

**OFFICE OF THE ACCOUNTANT GENERAL(AUDIT),KERALA**

**MANUAL OF THE REPORT(REVIEW RECEIPTS-STATE)**

**Issued by**

**The Accountant General (Audit), Kerala Thiruvananthapuram-2007**

## **PREFACE**

This Manual contains the detailed procedure to be followed for the compilation of the Audit Report of Revenue Receipts-State. The instructions in the manual supplement those contained in the codes and manuals issued by Comptroller and Auditor General of India and other authorities.

The Report (Revenue Receipts) section is responsible for keeping the manual up-to-date.

**Thiruvananthapuram**

**--- --- 2007**

**JAYANTA CHATTERJEE**

**Principal Accountant General (Audit)**

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## **MANUAL OF REPORT( REVENUE RECEIPTS) SECTION**

### **CHAPTER 1 CONSTITUTION AND WORK OF THE SECTION**

#### **General**

1.1 The Reports of the Comptroller and Auditor General of India relating to the transactions of the State are presented in four separate volumes viz., Audit Report (Civil), Audit Report (Local Self Government Institutions), Audit Report (Commercial) and Audit Report(Revenue Receipts). Report (Civil) Section acts as co-ordination section in respect of the four Reports. This Manual contains instructions to be followed in the preparation of Audit Report(Revenue Receipts).

#### **1.2. Control**

The Section is directly under the charge of the Deputy Accountant General (Revenue Receipts). All important matters are submitted to the Accountant General (Audit). The routine work of the Section is under the supervisory charge of a Sr Audit Officer/Audit Officer

#### **1.3. Duties and Functions**

The Section is responsible mainly for:-

- processing and finalisation of cases fit for inclusion in the Audit Report(R.R) from the cases of irregularities reported to the Section
- the compilation of the Report of the Comptroller and Auditor General of India on revenue receipts of the Government of Kerala and all other work connected therewith including arrangements for its printing and distribution.
- preparation of memo of important points at the time of discussion of the Audit Reports (RR) by the Public Accounts Committee.
- watching the action taken by the State Government on the recommendations of the Public Accounts Committee on the Audit Report (RR)
- seeing generally that the relevant rules and instructions contained in the Manual of Standing Orders (Audit) and those issued by the Comptroller and Auditor General of India from time to time in regard to matters enumerated above are duly observed.

#### **1.4. Calendar of Returns**

Despatch of the prescribed returns on the due dates and disposal of other items of work of the Report (Revenue Receipts) Section are watched through the Calender of Returns.

## CHAPTER 2

### AUDIT REPORT IN GENERAL – REVENUE RECEIPTS

**2.1** Under Article 151 of the Constitution of India, the C&AG of India should prepare and submit a Report on the Accounts of the Central Government/State Government to the President/Governor, who shall cause it to be laid to the Parliament/Legislature. The Report is to be treated as a confidential document till it is presented to the Parliament/Legislature.

**2.2** The Report (RR.) Section is responsible for the preparation of the materials for the Report of the Comptroller and Auditor General of India (Revenue Receipts), Government of Kerala and for transmission of necessary materials to the Comptroller and Auditor General of India for approval. Printing of the Audit Report on Revenue Receipts of Government of Kerala, submission of the final copies to the Comptroller and Auditor General of India and their distribution are also arranged by Report (RR) Section.

**2.3** The Comptroller and Auditor General of India is of the opinion that the Report for a year should be made available to the Legislature when it is considering the budget for the following year. Consequently he attaches considerable importance to the observance of the due dates for the submission of the Audit Report of the State Government to his Office. The Report (RR) Section should keep a strict watch over the progress of work to ensure that the due dates for the returns or statements due to or from the contributory sections are strictly adhered to and bring to the special notice of the Accountant General (Audit) any undue delay which is likely to retard the punctual submission of the documents to the Comptroller and Auditor General. The SRA(Headquarters) Sections should furnish to Report (RR) Section materials in such form as may be required by the Report (RR) Section. Draft paragraphs on financial irregularities, losses, etc., intended for inclusion in the Audit Report should be prepared when the matter has reached a final stage and not postponed to the last moment. Requisition from the Report (RR) Section for further information for the preparation of the paragraphs should receive prompt attention of the sections concerned. Serious cases of non-compliance should be brought to the notice of the Principal Accountant General (Audit) forthwith. For this, Report(RR) Section should call for materials from the various Sections/Government departments fixing last dates for furnishing of replies.

Sl.No.	Particulars	From whom	Suggested date
1.	Circular calling for materials for processing draft paras/reviews for the Report of a year e.g.,for Audit Report of 2004-05, by 30 November 2004	From the various SRA(HQ) Sections and Branch Office, Trichur	30 November
2.	Circular calling for materials for 'Results of Audit' during previous year	From the various SRA(HQ) Sections	31 May
3.	Circular calling for details of 'Outstanding IRs and Audit Observations'	From the various SRA(HQ) Sections	31 May
4.	Materials for Chapter I (i) Reason for variation between Budget Estimates and +Actual Receipts	From Heads of Departments	By the end of April

	(ii) Reason for variation between receipts of preceding year and receipts of current year (iii) Arrears of revenue pending collection as at end of the Report year.		
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**NOTE:-** A convention has been set up with the State Government regarding the return of the draft paragraphs sent to them for verification of facts, by which the Office of the Principal Accountant General (Audit) may take the paragraphs as final if no reply is received within the prescribed time limit.

**2.4** As regards verification of facts contained in the draft paragraph, the State Government have issued the following instructions:-

*“The result of verification of the facts contained in the draft para should be communicated to the Accountant General (Audit) by the concerned Government Departments within six weeks from the date of its receipt. Before sending a reply, the concerned officers should collect all the facts which have a direct or indirect bearing on the irregularity commented upon in the draft para and see that the audit para portrays a true account of the alleged irregularities or lapse. If the draft para proposed by the Accountant General (Audit) requires modification to bring out the facts of the case, it should be suggested in the reply. The reply should be sent in a demi-official letter from the officer to whom it is referred to by the Accountant General (Audit). In cases where final replies could not be given within the time limit of six weeks, interim reply, indicating the time by which the final reply could be sent after verification, should be given to the Accountant General (Audit) by the officer to whom the draft para was forwarded. In any case final reply should be sent within three months from the date of receipt of the draft para.”*

[Hand Book of Instructions issued by Finance Department, Government of Kerala-2006]

**2.5** In preparing the Reports and draft paras the general instructions contained in Vol. II of the Comptroller and Auditor General’s M.S.O(Audit) and those issued by the Comptroller and Auditor General from time to time should be carefully borne in mind. Special attention should be paid to the instructions given in Paragraph 7.3.19 to 7.3.46 in regard to the preparation of paras for the Reports.

## **2.6. Guidelines for processing of draft paragraphs**

1. The Accountant General has an indicative target of five percent of revenue collected by the State Government in the previous year. While fixing the targets, the Accountant General should look into factors like effectiveness or otherwise of the revenue administration in the State.
2. The following points may also be suitably commented upon in the Audit Report;
  - i) Recoveries at the instance of audit
  - ii) Amounts involved in the results of audit for the year
  - iii) Amendments to acts, rules, procedures, etc consequent upon audit comments and suggestions.
3. The Audit Report should contain paras from all types of receipts raised by the State Government so that there is adequate coverage of all revenue earning departments. The Report

should be a highly representative analysis of the entire span of activities of the State and not merely a compendium of isolated objections taken in random departments.

4. The materials for the Audit Report should be sent to Headquarters office in batches in **Chapter form** by the specified date intimated by Headquarters from year to year.

**2.7** As the draft paragraphs are also considered confidential, they should be marked invariably as confidential in order to maintain the secrecy, while sending them either to the Office of the Comptroller and Auditor General for edition or to Government etc., for verification of facts and during subsequent correspondence thereon.

[C&AG's confidential letter No. 1752-Rep/256-68 dated 2.9.1968]

**2.8.** The draft paragraphs proposed for inclusion in the Audit Report may be sent in triplicate to the Comptroller and Auditor General in Chapter form as and when they are ready. As far as possible, paragraphs relating to a particular chapter of the Report should be sent in a single go. Submission of the material should be so phased as to ensure the timely finalisation of the Audit Report for its presentation to the Legislature at the commencement of the budget session.

**2.9.** A final draft of the Audit Report will be prepared by the concerned Accountant General/Principal Director of Audit after taking into account the comments of the Comptroller and Auditor General on the draft paragraphs and reviews sent initially in Chapter form. The information presented therein should also be duly updated based on subsequent developments and replies. In finalising this draft, due regard should also be paid to the observations/replies of Government.

**2.10.** After discussion of the Report with the HQrs team, one bond copy of the final draft of the Audit Report, including overviews, should be prepared in loose sheets of A4 size paper. These will be placed in a plastic ring-clip folder and submitted to the Comptroller and Auditor General for approval.

(Note: After the Draft Audit Report is approved by the Comptroller and Auditor General, any subsequent change in the draft can be effected only after obtaining clearance from HQrs office.)

## **2.11. Printing**

Printing of Audit Report is dealt with in detail in Chapter 4

**2.12.** The Comptroller and Auditor General has issued the following important guidelines that may be scrupulously followed while processing draft paragraphs/reviews:-

- (i) The audit report work should receive the personal attention of the Accountant General(Audit).
- (ii) The emphasis should be on quality rather than on quantity and on analysis rather than mere narration.
- (iii) The thrust of the paragraphs and reviews should come out clearly. Reviews and paragraphs should be concise, unnecessary descriptive material should be cut out and the facts stated should be brought out in sharp focus with adequate thrust. Only matters of public importance should be incorporated in the Audit Reports.

- (iv) [D.O. letters 792-Rep/294-78 dated 23.8.1978 Case Rep.1/54-1/XXIII & 621 Rep/125-79 dated 4.5.1979 from the Addl. Dy. C&AG].



## CHAPTER -3 COMPILATION OF AUDIT REPORTS

The following are some important aspects to be ensured in the finalisation of materials for the Audit Report.

3.1 In the opening section of the Audit Report (Chapter I) a general paragraph should be included drawing attention to some of the important conclusions bearing on the general financial position of the Government based on the material included in the Finance Accounts.

In order to enhance the quality and presentability of the State Revenue Receipts Audit Reports, a revised format of Chapter I has been introduced from Audit Report for 2002-03 onwards. The main features are given in Appendix I.

(Authority: Letter No. 273/SRA/3(I)/2003 dated 3 June 2003 of C&AG)

3.2 Major objections and other points of interest noticed during audit should be mentioned as Chapters under each Revenue Receipt head viz., Sales Tax, Taxes on Agricultural Income, Taxes on Motor Vehicles, Land Revenue and Building Tax, Forest Receipts, Stamp duty and Registration Fees, etc. Where a substantial number of paras does not exist in any of the revenue heads, such paras may be featured under miscellaneous Chapters as 'Other Tax Receipts' or 'Other Non-Tax Receipts'.

3.2.1 An omnibus para on the results of audit of offices of the respective revenue head should be included as the opening para in every chapter. An example of general format of the same would be as follows.

### Results of Audit

**Test check of the records of Offices of the ..... Department conducted in audit during ..... revealed non-levy/short realisation of revenue amounting to Rs ..... lakh in ..... cases, which may broadly be categorised as under.**

Sl. No.	Category	Number of cases	Amount (In lakh of rupees)
	<b>Total</b>		

**During ....., the department accepted underassessments of Rs .... lakh involved in ..... cases of which ..... cases involving Rs ..... lakh were pointed out in audit during ..... and the rest in earlier years. During the year the department recovered an amount of Rs ..... lakh in ..... cases pointed out prior to ..... A few illustrative cases involving Rs ... lakh are given in the following paragraphs.**

Ref : (CAG's letter No. 605 Rec A IV/3(I)/92 dated 15 July 1992)

**3.2.2** Reviews, if any, under the respective head will be featured as the second para under the chapter

The general format of the reviews would be as follows.

- **Title**
- **Highlights**

- **Introduction**
- **Organisational set up**
- **Audit objectives**
- **Trend of revenue receipts corresponding to the subject matter of the review**
- **Different points noticed in the review conducted under suitable headings**
- **Internal control (comments of internal control existing in the department and their adequacy or not with respect to the subject matter of the review may be included)**
- **Conclusions**
- **Recommendations and suggestions**

#### Audit Committee

The Comptroller and Auditor General of India has ordered to constitute a state level committee for the State Revenue Receipts on a regular basis which may be called 'Audit Review Committee for Comprehensive Appraisal of State Receipts' to discuss the points included in the Review Report. Copy of C&AG's circular No. 2 of 2005 dt: 7.2.2005 is given in appendix II.

**3.2.3** In drafting the paragraphs for the Audit Report, special attention should be paid to the instructions issued from time to time.

