

## Chapter-2

### Audit Framework

#### 2.1 Scope of Coverage

In course of test-checks during compliance audit from April 2008 to 31 March 2010 of 31 offices of 15 out of 49 Departments of the Government of Assam, transgressions of internal controls were noticed in audit. The various transgressions threw patterns, which are grouped in five succeeding chapters. Each chapter captures a particular pattern of transgressions which have been exhibited in the form of case studies depicting instances of misappropriation, defalcation, infructuous/wasteful/fictitious expenditures. This Report, highlighting the transgressions noticed during the course of compliance audit, brings out the extent of adherence to and effectiveness of internal controls in those offices.

#### 2.2 Audit Objectives

The objectives of the audit were to assess and seek reasonable assurance for achieving the following:

- Risk to avoid recurrence of misappropriations, frauds, pilferages etc;
- Assessing the accountability obligations;
- Complying with applicable laws and regulations;
- Executing orderly, economical, effective, efficient and ethical operations;
- Safeguarding resources against loss and failure of control mechanism;
- Monitoring and Supervisory controls; and
- Internal Audit.

#### 2.3 Audit Criteria

Audit findings were benchmarked against the following criteria:

- Laws, Rules, Codes, Manuals of Assam Treasury rules, General financial rules, etc.;
- Government Sanctions, Circulars, Instructions; and
- Controls prescribed in the Guidelines of programmes/ schemes/projects.

#### 2.4 Audit Methodology

Test check of the records of 15 Departments of the State Government for the period 2008-10 for compliance audit was carried out and audit conclusions were drawn and incorporated in the Report. The audit findings were intimated to the Heads of the concerned Departments and their replies, wherever received, have been appropriately incorporated in the Report.

#### 2.5 Acknowledgements

The office of the Principal Accountant General (Audit), Assam acknowledges the co-operation rendered by the State Government Departments during the course of audit.