Journal

Regional Training Institute, Jaipur

Volume-II (2021)

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Foreword

It gives me great pleasure to present the second volume of the Journal of this Institute. The articles in the journal have been written keeping in view the clients served by this Institute, the cuting edge of audit namely Audit Officers and staff of the IA&AD . This volume has articles on good practices in audit offices and guidance on practical auditing.

I thank the contributors and others who helped in publishing this volume.

Ashutosh Joshi
Director General
RTI, Jaipur

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Table of Contents

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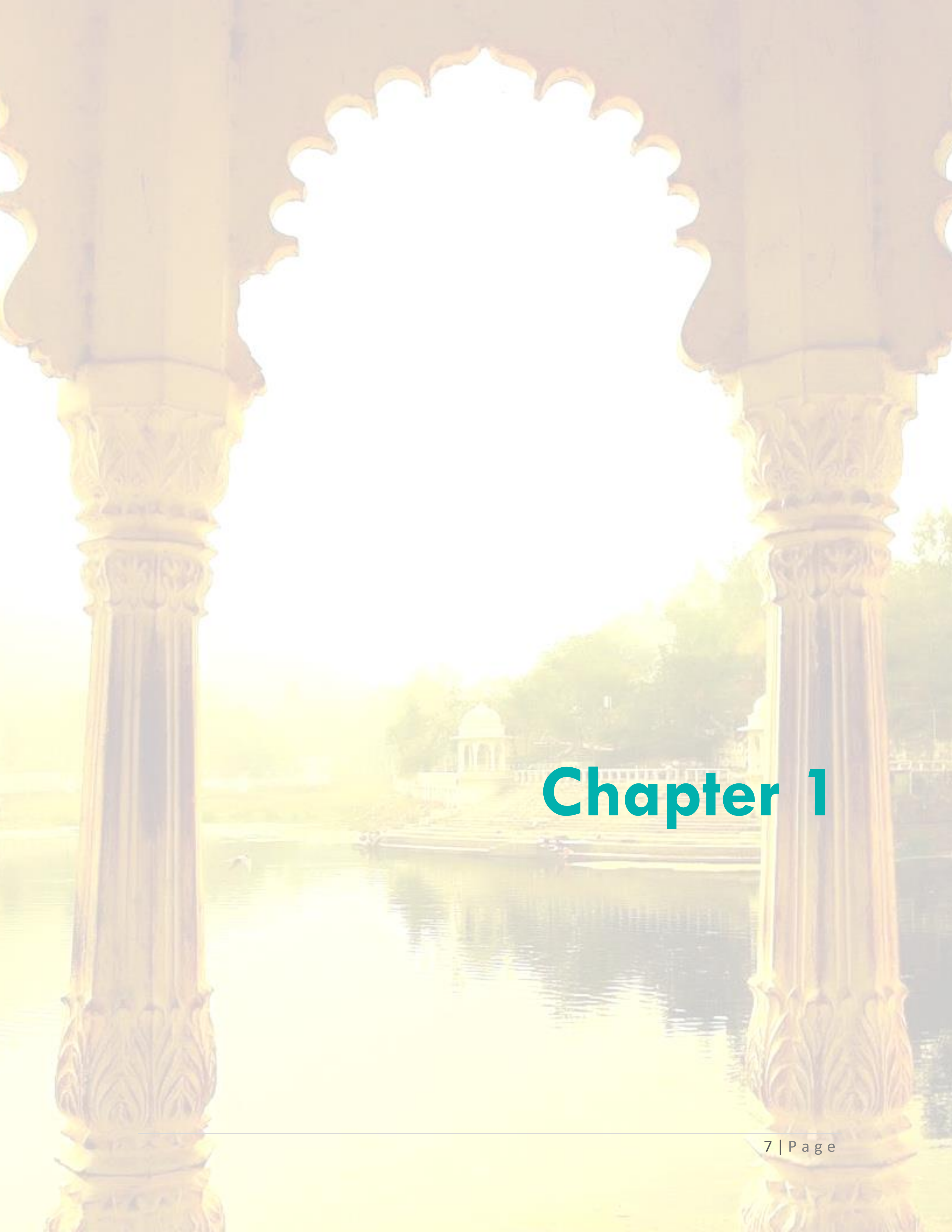

Chapter 1

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Conducting effective financial audit of Central/State Public Sector Undertakings / Autonomous Bodies.

(This article has been penned by Shri Brijeshwar Prasad Tripathi, Senior Audit Officer, O/o- the Principal Accountant General (Audit-II) Uttar Pradesh, Lucknow. He has used his knowledge and experience gained nationally and internationally to present systemically arranged guidance material for conducting effective financial audit of the Central/State Public Sector Undertakings (PSUs)/ Autonomous Bodies (ABs). This material provides a practical approach to the audit of Annual Financial Statements(AFSs). This material has already been used in imparting online trainings by him to the participating officers of Civil and Commercial streams, through RTI, Jaipur and RTI, Prayagraj. The key feature is the Comprehensive Top-down Drilling Approach (CTDA) evolved by Shri B P Tripathi for systematic and comprehensive audit of Annual Financial Statements

The material is presented in four sections:

1. Basic Inputs-Learning objectives, types of financial audit, types and constituents of the financial statements, etc.
2. Start to End Audit process including Comprehensive Top-down Drilling Approach (CTDA)
3. Framing, classifying, drafting and reporting the comments, with illustrative structures
4. Interesting Case Studies based on actual audits

In this edition of our Journal we bring you the first two sections.)

Section I

The results of functioning of an entity at the end of a financial year, in terms of the financial scale, are depicted through the Annual Accounts/Annual Financial Statements (AFSs). AFSs provide vital financial information which is used by the various stakeholders/interested parties in their decision making. For reliability and integrity of the financial information, it is very important that the AFSs should depict the possible truest picture of functioning of the entity. In terms of audit reporting, this is universally known as a *'True and Fair View'*. Audit plays an important role to ascertain the extent of correctness of the financial information depicted through the AFSs and supplement the deficiencies, if any through the comments thereon. The audit of AFSs by the Comptroller and Auditor General of India and his comments, if any, thereon provides a strong basis for reliability on the financial information. Accordingly, the AFSs read with the Audit Report thereon help determine the extent of public reliance on the financial information for its users.

Basic Inputs-Learning objectives, types of financial audit, types and constituents of the financial statements

Basic objectives of audit of AFSs: For the focused action entailing effectiveness, it is necessary to know the purpose behind that action. Similarly, an Auditor should also keep in mind the basic purpose of audit of the AFSs, which comprises (a) ascertaining the degree of correctness of the financial information given in the AFSs (b) framing exact, accurate and straightforward comments thereon as a supplement to the errors/deficiencies, if any, and (c) also ascertaining that the AFSs depict a true and fair view.

Learning objectives: This material has been prepared keeping in view certain learning objectives which will help an Auditor in

- an objective study and interpretation of the information incorporated in the AFSs;
- developing a clear-cut understanding of audit approach viz. Comprehensive Top-down drilling approach (CTDA) for conducting an effective audit of AFSs;
- framing exact, accurate and straightforward (EAS) comments on AFSs, in both the cases-comprehensive audit and supplementary audit, and also on Statutory Auditors' Report in case of supplementary audit;
- proper drafting, classification and presentation of comments in the prescribed audit certificate/audit report;
- bringing out uniformity and consistency in like issues along with standardised drafting of comments, to the extent possible; and
- framing independent opinion in case of comprehensive audit and evaluating/supplementing the audit opinion expressed by the Statutory Auditors in case of the supplementary audit.

