

केवल भारतीय लेखा परीक्षा तथा लेखा विभाग के प्रयोगार्थ

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कार्यालय महालेखाकार, (आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा)  
राजस्थान, जयपुर

**OFFICE OF THE  
ACCOUNTANT GENERAL  
(Economic & Revenue Sector Audit)  
RAJASTHAN, JAIPUR**

दक्षता एवं निष्पादन लेखापरीक्षा तथा रिपोर्ट अनुभाग की नियम पुस्तक  
(आर्थिक क्षेत्र - II)  
संशोधित संस्करण-2019

**MANUAL OF THE EFFICIENCY-CUM-PERFORMANCE AUDIT  
& REPORT SECTION (Economic Sector – II)  
REVISED EDITION-2019**

महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा) राजस्थान, जयपुर द्वारा जारी

Issued by the Accountant General (E&RSA) Rajasthan, Jaipur

## **PREFACE TO THE FIRST EDITION OF H.A.D. MANUAL**

It is an important duty of audit to supplement the formal examination of rules, orders, payments, *etc.*, by an audit from a higher plane, the aim of which should be primarily to see whether the tax-payer gets the maximum benefit for his money. This type of audit, called the Higher Audit, is also carried out to ensure that the executive officers discharge their responsibilities in the matter of Public Finance with utmost economy, efficiency and perfection. This manual is an attempt to lay down a set of instructions for conducting Higher Audit of the various types of Government transactions which are supplemental to those contained in Chapter 35 of the Audit Manual. The instructions are only illustrative, and do not cover the entire field of Higher Audit activities, the scope of which is vast, and depends to a large extent on the originality and initiative of the staff entrusted with the work.

The instructions in this Manual, though primarily intended for the guidance of the Higher Audit Staff, may also be followed with advantage by the Audit sections during the normal audit conducted by them. Prima facie there is no objection for the audit sections to pursue the requirements of Higher Audit themselves, without the assistance of the Higher Audit Staff. But the audit section is advised to consult in all important cases, the Higher Audit Section, which is in a better position to conduct the very special type of audit scrutiny that may be called for in each case.

This Manual also contains a chapter on the procedure for conducting internal inspection of the various sections in this office by the Test Audit Cell.

The Superintendent, Higher Audit Department is responsible for keeping this Manual up-to-date.

R.K. Khanna  
Accountant General  
Rajasthan, Jaipur

Jaipur:

09/09/1957

## **PREFACE TO THE SECOND EDITION**

Since the issue of the first edition of the Manual of the Higher Audit Department in 1957 many changes have taken place in the complexion and duties of the Higher Audit Section which has come to be re-designated as the Efficiency-Cum-Performance Audit Section, as a result of entrusting the work of efficiency audit and overall performance audit to this section in accordance with the instructions contained in paras 56 to 59 of the Comptroller and Auditor General's M.S.O. (T) Vol. I. These and other consequential changes have been incorporated in the present edition of this Manual.

The instructions regarding conducting inspection of the various sections in this office by the Test Audit Section, which were interspersed in several chapters of the Manual of the Higher Audit Section, have been omitted from this Manual with a view to their incorporation in a separate Manual of that Branch.

Superintendent Efficiency-Cum-Performance Audit will be responsible for keeping this Manual up-to-date.

Kulwant Singh  
Accountant General  
Rajasthan Jaipur

Jaipur:  
15/02/1969

## PREFACE TO THE THIRD EDITION

The last edition of the Manual of ECPA was brought out in Feb, 1969. Hitherto fore the Efficiency-Cum-Performance Audit Department was exercising the functions of Higher Audit as well as Efficiency-Cum-Performance Audit. In view of the growing importance of Efficiency-Cum-Performance Audit, it was decided by the Comptroller and Auditor General of India that the Efficiency-Cum-Performance Audit Department need not be burdened with the functions of the Higher Audit Department, as this arrangement affected adversely the exclusive concentration on Efficiency-Cum-Performance Audit Work. Accordingly, the Efficiency-Cum-Performance Audit section was entrusted w.e.f. 1<sup>st</sup> November, 1973, only with the functions of Efficiency-Cum-Performance Audit. The functions relating to Higher Audit, which were earlier performed by the Efficiency-Cum-Performance Audit Department, have been entrusted to the different controlling sections like Treasury Miscellaneous, Works Miscellaneous *etc.*

The Efficiency-Cum-Performance Audit section was completely reorganized w.e.f. 1<sup>st</sup> April, 1979. This enabled review of schemes to be processed throughout the year. It has, therefore, become necessary to prepare a fresh manual for the Efficiency-Cum-Performance Audit Department.

The present manual contains only those instructions which are relevant to the functions of Efficiency-Cum-Performance Audit Department and has been compiled under the provisions of paragraph 54 of the Comptroller and Auditor General's Manual of Standing Orders (Administrative) Vol. I and incorporates all changes and instructions up-to-date.

The Efficiency-Cum-Performance Audit section will be responsible for keeping this Manual up-to-date. Any errors, omissions and suggestions should be brought to the notice of the Accountant General.

O.P. Goel  
Accountant General (I)  
Rajasthan, Jaipur

Jaipur:

11/10/1983

## **PREFACE TO THE FOURTH EDITION**

The last edition of the Manual of Efficiency Cum Performance Audit (ECPA) was brought out in October 1983. After restructuring of the office in April, 2012, the offices were renamed as the office of the Principal Accountant General (General & Social Sector Audit), the office of the Accountant General (Economic & Revenue Sector Audit) and the office the Principal Director of Audit (Central).

Prior to April, 2012 the Efficiency-cum-performance Audit section (Works) was under the charge of PAG (Civil Audit). After restructuring, ECPA (Works) section became a part of Economic Sector II (ES-II) wing in the O/o A.G (Economic & Revenue Sector Audit) with effect from 2<sup>nd</sup> April, 2012. From 1<sup>st</sup> February 2018, ECPA section was renamed as ECPA & Report section.

The present edition of the Manual contains only those instructions which are relevant to the function of ECPA & Report section of E.S-II Group. This Manual is meant for the guidance of Performance Audit parties under Economics Sector II wing. It has been compiled under the provisions of paragraph 54 of the CAG Manual of Standing Orders (Administration) Vol-I incorporating salient provisions of Performance Auditing Guidelines 2014 and other instructions issued till date.

The Efficiency-cum-Performance Audit & Report section will be responsible for keeping this Manual up to date. Any errors, omissions and suggestions should be brought to the notice of the Accountant General (E&RSA).

(Anadi Misra)

Accountant General (E&RSA)

Rajasthan, Jaipur.

Jaipur:

15/01/2019

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## Chapter 1

### General

**1.1** Prior to restructuring of Audit Offices on 2<sup>nd</sup> April 2012, the Efficiency-Cum-Performance Audit section (Works) was a part of the office of the Principal Accountant General (Civil Audit). After restructuring the ECPA (Works) section became the part of the Office of the Accountant General (Economic & Revenue Sector Audit) under Economic Sector-II which was renamed as ECPA & Report section on 1<sup>st</sup> February 2018.

The present Manual contains the Audit Mandate, Scope Practices, guidelines and tools for the management of the process of Performance Audit within the Economic Sector-II wing. It incorporates the instructions issued by the Headquarters from time to time and many salient features of Performance Auditing guidelines 2014 which laydown the best practices to be followed in planning, executions and reporting process in Performance Audit (PA) conducted by ES-II Group.

