



MANUAL OF CIVIL AUDIT PROCEDURE

**Office of the
Principal Director of Audit (Infrastructure)
3rd floor, A-Wing, I.P. Bhawan, I.P. Estate,
New Delhi**

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Preface

In July 2020, Indian Audit and Accounts Department carried out an internal restructuring to achieve vertical integration of audit domains. This resulted in creation of Office of the Director General/Principal Director of Audit (Infrastructure) from erstwhile Principal Director of Commercial Audit & Ex-officio Member, Audit Board-I. With change in office profile from a commercial audit office to the principal auditor of three union Ministries viz., Ministry of Housing and Urban Affairs (MoHUA), Ministry of Civil Aviation (MoCA), and Ministry of Road Transport and Highways (MoRTH), a need for creation of a Civil Audit Manual for the Office of the Principal Director of Audit (Infrastructure) was felt necessary.

This Manual is intended to provide guidance the audit of civil (non-commercial) units under the jurisdiction of this office. It embodies a general direction and detailed instructions for efficient performance of audits. The instructions contained in this Manual derive their content from guidelines and instructions issued by the office of Comptroller and Auditor General (C&AG) of India.

An attempt has been made in this manual to cover a wide ground and periodical revisions based on actual experience gained in field audits to keep up with audit procedures considering the ever-expanding activities of the Government Departments.

The principles and guidelines incorporated in this manual are only to provide a guidance for the functioning of officials deployed at the Coordination Sections and field audit parties (Local Audit Party i.e., LAP) of Infrastructure- I, II, III and IV and should not be quoted as an authority for supporting audit observations and audit reports.

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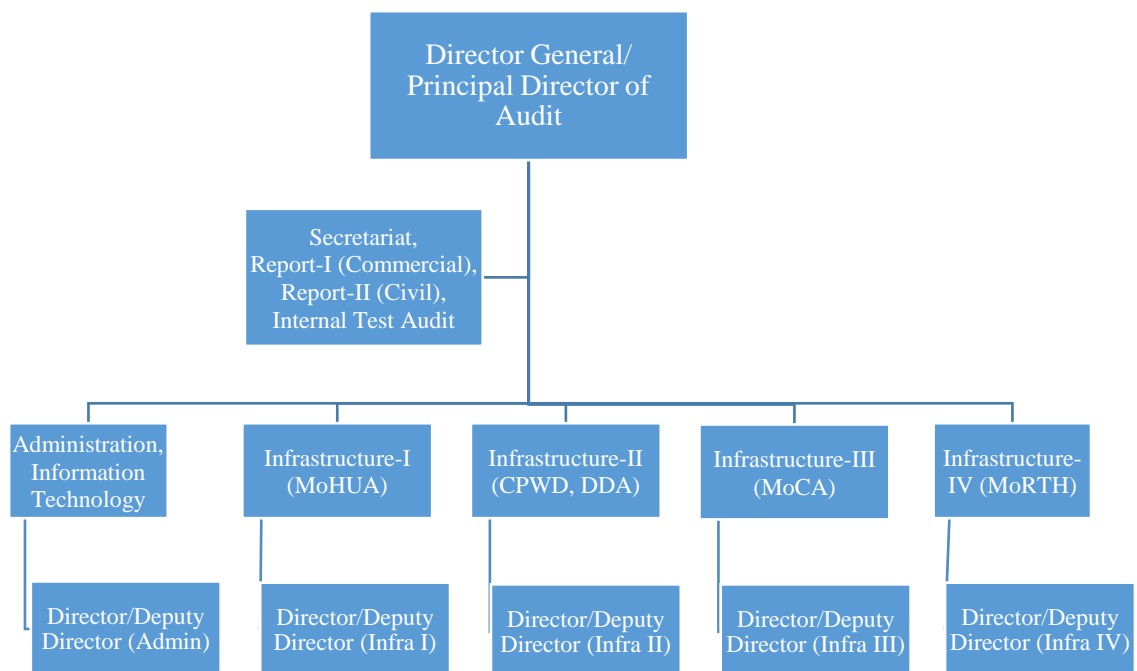
Section A - Overview

1. Introduction

The office of the Director General/Principal Director of Audit¹ (Infrastructure), New Delhi conducts audit of the Ministry of Housing & Urban Affairs (MoHUA), Ministry of Civil Aviation (MoCA) and Ministry of Road Transport and Highways (MoRTH) and their attached/subordinate offices including public sector undertakings (PSUs) and autonomous bodies.

2. Organisational Structure

The office of the Principal Director of Audit (Infrastructure), New Delhi is headed by the Principal Director (PD) and constitutes of five wings i.e., Administration & Information Technology, Infrastructure-I, II, III and IV. Each wing is headed by a Group Officer (GO) i.e., Director/ Deputy Director who reports to the Principal Director (PD). In addition, Report Sections (commercial and civil), and Internal Audit Wing function directly under the control of the PD.



Each wing has a co-ordination section and several field audit parties or local audit parties (LAPs) that are staffed with the Senior Audit Officer(s) (SAOs), also called Branch Officers (in co-ordination sections) and Inspecting officers (in LAPs); Assistant Audit

¹ Name of the office is derivative of the designation of incumbent Head of Department. It shall be referred to as the office of Principal Director of Audit in this manual.

Officer(s) (AAOs); Supervisors/Assistant Supervisors; Senior Auditors/Auditors, Data Entry Operators and Multi-Tasking Staff (MTS), as per the requirement.

Branch Officer(s) (BO) i.e., Senior Audit Officer(s) (SAO), who is functioning as a co-ordinator of the wing and Inspecting Officer(s) i.e., Senior Audit Officer(s) (SAO), who is the head of LAP, report directly to their respective Group Officer of the wing.

3. Functions of Group Officer

As head of the wing, Group Officer (GO) ensures overall efficient and effective working of the wing and performs the following main functions (relating to Civil Audit):

- (i) To personally supervise the work of field parties through One IAAD One System (OIOS) as well as undertaking field visits.
- (ii) Approval of important paras from inspection reports for further processing as Factual Statements (FS) and Draft paragraph (DP) for inclusion in the Audit Report.
- (iii) Bring to the notice of PD, any serious or financial irregularities noticed during the course local audit of an office/institution.
- (iv) See that effective action is taken by the co-ordination section for settlement of outstanding audit objections.
- (v) Review and approve extension of time allotted for audit.
- (vi) To convene and attend ad-hoc Audit Committee meetings as representative of PD.
- (vii) Ensure through various control registers/Calendar of Returns maintained by the co-ordination section that the prescribed returns and reports are correct and sent in time.
- (viii) Internal posting and transfer of staff from one field party to another or from Co-ordination Section to a field and vice versa, within the overall sanctioned strength of the Co-ordination Section.
- (ix) Any other work incumbent upon the wing or as directed by the PD. Communications to and from CAG, Departmental office, Ministry etc.
- (x) In addition, following work is carried out by the Group Officer in OIOS and e-office/e-file:

OIOS	E-office/e-file
a) Submission of Annual Audit Plan . b) Submission of Quarterly Audit Plan . c) Approval of the tour programmes. d) Approval of Audit Design Matrix (ADM). e) Processing/approval of Toolkits.	a) Approval of various returns and reports. b) Approval of various PUCs. c) Approvals of vetting remarks/replies on the IR. d) Verification of Complaints/ RTI.

f) QA/QC of the completed Field Visits. g) Approval and further submission of Finance and Appropriation Accounts. h) Approval/Processing of Audit Products (IR, FS, PA, PDP). i) Any other directions related to Civil Audit.	e) Approval of general correspondences with Ministries/Departments under the audit jurisdiction of the wing. f) Approval of the Desk Review. g) Approval of the Audit Assignment Notes. h) Vetting of ATN/ATR for onward submission. i) Any other directions related to Civil Audit. (section orders/circulars).
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4. Functions of Co-ordination Section

The Co-ordination Section is the controlling section of the wing and responsible for carrying out all work of the wing, except the actual local inspection and initial drafting of the Inspection Report. Main functions (relating to Civil Audit) of the Co-ordination Section are:

- (i) Preparation and submission of the Annual Audit Plan of the wing.
- (ii) Preparation and submission of the Quarterly Audit Plan of the wing.
- (iii) Preparation and assignment of the Quarterly Audit Programme to LAPs of the wings on OIOS.
- (iv) Keeping up to date, the list of offices locally audited or the [audit universe](#) or the legacy data (auditable units under the audit jurisdiction of the wing).
- (v) Maintenance and providing of previous inspection audit reports and other records (all important office orders, sanction orders, circulars etc., which are useful for inspection purposes) relating to local audit of the field parties.
- (vi) Vetting the draft inspection reports received from the field parties and submission to Group Officer for approval (whole process done on OIOS).
- (vii) Issuance of Inspection Report to the audit entity within thirty days of the last date of conclusion of audit after getting the approval from the Group Officer.
- (viii) Furnishing of records/ information as and when required by the Report (Civil) section and/or CAG Headquarters through e-office as well as in physical format.
- (ix) Submission and issue of all returns on due dates (through email/e-office).
- (x) Correspondence with auditee units regarding matters related to local audit.
- (xi) Checking of movement of party personnel shown in T.A. bills with the approved tour programmes, weekly diary, and Casual Leave Register etc. and forwarding the T.A. bills to the Administration Section with certificates regarding verification of duties, etc.
- (xii) The entry of common discrepancies found during the time of vetting of inspection reports of various offices of a particular department will be entered in Register of

Defects to facilitate attempting Departmental Appreciation Note on such common irregularities.

- (xiii) To send the records no longer required to Record Section with the period of preservation recorded on the front page of each file.
- (xiv) To circulate the digest of important and interesting cases for the guidance of the local audit parties.
- (xv) All other miscellaneous and policy matters relating to audit and local inspection.
- (xvi) In addition, various registers/returns/reports are maintained by the co-ordination section which are as detailed in [Annexure XX](#). These registers are maintained for internal control and assessment of the functioning of respective wings for further evaluation by supervising officer or HoD.

4.1. Functions of Branch Officer (i.e., SAO) of Co-ordination Section

The following are the main functions (relating to Civil Audit) of the Branch Officer of the Co-ordination section:

- (i) Ensure timely submission of the sectional Calendar of Returns and watch through it that each item of work is completed by the due date. In case it is anticipated that a return is likely to be delayed, the matter should be brought to the notice of the GO in time to enable the latter to make special arrangements if required.
- (ii) Scrutinize and vet the inspection reports on OIOS, as received from the audit parties to affect a distinct improvement in their quality and ensure the prompt issue of these reports.
- (iii) To ensure the correctness of all information, facts and figures communicated to the office of the C&AG of India, government and departmental authorities, other audit offices as also to the different sections of the office.
- (iv) Ensure correctness of data related to audit universe and risk profiling as done on OIOS.
- (v) Preparation and submission of Annual Audit Plan and Quarterly Audit Plan of the wing for onward submission.
- (vi) Submission of tour programmes for approval of GO on OIOS.
- (vii) Supervision of work related to Factual Statement and Action Taken Report (ATN)/ Action Taken Report (ATR) and ensure timely compliance.
- (viii) Supervision of work relating to correspondence with the Headquarters office/Report Section.
- (ix) To accord necessary approval to the files put up through e-office, wherever applicable or ensure proper review of drafts for approval before submission of files to the GO for approval through e-office.
- (x) To ensure preparation and issuance of Departmental Appreciation Notes, if required, after completion of audit of all the units.

- (xi) To assist the legislative committees i.e., Public Accounts Committee (PAC)/ Committee on Public Undertakings (COPU) in briefing of CAG reports and any other assistance required in proper discharge of duties.
- (xii) To coordinate meetings with the head of the attached offices of auditable entities for timely submission of replies to outstanding paragraphs.
- (xiii) To ensure that the complaints received are attended and submit compliance report to the Group Officer.
- (xiv) Submission of TA bills for approval of the Group Officer.
- (xv) To attend any other directions as and when issued by the Group Officer.
- (xvi) To supervise all the work performed by AAOs of the co-ordination section.