The following instructions should receive special attention in preparing Draft paragraphs:-

- i. Individual draft paragraphs having tax effect of Rs Two lakh or more should only be proposed for mention in the Receipt Audit Report. However, if a matter is important enough to be brought to the notice of the Public Accounts Committee, monetary limit need not be observed.
- ii. Objections on routine matters e.g. (I) mistake in applying the rates of tax (ii) arithmetical mistake in compilation of turnover or calculation of tax (iii) apparent mistakes in classifying the item (unless legal issues are involved) should be consolidated and only one paragraph having suitable sub paragraphs for each class of mistakes may be proposed.
- iii. Similarly for Forest Revenue Receipts one consolidated paragraph on non-levy/short levy of interest or penalty or forest dues becoming irrecoverable may be proposed. Where, however some serious failure on the part of the Department is sought to be brought to the notice of the Public Accounts Committee, there is no objection to individual draft paragraphs being proposed.

The following points should receive special attention so that the responsibility of the Department concerned for the irregularity can be clearly brought out in the para:-

- i. Did the matter come to the notice of the Finance/Taxes Department at any stage? (If the matter should have come to their notice but did not so come because they were not sufficiently vigilant, please say so)
- ii. What was the action suggested by them?
- iii. Did the administration follow this advice?
- iv. If so, did the irregularity or loss take place inspite of following the advice?
- v. Did Finance/Taxes Department take or suggest any action after the irregularity had taken place?

(C&AG's letter No. 547-Rep/58-61 dated 24.2.1961 Case AA.54-1/60-61)

#### **3.2.4. Internal Audit System**

Comptroller and Auditor General of India has desired that evaluation of "Internal Audit System" of the State Government should be made and suitably commented upon in relevant chapters of the audit reports. The following points may be kept in mind while evaluating the system:

- (a) What is the coverage of the units to be audited by Internal Audit;
- (b) What is the periodicity of audit by the Internal Audit Wing;

- (c) How many Inspection Reports and Paragraphs were issued during the period of audit; pendency of IRs and paras; year-wise analysis of pendency;
- (d) Whether the observations made by the Internal Audit wing are properly followed up;
- (e) What is the pendency in audit by Internal Audit wing and the reasons for the pendency;

The following format may be adopted for commenting on pendency of internal audit objections (i.e. IRs and paras);

Year	Opening Balance		Additions during the year	Clearance during the year	Balance at the close of the year	% disposal
	IR	Para				
1999-00						
2000-01						
2001-02						
2002-03						

### 3.2.5. Forwarding of Bond copy and the enclosures

The enclosures with bond copy are

- Statement showing the details of number of paras and their money value in the AR(RR) for previous year and in the bond copy of the Audit Report (RR) for current year.
- Consolidated statement of para on Results of Audit.
- Calculation sheet for weighted money value  
(Parawise, chapterwise statements and their consolidation)  
With reference to HQrs letter No. 256-SRA/3(i)/2005 dt: 29 April 2005- Circular No.6)
- Statement showing money value of each para included in the bond copy, money value of cases accepted by the department, money value of cases contested by the department, amount realized and money value of cases in which final replies have not been received.
- Assurance memo (with reference to HQrs letter No. 116 – Audit (AP)/4-2003 dt: 22 August 2003 from Director General (Audit))
- The formats of the various enclosures are given in Appendix III.

### 3.2.6.

- After receipt of the Bond copy approved by C&AG, necessary notings have to be incorporated both in the master copy of the Bond copy and concerned DP/Review files. Modification/correction, if any based on further replies from Department/ Government have to be forwarded to HQrs for approval.
- After receipt of approval to the modification proposed, necessary action has to be initiated for getting the report printed.
- Simultaneous action has to be taken for getting the materials translated into Malayalam.
- Instructions in Headquarters letter No. 701 (Rep(S)/186-2005 dt.15-6-2005(appendix IV) also have to be followed.

**CHAPTER-4**  
**PRINTING AND FORWARDING OF PRINTED COPIES FOR COUNTERSIGNATURE**

**4.1** Arrangements for printing the four Audit Report are being made by Report(Civil) Section. Based on the directions received from Report(Civil) Section the Audit Report (Revenue Receipts) has to be got printed .The printing of the Audit Reports should be expedited. Whenever there are undue delay, the State Government concerned should be requested to get the Reports printed through the private presses, ensuring at the same time that the confidentiality of these privileged documents is maintained. Where considered necessary, the intervention of the Finance Minister and/or the Governor of the State could also be sought through the Headquarters office for expediting the printing of the Reports for which the State Governments are responsible.

The general format of the Audit Report is given in Appendix V. The number of copies to be printed as at present are as follows:

**No. of Copies**

	<b>For the Legislature</b>	<b>For the Finance Department</b>	<b>For Sale (Govt. Press)</b>	<b>For our office for distribution</b>	<b>Total</b>
English Version	300	125	50	375	850
Malayalam	250	30	25	75	380

**4.2** Twenty printed copies of the Report consisting of 12 ordinary copies, seven leather bound copies and one copy bound in calico have to be forwarded to the HQrs Office. Of these four leather bound copies have to be singed in ink by the PAG/AG and space for countersignature of the Comptroller and Auditor General of India be left blank. One leather bound copy may be kept unsigned for transmission to the Secretary to Governor. (The other fifteen copies will contain the facsimile signature of PAG/AG and CAG).

**4.3** After getting the countersignature of the C&AG in the Audit Report, these have to be handed over to a responsible officer in the office of the Finance Secretary to Government/Secretary to the Governor of Kerala for taking necessary action for the presentation of the report to the legislature.

**4.4** On the day of presentation of the Audit Report to the legislative assembly copies of the report have to be forwarded demiofficially under PAG's signature to the leading dailies/T.V. channel, editors or regional representatives of Newspapers, Press Information Bureau requesting them to give wide publicity to the contents. Necessary copies have also to be made available to the legislative assembly/Finance Department.

In order to enable press correspondents to select the more important audit observations/comments for publication, a press brief, which should be more or less a copy of

the Overview printed in the Report, should be issued separately for each Report as and when it is laid before the Legislature. Copies of the Reports will also be made available along with the press brief. A press brief containing the list of important points included in the Audit Report should be forwarded to the legislative assembly/news media for their use. Latest instructions in Head Quarters Communication regarding media policy and holding of press conference by officers of IA&AD are included as Appendix VII (Authority Headquarters letter dt. 16-3.2006).

**4.5** Any error noticed in the printed copies should be neatly corrected in the copies sent to the C&AG. Where the number of errors is such as will require the inclusion of an errata, this should be printed only after an intimation of the document having been signed by the C&AG is received. This will enable the Accountant General to incorporate in the errata any other mistakes or other typographical errors that may be pointed out by the C&AG. The errata should confine itself to only the more significant errors.

**4.6** No correction slip should be issued after the Reports have been forwarded to Government. If a serious error or misprint comes to notice after this has been done, it should be immediately brought to the notice of the C&AG along with an explanation of the circumstances in which the error could not be noticed and rectified earlier. If it is decided to issue an amendment, the correction slip will be issued in the name of the Accountant General who is responsible for the preparation of the Report, but it should not bear any date. The Accountant General shall ensure that any such correction slip issued is pasted in the copies countersigned by the C&AG and intended to be laid on the table of the Legislature.

No correction slip can be issued after the documents have been laid before the Legislature. Any errors noticed subsequently should be reported to the C&AG with an explanation for the omission to detect them earlier.

**4.7** From the time the Audit Report is returned by the Headquarters after approval of the Comptroller and Auditor General of India, a fortnightly progress report as on first and fifteenth of a month about position of printing of the Report should be sent to Headquarters.

[Letter No. 1769-Rep/62-81 dated 28.11.1981 of Comptroller and Auditor General of India, Case Rep(RR)/22-1/Vol.1]

(2) Whenever delay in printing is anticipated, the Accountant General(Audit) may keep the Governor's Secretary informed about the delay. This may also be reported to the Headquarters for considering the issue of a letter by the Comptroller and Auditor General to the Finance Minister and /or Governor of the State.

[D.O. letter 792-Rep/294-78 dated 23.8.1978 Case Rep 1/54-1/Vol.XXIII]

## **CHAPTER 5**

### **PROCEDURE FOR CONSIDERATION OF THE REPORTS PRESENTED TO THE LEGISLATURE**

**5.1** The procedure for the Constitution of the Committee on Public Accounts of the State is detailed in Rules 224 and 225 of the Rules of procedure and conduct of business in the Kerala Legislative Assembly. The agenda for the meetings is drawn up by the Legislative Secretariat and is settled in consultation with Audit. The inherent right of the Audit Officer, to bring points to the notice of the Public Accounts Committee (whether such points were included in the agenda or not) is not however, lost.

The Accountant General (Audit) attends the meetings of the Public Accounts Committee by special invitation and helps the members to understand the importance of a para or an irregularity and what exactly can be done by them in dealing with the different issues.

[Deputy C&AG's D.O letter No. 284 Rep/71-51 dated 13/4/1952 Case AA 54-4/52-53.]

**5.2** The C&AG has desired that all officers of the I.A & A.S. should be associated with the meetings of the Public Accounts Committee, each officer being asked to attend along with the Accountant General (Audit), two or three meetings, depending upon the number of meetings of the Committee. They might also be required to assist the Accountant General in the same manner as the Audit Officer in charge of the Report Section does.

[Additional Deputy C&AG's D.O letter No. 708/Tech. Admn.I/220-64 dated 19-3-1964.]

**5.3** In order to guide the Public Accounts Committee to pick out the really important points, Accountant General will prepare before the Audit Report is taken up for consideration, a memo of more important points, dealt within the Audit Report to which he attaches importance and which he would like to commend for the special attention of the Public Accounts Committee and send sufficient number of copies thereof confidentially to the Secretary to the Legislative Assembly for distribution among the members of the Public Accounts Committee, the departmental witnesses having no access to it. The memo should also contain such additional or background information as may be relevant for a proper appreciation of the issues that arise, opportunity may also be taken to include in it an account of the further developments, if any, in each case.

[D.O. letter No. 702 Rep/113256 dated 7-5-1956 from Shri P.C. Padhi Additional Deputy C&AG (Rep) and C&AG's letter No.175 Rep/6-59(IV) dated 15/1/1960. Case AA 53-2/56-57 and Case AA 53-2/GI/59-60/Vol.II.]

**5.4** With a view to enabling the members of the Public Accounts Committee to raise various questions more effectively as also to help them with the points to be pursued in the meetings or with the points to be taken up with the Department/Ministry it is desirable to insert leading and suggestive audit comments or conclusions pinpointing the major failures and deficiencies of the department at the end of each paragraph.

Suitable audit observations as to the increase and fall of Revenue, failure in the field of mobilization of Revenue by the State on its own efforts, irregular remissions, unauthorized write off or waiver etc. may be made at the end of the appropriate statistic paragraph which are included in Chapter I of the Audit Report. The number of defaulters in whose case substantial amount of arrears are outstanding and the period of outstanding may also be mentioned which will be of interest to Public Accounts Committee members.

The essential requirement is to incorporate the relevant audit comments wherever they are deemed fit, so as to provide adequate thrust to the paragraph included in the Report.

[ C&AG's letter No. 927-RA IV/117-78 dated 1-12-1978.]

Note.-if during the course of examination of departmental witnesses further notes are called for by the Committee these notes might be verified by Audit before they are submitted to the Committee.

**5.5** The dates of presentation of the Audit Report to the Legislature should be intimated to the C&AG as soon as it becomes available. The programme of work of the Public Accounts Committee should also be advised to the C&AG of India as soon as it is settled. This is to enable him to consider attending them if possible.

[C&AG's letter No. 732 Rep/116-50 dated 29-10-1951 and No. 399 Rep/115-60 dated 30-5-1952. Case AA 55/21/52-53.]

**5.6** All Reports presented to the Legislature stand automatically referred to the Public Accounts Committee. The C&AG has decided that Public Accounts Committee being a committee of the Legislature and not a body created by the constitution cannot examine the Accounts and Reports thereon before they are laid before the Legislature unless the Speaker of the Legislative Assembly specially authorizes the Public Accounts Committee to do so. This convention has been agreed to by the State Government.

[C&AG's letter No. 621 Rep/70-50 Pt.I dated 29-12-1950 OM No. Fin (d) 2-3621/51 dated 6-4-1951 of the State Government-Case AA 53/21/52-53/C & AG's letter No. 3077 Admn.I/38562 dated 28-11-1952 Case AA 54-1/Vol.XI]

**NOTE- I.** The speaker has authorized the Public Accounts committee as a standing arrangement to examine the Audit Report before it is laid before the Assembly. The committee should not however, submit any report to the house before the Audit Report is laid on the Table of the House.

{Note below Rule 1 of the Rules of procedures of the Committee on Public Accounts}

**NOTE-2.** The Public Accounts Committee is entitled to discuss only what is included in the Audit Report placed before the Legislature and Audit is not entitled to disclose to the Public Accounts Committee any discussion between Audit and Government on matters not referred to in the Audit Reports.

[C&AG's letter No. 1510 Rep/194.64 dated 21-8-1964 Case AA VII/53-2/64-65 GI.]

