply from the main canal or a branch canal. A minor has a discharging capacity of not more than 25 cusecs. From the outlets of main canal, branch canal, distributaries' and minor, water is supplied to fields through water courses (field channels). The discharge in a canal is measured by standing wave flumes (SWF) constructed in the canal.

4.40.2 The alignment of main canal is generally decided from contour map. In a contour canal, the canal itself marks the irrigation boundary on one side. The alignment of contour canal is fixed on the basis of the available full supply level at the headworks after allowing for requisite water surface slope. In a ridge canal, the irrigation boundary on both the sides is decided by the geographical features or by the existing irrigation systems and at the tail by the available full supply.

4.40.3 When irrigation canal has to cross natural stream or drains, masonry or RCC works are executed to dispose of the discharges of streams or drains. These are known as cross drainage works. Such works generally provided on the canal are aqueduct, siphon, culvert and super passage, aqueduct is a structure carrying an irrigation canal over a drainage channel for the crossing. Siphon is a structure constructed to pass the irrigation canal below a drainage channel. A culvert is a structure provided at smaller drainage lanes, by taking the unflume canal over the drainage. A super passage is a structure constructed to pass the drainage which is at a level higher than the canal full supply level.

4.40.4 The regulatory structures provided on the main canal include escape and cross regulator. Escape is a structure provided to remove surplus water from the canal. A cross regulator is a structure through which the discharge in the canal is regulated or varied as required.

4.40.5 Audit checks

It should be verified whether the canal sections are according to the approved plans and designs. Any change either in the bed level or side slopes effect the discharge in the canal. In unlined canal, if the materials used are not of the approved quality and if the layers of approved materials are not compacted properly, seepage of water will be heavy leading to canal breaches. Repair estimates and maintenance, estimates should, therefore, be reviewed to locate defective works. All such cases should be scrutinized thoroughly and the point leading to defective construction commented effectively. In lined canals, cracks occur, if either the sub-grade is not prepared properly or cement concrete is not according to the prescribed specifications and/or not laid properly. Reasons for the development of crack should be investigated and commented.

In the construction of major Construction Division works, defects are often noticed. These defects constitute major bottlenecks in the development of irrigation. In aqueducts leakages are noticed. Siphons and tunnels do not pass the designed discharges due to constructional defect. All such cases should be reviewed and the factors leading to non-functioning of the structures highlighted with financial implications.

4.41 Road works

4.41.1 Introductory

Roads are of two types- Urban roads and non-urban roads. Generally, Public Works Department of State government is concerned with the construction and maintenance of non-urban roads. These roads are classified as (i) national Highways (NH) (ii) State Highways (SH) (iii) Major District Roads (MDR) (iv) Other District Roads (ODR) and (v) Village Roads (VR) National Highways are the main highways running throughout the country connecting major ports, foreign highways, State Capitals, large industrial and tourist centers. State Highways are arterial routes of the State linking district headquarters and important cities within the State and connecting them with National Highways or Highways of the neighboring States. Major District Roads are important roads within a district serving the areas of production and markets. Other District roads serve rural areas of production and provide them with outlet to market centers, taluka headquarters or block development headquarters or other main roads. Village Roads connect villages or groups of villages with each other and to the nearest road of higher category.

The development as well as maintenance of National Highways is the responsibility of the Central Government. Under the existing arrangement, these functions are entrusted to State Governments on agency basis.

4.41.2 Planning-General

4.41.2.1 Reconnaissance Survey: When a new road is proposed to be constructed, a reconnaissance survey of the area is conducted to determine the most feasible route or routes for more detailed investigation. The survey consists of :

1. Study of topographical sheets, agricultural, soil, geological and meteorological maps;
2. aerial reconnaissance (where necessary and feasible); and
3. ground reconnaissance. Based on the information collected during this survey, a reconnaissance report is prepared. The report includes all relevant information collected during the survey, a plan showing the alternative alignment studied along with their general profile and rough cost estimates.

4.41.2.2 Detailed Survey- After the alignment plans are approved by the chief engineer, detailed survey of the road project is commenced. Longitudinal section along the center line of the road is taken up with levels at every 30 metres or at every change of inclination, whichever is less. Cross sections for a length of about 30 metres on either side of the center line of the road is taken up at every 30 meters distance. In hilly area, cross sections are taken at every 15 meters or less as required. The levels are expressed in terms of reduced level (RL) which are worked out with reference to bench marks fixed. In L-section and plans, all details such as village gaothan, permanent structures, places of religious importance, wells, gardens, existing cart/forest tracks, rivers, nalas, canals, tanks etc. falling within 100 meters from the center line of the proposed road are shown. In order to ascertain the use of soils in earth work, detailed soil survey is conducted by taking trail pits at every 200 meters or at every change of strata, whichever is less. The position of existing quarries for stone, metal, murum etc. is also worked on L-section. The capacity of the quarries and the quality of the material are to be ascertained after conducting the tests. After collection of the data, an officer not below the rank of an engineer in charge of the sub-division watch over the proposed alignment with plans to ensure that nothing has been omitted.

4.41.3 Estimates

On completion of detailed survey of a road, detailed plans are prepared. The plans required to be prepared are

1. index map,
2. key map,
3. land plans
4. L-sections and plans
5. cross sections
6. other masonry works and
7. quarry charts.

The estimates for a road work consist of eleven sub-estimates. These relates to

1. Earth Work
2. Surfacing
3. Miscellaneous
4. Rubble dips and hard passage
5. Hume Pipe culverts

6. Slab drains
7. Arboriculture
8. Other masonry works
9. Special provisions
10. Land acquisition and
11. Rest / Store houses.

Earth work is a process of cutting excavations and / or preparing embankments. The quantity of earth work in embankment and cutting is worked out on the basis of standard sections or roads. The earthwork quantities include quantities for road side gutters, catch water drains, platforms for collection of construction materials etc. The earthwork, specially in cutting is to be classified (soft strata or hard strata) as shown on trial pits. The material available from cutting is to be used for embankment or for road crust according to its quality. Materials from cutting is to be conveyed from optimum lead. Material beyond that lead is to be obtained from borrow pits. The quantum of earth work is to be worked out for each kilometer separately. The item of earth work in embankment includes breaking of clods, laying in layers of 0.15 to 0.20 meter, watering and compaction. The item of earthwork in cutting includes utilization of material for embankment within specified economical leads, stacking of useful materials or disposal of materials within specified lead.

Surfacing is the superstructure of roads and it comes in direct contact with traffic. The crust required to be provided for a particular road depends on the qualities of materials forming the road embankment and the traffic intensity. The California Bearing Ratio (CBR) method of design of road crust is generally adopted. In black cotton (BC) soil, 150 mm thick compacted layer of hard murum is provided for the side widths. The leads for materials are worked out for each half kilometer.

The sub-estimate for miscellaneous works includes the provision for kilometer stones, boundary stones, guard stones, caution boards, village name boards, direction boards and jungle cutting. Other sub-estimates contain provisions for the work in accordance with the orders issued by Government.

4.41.4 Project Report: A project report of a road consists of (i) general report (ii) estimates and (iii) drawings. The general report contains salient features of the road project, and information regarding budget provision, alignment plans, soil survey, quarries, geometrics, earthwork, design of road crust, arboriculture, CD Works, other masonry works, land acquisition, estimates, plans and financial implications.

The complete project report is submitted to Government/Chief Engineer, for according administrative approval. On receipt of administrative approval from government/Chief Engineer, technical sanction is accorded by the competent engineering officer (i.e. Chief Engineer/Superintending Engineer/Executive Engineer) according to the power delegated to him.

4.41.5 Specifications The following are the specifications generally followed for different roads:-

	NH	SH	MDR	ODR	VR
Land Width	45	30	24	18	12
Formation width	12	10	7.5	6	5
Carriage way	7	3.7	3.7	3.7	3
Side width (shoulders)	2.5	3.15	1.9	1.15	1
Crust thickness	300mm	300mm	265mm	255mm	150mm

Land width is the total width required to accommodate the roadway for traffic and the necessary adjuncts (ie. Ancillary works) of roadway in the form of road side berms, road side drains, width reserved for future development and for excavating borrow pits or making spoil banks etc. Formation width or roadway is the finished top width of an embankment or cutting which forms the subgrade for the road structure. Carriage way is the top width through which the traffic passes. It may have one lane or more lanes.

4.41.6 Road structure

A road consists of structural foundation and superstructure. The structural foundation of road is natural foundation which is either soil or rock. The top of natural foundation on which the entire road structure rests is called a road bed or sub grade. The structural foundation of road is called base or foundation or soling and the superstructure of road is called a wearing coat or wearing layer of road surfacing. Base consists of layer of either hard murum or rubble, bricks. Surfacing is composed of earth, gravel, limestone, metal, bituminous layer, concrete layer etc. the thickness of base and surfacing is governed by design requirements.

4.41.7 Construction

On the basis of construction the roads re-classified as (a) low –cost roads (b) bituminous roads and (c) concrete roads. The mode of construction of road is briefly mentioned in the following paragraph.

4.41.7.1 Low cost roads: These roads are earth roads, gravel roads and water bound macadam roads (WBM roads). In earth roads, natural soil is spread and compacted. It is given proper gradient and camber in the carriage way. It is provided with shoulders, berms and side drains. It is essentially a village road. A gravel road is also a village road. After compacting the sub-grade, gravel is spread on the road and compacted.