4.2. Functions of AAO of Co-ordination Section

The following are the functions (relating to Civil Audit) of the Assistant Audit Officer (AAO) of the Co-ordination section:

- (i) Vetting of DIR and linked KDs submitted by the LAP on OIOS for onward submission to SAO/BO.
- (ii) Issuance of IR after it gets approval from the GO.
- (iii) Review of replies received from the audited entities and making necessary changes in the IR before submission to SAO/BO.
- (iv) To update data of risk profiling of auditee units for appropriate preparation of Annual Audit Plan.
- (v) To aid in preparation of Annual Audit Plan, Quarterly Audit Plan.
- (vi) Review of tour programmes of LAP before submission to SAO/BO and ensuring necessary revisions are done as per the directions.
- (vii) Preparation of Factual Statement and ensuring that KDs are duly linked before submission to SAO/BO in OIOS.
- (viii) To see that all codes and reference books supplied to the section are kept up to date and are readily available.
- (ix) Preparation of various reports/returns before onward submission to SAO/BO.
- (x) Review of files put up through e-office and preparation of necessary drafts/noting for onward submission to the SAO/BO.
- (xi) To pursue vigorously all cases of financial irregularities/losses etc.
- (xii) In cases of accounts audit, submission of pre-audit analysis within one day after the receipt of accounts in e-office and verification of key documents (KD) on OIOS.
- (xiii) Vetting of TA bills submitted by LAPs for onward submission.
- (xiv) To send the intimation to auditee units before the start of audit of unit.

4.3. Functions of Supervisor/Auditor/DEO in Co-ordination Section

The following are the main functions (relating to civil audit) of the Supervisor/Asstt. Supervisor/Sr. Auditor/Auditor/DEO of the Co-ordination section:

- (i) To submit the draft Inspection Report after checking the mandatory compliances as per the checklist ([Annexure X](#)) within three days from the date of receipt in OIOS.
- (ii) To aid AAO in perusal of the linked KDs in the DIR submitted in OIOS.
- (iii) Checking of KDs in DIRs submitted in OIOS.
- (iv) Initiation of tour program and making revisions in tour programs as directed in OIOS.
- (v) To update audit universe (legacy data) on OIOS as and when applicable.
- (vi) Consolidation of requisite data for preparation of various returns as per the approved Calendar of Returns (CoR) in e-office/registers/files.
- (vii) Initiation of various files/drafts through e-office for onward submission.
- (viii) Receiving and putting up of TA Bills of field audit staff.
- (ix) Maintenance and safe keeping of physical files and other records of the wing relating to Civil Audit.
- (x) Diarizing all letters, reports, and documents received in the section.
- (xi) Any other work/task assigned by the GO/SAO/AAO.

5. Field Audit Party/Local Audit Party (LAP)

Field Audit Party/Local Audit Party (LAP) is headed by a Senior Audit Officer who is also the inspecting officer of the LAP and assisted by the Assistant Audit Officer(s) and other staff as per the requirement. However, depending upon the quantum of work and man days, LAP(s) may consist of two or more SAOs.

Inspecting Officer of the LAP reports directly to Group Officer of the wing. The Inspecting Officer is responsible for supervision and the efficient functioning of the audit parties entrusted to his charge. The Inspecting Officer has the following main functions:

- (i) The Inspecting Officer shall approve the distribution of work between the members of the audit party.
- (ii) Make a thorough examination of various works and related documents and guide his/her staff about necessary checks required to be undertaken in those works.
- (iii) Collect and update information related to auditee profile of assigned units and submit the same to the co-ordination section for making relevant/applicable changes to the audit universe.
- (iv) The Inspecting Officer should acquaint himself with the system of finance of the office/institution/department, the accounts/records, of which he is inspecting as

to what makes up its receipts and how its money is expended. He should then make up his mind as to what system of execution of work, accounts for these receipts and expenditure and what records/registers are necessary for internal check purposes, and how far the existing system conforms to the standards.

- (v) Make an intelligent probe of the initial records to see whether the defective maintenance or the non-maintenance of records is camouflaged to conceal fraud or misappropriation.
- (vi) Devote personal attention to important matters, as for example, review the way contracts are initially negotiated, plans and programmes of various department implemented. These reviews should be conducted to ascertain how far wisdom, faithfulness and economy are observed by the departments.
- (vii) Examine personally with reference to the initial documents, all serious and important points raised by the field staff.
- (viii) The Inspecting Officer's work of supervision consists in seeing that all the accounts register etc. are audited by his subordinate staff and that they carry out all the necessary checks. It must be ensured that no point of importance or case of serious irregularity or defalcation escapes attention during audit or is left undiscovered.
- (ix) The inspecting officer must discuss the points of importance with the head of office which is being audited and endeavour to settle on the spot as many objections as possible of the current audit as well as the outstanding points of previous audit reports.
- (x) In case of important audits, he should ensure that he gets necessary briefing where required from Co-ordination Section well in time with regard to any special points to be examined during such audit.
- (xi) Wherever Inspecting Officer feels that the points raised are so important that they may ultimately find a place in the Audit Report, he should take particular care to examine all the issues involved, collect all relevant information and also take attested copies of the documents which are likely to be useful in pursuing the matter with higher authorities. In addition, the relevant points must be brought to the notice of GO.
- (xii) In all cases, where there is supervision throughout, on the concluding day of audit, a certificate to the effect that the report has been drafted by the Inspecting Officer should invariably be furnished by the Inspecting Officer.
- (xiii) He should, whenever the AAOs of the field party are not available (either on leave or otherwise), exercise all the checks prescribed for them.
- (xiv) Vetting of ATR/ATN as and when assigned in a timely manner and submission to the Group Officer through e-office.

- (xv) To attend to the complaints and press clippings forwarded by the co-ordination section and submit compliance report along with units' DIRs to the Group Officer.
- (xvi) As majority of the field audit work conducted by LAPs is done through OIOS, the following table indicates the functions performed by AAO(s) and SAO(s) of LAP on OIOS:

Work carried out in LAP at various levels in OIOS	
<u>AAO</u>	
<ul style="list-style-type: none"> a) Uploading approved Desk Review and signed minutes of entry conference. b) Aid in preparation and uploading of approved Audit Design Matrix. c) Preparation and issue of audit requisitions and audit enquiries. d) Preparation and submission of audit observation after duly linking KDs. e) Uploading signed minutes of exit conference and other necessary compliances such as code of ethics, title sheet etc. f) Uploading details/Information in OIOS portal under head 'Draft IR Info' (Introduction, Best Practices and Acknowledgement). g) Developing all the annexures (Duty List, Verification Note and Part-III, Risk Analysis, Auditee Profile, Organization Structure) and uploading to OIOS portal under head 'Attachment info' after approval of SAO. h) Closing of field visit. 	
<u>SAO</u>	
<ul style="list-style-type: none"> a) Preparation and submission of Desk Review. b) Initiation of field visit. c) Preparation and submission of Audit Design Matrix. d) Review, preparation and issuance of Audit Requisitions, Enquiries and Audit Observations. e) Perusal and approval of Audit Enquiries and Audit Observations submitted by AAOs of the LAP. f) Preparation and submission of DIR. g) Initiation of 'Deviation Info' (Cancellation, Deferral, Extension, Pre-closure and Others) in OIOS portal and sent to Group Officer for approval. h) Closing field visit and submission of field visit for QA/QC. 	

6. Functions of Report (Civil) Section

Report (Civil)/ Report-II (Civil) looks after the various matters related to the only civil audit portion of this office. The following are the main functions of the Report (Civil) section related:

- (i) Consolidation of Annual Audit Plans (AAP) as received from each wing, and submission to the PDA for approval and onward submission to the CAG Headquarters through e-office.
- (ii) All correspondence with the CAG Office regarding civil audit matters is done through the Report (Civil) Section.
- (iii) All Compliance Audit Report' paragraphs/ Performance Audit Reports/ Finance and Appropriation Accounts' audit paragraphs are vetted and scrutinized at the

Report Section for approval from the PDA and onward submission to the CAG headquarters and Ministry through OIOS.

- (iv) Reports generated for ATN/ATR are vetted and scrutinized at the Report Section and obtain approval from PDA for their onwards transmission to the CAG Office through OIOS/e-office.

7. One IAAD One System (OIOS)

CAG began digitization of audit process with ‘One IAAD One System’ ([OIOS](#)) from November 2020. OIOS is a comprehensive IT system for audit process automation and knowledge management. It is a workflow-based IT application where all the audit activities are carried out end-to-end in real-time within the application itself. The OIOS has the capabilities to handle all the critical areas of audit such as audit planning, drawing up of audit teams and programmes, issue of requisitions, enquiries, audit observations, consolidation of observations into DIR based on materiality, draft and issue of IR as well as Statement of Facts, Draft Paras, Audit Reports and other audit products to various authorities and the same has been indicated in the relevant parts of this manual as well.

Switching over/ operationalization of the entire audit process from manual system to OIOS has been done from 1st April 2023 onwards and now the complete audit process (from audit planning to audit reporting) is done and documented through OIOS on real time basis. (The details of process of work done in OIOS can be found [here](#).)

8. E-office

All the intra office correspondence that was done in physical files format is now being done through [e-office/e-file](#). The files are created (subject and name of the file) by the co-ordination sections and all the notes/ drafts for approval etc., are submitted and approved through e-files to ensure timely submission of files and prompt action thereof. In addition, circulation of relevant orders to officials is done through official email channel from the co-ordination wings. (The details of process of working on e-office can be found documented [here](#).)

9. Action Taken Note (ATN)/Action Taken Report (ATR)

ATNs and ATRs to be examined by the Parliamentary PAC are processed through an online portal - the Audit Para Management System (APMS). The portal is managed by the Office of the Controller General of Accounts in the Ministry of Finance. Vetting comments on ATNs for the Audit Reports/paras that have been selected by the Parliamentary PAC/COPU as well as the ATRs, need the approval of the concerned functional wing at Headquarters before these are returned to the concerned Ministry/Department.

Section B - Audit Planning

1. Introduction

The Audit Plan arrives at an optimum mix of available resources for conducting high priority and high-risk audits; improves the quality of audit by minimizing the risk of crucial areas remaining uncovered; and directs attention to new and emerging challenges in the auditee environment which might necessitate capacity building among the auditors or adoption of new audit techniques and tools.

Planning begins with mapping of the audit universe, drawn from the circle of the audit mandate, and with an assessment of the resources available with the audit organization. The second step is risk assessment that results in identification of priority areas of audit and high risk auditable entities.

Stakeholders provide vital inputs at all stages of audit planning. Finally, the resources available are deployed on the audit universe in the identified hierarchy of priorities.

2. Audit Universe

The [audit universe](#) is the totality of auditable processes, functions, and entities that the office has the mandate to audit. The details for determining the audit universe may be found in [Para 3.2 and 3.3 of the compliance audit guidelines](#).

The co-ordination section prepares and periodically updates the audit universe in OIOS as per the information available with and provided by the apex auditable entity. The responsibility to ensure such updation lies with the GO. Timely updation of the audit universe relies largely on effective co-ordination with the government.

3. Risk Assessment

A formal, documented and structured risk analysis must be carried out for identification and grading of risk of various auditable entities and subjects for audit, which will inform their prioritization for audit. The [risk assessment will have to be comprehensive, based on a close review of the operations of the audited entity](#).

Detailed risk assessment methodology can be found in [para 3.9 to 3.11 of the compliance audit guidelines](#).

Each auditable unit is classified as High risk, Medium risk or Low risk based upon the risk assessment undertaken. The frequency of audit of auditable unit is based upon its risk profile as determined by the co-ordination wing.

4. Types of Audit

The following are the [three main types of audit in the public sector auditing](#) to meet the audit objectives:

- A. **Compliance Audit** is an independent assessment of whether a given subject matter (an activity, financial or non-financial transaction, information in respect of an entity or a group of entities) complies in all material respects with the applicable laws, rules, regulations, established codes etc., and the general principles governing sound public financial management and the conduct of public officials.
- B. **Performance Audit** is an independent, objective and reliable examination of whether Government entities, institutions, operations, programmes, funds, activities (with their inputs, processes, outputs, outcomes and impacts) are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement.
- C. **Financial Audit** deals with determining whether an entity's financial statements and information is properly prepared, complete in all respects and is presented with adequate disclosures in accordance with the prescribed financial reporting and regulatory framework; and, is accomplished by obtaining sufficient and appropriate evidence to enable the auditor to express an opinion as to whether the financial statements and information represents a true and fair view of the entity's financial situation and is free from material misstatement due to fraud or error.

The audit of Finance & Appropriation accounts of the three ministries i.e., MoHUA, MoCA and MoRTH is carried out under the civil audit mandate of this office.

Besides, audit which combine either all or some aspects of financial, compliance and performance audits are also conducted. The determination of the type of audit is to be guided by the objectives of the audit assignment and the kind of audit assurance it strives to provide.

Based on the types of audits mentioned above resources are allocated in the Annual Audit Plan and alternative audit terminologies i.e., thematic audits, CCO based audits etc., are avoided while preparing Audit Plans.

5. Auditing in an Information Technology (IT) environment

Governments and other public sector entities have continuously adopted innovations in Information Technology (IT) into their information systems, in order to enhance efficiency and effectiveness in their functioning and delivery of various public services.

5.1. Introduction

Information Technology (IT) has been defined as comprising “the hardware, software, communication and other facilities used to input, store, process, transmit and output data in whatever form”.