List of abbreviations used:

Sl. No.	Abbreviations	Full form
1.	AFS	Annual Financial Statements
2.	SFS	Standalone Financial Statements
3.	CFS	Consolidated Financial Statements
4.	CTDA	Comprehensive Top-down Drilling Approach
5.	EAS	Exact, Accurate and Straightforward
6.	AS	Accounting Standards
7.	Ind AS	Indian Accounting Standards
8.	SA	Standards on Auditing
9.	AAS	Auditing and Assurance Standards

10.	ISA	International Standards on Auditing
11.	SAR	Separate Audit Report

Types of financial audit and related audit product: As per the nature of financial audit, it may be classified as follows:

Primary Audit: Audit of the AFSs by the Statutory Auditors/Chartered Accountants has been termed as Primary Audit, which is conducted by them under the provisions of the Companies Act, 2013 and/or specific statues governing the establishment of a particular government Company/Corporation/AB, etc. Primary Audit produces the Statutory Auditors' Report

Supplementary Audit: Subsequent to the Primary Audit, the financial audit of a government company/corporation/AB etc. done by the CAG of India under the provisions of the CAG's Duties, Powers and Conditions of the Services (DPC) Act, 1971 and Companies Act, 2013/Statues governing the particular corporation/AB, etc. is known as Supplementary Audit. CAG's certificate in the prescribed format is the product of this audit.

Comprehensive Audit: Financial audit of statutory Corporations/ABs/other entities by CAG of India as a Sole Auditor, under the mandate of DPC Act, 1971 and their respective acts/regulations is termed as Comprehensive Audit which produces the Separate Audit Report (SAR).

There may be certain Statutory Corporations/ABs whose statues provide for a Primary Audit by the Statutory Auditors/Chartered Accountants and Supplementary Audit by the CAG of India. In this case, the Audit product will be CAG's SAR and Statutory Auditors' Report.

QUALITY OR COUNTS (i.e. NUMBER OF COMMENTS): While conducting the financial audit, the following should be kept in mind:

- If count is important, quality is more important, meaning thereby is that while pursuing the number of issues, quality of the comments should not be compromised at any cost.
- In case of audit of AFSs, obtaining reasonable assurance by applying healthy scepticism and the professional judgment to the best, on the facts and figures given in the AFS is of prime importance.
- Obtaining reasonable assurance requires scrutiny with due care and diligence of the facts and figures contained in the AFSs and also in the Statutory Auditors' Report (in case of Supplementary Audit).
- During the process of scrutiny, audit findings that emerge, duly supported with Key Documents (KDs) are processed as provisional comments/draft comments/final comments on the AFSs.

Types and constituents of the AFSs: Single set of annual accounts prepared by an entity is also known as AFSs. However, an entity which is holding company in reference to its subsidiary company(s) prepares two sets of AFSs termed as Standalone Financial Statements (SFSs) and Consolidated Financial Statements (CFSs). The AFSs/SFSs/CFSs comprises the following statements:

For PSUs: 1. Balance Sheet 2. Statement of Profit & Loss Account/Income & Expenditure Account 3. Cash Flow Statement 4. Statement of Changes in Equity (SOCE)- in case, the AFSs have been prepared in compliance with the Ind AS. 5. Schedules/Notes to Accounts

For ABs: The AFSs will contain the statements as per the approved format of accounts under the provisions of the act/regulations/rules etc. of the respective AB. Alternatively, the uniform format of AFSs approved by the Government of India for the Central ABs comprises (i) Balance Sheet (ii) Income and Expenditure Account (iii) Schedules to the above Financial Statements (iv) Notes and Instructions for the Schedules (v) Statement of Receipts and Payments

For sector specific entities like Insurance Sector, Oil Sector, Power Sector and Banking Sector etc., the AFSs and constituents vary in accordance with the sector specific act/regulations/rules etc.

Section II

Start to End Audit process including Comprehensive Top-down Drilling Approach (CTDA)

While taking up the financial audit of an entity by an auditor, there may be a very common curiosity in mind as to how and to what extent efforts are to be made in order to bring forth the effectiveness in the audit. If the auditor is taking up the financial audit, first time and is also not having the background of financial audit/commercial accounting, the present section of the material may serve the concerns of the auditor to a greater extent.

Therefore, keeping in view the preparedness required for an auditor while taking up and conducting the financial audit, this Section of material has been prepared, which deals with the whole 'start to end audit' process including the innovative audit approach termed as the 'Comprehensive Top-down Drilling Approach' hereinafter referred to as CTDA. This material may be helpful for the officers of both the streams-Commercial and Civil in the Audit offices. The aforesaid audit process and audit approach have been discussed in an orderly manner as below:

Introductory steps in the audit process

The preparation of the financial statements is the responsibility of the Management of the respective PSUs/ABs**.** Auditor's responsibility is to certify whether these financial statements have been properly drawn from the original books of accounts and they present a **'True and Fair view'**. The following steps are involved in the audit process:

- For the **Primary audit** of the AFSs, appointment of the Statutory Auditors is done by the CAG of India under Section 139 of the Companies Act, 2013 and its subsequent supplementary audit is conducted by the officers of the Audit offices functioning under the CAG of India.
- Issue of appropriate **directions** and **sub-directions** under Section 143 (5) of the Companies Act, 2013 to the Statutory Auditors.
- Receipt of AFSs with the Statutory Auditors' Report at the local headquarters of Audit offices for conduct of the supplementary audit and AFSs only for the Comprehensive audit.
- The effective audit of financial statements of Central/State PSUs/ABs etc. requires concerted efforts by the Statutory Auditors (in case of supplementary audit) and the Audit Team as well as the Processing Section/Accounts Section at the local headquarters of the Audit offices and those at CAG Headquarters.
- The audit process starts with the **preliminary scrutiny** at the local headquarters of the Audit offices on the very receipt of the AFSs and ends with the **verification** of facts and figures incorporated in the comments approved by the CAG Headquarters before forwarding these comments to the concerned PSU/ABs.
- During the preliminary scrutiny, it is ensured that the AFSs submitted in the Audit office have the **due auditability.** The due auditability refers to the completeness of the documents forming part of the AFSs including approval thereon by the competent authority viz. Board of Directors/Governors/Governing body etc., and no further clarification is to be sought from the concerned PSU/AB etc. prior to taking up the audit. It also refers to the periodicity of taking up the audit of AFSs, viz. **(a) Annual**: in case of Paid up capital (PUC) more than ₹ 50 crore or Capital Employed (CE) more than ₹ 200 crore or Turnover (TO) more than ₹500 crore **(b) Triennial:** PUC- ₹ 20 to ₹ 50 crore or CE-₹100 to ₹ 200 crore or TO-₹ 200 to ₹ 500 crore **(c) Once in five years:** Not covered in criteria for Annual/Triennial Audit. **(d) Exceptions:** the above periodicity for audit does not apply in cases **(i)** where disclaimer/adverse opinion is given by the Statutory Auditors **(ii)** First AFSs

of the Company **(iii)** AFSs of the Statutory Corporations and **(iv)** selection of AFSs for taking up audit based on risks observed at the local headquarters of the Audit offices**.**

- Appropriate directions with reference to the audit of the particular AFSs are framed and issued timely by the local headquarters of the Audit offices to the Audit Team constituted so, for its compliance. The field audit team conducts the audit of the AFSs as per the aforesaid directions and certain preliminary and specific criteria discussed in the subsequent paragraphs.
- Applying the Preliminary Criteria ensures that errors (format/totaling/language etc. related) if any, apparent on the face of the AFSs, Schedules/Notes forming integral part thereto and/or the Statutory Auditors' Report can be detected and pointed out.
- Applying the Specific Criteria ensures that non-compliances to the accounting principles, concepts, accounting standards and applicable provisions of Act/Regulations/Rules/Circulars etc. in the AFSs, Schedules/Notes forming integral part thereto and/or the Statutory Auditors' Report can be detected and pointed out.