*(CAG's letter No. 116-SMU/PP/Restructuring/5-2011 dated 27/3/2012 and office order no. Admn-I/CA/Restructuring/M-14011/2012-13 office order no. 01 & 02 dated 02/04/2012), WM ES-II G.o 3/2017-18 dated 01/02/2018).*

### 1.2 Constitution, Control and Strength

The ECPA & Reports section is under the charge of the Sr. DAG/DAG/ (ES-II) and the section is headed by Sr. Audit Officer/Audit Officer who is assisted by Assistant Audit Officers and other staff.

The present sanctioned strength of the ECPA & Report section consists of the following:

S.No.	Name of Post	No. of Posts Headquarters section
1	Sr. Audit Officer/Audit Officer	1
2	Assistant Audit Officer	2
3	Auditor/Senior Auditor	4*
4	Audit Clerk	1
5	Data Entry Operator	1

*\*As per earlier order no Admin.I/G&SSA/M-14011/2013-14 dated 23/09/2013 total 63 posts of Sr.Ar./Ar. were sanctioned for ES-II group, out of which eight posts were sanctioned for ECPA section. Order No. Admin-I E&RSA/8(i)/vol.IV/2017-18/TR-III/839 dated 18/09/2017 provides the total strength of Sr.Ar./Ar. in ES-II group as 40 posts, proportionately the sanctioned strength of Sr.Ar./Ar. in ECPA & Report section would be presumed as four.*

### 1.3 Duties and functions of ECPA & Report Section

Headed by an Assistant Audit Officer at each seat, ECPA & Report section has two-fold responsibility dealing with Audit Reports.

- Performance/compliance Audits (ECPA section)
- Factual Statement(FS)/Draft Para (DP)/Bond copy and Report printing works (Report section)

### **1.3.1 Duties and functions of ECPA Section**

ECPA section is primarily responsible for finalizing the efficiency-cum-performance audit of the schemes/programmes/projects launched by the State Government for inclusion in the State Audit Report and the Central Audit Report in respect of centrally sponsored schemes.

The material relating to the Central Audit Report is required to be sent to the Principal Director of Audit, Scientific Departments, AGCR building, IP Estate, New Delhi.

#### **Works related to ECPA Section**

- Selection of topics for Performance Audit & Thematic Audits to be included in Annual and Strategic Audit Plans.
- Preparation of justification of selected topics for Performance Audit (PA) and Thematic Audits (TA).
- Collection of periodical VLC data and study of the yearly progress reports of various state Government Departments for the Audit Plan.
- Formation of parties to carry out the Performance and Thematic Audits for State and Central Reports.
- Correspondence with the State Government and concerned Departments to initiate the Performance and Thematic Audits.
- Preparation of Audit Guidelines and Audit Design Matrix.
- Statistical Sampling of the collected data for selected Performance and Thematic Audits.
- Preparation and submission of field study programmes for PA and TA.
- Verification of KDs of relevant Performance and Thematic Audit.
- Holding Entry and Exit conferences on the concerned Performance and Thematic Audit.
- Handing over of PA/TA records, received from review parties, to Public Account Committee (PAC) section.
- Maintenance of Calendar of Returns (COR) and regular submission of various returns of section to Higher Authorities.
- Approval of tour programme of review parties.
- Verification of TA bills, transport and conveyance claims of review parties/ECPA/Report staff.
- Maintenance of leave accounts of review parties/ECPA/Report staff.
- Maintenance of weekly diary reports of review parties.
- Correspondence with Headquarters office.
- Other relevant works of section as directed by the higher authorities.

### **1.3.2 The detailed functions of ECPA and its parties for PA/TA**

(i) The section will coordinate and direct the work of the various PA/TA parties. Identification of topics/schemes for PA review, pilot study, preparation of back ground note and guidelines for reviews will be done by this section. ECPA Section also prepares fortnightly progress of reviews.



**(ii)** The ECPA section will select the topics/schemes with reference to budgets, annual plan summary and five-year plan documents, from the lists containing provision and expenditure for the preceding two/three years of developmental schemes and projects, received from Financial Attest Audit sections (FAAS & VLC) and get them approved by the Accountant General (E&RSA).

*[Authority: CAG's letter No. 380-O&M/7-81 (iii) dated 26/4/1982]*

**(iii) (a)** The Administrative Reports of the Government Departments which contains statistics of revenue and expenditure and data of various schemes and projects, will be scrutinized and examined by the ECPA section. A study of the reports will afford a fruitful field for investigation or useful comments on the working of the Departments. For this purpose, arrangements should be made with the appropriate authorities for the regular supply of all the Administrative and other reports of the Government Departments published periodically.

A Register/file should also be maintained (*Appendix-I*) to monitor the receipt of Administrative Reports from the various Departments in ECPA section. Cases of non-receipt should be vigorously pursued. The file will be put up to the Branch Officer on the 15<sup>th</sup> April, July, October and January every year.

On receipt of an Administrative Report, the same will be studied and a synopsis of important points, if any, requiring examination will be noted in the file. The results of examination will also be noted in this file from time to time.

**(b)** The Administrative Reports should be generally scrutinised to see that expenditure incurred is co-related to the objectives of the departments and that departments have not embarked on schemes which are either wasteful and unremunerative or which are not authorised by specific or implied approval of the Legislature. The results achieved by the departments should be analysed to see whether the results could have been achieved by more economical and efficient methods.

**(c)** In the course of scrutiny of these reports, it should be specially seen that the internal accounting and audit machinery of the departments, where large schemes are in operation, are adequate and require no further intensification. If any of the schemes relate to State trading or manufacturing, the desirability of assessing the results of such schemes by preparation of proforma accounts *etc.* should be considered and suitable suggestions made to Governments.

**(d)** If any comparative year wise statistics of revenue collected, expenditure incurred, *etc.* are given in any of these reports, it should be seen whether there have been any marked deviations from normal conditions and if any such deviations exist, whether sufficient and possible reasons for them are given in the reports.

**(e)** The remarks, if any, on the accuracy of the figures, statements, facts, *etc.* mentioned in the reports should be communicated to Government for such action as they deem fit.

(iv) Performance/Thematic Proposals for selection of schemes for pilot studies will be submitted by the ECPA section to the Accountant General (E&RSA) for obtaining his approval.

(v) After the proposals for selection of schemes for pilot studies have been approved by the Accountant General (E&RSA), the reviewing officers concerned would carry out pilot studies and submit their reports indicating therein the offices proposed to be visited, requirement of staff and time proposed to be taken for detailed field study.

(vi) The report of pilot study would be examined by the ECPA section and approval of the Accountant General (E&RSA) for taking up detailed field study is to be obtained. As far as possible, the same party which conducted the pilot study should be entrusted with the work of detailed field study.

(vii) The Review parties should adhere to the time schedule given by the section and any changes in the original time schedule would require the approval of the Dy. Accountant General/Accountant General (E&RSA).

(viii) After completing the field study, the reviewing officer will get the factual statement approved by the Accountant General (E&RSA) through the group officer and submit the same to the section along with the supporting documents/record. The factual statement will be thoroughly scrutinized by the section with reference to the source material to ensure correctness of the facts stated therein before it is issued.