In a water bound macadam road, sub grade is prepared by digging a trench along the road. The trench surface is shaped to the required grade and camber. It is compacted till about 95 per cent of the maximum dry density is obtained. On the sub grade suitable material (bricks or broken stone) is spread and dry rolling is done. Metal is later spread and rolled dry for proper interlocking of the bigger stones. Screenings and binder are spread to fill the voids. Water is then sprinkled over the surface to drive the finer material into the voids and the surface rolled to the correct profile. The surface is cured for at least 10 to 15 days and allowed to dry before opening for traffic. Other District roads are WBM roads.

4.42.7.2 Bituminous roads-Bituminous road is a road in the surfacing of which bitumen is used to bind together the coarse ingredients of the surfacing. It is also known as black top road. National Highways, State Highways and Major District Roads are generally bituminous roads. The following are the commonly adopted bituminous surface course:

1	Surface dressing	a. One coat b. Two coats c. Seal Coat
2.	Penetration or grouting	a. Semi grout and b. Full grout
3.	Cold mix asphalt concrete	
4.	Hot mix asphalt concrete	

The selection of the type and thickness of layer depend on (a) type and intensity of traffic (b) tyre pressures (c) climatic conditions (d) quality of the base course and (e) availability of materials etc.

In surface dressing, the WBM road surface is covered with thin film or films of bitumen each followed by a layer of aggregates and then rolled. If one layer is laid, it is called one coat, and if two layers are laid, they are called two coats. Seal Coat is a thin surface treatment applied as a final coat in the construction of certain bituminous wearing surfaces. It is intended to render the surface water tight and strengthen the macadam.

The process of pouring bitumen in liquid state on a consolidated surface of road metal, so that the binder (bitumen) penetrates the interstices is called grouting.

If the binder is allowed to penetrate to the full depth of the consolidated metal layer, it is called full grout. If the binder penetrates to only half the depth, it is called semi grout.

Cold mix asphalt concrete is a process of mixing cold or sun warmed aggregate (crushed stones) with cold bitumen off the road and then placing and consolidating the mixture on the road. The strength of the layer is due to interlocking mass of graded aggregate coated with bitumen binder of low viscosity.

Hot mix asphalt concrete involves mixing of hot bitumen with heated aggregates (crushed stones) in designed proportions of the road and then placing and consolidating the mixture on the road. The strength is mainly due to interlocking mass of graded aggregates coated with bitumen binder of correct quality and in designed quantity. This treatment is given on roads with heavy traffic and in heavy rainfall areas.

4.41.7.3 Concrete roads: These are superior to bituminous roads. They carry greater intensity of traffic and are more economical in the long run. Their initial cost is, however, more than that of bituminous roads. Before laying concrete, a well compacted

and well drained subgrade is prepared. It is kept wet before laying concrete as otherwise it absorbs water from the concrete. The materials required for concrete (i.e. cement, sand and metal) are mixed in a mixer. The concrete is removed from the mixer to the subgrade & later the pavement is given finishing.

4.41.7.4 Road drainage: Water reaches the roadway mainly due to the precipitation of rain and snow on the road surface, flow of surface water from the adjoining land and sometimes due to overflowing of water courses and percolation through soil. The removal of surface water is mainly accomplished by cambering the road, sloping the shoulders, installing the ditches, gutters and pipe drains etc. Removal of surface water by these methods is known as surface drainage. The removal of water percolating through the soil is known as sub surface drainage or underground drainage and is accomplished by means of open ditches, blind drains and tile drains. The water in both the cases is led to either natural water courses or to artificial water courses or lakes. Wherever water courses cross the roadway, drainage structures like culverts, causeways and bridges are constructed. A culvert is a conduit for carrying surface water under the roadway. The types of culverts are pipe culvert, box culvert, slab culvert and arch culvert. A causeway is a horizontal pavement constructed across a wide and shallow stream to pass the traffic during fair weather season only. The causeway may be a low level (flush) causeway or high level causeway.

4.41.7.5 Quality control measures

Stone metal is the basic material of road construction. It forms the body of the road crust, bears the main stresses occurring in the road and resists wear from surface abrasion. The tests conducted to determine the suitability of the crushed metal are specific gravity test, water absorption test, abrasion (hardness) test, impact test, crushing strength test, and soundness test. Other materials such as sand and murum are also tested. During construction, samples of the road construction material are collected by the quality control unit for conducting the prescribed tests. If the work done or material collected does not conform to the prescribed specifications or tests, it is rejected or paid at reduced rates.

4.41.7.6 Audit checks

1. It should be seen that the road works executed are according to approved plans and the prescribed specifications for different types of roads. Sometimes, road works are not completed either for the full length or up to the final state. In such cases, the work done has not served the purpose of construction and in due course, the outlay on such works may be rendered unfruitful. These works should be commented with financial implications.
2. Quarry charts are attached to agreements from which materials required for construction are to be obtained. Cases of providing quarries other than the nearest in the agreement should be commented bringing out the extra cost to Government. In case, the contractor has been allowed to convey material over a lead shorter than

that provided in the agreement, it should be verified whether contractor was paid at lesser rates.

3. Due to provision of lesser road crust and non-observance of the prescribed specifications, the roads constructed get damaged much earlier. Special repair estimates for such works are prepared and got sanctioned. All such estimates should be reviewed with reference to original works and the facts of defective construction/sub-standard works should be brought to notice.

Instances generally noticed in audit:

- Construction of road higher in measurements than those technically sanctioned by the competent authorities resulting in irregular expenditure.
- Starting the work without ensuring free title of land resulting in stoppage of work midway.

4.42 Bridges

4.42.1 Introductory: Bridge is a structure for carrying the road traffic or other moving loads over a depression or obstruction such as channel, river road or railway. Bridges are classified as minor bridges and major bridges. A minor bridge is a bridge having a length of more than 6 meters and up to 30 meters between the inside faces of the abutments (liner water way). A bridge having a length of more than 30 meters between the inside faces of abutments is called a major bridge. The bridge having a length of 6 meters or less is called a culvert.

4.42.2 The types of bridges are foot bridge, high level bridge, submersible bridge. A foot bridge is used for conveying pedestrians, cycles and animals. A high level bridge carried the road way above the highest flood level of the channel i.e. river, creek or nalla. A submersible bridge allows flood water to pass over the bridge, submersing the communication route.

4.42.3 Bridge consists of two components superstructure and substructure. Superstructure consists of structural members carrying a communication route. The hand rails, guard stones, flooring, beams, girders, arches and cables constitute the superstructure. Substructure is a supporting system of super structure. It consists of abutments, piers, wing walls and foundations for piers and abutments.

4.42.4 Planning: Before selecting a site for a bridge, the suitable areas are surveyed with toposheets, and village maps and data collected. The site is selected after considering the factors such as situation of the site on a straight reach of the stream, site having well defined banks and minimum width from bank to bank, possibility of skew crossing an availability of rock for foundation. After selection of site, it is got approved by the competent authority i.e. Executive Engineer/Superintending Engineer.

4.42.5 Estimates: The plans prepared for a bridge work are key map, index map, site plan, village map, contour survey plan, catchment area plan, cross section, longitudinal section, trial pits, plan and bore data plan.

Estimates of a major bridge are prepared separately while those for a minor bridge are included in the road project.

4.42.6 Execution

In a bridge work, foundation work is taken up first. The design of foundation mainly depends on the depth required for properly founding the bridge. If the foundation is to be carried down to a considerable depth, the number of piers are limited for the sake of economy. In such a case, spans are larger and piers are constructed to withstand the weight of the spans. The bridge foundation is the most common type of foundation and is laid using open excavation. This type of foundation is practicable for a depth of about 5 meters and is normally convenient above the water table. It is provided for bridges of moderate height built on sufficiently firm dry ground.

When hard soil is not available within 2 to 3 meter, a continuous foundation for all the piers and abutments is provided. This is known as raft foundation. The object of this foundation is to float the bridge on a raft covering the entire area to be occupied by the bridge. The raft is composed of reinforced concrete beams with relatively thin slab underneath. This type of foundation is best adopted for loose soils of low bearing power, with a tendency to unequal settlement.

Pile foundation is a column support type of foundation, which may be cast in site or precast. The piles are placed throughout the length of the pier or abutment. This type of foundation is adopted when loose soil extends to a great depth.

Well foundation is adopted on sandy or soft bottom liable to scour, where no firm beds can be reached for greater depths below the surface. The common well foundations are thick hollow cylinders of masonry which are placed on wells curbs and sunk to the required depths or are placed on hard beds. The hollow cylinders are plugged at the bottom with cement concrete to have a water tight foundations, the interior is filled with sand or concrete and the top sealed with a thick layer of concrete on which piers and abutments are built.

Depth of foundation : Where the piers and abutments are founded in rock the foundation is taken sufficiently deep in to the rock. Normally, the practice followed is to go deep 0.5 meter in hard rock and 1.5 meter in soft rock and exposed rock. If rock is not available, the depth of foundation is decided both on scour depth and bearing capacity of the soil below the scour depth.

