

## Chapter-2 Audit Framework

### 2.1 Audit Objectives

The Audit objectives were to ascertain whether:

- Planning for implementation of programmes and schemes was effective;
- Financial Management was efficient;
- Implementation of the Social, Economic and General Sector programmes and schemes were efficient, effective and economical;
- Decentralisation was carried out efficiently;
- The extent of organisational cohesion and intra-agency synergy in the district against a variety of bodies such as DDOs, Parallel Bodies, Local Bodies and Autonomous Bodies was appropriate;
- Human Resource Management was efficient to carry out the implementation of the programmes and schemes;
- Internal Control System was efficient and effective; and
- Monitoring mechanism was in place and effective.

### 2.2 Audit Mandate

The audit of schemes and programmes implemented in the district was conducted under Sections 13, 14, 20 (1) of the CAG's DPC Act, 1971.

### 2.3 Audit Criteria

The audit criteria applied for assessing the performance of various development schemes/ programmes was derived from the following sources:

- District plans and annual plans;
- Guidelines of the concerned programmes/ schemes issued by the Central/ State Government;
- Provisions of State Financial Rules, Procurement Rules, 2008 and supplementary instructions/ orders issued by the Central and State Government from time to time;
- Department Manuals; and
- Prescribed monitoring mechanism.

### 2.4 Audit Scope and methodology

The Performance Audit of district Nainital involved a review of seven significant socio-economic development programmes and schemes implemented by the different departments during the period 2007-08 to 2011-12. The Sector wise programmes/ schemes selected for audit are listed in *Appendix -2.1*. The audit was undertaken during May 2012 to September 2012.

Before the commencement of audit, discussions were held with the District Magistrate (DM) and other district level officers present in an entry conference on 20<sup>th</sup> April 2012 wherein the audit objectives and scope of audit were discussed and inputs relating to various development programmes/schemes were obtained. Separate meetings were also held with district, Block level officers and Gram Panchayats by the team.

The district has eight Development Blocks and 460 Gram Panchayats. Blocks within the district were stratified into two groups as hill and plain out of which 50 *per cent* blocks of the district were selected by Simple Random Sampling Without Replacement (SRSWOR) using Random Number Table. In each sampled block, 10 *per cent* Gram Panchayat/Nagar Palika/Nagar Nigam were selected using the aforesaid method.

Audit was based on the scrutiny of the records of District Development Officer (DDO), local bodies, parallel bodies and district heads of the line departments of the sampled schemes in the selected blocks<sup>1</sup> during May to September 2012. Information relating to district sector planning and monitoring mechanism was also sought from the District Economic & Statistical Office (DESTO) and District Panchayat Raj Officer (DPRO). The satisfaction level of the beneficiaries on different parameters was evaluated by using detailed questionnaires devised by audit from minimum 20 beneficiary/villagers of the selected 24 Gram Panchayats. Photographic evidence and results of joint physical verification were used to substantiate audit observations.

Audit findings were discussed with the District Magistrate and the departmental functionaries in the exit conference held on 26 February 2013 and their views have been incorporated in the Report at appropriate places. The updated audit findings are discussed in the succeeding chapters.

## **2.5 Acknowledgement**

The office of the Principal Accountant General (Audit), Uttarakhand acknowledges the cooperation extended by the District Magistrate, Chief Development Officer and district heads of the concerned departments in conducting this audit.

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<sup>1</sup> Bhimtal, Ramgarh, Ramnagar and Haldwani.