#### **1.4 Duties of Assistant Audit Officers Posted in ECPA (HQ)**

- Selection of Schemes for review.
- Maintenance of data bank in respect of various schemes/programmes launched by Government.
- Scrutiny of Five Year Plan documents, Budget documents, performance budgets and reports having financial bearing issued by the committees set up by the Central and State Governments.
- Examination of reviews included in the Audit Reports of other State Governments to see whether similar reviews can be attempted by this office.
- Examination of suggestions made by the State Government for taking up the review of certain schemes/programmes.
- Examination of Annual Administrative Reports of various departments of the State Government.
- Assessment of staff requirements for pilot study and detailed field study of the selected schemes and preparation of and processing of programmes of the Inspection parties.
- Preparation of background notes for the guidance of inspection/review parties indicating the areas in which detailed scrutiny would be desirable at the field level and also identification of the locations and offices where detailed scrutiny is likely to result in collection of useful material.
- Scrutiny of the reports submitted by the inspection/review parties on the results of pilot study.
- Corrections to ECPA Manual.
- Reports and returns.
- Examination of Factual Statements submitted by review parties with reference to the source material.

### **1.5 Duties & Function of Report Section (ES-II)**

Report section will work for Report of Economic Sector- II Group and will carry out the work of:

- Formatting of Factual Statement and Draft Paragraph.
- Examining FS/DP.
- Issuing Factual Statement/Draft Paragraph of the draft material of PA and TA to the concerned Department and State Government.
- Attending to the queries of DAG/Sr.DAG/AG/CAG on Factual Statement/Reviews.
- Correspondence with Government regarding Factual Statement/final reviews.
- Incorporation of Government reply in DP.
- Preparation of the final reviews.
- Sending Batch material to headquarters.
- Attending the Annotations received from the Headquarters Office.
- Attending the changes suggested by the Headquarters party in draft material of PA and TA.
- Preparing Bond Copy.
- Hindi translation work of audit report.
- Taking the Bond copy to Headquarters office for signature of CAG.
- Making of change statement for the changes in the approved bond copy.
- Printing of Audit Report.
- Taking printed report to Headquarter office for Signature of CAG.
- Providing one CAG signed copy to the Governor of Rajasthan and Finance department for laying it in state legislature.
- Seeking certificate of laying of Audit Report in state legislature from secretariat of *Vidhan Sabha*.
- Intimating media about laying of Audit Report.
- Preparing Epitome and Press Brief.
- Providing copies of the Audit Report to media press.
- Intimating headquarter office about laying of the state Audit Report.
- Vetting of cases sent by the DP cell which have financial irregularity includable in Audit Report (Economic Sector) and getting approval from the Accountant General (Economic & Revenue Sector Audit).
- After the issue of the final review, all further correspondence with the Government on the factual statement/final review will be carried out by Report section.
- Preparation of collection of Abstract of important audit findings included in Audit Report.
- Correspondence in respect to old audit reports.
- To see that compliances of rules and instructions entrusted in the Manual of Standing Orders (Audit)/Style Guide in respect to printing of Audit Reports.

### **1.6 Duties of Assistant Audit Officer of Report Section (ES-II)**

- Examining Factual Statement and Draft Paragraph.
- Formatting of Factual Statement and Draft Paragraph.

- Attending to the queries of Sr. DAG/AG/CAG on Factual Statement/ Draft Paragraphs.
- Issuing Factual Statement/Draft Paragraph of the draft material of PA and TA to the concerned Department and State Government.
- Correspondence with Government regarding Factual Statement/ Draft Paragraph.
- Incorporation of Government reply in DP.
- Preparation of the final reviews.
- Sending Batch material to headquarters.
- Attending the Annotations received from the Headquarters Office.
- Attending the changes suggested by the Headquarters party in draft material of PA and TA.
- Preparing Bond Copy.
- Hindi translation work of audit report.
- Taking the Bond copy to Headquarters office for signature of CAG.
- Making of change statement for the changes in the approved bond copy.
- Printing of Audit Report.
- Taking printed report to Headquarter office for Signature of CAG.
- Providing one CAG signed copy to the Governor of Rajasthan and Finance department for laying it in state legislature.
- Seeking certificate of laying of Audit Report in state legislature from secretariat of *Vidhan Sabha*.
- Intimating media about laying of Audit Report.
- Preparing Epitome and Press Brief.
- Providing copies of the Audit Report to media press
- Intimating headquarter office about laying of the state Audit Report.
- He will ascertain that Sr. Auditor/Auditors/Data Entry Operator/Audit Clerk of the section may perform the work allotting to them.
- Submission of tour programme of review parties and other staff going to CAG office.
- After the issue of FS/DP, all further correspondence with the Government and Departments.
- All other work which may be assigned related to Report section.

### **1.7 Duties of Sr. Auditor/Auditor (ECPA & Report Section)**

- Keeping of separate guard files/circular files of issue of instructions.
- Collection of data of revenue and expenditure for PA/TA from concerned departments.
- Having correspondence with departments for their administrative reports.
- Maintaining the files and registers related to PA/TA, audit plans, Headquarters instruction, Sr. Management meetings and group officers meeting.
- Keeping of files and register of important orders.
- Watching and updating of Books issued to the sections.
- Preparation of outstanding monthly, quarterly and half yearly reports.
- Material for selection for Audit Report (Economic Sector) is entrusted in the Manual of Standing Orders (Audit) of the Comptroller & Auditor General of India and keeping a watch on other instructions issued time to time in this

respect, vetting of Factual statement/ Draft Paras/ other materials received from DP cell/sections for inclusion in Audit Report (Economic Sector) and to take further action on it.

- Compilation of Audit Report (Economic Sector) in different steps e.g. sending batch, sending drafted audit reports and co-ordination on preparation of Annotation on remarks received from headquarter.
- Printing of Audit Reports and gist collection.
- Maintaining sectional library for old Audit Reports, Accounts and reports of Public Account Committees received from Rajasthan State as well as from other Accountants General (Audit).
- Other matters submitted under orders of the DAG/Sr. DAG (Economic Sector-II)/ the Accountant General (Economic & Revenue Sector Audit).
- Preparing of various returns and their submission to the higher Authorities.
- Handing over the records received from the review parties to PAC section.
- Sending of old records to record room.

### **1.8 Data Entry Operator/Audit Clerk**

Preparation of all kind of data, verification and confirmation work for Audit Report (Economic Sector), Data Entries of documents of various kind of managerial inputs & outputs and verification and confirmation work and related work added to it, typing work, Managerial work like combination, calculation, compilation and coding, receipt & dispatch Post work and maintaining work of other documents related to it.

### **1.9 Keeping of Main Controlling Records in ECPA & Report Section**

Various records that are to be kept in Report section will be same as are given in the Manual of Report section (Civil) and will be enforced with amendment. Important Returns/Record e.g. Diary Returns, Monthly, Quarterly outstanding reports, Guard Files, Key Register, Manual amendments register, Register of Records, Correspondence Register etc. will be maintained.