Information Systems has been defined as a “combination of strategic, managerial and operational activities in gathering, processing, storing, distributing and using information and its related technologies.”

5.2. Audit of IT Systems and IT-assisted audits

Auditing in an IT environment cover either or both of the following sets of activities:

- (i) Audit of IT (Information Technology) systems or IS (Information System);
- (ii) Financial, Compliance or Performance audits (or combinations thereof) using various IT tools for supporting the achievement of the audit objectives – also referred to as “IT-assisted audits.”

5.3. Risk-based approach to planning of auditing in an IT environment

A risk-based approach to planning of audits of IT systems is to be adopted. For this purpose, a listing of significant IT systems in use or in development in the auditable entities falling within the audit universe is to be maintained and kept up to-date. The prioritization of audits of IT systems will depend, inter alia, on the criticality of the IT system to the functioning of the audited entity. For this purpose, a risk assessment exercise² will need to be carried out periodically, in line with the detailed Standard Operating Procedure (SoP) issued by Headquarters Office.

In general, audit of IT systems is important to derive assurance about the integrity, non-acceptance and reliability of data which is input, processed and output for these systems.

5.4. Applicability to financial, compliance and performance audits

For financial audits, the adequacy and effectiveness of controls relating to the IT systems used to capture, process and output data for the preparation of financial systems is important. This could be considered either along with the audit of the financial statements or separately.

Stand-alone audits of individual IT systems are usually taken up as compliance audit assignments, although it is possible to define the compliance audit of an organisation or activity to include audit of the associated IT system.

For performance audits (of schemes, activities, organizations etc.), the audit scope could include audit of the underlying IT-based transaction processing system/MIS/reporting system.

6. Annual Audit Plan

Annual audit plan (AAP) of the office would include performance audits, compliance audits and financial audits to be taken up during the financial year. It is an exercise of balance between the audit priorities and the resource availability.

This requires top down, risk based, department centric mechanism for macro level planning and conducting compliance audits and preparation of annual compliance audit plans by defining the apex auditable entities and audit units and risk profiling.

An Audit Unit is therefore defined as a unit, which has one or more of the following attributes:

- (i) substantial devolution of administrative and financial powers;

² Functional impact of IT System, investment made in IT System, last when audit was conducted, and long delay in implementation of IT system, functional / security risk associated with IT System, any other parameter.

- (ii) functional autonomy; and
- (iii) operational significance with reference to achievement of objectives of the apex auditable entity.

6.1. Preparation of Annual Audit Plan

Process followed for arriving at the annual audit plan by each co-ordination wing involves:

- (i) Assurance that the audit universe is updated. (OIOS [allows such an updation](#) as and when required, depending on the information received by the audit office on audit entities that are opened new, wound-up, merged or split. The responsibility for such updation lies with the Group officer)
- (ii) Risk assessment across the audit universe preferably with extensive use of data analytics.
- (iii) Justification for selection of topics for performance audits and subject specific compliance audits, borne from the results of pilot studies.
- (iv) Stakeholder Participation.

The Annual Audit Plan, thus prepared and subsequently approved by the Principal Director for the entire office, is sent to the O/o C&AG for approval from DAI/ADAI.

7. Quarterly Audit Plan

After the AAP is approved by the O/o C&AG, the operational plans are translated into implementation plans in the form of a Quarterly Audit Plan.

This is prepared by each co-ordination wing and provides the details of audit engagements that will be taken up in a quarter by various audit parties, the sequence in which the audit parties will visit the auditee units and the time assigned to each Audit.

Once this plan gets approval from the PDA, it forms the basis of the advance intimations (both by OIOS and hard copy) to be sent to auditees (usually three weeks before the start of audit) and approval of tour plans. The intimation for audit shall state the likely duration of audit including duration of visit to auditable entity, audit scope and objectives, and composition of the audit team ([Annexure XVIII](#)).

8. Desk Review (Unit Audit Plan)

Each audit engagement requires its own detailed, operational level micro-level planning. This planning is done in the form of Unit Audit Plan (or Desk Review or Engagement level plan), which defines the audit objectives, the scope, the criteria and the methodology. The audit is planned to reduce audit risk to an acceptably low level.

The inspecting officer of the LAP must carry out a desk review at Head Quarters before embarking on an audit. The review should comprise study of guard file, data analysis to determine the focus of audit and to identify transactions that are potentially error prone for verification in the field. The LAP should prepare a plan of audit procedures for the

auditee unit detailing the audit objectives, scope of audit, focus area for audit and assignment plan for the team members, which should be approved by the GO before the Audit is undertaken. The approved desk review must be mandatorily uploaded in OIOS. The generalised format for submitting Desk Review is provided in [Annexure I](#). (More detailed information on engagement level planning along with duties at various levels in planning can be found [here](#)).

The approved audit programme has to be initiated in the OIOS by the inspecting officer of the LAP, so that the process of audit implementation can be suitably conducted and documented in OIOS.

9. Planning for Performance Audit

Performance audit planning has two parts: [selection of topics](#) and [designing the audit](#). The annual audit plan of the field audit offices would depict various stages of all performance audits under the captions of 'brought forward', 'to be taken up', 'to be completed' and 'carried forward'.

[Performance Audit Guidelines](#) provide the overall framework for the process of performance auditing within the IAAD under the O/o CAG.

9.1. Pilot Study/ Preliminary Survey

The single virtue of a preliminary survey is the perspective it provides to the team leaders of a performance audit on what direction the audit should take. The survey shall consist of:

- making a study of a small sample of the entire programme, project, or an organisation to be audited for its performance;
- deciding on the period over which the performance audit will focus, again, based on information/clues gathered from various sources, internal and external;
- the approach and techniques which will be used to analyze the data;
- determining the organizational structure of the department and the central administration structure by reviewing the department's organization chart;
- identifying issues raised in prior audits of the department; and
- deciding the nature, extent and availability of audit evidence required and how it is to be collected.

9.2. Performance Audit Guidelines

Preliminary Survey/ Pilot Study for the proposed performance audit is followed by the preparation of Performance Audit Guidelines which would contain overall organizational structure and functions of the auditable entity, audit approach, scope of Audit, audit objectives, audit criteria, methodology to be adopted by audit, the sample of units finalized to be audited, and the timeline of the audit, along with the Audit Design Matrix. These guidelines (after getting approval from PDA) are approved by the O/o CAG before the commencement of Performance Audit, beginning with an entry conference.

The approved guidelines along with the approved audit design matrix are uploaded in the OIOS at the beginning of the performance audit.

10. Planning for Financial Attest Audit

The audit of the Union Government Finance Accounts & Appropriation Accounts (Civil) of the three ministries viz., [MoHUA](#), [MoCA](#), and [MoRTH](#) is carried out in the Finance and Appropriation Section (F&AS) under the civil audit mandate of this office. The audit procedures that are required to be carried out during the planning of Financial Attest Audit comprise understanding the entity viz., nature and objectives of activities of the entity, financial reporting framework; and risk assessment viz., compliance with law and regulations, management override of financial reporting controls, issues and irregularities that featured in the previous year's audit reports etc.

In addition, budget circulars issued MoF; circulars issued by CGA; [practice notes for audit of Finance Accounts and Appropriation Accounts issued by the O/o PDA, Finance and Communication \(F&C\), Delhi](#); outstanding utilization certificates are also reviewed prior to the undertaking of audit of Finance and Appropriation Accounts.

11. Handing over of important records to the LAP

The co-ordination wing shall ensure that the following list of records/ information is handed over to the audit team before the start of audit:

- Register of Important Points.
- Board Agenda and minutes.
- Copy of complaints pertaining to that unit, if any.
- Press Clippings.
- Full text of outstanding Inspection Report Paragraphs.
- List of High Value Contracts (if applicable).

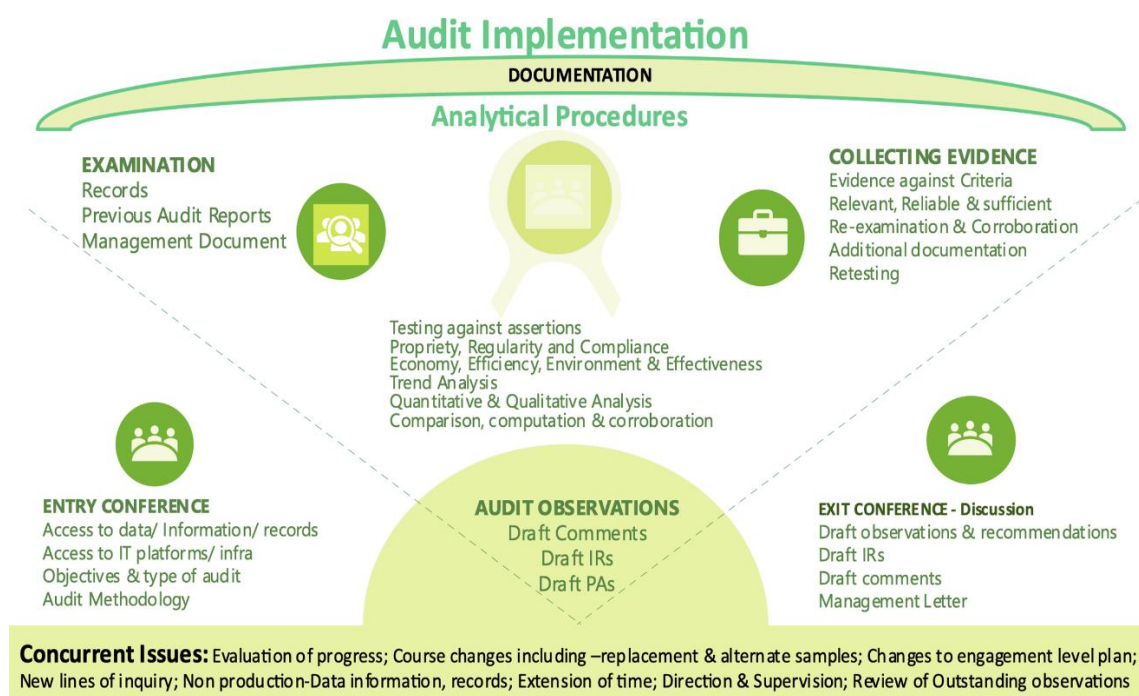
Section C - Audit Implementation

1. Introduction

Audit implementation follows a laid-down and stage-wise procedure, where you first hold an entry conference, conduct analytical, system-based and substantive tests, in conjunction with each other or otherwise; collect and evaluate audit evidence, issue audit observations and discuss the audit conclusions with the executive in an exit meeting.

2. Audit Implementation Process

At the core of this process, is collection of evidence that is sufficient (quantitatively) and appropriate (qualitatively), filtered through the lens of materiality, professional judgement, and professional skepticism to arrive at the audit conclusion, thus mitigating the audit risk to an acceptable level. The auditor's decisions on the nature, timing and extent of audit procedures will impact on the evidence to be obtained. An effective two-way interface may be established where audit party can report on audit challenges and follow up on Headquarters directions.



3. Entry Conference

The implementation of audit engagement by the field audit party (LAP) commences with the holding of an entry conference with the head of the office being audited.

The information to be shared in the entry conference include audit objectives and criteria; scope and coverage of audit; proposed techniques of evidence collection; overall time frame and tentative time schedule; audit protocols to be set in place such as reasonable

turnaround time for audit requests, nodal officers from both sides, access to IT systems, suitable office accommodation, access to office equipment, arranging joint inspections and authentication of audit evidence etc.

For the audit entity, this is the platform to convey its viewpoints on the subject matter and its proposed audit approach. A written record of the proceedings of the entry conference is signed both by audit and the head of the office of the audited entity and duly uploaded on OIOS ([Annexure III](#)).

Prior to commencement of an auditing assignment, all members of the audit party, including the Group Officer, are required to give individual, signed undertakings in a prescribed format ([Annexure XI](#)) in adherence to the Code of Conduct.

Obligations of the Head of the Audited Entity during the conduct of Audit

- To provide appropriate and reasonable office accommodation and other office amenities to the audit team for official use and at par with facilities available in the auditable entity for its own officers and staff of similar seniority/ rank/ pay scale.
- To comply with all requests for information, in as complete a form as possible and with all reasonable expedition.
- To provide access to its information systems and data as requested by Audit, irrespective of the fact whether the systems are owned, maintained and operated by the auditable entity or by any other agency on behalf of the auditable entity.
- To ensure that to-the-point and correct replies are rendered to the audit queries and audit observations are sent within the stipulated time. All such replies should be either personally signed by the officer in charge or carry an indication of his approval.