Superstructure and approaches: Piers are the immediate supports of the superstructure and may be of solid or open type. Abutments are the end supporters of the super structure, retaining earth on their back. Piers and abutments are generally constructed with masonry, mass concrete or reinforced concrete. Weep holes are provided at different levels through the body of the abutment to drain off the retained earth.

Wing walls are provided at both ends of the abutments to retain the earth filling of the approach road. They are constructed with the same material as those of the main abutment. The design of the wing wall depends on the nature of banks. Approaches are the lengths of the communication route at both the ends of the bridge. In the case of high level bridges and culverts, the approaches are provided in embankment, while for submersible bridges and causeways, they are in cutting.

Superstructure: The main parts of a bridge structure are (a) decking consisting of slab, girders, trusses etc. and (b) hand rails, guard stones etc. On the basis of the material used, bridges are classified as timber bridges, masonry bridges, composite bridges, reinforced cement concrete bridges and iron and steel bridges.

Timber bridges are temporary bridges and are low cost bridges. Masonary bridges are generally used for road bridges of moderate span. These are mainly of three types-stonemasonry arch, brick masonry arch and cement concrete masonry arch. Composite bridge comprises structural elements which are made of two dissimilar elements (e.g. rolled steel joint topped a cast in situ RCC slab, pre-cast RC or pre-cast pre-stressed concrete girder with cast in situ RC slab etc.) Reinforced cement concrete bridges are maintenance free structures. The type of bridges generally in use are slab bridges, girder bridges, balanced cantilever bridges, continuous bridges and arch bridge. Prestressed concrete bridges have the advantages of higher load carrying capacity and lesser expansion joints. The technique adopted in this bridge eliminates the cracking of concrete. Iron and steel bridges are built for the purpose of carrying a highway, railway track etc.

4.42.7 Audit Check

It should be seen that bridge is constructed according to the approved plans and the prescribed specifications. If the site for the bridge is not properly surveyed and foundation is not designed properly, constructional problems and dewatering problems arise due to which bridge site is shifted. In such case, the defects in the survey and infructuous expenditure on works should be highlighted. If the piers and abutments are not founded properly and the prescribed specifications are not followed, sinking of piers/abutments and development of cracks in slabs occur. Estimates of strengthening/repair works should be scrutinized and defective construction commented. In high level bridges, constructional defects are generally observed in approaches. Special repairs estimates for rectifications of defects in approaches, should be scrutinized and avoidable expenditure brought to notice. Any delay in completion of approaches along with bridge work proper should also be commented.

Instances noticed in audit:

- ***Construction of bridges was started with finalisation of drawing & design, site investigation resulting in not only lingering the construction works but also having wasteful expenditure on work done due to shifting of site in between and ultimately enhancement in cost.***

4.43 Buildings

4.43.1 Introductory: Building is a structure for whatsoever purpose and of whatsoever materials constructed and whether used as human habitation or not. Broadly speaking, building consists of foundation, plinth and superstructure. Foundation is the lowest artificially prepared part below the surface of the surrounding ground, which is in direct contact with the sub-soil. Plinth is the middle part of the structure above the surface of the surrounding ground upto the surface of the floor immediately above the ground. Superstructure is the part constructed above the plinth level or the ground floor level.

4.43.2 Classification of Buildings: Buildings are broadly classified as residential and non-residential buildings. Residential buildings are constructed on type designs and allotted to officers and staff according to pay range. Non-residential buildings include administrative buildings, educational institutions, hospitals, assembly buildings and store-houses etc.

4.43.3 Planning: After the proposal for construction of building is received from the user department search for suitable sites is conducted. Site selection has an important bearing on planning and designing of building. After site is selected layout plan is prepared by the architect showing the location of the area of the project buildings and details of interior together with surroundings. While planning and designing the layout of the building, the rules and regulations laid down by the concerned municipalities, town planning authority and urban improvement boards are kept in view. These rules and regulations relate to building lines, built up area, size height and ventilation of rooms, water supply, sanitary provisions and structural designs etc. On the basis of layout plan and trial pit results, a preliminary estimate of the building based on plinth area is prepared. The layout plan together with preliminary estimate is sent to the user department of Government for according administrative approval.

4.43.4 On receipt of administrative approval for the building, the architect prepares detailed working drawings of the building and makes them available to the construction division for execution. The construction division prepares structural drawings and detailed estimates. These are technically sanctioned by the competent authority (i.e. EE/SE/CE).

4.43.5 Execution:

Foundations: The types of foundations adopted for buildings are open foundation, raft foundation, pile foundation and RCC column foundation.

Plinths: Plinths are constructed with brick masonry, stone masonry and reinforced cement concrete. The thickness of the plinth wall depends on the weight of the superstructure and the width of foundation concrete. The plinth height/depends upon various factors such as need of architectural treatment to a building, highest flood level of the area and adjoining ground nature etc.

Superstructure: Walls are constructed over the plinth. Broadly, walls are either load bearing or non-load bearing. The load bearing walls are built on a continuous foundation and they support the entire load, including their own. Non-load bearing wall serve as screen for privacy. The wall are constructed in brick masonry, cement concrete and

reinforced cement concrete. In the walls, door and window frames are fixed. Window sills are provided below the bottom of the window frame so as to distribute the load of the wall uniformly. Openings are provided in the walls to accommodate the doors and windows. As the frames of door and window are not strong enough to support the weight of the wall above the opening, a structural element called lintel is provided. The character of a lintel is similar to a beam. Weather-shades (Chajjas) are combined with lintels of windows.

Roof is the upper most part of a building which is supported on structural members and covered with a roofing material. The types of roofs are sloping roofs, terrace roofs, curved roofs and domes. The roof covering generally adopted are of tiles and reinforced cement concrete slabs. Next item of work taken up in plastering of walls, and uneven surfaces in the construction of houses and other structures with a plastic material called plaster or mortar. The types of plaster are lime plaster, cement plaster and water proof plaster. Flooring work is later completed with the usual types of flooring. Water supply and sanitary arrangements are provided to the building. The doors and window shutters are fixed. Later, building finishes such as white washing, color washing, painting etc. are completed.

In multi-storey buildings, type of construction adopted is of framed structures. Framed structure consists of series of frames. These frames are formed of columns which are connected by means of beams at floor and roof level. Within these frames walls are constructed. These frames are generally of reinforced cement concrete.

Electrical works of the building are generally executed by the electrical divisions of Government, after invitation of tenders.

On completion of the buildings in all respect, it is handed over to the user department. The building constructed is entered in the register of buildings maintained by the construction division. In respect of residential buildings the division fixes standard license fee of the building and watches recovery of license fee of buildings and land in accordance with the orders issued by Govt.

4.43.6 Audit Checks

Works: It should be verified whether the building works are completed according to the approved plans and prescribed specifications. Any delay in handing over the completed buildings to the user department should receive attention and commented after investigation of the reasons for the delay.

License fee: In respect of land and residential buildings, it should be seen that proper records for watching recovery of license fee are maintained, license fee fixed is correct and it has been revised when necessary and effective action has been taken for realization of the dues.

4.44 Inter-Section checklist

In addition to check point highlighted above, checklist circulated by ES-II Section containing following points may be seen in the course of audit.

4.44.1 Secured advance:

1. It should be checked whether the secured advance has been provided to contractor against perishable nature of material like sand, cement, kankar, maxphalt etc.
2. Whether secured advance has been given against such material which cannot be used within three months?
3. It should be checked whether the advance has been recovered within time or not.
4. Whether entry of the material brought by contractor at site has been made in Measurement book or not?
5. Whether secured advance has been sanctioned 90 percent of the price of material brought by contractor at site or more than that?
6. Whether conditions regarding providing secured advance to contractor has been incorporated in model bid document of the work on not?
7. It should be checked whether the quantity of material has been sanctioned in printed form 26 A or not?

4.44.2 Bank Guarantee:

1. It should be checked whether bank guarantee of requisite amount in the form of FDR etc. against mobilisation advance, performance security & additional performance security has been obtained from the contractor or not.
2. Whether bank guarantee obtained from the contractor has been got verified from the concerned bank or not?
3. Whether the renewal of the bank guarantee, if required, has been got done within time or not?

4.44.3 Thickness of BM/SDBC laid as per technical specification.

Design of pavement depends upon several variables the wheel loads. Traffic, climate, terrain and sub-grade condition. For pavement designing IRC first brought out guidelines in 1970. These guidelines were based on **CBR method**. To deal with axle load these guidelines were revised in 1984, approach of pavement thickness based on **Cumulative number of standard axles** for different **sub grade strengths** was considered in this revision. These guidelines were developed to cater upto 30 million standard axles but meet the challenges of growing traffic the pavement designing was further revised in 2001 for heavy volume of traffic upto 150 msa.

At present, IRC has issued further guideline for laying IRC:37-2012. These guidelines are applicable to design the new flexible pavements of Expressways, National Highway, State Highways, Major District Road and other categories of roads predominantly carrying motorized, vehicles. (These guidelines shall not be straightway applied to overlay design).

Designing of Road is based on many factors:

- Initial traffic construction in terms of number of commercial vehicles per day (CVPD).
- CBR value.
- Traffic growth rate during the design life.

- Design life of the road.
- Spectrum of axle loads.
- Vehicle damage factor etc.