**5.7** The Public Accounts Committee cannot call for particulars and documents regarding irregularities etc., direct from audit for scrutiny and inspection by selected members of the Public Accounts Committee. If they are required they should be collected only from the Administrative Secretariat Departments of Government. Correspondence with audit is not, however, precluded on matters of purely routine character in connection with the more convenient arrangement for the transaction of the business of the Public Accounts Committee.

[Deputy C&AG's letter D.O No. 487-Admn I/51 dated 28-7-1951 Case SS 54-1 50-53]

**5.8** Copies of the Audit Report may be circulated to the Administrative Secretariat Departments of Government as soon as they are submitted to the Governor by the C& AG of India. This is done with a view to enable them to defend their positions in the meetings of the Public Accounts Committee. The contents of the documents should not however be published until they are presented to the Legislature.

[C&AG's letter No. 485 Rep/47-51 dated 7-8-1951 Case AA 54-1/50-53]

**5.9** Epitomes containing important recommendations of the Public Accounts Committee were being prepared by the Legislative Secretariat once in five years.

In the conference of the Chairman of the Public Accounts Committees held in April 1966 the Comptroller and Auditor General expressed the view that the epitome of the reports of State Public Accounts Committee could, with advantage, be prepared by the local Accountant General (Audit). The Kerala Committee on Public Accounts also resolved on 22-7-1974 that this work might be entrusted to the Accountant General (Audit). Since 1974, epitomes are being prepared by the Accountant General(Report Civil).

**5.10** It is not desirable or necessary for audit to participate in any investigations or enquiries, which the Public Accounts Committee might take up during their study tours. There is, however, no objection to the Accountant General rendering assistance in the normal way to the Public Accounts Committee in the course of on the spot study tours undertaken by it if:-

- (a). the Committee holds examination of departmental witnesses in connection with the points included in or arising out of the material included in the Audit Reports and
- (b). the result of the examination will form part of the official proceedings of the Committee. The assistance rendered will be of the same nature as rendered by the Accountant General in the normal sessions of the Committee held at Headquarters.

[Additional Deputy C&AG's ® D.O. letter No. 333/Rep/26-62 date 10-2-1964 and 511 Rep/26-64 dated 4-3-1964 Case AA VII/53-2/63-64/Misc]

**5.11 (a).** The action taken by the Government on the recommendations of the Public Accounts Committee has to be reported to the Committee. Where the Government do not accept the recommendations of the Public Accounts Committee, the matter has to be remitted to the Public accounts Committee through Audit for reconsideration. After reconsideration if the Committee do not reiterate their recommendations the matter ends. If the Committee reiterate it and if the Government do not accept it even after such reiteration(such instances may be rare), the matter has to be brought before the legislature, either by Government in the form of a resolution or by a further report by the Public Accounts Committee.



(b). similarly if the recommendations of the Public Accounts Committee require any investigation by a Committee appointed by Government, the report of that Committee along with the comments of the Government as well as of Audit thereon, has first to be submitted to the Public Accounts Committee for consideration and not to the Legislature. The Legislature will consider it only after the Public Accounts Committee examine it and report on it.

(c). If the Executive Government decide to bring before the Legislature any difference of opinion between the Public Accounts Committee and the Government it should be done in a forum which places before the Legislature unreservedly the arguments on both sides.

[C&AG's letter No. 193 Rep/6-54 dated 23-2-1954 Case AA 53-11/50-54].

**Procedure for dealing with the Reports of the Committee on Public Accounts and the action taken by Government thereon.**

**5.12** As soon as the report of the Public Accounts Committee of a year is received from the State Government, a copy thereof should be submitted to the Account General(Audit) for perusal. The report should then be scrutinised in detail by the section with special reference to the remarks made by the Accountant General(Audit) on the copy submitted to him. Register to watch receipt of SOAT/ATN on the recommendations of Public Accounts Committee/Copu may be maintained in the following format.

<i>Sl. No</i>	<i>No/Year of the Report of Public Accounts Committee/Copu</i>	<i>Date of presentation of the Report to the Legislature.</i>	<i>The Department/Department/company to which the recommendation relate.</i>	<i>Reference to para Nos. of the Audit report</i>	<i>File No. of the Section</i>
<i>1</i>	<i>2</i>	<i>Date of receipt of cyclostyled copy</i>	<i>4</i>	<i>5</i>	<i>6</i>

<i>Rec No.</i>	<i>Para No.</i>	<i>Date of receipt of SOAT/ATN for vetting</i>	<i>Date of return of vetted SOAT/ATN</i>	<i>Date of receipt of final copy</i>	<i>Date of return of FC to Legislature</i>	<i>Date of discussion by PAC/sCopu</i>	<i>Remarks</i>
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<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>14</i>
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[No ITA/27-1/Circular/2004-05/481 dated 28-1-2005]  
The register should be submitted to the Branch Office monthly.

## CHAPTER- 6

### MISCELLANEOUS

#### **Supply of copies of the Audit Report To Other Audit Officers.**

**6.1** Copies of the Audit Reports may be supplied to other Audit Officer in India on an exchange basis as soon as these are formally submitted by the Comptroller & Auditor General to the Governor. While sending copies, it should be stipulated that they should be treated as confidential until their presentation to the Legislature. Two copies of the Audit Report are also to be sent to the Lok Sabha Secretariat(Public Accounts Committee Branch) immediately after the Report has been presented to the Legislature.

#### **Action on the copies of Audit Reports received from other Audit Officer.**

**6.2** As soon as Audit Reports are received from other Audit Officers, important comments there from should be extracted and circulated to all gazetted Officers and Section Officers for guidance and study, to enable them to watch for similar irregularities in their own sphere of work. This work should be done within a month of receipt of the Audit Reports.

[C & AG's letter NO.817-Rep/6-59 KW(1) dated : 17-3-1959 case AA 54-1/56-5]

#### **Watching receipt of copies of Audit Reports from other Accountants General.**

**6.3** A Register in the following form should be maintained in the Report(Revenue Receipt) section to watch the receipt of copies of Audit Reports from other Accountants General.

Sl. No	From whom received	Date of receipt	Brief of interesting/importa nt case to be circulated with reference to para No.	Date of Circular

The Register should be reviewed by the Assistant Audit officer/Section Officer at the time of closing of the Despatch Register every month with a view to see whether any of the Accountants General may be reminded for non-receipt of the Reports or intimation of date of presentation of the Report to the Legislature.

[Accountant General's order dated 21/5/1962- case AA VII/54-1/Vol.IX].

**6.4** The Audit Report are usually got printed at the State Government Press, Thiruvananthapuram by the Accountant General and supplied to the Finance Department of Government and to the Legislative Secretariat Comptroller & Auditor General has directed that the filed Officer immediately on receiving the headquarters approval should send the Report for printing. The printing should be completed within 10 working days through private printers if need be. The documents are not departmental Publications of the Indian Audit and Accounts Department and arrangements for sale to the public etc. shall not be made by the Accountant General or by the Manager, Central Publications Branch, New Delhi, but by the Government concerned by whom Publicity is desired.

[Letter No. 5/9/52 PI dated 10-3-1952 of the Controller of Printing and Stationery, New Delhi case AA 53-29/50-54 and letter No.603-Rep/128-50 dated 23-12-1950. Case AA 54-4/50-54 and Comptroller & Auditor General's letter No.1024-Rep/133-62 dt 14-5-1962-case AA VII/54-1/Vol/IX and No.1920-Rep/324-62 dt 21-9-1962-case AA 54-4(a)Vol/IV. Comptroller & Auditor General's circular No.8 of 2005 dt 6-10-2005]

### **Registers to be maintained in Report(Revenue Receipts)Section**

#### **6.5 Part I- Outside Office**

A. Weekly- Nil  
 Monthly- Nil  
 Quarterly- Nil

		<b>To whom to be submitted</b>	<b>Authority</b>	<b>Due date</b>
1.	Digest of important and interesting Cases of State Revenue	C&AG through SRA(HQ)I	HQ Letter No. Rec/A/IV/12 XVI/90 dt 12-12-90	31 May & 30 Nov.
2.	Position of discussion of State Audit Reports	C&AG by e-mail	letter No.239 Report (S) 32-91 dt.28.2.92	1 <sup>st</sup> week of April/

by PAC for the half  
year ended March/Sep.

of HQs Office

Oct.

**Part II-with in the Office**  
**Section I-weekly**

	<b>Name of the Register</b>	<b>To whom to be submitted</b>	<b>Authority</b>	<b>Due date</b>
1.	Calendar of returns	B.O	Tm-K-10 12-5-73	Tuesday
2.	CAG's inward Register	B.O	Tm/15-10 12-5-73 Estt.A-IV/ No.475/76 Dt.12-11-85	7 <sup>th</sup> ,14 <sup>th</sup> , 21 <sup>st</sup> ,28 <sup>th</sup>
3.	Transit Register	B.O	TmV 11-8-87	7 <sup>th</sup> ,14 <sup>th</sup> 21 <sup>st</sup> ,28 <sup>th</sup>
4.	Report of the Examination of Auditor's table	B.O	Report(RR) manual	Monday

**Section II-Fort nightly**

		<b>To whom to Be submitted</b>	<b>Authority</b>	<b>Due date</b>
1.	Register of CAG's letter	DAG (RR)	AG's sect.Not TR/334/87 dt.24/12/79	Alternate closing 7 <sup>th</sup> , 21 <sup>st</sup>
2.	Register of DAG (RR) PDP cases	DAG(RR)	Order of	15 <sup>th</sup> , 30 <sup>th</sup>

**Section III-Monthly**

S I No.	Name of the Register	To whom to be submitted	Authority	Due dates
1	S. O's note book	B.O	Tm/11-10/29 23-3-1994	Ist
2	Report of PAC meeting held in a	Deputy Accountant	AG's order dated 19/1/79	Ist

	month	General (RR)		
3	Report of late attendance	B.O	Tm/15-148 17/8/1974	5 <sup>th</sup>
4	Register of incumbents	B.O	Tm/5/11-30 Dt 5/3/1960	5 <sup>th</sup>
5	Monthly arrear Report	Deputy Accountant General (RR)	M.G.P	7 <sup>th</sup>
6	Calendar of returns	Deputy Accountant General (RR)	M.G.P	7 <sup>th</sup>
7	Monthly indent for stationery	B.O(Gl.Sn.)	M.G.P	5 <sup>th</sup>
8	Register of Audit Reports issued	Deputy Accountant General (RR)	Note Report(Civil-I) 8-8-89	10 <sup>th</sup>
9	Register of volume of work done	B.O	M.G.P	10 <sup>th</sup>
10	Register of paras discussed byPAC	B.O	AG's order dt 19/1/79	18 <sup>th</sup>
11	Despatch Register	B.O	M.G.P	18 <sup>th</sup>
12	Defalcation Register	B.O / Deputy Accountant General (RR)	DA manual Vol-I Para 5.6	Last working day
13	Register to watch receipts of statements of action taken by Govt. on PAC report	B.O	Order of A.G dt 19/1/79	Last working day
14	Absentee statement	OE(bills)	Circular dt 4/5/80 of OE bills	Last but one working day
15	Pending paras in ITA report	B.O	ITA/27-1CR/04-05 dt 17//8/04	5 <sup>th</sup>

#### **Section IV-Quarterly**

1	Quarterly arrear Report	Co-ord	Tm/II/15-51 13-12-60	April, July, October, January
2	Quarterly progress report regarding progressive use of Hindi	Hindi-cell	Hindi cell 14-435	7 <sup>th</sup> of the month succeeding the quarter
3	Progress Report of revision of manual	Co-ord	Co-ordn(Au)II/Manuals/287 dt.11-10-2004	Jan/April/July/October

4	Pending paras in the report of ITA	Deputy Accountant General (RR)	ITA/27-1/CR/04-05 dt.17/8/2004	5 <sup>th</sup> of April, June October, January.
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**Section V-Half yearly**

1	Certificate regarding maintenance of secret memorandum of Instructions	Co-ordn	Estt.-77 dt.16-1-59	July, January
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**Section VI- Annual**

1	Certificate of verification of library books	Deputy Accountant General (RR)	Orders dt.5-9-80 & 24-9-86 of Deputy Accountant General (RR)	31 <sup>st</sup> March
2	Materials for issue of merit certificate to staff	Deputy Accountant General (RR) AG(Audit)	Orders of Deputy Accountant General (RR) dt.4/1/71	After AR is forwarded to CAG for countersignature
3	Collection of statistics to serve as a fair index of volume of work done	Co-ord(Au)	Co-ord 11-72/85-86 dt.5-9-85	September
4	Staff proposal for AG(Audit)	Co-ord(Au)	Co-ord (Au) 18-1	30 <sup>th</sup> June
5	Materials for the activity report of IAAD	Co-ord	Co-ord(Au) 15-423 4-9-92	30 <sup>th</sup> April
6	Report of misappropriation of cash	Report(Civil)	Tm IV/5-1443 dt 6-8-79	September/ October

APPENDIX- I  
(Ref: Paragraph 3.1)

<p style="font-size: 1.2em; margin: 0;">CHAPTER I</p> <p style="font-size: 1.2em; margin: 0;">GENERAL</p>
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<b>1.1. Trend of revenue receipts</b>
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**1.1.1. The tax and non-tax revenue raised by Government of Kerala during the year 2003-04, the State's share of net proceeds of the divisible Union Taxes and Duties assigned to States and grants-in-aid received from Government of India during the year and the corresponding figures for the preceding four years are given below.**

		1999-2000	2000-01	2001-02	2002-03	2003-04
		(In crore of rupees)				
1	Revenue raised by the State Government					
	a) Tax revenue	..	..	..	..	..
	b) Non-tax revenue ♣	..	..	..	..	..
		(....)	(.....)	(.....)	(....)	(.....)
	Total ♣	..	..	..	..	..
		(.....)	(.....)	(.....)	(.....)	(.....)
2	Receipts from Government of India					
	a) Share of net proceeds of the divisible Union Taxes and Duties	...	...	..	..	..
	b) Grants-in-aid	..	..	..	..	..
	Total	..	..	..	..	..
3	Total revenue receipts of the State Government (1 and 2) ♣	χ (...)	* (....)	* (...)	* (...)	* (...)
4	Percentage of 1 to 3	...	...	...	...	...