Comprehensive Top-down Drilling Approach (CTDA)

The CTDA is an innovative approach for the effective financial audit which is very useful in conducting audit and also in arresting the window dressing[1]/accounting fraud, if any in the AFSs. CTDA should be applied in both the cases, viz. supplementary audit and comprehensive audit. It requires an **overall scrutiny** of the financial statements on the basis of the **Preliminary criteria.** Thereafter, a **step wise scrutiny** of the particular item of AFSs, starting from the information available on the face/schedules of the AFSs to the basic accounting/entry level with reference to the **specific criteria for scrutiny**.

The CTDA also requires determination of appropriate sample size for the scrutiny of **each head of accounts** of the AFSs in case of the Comprehensive Audit, and in case of supplementary audit**,** verification of the comments/facts brought out by the Statutory Auditors in their Report and to point out the deficiency, if any noticed therein. Further, in case of supplementary audit, the CTDA requires determination of

[1] Window dressing is a tool in the hands of the Accountants for manipulation of the financial results viz. profit/loss/financial position, through different ways, which may increase or decrease the profit at the desired level.

appropriate sample size for the scrutiny of those heads of AFSs, which have not been mentioned at all in the Statutory Auditors' Report.

The CTDA also ensures that adequate and reliable audit evidences are there to support the accounting treatment of a particular item under reference. Accordingly, any deviation from the specific criteria needs to be pointed out as a comment on the respective AFSs. It also attempts to ensure whether the AFSs present a 'True and Fair View' or not, and whether the opinion of the Statutory Auditors (in case of supplementary audit) is reasonably established.

Determination and application of Criteria

The determination and application of criteria has also a very important role in the audit process designed for the effective financial audit, which may be categorised as Preliminary Criteria and Specific Criteria. By application of the preliminary criteria, preliminary scrutiny is carried out, which does not require any technical commercial knowledge and it can easily be done by the Audit Officers of the Civil streams to point out errors/deviations/non-compliances, if any. By application of the specific criteria, specific scrutiny is carried out, which requires knowledge of accounting principles, accounting standards and applicable provisions of the Act/Regulations/Rules/Circulars to point out specific errors/deviations/non-compliances including detection of window dressing/accounting fraud, if any in the AFSs. There are a number of such criteria, of which, the following can generally be applied in audit:

Preliminary criteria: (i) Prescribed format of AFSs under Companies Act, 2013 or any specific act, viz. in case of Power Sector Companies, Insurance Sector Companies, Oil Sector Companies, Banking Sector Companies, and ABs etc. **(ii) Accounting policies** forming part of the AFSs **(iii) Standing Accounting Instructions/Guidelines,** if any, issued by the concerned PSUs/ABs for the accounting treatment of any particular issue **(iv) Accounting Instructions,** if any, issued by the concerned PSUs/ABs applicable for the AFSs of **the particular year. (v)** Detailed **Structure/Chart** of accounts/Compilation/Consolidation/Groupings, etc. **(vi) Journal Vouchers/Adjustment Vouchers** along with explanatory notes and supporting documents **(vii) Original Books of Accounts viz**. Various Ledgers and Trial Balance including Cash/Bank Book **(viii)** Bank Reconciliation Statements and Bank Statements for the month of the **March** of the respective year **(ix)** Authorisation/Data dictionary/Transaction Codes for audit of financial statements through SAP **ERP system (x) Minutes** of meetings of the Board of Directors/Governing Body for the same year to which the financial statements relate, for the **immediately preceding year and the period falling between the date of balance sheet and the date of its approval by the Board of Directors.** In case of **arrears of accounts,** Minutes of meetings of the Board of Directors/Governing Body for the **same year** to which the AFSs relate and for the **subsequent year** in which, these AFSs have been finalised by the concerned PSUs/ABs for submission to audit **(xi) CAG's comments and management letter** on the AFSs of the previous year (s) and their compliance, if any, as mentioned in the **Annual Report** of the preceding year. **(xii) Appointment letter** of Statutory Auditors issued by CAG office **(xiii) Engagement letter,** in case, AFSs have been prepared by engaging Chartered Accountant/professional firm etc. **(xiv)** Minutes of Annual General Meeting **(AGM),** in which, previous year's AFSs have been adopted. **(xv)** Annual Report and Internal Audit Report

Specific criteria: (i) Generally accepted accounting principles **(GAAP),** viz. accounting period concept, going concern concept, accrual basis of accounting, consistency, matching concept, materiality concept, full disclosure principle and conservatism etc. **(ii) Companies Act, 2013**[2] **(iii)** Companies Act, 1956 (in case of accounts in arrears i.e. prior to 2013-14), (**iv)** Companies (Indian Accounting Standards) Rules 2015 and amendments thereto from time to time. **(v)** Companies (Corporate Social Responsibility Policy) Rules, 2014 and Section 135 of the Companies Act, 2013 **(vi)** ICAI's Accounting Standards **(AS) (vii)** Indian Accounting Standards **(Ind AS)** in case of those entities which have adopted these AS to meet the mandatory requirement or adopted voluntarily. **(viii)** Other rules/regulations framed under Companies Act, 2013 viz. Companies (Declaration and Payment of Dividend) Rules, 2014 and amendments thereto **(ix)** ICAI's **guidance notes** on specific accounting issues **(x) Standards on Auditing** (700, 701, 705, 706, 710 and 720) **(xi) Auditing and Assurance Standards (AAS): more importantly** AAS-28 (The Auditors' Report on the AFSs) **(xii)** Companies (Auditor's Report) Order, 2020 applicable for 2019-20 and onwards. **(xiii)** Pending cases with the Tribunal/Court **(xiv)** Provisions of the specific[3] act/regulations/rules governing the particular PSU/AB **(xv) CAG's Manual of Instructions for Audit of Autonomous Bodies (xvi)** Relevant circulars/orders issued by the Ministry of Corporate Affairs (MCA), Ministry of Finance, Government of India from time to time **(xvii)** Notification/circular dated 30 March 2017 issued by the MCA regarding disclosure of facts on transactions in the specified bank notes (SBN) done during 08 November to 30 December 2016 **(xviii)** Companies (Audit & Auditors) Amendment Rules, 2017 and further amendments thereto, if any (**xix)** Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises, 14 May 2010 **(xx)** Relevant orders/circulars issued by the Department of Investment and

[2] Specific reference: Chapter-IX (Companies Accounts), Chapter X (Audit and Auditors) and Schedule-II and III

[3] For example: Power Sector Companies (Electricity Act, 2003, Electricity Supply (Annual Accounts) Rules, 1985, CERC and SERC's regulations/orders etc.) Insurance Sector Companies (Insurance Regulatory and Development Authority of India Act/Various regulations issued by IRDAI from time to time etc.)