*(vide order no. Admn.I/E&RSA/B-11017/2012-14 dated 17/01/2014 report section created for ES-II Group. From 01/01/2018 renamed ECPA & Report).*

### **1.10 Control records to be kept in ECPA & Report Section**

The ECPA & Report section will maintain the following control records:

(i) Register of schemes selected for review – A register of schemes selected for review is to be maintained by the ECPA & Report section in the proforma given in (*Appendix II*). The schemes selected by the Central Office as well as those selected by this office on the suggestions of the State Government or at the instance of this office are to be noted therein. Schemes proposed for review are also to be noted in this Register as and when a decision is taken up regarding a particular scheme for review in a particular year. This register is to be submitted to the B.O. on 15<sup>th</sup> of each month and quarterly to the DAG on 15<sup>th</sup> of April, July, October and January each year. (*Authority- CAG's D.O. letter No. 950—Rep(a) 197/83 dated 30/04/1983 and AGs order dated 06/06/1983*).

(ii) Calendar of Returns (COR)- The ECPA & Report section should maintain a Calendar of Returns as prescribed in paragraph 26 of the Manual of Standing Orders. The procedure for the maintenance of the Calendar of Returns is detailed in the Manual of General Procedure. A list of

Returns/reports due from the ECPA & Report section to outside authorities and to officers/sections in this office and of returns due from other sections and outside authorities whose submission/receipt is watched through the Calendar of Returns generally, is given in (*Appendix III*).

(iii) It is the duty of the Assistant Audit Officers to ensure that all reports, returns *etc.* due from the section are prepared and sent in time and a careful watch is kept over the receipt on the due dates of the returns, *etc.*, due to this section from other offices or other sections of this office and that all other items of work are completed by the prescribed dates.

(iv) The Calendar of Returns should be submitted to the Branch Officer every Tuesday and to the Sr. DAG/DAG on 3<sup>rd</sup> Tuesday of each month.

(v) General correspondence files of PA/TA Audit plans and Headquarters instructions.

(vi) Reviews prepared but deferred.

### **1.11 Preservation of records**

The periods for which the records of the ECPA & Report section should be preserved are prescribed in (*Appendix IV*) to this Manual and the records of the Report section should be preserved as per CAG Manual of Standing orders (Administration) Vol-I Chapter XII including Para 1.5 of Manual of the Report section (G&SSA).

## **Chapter 2**

### **Performance Audit/Theme based Compliance Audit**

#### **2.1 Selection of Topics for Performance Audit**

The Performance Audit guidelines clearly lay down the road map for selection of topics. Chapter III of Performance Auditing Guidelines 2014 deals with the strategic Audit planning and selection of subjects. Topics of PAs are selected only after consultation with all the stakeholders involved. Emerging issues like environmental challenges, sustainable development and information technologies should also find a place in the performance audits of various entities, programme, scheme, *etc.* Finally, the problems of significance to people and the community should also be given appropriate emphasis while selecting the subjects of Review. The criteria for selection of various programmes for reviews should only be the public interest involved as judged by the expenditure incurred, progress of projects/schemes, benefits anticipated and realised *etc.* and not merely the possibility of our being able to highlight a few irregularities or loopholes. Programmes, which, by and large, affect the people at various levels like the social and economic programmes, should preferably receive priority. Mere financial outlay need not be the guiding factor in the matter of selection of programmes for review and as such the significant programmes undertaken by the State Government should be subjected to a thorough and incisive scrutiny. A tiny programme or a tiny fraction of a programme, should not, normally be selected, as from them conclusions of sufficient public importance are not likely to emerge. The selection of projects/schemes for PA/TA review should therefore be done with utmost care after making preliminary /Pilot study taking into account various factors than the financial outlays involved.

Preliminary study of the short listed topics is to be conducted by deputing PA parties. The party may make assessment of the topic by visiting a few units implementing the scheme of project and submit a pilot study report containing information in funding, organization setup, components of the scheme, schedule of implementation, progress *etc.* and submit a Report explaining the suitability of the topics for PA/TA. The topics selected would be submitted for approval of Accountant General (E&RSA) and forwarded to Hqrs office within the prescribed time. Topics reviewed in other State Audit Reports may also be kept in view. A record of all such information should be kept and catalogued by ECPA section for eventual use. ECPA should formulate a strategic performance audit plan with a list of key topics identified covering a period of five years. Strategic plan for performance audit is subset of the strategic audit plan of the department. The Audit team is also required to prepare their audit plans with reference to the departments strategic audit plan. The Strategic Plan should fulfill the strategic goals and objectives and document how the selected performance audit will accomplish them. Strategic planning for PA is not the same as the strategic planning of SAI India, but should be consistent with it. Statistical Sampling techniques are encouraged for use in performance audits to enable audit team to draw generalized conclusions in the Audit Reports. The audit methodology is also under increasing scrutiny and hence it is crucial that the audit team use such tools and techniques which are scientific and their conclusions can stand the scrutiny of all the stakeholders of the audit report.

The approach and methodology to be adopted and topics for PA Reviews could be determined, after discussion with executive officers at Secretariat and in departmental offices, not only by correspondence, but also by personal meetings.

While the ultimate selection of subjects for detailed review is to be made by the Accountant General (E&RSA), it should be ascertained demi-officially or by entry conference with the Secretaries of implementing department if they would like any of the schemes/projects relating to their department to be taken up for scrutiny/review in audit. The suggestions received from them should be given due consideration. Topics approved for PA would be assigned to one or more PA/TA parties. Generally, the party which did the pilot study would be assigned the topic. On the basis of the pilot study the PA/TA party is required to prepare detailed audit implementation guidelines. The guidelines should inter alia specify the manpower requirement, time-frame of completion, coverage, sample selection method, size of sample, audit objective, audit criteria *etc.* The guidelines approved by A.G (E&RSA) are also forwarded to CAG office for approval. Changes/suggestion on the guidelines should also be considered while conducting PA.

*(CAG's D.O. letter No. 792-Rep/294-78 dated 23/08/1978 and PA Guidelines 2014).*

## 2.2 Process of selection of programme

Performance Audit Topics proposed for inclusion in State Audit Report have to be sent to CAGs office by such dates as intimated by Hqrs. office. The process of the selection of programme should be started sufficiently in advance so as to facilitate a detailed and coordinated examination. While sending the proposals for selection of schemes for PA Review the following should be indicated separately:

(i) Schemes, review of which would be possible to be completed for inclusion in the Audit Report (Economic Sector II) for the year concerned; and a brief background note in the prescribed Proforma (*Appendix V*).

(ii) Reviews which would take a longer time and would be included in the following year's Audit Report. However, if and when a review of the scheme is likely to go beyond the time frame of that year's report, the review of the scheme may be taken up even in advance.

*[Authority- Shri G.B. Singh, Additional Dy. CAG D.O. letter No. 1033-Rep/73-78 (IV) dated 23<sup>rd</sup> June 1980].*

(iii) The Central Office may also select a few programmes to be reviewed on an All India basis. In the case of such programmes, the expenditure normally affects the State exchequer as well as the Central exchequer. Such reviews would as such provide material for the State Audit Report and also in a composite form for the Central Audit Report.

*(Shri H.B. Bhar's Additional Dy. CAG's D.O. letter No. 1325-Rep/192-73 dated 20/07/1973 & PA guidelines 2014).*

## 2.3 General Principles of PA/TA

Performance/Thematic Audit is an Independent assessment in examination of the extent to which an organisation, programme or scheme operates



economically, efficiently and effectively with due regard to economy. Performance/Thematic audit examines whether the objectives of programme of activity are achieved economically, efficiently and effectively. Performance/Thematic audit assesses and evaluates the economy, efficiency and effectiveness of development schemes, projects of organization. SAI India has been carrying out Performance Audit, hitherto termed as 'review', efficiency-cum-'performance audit' or 'value for money' audit for the last 40 years relating to receipt and expenditure of union and State Governments departments and ABs on a variety of subjects.