♣ The figures shown in brackets are the figures net of expenditure on prize winning tickets of the lotteries conducted by the Government.

\* For details please see statement No. 11 – Detailed Accounts of Revenue by Minor Heads in the Finance Accounts of Kerala for respective years. ‘Share of net proceeds assigned to States’ under the Major Heads 0020, 0021, 0028, 0032, 0037, 0038, 0044 and 0045 booked in the Finance Accounts under ‘A-Tax Revenue’ has been excluded from the revenue raised by the State and included in the State’s share of divisible Union Taxes in this statement.

χ For details please see statement No. 11 – Detailed Accounts of Revenue by Minor Heads in the Finance Accounts of Kerala for respective years. Figures under the Head “0021-Taxes on income other than Corporation tax- Share of net proceeds assigned to States” booked in the Finance Accounts under ‘A-Tax Revenue’ has been excluded from the revenue raised by the State and included in the State’s share of divisible Union Taxes in this statement.



**1.1.2. Details of the tax revenue raised during the year 2003-04, along with the figures for the preceding four years are given below.**

Sl. No.	Revenue Head	1999-2000	2000-01	2001-02	2002-03	2003-04	Percentage of increase (+)/ decrease (-) in 2003-04 over 2002-03
		(In crore of rupees)					
	<b>Total</b>						

The reasons for variation have to be obtained from the Heads of Departments and commented upon.

**1.1.3. Details of non-tax revenue realised during the year 2003-04 along with the figures for the preceding four years are given below.**

Sl. No.	Head of Revenue	1999-2000	2000-01	2001-02	2002-03	2003-04	Percentage of Increase(+) / decrease (-) in 2003-04 over 2002-03
		(In crore of rupees)					
	<b>Total</b>						

The reasons for variation have to be obtained from the Heads of Departments and commented upon.

## **1.2. Initiatives for mobilisation of Additional Resources**

Comments on follow up made on commitments made in budget speech, Mid-term fiscal plan, Finance Commission projections, white paper on finance, if any, etc.

- Critical issue in State Finances
- Rationalization of taxes
- Mobilisation of resources
- Revision of user charges
- 

## **1.3. Analysis of budget preparation**

A comment on the preparation of the budget estimates under major/principal heads of revenue can be made after going through the Government files. The objectives and parameters taken while doing so, may also be highlighted.

## **1.4. Variation between budget estimates and actuals**

The variation between budget estimates of revenue for the year 2003-04 and the actual receipts under principal heads of revenue are given below.

Revenue Head	2003-04			Percentage of variation
	Budget estimates	Actual receipts	Variation Increase (+)/ Shortfall (-)	
	(In crore of rupees)			

The reasons for variations between budget estimates and actuals have to be obtained and

commented upon.

### 1.5. Time series analysis of GSDP and Receipts

Year	GSDP	% growth	Total Receipts			% growth	%Buoyancy in receipts	Receipts as % of GSDP
			Tax receipts	Non-tax receipts	Total			

A comment on the buoyancy factor on tax receipts as well as non-tax receipts side may be made.

From the next year onwards, All India average figure of the last column will be available and hence, a comment can be made accordingly

A comment on the projected/expected buoyancy factor as worked out by Finance Commission may be compared with the actuals

### 1.6. Analysis of collection

Break up of total collection at pre-assessment stage and after regular assessment of sales, Motor spirit tax, Profession Tax, Entry Tax and Luxury Tax for the year .....and the corresponding figures for the preceding two years as furnished by the department as follows.

(In crore of rupees)

Head of revenue	Year	Amount collected at pre-assessment stage	Amount collected after regular assessment (additional demand)	Penalties for delay in payment of taxes and duties	Amount refunded	Net collection	Percentage of column 3 to 7
1	2	3	4	5	6	7	8

(Audit comments)

### 1.7. Cost of collection

The gross collections under major revenue heads, expenditure incurred on collections and the percentage of expenditure to gross collections during the years 2001-02, 2002-03 and 2003-04 along with the relevant all India average percentage of expenditure on collection to gross collections for 2002-03 are given below.

Sl. No.	Revenue Head	Year	Collection	Expenditure on collection of revenue	Percentage of expenditure to gross collection	All India average percentage
			( In crore of rupees )			
		2001-02				
		2002-03				
		2003-04				

### 1.8. Collection of sales tax per assessee

(Audit Comments)

(in crore of rupees)

Year	No. of assessees	Sales tax revenue	Revenue per assessee
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### 1.9. Analysis of arrears of revenue

The arrears of revenue as on 31 March ..... in respect of some principal heads of revenue amounted to Rs .... crore of which Rs .... crore were outstanding for more than 5 years as detailed in the following table.

(in crore of rupees)

Sl. No.	Department	Amount outstanding as on 31 March .....	Amount outstanding for more than 5 years	Remarks
---------	------------	---	--	---------

### 1.10. Arrears in assessment

**The details of cases pending assessment at the beginning of the year....., cases becoming due for assessment during the year, cases disposed of during the year and number of cases pending finalisation at the end of each year during ..... and ..... as furnished by the Departments are given below.**

Year	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the close of the year	Percentage of column 5 to 4
1	2	3	4	5	6	7

(Audit comments)

### 1.11. Evasion of tax

The details of cases of evasion of tax detected by the ..... departments, cases finalised and the demands for additional tax raised as reported by the departments are given below.

Sl. No.	Name of tax/duty	Cases pending as on 31 March ...	Cases detected during ....	Total	No. of cases in which assessments/investigations completed and additional demand including penalty etc., raised		No. of cases pending finalisation as on 31 March....
					No. of cases	Amount of demand (In lakh of rupees)	

### 1.12. Write-off and waiver of revenue

The table below indicates details of revenue exceeding Rs 10,000 (for each department) written-off or waived by some Departments during the year .....

(in lakh of rupees)

Revenue Head	Written-off		Waived	
	No. of cases	Amount	No. of cases	Amount

(Audit Comments)

### 1.13. Refunds

The number of refund cases pending at the beginning of the year ....., claims received during the year, refunds allowed during the year and cases pending at the close of the year ..... as reported by the departments are given below.

(in lakh of rupees)

	Head of revenue	
	No. of cases	Amount
1. Claims outstanding at the beginning of the year		
2. Claims received during the year		
3. Refunds made during the year		
4. Balance outstanding at the end of the year		

### 1.14. Results of audit

Consolidation of the 'Results of audit' featured in various Chapters of the Audit Report may be given.

### 1.15. Control Environment for Accountability

#### 1.15.1 Responsiveness to Audit Inspection Reports

(Data for current year and two preceding years)

(in crore of rupees)

Period	Number of inspection reports	Number of audit observations	Amount involved
--------	------------------------------	------------------------------	-----------------

(Revenue head wise particulars of the above)

(in crore of rupees)

Sl. No.	Revenue Head	Number of inspection reports	Number of audit observations	Amount
---------	--------------	------------------------------	------------------------------	--------

A para on the number of inspection reports issued up to December of the previous year for which first replies were not furnished by the departments till the end of June of the year of Report, as reported by the SRA (HQ)s' Sections to the Chief Secretary to Government, may be included.

#### 1.15.2. Departmental Audit Committee Meetings

(in crore of rupees)

Revenue Head	No. of meetings held during 2003-04	No. of paragraphs outstanding as on 31 March 2003	Amount	Year-wise details of paragraphs settled	Amount
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**Audit comments**

#### 1.15.3. Response of the departments to Draft Audit Paragraphs

A para on the number of draft paragraphs issued to Government, number of replies received and the number of cases which are included in the Audit Report without the response of the Government may be given.

#### 1.15.4. Follow up action on Audit Reports - Summarised position

Details of Audit Report paras for which remedial measures taken by Government have not been received may be included in this sub para.

#### 1.15.5. Response of Govt to the para included in the previous Audit Reports (For the last five years)

While sending the bond copy for CAG's approval the filed office may clearly indicate recoveries from the observations pertaining to the current year and the previous four years and the date upto which the recovery have been accounted for in the Audit Report (Circular No. 2 of 2006 dt: 24.4.2006)

**APPENDIX – II**

**OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA,**  
**10-B-S-Z. Marg, New Delhi-110002.**

**Circular No. 2 of 2005**

No. 98 SRA/3(ii) 2005

Dated: 07-02-2005

To

The Prl. Accountants General/Accountants General(Audit)  
**(Dealing with State Receipts Audit)**

Subjects: Guidelines for Constitution and functioning of Audit Review committee for comprehensive appraisals of State Revenue Departments.

Sir/Madam,

Unlike the Central Commercial Receipts, there is no Audit Board mechanism in the State Revenue Receipts side and no formalized procedure has been evolved for discussion of the draft appraisal or interaction with the State Government/Heads of Department at initial stage itself.

2. While approving the Review on Levy and Collection of Stamp duty and Registration Fee included in the Bond Copy of Audit Report(Rev. Receipts) of Government of Haryana, CAG of India remarked that it is a review on an important issue and the review contains a number of instances of control failure and that therefore, it is important that such reviews are discussed with the Government CAG ordered that a mechanism similar to the system in vogue in state commercial to discuss review findings with management should be introduced for State Receipts Audit reviews also.

3. The *Comptroller and Auditor general of India* has approved to constitute a State level committee for the State Revenue Receipts on a regular basis which may be called **AUDIT REVIEW COMMITTEE FOR COMPREHENSIVE APPRAISAL OF STATE RECEIPTS.**

4. **Members of the Committee**

Chairman: Accountant General in charge in the Appraisal.  
Expert Member: Account General holding State Revenue Receipts charge of a neighboring state (The Group Officer in charge of State Revenue Receipts Audit may be nominated by him in case of his inability to

attend)

Government: Secretary of the respective Admn. Department  
Nominee

Member Group Officer in charge of State Receipts audit  
Secretary

Special Invitee Chairman may decide to call a special Invitee to seek technical  
(optional) Opinion and help the committee with deliberation

Note I: Chairman may co-opt. any other member of the rank of Deputy secretary to the Government of India or above and locally available after obtaining prior permission from headquarters office. For obtaining such permission. AG shall send the proposal with bio-data of such person and also the justification thereof.

Note 2 No. fee/remuneration will be payable to any of the members of the Committee except as permissible under the normal TA/DA Rules.

Note 3: In case the ADAI (State Receipts Audit) is present at the station on tour, he/she will chair the proceedings.

5. **Convening of committee meetings:**

(a). The committee shall meet at least once before issue of the Comprehensive Appraisal to the State Government. Notice convening the Committee meeting shall be given at least 15 days in advance.

(b). A copy of the Notice may be sent to Headquarters Office. ADAI may like to nominate an officer to attend the Committee meeting as Headquarters representative.

(c). In case the Committee can not meet for any reason, the review shall be issued to the Admn. Department as per Action Plan. Non convening of the Committee meeting shall not be cited as reason for delay in finalizing the draft or final batch material.

(d). In case of non response from the Government officials for the efforts to convene the Committee meeting, the fact should be appropriately mentioned in the Comprehensive Appraisal.

6. **Minutes of the meetings:**

(a). The committee will only go in to the merits and demerits of the points or audit findings. Evidence(key documents) which form the basis of Audit opinion may be produced before the Committee by both the sides. However, if any point is to be refuted or disagreed, the Department/Government shall communicate the same in writing in reply to the Audit queries raised or the Draft Appraisal issued. Such reply shall be considered and incorporated with suitable remarks, in the final appraisal after due verification, as is the present practice.

(b). The minutes of the Committee shall be prepared and circulated to all the Members as Confidential matter.

7. Accountants General may bring to the notice of the State Government by DO letter the formation of the Audit Revenue Committee for Comprehensive Appraisal of State Revenue Receipts.

Receipt of this letter may kindly be acknowledged.