Public Assets Management **(DIPAM)**, GoI viz. OM dated 27 May 2016 regarding guidelines on capital restructuring including **payment of dividend etc. (xxi)** Relevant orders/circulars issued by the Department of Public Enterprises, GoI **(xxii)** Relevant orders/circulars issued by the Department of Finance and Department of Public Enterprises of the respective state government **(xxiii)** Secretarial Audit Report and **Minutes of the Audit Committee Meetings (xxiv) Statutory demand notice, if any: viz. Tax demand, EPF/ESIC demand etc. (xxv)** Fixed Assets/Dead Stock Register and annual physical verification report of the fixed assets and dead stock at the end of the **month of March** of the respective year **(xxvi)** Actuarial valuation report at the end of the month of March of the respective year for the employee benefit cost **(xxvii) Fair valuation report** of financial assets and liabilities at the **end of the month of March** of the respective year in compliance with Ind AS **(xxviii) Management Enquiry Report/Vigilance enquiry report** in case of fraud/embezzlement/theft **(xxix)** Memorandum of Understanding/Agreements executed with the private party/third party other than financial institutions **(xxx)** Govt. circulars regarding release of funds in the form of grants, equity and loan **(xxxi) Agreements** executed with the financial institutions for **the borrowed funds**

Audit scrutiny of the AFSs: Depending on the determination and application of criteria, audit scrutiny can be categorised as follows:

Preliminary scrutiny: This includes a thorough study of the annual financial statements (AFSs) in both the cases- Comprehensive Audit and Supplementary Audit; and also the Statutory Auditors' Report (in case of the supplementary audit), to gain full understanding (it is recommended that the auditors read and reread the reports frequently before and during audit), identifying, underlining/noting down the probable areas of observations. Certain **illustrative points** for the preliminary scrutiny of AFSs and the Statutory Auditors' Report (in case of supplementary audit) and likely observations based thereon are given as below:

For AFSs

- Check whether the AFSs in hand for audit contain all the **integral statements/accounting policies and Notes to accounts.**
- Check and obtain documents (indicating complete details of composition) in respect of the Board of Directors (BOD)/Board of Governance (BOG) Governing Body (GB) or any other Authority competent to approve the annual financial statements (AFSs).
- Check whether the compliances have been made in the AFSs under audit, in respect of accounting issues raised in the **preceding year's AFSs through the comments of C&AG, Management letter,** issued by the respective Audit

office and comments of the Statutory Auditors (in case of supplementary audit).

- If no compliances have been made, reframe the observation in respect of the AFSs under audit by updating the same accounting issue raised in the preceding year's AFSs
- Check whether the preceding year's audited AFSs have been adopted in the **Annual General Meeting (AGM)** of the Company (in case of ABs, as per the respective Act/Regulations/Rules) before approval of AFSs for the year under audit by the BOD/BOG etc.
- Check whether the Annual Report/Directors' Report for the preceding year's AFSs has been prepared, containing the compliance with the **Corporate Social Responsibility (CSR) requirements** and replies/compliances to the comments raised by the Statutory Auditors and C&AG in the preceding year's AFSs.
- In case, preceding year's AFSs have not been adopted in the AGM, check whether such facts have been clearly brought out by the **Statutory Auditors in their Report.**
- Check whether the AFSs have been drawn in **the prescribed format**, viz. formats as given in Schedule-III of the Companies Act, 2013 or any other duly approved format in case of ABs etc., as mentioned in their respective Acts/Regulations/Rules
- Check whether **all the disclosures** have been made as required under Schedule-III of the Companies Act, 2013 or any other duly approved format in case of ABs etc., as mentioned in their respective Acts/Regulations/Rules
- Check whether the AFSs have been duly approved by the competent authority and the AFSs submitted to the respective Audit office for conducting the audit are **same as those submitted** to the competent authority for approval. (Obtain a true copy of extract of minutes of the BOD/BOG/BG, etc. held for).

Approval of the AFSs.

- Obtain a copy of AFSs for the previous year and ensure after reconciliation, that the figures as well as facts of the previous year, as mentioned in the AFSs including schedules/notes are same as mentioned in the AFSs including schedules/notes for the respective year under Audit.
- Check **totals given** in the Balance Sheet, Profit & Loss Account/Income and Expenditure Accounts, Cash Flow Statements/Receipts and Payments

Accounts, Statement of Changes in Equity and all the schedules/notes forming part of the above AFSs.

- Check whether date of approval of AFSs is mentioned on the face of the AFSs and each page of the AFSs including schedules and notes have been duly signed by the approving authority as per its composition, and also by the Statutory Auditors along with their firm's stamp (in case of supplementary audit).
- Check whether the documented **Accounting policy** has been annexed with the AFSs. If not, check and obtain the reasons thereof and also the basis of preparation of the AFSs.
- Check whether any accounting policy has been changed during the respective year under audit. If yes, check whether the **impact of change** in accounting policy with the **retrospective effect** has been disclosed in the AFSs.
- Check and ensure whether the AFSs have been prepared on **accrual basis or cash basis or hybrid basis.** Hybrid basis indicates a mix of accrual and cash bases, viz. accrual basis for most of the accounting items and cash basis for certain selected accounting items. Also ensure whether these facts have been clearly brought out in the accounting policy. **Point out the deficient accounting policy on the basis of the Generally accepted accounting principles**
- Check whether the AFSs have been prepared in compliance with the generally accepted accounting principles (GAAP), Accounting standards (AS)/Indian Accounting Standards (Ind AS) and other applicable provisions of Acts/Rules/Regulations/Orders etc. Check whether these facts have been disclosed in the Notes to Accounts and also in the Statutory Auditors' Report (in case of supplementary audit).
- Do **inter-reconciliation of figures** of the related schedules/notes etc. to ensure that correct figures have been depicted on the face of the main AFSs under audit.
- Through **an appropriate sample size**, check all the figures given under each head/sub-head (selected head in case of supplementary audit) depicted in the AFSs to obtain a reasonable assurance that these figures have been correctly drawn from the **basic books of accounts**, viz. Journal and Ledger along with the vouchers supporting the particular accounting transactions.
- Check whether the figures have been depicted in the AFSs by the prescribed level of uniform pattern of rounding off, viz. **hundreds, thousands, lakhs, millions and crores,** etc. Also ensure whether the **rounding off pattern** of the figures has been clearly disclosed in the AFSs.

- Check whether Notes to Accounts are integral part of the AFSs and these contain sufficient facts for disclosures.
- Obtain a certificate from the management in respect of **'Responsibility Statement' for preparation of the AFSs in case of comprehensive audit.**
- Check whether each item of the annual financial statements has been cross-referenced to any related information in the Notes by the Ind AS adopting companies as per Ind AS-1
- **Check whether the Statutory Auditors' have not rendered any accounting/book keeping and other management services as mentioned in Section 144 of the Companies Act, 2013**
- In case any **outsourced agency** has prepared the AFSs, also obtain the copy of approval by the competent authority for engaging an outsourced agency and terms of reference **(TOR)** for such engagement.
- Check to ensure that there are no language/grammatical/spelling errors in presentation of the facts in the AFSs including schedules/notes and also in the Statutory Auditors' Report (in case of supplementary audit).
- Check whether the company which has first time migrated to Ind AS from GAAP has disclosed the impact of such migration on the Statement of Profit & Loss, Balance Sheet and Cash Flow Statement.
- Check whether there is **a precise disclosure** in the Notes to Accounts regarding compliance with the Ind AS by the Ind AS compliant company.
- Check and propose comments relating to the non-compliance with the Statutory Auditors' comments, if any, after a cycle of two years as per **HQ instructio**ns

For Statutory Auditors' Report

- Check and verify all the comments/facts/disclosures made in the Statutory Auditors' Report with the criteria on which such comments have been framed. In case, any of such comments/facts/disclosures is/are deficient, supplementary comment should be made, **citing the reference of the comments/facts/disclosures already mentioned in the Statutory Auditors' Report.**
- Check whether compliances with the **CAG's directions and sub-directions** have been made by the Statutory Auditors and the compliance report is the integral part of the Statutory Auditors' Report

- Check whether, as per the relevant standards of auditing, a reasonable opinion has been expressed by the Statutory Auditors in their Report based on the audit conducted by them.
- Check whether the correct word 'profit' or 'loss'; surplus or deficit (as the case may be) has been mentioned in the conclusive opinion part of the Statutory Auditors' Report, instead of Profit & loss or Surplus & deficit.
- Check to ensure that no **misleading and contradictory facts** have been brought out in the Statutory Auditors' Report.