Performance auditing is an innovation as compared to the conventional financial and compliance audits being conducted by auditors worldwide. It is a way for tax payers finances, legislatures, executives, ordinary citizens and the media to execute control and to obtain insight in to the running and outcome of different Government activities. It may contribute to increased accountability, transparency and better governance demand by citizens and of stake holders by producing reliable information and impartial assessment on the economy, efficiency and effectiveness of Government Programmes. Performance Auditing Guidelines 2014 deal with the mandate and General Principles for Performance Audit, Strategic Audit planning and selection of topics/subjects, planning for individual Performance/Thematic audits, various elements of implementing the Performance audit, aspects relating to evidence and documentation, reporting process of draft Performance audit report and follow up procedures.

**Components of a Performance/Thematic Audit are:**

**(i) Ethics and Independence**

Audit team should comply with relevant ethical requirements and be independent. The Code of Ethics have to be kept in mind while conducting Performance/Thematic audits.

**(ii) Audit objective**

Audit team should set a clearly defined audit objective that relates to the principles of economy, efficiency and effectiveness. Audit objective could be descriptive, normative and analytical. Well defined audit objectives relate to a single entity of an identifiable group of government undertaking, systems operations programmes activities or organisations. Audit objective will be the focus audit and data collections

**(iii) Audit approach**

Audit team should choose a result, problems or system oriented approach. Performance/Thematic auditing generally follows one of these approaches. The overall audit approach is a central element of any audit. It determines the nature of the examination to be made.

**(iv) Audit criteria**

Audit team should establish suitable criteria which correspond to the audit questions and are related to the principles of economy, efficiency and effectiveness. Criteria are the benchmarks used to evaluate the subject matter. The criteria provide a basis for evaluating the evidence for developing audit findings and reaching conclusions on the objectives. The criteria can be qualitative or quantitative. The criteria may be general or specific. The criteria

should be discussed with the audited entities. Audit criteria should be acceptable to the entity but it is ultimately the audit team's responsibility to select suitable criteria.

**(v) Audit risk**

Audit team should actively manage audit risk. Dealing with audit risk is embedded in the whole process and methodology of Performance/Thematic audit. Audit planning documents should state the possible risks in the envisaged work and show how these risks will be handled.

**(vi) Communication**

Audit team should maintain effective and proper communication with the audited entities throughout the audit process by means of constructive interaction as different findings arguments and perspectives are assessed. Audited entities should be given an opportunity to comment on the audit findings before issue of audit report.

**(vii) Skills**

Collectively, the audit team should have the necessary professional competence to perform the Performance/Thematic Audit. In Performance/Thematic auditing, specific skills may be required, such as knowledge of evaluation techniques and social science methods and personal abilities such as communication and writing skills, analytical capacity, creativity and receptiveness. Auditors should have a sound knowledge of government, organisation programmes/functions and activities. Chapter III, Para 3.5, 3.9, & 3.11 of PA guidelines 2014 deal with basic guidance on risk analysis.

**(viii) Professional Scepticism**

Audit team should exercise professional scepticism. A high standard of professional behavior should be maintained throughout the audit process, from topic selection and audit planning to reporting. It is important for audit team to work systematically with due care and objectivity and under appropriate supervision.

**(ix) Quality control**

A robust quality management system facilitates conducting of effective Performance/Thematic audits. Performance/Thematic audit is a process in which the audit team gathers a large amount of audit specific information and exercises a high degree of professional judgement and discretion, concerning the relevant issues. A motivated and skilled audit team is required for conducting high quality Performance/Thematic audits. Control mechanism should, therefore, be complementary in supporting and guiding the audit team.

**(x) Materiality**

Audit team should consider materiality at all stages of the audit process. In Performance/Thematic audit materiality by monetary value may, but need not be primary concern. Materiality concerns, all aspects of Performance/Thematic audits, such as the selection of topics, definition of criteria, evaluation of evidence and documentation and management of risks of producing inappropriate or low impact audit findings or reports.

**(xi) Documentation**

As in all audits, performance auditors should keep an adequate documentary record of the preparation, procedures and findings of each audit. Documentation should not only confirm the accuracy of facts, but also ensure that the report presents a balanced, fair and complete examination of the audited subject matter.

**2.4 Audit implementation stages of Performance/Thematic audit**

Chapter 5 of PA guidelines contains the practices and procedures to be followed by the audit team during the implementation of the Performance/Thematic audit. It covers the stages of Performance/Thematic audit during the field audit process, i.e. after the audit planning and upto the stage of developing the audit findings and recommendations. The first Stage in Performance/Thematic auditing is strategic planning for Performance/Thematic audit, which requires the development and maintenance of information on the entity that will assist in identifying potential areas for Performance/Thematic audit. Potential topics can then be analysed from audit strategy documents. The ECPA section should formulate the annual operational plans in tune with the Strategic plan. Once a subject/topic has been selected, Performance/Thematic audit is initiated by developing a plan with the details for the conduct of the audit. Strategic planning is a very useful tool to determine priorities and identify the areas for Performance/Thematic Auditing. The process of implementation of the PA steers through entry conference, issuance of audit engagement letter, data collection process, developing audit findings and conclusions and developing recommendations.

The following stages depicts the Audit implementation of a Performance/Thematic audit.

**(i) Issuance of engagement letter**

Issuance of engagement letter to the secretary /chief executive of the entity communicating the launch of the audit along with details of the entity units selected randomly for PA and the time frame for audit and request him/her to issue necessary direction to the functional offices and field units to provide documents and information to the audit team.

**(ii) Entry conference/Entry meeting**

Entry conference at the commencement of PA/TA is to be held with secretary of the department concerned by the Accountant General. Besides entry conference, the PA/TA audit parties should also hold entry meeting with the heads of the units before commencement of the audit of selected units.

**(iii) Examination of records of selected units.**

The PA/TA audit party has to call for the records from the audited entity in form of executive and administrative files and other information essential for accomplishment of audit objectives.

**(iv) Evidence Gathering**

Audit evidence is the information collected and used to support audit finding. The evidence should be competent and relevant and sufficient and direct as possible.

**(v) Audit Design Matrix**

After determining the audit objective, audit approach, audit criteria, data collection and evidence gathering methods *etc.*, audit teams should prepare an Audit Design Matrix. The Audit Design Matrix (ADM) is prepared on the basis of information and knowledge obtained in the planning phase during the course of pilot study. A well designed ADM leads to efficient planning and resultant effective audits (**Appendix-VI**).

**(vi) Entity response**

Securing entity response at all stages of Performance/Thematic audit process. It is important that the entity is persuaded to provide written response to the audit finding. This may be achieved through correspondence, personal meetings.

**(vii) Finding and conclusion**

Audit findings are the specific evidence gathered by the audit team to satisfy the audit objectives. Audit finding may contain four elements criteria (What should be), condition (What is) an effect (What are the consequences observed as well as reasonable and logical future impact), plus cause (Why is there deviation from norms or criteria), However, four elements are not always required in an audit.

**(viii) Compare the results against criteria**

Audit findings are arrived at by comparing the evidence to the criteria. They are based on the analysis of information collected during audit. What is compared with what should be.