IRC publication provides guideline for laying different type of pavement with respect to road surface. The crust of road depends upon CBR value and CVPD on which designing of work was carried out before taking up of work. Audit can focus:

1. Whether such designing was done or not before taking up construction work
2. Further finding with consequences of work taken up with approval of design can be commented;
3. Whether the approval estimate qualify the drawing and design or any variation therein;
4. Laying in excess of estimate/agreement which were not in accordance with approved design
5. Changes in execution of work in contrast with the approved design and financial implication of such changes
6. Maintenance of proper site measurements, plant register

4.44.4 Works started without obtaining technical sanction.

Technical sanction is must for every work proposed to be carried out except petty works and petty repairs, and repairs for which lump-sum provision has been sanctioned by the Superintending Engineer under Para 349 (FHB Vol. VI). A properly detailed estimate must be prepared for sanction by competent authority as provided in Para 318 of FHB Vol. VI.

Technical sanction guarantees that the proposals are structurally sound and the estimates are accurately calculated supported by adequate data. **In works audit, an auditor asks estimate of the work at first hand so if shortfall is noticed in Estimate should be pointed out.**

Such sanction will be accorded by an officer of the Public Works Department authorised to do so. **(Financial limits should be watched).**

In the case of an original work, other than a petty work, the counter signature of the local head of department on behalf of which it execution is proposed or of such other officer of lower status as may have been empowered to accord administrative approval to it should be obtained to the plans and estimate in token of his acceptance of them, before technical sanction of the latter is accorded.

If, subsequent to the grant of technical sanction, material structural alterations are contemplated, the orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations. **(This provides that no material structural alterations without approval of authority accorded TS).** This direction in FHB is very supportive for audit.

If any work taken up without TS then, violation of direction of FHB audit can also focus whether any approved drawing/design is there or not.

Can floated query for reasons of taking up work without TS. Reasons submitted can be analysed for reality and legitimacy.

If TS was accorded after taken up of work or floating of tenders with approval of TS than the comparison between items of contract bond and items of bill of quantity approved estimate can be analyzed. Valuation of leftover item or surplus item and their impact on the structural drawing design could be commented upon.

4.44.5 Idle expenditure on construction of Road & Bridge

It could be seen as to:-

- 1 Whether the construction of bridge was sanctioned as a standalone work or part of road in between?, If standalone whether the work as carried out after finalization of drawing or design or
- 2 If the bridge is part of road in between, whether the work is stopped due to non-availability of site for road as well as for bridge
- 3 Whether bridge is unutilized due non-construction of approach road.

4.44.6 Faulty rate analysis and payment of cartage

As noticed during inspection of some field units of PWD, rate analysis part is done through computer based software supplied to the field units by their HQ. however, few points as given may be watched while checking the rate analysis.

- 1 With the analysis of rates and while working out. R.M.P., a site plan showing the location of site of work, quarry, place of issue of materials etc, and minimum distance by pucca/unmetalled road/bridle road/foot track must invariably be enclosed. The Division Engineer should record a certificate “that the distances for the cartage of different materials are correct and is by shortest possible route and that the material of desired specification is not available at a lesser distance”.
- 2 The rates include material for centring/shuttering, scaffolding, (unless otherwise specifically mentioned in particular items).
- 3 Wherever the word fine sand occurs in this schedule of rate, it will mean the sand of fineness modulus 1.25. where as course sand shall be of fineness modulus ranging between 1.7 to 2.3.
- 4 For building and bridge works water allowance @1.5% may be added on the items where water is required and the contractor has borne the entire expenditure on water arrangements. No water allowance is to be added if water is available within 100 M free of cost.
- 5 On material to be issued by the Department cartage from the place of issue to the site of work will be added. If the issue rate for such materials differs from the rates given in chapter I then the difference in rates will be added or deducted depending upon whether the issue rates is higher or lower.

4.44.7 Idle investment on incomplete road work

Following points to be checked while conducting the audit of incomplete road work:

- 1 Whether the alignment of the proposed road was conducted by the unit?

- 2 Whether the habitants were agreed on the proposed alignment of the road?
- 3 If yes, whether written approval was obtained from the representatives of the habitants?
- 4 If the department had not obtained the written approval, what was the reason for starting the work without obtaining the written approval?
- 5 Whether the land falling within the alignment was transferred to the department.
- 6 If the land was not transferred to the department, what was the reason for starting the work without transferring the land?
- 7 If some part of the proposed alignment of the road falls within forest area and some part falls on civil land, whether the department had also obtained the approval from the forest department?
- 8 If not, what were the reasons for starting the work on civil land?
- 9 If the work was properly awarded to the contractor and due to dispute the contractor had left the work, obtained the reasons for dispute .
- 10 If the department had started the work on approved alignment and due to geographical constraints the work was not possible in some part of the alignment, whether the department had conducted the soil testing?
- 11 If the department had not conducting the soil testing, obtained the reason for not doing so.

4.44.8 During the execution of work, allowing essential items of work as extra item.

Following points to be checked while an essential item of work was executed as extra item:

- 1 Whether the estimate was properly prepared i.e. all essential items were considered?
- 2 Obtained justification for not including the item in the detailed estimate.
- 3 Whether the competent authority had approved the extra item?
- 4 If not, ask reason for not obtaining the approval of competent authority.
- 5 Some time the department obtained sanction for renewal work by SDBC on a particular road and without entering into the agreement the work was executed, as an extra item, by agreement of another work.
- 6 Obtained reasons for not executing the agreement.
- 7 Find out the difference in rate of the item executed as extra item i.e. difference between rate at the time of according technical sanction and rate allowed as an extra item.

CHAPTER-5

AUDIT OF NON-TAX REVENUE RECEIPTS

5.1 General

Departmental receipts of the Central and State Government are generally in the nature of receipts for services rendered or supplies made and issue of Licences and receipts of miscellaneous nature like sale proceeds of condemned, dead stock etc. These receipts are checked by Audit while conducting audit of the expenditure of the department concerned. Audit checks are to verify:

1. Sums due are regularly recovered and checked against demand; and
2. sums received are duly brought to credit in the accounts.

5.2 Important items of Non-tax Receipts coming under Works/Engineering Departments in the State.

1. Licence fee of buildings and land.
2. Rent of Rest Houses.
3. Sale of unserviceable surplus stock.
4. Licence fee for registration of contractor's.
5. Sale of tender forms.
6. Auctioning of ferries, tolls etc.
7. Hiring of tools and plants.
8. Receipts from workshops.

5.3 The records maintained showing the assessments made in respect of all items of revenue, the progress of recovery and the outstanding debts due to Government, should be examined to see that proper action is taken in each case and that no debts due to Government are written off without the orders of competent Authority.

5.4 It should also be seen that the agreements and instruments which are liable to stamp duty are duly stamped in accordance with the provisions of the Stamps Act.

5.5 In conducting audit of non-tax receipts the general principles of receipt audit will apply and the audit will be guided by relevant rules governing the assessment and collection of receipts. The emphasis in the conduct of Receipt Audit should not only be on the account of receipts, but also proper assessment of the dues realisation thereof and scrutiny of unauthorised or irregular refunds and remissions. It should be the endeavour of Audit to ensure that all demands due are properly raised in accordance with the law, rules and regulations governing the same, to trace all receipts right from the source to their final accounting.

5.6 It may be verified that the correct procedure has been followed by the divisions in the disposal of the surplus/unserviceable stock and that no stores are disposed of without sanction of competent authority. If unserviceable stores are sold in public auction it should be ensured that proper publicity has been given and that the value fetched is not too low compared to the book-value or assessed value. It should also be seen that prior sanction had been obtained from competent authority for the disposal. Losses, if any, arising from irregular procedures adopted in disposal of unserviceable and surplus stores should always be looked into critically.

CHAPTER-6

Communication of Results of Audit

6.1 The results of local audit and inspections should be set forth in an inspection report consisting of the following parts:

Part I

1. Introductory
2. Outstanding objections in brief from previous reports
3. Schedule of persistent irregularities.

Part II

Section A Major irregularities that are likely to materialise into draft paragraphs of the Audit Report and cases of system failure

Section B Irregularities which, though not major, are required to be brought to the notice of higher authorities and followed up by the Accountant General and instances of recoveries to be effected or regularized.

Part III

Test Audit Note containing minor irregularities, to which a schedule of items settled on the spot should be attached. The procedural irregularities in respect of which the head of the office has held out assurances about following correct procedure in future should be noted in this Schedule.

6.2 As a rule, trivial matters, which can be and have been set right on the spot or are of no consequence to the finances of the Government, need not be mentioned. However, if a number of similar errors or irregularities are noticed, it may be desirable to mention their type, citing one or more instances, so that proper instructions may be issued for future guidance of the Government servants concerned. It is desirable that statements and figures in relation to any defects or irregularities discovered should be based on clear documentary evidence. It is not sufficient to quote the rule or the order violated; the actual or possible effect of such deviation on the financial interests of Government should be explained clearly. Particular care should be taken in regard to the language and tone of the report. The Inspection Report should be completed before the inspecting Audit Officer leaves the office inspected and it should not be signed until the officer in charge of the office (or any other officer acting on his behalf) has been given the opportunity of reading and discussing it and suggesting any omissions or modifications. The Inspection Report should be as brief as possible, but the points raised in it should be pursued until finally settled. The Test Audit Note does not require a reply in detail, but it should be verified at a subsequent inspection that adequate notice was taken of it.