Likely observation: Based on the aforesaid preliminary scrutiny, the following observations may be framed on:

- Non-compliance with the accounting issues raised through CAG's comments/Management letter issued by the respective audit office on the preceding year's AFSs.
- Non-preparation of AFSs in the prescribed format; non-preparation of any particular statements forming integral part of AFSs
- Non-attachment of accounting policies/Notes to Accounts with the AFSs
- Non-adoption of AFSs of the preceding year in the AGM and non-disclosure of this fact by the Statutory Auditors in their Report.
- Totaling error on the face of the AFSs or in any schedules/notes forming part of the AFSs
- Non-authentication of the AFSs by any particular member of the BOD/BOG, Company Secretary, Chief Financial Officer etc., as required under Section 134 of the Companies Act, 2013 in case of companies /relevant provisions of act/regulations/rules in case of ABs
- Insufficient/non-disclosure of significant facts in the Notes to Accounts regarding any one or more accounting items/issues in terms of the provisions of the Schedule-III of the Companies Act, 2013 or format of accounts approved under any specific act/regulations/rules.
- Non-adoption and disclosure of uniform pattern of rounding off the figures of the AFSs.
- Non-compliance by the Statutory Auditors with any particular directions/sub-directions issued by the CAG
- Non-compliance by the Statutory Auditors with the CARO 2020/2016 and other statutory/legal requirements.

- Dissimilarity between the figures and facts of the preceding year's AFSs and those depicted in the AFSs for the year under Audit, unless justified by the regrouping of figures of the preceding year.
- Language/grammatical/spelling errors in the AFSs and the Statutory Auditors' Report.

Specific scrutiny: After identifying the probable areas of observations, specific scrutiny on the particular head of accounts/facts depicted in the AFSs is carried out based on the CTDA as discussed above. Certain illustrative points for the preliminary scrutiny of AFSs and the Statutory Auditors' Report (in case of supplementary audit) are given in the subsequent paragraphs.

For AFSs

- Apply the CTDA to check the probable heads/items of AFSs, based on the preliminary scrutiny and verification of comments of the Statutory Auditors.
- Check whether classification of assets and liabilities under current and non-current has been done and depicted correctly in the AFSs.
- Check whether classification and segregation of income and expenditure of capital and revenue nature have been correctly done and accordingly accounted for.
- Apply the specific criteria, wherever applicable, as mentioned earlier, to check the particular accounting head/item.
- Based on appropriate sample size, apply CTDA and check each head of accounts (selected head of accounts/those heads of accounts not commented upon by the Statutory Auditors, in case of supplementary audit).
- Check whether the accounting policies incorporated in the AFSs are not in contravention (unless justified otherwise) to any established/accepted accounting practice/accounting standards/applicable act/regulations/rules etc.
- Check whether any particular accounting policy has been changed during the year under audit and if yes, whether the retrospective impact of such change has been disclosed in the Notes to accounts.
- Check whether the accounting for the capitalisation of expenditure in respect of ongoing works/completed works/assets put in use has been done correctly.
- Check whether the capitalisation of interest on borrowed funds for creation of capital assets has been done correctly.

- Check whether accounting of any item has been done in contravention to the accounting policies.
- Check whether the valuation of closing stocks has been done correctly, as per the applicable accounting standards (AS/Ind AS-2)
- Check whether the depreciation on fixed assets has been charged as per the prescribed method (Straight line method or Diminishing value method) and rates (derived as per the corresponding useful life of a particular fixed assets).
- Check whether provisions for employee benefit costs/retirement benefits have been done correctly based on the Actuarial valuation or in its absence, based on Management's best estimates as also brought out in the accounting policy.
- Check whether provisions for known liabilities and Statutory dues have been made in the AFSs.
- Check whether provisions for bad & doubtful debts under Sundry Debtors/Other Receivables/Loans & Advances have been reasonably made in the AFSs and reviewed in the subsequent year (s).
- Check whether any fictitious income/expenditure/liability/asset has been accounted for.
- Check whether any income has been set off by the related expenditure unless permitted under the accounting standards.
- Check whether any liability has been set off by the related asset unless permitted under the accounting standards.
- Check whether the AFSs conform to the applicable accounting standards.
- Check whether sales have not been overcast/under-cast in order to reflect the expected level of profit or loss through the AFSs.
- Check whether any item of incomes/expenditures/liabilities/assets have been left/omitted for being accounted for, whose accounting transactions have been completed in terms of approval by the BOD/BOG
- Check whether provisions for liabilities arising out of the statutory provisions/orders/demands by the Statutory authorities, viz. EPFO, Income Tax and Commercial Tax Department have not been made in the AFSs and shown as contingent liabilities unless disputed strongly in the Tribunal/Court.

- Check whether correct accounting has been done for impairment of assets/provision for diminution in value of investments and provision for loss of assets occurred due to theft/fire etc.
- Check whether accounting compliances/disclosures have been made in regard with any specific orders/circulars issued by the Government, being applicable to the AFSs for the only year under audit.

For Statutory Auditors' Report

- Check whether the Statutory Auditors' Report has been prepared in the prescribed format in compliance with the relevant standards on auditing (SA)/auditing and assurance standards (AAS), CARO 2020 (in case of AFSs 2019-20 and onwards; CARO 2016 in case of AFSs prior to 2019-20) and other legal and statutory requirements.
- Check whether the 'Matter of Emphasis' and 'Other Matters' clauses have been correctly reflected in the Statutory Auditors' Report.
- Check whether the Audit Report has been prepared as per the provisions of relevant Standards on Auditing (SA) viz. SA 700, SA 701, SA 705, SA 706, SA 710
- Matter of Emphasis (SA 706) refers to those facts which have already been disclosed in the AFSs.
- Other Matters (SA 706) refer to those facts which have not been disclosed at all in the AFSs.

Likely observations based on the specific scrutiny may be as follows:

- Short/excess charging of depreciation on fixed assets
- Short/excess accounting of revenue and other incomes including accrued interest on fixed deposits
- Non/short provisioning against the Statutory dues/claims/known liabilities
- Non/short provisioning for employee benefit costs
- Non-accounting of adjusting events occurred after the Balance Sheet date but before the approval of the AFSs by the BOD/BOG etc.
- Incorrect classification and recognition of expenditures in Capital and Revenue
- Recognition of income earned from interest on Government funds/other designated/specific funds etc., instead of crediting it to such funds

- Capitalisation of revenue expenditure associated with the creation of capital assets, viz. inauguration/foundation laying expenses etc.
- Booking of expenditure without parallel revenue/income directly emerging from the nature of the business of the company.
- Non-booking of expenditure/revenue in own books of accounts as the transactions are financed and recorded by holding/subsidiary company.
- Emphasis of matter and other matters not correctly drawn and reflected by the Statutory Auditors in their Report
- Framing of incorrect comments by the Statutory Auditors on anyone/more accounting issues.
- Setting off the revenue with the related expenditure; and liability with the related assets not permissible under accounting standards.
- Non-compliance with the specific orders/circulars issued by Ministry of Corporate Affairs, Ministry of Finance and any other regulatory body viz. SERC/CERC, IRDAI, applicable to the AFSs under audit
- Non-compliance with the specific approval accorded by the BOD/BOG on any accounting issue relevant for the AFSs under audit.

(To be continued)

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A Case of Sampling in an actual audit

(This article is written by Sh. Rakesh Vijayvergia Sr. AO Core Faculty of the R.T.I. He has narrated his experience of the actual process employed for selecting final units for audit in an All India review where broad level sampling guidelines had been provided.)