Yours faithfully

DY.DIRECTOR (SRA)



**APPENDIX-III**

**Details of number of paras and their money value in the Audit Report(RR) for previous year and in the bond copy of the audit Report (RR) current year.**

Audit Report (RR) for previous year				Bond copy of Audit Report(RR) for current year			
Chapter No	Topics	No of paras	Amount (in lakh of rupees)	Chapter No.	Topics	No of paras	Amount(in lakh of rupees)
2	Sales Tax			2	Sales Tax		
3	Taxes of vehicles			3	Taxes of Vehicles		
4	Land revenue and Buildine Tax			4	Land Revenue and Building Tax		
5	Other Tax Receipts			5	Other Tax Receipts		
6	Non –tax Receipts (Forest Receipts)			6	Non tax Receipts(Forest Receipts)		









**CALCULATION SHEET FOR WEIGHTED MONEY VALUE OF REVENUE RECEIPTS FOR AUDIT REPORT(RR)-GOVERNMENT OF KERALA FOR THE YEAR OF REPORT**

Sl. No	Category/Reference of the para	Matrix	Matrix weight		Money value	Premium for timelines	Weighted money value
1	2	3	4		5	6	7
01	Recovered						
	Non compliance to law,rules etc	R1	1	Prior period			
				Current			
	Control weakness	T1	0.3	Prior period			
				Current			
	Total						
02	Accepted by the Department/government						
	Non compliance to law,rules etc	R2	0.8	Prior period			
				Current			
	Lacuna in law/procedure,policy	S2	0.4	Prior period			
				Current			
	Control weakness	T2	0.2	Prior period			
				Current			
	Total						
03	Not accepted by the Department/Government						
	Non compliance to law, rules etc	R3	0.4	Prior period			
				Current			
	Lacuna in law/procedure,policy	S3	0.2	Prior period			
				Current			
	Control weakness	T3	0.15	Prior period			
				Current			
	Total						
04	No reply						
	Non compliance to law, rules etc	R4	0.2	Prior period			
				Current			
	Lacuna in law/procedure. policy	S4	0.15	Prior period			
				Current			
	Control weakness	T4	0.10	Prior period			
				Current			
	<b>Total</b>						
	<b>Grand Total</b>						



Appendix – IV

No. 701-Rep(S)/186-2005

OFFICE OF THE COMPTROLLER AND  
AUDITOR GENERAL OF INDIA

Date. 15-06-2005

To

All Principal Accountants General(Audit)  
All Accountants General(Audit)  
(with ADAI-RS)

Sub:- Placing of Audit Reports before the Legislature

Sir/Madam,

CAG has stressed the need for greater focus on placing the Audit Reports before the Legislature in the budget session.

It has been observed that only a few state Audit Reports could be placed before Legislature during the budget session (February to April) every year, through most of the Reports were approved much before the session. This was mainly because of the time taken in complying with CAG's observations, translation and printing work, fresh proposals of corrections and modifications made by the field offices and mistakes noticed in the printed Reports.

To overcome these the following suggestions are made.

1. While forwarding the Bond copy to the Headquarters every care should be taken to ensure correctness of the facts, figures and comments included in the Report and availability of sufficient evidence in support of those.
2. Translation work should be started immediately after the Bond copy is submitted to CAG or even earlier and should be completed within 3 weeks. Changes made while approving the Bond copy may also be carried out. Subsequently in the translated Report. In some States, using the party personnel for translating the audit reviews which were conducted by them gave very good results.
3. Compliance of the CAG's observations on the approved bond copy should be given top priority and the revised material should reach Hqrs. Within 10 days from the date of receipt of the approved Bond copy by the AG.
4. After the receipt of printing clearance by the Headquarters, all out efforts should be made to complete the works within three weeks



As per the time schedule, the Audit Reports(civil) 2004-05 will be finalized between September 2005 and January 2006, Thus, there will be enough time for submission of the signed printed Reports to the State Government before the budget session.

While all efforts should be made to complete the printing of the Audit Reports and forward the signed Audit Reports to the State Government as early as possible, it should be impressed upon the State government that the Audit Reports should be tabled in the Budget Session. In case it is not possible to forward the Audit Reports to the government during the budget session, Government may be requested to arrange placement of the Reports in the legislature in the next session.

Yours faithfully

10, Bahadurshah Zafar marg, New Delhi-110002

(Rita Mitra)  
Principal Director(RS)

## APPENDIX V

### Introduction

Head Quarters have issued in Nov. 2005 a 'Style guide' for Audit Reports, which contains general advice in good writing; guidance on drafting and a list of conventions which much be followed in IA&AD. The Headquarters circular is kept as appendix VI.

In the preface to the Audit Report a certificate to the effect that the audit has been conducted in accordance with the auditing standards issued by the C&AG of India may be appended. The format of the certificate will be

“ It is certified that the audits have been conducted in conformity with the Auditing standards issued by the Comptroller and Auditor General of India.”  
(Authority No. 105 audit (AP)/2007 dt. 25.6.2007)

### Format of Audit Report(RR)

1. Standardisation of the format has become necessary as never before due to the decision to put our Audit Reports on the “Internet’ It is necessary that all Reports be formatted on common parameters to enable their straightaway transfer to our Home page without any need for further modification or with minimal modification.
2. The following may be kept in view while preparing the camera ready copy of the Audit Report.

(A). Cover

- Cover is to be ‘matte finish’ and laminated.
- Colour band of 2” width with colour as the same as that of the spine and backside of the cover page. The bandwidth should be uniform and should not be altered for any Report.
- The name of the Report will also be written on the spine side viz. Report of the CAG in appropriate font size depending upon the thickness of the Report.
- State emblem of height 1’ (width pro rata) will be at the top (centre) of the white portion of the cover with top margin of 1’
- Text on the cover will be in Times New Roman in black colour(not in the colour t(of the band) in the

(B) First (inner) page of the Report

Spine of the Report

Back Cover

( C ) Text of the main Report

(i). Font and paragraph specification of the main text

(ii). Chapter name and heading(Chapter heading)

(iii). Caption/title of the paragraph/Review(Para heading I)

(iv). Title of sub paras of the same paragraph/review(para heading2)

(v). Top gist(where applicable)

(vi). Marginal gist(where applicable)

(vii). Gap between caption of the paragraph/review and beginning of text

font sizes 14 and 12 (eg. Report No. I of 1998)

- It should exactly similar in every respect of the cover page, except the colour band and State emblem.
- Audit Report(Revenue receipts) Kerla –Year of Report
- Year under copy right -Year of publication of Report
- Times New Roman with font size 12 justified, space before 12pt for all sub-paragraphs and captions of sub-paras, etc.
- Times new Roman font for the entire report
- 14 Bold with auto shape Rounded Rectangle and shaded in 25 per cent Grey with slightly less than the maximum to the light with shading style from centre. Roman Numerals (eg. I,I,III etc) should be used for chapter numbers
- 13 Bold - left aligned, space before 36pt keep with next keep together auto shape rectangle shaded in 25 percent Grey with medium to light with shading style to horizontal(choose option out of the four for best visul fit) Never use alpha numeric coding for paragraph numbers. Also avid a mix of Roman Arabic numbers. Use Arabic numerals for paragraph numbers. The first digit of the paragraph number should indicate the chapter number. For eg. The first digit of a paragraph in chapter III should be 3. the paragraphs and sub paragraphs should be numbered 3.1, 3.1.1 etc. Do not use more than 4 levels in paragraph numbering(eg. 3.1.1.2)
- 12 Bold and italic - keep with next keep together, left aligned, hanging indent by 0.5”.
- 12 Bold (justified) in single space with side indents similar to that of the main text of the Report - keep with next - keep together within Box.
- Font 10 Bold in single space with left aligned (not justified)keep with next keep together Note: The margin should be made only by using frames and the text of the margin should be written within the frame. Note. If more than one gist is coming in a sub para it has to be adjusted manually. One space (12pt)
- This applies to gap between caption and top gist as well as between top gist and main text (where applicable) with space before 12pt. The space

(viii). Margins

before 12 pt for each new sub paragraph, caption, table etc, will automatically ensure a space of 12 points before and after all sub paragraphs, their captions, tables etc.

- With 12 point space before all sub paragraph, captions, tables etc there will be no scope for TAB indent of first line of each paragraph.

Top-1”

Bottom-1”

Left-2.25”

Right-0.75”

Gutter-0”

Header-0.3”

Footer-0.5”(In case of Desk jet printing it may be necessary to fix it within acceptable range)

Page size-A4

Width-8.27”

Hight-11.69”

Note: These margins apply to A4 size. If for some unavoidable reason, any particular Report were not printed in A4 size, the margins would be adjusted in consultation with the printer. In A 4 size, the setting after the above margins will finally turn out as under:

Left and right margins: 0.75” each

Width of side gist, where applicable: 1.3”

Gap between side gist and main text where applicable: 0.2”

Width of main text: 5.27”

(ix). Line spacing

Single: throughout both in English and Hindi versions- in the main text, top gist and margin gist.

(x). Separation of Paragraphs and Reviews

Paragraphs and Reviews appearing within the same chapter should be separated by 72 pts i.e space before the caption of the second and subsequent paragraphs within the same chapter will be 60 pts.

(xi) Name number and year of the Report and Page Number (Header and Footer)

Review should always start at new page.

Each page of the Report should have a header in font Times New Roman point size 10 pt (italic)

Even Page-Name of the Report

Odd page-Chapter heading and single line footer with page number below the line.

	<p>On odd page- the Header should be right aligned On even page- the Header should be left aligned.</p>
(xii) Footnote	<p>Footnote should be given in finer font size and as far as possible these should be provided in footer only.</p>
(D) Highlights of Review	<p>12-bold-shaded in light(10 percent or less) space before and after-12 points each, space before and after each sub-para of the highlight -12 points each-the space before and after the sub-paras not to be shaded.</p>
(E). Graphs and Charts	<ul style="list-style-type: none"> <li>➤ Should be made preferably in EXCEL with light and smooth colour in the background</li> <li>➤ As far as possible graphs should be blended/fused with the text matter rather than being positioned as stand alone.</li> <li>➤ Figures and titles etc. in the graph should be clearly readable. Each graph should have a heading</li> <li>➤ Graphs and charts should be used only where these enhance the impact and not merely to decorate the Report.</li> </ul> <p>Width of tables should not stretch beyond the overall margin. Where the number of columns in the tables are such that the columns cannot be adjusted within the margin, despite using relatively smaller but legible font size, the respective Report controlling wings may decide on landscape presentation at their discretion.</p>
(F) Tables	<p>Width of tables should not stretch beyond the overall margin. Where the number of columns in the tables are such that the columns cannot be adjusted within the margin, despite using relatively smaller but legible font size, the respective Report controlling wings may decide on landscape presentation at their discretion.</p>
(G) Overview	<p>Shading should be avoided in the overview. It should be printed in light colour screen on the identical paper of that used for the main text of the Report with following specifications.</p>
Title/Caption	<p>Font size 13 Bold-Space before 24 pt-Keep together-keep with next –frame and shading of the captions as in the main text</p>
Text	<p>Font: 12(justified) – space before 12 pt single spece</p>
Paragraph reference	<p>12(italic and Right aligned within a bracket)</p>
Website address	<p>It should be printed on the inner cover page and back page of the Audit Report <a href="http://www.cag.gov.in">http: \\ www.cag.gov.in</a></p>

## Other important changes in the presentation

Apart from the format, the following have been approved by DAI, which may be followed for all Reports

### Positioning of Highlights and Reviews

3. Highlights of reviews will be given at the beginning of the review, immediately below the caption with only a line or two towards introduction.

### Use of abbreviations

4. Keep the use of abbreviations to a minimum, particularly where they are likely to be unfamiliar to the reader. Observe the following rules.
  - All abbreviations are potentially an affront to the reader since they are used for your benefits and not his;
  - Do not use abbreviations for bodies which are referred to only a handful of times in a report-the reader will have forgotten what they mean and will have to look back to check up;
  - If you must use an abbreviation write the words in full on their first appearance followed by the initials in brackets;
  - Ring the changes by referring to 'the Ministry', 'the Department', 'the Commission' etc;
  - Normally avoid using abbreviations in the 'overview' and 'highlights', particularly if the words in full are explained only in the text;
  - Abbreviations that can be pronounced do not need the definite article (eg. UNESCO) All other abbreviations do(eg. The CAG, the GOI)

## Capitals

5. A balance needs to be struck between using too many and too few capital letters. Here there can be no general rule, but two pieces of advice may be given:
  - The particular and the general: use a capital for the particular and a small letter for the general. For eg. ' it is a road leading out of Barakhamba Road'
  - Consistency: Whatever practice you adopt, be consistent throughout any document you are writing.

## Glossary

6. Glossary of technical/special terms used in the Report shall be included, where necessary, at the end of the Report and a glossary reference will be indicated in the footer wherever such technical terms are used. Glossary will not contain any abbreviations, but only explanation of the technical terms.