6.3 The Inspection Report (including the Test Audit Note which should be separately signed) should be forwarded to the Group Officer concerned in the Audit Office. It should be accompanied by a note by the Inspecting Officer enumerating instances, if any, involving considerable losses, write-off of substantial amounts, infructuous expenditure or other irregularities of importance included in the Report. He should be careful to obtain all relevant facts in connection with each such item and discuss it with the Divisional Officer if possible, and mention whether he has done so in the note. He should also prepare the relevant Factual Notes/Statements in respect of potential draft paragraphs and forward these with all supporting documents to the Accountant General. (MSO 6.2.6)

6.4 The Inspection Report, on receipt, should be examined generally in the Works Inspection (Headquarters) Section before it is sent out of the office. Under the orders of the Group Officer in charge, such remarks as are not in order or appropriate should be deleted or modified and those that are not considered to be of sufficient importance should be transferred from Parts I and II of the Report to the Test Audit Note (Part III). (MSO 6.2.6)

6.5 The Test Audit Note should then be sent to the Divisional Officer for remarks and return. An objection should be removed as soon as the necessary sanction or document is received, or when the audited accounts show that the expenditure under objection has been adjusted or recovered, or when the delay, defect or doubt, as the case may be, has ceased to exist or has been explained. The removal of an objection should be indicated in the Objection Book by an entry of the amount adjusted in the column "Amount cleared" for the month following that of which the accounts were last audited, the progressive total of the adjustments being also noted at the same time in the manner prescribed for the posting of amounts placed under objection. In respect of items for which the money column was not filled in, the auditor should merely place his initials in the relevant column for the month concerned to indicate their adjustment. As a precaution against error, a red ink line should be drawn across the page in all the remaining columns. The reference to the order, account or other document, on the authority of which the objection has been removed, should also be noted in the column provided for the purpose.

6.6 Parts I and II of the Inspection Report should be forwarded in duplicate to the Divisional Officer, in a tabular form providing separate columns against each item for incorporation of the replies and explanations of the Divisional officer, remarks of the Superintending Engineer, and final disposal by the Audit Office. The Divisional Officer should be requested to return one copy of the Report within a specified period, which should be prescribed under the orders of Government, through the Superintending Engineer. A copy of the Report should also be sent simultaneously to the Superintending Engineer and his attention specifically invited to any important items or to serious irregularities or other points requiring special or prompt attention. These two Parts should also be treated as Objection Statements and dealt with in the manner laid down in Section-IV, Chapter-4.

6.7 Inspection Report to be drafted by Inspecting Officer

The Inspection Report should be written by the Inspecting Officer himself as far as possible. He may, however, avail of the services of the Stenographer and submit a typed copy thereof. A certificate to this effect should invariably be enclosed by the inspecting Officer with draft Inspection Report.

[Comptroller and Auditor General's D.O.Letter No.P-8/588/56, dated 23-10-1956 and WM(R)/251, dated 11-56]

6.8 Tone and Language of the Inspection Report

The Inspection Report should be written in a courteous language and any type of criticism or aspersions against departmental officers should be avoided. Particular care should be taken in regard to the language and tone of the report.

6.9 Submission of Assurance Memorandum in AIR

While submitting the Inspection Report, submission of Assurance memo on eight check points (*Annexure-7*), and another Assurance memo (*Annexure-8*), about the uses of printed audit memos and completion of all other formalities for preparation of AIR of concern transaction audit is to be ensured by the audit team.

6.10 Having regard to the intent and provisions of the Right to Information Act 2005, the following disclaimer statement should be incorporated in the part –I of the final Draft Inspection Report and got signed by the head of the auditee unit-

“The Inspection Report has been prepared on the basis of information furnished and made available by ----- (name of the auditee entity). The Office of Accountant General (Audit) Uttarakhand, Dehradun disclaims any responsibility of any misinformation and/or non-information on part of auditee.”

6.11 Issue of inspection reports and audit notes

The following time schedule should normally be observed for the disposal of each inspection report:-

Receipt of Inspection Report from the Inspecting Officers	10 days from the date of completion of Audit.
2. Noting of AIR in the progress register in Works Audit Section	2 Days
3. Scrutiny of reports by AAO/SO of the section	4 Days
4. Audit Officer's comments	2 days
5. Sr. DAG (Works) orders	2 days

thereon	
6. Typing of Reports	6 days
4. Comparison	1 day
8. Signature and final issue	1 day

In case where reports are not issued within the schedule time, the matter should be reported to higher authorities and brought to the notice of the Audit Officer and if necessary to DAG(ES).

The audit office shall as far as possible issue the inspection report or audit notes within six weeks from the date of completion of audit or such other period as prescribed in this regard. (Regulation on Audit and Accounts, 2007, para 194 of Chapter 14)

6.12 Important audit observations to be sent to head of department for follow up

The audit office may send copies of important audit observations included in an audit note or an inspection report to the head of the department. It shall be the duty of the head of the department to follow up all such cases for appropriate remedial and corrective action and report compliance to the audit office. (Regulation on Audit and Accounts, 2007, para 199 of chapter 14)

6.13 Intimation of major irregularities to the Government and the Head of Department and furnishing of reports therefrom

1. The Accountant General (Audit) shall intimate every instance of major irregularity detected in Audit through a special management letter to the Secretary to Government of the concerned department with a copy to the Head of the Department within six weeks of the instance coming to notice in audit. The Accountant General (Audit) shall also intimate every such instance to the Comptroller and Auditor General in the manner prescribed.

2. On intimation of the major irregularity by Accountant General (Audit), the Government shall undertake prima facie verification of facts and send to Accountant General (Audit) a preliminary report confirming or denying the facts within six weeks of receipt of intimation from him.

3. Where the fact of major irregularity is not denied by the Government in the preliminary report, the Government shall further send a detailed report to the Accountant General (Audit) within three months of preliminary report *inter alia* indicating the remedial action taken to prevent recurrence and action taken against those responsible for the lapse.

4. While the reporting of major irregularities to Government need not wait for inclusion of the matter in the inspection report or audit note or the audit report of the

Comptroller and Auditor General, the same should be done only after due verification with reference to supporting evidence and as far as possible after considering the views of the auditable entity. Care needs to be taken to ensure that only major irregularities are reported in this manner. (Regulation on Audit and Accounts, 2007, para 200 of chapter 14)

6.14 Significant audit observations to be communicated to Secretary

The Accountant General (Audit) may write a management letter to the Secretary to Government of the concerned department by the end of April every year communicating significant observations and conclusions emerging out of audit during the preceding year. The management letter shall *inter alia* mention the systemic and other deficiencies noticed during the period, the extent of control compliance, cases of persistent irregularities and the level of adequacy of response to audit observations, besides the more important individual cases that merit attention and action, with appropriate recommendations where necessary. The Secretary shall inform the Accountant General (Audit) of the action taken within a period of three months. (Regulation on Audit and Accounts, 2007, para 201 of chapter 14)

6.15 Reporting Compliance Audit

The top down, risk based approach to conducting compliance audit is envisaged to provide a department centric view of the extent of compliance. Reporting is an essential part of any audit as through this process the results of audit are presented to the intended users on the responsible party's compliance with the stated criteria. As the compliance audit involves evaluation of both regularity and propriety aspects. Auditors are required to report results of audit on both these aspects. Compliance audits involve reporting the deviations from the applicable criteria and violations of the applicable rules, regulations etc., so that corrective actions may be taken, and those responsible for such deviations or violations could be held accountable for their actions.

As the compliance audit is conducted at various levels of the organisational hierarchy and needs to be reported to the responsible party, those charged with governance, and the legislature, the form of reports to present compliance audit findings and conclusion would have to address these perspectives. Therefore, Auditors shall present the results of compliance audit in the following reports.

6.15.1 Inspection Reports

On completion of audit, an Inspection Report presenting all the findings – both positive and negative – shall be issued within 30 days of completion of audit to each of the selected Audit Units with a copy to the corresponding next higher level in the organisational hierarchy and to the lead team if constituted. The findings pertaining to implementing units shall be included in the Inspection Report of the respective Audit Units. A period of four

weeks may be allowed to the Audit Units to provide responses to the audit findings contained in the Inspection Report.

The Inspection Report of an audit unit should provide a perspective of the unit level compliance and may comprise the following parts:

Part I – Introduction

Part II Audit findings

Part III – Follow up on findings outstanding from previous reports

Part IV– Best practices

Part V – Acknowledgement

The responsibility of drafting the Inspection Reports shall vest with the respective audit team and that of review and approval with the respective Group Officer in field offices.

6.15.2 Departmental Appreciation Note

A Departmental Appreciation Note may be issued to the Apex Auditable Entity (Department/ Sector) where a specific subject matter has been selected to assess the extent of compliance from a departmental perspective or the Accountant General intends to draw attention of the executive towards system weaknesses etc. A consolidation of audit findings presented through the Departmental Appreciation Note would enable appreciation of both the audit findings that form the basis for Auditor’s conclusion on compliance by departments as well as the audit findings that would feature as standalone findings. The Departmental Appreciation Note shall be issued to the Head of the Department, for initiating remedial measures with a copy provided for information to the Secretary Finance, Chief Secretary - the next higher level charged with governance and to Headquarters Office. The Departmental Appreciation Note may comprise the following features:

- 1. Title**
- 2. Introduction:**
- 3. Objectives and scope**
- 4. Audit findings**
- 5. Conclusion**
- 6. Acknowledgement**

The responsibility of drafting the Departmental Appreciation Note may vest with the Audit team and that of approval with the Accountant General in field offices. In cases where multiple teams were deployed for audit of an Apex Auditable Entity and a lead team has been identified for conduct of compliance audit, lead team may draft and finalise the Departmental Appreciation Note, for approval by the respective Accountant General.