An All India Performance Audit (PA) of "Accelerated Irrigation Benefit Programme (AIBP)" was conducted for inclusion in the Union Report for the year ended 31 March 2017.

This article describes the sample selection for this audit as per approved guidelines, for Gujarat State, done by the office of AG Gujarat.

Audit Objectives

The Audit Objectives of the Performance Audit on AIBP were to examine whether:

i. the programme has been planned to achieve its objectives of creating adequate and targeted irrigation potential and its utilisation;

ii. adequate funds were timely released and properly utilized;

iii. individual projects were executed in an economic, efficient and effective manner;

iv. there was time over-run and cost over-run in completion of projects and potential losses to the States concerned therefor;

v. there was an adequate and effective mechanism for evaluation of projects, including assessment of achievement of the desired Benefit Cost (BC) Ratio;

vi. the assurances given by the Ministry in reference to previous audit observations have been complied and recommendations have been implemented; and

vii. availability of water and its sustainable management was ensured.

Scope of Audit

The Performance Audit covered the implementation of the programme during the period April 2008 to March 2017.

Office of PDA (SD) conducted audit at MoWR, RD&GR, CWC, Central Ground Water Board, Central Soil & Material Research Station for examination of issues relating to planning, approval/ sanctions and implementation of AIBP scheme and also audited NRSC, Hyderabad regarding monitoring of projects using remote sensing data.

State Audit offices carried out audit of agencies/ departments of State Governments which were associated with planning and execution of various projects under AIBP.

Audit Sampling

During 2008-09 to 2016-17, funds were released to 26 States and 27 states were selected for the Performance Audit. As per guidelines issued by CAG headquarter, the sample for audit of projects was to be drawn as follows:

- **Sample A -** Major/Medium projects which were sanctioned and taken up during the audit period i.e between 2008-09 to 2016-17. A sample of 50 *per cent* of Extension, Renovation and Modernisation (ERM) projects and other projects (including deferred/ongoing/completed projects) subject to a minimum of 1 and 100% of priority projects in the State. The selection was to be done using simple random sampling.
- **Sample B -** Major and medium projects which were taken up prior to 2008-09 but were completed or are under implementation during 2008-09 to 2016-17. A sample of 50 *per cent* of ERM projects and other projects (including deferred/ongoing/completed projects) subject to a minimum of 1 and 100% of priority projects to be taken in the State. The selection of these projects was to be taken on random sampling basis.
- **Sample C –** Prior to 2008-09, a total of 8626 minor irrigation projects were initiated; of which 5817 projects were completed by 2007-08, leaving 2809 ongoing projects. Again, 8447 Minor Irrigation projects were included in AIBP during 2008-09 to 2016-17 and 8015 such projects were completed during 2008-09 to 2015-16. A sample of 5 *per cent* each of completed and ongoing projects was to be taken subject to a maximum of 15 each of completed and ongoing projects in a State.

The selection of projects was to be done according to **PPS with replacement on Sanctioned Amount or Expenditure Amount**. In selecting the Minor Irrigation projects, it was to be ensured that all the different geographical regions of the State were covered.

Sample selection in Gujarat State

Stage I : Selection of Projects

Universe : Sardar Sarovar Project (SSP), Aji-IV project, Bhadar-II project, Brahmani-II and Ozat-II. These were identified and conveyed by the office of the CAG of India.

As per guidelines, selection was to be done from three samples A, B and C. In Gujarat all the projects fell under the sample B category as Sardar Sarovar was a major and rest four were medium irrigation projects and all the five projects were taken up prior to 2008-09 and were completed or were ongoing during 2008-09 to 2016-17. No ERM project was funded under AIBP.

Sample size: As per CAG's guidelines, out of five Irrigation projects in Gujarat, three were to be selected for detail scrutiny.

Sample selected: SSP, Aji-IV project, Bhadar-II project

Justification of selection: The project Brahmani-II did not get any central grant from 2008-09 to 2016-17, the project was being used as "balancing Reservoir" for a sub-

Branch Canal (Dhrangadhra Branch Canal) of SSP canal network and planned command area of scheme is included in SSP Command therefore no separate command area developed for the project. Therefore, the project was excluded for sampling. Out of remaining four projects, sample of three projects based on higher cumulative AIBP expenditure for last five years (2012-13 to 2016-17) were selected.

Name of Project	Five year (2012-13 to 2016-17) cumulative expenditure (₹ in crore)
Sardar Sarovar (Narmada) Project (SSP)	10756.16
Bhadar-II	33.76
Aji-IV	15.63
Ozat-II	14.38
Brahmani-II	7.26

Note: Apex unit were, Narmada, Water Resources, Water Supply and Kalpsar Department (NWRWS&KD) in case of all projects and Sardar Sarovar Narmada Nigam Limited (SSNNL); Govt. company created in 1988 under the aegis of NWRWS&KD to execute the Sardar Sarovar Project.

Stage-II: Selection of Units

The method of selection beyond projects was not mentioned in the guidelines. There were 53 divisions implementing AIBP out of total 88 divisions/cost centers of three selected projects (51 divisions of SSNNL and one division each of Aji-IV and Bhadar-II). It was decided that a sample of 30% of the total divisions where AIBP funds were expended would be taken up for audit. Therefore, the sample size came to 15.9 i.e. 16 units (being 30% of 53 units). Each of the divisions of Aji-IV and Bhadar-II were selected as the only implementing units of these projects.

SSP was a major inter-state multipurpose project among the 99 priority projects of India, having total investment of ₹ 42,579.66 crore till March 2017. There were51 divisions implementing AIBP under the SSNNL to execute the project. SSNNL was maintaining division wise expenditure on AIBP component (branches, distributaries and minors are financed under AIBP) under a separate head of account.

For the selection of 14 divisions of SSP, 51 AIBP implementing Divisions/units of SSP were placed in descending order of their cumulative AIBP expenditure (2012-13 to 2016-17), after excluding the units/cost centers pertaining to pay & allowances etc. Divisions of SSNNL were divided in three **uniform** strata each having 17 divisions; A (high expenditure divisions), B (Medium expenditure divisions), C (low expenditure divisions). The selection of the 14 divisions was distributed over the three strata A, B and C in the ratio of 60: 30: 10. Thus 9 top spending divisions in Strata A; 4 top spending divisions in strata B and highest spending division in strata C were selected for detail scrutiny of records as shown in ***Annex A***. Thus it was ensured that divisions with moderate and lower expenditure were not left out of the selected sample.