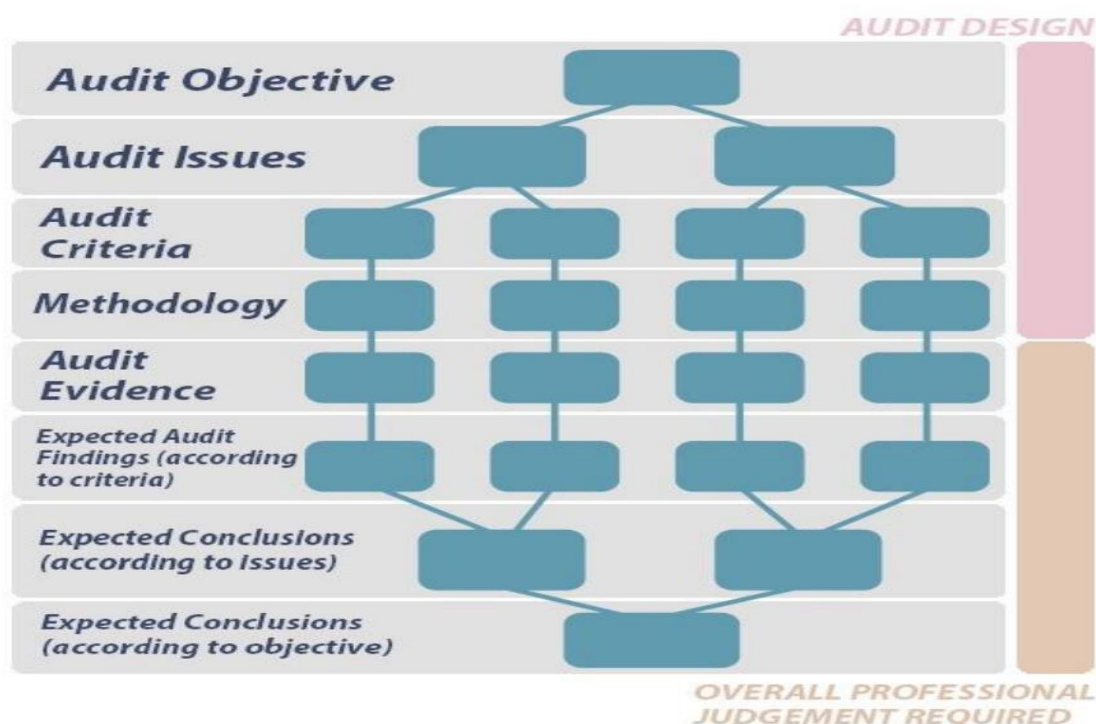
4. Work allocation

Work allocation is done by the inspecting officer of the LAP on the first day of the audit and the same is signed by all the members of the LAP and is uploaded in OIOS ([Annexure IV](#)).

In cases of audit in IT environment, audit execution may be carried out through a combination of techniques e.g., document review, questionnaire, observation, walkthrough, flow charts, data capture and analysis, verification, re-computation, re-processing, third party confirmation etc., as defined during the audit planning and design stage and the work appropriation may be done accordingly.

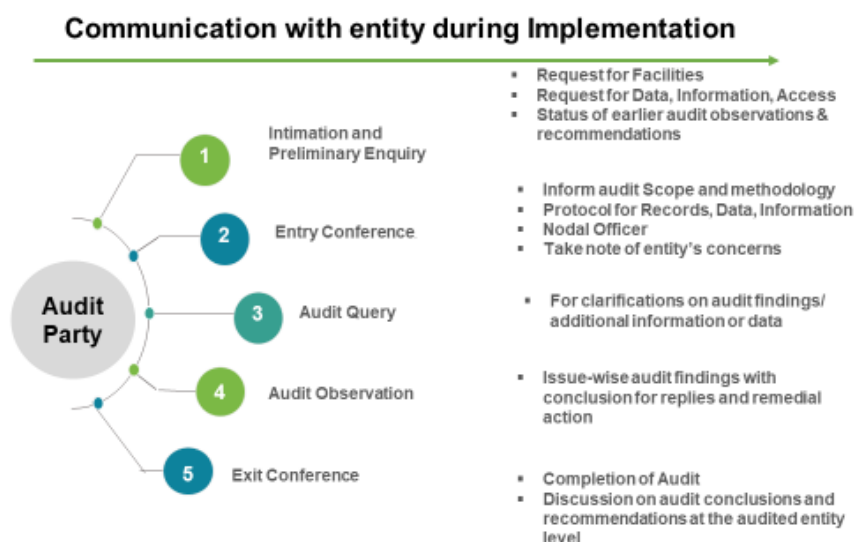
5. Audit Design Matrix

After determination of the scope of audit, development of audit objectives, identification of relevant criteria for measuring the selected subject matters, when specifically selected for an apex auditable entity or across auditable entities, both for regularity and propriety issues, an Audit Design Matrix must be prepared within a week of the start of audit.



This is prepared in OIOS and approved by the supervising officer. The Audit Design Matrix exhibits the nature of evidence likely to be collected for examining a subject matter based on information available at the planning stage ([Annexure XIX](#)).

6. Communication with audited entity



Formal written communication with entity during implementation of audit takes various forms such as audit requisitions, queries, observations, etc. While audit requisitions and queries can be issued by members of the audit team, audit observations must be issued with the approval of the audit team leader/supervisory officer. All communications are issued electronically via OIOS and automatically assigned a unique number. Any

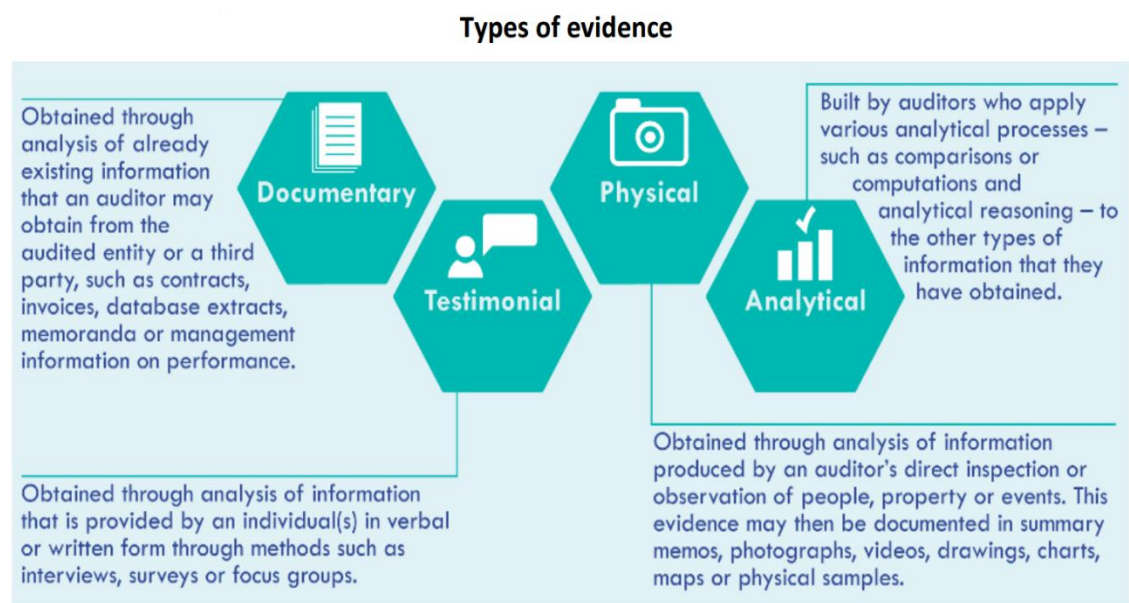
communication issued offline/manually must be uploaded into the OIOS workflow and sent electronically at the earliest opportunity.

On-site physical inspection is another widely used technique to draw assurance on the claims made by the entity on tangible assets e.g., machinery, inventory, a work site or an irrigation tank claimed to have been constructed. It should be ideally done with the representative of the audited entity and the findings should be signed-off by both the parties. Time and date stamped photographs of the visual inspection are acceptable evidence.

7. General audit checks for collection and evaluation of Audit Evidence

Collecting, analysing and evaluating audit evidence lies at the heart of the implementation phase of an audit.

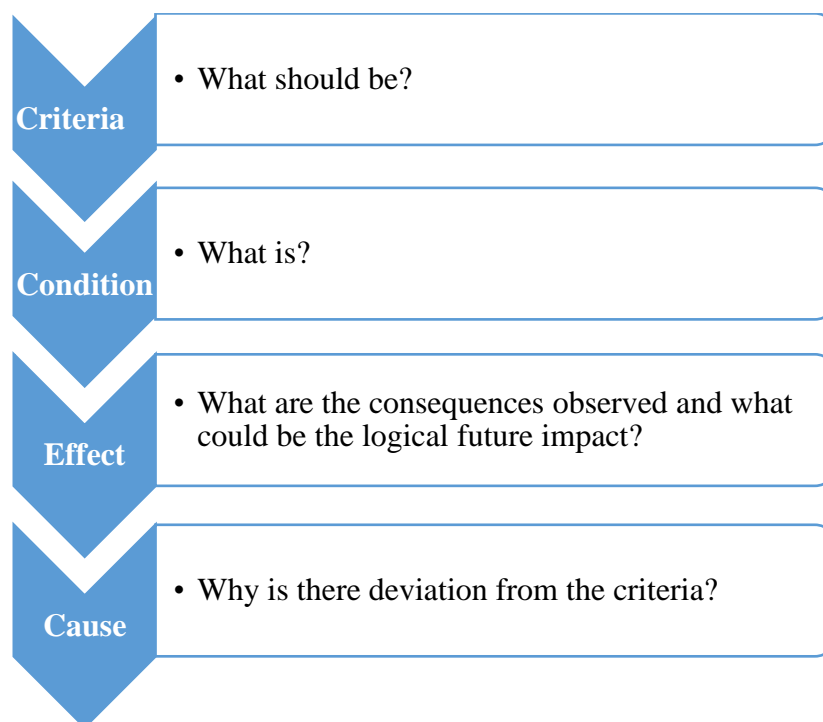
Data compiled into information (qualitative and quantitative) during the course of audit planning helps develop an understanding of the subject matter. Information when used to support or establish an audit conclusion, becomes [evidence](#). Various types of evidence are depicted in the figure below:



The **audit checks which have to be done in general in respect of various categories of auditable units** under the audit jurisdiction of this office are provided in [Annexure XV](#).

8. Audit Findings

After applying audit procedures to collect evidence, the next stage of audit implementation is [evaluating the evidence for sufficiency and appropriateness as well as for materiality and weighing it for drawing audit conclusions](#). Audit findings should be drafted in sequence of the following elements that answer the questions:



Audit findings may also appropriately indicate the extent of non-compliance and whether they involve systemic issues or represent isolated cases of non-compliance. The findings are analysed after giving due consideration to written responses from the responsible officers in the entity to determine the cause and effects of the shortfall. These audit findings become audit observations. The audit observations are issued in OIOS by the inspecting officer of LAP.

The following points must be considered before deciding on whether the audit findings are material enough to find a reflection in the audit opinion or audit conclusion:

- a) Extent and importance of amounts involved, which include both monetary values and other quantitative measures;
- b) Nature of the non-compliance;
- c) Cause leading to the non-compliance;
- d) Possible effects and consequences of the non-compliance;
- e) Visibility and sensitivity of the program in question; and
- f) Needs and expectations of the legislature, public and other users of audit reports.

Audit observations on transactions where authorisation of a higher authority was required but not obtained, or where a sum of money was recoverable are called audit objections.

9. Audit Findings Matrix

An Audit Findings Matrix mapped with the Audit Design Matrix (done in OIOS) is a useful tool to complete the cycle of audit. Audit Findings Matrix should contain both

positive and negative findings and also indicate in what percentage of sample, a particular finding was observed.

10. Audit Documentation

Auditors shall prepare [audit documentation](#) that is sufficiently detailed to provide a clear understanding of the work performed, evidence obtained and conclusions reached. It shall record the procedures performed and evidence obtained and support the communicated results of the audit. Majority of audit documentation is now done and saved on OIOS.

11. Draft Inspection Report (DIR)

The observations as issued by the LAPs are compiled in the OIOS based on their materiality in the form of automatically generated Part II of the DIR.

The DIR thus generated is appropriately filled in with relevant information by the LAPs, and is then discussed and got signed by the head of the office of the audited entity.

12. Exit Conference

At the close of audit, team leader/supervisory officer and the officer in charge of the entity should meet and discuss the audit observations. Where more than one department/agency is involved in the audit, representatives of each such agency should also be part of the exit conference.