(Note: Headquarters E-mail no. 85-Rep( C)/156-98 dated 25 January 1999)

## Appendix – VI

**Email**

**No. 217-Audit (AP)/6/2003**

**Dated: 23.11.2005**

To,

All Directors General of Audit,

All Principal Accountant General/Principal Directors (Audit),

Accounts General (Audit),

All IA&AS officers in Head Quarters Office, Principal Director RTIs & DG ICISA Secy.

To CAG.

Sub:- “Style Guide” for the Audit Reports.

Sir/Madam,

Please find attached the 2<sup>nd</sup> edition of the Style Guide for IA&AD.

Printed version of the Style Guide will follow.

Please acknowledge receipt.

Yours faithfully,

**(A.K. THAKUR)**

**Director General (Audit)**

**Encl: As above.**



**OFFICE OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA**

**STYLE Guide for  
AUDIT REPORTS**

**(2<sup>nd</sup> Edition)  
November 2005**

## **Introduction**

1. This Style Guide is in six parts: general advice on good writing; guidance on drafting; a list of conventions which must be followed in IA&AD; an A to Z of common errors and weaknesses and list of words and phrases to be used with care.
2. Many of the rules are arbitrary and the judgments prescriptive. Nobody is likely to agree with them all, but they should be applied in the interests of consistency and to save time in re-drafting and proof reading.
3. The guide is written in the context of our audit reports, but the message it promotes applies to all our official writing: to produce drafts that are clear, readable and interesting. It is not intended to set up a single drafting model. But the Style Guide does seek to encourage the use of plain, simple English-short words, short sentences and short paragraphs.

## **I. General advice on good writing**

- 1.1.** Clear writing depends on clear thinking. To draft well a writer must know just what meaning he wishes to convey.
- 1.2.** You can usually say what you want in short everyday words. This is especially important if you are writing about a complex subject. Readers will need all their attention to grasp what they are being told. They don't want to spend time grappling with obscure language as well.
- 1.3.** Orwell observed 'A scrupulous writer in every sentence that he writes will ask himself at least four questions. What am I trying to say? What words will express it? What image or ideas would make it clearer? Is this image fresh enough to have an effect? And he will probably ask himself two more: Could I put it more shortly? Have I said anything that is avoidably ugly?' So think what you want to say, then say it as simply as possible. Keep in mind the following elementary rules:
  - avoid clichés and slang;
  - never use a long word when a short word will do;
  - if it is possible to cut out a word, always cut it out;
  - never use a foreign phrase, a scientific word or a jargon word if you can think of a straightforward English equivalent. Use the language of everybody speech, not that of accounts, computer experts, bureaucrats and lawyers;
  - avoid a desire to impress. Your job is to help readers understand you readily and precisely and not to show them how clever you are; and
  - do your best to be lucid. Simple sentences and short paragraphs help to break down slabs of text into manageable chunks. Avoid complicated constructions and gimmicks.

### **How long is long?**

- 1.4.** For writers, long sentences are difficult to construct well. The longer they get the more risk there is of ideas becoming confused. For readers, long sentences are hard work.
- 1.5.** So how long is long? Readers seem to be comfortable with an average sentence length of 15-20 words in most circumstances. Most writers are capable of writing such sentences without much effort. Occasionally a longer sentence is necessary, but beware of using long sentences regularly. Sometimes, a very short sentence can be useful to punch home an idea. It catches the reader's attention and stops him skimming over important facts.
- 1.6.** Use short paragraphs- none should be longer than a third of a typed page. Use indents freely to list main points and get your message across more clearly; make more use of side-headings: and give paragraphs minor sub-headings.

## **II. Drafting reports**

### **Objectives of reports.**

- 2.1. Reports are the principal means by which the IA&D meets its primary objective of providing Parliament and State Legislatures with independent information and assurance. They are written for the Parliamentary readers or the PAC, and beyond that for the wider public. They are not written to be read as dialogue between the IA&AD and the audited body and are not therefore reports in any 'expert to expert' category.

So the reports need to get their essential messages across clearly and simply to an audience who probably do not need or wish to know the details and complexities surrounding the subjects examined.

- 2.2. For every report, meeting these objectives means putting a premium on:

- having a strong, clear report structure;
- avoiding a temptation to include as much as possible of the information and analysis gathered during the investigation to support IA&AD findings and conclusions;
- concentrating less on narrative descriptions of how things are done and more on why they are done, how well they are controlled and the results achieved;  
and
- used hard evidence and telling examples to reinforce the messages in the report

- 2.3. All drafts must pay close regard to the reporting objectives summarized above. It is not acceptable for drafts to be submitted on the basis that as much as possible should be included and that streamlining, selection and re-arrangement will be catered for by subsequent redrafting up the line.

### **The IA&AD style of report writing**

- 2.4. writing audit reports is not different from writing any other kind of informative writing. To give our readers a comfortable ride, use verbs actively, write short sentences and keep to the essentials. The more complex the subject the simpler the style should be. Our aim should be reports which set out the facts in a series of short crisp paragraphs.

Drafting this way is not always easy. Everyone will have to be ruthless in revising their own material and rejecting what is not up to scratch. Always look critically at your finished work to see if you can answer 'yes' to the following questions.

#### Structure

Does it have a strong, clear framework which presents the material logically and to best effect?

Is it clear?

Does it get its main message across on first reading?

Will the language be clearly understood by the reader?

Is it free from jargon?

Simple and brief?

Does it concentrate on the main issues, avoiding aspects which are peripheral?

Does it give only the essential facts?

Does it include only essential words and phrases?

Accurate?

Is the information correct?

Are the findings supported by evidence?

Is the writing free from errors in grammar, spelling and punctuation?

Complete?

Does it give all the necessary information?

Does it answer all the important questions?

Balanced and fair

Does it present both sides of the argument?

Does it reflect good performance and good VFM by the audited body as well as criticisms?

Are the audited body's views properly reflected?

Is the language used moderate and non-provocative?

Constructive?

Does it consider the feasibility of recommendations made?

Does it look forward to improvements rather than back at faults and weaknesses?

## **Length of reports, paragraphs, reviews and appendix**

- 2.5. As a rule of thumb, maximum length of the report (excluding overview and appendix) should be 120 typed pages. The limit can be relaxed where the number of reviews is four or more in bigger states. Overview should not normally exceed about eight to ten typescript pages. The existing limit of (30) pages appendix/annexure has been relaxed to (65) pages. Transaction audit paragraphs should not normally exceed two pages. Except All-India reviews, other reviews should be confirmed to 20 typed pages. The 20 page limit for performance audits could be relaxed by 5 pages depending upon the availability of material.

## **Structure of reviews**

- 2.6. There is no ideal drafting model which is suitable for all reviews. A rigid format could become cumbersome and unimaginative. The main consideration is how the facts, figures and conclusions on a particular subject can most effectively be communicated and what form of presentation best meets that purpose.
- 2.7. There are two main structures adopted:
- A 'straight through' review incorporating recommendations in the main text;
  - A review preceded by 'highlights' and ending with 'conclusion' containing recommendations
- 2.8. Long reviews of about 15 pages should normally be preceded by 'highlights' containing the main findings. The 'highlights' should be concise (not more than 3 pages), but should sufficiently bring out the main issues to provide the reader with a clear view of the purpose and results of the review.
- 2.9. The 'highlights' is not intended to be free standing, mini-report and should contain the minimum of description and narrative. It is not always necessary for matters dealt with in the 'highlights' to follow the same sequence or be under the same headings as in the main text of the review; sometimes, for example, it may be desirable to arrange the 'highlights' according to the materiality of audit findings. However structured, the 'highlights' should cross-refer to the relevant paragraphs in the report.
- 2.10. The review should be free-standing-ie. Capable of being read without the need to refer to other source material or other published information. It is a condensed description of main issues, findings and conclusions; and supporting facts. The essential approach should be:
- Bring out the really important matters;
  - Play down the less important;
  - Omit the unimportant: and

- Generally be selective and concentrate on IA&AD analysis rather than on descriptions and narratives.

## **Appendix**

**2.11.** If the main text of audit report involves detailed analysis of complicated issues, or statistics, these should normally be set out in an appendix. But don't use appendices simply to display how much information you have collected. They are not a vehicle for including descriptions of detailed systems or procedures operated within the audited body. Material should always be relevant and support the case being made. Appendices need to be drafted and edited just as carefully as the main text. As a rule of thumb, if information on less than five items is to be provided, the details may be incorporated in the main text itself, rather than as an appendix.

### **Diagrams, tables etc.**

**2.12.** Full use should be made of facts, figures and relevant examples to give life to the report and to point the reader to significant issues and conclusions. Diagrams, charts, graphs and tables should be used to help get across important messages; and these should be where appropriate included in the text, not only in appendices. These can save a lot of explanation and – provided they are simple and well laid out- can often convey more in a short space than stretches of narrative.

### **Glossary**

**2.13.** Abbreviations in reports should be kept to a minimum. Where five or more abbreviations (or specialized terms) are necessary in the report then all abbreviations and terms used should be listed in a glossary at the end of the report.

### **III. IA & AD conventions which must be used**

#### **Abbreviations**

3.1 Keep the use of abbreviations to minimum, particularly where they are likely to be unfamiliar to the reader. Observe the following rules:

- all abbreviations are potentially an affront to the reader since they are used for your benefits and not his;
- do not use abbreviations for bodies which are referred to only a handful of times in a report- the reader will have forgotten what they mean and will have to look back to check up;
- if you must use an abbreviation write the words in full on their first appearance followed by the initials in brackets;
- ring the changes by referring to 'the Ministry', 'the Department', 'the Commission' etc;
- normally avoid using abbreviations in the 'overview' and 'highlights', particularly if the words in full are explained only in the text;
- abbreviations that can be pronounced do not need the definite article (e.g., UNESCO). All other abbreviations do (e.g., the CAG, the GOI)

#### **Active not passive**

3.2. *Wherever possible write actively. Overuse of passive verbs is one of the most common causes of unclear writing. So say 'Audit examined this account' and not 'an examination of this account has been carried out by Audit'. To convert passive into active change either the verb: 'expenditure was reduced by Rs.10 lakh' to 'there was reduction in expenditure of Rs.10 lakh' or the subject: 'payment was authorized by the Executive Engineer' to 'Executive Engineer authorised the payment.'*

#### **Apostrophes**

3.3. Use the normal possessive ending's after singular words or names that end in s: boss's, Jones's. Use it after plurals that do not end in s: media's. Use the endings' on plurals that end in s: companies' - including plural names that take a singular verb (e.g., Reuters')

#### **Capitals**

3.4. A balance needs to be struck between using too many and too few capital letters. Here there can be no general rule, but two pieces of advice may be given:



- The particular and the general: Use a capital for the particular and a small letter for the general. For e.g., ‘it is a road leading out of Barakhamba Road’
- Consistency: What ever practice you adopt, be consistent throughout any document you are writing.

### **Chapter numbers**

- 3.5. Use Roman numerals (I.II.III.....) for chapter numbers.

### **Dates**

- 3.6. Do not put commas in dates. Use any of the following formats:

- 26 May
- Monday 26 May
- 26 May 2003
- 26-30 May 2003
- 26 May – 5 June 2003
- 2002-03
- 26/5/2003

### **Figures**

- 3.7. Never start a sentence with a figure; write the number in words instead. Use figures for numerals greater than nine and for all numerals that include a decimal point or a fraction. Use words for whole numbers from one to nine. Fractions should be hyphenated (two-thirds). Spell out lakh and crore. Do not use abbreviations for lakh and crore except in tables.

Do not mix decimals and fractions; thus use either 3½ lakh or 3.5 lakh but not both. Use commas appropriately while writing figures (12, 34, 56, 789.99).

Number greater than 100 lakh should be expressed in crore and numbers less 100lakh in lakh.

In case of comparison same units to be used, e.g. lakh or crore.

Use 2,000 – 3,000, 2 lakh – 3 lakh (not 2-3 lakh). But, ‘costs rose from Rs. 2 lakh to 3 lakh’ (not Rs. 2 lakh – Rs. 3 lakh).

Figures in table and narration should be in the same unit.

Use of figures or words should be uniform for comparison e.g. 2 and 12 or two and twelve.

### **Font**

- 3.8. Use font size of 12 in the text of report. Even in the charts and tables do not use font size less than 8.

### **Page Numbers**

- 3.9. Use Roman numbers (i, ii, iii,...) for the part of report containing content, preface and overview of report. Use Arabic numbers for the main text and appendices in the report. Never use alpha-numerals (12A, 12B,...) for page numbering.

### **Paragraph Numbers**

- 3.10. Never use alpha-numeric coding (3.2A.1) for paragraph numbers. Also avoid a mix of Roman-Arabic numbers(3.4(iv)).

Use Arabic numerals for paragraph numbers. The first digit of the paragraph number should indicate the chapter number. For e.g., the first digit of a paragraph in chapter III should be 3. The paragraph and sub-paragraphs should be numbered as 3.1,3.1.1, etc.,

Do not use more than 4 levels in paragraph numbering (e.g.3.1.2.1.3.1.2.2.) and so on.

