CHAPTER – II

Audit Framework

2.1 Scope of Audit

A number of developmental programmes / schemes were initiated by the State and the Central Governments with an aim to bring about upliftment of the standard of living of the general people involving various departments of the State Government including Panchayati Raj Institutions (PRIs). These developmental programmes can be categorised in Social Services (Education, health, water supply and sanitation), Economic Services (Infrastructure including roads, electricity, agriculture, employment and poverty alleviation, irrigation and tourism) as well as General Services (E-governance, waste management, policing and other amenities/ services). The current audit covered almost all the important schemes/ programmes (including State Plan Schemes) implemented by various departments in South district during the period 2006-11 including e-governance, policing and waste management.

For the purpose of this audit, the departments which undertake various developmental schemes were covered and out of eight BDOs in the district, four BDOs (one based on its remoteness, one being centrally located, one being district headquarter and one being closest to district headquarter) with 14 GPUs {out of 23 GPUs of these four BDOs (45 GPUs in the district)} of these blocks were selected on the basis of BPL families (GPUs having 40 *per cent* and more BPL families).

2.2 Audit Objectives

The objectives of audit were as follows:

*   Examine the adequacy and effectiveness of annual planning process for different programmes / schemes;

*   Verify the correctness of reported expenditure on the major development programmes (Central and State) with reference to detailed Statements of Expenditure and original vouchers at lower level in a hierarchical manner (State to District, District to Block, Block to GPU and GPU to implementing agencies);

*   Assess the efficiency and economy of implementation of developmental programmes and projects, and effectiveness of these programmes in terms of achievement of targeted outputs and outcomes;

*   Assess the adequacy and effectiveness of the processes for inspection and reporting;

*   Assess the effectiveness of monitoring and evaluation.

2.3   Audit Criteria

Following criteria were used to arrive at audit conclusions:

* Guidelines issued by State Government, GOI and Planning Commission towards district development, planning, etc.;

* Plan documents (Five year plans and annual plans);

* Programmes / schemes guidelines issued by GOI / State Government;

* Sikkim Financial Rules (SFR);

* Sikkim Public Works (SPW) Code and Manual;

* Notifications / Circulars issued by the Government from time to time;

* Prescribed monitoring mechanism.

2.4   Audit Methodology

Following audit methodology was adopted while doing Performance Audit (PA):

* Performance Audit began with Entry Conference (17 May 2010);

* Requisition for records / data, issue of questionnaires, analysis of data, examination of documents at the district, block and the GPU level, including correlation of information at different levels;

* Physical examination of assets (jointly with the departments, where feasible) with photographic evidence;

* Survey of beneficiaries and interview of stakeholders with the assistance of departmental officers;

* Framing of audit observations;

* Discussion with DC, Head of the Offices and the Secretaries of the State Government;

* PA concluded with the Exit Conference (16 February 2012);

* Refinement of report based on discussion (exit conference) and reply of the departments;

* Preparation of final PA Report.

Image – 2.1

A photo of Exit Conference held with DC, South and other officers of various departments