6.15.3 Compliance Audit Report

The Compliance Audit Report represents the last phase of reporting the results of compliance audits and shall feature significant audit findings which require the attention of the legislature and other intended users including the public at large. Presently, the significant audit findings that could potentially feature in the Compliance Audit Report are communicated to the Apex Auditable Entity by issuing Draft Paragraphs and/or Statement of Facts. The significant audit findings would therefore emerge from the Inspection Reports, Draft paragraphs, Statement of Facts and from the Departmental Appreciation Notes containing conclusion, if any, on a specific subject matter, which shall be carried forward for reporting in the form of a Compliance Audit Report of the CAG of India.

To ensure objectivity of the audit findings and conclusions of the Compliance Audit Report, confirmation of facts and figures by the Apex Auditable Entity and incorporation of responses of the responsible party is very crucial. Auditors shall therefore ensure that facts and figures are accepted by the Apex Auditable entity and shall pursue responses from the Apex Auditable Entity.

The responsibility of preparing and ensuring the quality of the Compliance Audit Report before it is submitted to CAG for approval would be with the head of the field audit office.

The Compliance Audit Report could be brought out as a separate Audit Report or alternatively could be included as distinct Chapter(s) in a consolidated Report with findings of other types of audit. The decision with regard to the manner of featuring the compliance audit report shall vest with the respective DAI/ADAI.

6.15.4 Follow up

A follow up process facilitates the effective implementation of corrective actions and provides useful feedback to the Apex Auditable Entity/ audit units and at the same time facilitates the auditors to plan future audits. The need for follow up will vary with the nature of non-compliance and the particular circumstances. While some findings pointing out deviations from authorities and violations of principles of sound financial management may have to be followed up at the audit unit level the audit findings warranting systemic changes may have to be followed at higher levels of the organisational hierarchy. Further some findings may be fully/partially accepted by the apex auditable entity/ audit units while there may be findings that have not been accepted by the apex auditable entity/ audit units. The following process shall be adopted by field offices for follow up of audit findings and conclusions included in the Inspection Report and the Compliance Audit Report:

6.15.4 (i) Inspection Report

The outstanding paragraphs of previous Inspection Reports shall be reviewed during the conduct of audit and their status included in the current Inspection Report. The responses to paragraphs included in the Inspection Report shall be pursued by regular reminders to

the respective audit units. There shall be a regular interaction with the Departmental Audit Committees to review and settle old paragraphs as per extant orders.

6.15.4 (ii) Compliance Audit Report

The receipt of explanatory notes/ Action Taken Notes (ATNs) to the paragraphs that have appeared in the Compliance Audit Reports shall be monitored in all field offices and Heads of Department shall be impressed upon to send explanatory notes/ATNs within the prescribed time frame as per extant orders. Accountants General may encourage the Heads of Department to send suo moto replies to all observations which have appeared in the Compliance Audit Reports but have not been discussed by the Public Accounts Committee/Committee on Public Undertakings.

Annexure-1

(Reference Para, ...2.1.7.(i))

Progress Register of Inspection Report

ES-II Section need to maintain a columnar progress register for Inspection Report containing the following items.

Number

1. Serial Number
2. Name of the Unit inspected.
3. Item number of Register of Inspection Report.
4. Date of completion of audit.
5. Number and date under which Report was issued
6. Due date of receipt of reply
7. Number and Date of reminder
8. Date of Receipt of first Reply
9. Date of issue of further audit remark
10. Further correspondence
 - a. Date of receipt of further replies
 - b. Date of issue of further remarks or reminder
11. Date of closures of Inspection Report
12. Remarks

(Number of paras outstanding after 6 months of the issue of report should be given and circled as and when finally settled)

Annexure- 2

(Reference Para ...2.1.7 (ii))

Progress Register regarding disposal of Audit Inspection Report

Column Register to be maintained in Editing cell in the following Proforma Number

1	2	3
---	---	---

1. Serial Number

2. Name of the Unit

3. Section dealing with the Unit

4. Period of Audit 5.

From _____ To

4

5

6. Date of dispatch of A.I.R. by IO/ZAO

7. Date of receipt in Editing Cell

8. Serial number of the report (to be allotted by Editing Cell)

9. Edition completed by and date of submission to B.O./Sr. D.A.G. (W)

10. Date of sending the report to type section (by Editing Cell)

11. Date on which report received from type section

12. Actual date of dispatch

13. Details of delay occurred at different stages.

By the Inspection Parties

Editing Cell D.P. Cell

Type Section

13

14

15

Annexure- 3

Refer para 2.1.10.(i)

List of Registers, Reports and Returns

Economic Sector-II

- Register of Auditable Units
- Note book of Orders
- Register of watching timely issue of IRs
- IR Pursuance Register
- Register of cases marked as PDP cases
- Register of Important Points
- Monthly Status Report submitted to A.G.
- Register of Files
- Incumbency register of Economic Sector-II
- Register of files called for by A.G. for review
- Record of meetings taken by Group Officer with Sr. AO/AO/AAO/SOs for improvement of audit
- Register of complaints
- Register / record of News Items
- Register of contribution of members of Works Audit Parties
- Objection Book
- Register for watching disposal of Advances and Adjustment of TA Bills of field parties.
- Target and Achievement Register.
- Register for serious financial irregularities.

Reports submitted by ES-II section

1. Hindi Report
2. Result of Audit
3. Status Report
4. DI Report/Peer Review
5. Quarterly Arrear Report
6. Absentee Statement
7. Certificate of weeding out of records
8. Completion of CR of staff.
9. Material of Audit Bulletin.
10. Staff case.

Calendar of Returns

Yearly		
Sl.No.	Name of return	Authority
1.	Skelton programme for Local Audit	
2.	Writing of ACR/APAR's of Staff	O/o Admn/156 Dt. 31.03.56, Para 72 of O.P.M.
3.	Register of Codes Manual	TM/429 Dt.10.01.40, Para -76 of GD(M)
4.	Sending of programme of Local Audit conducted under Supervision of A.O.	D.O./AG Order No. 409 Dt. 30.06.87
5.	Audit Plan	CASS-VII/122 Dt. 18.08.87
6.	Standing order on Fraud and Corruption	PAG(A)/ECPA/Exam/203, Dt. 26.09.06
Half yearly		
1.	Indent of Forms	GD/72, Dt. 20.02.46
2.	Register Furniture	
3.	Standing order on Role of Audit in relation to cases of Frauds & Corruptions	No. 126/Audit((AP)/1-2004, Dt. 6.10.2006, PAG(A)?ECPA/Frauds/203, Dt. 26.1006
Quarterly		
1.	Name of Party Personnel selected for each quarter on tour basis	Admn.I/2-90, Dt. 21.11.63
2.	Incumbancy Register	Item No. 76 of OPM Para
3.	Quarterly Hindi Report	O/o No. Hindi Cell/176/509, Dt. 4.10.65
4.	Completion of Local Audit-as per approved programme for quarter	CAG letter No. 530/09 Dt. 10.8.82
5.	Quarterly Report	CASS-VII
6.	Director of Inspection Report	
7.	Objection statement showing result of Audit	CAG curcular No.110 Audit

	and registration of objection book for quarter ending	SO's/966/448/Audit No. 2/81/1996, Dt. 8/96 CASS-VII
8.	Quarterly Progress Report in r/o Standing order on Role of audit in relation to cases of fraud and corruption	No.126/Audit(AP)/1-2004. Dt. 6.10.2006 & PAG(CA)/ECPA/Frauds/203 Dt. 26.10.2006
Monthly		
1.	Report of dispatch cases	Para 149 of OPM(2553) AG/Admn./264 , Dt. 30.11.66
2.	Report on late attendance	O/o No. 164 Dt. 12.02.63
3.	Monthly Arrear Report	WM-I(A)/7/3, Dt.22.3.69, CASS-III AR-36
4.	Calander of Return	WM-I(A)/38 Dt. 21.01.59, Para-42 of OPM
5.	Register of codes manual	TM/429, Dt. 1.1.40 , Para-267 of GD(M)
6.	Monthly letter Report(Eng.)	O/o No. 91, Dt. 24.6.32, Para 118 of OPM
7.	All diary in Hindi	
8.	CAG's letter Report	
9.	Urgent letter Diary(Eng.)	
10.	Urgent letter diary (Hindi)	
11.	Diary of opinion cases	
12.	T.A. Advance Bill Diary	
13.	T.A. Adjustment Bill Diary	
14.	Complaint Cases Diary	
15.	Telegram/Fax Diary	
16.	Indent Register of Form of Stationary	Item No. 76 of OPM
17.	Incumbency Register	Item No. 76 of OPM
18.	Absentee statement	CASS-VII/121, Dt. 18.9.87
19.	Submission of Audit Inspection Report to AG(Test-Check Report)	ITA/57/88-89/71, Dt. 7.4.84
20.	Periodical Inspection of section by Group	