### **Percentages**

- 3.11. Write per cent rather than % and percentage rather than %age. A range of values should be expressed as 10-12 per cent, not 10%-12 or 10 per cent-12 per cent.

Do not use a percentage, a proportion, or a fraction when you mean some, as in: substantive testing proved worthwhile in a percentage of cases.

### **Preface**

- 3.12. Introduction to the report should be titled Preface and not 'Prefatory remarks'.

### **Singular/plural**

- 3.13. There is no rule about whether a verb that agrees with a single collective noun should be singular or plural. However, use 'a number are' and 'the number is'.

- In using collective nouns, the plural is more suitable when the emphasis is on the individual members and the singular verb when it is on the body as a whole. For e.g., the committee were unable to agree and a committee was appointed.
- Do not use singular verb where two singular nouns are linked by 'and' unless the linked words are so closely associated that they might also be hyphenated.

- For words linked by 'with' use singular verb if the subject is singular. The Minister together with the Secretary is coming.
- When each is the subject of sentence, the verb is singular and so is any pronoun. For e.g. each has a room to himself.
- Certain nouns are often misused. Remember agenda is singular and data is plural. Thus it is wrong to write 'data that is four to twelve years old is of limited use'.
- The IA&AD and Government Departments should always be treated as plural nouns.

#### **IV. A to Z of common errors and weakness**

##### **A or An**

- 4.1.** Use *an* in place of a when it proceeds a vowel *sound*, not just a vowel. That means it's '*an honor*' (the *h* is silent), but 'a UFO' (because it's pronounced *you eff oh*). Some people think it's wrong to use 'an' in front of an abbreviation (like 'MRT') MRI (you pronounce it 'em are eye').

##### **Adverbs**

- 4.2.** Put them where you would in normal speech, which is usually after the verb.

##### **Among Versus Between**

- 4.3.** The simple rule will rarely fail you: use *between* for two things, *among* for more than two.

##### **Alternative**

- 4.4.** Strictly this means one of two, not one of three, four, five or more. Options should be used when more than two are meant.

##### **Ampersands**

- 4.5.** Should be used in three ways:

- When they are part of a company or body (IA&AD)
- When two names are linked to form one unit (Trade & Industry).
- In R&D

##### **Anticipate**

- 4.6.** Does not mean expect but to use in advance. Probably best avoided since it is often misused.

##### **Basically**

- 4.7.** Almost always useless. Qualifiers such as *basically*, *essentially*, and *totally* rarely add anything to a sentence; they're the written equivalent of 'Um'.

## **Circumstance**

4.8. Stand around a thing: therefore correctly it is in the circumstances not under them.

### **Colon**

4.9. To be used:

- To mark more sharply than a semicolon the antithesis between two ideas:

This year the department is short of funds: next year it will have money to burn.

- To precede an explanation or to introduce a list of series:

The Government Account consists of 3 parts: the Consolidated Fund, the Contingency Fund and the Public Account

### **Comma**

4.7. Use commas sparingly and as an aid to understanding. Too many in one sentence can be confusing.

Generally used:

- To mark off less important statements within a sentence:
- To break long sentences into easily understood parts:
- To separate items in a list.

### **Compare**

4.8. X is compared with Y when drawing attention to the difference (compared with last year's poor results, 1986-87 was a good year): X is compared to Y when stressing their similarity (as in 'shall I compare thee to a summer's day').

### **Compound**

4.9. This word is often misused. It does not mean to make worse, to multiply or to complicate. It means to mix together, to settle by mutual agreement or to condone for a consideration.

Probably best avoided.

### **Comprise**

4.10. The meaning is 'composed of'. DTI comprises Trade and Industry: Trade and Industry make up (note comprise) DTI.

### **Continual versus Continuous**

4.11. *Continual* means 'happening over and over again'; *continuous* means 'happening constantly without stopping'. If you're *continually* on the Internet, it means you keep going on; If you're *continuously* on the Internet, it means you haven't gone off at all.

### **Convince**

4.12. Is not a synonym for persuade. The C&AG was persuaded to award a 10 per cent increase: he was convinced of the wisdom of doing so only after the wastage rate had risen to 100 percent.

### **Currently**

4.13. What's wrong with *now*? Or even leaving it out altogether and letting a present tense verb do the trick *It is currently not available* is the same as *it is not available* or *It is not yet available*.

### **Decimate**

4.14. Strictly this means to reduce something by a tenth, not to destroy a large proportion. Probably best avoided.

### **Different**

4.15. Different from not to or than.

### **Disinterested.**

4.16. Means impartial and not uninterested. 'Uninterested' means unconcerned or different.

### **Due to**

4.17. Its three main meanings:

- Owed to, as in Rs.1lakh of fees is due to the IA&AD
- Arranged or timed to, as in: the VFM Report is due to be completed in May.
- Because of: when used to follow a noun, as in: the cancellation, due to the election, of not it was cancelled due to the election.

### **Effectively**

- 4.18. Means with effect: if you mean in effect, say so. ‘The matter was effectively dealt with in committee’ means it was well done in committee. ‘The matter was, in effect, dealt with in committee’ means it was more or less attended to in committee

### **E.g. versus i.e.**

- 4.19. The abbreviation e.g. is for the Latin *exempli gratia*, ‘for example’. *I.e.* Latin *id est*, means ‘that is’. They’re not interchangeable. Both should be followed by a comma.

### **Estimated**

- 4.20. Avoid ‘an estimated Rs.10 lakh’, use instead ‘about Rs.10 lakh’ or ‘it was estimated as Rs.10 lakh’.

### **Factor**

- 4.21. A hackneyed word; the expressions of which if forms part can usually be replaced by something more direct and idiomatic. For e.g., instead of saying ‘his superior training was the great factor in his winning the match’ use ‘He won the match by being better trained’.

### **Farther versus Further**

- 4.22. Though very few people bother with the difference these days, there is a traditional distinction: *farther* applies to physical distance, *further* to metaphorical distance. You travel *farther*, but pursue a topic *further*.

### **Finally**

- 4.23. Do not use finally when you mean lastly or at last. Thus, it is illogical to write Public Expenditure finally fell below Rs.100 crore because it may rise above it again in the future.

### **Flaunt**

- 4.24. Means display: Flout means show contempt for.

### **Foreign words and phrases**

- 4.25. Avoid them unless there is no everyday English alternative.

### **Full stops**

- 4.26. A full stop marks the natural conclusion of the small package of information that has been offered in a sentence.

Do not use full stops at the end of headings or in abbreviations. Full stops should be used to mark the end of a sentence and mark a stronger break between ideas than a comma, semicolon or colon.

## Get

4.27 Be sparing with this verb. Thus: BALCO did not get privatized: it was privatized.

## Hopefully

4.28 This adverb means 'full of hope'. Thus you may begin writing a draft report hopefully, but never write: Hopefully, the VFM investigation will be finished in 1989. It is better say: If all goes to plan (or with great good luck)...

## However

4.29 In the meaning *nevertheless*, not to come first in its sentence or clause.

Incorrect

Correct

The roads were almost impassable.

However, we last succeeded in reaching camp.

The roads were almost impassable.

At last, however, we succeeded in reaching camp.

When *however* comes first, it means *in whatever way* or *to whatever extent*. For e.g.,

However you advise him, he will probably do as he thinks best.

However discouraging the prospect, he never lost heart.

## Hyphens

4.30 Use them in the following words:

- Fractions
- Most words beginning with anti and non: anti-government (but note anticlimax, antitrust non-combatant, non-payment (but note nonaligned, nonstop)
- A sum of money followed by the word worth: Rs.10 lakh-worth of stokes
- To avoid ambiguities: a little-used vehicle (low mileage) and a little used vehicle (an old Mini)



- To avoid ambiguities:
- Separating identical letters: Book-keeper, re-entry, pre-eminent
- Nouns formed from prepositional verbs: build-up, call-up, get-together, shake-up.

A list is attached of commonly used words which do not require a hyphen.

### **Information overloaded**

- 4.31 As discussed earlier, do not provide all the details you have just because you have it. Information overload can distract readers' attention from the main issue. For e.g., while making a comment on the non-utilisation of a building constructed at a cost of Rs.55 lakh for more than 3 years, do not discuss salary of Rs.1.25 lakh paid to a watch and ward for the security of the building.

### **Inverted Commas**

- 4.32 If an extract ends with an exclamation or question-mark, put the punctuation before the closing inverted commas: The Director said to him 'Haven't you finished that draft yet?'

If the question or exclamation mark is part of a lengthy sentence within which the quotation stands, put it outside the inverted commas: Why did the Director say, 'Haven't you finished that draft yet'?

-ise or-ize?

- 4.33 Always use-ise for it will never be wrong, whereas-ize sometimes will be: criticize, solemnize etc.

### **It's versus Its**

- 4.34 There's no shortcut; all you can do is memorize the rule. *It's* with an apostrophe means *it is* (or, a little less often and a little less formally, *it has*); *its* without an apostrophe means *belonging to it*.

### **Jargon**

- 4.35 The C&AG's Reports are not addressed to IA&AD staff or to the audited bodies, but to the Parliament and the public jargon must therefore be avoided, especially legal and technical terms and those conventional phrases invented by government departments that are unintelligible to outsiders. You may have to think harder if you do not use jargon, but you can still be precise. You should ask yourself-will the reader understand this term properly? Could I replace it with everyday language? Should I still use the term but explain it?

Read through your completed draft, and try to remove all jargon to make the result intelligible to everybody.

### **Less and fewer**

- 4.36 Less qualifies degree, quantity or extent and takes a singular noun. Fewer relates to number and takes a plural noun. Thus: less spending; less distance; fewer miles, fewer opportunities.

### **Literally**

- 4.37 Use the word *literally* with care, and only where what you are saying is *literally* true. 'We were *literally* flooded with work' is wrong because the flood is a metaphorical one, not an actual deluge. Don't use *literally* where *really*, *very*, or *extremely* will do.

### **Majority**

- 4.38 Do not use the major part or the majority when most should be adequate: reserve them for occasions when the difference between a majority and minority is significant. Thus, the majority of CIPFA students is likely to vote for the proposal.

### **-ment**

- 4.39 Avoid adding-ment to verbs indiscriminately. Do not use words like schedulument, reallocationment etc.

### **Metaphors**

- 4.40 Metaphors can be useful, enabling ideas to be conveyed succinctly without tedious explanation. But used indiscriminately they become stale and lack precision. Orwell put it as follows: 'A newly invented metaphor assists thought by evoking a visual image, while, on the other hand a metaphor which is technically 'dead' has in effect reverted to being an ordinary word and can generally be used without loss of vividness. But in between these two cases there is a huge dump of worn-out metaphors which are merely used because they save people the trouble of inventing phrases for themselves.

### **Multiple/negatives**

- 4.41 Avoid using multiple negatives in a sentence. For e.g., 'common' could be used instead of 'not uncommon'.

## **Nature**

- 4.42 Often simply redundant, used like character. For e.g., ‘Acts of hostile nature’ could be replaced with ‘hostile acts’.

## **None**

- 4.43 None takes a singular verb. So does neither X nor Y, unless Y is plural. For example, neither the Minister nor the officers have done it-where the verb agrees with the element closest to it.

## **Nor**

- 4.44 Although there are other possibilities, you can’t go wrong if you use *nor* only after the word *neither*: instead of ‘Keats did not write novels *nor* essays’, use either ‘Keats did not write novels or essays’ or ‘Keats wrote *neither* novels or essays’. (*You can, however, say, ‘Keats did not write novels or essays’ nor did he write essays’*).

## **Only**

- 4.45 Put only as close as possible to the word it qualifies if it could reasonably be thought ambiguous elsewhere. Thus: these sections produce accounts only in September. To say that they only produce accounts in September could suggest to a careful reader that in September they do nothing else or that in other months they do something other than ‘produce’ them.

## **Optimum**

- 4.46 Optimum is not an alternative for best. It should be used only of the product of conflicting forces. An auditor’s optimum work rate is not the fastest he can do, but the rate which reconciles in the most satisfactory way the conflicting needs for speed, accuracy and a satisfactory result.

## **Paragraphs**

- 4.47. Long paragraphs can confuse the reader. One thought-one paragraph.

## **Parameter**

- 4.48. Parameter is a mathematical term with a precise meaning. It is normally **better to use boundary, limit, framework or condition.**

## **Particular**

- 4.49. This particular word, in many particular circumstances, serves n particular purpose. Give particular attention to the particular prospect of cutting it out.

### **Per**

- 4.50. Avoid the habit of using *per* instead of *according to*, as in *per manufacturer's guidelines*.

### **Plus**

- 4.51. The use of the word *plus* where and or *with* would be better is a bad habit picked up from advertising copy. Try to limit *plus* to mathematics, and use and or *with* where they're appropriate.

### **Presently**

- 4.52. Does not mean at present but soon. Example: presently the department will act on their decision. Probably best avoided.