**(ix) Analysis of evidence**

Analytical evidences stem from analysis and verification of data, which can involve computations, analysis of rate trends and patterns, comparisons against standards and benchmarks *etc.*

**(x) Exit meeting/Exit conference**

The audit team leader or the Group officer in charge should hold an exit meeting with the officer in charge of audited units at the close of audit to seek his observation on the audit conclusions and recommendations. The Performance/Thematic audit should be concluded with exit conference with the chief executive of audited entity *e.g.* Secretary/Pr. Secretary to the Government concerned as the case may be The Accountant General or the Group Officer should lead the exit conference. All audit findings, conclusions and recommendations are to be discussed and as far as possible direct response of the audited entity is to be solicited and recorded.

**(xi) Preparation of factual Statement**

After completion of detailed field study, a factual statement should be prepared bringing out the salient points noticed and forwarded to the State

Government for verification of facts within a period of four weeks. The FS should be issued to the Government Department within two days of the approval by the Accountant General (E&RSA). While forwarding the FS to the ECPA section a certificate showing that all the facts, figures calculations are checked and form correct should be recorded by reviewing officer.

**(xii) Drafting of Review and Incorporation of Audit entity's Response**

The paragraph/final review should be prepared after the receipt of comments of the State Government on the F.S. The comments of the State Government should be taken into consideration while drafting the Reviews. Every reply received even those received after the due date, should be examined and orders of the A.G (E&RSA) obtained regarding changes if any to be made.

**(xiii)** The department's response received over FS would be included in the Draft Paragraph and if it is not received upto four weeks of its issue then Audit observations would be treated as the part of the Draft Paragraph and sent to State Government for its response within two weeks of its issuing date.

**(xiv) Sending of the PA reviews for approval by the CAG**

The reviews as finalised by the Accountant General (E&RSA) should be sent to the CAG for approval in batches.

No Changes what so ever may be made in the draft report approved by the CAG without obtaining clearance from the Central Office.

*(Authority-Ag's Conference held in October/2012 & PA Guidelines 2014)*

## **2.5 Mandate for Performance/Thematic Audit**

The Mandate of the CAG of India for Performance/Thematic Audit is governed under sections 13, 14, 15, 16, 17, 19 and 20 read with section 23 of CAG's D.P.C Act 1971. The Mandate is further established by practices and conventions. Chapter 7 of the Regulation on Audit and Accounts 2007 provides the specific guidance on this subject. Regulation 68 also defines the Performance/Thematic audit.

## Chapter 3

### Drafting of Audit Report

**3.1** Audit by the Comptroller and Auditor General of India encompasses financial, compliance and Performance/Thematic audit. All such audit reports by CAG of India are prepared for submission to the president of India/Governors of states under Article 151 of the Constitution of India. There is no ideal drafting model which is suitable for all Audit Reports. The main consideration is how the facts, figure and conclusion on a particular subject can most effectively be communicated and what presentation best meets that purpose. The primary purpose of the report is to bring to the notice of the respective legislature the important results of audit. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective action as also to frame policies and directives that will lead to improved operational efficiency and financial management of the organization thus, contributing to better governance.

### 3.2 Reporting process

The reporting process begins with the following stages:

#### (i) Preparation of Audit observations

Audit observation should be based directly on the information contained in department record so that the department may not contest later. Audit observation is defined as an area of potential control weakness, policy violation, financial misstatement, inefficiency in programme implementation and non-achievement of programme objectives or other problematic issues identified during the audit.

#### (ii) Draft report issued to the entity

The draft audit report is to be prepared up on conclusion and audit findings of field audit of the all units selected for audit. The very purpose of the draft report is to seek formal response of entity in chief/department. Accountant General (E&RSA) may forward the draft performance report to the Secretary of department which should contain the subject of Performance/Thematic audit, gist of audit findings and time limit for formal response.

#### (iii) Response of the entity

It is very important that the entity is persuaded to provide written response to the draft audit report. This may be through correspondence, personal meetings. Entity cooperation and response being hallmark for the success of Performance/Thematic audit. The Audit Party should take action to get timely replies to the audit enquires.

#### (iv) Exit conference

The Performance/Thematic audit should be concluded with an exit conference with the chief executive of the entity and secretary to the department. The AG (E&RSA) and Group officer should lead the exit conference. All audit

finding/conclusion to be discussed and responses of audited entity are to be recorded.

#### (v) Final report

On approval of the report by the audited entity's senior officials, the Accountant General may send the bond copy of the report for the approval by the CAG after which the report stand clears for printing. While sending draft report an assurance memo in the prescribed form should be appended to draft report and matrix identity, money value and matrix are also to be indicated. The printed signature copies of report are to be forwarded to the head quarter for signature of CAG The signed copies of report should be forwarded to government for placing it on the table of State legislature and simultaneously to Governor of the State also.

### 3.3 Characteristics of good report

The following are characteristics of a good performance report.

- The Performance/Thematic audit report should be accurate, concise, objective, balanced.
- The objectivity of audit report is ensured through fair conclusions and balanced content.
- The report should be easy to read and understand. It should be reader friendly as well as interesting.
- The report should be clear, which signifies that it should be easy to understand the conclusions.
- Balanced reporting should be adopted in the presentation of reports.
- The positive contribution of audited entities should also be mentioned in the report wherever possible.
- The report adds value to the entity if it is in time.
- Consistency of report is secured by ensuring that it does not contain contradictory findings or conclusions in similar contexts.
- The audit findings also have to be backed by reliable and adequate evidence.
- The list of the audit findings should be presented in visually appealing manner.

### 3.4 Structure of Performance/Thematic audit report

The Performance/Thematic audit report should preferably be presented as per the following structure:

**(i) Title:** the subject of the Performance/Thematic audit;

**(ii) Executive summary:** It provides the gist of the main report. The summary should not be very long and should contain only essential information. The major audit findings should be placed in the same sequence as the audit objectives and sub-objectives along with recommendations in brief;

**(iii) Introduction:** It consists of a brief description of the subject of study, information on programme, activity, or institution, its objectives, inputs, implementation structure, expected outputs and outcome, *etc.* The introduction should be brief, yet sufficient to enable the reader understand the context of the programme;

**(iv) Audit objectives:** They are the pivots of the Performance/Thematic audit, which set out the reason for undertaking the audit. The entire exercise of Performance/Thematic audit is built around the audit objectives. These should, therefore, be stated in simple and clear terms. It is useful to set out the audit objectives and sub objectives within each audit objective in the form of complete statement/question;

**(v) Scope of audit:** It is defined in terms of the period of the programme covered in audit and segments of the programme to be audited set out precisely;

**(vi) Audit methodology:** It describes methods used for data collection/evidence gathering and testing stated in brief. This adds to the acceptability of the audit findings and forms a statement for transparency of the audit procedure;

**(vii) Audit criteria:** to arrive at the audit findings and conclusions with reference to each audit objective and sub-objective which should be stated with appropriate explanations;

**(viii) Audit findings** and conclusions made during an audit with reference to each objective should be stated;

**(ix) Recommendations:** They should be presented along with the conclusions wherever applicable in a box or highlighted print;

**(x) Acknowledgement:** it may be useful to indicate or acknowledge in brief the co-operation, acceptance of the criteria/findings and recommendations by the entity. In case the co-operation or response was not forthcoming at any stage it may be indicated if it has resulted in any limitation along with its implication and the special efforts made by the Accountant General to seek cooperation or response;

*(Authority- Chapter 7 of PA Guidelines 2014 & Ag's Conference held in October /2012).*

### **3.5 Preface to Audit Report**

The preface is essentially to convey to the reader of the purpose and scope of the report (*Appendix VII*). It is therefore, necessary that the following essential elements must be presented in the preface of audit reports of the State Government.