The purpose of an exit conference is to confirm the facts and figures included in the audit observations and clarify any point of doubt or discuss disagreements you have with a view to resolve the same. The head of the entity may offer insights on the audit conclusions, if not already done in replies. Even where the entity agrees on the conclusions, there may be disagreements on the recommendations; the exit conference helps to nuance the recommendations accordingly. In case an exit conference cannot be held despite pursuing the matter, the fact should be recorded. A written record of the proceedings of the meeting duly signed by both the parties should be kept and uploaded on OIOS as well ([Annexure IX](#)).

13. Submission of Audit Inspection Report

Inspecting officer of the LAP should certify that the audit process was conducted as planned and in accordance with the auditing standards and code of ethics and that documentation requirements have been adhered to. ([Annexure VIII](#))

13.1. Compliance Audit and Financial Attest Audit

The DIR must be submitted to the GO on the last date of tour programme through OIOS along with duly filled title sheet ([Annexure II](#)).

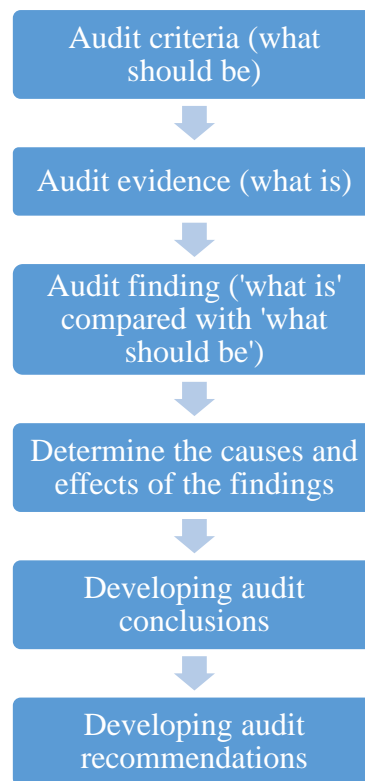
The LAPs must ensure that the Key Documents (KDs) are properly linked with the audit findings and the files collected from the co-ordination section are duly returned.

During the entire execution phase of financial attest audit, the auditors need to be alert to the risk of material misstatements. Therefore, when the audit procedures carried out on a selected sample of accounts or transactions indicate any potential deviation, abnormality or doubt, conducting further audit procedures should be considered either to confirm or dispel the doubt, deviation or abnormality.

13.2. Performance Audit

The Audit Design Matrix should be suitably updated at each stage of audit as the same was initially prepared based on the limited knowledge acquired during the pilot study and also to be linked with the audit findings matrix.

The process of analysing evidence, developing findings and producing recommendations to resolve identified areas of poor practice during performance audit is summarised below:



The audit team may identify a cause-and-effect chain and have the option of reporting the findings and conclusions at different points in the chain. In this situation, the auditor should highlight the most critical deficiencies in the chain.

In addition, the audit teams are encouraged to prepare an Audit Findings Matrix indicating the audit findings vis-à-vis good practices and the potential audit recommendation along with the expected benefits in case the recommendation is implemented.

14. List of Records to be handed over to the co-ordination wing

The following list of documents/records are required to be maintained in the physical form after the completion of audit and handed over to the co-ordination wing by the LAP:

- Copy of final desk review after discussion with GO
- Final inspection report as issued to the management (without key documents)
- Audit Findings Matrix as submitted by audit team.
- Sub unit or contract sample selected for audit.
- Physical signed copy of fraud/embezzlement certificate submitted by the auditee unit.
- Review of outstanding paras submitted by team and letter issued to management, calling for additional information on issued IR paras.
- Any correspondence received from the management.
- Any other document considered sensitive by the wing, if any.

15. Action Taken Note/Report (ATN/ATR)

As soon as ATN/ATR is received by the PDA Secretariat from the O/o CAG/Ministry/Management, the ATN/ATR (related with civil audit only) is forwarded to the Report (Civil) Section for intimation and the concerned co-ordination wing for assigning an audit party on priority basis.

Depending upon the timeline available (and the content of ATN/ATR), the co-ordination wing assigns an LAP to submit its report vide OIOS, which is then reviewed by the GO of the wing and then sent to the Report (Civil) Section where it is vetted and after obtaining approval of PDA send it to the CAG Headquarters in a time bound manner.

(Detailed procedure followed during verification of ATN can be found in [Annexure XXI](#).)

Section D - Audit Reporting

1. Introduction

Audit report is the written communication of the results of audit performed, in the form of an audit certificate or opinion or of audit conclusions with or without specific recommendations.

2. Audit Conclusions

Conclusions allow you to make a concise and persuasive argument that action is needed to address a deficiency or take advantage of an opportunity for improvement and set up the basis for any recommendations. When drafting conclusions, it is vital that the audit team critically consider the conclusions in relation to the audit findings, evidence, and audit criteria. It is also important to link the conclusions with the audit objective.

3. Audit Recommendations

Recommendations should address the causes of the deficiencies identified and help to improve the audited entities' programmes, operations and performance, without encroaching on the audited entities' management responsibilities. Recommendations are often aimed at eliminating the deviation between the evidence and the audit criteria. Recommendations are most effective when they clearly demonstrate that they are worthy of action, reasonable and cost-effective.

4. Drafting of Audit Reports

Financial audits require auditors to form an opinion on the financial statements that supports the audit certificate, which certifies, "based on an evaluation of the conclusions drawn from the audit evidence obtained, as to whether the financial statements as a whole are prepared in accordance with the applicable financial reporting framework." The opinion is expressed clearly in a written report that also describes the basis for the opinion.

On the other hand, Performance audits yield conclusions and recommendations, and it is attempted to provide an audit report which is comprehensive, convincing, timely, reader-friendly and balanced.

Similar considerations of completeness, objectivity, timeliness, and validation guide reporting in compliance audits.

The provisions contained in style guide issued by CAG for [English](#) and [Hindi](#) must be invariably followed to ensure consistency in the reports.

5. Compliance Auditing

Preparation of Draft Inspection Report (DIR) and vetting of DIRs are very crucial processes. As envisaged in the Compliance Auditing Guidelines, the Inspection Report

should provide a perspective of the unit level compliance may comprise the following parts:

Part I – Introduction: This part may commence with an overview of the audit unit and may provide its functional/geographical jurisdiction, budget, financial performance and a perspective of the relative significance of the unit in the overall hierarchy of the department in pursuit of organisational goals. This may be followed by a brief explanation of the scope of audit, the sampling procedure followed and the audit sample – including the implementing units, the subject matter(s) selected and the sources of criteria that have been adopted to evaluate the selected subject matter(s).

Part II – Audit Findings: This part shall contain all findings that pertain to the audit unit and may be arranged in two distinct parts – Part IIA and IIB.

Part IIA comprises of significant audit findings relating to evaluation of the regularity related subject matter(s)/ specific subject matter(s) and propriety related subject matters.

Part – IIB comprises of other incidental findings relating to both regularity and propriety aspects.

(The audit findings are organised in decreasing order of materiality and significance in OIOS.)

Part III - Follow up on findings outstanding from previous reports: This part may indicate the progress of settlement of audit findings outstanding from previous Inspection Reports and list out the findings that continue to be outstanding.

Part IV – Best Practices: Any good practices or innovations, if noticed, during audit may be mentioned.

Part V – Acknowledgement: This part may contain the acknowledgement of the extent of audit units’ cooperation in all matters including production of records called for in Audit. It may also contain details of persons holding the leadership positions in the audit units.

The responsibility of drafting the Inspection Reports and addressing any queries related to it, shall vest with the respective LAP and that of review and approval of the report lies with the respective Group Officer of the wing.

5.1. Vetting of Inspection Reports

The vetting process should ensure that every finding is supported by sufficient and appropriate evidence (Key Documents) and conclusions reached should be appropriate in the circumstances. While seeking approval of the Group Officer for issuing the Inspection Report, a judgement of the persistent irregularities that need to be brought to the notice of the executive through a Department Appreciation Note needs to be taken. Accordingly, a Department Appreciation Note may be issued by the Principal Director.

Departmental Appreciation Note: A Departmental Appreciation Note may be issued to the Apex Auditable Entity (Department/ Sector) where a specific subject matter has been selected to assess the extent of compliance from a departmental perspective or the Principal Director intends to draw attention of the executive towards system weaknesses etc. The Departmental Appreciation Note shall be issued to the Head of the Department typically the Principal Secretary, for initiating remedial measures with a copy provided for information to the Secretary Finance, Chief Secretary - the next higher level charged with governance and to Headquarters Office.

5.2. Nil IRs

To maintain the deterrent value of audit, some low-risk entities may have to be audited and, in such cases, nil reports may have to be issued. All cases of nil reports should be well documented, logically borne out and should be issued only after prior approval of the Principal Director.

5.3. Grading of Inspection Reports

The Inspection Reports should be graded so that their quality can be benchmarked. A scoring methodology has been defined to measure the efficiency and effectiveness of critical audit processes against a maximum score of 100, which would consequently be translated into a grade to evaluate the quality of inspection report on scale of 10.

The co-ordination section should be vested with the responsibility of scoring and grading each inspection report which should be approved by the group officer after the dispatch of each inspection report. The generalised format for grading of Inspection Reports has been provided in [Annexure XII](#).

Detailed instructions related to compliance audit, as contained in the [compliance audit guidelines](#) should be invariably followed.

5.4. Important points regarding Compliance Audit Report (Civil)

- (i) Draft Paras that relate to irregularities which are more than five years old are not proposed for inclusion in the audit reports unless the issue raised has continued relevance.
- (ii) Draft Para should not contain the cases that are sub judice or refer to arbitration etc.
- (iii) The quality of the draft paras/thematic audit should confirm to the auditing standards of CAG of India and other guidelines and instructions.
- (iv) While reporting cases related to fraud and corruption, instructions issued by the Headquarters from time to time may be followed scrupulously.

5.5. Preparation and Issue of Statement of Facts (FS)

As per para 6.10 of the Compliance Audit Guidelines, the significant audit findings that could potentially feature in the compliance audit report are presented by the concerned LAP to its co-ordination wing after the incorporation of the reply of issued DIR/IR.

The co-ordination wing would initially mark PDP flag in OIOS during the vetting of DIR and after receipt and perusal of reply of IR, then prepare the statement of facts/factual statement (SoF/FS) in OIOS, under the supervision of GO. FS should be issued to the ministry with the approval of the GO, so that only topical and sustainable cases are pursued.

A reminder is sent to the ministry if no reply to the FS is received within a month of the issuance. Auditors should ensure that facts and figures are accepted by the auditee and shall pursue responses from it to ensure objectivity of the audit findings.

After consideration and incorporation of the reply or in cases where no reply is received, the FS is then developed into potential draft paragraph and submitted to the Report (Civil) section via OIOS for preparation of draft paragraph.

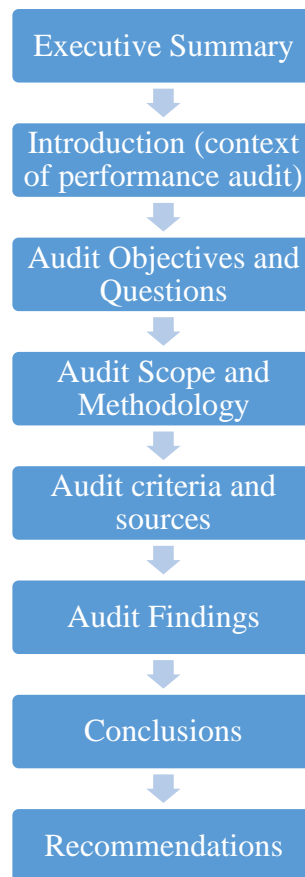
5.6. Preparation of Draft Paragraph (DP)

The preparation of draft paras should receive the personal attention of the PDA. The Group Officer should take every precaution to ensure that the information included therein has been verified and is complete in all respect for the purpose of supporting the audit conclusions.

The draft paragraph is issued to the Ministry with a copy to the head of apex audit entity, along with a copy to the Headquarters office. The Report (Civil) section must ensure that the draft paras/review sent to Headquarters office should be duly linked with KDs in OIOS, highlighting the relevant portion therein.

6. Performance Auditing

Performance auditing seeks to provide new information, analysis, or insights and, where appropriate, recommendations for improvement. Hence, auditors shall strive to provide audit reports which are comprehensive, convincing, timely, reader-friendly and balanced. The Performance audit report should be drafted in the following sequence:



6.1. Executive Summary

The executive summary is a short chapter designed to provide a quick synopsis of the main points and key messages of the report. Many people only read this section of the report; thus, it is important that it is written clearly and that it concisely summarises the most important parts of the report. Typically, an executive summary includes an explanation on why the audit was carried out, brief information on the subject of the audit and the audited entities, the audit objective and questions, the scope, the methodology, the key findings, the conclusions and the recommendations.

