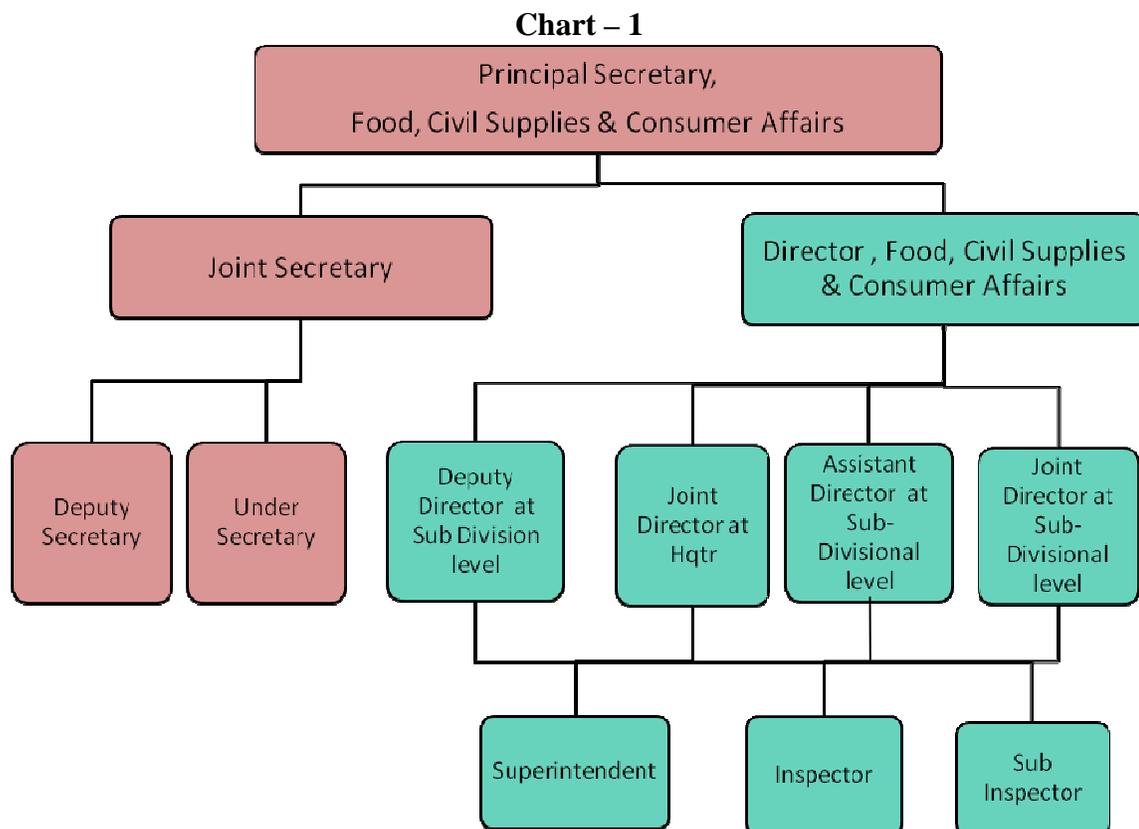


Chapter 2 Framework of Audit

2.1 Organisational Setup

The Principal Secretary, Food, Civil Supplies and Consumer Affairs (FCS&CA), is responsible for overseeing the activities of the PDS at Government level in the State. He is assisted by one Joint Secretary and one Deputy Secretary. The Director of FCS&CA is the head of the Department and is in charge of implementation of PDS. He is assisted by one Joint Director. At the district level Deputy Commissioner is looking after the affairs of PDS, although PDS is implemented at sub-divisional level and the Joint Director/Deputy Director of FCS&CA Department is responsible for sub-division centric implementation of PDS and furnishing various reports directly to the Government/Director. The district authorities did not maintain any consolidated record of PDS for the district as a whole.