### **Punctuation**

- 4.53. The specific punctuation marks are dealt with in the relevant section of this guide. However, remember that:

- The only purpose of punctuation is to make clear to the reader what you want to say:]
- Keep punctuation marks to a minimum.

### **Semicolon**

- 4.54. No hard and fast rules here, except to encourage consistency throughout a report. Remember that a semicolon is simply a stronger version of the comma.

### **Shall versus Will**

- 4.55. *Will* is usually the simple future indicative: 'This will happen'. 'You *will* be surprised'. *Shall* is related to the subjunctive, and means 'Let it be so', which you might see in legal or business writing: 'The employee shall produce all required documentation', 'A committee *shall* be appointed' and so forth. (They're not just predicting that the employee's going to do it or the committee is going to form; they're declaring that they *must*, or at least *should*, happen.) But this rule works only for the second person (you) and the third person (*he, she, it, they*). The first person- *I* and *we*-reverses the rule, so 'I *shall* do it' means I'm going to get around to it, while 'I *will* do it' shows a mustering of resolve (let it be so).

### **Sentences**

- 4.56. These must be short and have unity of thought.

### Short words

- 4.57. Should always be used in preference to long words unless there is a good reason not to. Use the language of everyday speech. Not that of auditors. Accounts. Lawyers. Bureaucrats and computer experts.

### So

- 4.58. Avoiding using 'so' as an intensifier, as in 'It's so hot', unless there's a *that* clause (though the word 'that' needn't appear in less formal writing): For e.g., 'It's so hot that the asphalt is melting'. Usage of 'so' instead of 'very' is a no-no.

### Spelling

- 4.59. Always use English spelling and not American. A list of commonly mis-spelt words is attached.

### That versus which

- 4.60. The relative pronoun *that* is restrictive, which means it tells you a necessary piece of information about its antecedent: for example, 'the word processor *that* is used most often is Word Perfect'. Here the *that* phrase answers an important question: which of the many word processors are we talking about? And the answer is the one *that* is used most often.

*Which* is non-restrictive: it does not limit the word it refers to. An example is 'Penn's ID center, *which* is called CUPID, has been successful so far'. Here *that* is unnecessary; the *which* does not tell us which of Penn's many ID centers we're considering; it simply provides an extra piece of information about the plan we're already discussing. 'Penn's ID Center' tell us all we really need to know to identify it.

It boils down to this: if you can tell *which* thing is being discussed without the *which* or *that* clause, use *which*; if you can't, use *that*.

### Unnecessary words

- 4.61. Use adjectives and adverbs to make your meaning more precise but beware of using them for emphasis alone. Very is often used so freely that it ceases to have any meaning: it must be used discriminatively to be effective. Necessarily and inevitably are overworked: they often add nothing to the meaning of the words they qualify.

The knife may also be wielded on many other words and phrases: For e.g., Track record (record), cutbacks (cuts), large-scale (big).

### Verbs

- 4.62. Comments made in the side-margins and tables should be complete English sentences. Avoid a temptation to save space by omitting verbs like is, are, was, were, etc. in the sentences contained in tables and side-margins.

### **While**

- 4.63. Avoid the indiscriminate use of this word *for and, but, and although*. Many writers use it frequently as a substitute *for and* or *but*, either from a mere desire to vary the connective, or from uncertainty which of the two connectives is the more appropriate. In this use a semicolon best replaces it. For e.g., instead of ‘The office and salesrooms are on the ground floor, while the rest of the building is devoted to manufacturing’ use ‘The office and salesrooms are on the ground floor; the rest of the building is devoted to manufacturing’.

### **Who versus whom**

- 4.64. While it’s possible to memorize a rule for distinguishing *who* from *whom*, it’s easier to trust your ear. A simple test to see which is proper is to replace *who/whom* with *he/him*. If he sounds right, use *who*; if *him* is right, use *whom*. For example: *since he did it* and not *him did it*, use *who did it*; *since we give something to him* and not *to he*, use *to whom*. It gets tricky only when the preposition is separated from the *Who/ whom did you give it to?* Rearrange the words in your head: ‘*To whom did you give it?*’

### **Would versus should**

- 4.65. A conditional statement in the first person requires *should*, not *would*. For e.g., I should not have succeeded without his help.

The equivalent of *shall* in indirect quotation after a verb in the past tense is *should*, not *would*. For e.g., He predicted that before long we should have a great surprise.

### **Vernacular Words/Latin Words**

- 4.66. Vernacular words like ‘*khul*’-small open irrigation channel, ‘*chak*’ development-command area development, ‘*khadanja*’ road, ‘*nautor*’ land- Government land allotted to villagers for cultivation, are used, such words should be shown *in italics* and explained as footnote, if required. Similarly Latin phrases and words used in English like *viz. vide, bona-fide, ibid, suo-motu, malafide, de-facto, prima-facie, pro-forma, ex-gratia, ex-post-facto, in-toto, inter-seetc.* should be shown in italics.

### **Common mistakes.**

- 4.67. write officer concerned/department concerned’ instead of concerned officer’/concerned department’.

The words ‘balance’ and ‘rest’ (remainder) are both nouns. It is incorrect to say “the balance payment was to be withheld” or “The rest 80 per cent was to be withheld”. The correct forms are either “The balance was to be withheld” or “The rest was to be withheld” or “The remaining payment was to be withheld” etc.

Except for accepted and short expression like “and/or”, use of the slash(/) between the words should be made in a very restricted way. E.g. instead of saying ‘Short/non-payment’, we should say short payment or non-payment’. Similarly instead of writing “any increase/decrease over/below the schedule of quantities of contract”, we should write “any increase over or decrease below the schedule quantities of a contract”. Instead of

## Appendix VII

NO.105 AUDIT (AP)/4-2  
OFFICE OF THE  
COMPTROLLER & AUDITOR GENERAL  
OF INDIA  
10- BAHADURSHAH ZAFAR MARG  
New Delhi- 110 002

DATE: June 25, 2007

### OFFICE MEMORANDUM

Subject- Compliance to Auditing Standard in Audit Reports.

1. Auditing standards prescribe the principles and practice which the auditors are expected to follow in the conduct of audit. These provide minimum guidance to the auditor to help determine the extent of auditing steps and procedures that should be applied in audit and constitute the criteria or yardstick against which the quality of audit results are evaluated.

2. International best practices require that an auditor should disclose in the Audit Report that the standards have been complied with in the conduct of audit. Any significant deviation from compliance to these standards need to be suitably disclosed along with the reason for such deviation.

3 To ensure compliance of Auditing Standards with reference to the Audit Reports to be tabled in the Parliament and State Legislatures, all the field audit offices are required to clearly certify as follows in all Audit Reports for the year 2006-07 and onwards that the audit in relation to material included in the Audit Report has been conducted in accordance with the Auditing Standards. This may be done either in the 'Preface' or in the 'Audit Certificate' as appropriate.

“ It is certified that the audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India”.

4. Heads of filed audit offices may establish benchmarks against which they will assess and measure the application of and compliance to the Auditing Standards so as to fully support the conformity statement that is required of them.
5. It also needs to be ensured that all manuals and guidelines under development are consistent with the Auditing Standards.

(Ajanta Dayalan)  
Director General (Audit)

All Heads of field audit offices  
(as per mailing list)

Copy for information to:

1. All DAIs/ADAI
2. secretary to the C&AG

Director General (Audit)



Appendix- VIII

OFFICE OF THE COMPTROLLER  
AND AUDITOR GENERAL OF INDIA

Date: 16<sup>th</sup> March 2006.

To,

Shri.A.K. Awasthi,  
Principal Accountant General (Audit),  
Kerala,  
Thiruvananthapuram- 695 039.

Subject: Media Policy – Holding of press conference by the officers of  
IA&AD.

Sir,

The Media Policy of IA&AD is intended to facilitate dissemination of the information contained in the Audit Reports of Comptroller and Auditor General of India to the Parliament and State Legislatures. The matter regarding consideration of the instructions relating to the media policy has been under consideration for some time. In supersession of all previous instructions on the subject, following guidelines are prescribed for interface with media. A comprehensive Communication Policy, integrating the Media Policy is separately under consideration.

**(A) General**

- (i) The press conference shall be held by the designated officers immediately after the presentation of each Audit Report in the Parliament/State Legislature. All press conferences so organized shall be Report specific for Central Reports and State specific for State Reports.
- (ii) The press conference may be held either within the Parliament House/State Legislature. after following the prescribed administrative procedures for holding of press conference by Government officers in the Parliament House/State Legislature, or in the offices of IA&AD.
- (iii) The designated officers shall announce at the outset in the media briefing that in accordance with the provision of Article 151 of the Constitution of India, CAG submits his Audit Reports to the president or Governor, as the case may be, for being laid on the Table of the Parliament/State Legislature in respect of matters arising out of the audit of Union Government and State Governments respectively.
- (iv) Together with the above , it shall also be stated at the beginning that as per the procedure, the Audit Reports of Comptroller and Auditor General of India to the Parliament/State Legislature relating to expenditure and revenue from the Consolidated Fund of the Union or of the States stand referred to the respective Public Accounts Committee. The reports in relation to Public Sector Undertakings stand referred to Committee on Public Undertakings. The Committees examine the Reports of Comptroller and Auditor General of India and issue recommendations for remedial action by the Government.

- (v) Care shall be taken to ensure that no comments, directly or indirectly, are made during the press briefing on the functioning of the Committees of the Parliament/State Legislature, including the factual position about selection/discussion and issue of Reports which should be obtained by the press from the Secretariat of the various Parliamentary/Legislative Committees. The media may be advised to seek clarifications on these issues from the Parliament/ State Legislative Secretariat.
- (vi) The press conference shall be limited to conveying the contents of the tabled Audit Reports. For this purpose a press brief shall be sent for prior approval by the report controlling DAI/ADAI and specific approval to the press brief obtained. The overview, to the extent possible, may be utilized for the press brief. However, where it is not intended to utilize the overview as press brief, specific approval of the HQ shall be obtained. Where considered necessary, the report controlling groups may send the press brief to Director General (Audit) for vetting before putting up to DAI/ADAI.
- (vii) The report controlling wings shall send a copy of the approved Report to DG (Audit), as soon as the Reports are placed on the Table of the Parliament/State Legislature, indicating the date on which the Report is placed on Table of the Parliament/State Legislature.
- (viii) The designated officers holding the press conference may send a copy of the approved press brief to the editors of newspapers and other sources of media along with the information regarding the date of presentation of the Report to the Parliament/ State Legislature. They may also circulate copies of the press brief on the spot to media persons attending the press conference.
- (ix) The designated officers may seek advice and clarifications from DG (Audit) in the Headquarters office.
- (x) Care shall be taken during the press conference to ensure that the statements are factual and are confined to what has been stated in the Audit Reports. No opinion on the government and its policies shall be given during the press conference. The press brief shall confine itself to the issues of compliance, waste, fraud and performance of programmes/projects/schemes etc. as brought out in the Audit Reports. The press briefing is an occasion for conveying factual information and removing ambiguity on issues/findings included in the Audit Reports.
- (xi) The press brief shall be non-partisan and without any political slant or comment.
- (xii) No reference to the names of the executive authorities involved in transactions in Audit Reports shall be made in the press conference, as such authorities do not have an opportunity to defend themselves at the time.
- (xiii) The matters included in Chapter I of the State Audit Reports, or the chapters in Report No.I on the accounts of the Union Government containing overview of accounts shall not be discussed, except highlighting factual information in the various paragraphs. In case media persons seek qualification or elaboration on the issues discussed in these chapters, it may be provided without attribution.
- (xiv) These instructions apply to both print and audio visual media. Participation in any panel discussion on the Audit Reports or on issues relating to audit practices and their effects shall require prior approval of the Headquarters.

**(B) Press brief on the Union Audit Reports**

(xv) The press briefing for Audit Reports relating to the Union Government shall be conducted by the report controlling DAI/ADAI, who may take assistance of Directors General/Principal Directors at his/her discretion.

(xvi) DG (Audit) may be kept informed of the schedule for presentation of the Audit Reports and of the date and time of the press conference. Assistance of OSD (Communication Policy) and Media Adviser may be obtained by the DAI/ADAI in charge of the concerned Report, if required by him.

**(C) Press brief on State Audit Reports**

(xvii) The Principal Accountants General shall preside over the press conference for the States as the designated officer, where the senior most representative of IAAD in charge of audit of the accounts of the State government is of the rank of Principal Accountant General. However, all other Accountants General shall be present at the state level press conference and shall independently clarify matters relating to their Audit Reports. In other States, the Accountant General in charge of audit shall hold the press conference.

(xviii) The Principal Accountant General and the Accountant General shall make it convenient to be present in their headquarters for a press conference on the day of the presentation of the Audit Reports relating to the State government. Any deviation in exceptional circumstances shall have specific approval on the report controlling ADAI, who may approve an alternative arrangement,

Please acknowledge receipt.

Yours faithfully,

**(A.K.Thakur)**  
**Director General (Audit)**