Executive Summary provides the précis of the main report. The summary should not be very long and should contain only essential information. It should be a free-flowing narrative that tells the reader the story, keeping the principal message at its core. Hence it need not be in the sequence of audit objectives.

6.2. Important points regarding Performance Audit Report

The analysis in Performance Audit is distinct from, and goes beyond, compliance issues, and seeks to provide new information, analysis, or insights on the actual benefit of the activity undertaken by the entity.

All performance audit reports ought to conclude with well thought-out recommendations, and clearly spell out possible solutions, without taking over management's responsibilities. For developing recommendation, the underlying cause(s) of a finding

should be identified, as this forms the basis for the recommendation. The cause is that which, if changed, would prevent similar findings. The recommendations should be clear and be presented in a logical and rational fashion. They should be linked to the audit objectives, findings and conclusions.

[Performance Audit Guidelines](#) may be referred to by the parties for more details as issued by the O/o C&AG, while conducting Performance Audit.

7. Financial Auditing

The objective of financial audit is to express an opinion on the financial statements. In order to form an opinion, the auditor must first conclude whether reasonable assurance has been obtained as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Audit opinion may be unqualified, qualified, adverse or disclaimed, as defined in the [CAG Auditing Standards 2007](#).

In the audit of financial statement, audit of Finance Accounts and Appropriation Accounts of three ministries viz., MoHUA, MoCA and MoRTH are undertaken under civil audit portion. Concerned Section i.e., Infrastructure-2, Infrastructure-3 and Infrastructure-4 conduct audit of Finance Accounts and Appropriation Accounts (State I and II) in respect of MoHUA, MoCA and MoRTH respectively. After completion of field audit, concerned Section issues Inspection Report and Audit Certificate to the Pr. Accounts Office of the respective ministries with the approval of the Group Officer and forward the same to the Finance and Appropriation Section (F&AS) for further processing into Factual Statement (FS) and Print Ready Material (PRM).

(For more detail the [Practice notes for audit of Finance Accounts and Appropriation Accounts issued by the O/o PDA, Finance and Communication \(F&C\), Delhi](#) may please be referred to.)

Section E – Infrastructure - I

1. Overview

Infrastructure-I is headed by Director/Deputy Director (Infrastructure-I), who is responsible for overall supervision of audit of inter-alia the Ministry of Housing and Urban Affairs and its civil units (Autonomous Bodies, Trust under the Ministry).

2. Ministry of Housing and Urban Affairs

The [Ministry of Housing and Urban Affairs](#) is the apex authority of Government of India at the national level to formulate policies, sponsor and support programme, coordinate the activities of various Central Ministries, State Governments and other nodal authorities and monitor the programmes concerning all the issues of housing and urban affairs in the country.

This Ministry has five Attached Offices, three Subordinate Offices, three Public Sector Undertakings and nine Statutory/Autonomous Bodies, including one non-statutory registered society and a government company.

3. Attached Offices of MoHUA and their audit checks

The attached offices of MoHUA under the audit jurisdiction of Infrastructure I and their specific audit checks in addition to the generalized checks are as detailed below:

3.1. Directorate of Printing ([DoP](#))

The Directorate is the Government Printer for executing printing works for all Ministries/Departments of Government of India including forms for Civil and Defence Departments. It is also responsible for the stocking and distribution of various forms for Ministries/Departments, as per their requirements. This Directorate also renders advice from time to time to various State Governments and Central Government Ministries/Departments on technical matters relating to printing and allied subject in printing technology as well. The audit of Directorate of Printing has been undertaken under Section 13 of Comptroller & Auditor General's (DPC) Act, 1971.

Audit Checks for DoP:

- (i) Whether all the printing work of the government departments done by the Directorate of Printing?
- (ii) Whether all the terms & conditions for empanelment of printers were complied with?
- (iii) Whether all the provisions of GFR, Manual for procurement of Good and other circulars/orders of Govt. of India were followed during procurement of Machineries/ Equipment and Papers?
- (iv) Whether the Target & Objectives of "Trade Apprenticeship Scheme" achieved?

3.2. Directorate of Estates ([DoE](#))

Directorate of Estates is mandated to administer and manage the estates of the Government of India in Delhi, viz., allotment of government residential accommodation, booking of Holiday Homes etc.

Audit Checks for DoE:

- (i) Whether DoE has been administering Government Estates (Residential / Office Accommodation, Holiday Homes / Touring Officers' Hostels and Markets / Shops) efficiently?
- (ii) Whether DoE has been fulfilling its responsibilities in respect of allotment of residential accommodation efficiently and effectively, towards all the stake holders e.g., Government, employees, Drawing and Disbursing Officers (DDOs) etc.?
- (iii) Whether the recovery of licence fee is monitored effectively?

3.3. Land and Development Office ([L&DO](#))

The main functions of Land and Development Office are maintenance of records of all Nazul Lands acquired in 1911, allotment of land to various Govt./Semi Govt. Departments and institutions, auction of land for Residential/Commercial purposes, administration and management of various leases granted, recovery of all Government dues in respect of land under its control, eviction of squatters of Government land and recovery of damages from them, maintenance of accounts of all receipts and refunds of Revenue in respect of land under its control etc.

Audit Checks for L&DO:

- (i) Whether all the registers i.e. Ground Rent Register, Squatter Register, Damage Register etc., are maintained properly?
- (ii) Whether ground rent is being collected timely?
- (iii) Whether the receipts have been properly accounted for?
- (iv) Whether various applications regarding substitution, mutation, conversion received from lessees are being disposed of promptly?
- (v) Whether leases were administered as per provisions of the lease deeds?
- (vi) Whether revenue transferred to Government Account as per rules? (Delay to deposit in Government Accounts)?

3.4. National Buildings Organization ([NBO](#))

NBO is primarily engaged in collection, collation, analysis and dissemination of housing and buildings construction statistics with a view to have an effective countrywide system for this purpose. In addition, it coordinates activities relating to the information emanating from various sources, namely, the Registrar General of India, National Sample Survey Office and other concerned organizations. The statistics collected and disseminated by NBO is not only used in policy formulations but is also used by the various research organizations in the field of housing.

Audit Checks for NBO:

- (i) Whether any quality checks performed by NBO during validation of received data?
- (ii) Whether any mechanism exists in NBO for analysis of data uploaded by various DES?
- (iii) Whether short term sample survey/field studies conducted to collect the Primary data needed for preparation various compendium?
- (iv) Whether NBO conducts training courses for the personnel engaged in the collection/uploading of data using E-tools like BRIKS/MIS?
- (v) Whether financial support provided by NBO to DES as per the scheme guidelines and GFR Rules 2017?
- (vi) Whether all the provisions of GFR, Manual for procurement of Good and other Circulars/orders of Govt. of India were followed during procurement of Machineries/ Equipment and Papers?

4. Subordinate Offices of MoHUA and their audit checks

The subordinate offices of MoHUA under the audit jurisdiction of Infrastructure I and their specific audit checks in addition to the generalized checks are as detailed below:

4.1. Town & Country Planning Organization ([TCPO](#))

TCPO has been functioning as an apex technical advisory organization on matters concerning urban and regional planning and development in the country. It has been assisting the Ministry of Housing and Urban Affairs and other Central Ministries of the Government of India, State Governments, Public Sector Undertakings, Local Bodies/Development Authorities on matters pertaining to urbanization, town planning, urban transport, metropolitan planning, human settlement policies, regional development strategies, planning legislation, urban and regional information system, urban mapping and research and capacity building.

Audit Checks for TCPO:

- (i) Whether formulation of policies, Guidelines, programmes and strategies, at national, regional and local levels, for planning and development of urban, areas of various categories ranging from small town to super-metro/mega cities were done timely?
- (ii) Whether assistance and advice of the highest order to Central and State Governments, Public Sector Agencies, Development Authorities and Urban Local Bodies on matters pertaining to urban & regional planning and development were provided on time?
- (iii) Whether technical assistance and guidance to the Ministry of Housing and Urban Affairs, NITI Aayog, other Central Ministries / Agencies were provided on time?

- (iv) Whether Research studies in areas of topical interest and empirical research studies and evaluation of already adopted practices for wider application & replication and preparation of inter- state regional plans were done timely?
- (v) Whether Training & Capacity Building, Conferences and Workshops in the field of urban & regional planning and development and Remote Sensing and GIS applications in Urban & Regional Planning were done timely?
- (vi) Whether Monitoring and Appraisal of specific plan schemes of the Ministry of Housing and Urban Affairs and other central sector projects / Schemes were done timely?
- (vii) Whether Budget Provisions and Checks against Provision of Funds done as per the Articles 112 to 116 of the Constitution contain the important financial provisions that describe the control, which Parliament exercises over expenditure from the Consolidated Fund of India?

4.2. Government of India Stationery Office ([GISO](#))

The Government of India Stationery office undertakes central procurement and supply of stationery articles at economical cost with control of quantity scale.

Audit Checks for GISO:

- (i) Whether supply of stationery articles was made at economical cost?
- (ii) Whether specifications of stationery articles comply with the Bureau of Indian Standards (BIS) norms?
- (iii) Whether selection of suitable stationery articles was sufficient to cater to the needs of the indenters?
- (iv) Whether control over the stationery consumption for office use was ensured as per quantity scale prescribed by the Government?
- (v) Whether the functioning of Inspection wing was efficient to confirm the items are suitable for Government use after Lab test under BIS method?
- (vi) Whether supply of stationery articles was arranged by the indenters themselves from RSD? If not, the cost of delivery was borne by the indenters?
- (vii) Whether the dues towards cost of stationery articles supplied to Ministries/Departments were realized by RSD?
- (viii) Whether Budget Provisions and Checks against Provision of Funds done as per the Articles 112 to 116 of the Constitution contain the important financial provisions that describe the control, which Parliament exercises over expenditure from the Consolidated Fund of India?

4.3. [Department of Publication](#)

The primary functions of the Department of Publication are stocking, sale and distribution of government publications and periodicals brought out by various Ministries / Departments of Government of India, and Delhi Government's Gazette etc.

Audit Checks for DoP:

- (i) Whether sale and distribution of Government of India books and publications is still being done?
- (ii) Whether enrolment of Restricted/Regular Agents for sale and distribution of books and journals being done by the Department?
- (iii) Whether granting a 20% trade discount to Restricted Agents and 25% discount to Authorized Regular Agents is still continuing?
- (iv) What is the policy for Gazette Notifications of all kinds? Whether they are published, and copies of Gazettes sold by this Department? Whether it is being properly accounted for?
- (v) Whether Government's legal Notifications and Resolutions are published, and copies are sold by this Department. Whether it is being properly accounted for?
- (vi) Whether Old Gazettes documents which are required for support in the Courts of Law for ready reference are duly certified and sold by this Department. Whether it is being properly accounted for?
- (vii) Whether Gazette Notices for change of name, adoption of child, lost / destroyed /stolen are published and sold by this Department. Whether it is being properly accounted for?
- (viii) Whether Delhi Gazettes are published and sold by this Department. Whether it is being properly accounted for? Whether it is being properly accounted for?

5. Statutory/Autonomous Bodies and their audit checks

The subordinate offices of MoHUA under the audit jurisdiction of Infrastructure I and their specific audit checks in addition to the generalized checks are as detailed below:

5.1. National Institute of Urban Affairs (NIUA)

The main functions of [NIUA](#) are to develop new research and expertise for supporting effective innovations in the urban sector and their dissemination through knowledge exchange, training and capacity development.

Audit Checks of NIUA:

- (i) Whether the action as an autonomous scientific and organization to undertake, promote and coordinate studies in urbanization, rural-urban relationship, administration, environment, and technology pertaining to human settlements and urban and regional development in India was done?
- (ii) Whether action as a center for advanced study of urban problems and to provide and promote the necessary training and research facilities was done?
- (iii) Whether initiation and assistance in development and allied fields by the Centre, State and Local Governments as well as private and public sector undertakings was done?

- (iv) Whether action as an agency for strengthening the interaction on urban affairs between the Government and the people, local authorities, legislature, and members of academic, industrial and business communities was done?
- (v) Whether mobilization of available expertise in the field of urban affairs and to offer and coordinate technical and consultancy services with or without payment of remuneration as necessary was done?
- (vi) Whether to constitute or cause to be constituted or give affiliation to regional, state or local centres to promote the purposes of the Institute was done?

5.2. Building Material Technology Promotion Council (BMTPC)

[BMTPC](#) is an autonomous body which has been working towards smooth transfer of new, cost effective, innovative, energy-efficient, environment-friendly and disaster resistant building materials and construction technologies from lab to field.