**(1) Mandate-** Constitutional mandate that the report has been prepared under Article 151 of the Constitution for submission to the President/Governor, as the case may be, has to be mentioned in Audit report other than the reports prepared exclusively on the Public Sector Undertaking (PSUs).

There is no requirement of mentioning the provisions of the CAG's (DPC) Act for any other report.

**(2) Scope of the Report-** Scope of the report would cover the following 4 sub-elements:

**(a) Year of the Report-** In case of the reports which are prepared on an annual basis i.e. the report on State Finances, the compliance and Performance/Thematic audit reports, a reference has to be made about the year for which the report has been prepared.



(b) **Audited entities-** Names of the departments whose results of audit are covered in the report may be mentioned.

(c) **Type of Audit-** The preface should contain the information about the nature of the audit i.e., this report contains results of Performance/Thematic/financial/compliance audit as applicable.

(d) **Period of Audit-** The preface should explain period to which the instances pointed out in this report belong to. Mention that certain instances may also belong to the earlier years or subsequent year as applicable may be required.

(3) **Standards-** Preface should mention that the audit has been undertaken in conformity with the CAG's auditing standards.

(4) **Acknowledgement-** In case of the stand-alone reports, an acknowledgement of the cooperation extended by the Executive may be mentioned. However, in the case of other reports the acknowledgement could appear in relevant chapters.

The modifications in the structure and language can be made, if necessary, with the approval of DAI/ADAI for the Report concerned.

*(Authority: CAG Circular No. 70-PPG/44-2013 Dated-04/04/2014).*

### **3.6 Follow up of Performance/Thematic Audits**

The PA guidelines 2014 provide guidance on the follow up procedures in a comprehensive manner. Performance/Thematic audit reports are essentially a means to improving public sector Performance/Thematic and acceptability.

This can be achieved through implementation of the recommendation contained in the Performance/Thematic audits. Consistent and systematic follow up process in the department contribute significantly to the effectiveness of PA in improving the programme management.

Follow up audit refers to the situation where the auditor examines the corrective actions the audited entity, or any other responsible party, has taken on the basis of the results of Performance/Thematic audits. It is an independent activity that increases the value of audit process by strengthening the impact of the audit. It also has the effect of improving future audit work. It also encourages the user of the reports and the audited entities to take the audit reports seriously and provides useful performance indicators for the auditors. At least one follow-up may be taken up for each state Government and included in the annual audit plan. The main objective of conducting a follow up is to assess the progress the audit entity has made toward implementing recommendation of a previous Performance/Thematic audit. While conducting follow-up audit, the audit team may find that the issues have involved and need to be redefined.

At the end of the follow up audit, the audit team should present and discuss the results with the audited entity and prepare a report.

*(CAG Letter No WR/Coord/Follow-up/223-2014 Dated 21/02/2015).*

**Appendix I****(Refer Para 1.3.2 (iii)(a))****Register of Annual Administrative Reports received from Heads of Departments**

<b>Part I S. No.</b>				<b>Department</b>			<b>Year</b>	
<b>1</b>				<b>2</b>			<b>3</b>	
<b>S.No.</b>	<b>Part II Date of receipt</b>	<b>Name of the Department and year of Report</b>	<b>Page/S. No. of Part I</b>	<b>Synopsis of important points requiring investigation</b>	<b>Reference to correspondence and subsequent reminders</b>	<b>Results of investigation</b>	<b>Extracts of final orders if any</b>	<b>Remarks</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>

**Appendix II****(Refer Para 1.10 (i))****Schemes proposed/suggested for consideration for inclusion in Audit Reports**

<b>S.No.</b>	<b>Name of scheme</b>	<b>Number and date of authority</b>	<b>File Number</b>	<b>Review allotted to</b>	<b>Date of issuing of FS to</b>		<b>Date of issuing DP to</b>		<b>Remarks</b>
					<b>DACR/DACWM</b>	<b>State Govt.</b>	<b>Central Office</b>	<b>State Govt.</b>	
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
	Sponsored by the Central office.								
	Suggested by the State Government.								
	Scheme taken-up at the instance of this office.								

**Appendix III****(Refer para 1.10(ii))****Calendar of Returns**

<b>S. No.</b>	<b>Name of the Return</b>	<b>To whom due</b>	<b>When due</b>	<b>Authority</b>
1	2	3	4	5
<b>Section I- Returns due to outside authorities.</b>				
<b>Yearly</b>				
1	Need to indicate the date of laying of Audit Report in the Parliament/Legislature	IS Wing in Hqrs. Office	Date of laying of Audit Report in the State Legislature	AG Sectt./E&RSA/K-62/TR-65 dt. 30/4/2013. CAG No. 66-PPG/8-2012/dt. 28/03/2013.
<b>Section II-Returns due to Sections/Officers within the office</b>				
<b>Half Yearly</b>				
1	Physical verification of periodical census of files, registers <i>etc.</i> entered. in key Registers.	Assistant Audit Officers	1 <sup>st</sup> July and 1 <sup>st</sup> Jan.	T.M/63-C/246/dated 28/11/1983
2	Information on Statistical Sampling	WM	31 <sup>st</sup> March and 30 <sup>th</sup> September.	CAG No. 44-CAG/SA/NSO/2-2012 dated 02/01/2012 and LBA (M)/R-11011/9/2010-11/TR-II/680 dated 09/02/2012
<b>Quarterly</b>				
1	Quarterly Progress report regarding progressive use of Hindi.	Rajbhasha	5 <sup>th</sup> of April, July, October and January.	RBK/NRKS/Bhopal correspondence/2011-12/TR-II-05 dt. 27/04/2012 & No. 18.01.2011/Regional execution office Bhopal/5066-5128 dt. 21/3/2012.

2	Register of returns of old records.	DAG(ES II)	5 <sup>th</sup> April, July October, January.	G.D./468 III/Records/K-174-1312 dated 10-5-1978 and O.O. No. 3 issued vide-ECPA/F/ IV (15) 80-81 dated 27/05/1980
3	Review of Guard files, circulars Files.	B.O.	5 <sup>th</sup> April, July October, January.	T.M./71-C/122 dt. 30/12/1971
4	Register of Annual Administrative Reports.	B.O.	15 <sup>th</sup> April, July, October and January.	T.M./68-C/112 dated 12/08/1968.
5	Key Registers	B.O.	15 <sup>th</sup> April, July, October and January.	T.M./164-C/240 dated 05/10/1964.
6	Register of selection of schemes for reviews.	DAG (ES-II)	15 <sup>th</sup> April, July, October and January.	CAG's letter No. 95-Rep (R) 197-83 dated 30/04/1983 and AG's orders dated 06/06/1983.
7	Updating of ECPA Manual	CCS	15 <sup>th</sup> April, July, October and January.	CAG General Circular No. 05 of 2004 No. 254-Audit/M&C/252-2000 Dated 4 <sup>th</sup> August 2004.
8	Information regarding circulars/Guidelines and instructions received from CAG Office	WM	15 <sup>th</sup> April, July, October and January.	CCS/CA/2009-10/TR-III/33 dated 03/07/2009 & WM/TR-III/243-248 dated 06/07/2009
9	Performance of Data Entry Operator	Admn I	1 <sup>st</sup> April, July, October and January.	Admn.I/Au/P 11022/2010-11/TR IV/126 dated 02/06/2010
<b>Monthly</b>				
1	Report relating to number of persons on leave for 31 days or more on 1 <sup>st</sup> of each month.	Admn. II	5 <sup>th</sup> of each month	Admn.I/Staff Position/75-76 dated October 1975.
2	Maintenance of record of good and bad work-issue of merit certificates in recognition of outstanding work done by staff.	B.O.	5 <sup>th</sup> of each month	No. 166/AO/OE/75-76/1744 dated 17/11/1975 and No. 3081 dated 23/01/1979 and O.O. No. 3/ECPA IV (15) dated 27/05/1980.