The organisational setup of the Department is depicted in chart-1 below:



The Joint Directors/Deputy Directors/Assistant Directors and other field staff at sub-divisional levels are under the administrative control of the Deputy Commissioner/Sub-divisional Officer (Civil) of respective sub-divisions.

2.2 Scope of Audit

The performance audit on PDS during 2005-10 was carried out through a test-check of records of the Director, the Joint Directors/Deputy Directors of the 15 civil sub-divisions of seven sampled districts, 31 WSCCSs/GPSSs and 120 FPSs (out of 27 districts, 795 WSCCSs/GPSSs and 34,536 FPSs) during January 2010 to June 2010.

The districts covered as part of audit sample alongwith sub divisions are shown in the Chart - 2 below:

Chart -2

Sampled district	• Sub-divisions covered
1. Bongaigaon	<ul style="list-style-type: none">• Bongaigaon Sadar• North Salmara
2. Cachar	<ul style="list-style-type: none">• Lakhipur• Silchar
3. Dibrugarh	<ul style="list-style-type: none">• Dibrugarh
4. Kamrup Metro	<ul style="list-style-type: none">• Kamrup Metro
5. Kokrajhar	<ul style="list-style-type: none">• Gossaigaon• Kokrajhar• Parbatjhora
6. Nagaon	<ul style="list-style-type: none">• Hojai• Koliabor• Nagaon
7. Sonitpur	<ul style="list-style-type: none">• Biswanath• Gohpur• Tezpur

2.3 Audit Objectives

The main objectives of the performance audit were to:

- Assess that the targeted beneficiaries were identified in a transparent manner;
- Assess whether ration cards were issued properly to all the targeted population;
- Examine the effectiveness of allocation, lifting and distribution of foodgrain by Government to the actual targeted groups/families;
- Assess that the delivery mechanism ensured actual distribution of foodgrain to all targeted beneficiaries in a timely manner and at correct scale and price;
- Examine that the infrastructure development schemes were implemented effectively;
- Assess effectiveness of consumer awareness programs and redressal of public grievances; and
- Assure that the internal control mechanism and monitoring system as envisaged in the system was adequate and effective.

2.4 Audit Criteria

The following audit criteria were adopted for the performance audit:

- The Assam Public Distribution of Articles Order, 1982.
- The Public Distribution System (Control) Order, 2001.
- Annual Reports of 1996-97 and 2008-09 of Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution.
- Guidelines of GOI and GOA on (i) Implementation of AAY, (ii) Guidelines on measures adopted for implementation of TPDS.
- Circulars issued by GOA from time to time.
- Prescribed monitoring mechanism.

2.5 Audit Methodology

Performance audit of PDS commenced with a discussion with the Director on 27 January 2010. An Entry Conference was conducted in March 2010 with the Joint Director (HQ) FCS&CA, where the audit objectives, audit criteria and the methodology of performance audit were explained. Under each of the seven Districts selected for audit by Random

Sampling without Replacement, all the civil sub-divisions (15¹) including one WSCCS and one GPSS (Urban: one, Rural: one) in each selected sub-division and 120 FPSs under 15 sub-divisions were selected at random for audit. Photographic evidence and physical verification were also taken into consideration to substantiate audit observations. An exit conference was also held on 11 October 2010 with Principal Secretary to the Government of Assam, FCS&CA and representatives from the Department wherein the audit findings were discussed through power point presentation and the replies of the Department have been incorporated in the review at appropriate places.

2.6 Acknowledgment

The office of the Principal Accountant General (Audit), Assam acknowledges the cooperation extended by the Department of Food, Civil Supplies and Consumer Affairs, Assam during the course of audit.

¹ 1. Biswanath, 2. Bongaigaon Sadar, 3. Dibrugarh Sadar, 4. Gohpur, 5. Gossaigaon, 6. Hojai, 7. Kaliabor, 8. Kamrup Sadar, 9. Kokrajhar Sadar, 10. Lakhipur, 11. Nagaon Sadar, 12. N.Salmara, 13. Parbatjhora, 14. Silchar Sadar and. 15. Tezpur