	Officer	
21.	Monthly Arrear Report	
22.	Gr. 'C' & 'D' -----	Admn.letter No. 1406
23.	Function of CAP/Cass Section	CAG letter No. 682/Rep, 5/15-97, Dt. 12.6.97
24.	Departmental Order Book	Para-277/28 of OPM
Fort Nightly		
1.	ITA letter Diary	
2.	D.I.letter diary	
3.	Urgent letter diary	
4.	Press clipping	
Weekly		
1.	AAO/SO Audit Note Book	WM/CRI/3858, Dt. 11.10.00, o/o No. 50Dt. 23.2.35 Para-42 of OPM
2.	Calendar of Return	Para 118 of OPM o/o No. 53 Dt. 21.12.31
3.	T.A. Adjustment Diary	Admn.I/TA.124
4.	Diary of T.A.Diary	1.4.07, 30.4.07
5.	ITA letter Diary	-----
6.	D.I.letter Diary	-----
7.	Letter Report Ordinary Hindi/Eng.	D.O.Admn.114, Dt.26-663
8.	CAG letter Report	D.O.Admn./114 Dt. 26.6.63
9.	Diary of opinion cases	
10.	Urgent letter diary(English)	
11.	Urgent letter diary (Hindi)	
12.	Diary of Complaint cases	Fund-51/II-5
Bi-Weekly		
1.	Urgent letter Diary (Eng/Hindi.)	-----

Annexure-4

Refer para 2.1.10.(iii)

MONTHLY STATUS REPORT

Name of Group- Economic Sector-II For the month

1. Receipt-Issue of AIRs

(a) Position of New Audit Reports

O.B.	Total No. of AIR's received Delay by days		No. of AIR's due for issue		No. of AIR's due for issue	Balance to issued (Closing Balance)				Reasons for delay if any	Balance	
	Within time		On the last working day of the previous month	In the last month of report		Within one month of completion of audit	Issuance delayed by ---- days	Delay more than one month	Delay more than two month			Delay more than three month

Old AIR's

Total no. of pending IRs & paras				Additions during the month				Settled during the month				Closing balance			
IRs		Paras		IRs		Paras		IRs		Paras		IRs		Paras	

Appraisal Performance Register

Name of Sr. AO/AO	Audited Entity			Contribution		
	Cat -A	Cat- B	Cat -C	Part II A	Part II B	PDP

PDP Register

SI No.	Name of Audited	Title of Para	Amount (Money	Date of issue of	Date of sending to	Sign. of Sr. DAG

	Entity		Value)	SOF	Report Section	

Status of audit of auditee Entity

Sl. No.	Name of Department	Name of Entity, Address & Telephone No.	Position of last three years budget			No. of days	Category	Month in which last audited	Month of audit during			Remarks
			2010-11	2011-12	2012-13				2014-15	2015-16	2016-17	

Status of Settlement of Outstanding Paras

Month of Adjustment	Name of auditee entity	Recoveries of the instance of audit	Over payment detected in audit	Violation of contractual obligation in due favours to contractor	Avoidable/excess expenditure	Wasteful/infertuous expenditure	Regularity issues	Idle investment idle establishment blockade of funds	Delay in commissioning of equipment	Non-achievement of objectives	Misc.	Initials of AA Os	Remarks

Register of Departmental Audit committees

Sl. No.	Date of meeting	Para Submitted				Para Discussed			Para Settled				Total Para	Total Amount
		AIR No.	Part II A	Part II B	Total Paras	Part II A	Part II B	Total Paras	Part II A	Amount	Part II B	Amount		

Status of Certification of Externally Aided Project

N.A.	

Position of SARs

N.A.	

9. Outstanding letters (C&AG, Fax &E-Mail)

Opening balance	Additions during the	Due for disposal during	Disposed of during the	Closing balance	
				Total	Out of col.3

	month	the month	month		

Separate returns may be prepared for C&AG, Fax and E-Mail letters

10. Position of submission of Returns/Reports

Name of Return/Report	Date of which due	Date of issue/submission	Reasons for delay if any

11. Status of compliance of DI/ITA Reports

DI Report-

When received	Number/Nature of Para	Status of reply	GO's remark

Post Review of AIRs

AIR No/Year of AIR selected for post review by AG during the month	Date of selection of AIRs by AG	When submitted to ITA for post review

Status of Test Checked Reports

PR number with year wise break-up	Date of receipt in Audit Wing/Section	When handed over to concerned Officer/Official/Section	Date of receipt of reply from the concerned/Officer/Official/Section	Date of sending reply to ITA	Reasons for non-settlement of PR cases	GO's Remarks

SI No.	Number of Test check reports	Year	Number of Paras	Date of receipt of TCR in the section from ITA	Due date of reply to be sent of ITA	Date of sending of reply of PAG through ITA	Reasons for delay

12. Administrative matters/personals claims

Nature of claim	Number of cases lying in Undisbursed register at the end of the month	Pending for disbursement from (indicate period)	When due for refund by short drawl	Reasons for non-refund

13. Training of personnel

(a) Percentage utilization of slots allotted by RTI

No. of slots allotted to Audit office during the calendar year	Slots allotted and utilized up to the month	Slots remaining unutilized with reasons
N.A.	N.A.	N.A.

(b) Percentage of earmarked training (induction course/refresher courses).

Name of training programme	Number of training programme arranged	Staff earmarked for training	Staff actually trained

14. Group Officer's Supervision

Number of days' supervision earmarked for the month	Supervision performed	Shortfall, if any	Progressive shortfall	Reasons for shortfall Due to engagement in performance Audit and double charge of works

Dy. Accountant General

Annexure-5

(Refer para 3.3)

Distribution of work among personnel in Public Works Inspection Parties

I Party with One Audit Officer, two Assistant Audit Officers/Section Officers and one Senior Auditor

A. Audit Officer

- (i) Study of the notes of Chief Engineer and Superintending Engineer on their inspection of divisions and those of the Executive Engineer and Divisional Accountant on their inspection of sub-divisions with a view to issuing appropriate directions to the audit staff.
- (ii) Review of budget allotments and actuals in respect of major items of revenue and expenditure, instances of large excesses, savings or short realisation.
- (iii) Review of all regular tenders and contracts, along with the related records and documents and of a percentage of the agreements executed since last inspection, including review of systems and procedures for invitation and finalisation of contracts and agreements.
- (iv) General review of the accounts of works, with reference to muster rolls, transfer entries, Suspense and Deposit registers, Schedule of rates, Register of Rents, Establishment records and monthly accounts.
- (v) Review of the system for and extent of check-measurements by the divisional and sub-divisional officers and other higher authorities and of check of Measurement Books by the Divisional Accountant.
- (vi) Review of Register of Revenue other than rents, including review of procedures for its assessment and realisation, special attention being paid to cases of shortfalls in revenue realisation.
- (vii) Review of the effectiveness of banking (treasury) arrangements.
- (viii) Review of the systems for receipt, disbursement, custody and verification of cash.
- (ix) Review of systems for acquisition, custody and management of stock and of stores transactions.

- (x) Scrutiny of Register of Bank Guarantees and verification of Guarantees and of action taken for their enforcement.
- (xii) Examination of adequacy of arrangements and the action taken by the Department for the prompt disposal of audit notes, rejoinders, Inspection Reports and money value objections.
- (xiii) Review of the Register of Divisional Accountant's audit objections.
- (xiv) Review of the action taken by the Divisional Accountant for the up to date maintenance of codes, manuals, circulars, etc.
- (xv) Value for Money Audit, in general.

B. Assistant Audit Officer-I

- (i) Complete and detailed analysis of selected works with reference to all connected documents, such as sanctioned estimates, agreements, measurement books, materials-at-site accounts, etc.
- (ii) Scrutiny of a few files relating to works.
- (iii) Scrutiny of a few tender documents.
- (iv) Examination of the Register of Works.
- (v) Examination of Statement of Annual Certificate of Balances.
- (vi) Study of Charge Reports of divisional and sub-divisional officers.
- (vii) Scrutiny of Muster rolls
- (viii) Complete check of contractors' ledgers for selected months.
- (ix) Scrutiny of Register of contractors' bills
- (x) Examination of Stores and Stock accounts (including general review of stores ledger, bin cards etc.).
- (xi) Review of arbitration cases.
- (xii) Review of Survey Reports and Register of Survey Reports.
- (xiii) Review of Register of Quarries and distance for leads.
- (xv) Review of Schedule of Rates.
- (xvi) Examination of data relating to extra and supplemental items.

- (xvii) Examination of abnormal or unworkable rates quoted by contractors.
- (xviii) Scrutiny of estimates for special repairs.
- (xix) Verification of action taken on previous Test Audit Notes.
- (xx) Settlement of outstanding paragraphs in previous inspection reports.
- (xxi) Examination and disposal of special points referred by Central Audit for local verification.