Audit observation arising out of stratification of divisions for sampling

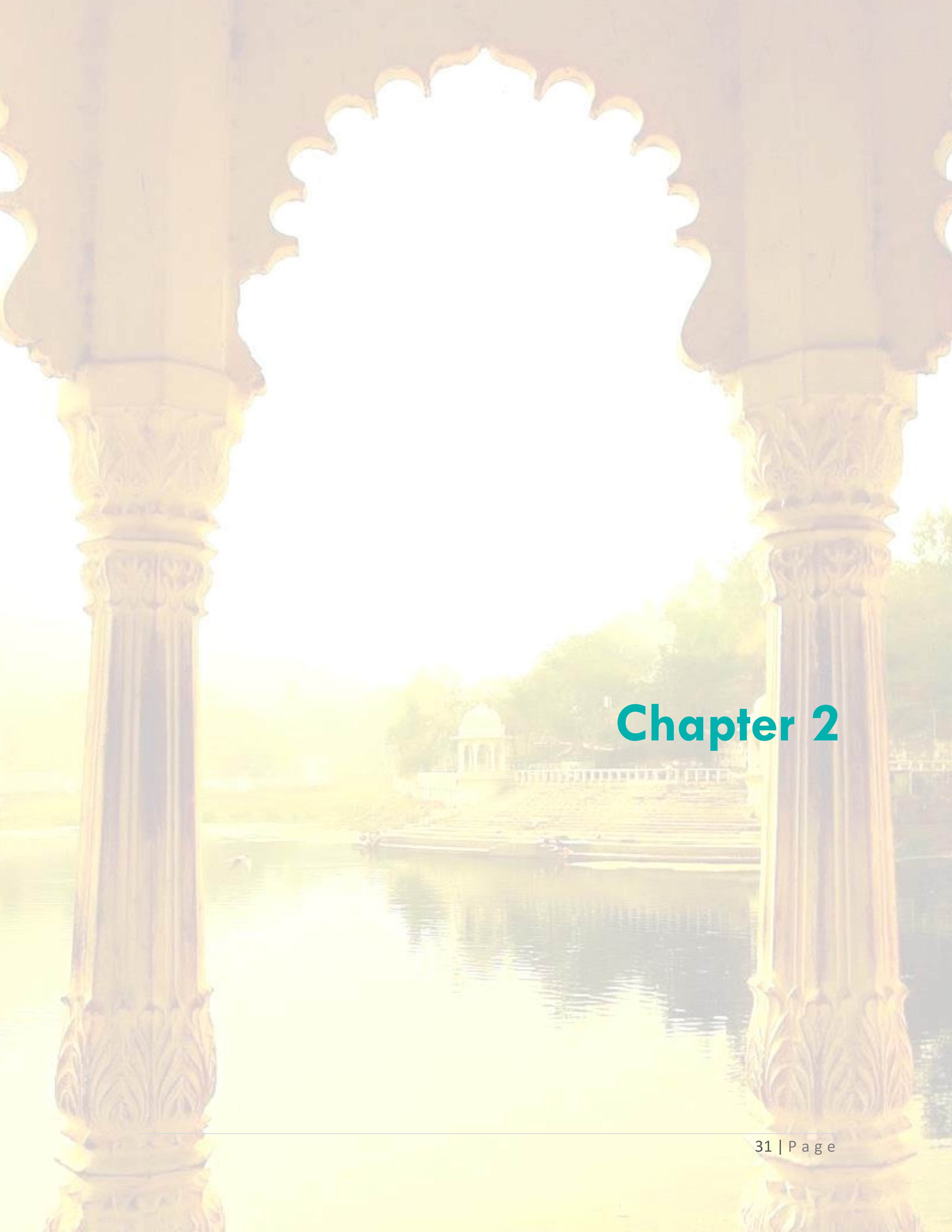
Executive Engineer, NPHP (Elec. & Mech.) division, Baroda (Vadodara) was selected in strata B as it had the highest cumulative expenditure value of ₹ 213.17 crore in that strata.

During field audit, it was observed that the division was not associated with execution of Branch, distributaries or minor canals or any related subsidiary work of irrigation in the Sardar Sarovar project. These were the only mandatory components eligible for funding under AIBP scheme. The division was associated with the implementation of canal top solar power and small hydro power projects. Expenditure details of the division were collected and it was observed that ₹ 213.17 crore (2014-15 and 2015-16) incurred on canal top solar power and small hydro power project was booked under AIBP head. Solar and small hydro components were not approved under Revised Cost Estimates approved by CWC.

This observation could be made only because of stratified sample selection. Had only the top spending divisions been selected, this would not have been detected. This observation found place in the audit report as well.

State	Diversion of funds
Gujarat	Test check of project records of Sardar Sarover Project revealed utilisation of AIBP funds amounting to ₹ 447.44 crore for ineligible purposes as discussed below: • Scrutiny of statement of expenditure for the years 2014-15 and 2015-16 revealed that an expenditure of ₹ 213.17 crore[44] on Power projects and Canal Top Solar Power Plant was booked under AIBP even though CWC had excluded Power projects from components eligible for funding under AIBP if installed on main/branch canals. Thus, AIBP funds were diverted for an ineligible item and incorrect UCs were furnished without highlighting the same to the Ministry. • Expenditure on repairs and maintenance of canal, branches, and distributaries was not permissible from funds received under AIBP. Further, the Ministry had specifically excluded expenditure on repairs and maintenance from the revised costs of the project. However, ₹ 179 crore incurred on repairs and maintenance of the Canal network was booked by the project authorities during April 2010 to March 2017 under AIBP. • An expenditure of ₹ 55.27 crore was incurred on sub-minors which were covered under Command Area Development & Water Management (CADWM) activities[45] and not eligible for AIBP and was incorrectly booked under AIBP grant during the period 2010-17. • In this project, several divisions were found to be booking expenditure like royalty, compensation other than land, service tax, insurance charges, office and other miscellaneous expenses under AIBP which was not permissible. Project authorities accepted that expenditure on power projects were inadvertently booked under AIBP and has issued instructions regarding booking of only eligible expenditure under AIBP.

Report No. 22 of 2018 of the CAG of India on AIBP (Performance Audit) of Union Govt. Ministry of Water Resources, River Development & Ganga Rejuvenation



Chapter 2

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Audit Report as a tool for planning and conduct of compliance audits

(This article is written by Sh. Vinod Kumar Sharma, Sr. AO, Core Faculty of the R.T.I. He has drawn from his decades of audit experience a case to highlight the need to create information loops within the audit offices for effective field audit including follow up.)

A quality compliance audit hinges upon a good understanding of the auditable entity, proper risk analysis and collection of competent, reasonable and relevant evidence on the audit areas identified through risk analysis. Para 4.3 of the Compliance Auditing Guidelines says that 'preparation of audit strategy for the identified audit entity would include an understanding of the auditable entity and its internal control environment, including the statutory, regulatory and legal framework applicable to the auditable entity and the applicable rules, regulations, policies, codes significant contracts or agreements etc.' Hence, comprehensive domain knowledge is a prerequisite for proper analysis of the auditable entity.

The importance of the Audit Reports as a tool for gaining domain knowledge need not be overemphasised. Audit Reports throw light not only on the business environment of the audited activity/entity, but its control environment, regulatory framework as well as vulnerabilities identified therein. In the follow up of Audit Reports through the proceedings in respective legislative committees i.e. Public Accounts Committees/Committees on Public Undertakings the counter measures taken by the audited entity in plugging vulnerabilities are highlighted. The assertions of the management of the audited entity in response to the audit observations include assurances on how they seek to improve their business practices and strengthen the control environment.

The role of Audit Reports and follow up action thereon in gaining domain knowledge and risk analysis is well recognised in the normative inscriptions of our department viz., Auditing Standards, Performance Audit Guidelines, Compliance Audit Guidelines and Audit Quality Management Framework as enumerated below:

(i) Para 2.5.2.1 (a) of Auditing Standards provide for use of earlier studies in order to gain a broad understanding of the subject matter to be audited and its context.

(ii) Para 3.5 of the Performance Auditing Guidelines recognises past audit reports and follow up action thereon as input tool for preparation of strategic audit plan.

(iii) Para 3.11 of the Compliance Auditing Guidelines suggests review of past audit coverage, PAC/COPU suggestions and past audit findings, inter alia, as risk assessment methodology.

(iv) Para 61 (v) of the Audit Quality Management Framework contains that follow-up of SAI's recommendations provides an input to the strategic planning of Audit by IAAD.

Thus, the importance of Audit Reports and follow up action thereon is well established and recognised in IAAD. In planning a performance audit, due consideration to the old performance audits, their recommendations and compliance of the recommendations by the audited entity is considered. But, question arises how efficiently and effectively, the department is utilising such an important tool in planning and conducting compliance audits. Because, it has been seen that responses/further action/discussion on draft para/performance audit/theme-based audit remain confined to Report sections. These developments don't become a part of the planning of future compliance audits.