3	Report of late attendance	B.O.	5 <sup>th</sup> of each month.	T.A.C./EM/58-59/56 dated 27/09/1958.
4	Monthly progress report on the completion of Audit and review of schemes.	AG	As decided by Accountant General	AG's orders dated 17/01/1975 File No. F II(1)II/74-75.
5	Monthly Arrear Report (MAR)	DAG (ES-II)	5 <sup>th</sup> of each month	ITAS/TR-334/dated 28/01/2014
6	Statement showing sanctioned/working strength of the section as on 1 <sup>st</sup> of each month.	Admn I through WM	5 <sup>th</sup> of each month	Circular No. Admn. II/Strength/76-77/TR/53/3331 dated 19/02/1977.
7	Register of return of old records	B.O.	5 <sup>th</sup> of each month	G.D. III(Record)/K-174/312 dated 10/05/1978.
8	Register of books	B.O.	10 <sup>th</sup> of each month	No.81/TM/IX(18) dated 04/11/1950.
9	Report regarding points for discussion with the Director of Inspection.	B.O.	10 <sup>th</sup> of each month	T.M. VIII/(A)167 dated 15-12-1953 and T.R./439 dated 14/03/1959.
10	Certificate regarding keeping ECPA Manual up-to-date.	B.O.	15 <sup>th</sup> of each month.	T.M.(XII)(A)/4694 dated 24/10/1955
11	Register of selection of schemes for review.	B.O.	15 <sup>th</sup> of each	CAG's letter No. 950-Rep(A) 197/83 dated 30/04/1983 and AG's orders dated 06/06/1983.
12	Calendar of Returns	DAG(ES-II)	Third Tuesday of the month	O.O. No. 3/ECPA/F.IV(15)80-81 dated 27/05/1980. G.D. Manual Part-I Para 4.1.7
13	Dispatch Register	B.O.	26 <sup>th</sup> of each month.	No.T.M./54/IX/15 dated 04/01/1953 modified vide No. 154 dated 10/04/1956
14	Register of regular leave	B.O.	Last day of the month	Circular No. Admn. I/76-77/475 dated 24/07/1976.
15	Website Material Information	EDP	5 <sup>th</sup> of each month	EDP/TR-II/195-211 dated 19/07/2013

<b>Fortnightly</b>				
1	Register indicating details of discussion held by Group Officers/AG with departmental officers in respect of reviews relating to ECPA	B.O.	1 <sup>st</sup> /15 <sup>th</sup> of each month	O.O. No. 3/F.IV. (15)80-81 dated 27/05/1980.
<b>Weekly</b>				
1	Calendar of Returns	B.O.	Every Tuesday	Para 6.02 of Manual of General Procedure GD Manual Part I para 4.1.1
2	Internal Diary, Hindi Diary, General Diary	B.O.	Every Tuesday	Para 6.07 of Manual of General Procedure
3	Urgent Diary (CAG Diary)	B.O.	Every Tuesday & Friday	Para 6.07 of Manual of General Procedure GD Manual Part I para 2.6.5
<b>III Returns due to outside Authorities/Sections</b>				
1	Report regarding points for discussion with the Director of Inspection.	I.T.A.S.	As and when noticed.	ITS/62-63/228/AR.3/5 dated 22/04/1970

**Appendix IV**

**(Refer para 1.11)**

**Statement showing the period or preservation of records**

(i)	TA Bill Register, local conveyance Register, Honorarium file, Tour Programme file <i>etc.</i>	20 (Twenty) years from the year of closing date.
(ii)	Reviews prepared but deferred or not found fit for developing into Draft Paras and Schemes examined but not found potential for review.	10 (Ten) years from the date of closing of the case.

(Authority: Office Order No. ECPA/F.IV (25) 79-80/33 dated 28/01/1980.] and ECPA and Report/ES-II TR-II/166 Dated 09/07/18).

**Appendix V**

**(Refer Para 2.2 (i))**

**Information to be furnished while proposing schemes for preparation of reviews for inclusion in the State Civil Audit Reports.**

1. Name of the programme/scheme.
  2. Objective(s) of the programme/scheme.
  3. Brief description.
  4. How long in operation & whether the period is considered sufficient to attempt audit evaluation.
  5. Where operated (names of districts, number of units, *etc.*)
  6. Expenditure till date (Revenue and capital expenditure to be indicated separately).
  7. Year-wise (for the last 6-7 years)-
    - (a) Receipts
    - (b) Plan outlay
    - (c) Budget provision
    - (d) Expenditure

(In lakhs of `)
  8. Nature of accounts maintained at the units.
  9. Whether declared commercial.
  10. Agency/ies through which the programme/scheme handled and whether records of such agencies are auditable under CAG's (DP&C) Act, 1971.
  11. Number of districts/units proposed to be covered in test check.
  12. Preliminary audit findings.
  13. Points likely to be covered by the review.
  14. Whether the subject was covered in any earlier draft/printed audit report if so, PAC's recommendations and action taken thereon.
- In the covering letter, please indicate the programme/schemes selected for the immediately preceding Audit Report and reasons for non-inclusion of any of them in that Audit Report.

**Appendix VI**

**Refer Para 2.4 (V)**

**AUDIT DESIGN MATRIX**

**‘Name of PA/TA’**

**Audit objectives: 1, 2, 3, 4**

<b>Audit Sub-Objective</b>	<b>Study Question</b>	<b>Audit Criteria</b>	<b>Evidence Required</b>	<b>Evidence Source</b>	<b>Data Analysis Method</b>	<b>What the analysis will allow us to say</b>
1.1	1.1.1					
	1.1.2					
1.2	1.2.1					
	1.2.2					

**Appendix VII**

**(Refer para 3.5)**

**Preface to Audit Report**

This Report for the year ended March (**the relevant year**) has been prepared for submission to the Governor of (**Name of State**) under Article 151 of the Constitution of India.

The Report contains significant results of the Performance/Thematic audit and/or compliance audit of the Departments of the Union Government/Government of (**Name of the State**) under the (**Economic Sector**), including Departments of (**name of the departments covered in the report**) However, Departments of (name of the departments not covered in the report) are excluded and covered in the Report on (**General and Social Sector/Economic Sector**).

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period (**relevant financial year**) as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to (**relevant financial year**) have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.