Audit Checks for BMTPC:

- (i) Whether objective of BMTPC focused on Identifying areas of training. Whether this was done through Training Needs Assessment study conducted by appointment of any external consultant through eliciting the views from officials of ULBs, based on reviews and feedback?
- (ii) Whether comprehensive earthquake disaster risk management was done to mitigate the effects of earthquake?
- (iii) Whether BMTPC is involved in PMCs as revenue generating activity?
- (iv) Whether Data Resource cum Monitoring Centre (DRMC) established through BMTPC stationed at MoHUA for monitoring work, data analysis, compilation & dissemination, generation of periodic reports in electronic form, undertake field visits/physical verification is being carried out in planned manner?
- (v) Whether the National Urban Housing Fund (NUHF) was operationalized as envisaged by the cabinet?

5.3. Rajghat Samadhi Committee ([RSC](#))

RSC is an autonomous body with the responsibility of repair and maintenance of the garden and parks and sort out problems relating to maintenance and upkeep of the Samadhi.

Audit Checks for RSC:

- (i) Whether RSC convened meetings of the committee meeting at least once in four months?
- (ii) Whether RSC requested CPWD for submitting progress reports of various works pertaining to RSC in Form-65 for all deposit works?
- (iii) Whether deployment of public wi-fi services at Rajghat was undertaken?

- (iv) Whether samadhi fund has been utilized for payment for maintenance or repair or embellishments of samadhi?
- (v) Whether samadhi fund has been utilized for payment of salary and allowances of establishment employed by the committee for the purpose of of act.?
- (vi) Whether samadhi fund has been utilized for cost of audit of samadhi fund?
- (vii) Whether annual budget has been prepared by the Secretary of the committee and placed at the month of September meeting?
- (viii) Whether prior approval of the committee was taken for expenditure exceeding five thousand rupees?
- (ix) Whether creation of posts in group C was done by the committee and chairman as per rule 16 of Rajghat Samadhi Rules 1952?

5.4. Credit Risk Guarantee Fund Trust (CRGFT)

The Union Cabinet approved the establishment of the Credit Risk Guarantee Fund Trust for Low Income Housing. This is in pursuance of the approval of the Rajiv Awas Yojana (RAY) Scheme by the Cabinet Committee on Economic Affairs (CCEA) in June 2011 which included the creation of a Risk Guarantee Fund for low-income housing loans. The establishment of such a government supported Credit Risk Guarantee Fund would facilitate credit enablement of the urban poor and the flow of institutional finance for affordable housing. The CRGFT is intended to act as a risk-mitigant, thereby enhancing the confidence of the lending institutions in lending to this segment.

Audit Checks for CRGFT:

- (i) Whether the CRGFT government supported Guarantee Fund would facilitate credit enablement of the urban poor and the flow of institutional finance for affordable housing and intended to act as a risk-mitigate, thereby enhancing the confidence of the lending institutions in lending to this segment?
- (ii) Whether Board of Trustees has been constituted as per Act/ Gazette notification/ Guidelines of CRGFT?
- (iii) Whether meeting of the Board of Trustees has been conducted as per Act/ Gazette notification/ Guidelines of CRGFT? Whether function of the Board of Trustees was executed as per Gazette notification of the CRGFT?
- (iv) Whether Audit of the Trust executed as per laid Act/ Gazette notification of the CRGFT?
- (v) Whether inspections of the lending institutions conducted as per Act/ Gazette notification of the CRGFT?
- (vi) Whether Implementation and Operational Cost are in accordance with the CRGFT Act/ Gazette notification?
- (vii) Whether the conditions of Trust's Liability to be terminated being followed?

- (viii) Whether the Investment and Borrowings taken by the Trust were in line with the Act/ Gazette notifications?
- (ix) Whether Guarantees, Fees and Claims settled as per Gazette notification?
- (x) Whether Fund Corpus of the Trust constituted/ maintained as per Gazette notification?

5.5. National Capital Region Planning Board (NCRPB)

[NCRPB](#) has a mandate to systematically develop the National Capital Region (NCR) of India, to arrange and oversee the financing of selected development projects in NCR through Central and State Plan Funds and other sources of revenue.

Audit Checks of NCRPB:

- (i) Whether proper utilization of Grant & Loan from ADB and KfW-German bi-lateral agency were done by the NCRPB?
- (ii) Whether the interest accrued income was mandatorily remitted to the Consolidated Fund of India?
- (iii) Whether the Regional plan and sub-regional plans were timely approved and have a consistency among them. Further, whether any provision in NCRPB act for timely completion of above plans?
- (iv) Whether the financial assistance provided to the projects was adhered to the NCRPB guidelines?
- (v) Whether the sanctioned project was having conformity with the approved Master plan?
- (vi) Whether administrative functioning of the company, budgetary system and the internal control system are adequate?
- (vii) Whether administrative approval/financial concurrence of a project was done as per Delegation of Power?
- (viii) Whether passing of bills and payments are in line with Delegation of Power?
- (ix) Whether Detailed Project Reports, Feasibility Studies, and Environment Impact Assessment (EIA) were prepared?
- (x) Whether Guidelines issued by the Central Vigilance Commission, General Financial Rules were followed?
- (xi) Whether Quality Control Mechanism, Project Monitoring Mechanism as well as Management Information System were in place?
- (xii) Whether proposals, estimates and budgets, delegation of power, circulars/instructions/directives issued/ followed by NCRPB?
- (xiii) Whether Agreement entered with clients and sub-contractor in time?

5.6. Real Estate Regulatory Authority ([RERA](#)) for National Capital Territory of Delhi

The major objective of the Authority is the regulation and promotion of the real estate sector with the intention to bring transparency in the real estate business by insisting mandatory disclosure of project details to the property buyers. It also aims to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto.

Audit checks for RERA:

- (i) Whether RERA was functioning in efficient and transparent manner to ensure sale of plot, apartment or building or sale of real estate project so as to protect the interest of consumers in real estate sector?
- (ii) Whether RERA has established an adjudication mechanism for speedy dispute redressal?
- (iii) Whether RERA has established the Appellate Tribunal to hear appeals from the decisions, directions or orders of the RERA and adjudicating officer?
- (iv) Whether RERA has paid outstanding amount of license fee and maintenance charges to NDMC for the rented space at 2nd floor, Shivaji Stadium, New Delhi?
- (v) What was the available bank balance with RERA and whether sufficient to repay outstanding interest and surcharge?
- (vi) Whether RERA does due diligence while issuing registration certificates to societies/plots/projects under section 4 of the RERA Act?
- (vii) Whether vetting of documents was done by RERA within reasonable time from the date of receipts of the applications?
- (viii) Whether penalties under section 49, 50 and 60 were imposed on delinquent builders for misrepresenting that project registered under RERA which is clear violation of rule 3 of RERA Act.?
- (ix) Whether registration has been revoked under section 7 of the RERA Act in case license deed has been cancelled by the landowner (DDA)?
- (x) Whether RERA has insisted on receiving details of encumbrances of the land on which development of project is proposed or non-encumbrance certificate through an advocate having experience of atleast 10 years from the revenue authority not below the rank of tehsildar, as per section 3 of the RERA (General rule 2016)?
- (xi) As per section 11 of the act, whether promotor upon receiving of login id and password updated quarterly report of flats/garages booked on webpage of the website of the authority? If not, whether penalties under section 61 of the Real Estate Act was levied?

5.7. Delhi Urban Art Commission (DUAC)

DUAC is an autonomous body which advises the Government of India in the matter of preserving, developing and maintaining the aesthetic quality of urban and environment design within Delhi and to provide advice and guidance to any local body in respect of any project of building operations or engineering operations or any development proposal which affects or is likely to affect the skyline or the aesthetic quality of surroundings or any public amenity provided therein.

Audit checks for DUAC:

- (i) Whether the aesthetic quality was maintained by the Commission?
- (ii) Whether the character and quality of heritage by maintaining the integrity of those areas which have a discernible character or are of special historical significance were preserved?
- (iii) Whether the timely scrutiny of the projects was done by the commission and whether the changes in design/layout/plan were made in accordance with the suggestion made by the commission?
- (iv) Whether the studies done by the commission have helped in promoting Government's flagship policies like Swachh Bharat Abhiyan, Smart City Mission?
- (v) Whether the design formulated for toilet had been adopted by the Government. While designing the toilets, whether all the environment aspects were considered by the commission?
- (vi) Whether the grants were utilized for the purpose for which it was sanctioned?
- (vii) Whether the Utilization Certificates were submitted in the prescribed format timely to the Administrative Ministry?
- (viii) Whether all the conditions as stipulated in the sanction orders were followed? Whether the unutilized grants as well as interest earned thereon was refunded to the Government at end of the financial year?
- (ix) Whether the expenditure was incurred after approval of the competent authority?
- (x) Whether there was any deviation against the budget allocation? If yes, reasons thereof.
- (xi) Whether the corrective actions were taken by commission in respect of the Internal Audit Report?
- (xii) Whether the rules/policies/procedures framed were adequate to prevent fraud, and undue benefits and to improve effectiveness and transparency in transactions carried out?

6. Centrally Sponsored and Central Sector Schemes

The Ministry provides support to the Centrally Sponsored and Central Sector Schemes. The major schemes under the audit jurisdiction of Infrastructure I are:

6.1. Atal Mission for Rejuvenation and Urban Transformation ([AMRUT](#))

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched on 25th June 2015 covering 500 cities with the aim of providing basic civic amenities like water supply, sewerage, urban transport, parks as to improve the quality of life for all especially the poor and the disadvantaged. The focus of the Mission is on infrastructure creation that has a direct link to provision of better services to the citizens.

6.2. [Swachh Bharat Mission \(Urban\)](#)

Swachh Bharat Mission launched on 2nd October 2014 aims at making urban India free from open defecation and achieving 100% scientific management of municipal solid waste in 4,041 statutory towns in the country. The second phase of SBM-U was launched on 1st October 2021, for a period of 5 years. The vision for SBM-U 2.0 is to achieve “Garbage Free” status for all cities by 2026.

6.3. [Smart Cities Mission](#)

Smart Cities Mission (SCM) was launched on 25 June 2015 for a 5-year period with the objective of promoting cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of ‘Smart’ solutions, with a focus on sustainable and inclusive development and the idea is to look at compact areas, create a replicable model which will act like a lighthouse to other aspiring cities.

6.4. [Pradhan Mantri Awas Yojana- Housing for All \(Urban\) Mission](#)

The Mission is being implemented during 2015-2022 and provides central assistance to Urban Local Bodies (ULBs) and other implementing agencies through States/UTs for:

- In-situ Rehabilitation of existing slum dwellers using land as a resource through private participation.
- Affordable Housing in Partnership.
- Subsidy for beneficiary-led individual house construction/enhancement.
- Credit Linked Subsidy³

Through a demand driven approach, the Scheme addresses urban housing shortage among the EWS/LIG and MIG categories, including slum dwellers. The Scheme ensures delivery of a pucca house along with water connection, toilet facilities, 24x7 electricity supply and access to basic services to all eligible urban households.

6.5. Prime Minister Street Vendor's Atma Nirbhar Nidhi ([PM SAVNidhi](#)):

The scheme is a Central Sector Scheme i.e. fully funded by Ministry of Housing and Urban Affairs with the following objectives:

- To facilitate working capital loan up to ₹ 10,000

³ Credit linked subsidy component is being implemented as a Central Sector Scheme while other three components as Centrally Sponsored Scheme (CSS).

- To incentivize regular repayment; and
- To reward digital transactions.

The scheme will help formalize the street vendors with above objectives and will open up new opportunities to this sector to move up the economic ladder.

Section F – Infrastructure - II

1. Overview

Infrastructure-II is headed by Director/Deputy Director (Infrastructure-II), who is responsible for overall supervision of audit of Central Public Works Department (CPWD) (attached office under MoHUA) and Delhi Development Authority (DDA) (statutory body under MoHUA).

2. Central Public Works Department ([CPWD](#)):

CPWD provides professional expertise in disciplines including Architecture, Engineering, and Project Management coupled with comprehensive experience in building construction and maintenance across the country. It has now grown into a comprehensive construction management department, which provides services from project concept to completion, consultancy, and maintenance management.

3. Delhi Development Authority ([DDA](#)):

The function of DDA is to promote and secure the development of Delhi, and for that purpose the Authority shall have the power to acquire, hold, manage, and dispose of land and other property for covering the present and future growth of Delhi according to the plan covering all the possible activities. In addition, DDA manages sports complexes in various regions of Delhi along with Central Accounting Units (CAUs) for various zones of Delhi.

4. Audit checks done at CPWD and DDA subordinate offices

For a wide-ranging audit of the records/ activities of the CPWD/DDA divisions/ circles/ zones, the entire gamut of activities, in which the CPWD/DDA is engaged, is required to be examined with reference to set parameters. In addition, DDA

For ascertaining the above, the general and/or specific audit checks as detailed in [Annexure XVI](#) need to be undertaken.