A compliance audit observation included in an Audit Report for the year ended 31 March 2016 underscores audit risk involved in the process of non-integration of the Audit Reports and follow up action thereon with the planning and conduct of compliance audits.

In an Audit Report for the year 2007-08, an audit Para on under-recovery of penalty leviable on supply of sub-standard material by the contractor had been included. In reply to the audit Para, the audited entity had stated that they had revised the formula for calculating the penalty. But an audit party, conducting the regular audit of the unit in 2015-16, noticed that the entity had been using a formula since 2014-15 which was not in conformity with the revised formula. Thereby, a sum of ₹6.27 crore was overpaid for the purchases made during the years 2014-15 to 2015-16. The delay in detection of this fact happened because there was no system in place to provide feedback on the assurances/response given on Audit Report paragraphs.

The foregoing reveal that if the Audit Reports which contain unequivocal and undisputable information about the business and control environments of the auditable entity are used adequately in risk profiling and if the cogent audit evidence available round the corner through audit reports and follow up action thereon is harnessed efficiently as a tool for planning and conducting compliance audit, such audit risks can be mitigated. It requires integration of the process of planning of compliance audit with the relevant content of the Audit Reports and follow up proceedings thereon.

The integration can take the form of:

(i) Consideration of relevant content of Audit Reports and follow-up proceedings in preparation of Desk Reviews.

(ii) Dissemination of the gist of the relevant follow-up proceedings e.g. reply to F.S./DP/legislative committee reports to the staff through a periodical circular/meetings/workshops/inhouse trainings.

In this connection, issue of directions to institutionalise a mechanism of knowledge sharing between the headquarter and field staff on important areas like discussions in PAC/PUC, viewpoints of PAC/PUC on audit findings etc., may help to optimally harness the information/documents available in the Report sections during the course of development of Audit Report and follow-up action thereon in planning compliance audits.

Annex-A

Sl. No.	*Dn. Code*	*Name of division*	*Cumulative Expenditure (in Cr) 2012-13 to 2016-17*	Strata	Selection of Division	*Selection Criteria (Strata wise Higher cumulative expenditure)*
1	628	Superintending Engineer (ELE&MECH) CIRCLE GANDHINAGAR	1116.07	Strata A	Selected	*60% divisions selected from Strata A out of (9 of 14)14 divisions to be selected*
2	513	Executive Engineer, K.B.CANAL DN. 2/3,(ADIPUR) ANJAR	898.32		Selected	
3	514	Executive Engineer, K.B.CANAL DN. 2/4, BHACHAU	675.15		Selected	
4	512	Executive Engineer, KBC DN.2/2, RADHANPUR	449.87		Selected	
5	456	Executive Engineer, S.B.CANAL DN. 6/1, MORBI	404.73		Selected	
6	146	Executive Engineer, N.P.CANAL DN. 3, GANDHINAGAR	402.27		Selected	
7	459	Executive Engineer, SBC PUM. ST. MECH/ELE DN. S'NAGAR	367.83		Selected	
8	517	Executive Engineer, K.B.CANAL DN. 2/7, GANDHIDHAM	324.17		Selected	
9	465	Executive Engineer, S.B. CANAL DN.4/1, LIMBDI	273.28		Selected	
10	470	Executive Engineer, S.B. CANAL DN. 6/2, SURENDRANAGAR	267.86			
11	124	Executive Engineer, N.P.CANAL DN. 2, GANDHINAGAR	245.19			
12	432	Executive Engineer, N.P. CANAL DN. 9, SANAND	240.88			
13	425	Executive Engineer, N.P. CANAL DN. 8, DHOLKA	236.58			
14	472	Executive Engineer, S.B. CANAL DN.5/2, DHANGUDHARA	228.90			
15	501	Executive Engineer, KBC DN.1/1, RADHANPUR	222.57			
16	453	Executive Engineer, S.B. CANAL 1/3, KADI	217.84			
17	476	Executive Engineer, S.B. CANAL DN.1/3, LIMBDI	217.79			
18	311	Executive Engineer, NPHP (ELE&MECH) DN. BARODA	213.17	Strata B	Selected	*30% divisions (4 of 14) selected from Strata B out of 14 divisions to be selected*
19	474	Executive Engineer, S.B. CANAL DN. 1/2 DHANDHUKA	208.28		Selected	
20	468	Executive Engineer, S.B. CANAL DN. 4/2, LIMBDI	199.37		Selected	
21	455	Executive Engineer, S.B.CANAL DN. 5/1, DHRANGADHARA	191.79		Selected	
22	434	Executive Engineer, NPM CANAL DN. 4/4, MEHSANA	190.00			
23	147	Executive Engineer, NPMC DN. 24, RADHANPUR	177.84			
24	466	Executive Engineer, S.B.CANAL DN.3/1, BOTAD	172.37			
25	435	Executive Engineer, NPM CANAL DN. 4/5, MEHSANA	168.71			
26	406	Executive Engineer, N.P.CANAL P.& D. DN. BHARUCH	164.26			
27	480	Executive Engineer, S.B. CANAL DN.3/2, SUENDRANAGAR	156.72			
28	523	Executive Engineer, KBC DN. 3/1, THARAD	154.94			
29	143	Executive Engineer, NPM CANAL DN. 20, PATAN	153.18			
30	505	Executive Engineer, KB CANAL DN. 1/5, CHANASMA	149.44			
31	516	Executive Engineer, K.B.CANAL DN. 2/6, BHACHAU	144.68			
32	128	Executive Engineer, N.P. CANAL DN. 3 DEHGAM	141.99			
33	506	Executive Engineer, KBC DN. 1/6, THARAD	139.16			
34	525	Executive Engineer, KBC DN. 3/2, THARAD	136.72			
35	141	Executive Engineer, NPM CANAL DN. 18, MEHSANA	128.24	Strata C	Selected	*10% divisions (1 of 14) selected from Strata C out of 14 divisions to be selected*
36	404	Executive Engineer, N.P.CANAL DN. 10, VADODARA	125.37			
37	515	Executive Engineer, KBC DN.2/5, RADHANPUR	115.43			
38	142	Executive Engineer, NPM CANAL DN. 19, HARIJ	113.68			
39	409	Executive Engineer, N.P.CANAL DN. 15, JAMBUSAR	104.94			
40	448	EX.ENG. N.P.CANAL DN. 12, BARODA	102.96			
41	433	Executive Engineer, NPM CANAL DN.4/3, KADI	101.39			
42	454	Executive Engineer, S.B. CANAL DN. 2/1, DHRANGADHRA	71.74			
43	463	Executive Engineer, . SBC DN.1\1, DHANDHUKA	49.05			
44	482	Executive Engineer, S.B. CANAL DN. 2/2, HALVAD	34.83			
45	574	Executive Engineer, N.P.CANAL DN.-3, DABHOI	31.80			
46	422	Executive Engineer, N.P. CANAL DN. 7 GANDHINAGAR	25.53			
47	412	Executive Engineer, N.P. CANAL DN. 05, MIYAGAM KARAJAN	24.17			
48	520	Executive Engineer, KBC DN.1/7, RADHANPUR	23.80			
49	446	Executive Engineer, N.P. CANAL DN. 04A, DABHOI	19.56			
50	401	Executive Engineer, N.P.CANAL DN. 17, KALOL (PMS)	17.35			
51	136	Executive Engineer, NP MECH. DN 2, GANDHINAGAR	14.38			
		Total Sardar Sarovar Project	10756.16			

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INDIAN AUDIT & ACCOUNTS DEPARTMENT
A.G.COLONY, BAJAJ NAGAR
JAIPUR - 302015
RAJASTHAN
Telephone : 0141-2704709
Fax : 0141-2702927