C. Assistant Audit Officer-II

- (i) Scrutiny of cash books, receipt books, treasury bill book, challans, cheque books and remittance books.
- (ii) Review of Stock Register of receipt books and cheque books.
- (iii) Examination of Register of Undisbursed Pay.
- (iv) Review of Acquittance Rolls.
- (v) Review of Schedule of Settlement with Treasuries.
- (vi) Scrutiny of transfer entries.
- (vii) Review of Tools and Plant.
- (viii) Scrutiny of Register of Rent and Other Receipts and of arrangements for their assessment, demand, collection and accounting.
- (ix) Review of Register of Valuables.
- (x) Examination of imprest and temporary advance accounts.
- (xi) Examination of Register of Liabilities.
- (xii) Clearance of debit advices received from the Accountant General (A&E).
- (xiii) Review of Register of Budget Allotments; instances of major savings, excesses, short realisation, etc. with reference to provisions; and of adequacy of reconciliation work done by the department.
- (xiv) Verification of accounts schedules, vouchers, cheques, etc., received from the Main Office with the relevant original records.
- (xv) Review of Register of Agreements/Work Orders along with the related agreements/work orders.

- (xvii) Scrutiny of Land acquisition cases.
- (xviii) Review of Cash Settlement Suspense Accounts.
- (xix) Examination of cases of theft, losses, etc.
- (xx) Realisation of sale value of tender forms with reference to the Tender Register and their accounting with reference to treasury schedules and transfer entries.
- (xxi) Examination of a few work files and tender documents.

D. Senior Auditor /Auditor

- (i) Examination of Register of Service Books.
- (ii) Review of Service Books and Leave Accounts.
- (iii) Scrutiny of pay bills, TA bills, medical reimbursement claims, LTC claims and other personal claims.
- (iv) Examination of Provident Fund accounts.
- (v) Review of Register of Advances, sanctions to advances and their recovery.
- (vi) Review of Register of payments due to other departments (Income Tax, Sales Tax, court attachment, and other deductions).
- (vii) Examination of Register of Contingent Bills, along with original bills, subvouchers, etc.
- (viii) Scrutiny of different kinds of securities obtained.
- (ix) Review of deposit transactions.
- (x) Scrutiny of Register of Fixed Charges.
- (xi) Examination of Register of Vehicles and log books; Register of Spare Parts; petrol and diesel account.
- (xii) Check of Stamp Account.
- (xiii) Examination of Register of library books.
- (xiv) Examination of accounts of stationery and forms.
- (xv) Review of Register of Measurement Books, a few Measurement Books and results of Divisional Accountant's review thereof.

- (xvi) Examination of Register of leases and lease files, and Register of license fee for buildings and lands.
- (xvii) Verification of stores ledger, delivery notes, Materials-at-site register
- (xviii) Verification of unserviceable machinery.
- (xix) Scrutiny of Objection books and adjustment registers.
- (xx) Settlement of outstanding paras of previous Inspection Reports and verification of action taken on previous Test Audit Notes.

II Party consisting of an Audit Officer, an Assistant Audit Officer and two Senior Auditors

A. Audit Officer

Same as those detailed in I.A above.

B. Assistant Audit officer

Same as those detailed in I above.

C. Senior of the two Senior Auditors

Same as those detailed in I C above.

D. Junior of the two Senior Auditors

Same as those detailed in I.D above.

Notes:

- (i) *Any other records in the Division coming under audit purview should also be scrutinised, the work being allotted to any of the members of the party.*
- (ii) *The Audit Officer will generally undertake review work. Detailed scrutiny, wherever necessary, may be entrusted to any member of the party. It will be desirable, whenever considered necessary, for each member of the party to scrutinise the records to be examined by another member as well so that the scrutiny/examination is thorough and meaningful.*
- (iii) *The Audit Officer/senior member of the party should reallocate the work based on actual circumstances so that no item is left unchecked because of the absence of the Audit Officer or any other member of the party.*
- (iv) *In addition to the works selected for examination by the Headquarters Office, 10 to 15 important works executed during the period covered by*

audit may also be selected for examination based on their estimated cost with a view to bringing out points worthy of inclusion in the Draft Inspection Report. Under no circumstances should the departmental personnel be asked to make this selection. The list of selected works should be forwarded along with the Draft Inspection Report.

Annexure 6
(Refer para 4.2)

List of documents required at an inspection of Divisional Office :--

Register of Incumbents.

Cash Book.

Cash Book Reports.

Subsidiary Cash Book.

Acquittance Rolls and Receipts.

Office Copies of Salary and Travelling Allowance Bills.

Cheque Books.

Receipt Books.

Saving Bank, Pass Books.

Remittance Book.

Transfer Entry Books.

Transfer Entry Order Books. (All since last inspection and from the date of their commencement for the work selected for complete analysis)

Imprest Accounts

Vouchers All since last inspection and from the date of their
Daily reports commencement for the works selected for complete analysis.
Muster Rolls

Registers of measurement books, (Divisional and Sub-Divisional). All measurement Books, and all M.Bs. pertaining to the work selected for complete analysis. (Nos. must be produced in any case).

Books of Standard Measurements.

Works Abstracts, (All since last inspection and from the date of their commencement for the works selected for complete analysis).

Registers of Works.

Works slips

Contractors Ledger.

Schedule of Rates.

File of Agreements.

Register of Securities.

Register of Transfers awaited .

Register of Sanction to Estimates.

Register of Appropriations.

Register of Requisitions.

Register of Land.

Rent Statements sanctioned by the Superintending Engineer.

Register of Buildings. Register of Lands.

Capital and Revenue Accounts of Building.

Stock Accounts and the indent books. (All since last inspection and from the date of their commencement for the works selected for complete analysis).

Register of Stock.

Road Metal Returns.

Road Metal Rate Book.

Tools and Plant Returns.

Service Labels Book.

Codes and other Books of Reference.

Circular Files.

Register of properties other than Government buildings, owned by Government, which can be leased.

Register of Cheques and Receipt Books and their counterfoils.

Register of tenders received and accepted.

Progress Registers showing receipts of the Sub-Divisional Cash Books, Monthly Accounts. Audit Notes by the Divisional Office on the same and for Divisional Monthly Accounts, disposal of Accountant General's Audit Notes, Salary and Travelling Allowance Objections and Corrections, Statements, etc.

Work Order Books.

Certificate of Verification of materials at site.

Contractors' Bill Books for the year.

Register of Miscellaneous Revenue.

Files of applications relating to above.

Warrant Books for the collection of miscellaneous.

Revenue Bank Register.

Kiln Registers.

Register showing the details of fees paid to Lambardars.

Register of Sanctions to and expenditure on local purchase of imported stores.

Register of Divisional Accountants' Objection.

Visitors' Registers of Rest Houses.

Register for watching the punctual revision of rent of residential buildings for which Capital Revenue Accounts are not prepared.

Statement of cashed Cheques on loose sheets.

Files of inspection of the Divisional Office by the Superintending Engineers.

File of inspection of the Sub-Divisional Office by Divisional Office and Divisional Accountant.

Register of Sanctions to Fixed Charges.

Register of Miscellaneous recoveries

Register of Encroachments.

Account of Receipts, issues and balances of stationery.

Account of forms.

Indentures for secured advances

Detailed statements of materials compared with estimated requirements

Register of Destruction of Records

Register of Miscellaneous Sanctions

Register of manufacture.

Register of check measurements.

Register of cheques received from private individuals in payment of Government dues.

Register of tools and Plant.

Suspense/Deposit Registers.

Road tables maintained in the Divisions of Building & Roads Branch.

Log Books of Power House, Locomotives, Motor Lorries Launches, Boats and Trollies and other Machinery.

Register of plant and Machinery.

Register of issue of blank forms for Muster Rolls.

Register of Indent Books.

Register of Log Books.

Register of Sale of Tender Forms.

Annexure 7

(Refer para 6.9)

Assurance memo on eight check points

..... This is to be certified that the audit of hte records of
..... was carried out from to
.as per points detailed in the checklist

:After scrutiny of records the report is as follows

Sl. No.	EIGHT CHECK POINTS	Page No.
1.	Idle investment on incomplete road works	
2.	Idle expenditure on construction of road and bridge	
3.	Allowing advance payments against invalid Bank Guarantees	
4.	Allowing essential items of work as extra items during the execution of work	
5.	Works stared without obtaining Technical Sanction	
6.	Faulty rate analysis and payment on cartage	
7.	Thickness of BM/SDBC laid as per technical specification	
8.	Undue benefit to contractors by paying secured advances in violation of the contract conditions i.e. Model Bid Document (MBD)	

Sr. Audit Officer/ Audit Officer

Party No.....

Annexure 8

(Refer para 6.9)

Assurance memo about the uses of printed audit memos and completion of all other formalities for preparation of AIR

प्रमाणित किया जाता है कि
.....की लेन-देन लेखापरीक्षा के दौरान लेखापरीक्षा निरीक्षण प्रतिवेदन हेतु निर्धारित समस्त औपचारिकताएं पूर्ण कर ली गयी है एवं उन्हे निरीक्षण प्रतिवेदन में यथास्थान संलग्न किया गया है। लेखापरीक्षा दल संख्या द्वारा मुख्यालय द्वारा उपलब्ध कराये गये ऑडिट मेमो बुक नम्बर में ऑडिट मेमो संख्या से तक का प्रयोग किया गया है।

सहायक लेखापरीक्षा अधिकारी

दल सं०

लेखापरीक्षा अधिकारी
लेखापरीक्षा दल संख्या—

सहायक लेखापरीक्षा अधिकारी
(मुख्यालय)

लेखापरीक्षा अधिकारी
(मुख्यालय)