5. Work Analysis

Since the focus area of Infrastructure II wing remains works audit, the audit checks are to be exercised keeping in view the main objective of Public Works Audit. The detailed analysis of work must be undertaken for the following stages of any work for comprehensively determining the audit findings:

- Pre-requisition for work.
- Preliminary estimate.
- Detailed estimate.
- Appointment of consultant.
- Tendering Process.

- Execution of work.
- Advances.
- On- Site and work-related records.

The detailed audit checks for the above-mentioned stages of work have been listed in [Annexure XVII](#).

6. Audit Checks performed at the sport complexes of DDA

Various [sports complexes](#) (khel parisars) have been set up by DDA for the development and growth of sports in Delhi. The following specific audit checks in addition to the general audit checks, are done at the Sports Complexes managed by DDA:

- Whether installation of Rainwater harvesting system and recycling system of wastewater has been done? In cases of non-compliance, penalties imposed may also be checked.
- Scrutiny of outstanding subscription fee and other dues and action taken against the defaulters.
- Scrutiny for non-maintenance and deficiencies in maintenance of various registers/records relating to various disciplines of sports complex.
- Scrutiny of staff employed (including employees on contract) viz a viz sanctioned strength and requirement.
- Scrutiny of various deposits (lapsable as well as non-lapsable) and remittances.

Section G - Infrastructure-III

1. Overview:

Infrastructure-III is headed by Director/Deputy Director, who is responsible for overall supervision of audit of the Ministry of Civil Aviation and its civil units.

2. Ministry of Civil Aviation:

The Ministry of Civil Aviation ([MoCA](#)) is responsible for formulation of [national policies](#) and programmes for the development and regulation of the Civil Aviation sector in the country. In addition to primary functions of framing of policies, the Ministry provides guidance to the organizations in the implementation of policy guidelines, monitors and evaluates their activities and provides their interface with Parliament.

2.1. Audit checks for MoCA

The following audit checks are performed, in addition to the general audit checks (enlisted in [Annexure XV](#)) during the audit of the Ministry of Civil Aviation (MoCA) and its attached offices:

- (i) To review the [grant](#) received from Central Govt. along with its utilization.
- (ii) Compliance of MoCA/ other ministries' orders and [circulars](#).
- (iii) To review the fixed assets.
- (iv) Contract agreements for hiring manpower, consultants, Young Professional, Hiring of Car, Tax consultant, etc.
- (v) To review the contracts related to MoCA website, Drones, Digital Sky, Airports project.
- (vi) To review the [RCS-UDAN](#)/ UDAN International/ Krishi Scheme.
- (vii) To review the north-east routes.
- (viii) Compliance of [CVC guidelines](#)/[GFR 2017](#)/Procurement Manual to awarding the contract award.
- (ix) To review the complaint/RTI/CPGRAMS/Parliamentary questions and its redressal mechanism.
- (x) Whether the payment of statutory dues done timely or not?
- (xi) Whether the procurement is being done through GeM portal or not?
- (xii) To review the legal/arbitration/court cases.

3. Attached Offices under MoCA:

The attached offices of MoCA under the audit jurisdiction of Infrastructure III and their specific audit checks in addition to the generalized checks are as detailed below:

3.1. Directorate General of Civil Aviation ([DGCA](#)):

The Directorate General of Civil Aviation is the principal regulatory body in the field of civil aviation which has been accorded with statutory status. It co-ordinates with International Civil Aviation Organization and is responsible for safety regulation of air transport services to/from /within India, formulation and enforcement of civil air regulations, air safety and airworthiness standards in coherence to the Standard and Recommended Practices as formulated by ICAO from time to time.

Specific audit checks for DGCA:

- (i) To review the licensing of commercial pilots, Private pilot license, Air Transport pilot license in respect of Aeroplane/Helicopter.
- (ii) To review the licensing/registration of aerodromes and air carriers.
- (iii) To review the renewal of pilot, aerodrome and air carriers license.
- (iv) To review the certification of aircraft.
- (v) To review the case related to air accidents.
- (vi) Targets vis a vis achievement on Annual Surveillance Plan of DGCA.
- (vii) To review the penalty imposed on Airlines.
- (viii) To review the rules and regulations in respect of the [Aircraft Act 1934, Aircraft Rules 1937](#).
- (ix) Approval for construction of Airport project works viz. taxiway, extension of runway, RESA, Apron etc.
- (x) Contract agreements for hiring manpower.

3.2. Bureau of Civil Aviation Security ([BCAS](#)):

The aim of BCAS is to safeguard civil aviation operations against acts of unlawful interference. The Bureau is responsible for laying down the standards for security in respect of civil flights operating to / from India and ensuring their compliance through regular inspections and security audits. The Bureau is the regulatory authority for discharging all relevant national and international retirements in respect of coordinating, monitoring, inspecting, and training the personnel in Aviation Security (AVSEC) matters, implementation of AVSEC quality control programme and up-gradation of technology for securing Civil Aviation.

Specific audit checks for BCAS:

- (i) To review the contingency plan to deal with emergencies arising out of hijacking and other acts of unlawful interference to Civil Aviation operations.
- (ii) To review the comprehensive aviation security policy & guidelines.
- (iii) Compliances of [Aircraft \(Security\) Rules 2011](#).
- (iv) To review the security audit/ Inspection of the airports.

- (v) To review the Aviation Security programme/course.
- (vi) To review the Aviation Security (AVSEC) order/circulars and their addendum/corrigendum.
- (vii) Approval of security programmes.
- (viii) To review the installation and commissioning of Radiological Detection Equipment for securing the airports from radiological and nuclear threats/emergencies.
- (ix) To review the online security clearances of different categories like Concessionaire, Catering, Regulated Agents (RA), Ground Handling Agency (GHA), Private Security Agency (PSA), GSA/GSSA/ Authorized Agent, Fuel Farm and Auxiliary Service Provider have been approved through e-Sahaj portal.
- (x) Contract agreements for hiring manpower.

3.3. Commission of Railway Safety ([CRS](#)):

The Commission of Railway Safety, which is responsible for safety in rail travel and operations. The Commission functions according to certain rules viz. statutory investigation into accidents rules and executive instructions issued from time to time. The most important duty of the Commission is to ensure that any new railway line to be opened for passenger traffic should conform to the standards and specifications prescribed by the Ministry of Railways and the new line is safe in all respects for carrying of passenger traffic.

Specific audit checks for CRS:

- (i) To review the investigation into serious Railway Accidents and review of reports of other train accidents, inquired by Railway.
- (ii) To review the compliance of [IRSOD 2004](#).
- (iii) To review the main activities viz. lines inspection & authorization (in Km), additional line/doubling, new lines, gauge conversion, electrification, number of application of minor works sanctioned, number of rolling stock cases.
- (iv) To review the sanction for opening of new railway lines/ metro railway lines, doubling of existing lines, gauge conversion works, electrification of Railway lines etc. as per [Railway Act 1989](#), [Metro Railway Act 2002](#) and [the Rules for opening 2000](#)
- (v) To review the Railway's proposals
- (vi) Contract agreements for hiring manpower.

3.4. Aircraft Accident Investigation Bureau ([AAIB](#)):

For the purposes of carrying out investigation into accidents, serious incidents and incidents; the Government of India set up a Bureau known as the Aircraft Accident Investigation Bureau (AAIB) in the Ministry of Civil Aviation.

Specific audit checks for AAIB:

- (i) To review the investigation report of serious incidents and accident.
- (ii) [To review the compliance of Aircraft \(Investigation of Accidents and Incidents\) Rules 2017.](#)
- (iii) To review the compliance of [Standards and Recommended Practices \(SARPs\) issued by the ICAO.](#)
- (iv) To review the preliminary report.
- (v) To review the administrative work of investigation.

4. Autonomous Bodies

The autonomous bodies of MoCA under the audit jurisdiction of Infrastructure III and their specific audit checks in addition to the generalized checks are as detailed below:

4.1. Airports Economics Regulatory Authority ([AERA](#))

AERA is a statutory body which determines the tariff for the aeronautical service, the amount of Development Fees in respect of major airports and monitors the set performance standards relating to quality, continuity and reliability of service as may be specified by Central Government or any Authority authorized by it in this behalf.

Specific audit checks for AERA:

- (i) Capital expenditure incurred on construction of a new office building.
- (ii) Pay and allowances and other Conditions of Service of the Chairperson and Members.
- (iii) Utilisation of Grants in aid received from MoCA.
- (iv) Award of contracts of various works.
- (v) Terms and conditions of appointment of consultants and payment there against.
- (vi) Compliance of Rules and regulations and instructions issued by Government of India from time to time.
- (vii) Expenditure made on establishment components.
- (viii) Procurements made by AERA.
- (ix) Non-finalisation of lease agreement and non-reconciliation of rent amount.
- (x) Review of compliance of Fire and Life Safety requirements.
- (xi) Review of irregularities in hiring/deployment of vehicles.
- (xii) Review of the compliance of [AERA Rules, 2009](#) and [AERA Act, 2008](#).
- (xiii) Review of the compliance of the provisions of GFR for maintenance and Physical Verification of Fixed Assets and Library Books.
- (xiv) Review of the advance payments lying unadjusted, if any.

4.2. Indira Gandhi Rashtriya Uran Akademi ([IGRUA](#))

Indira Gandhi Rashtriya Uran Akademi (IGRUA) is an Autonomous Body and the only National Flying Training institution in the country under the administrative control of the Ministry of Civil Aviation, Government of India. The broad objective of IGRUA is to promote and develop the science of aeronautics and civil aviation in national interest and to extend the same to foreign nationals. In the process, the Akademi conducts airline oriented flying training courses to the level of contemporary international standards.

Specific audit checks for IGRUA:

- (i) To review the Memorandum of Understanding of three years validity with NAL for supply of five Hansa NG aircraft.
- (ii) To review the construction of Terminal Building, Apron, Taxiway and Associated works in respect of RCS-UDAN Airport (Fursatganj Airport owned by IGRUA).
- (iii) To review the course and training fee.
- (iv) Contract agreements for hiring manpower, Mess, Transport, teaching faculty etc.
- (v) To review planning and execution in respect of course / programme to be started by the university.
- (vi) To review the utilisation of existing infrastructure at the academy campus and hostel campus.
- (vii) To review the compliances related to the security and safety of students in hostel/campus.

4.3. Rajiv Gandhi National Aviation University ([RGNAU](#))

The objective of RGNAU is to facilitate and promote aviation studies, teaching, training, research and by extension work in conjunction with the industry/ academia to achieve excellence in operations and management of all the sub-sectors within the aviation industry.

Specific audit checks for RGNAU:

- (i) Adherence of guidelines issued by various regulatory bodies/ authorities to run the university.
- (ii) Adherence of provisions specified in the Act /Statutes / Ordinance of the university.
- (iii) Improper planning and execution in respect of course / programmes to be started by the university.
- (iv) Under-utilisation / non-utilisation of existing assets at the university as well as handing over and taking over of assets thereof.
- (v) Fee mechanism in university.
- (vi) Compliances related to the security and safety of students in hostel/ campus.

- (vii) Compliance of GFR 2017 in respect of Utilization of Grants.
- (viii) Reconciliation of created assets with Airport Authority of India.
- (ix) Procedure of tendering being followed by the Company.
- (x) Review of compliances of government guidelines/ circulars etc.
- (xi) Expenditure and planning related to Procurement.
- (xii) Appointment / Payment towards consultants/ Manpower.

5. Public Sector Undertakings (PSUs)

The details for PSUs under MoCA viz., [Airports Authority of India](#) (AAI), [AI Asset Holding Limited](#) (AIAHL) and its subsidiaries, [Pawan Hans Limited](#) (PHL); under the audit jurisdiction of Infrastructure III and their audit checks may be found in the commercial audit manual of this office.

Section H - Infrastructure-IV

1. Overview

Infrastructure-IV is headed by the Director/ Deputy Director, who is responsible for overall supervision of audit of, *inter alia*, the Ministry of Road Transport and Highways (MoRTH) and its civil units (Autonomous Bodies under the Ministry).

2. Ministry of Road Transport and Highways ([MoRTH](#))

The Ministry of Road Transport & Highways is an apex organization under the Central Government, entrusted with the task of formulating and administering, in consultation with other Central Ministries/Departments, State Governments/UT Administrations, organizations and individuals, policies for Road Transport, National Highways and Transport Research with a view to increasing the mobility and efficiency of the road transport system in the country. The Ministry of Road Transport & Highways has following [wings/divisions](#):

2.1. The Roads Wing

The work of Roads Wing has been divided into various Project zones which look after the work of development and maintenance of National Highways and other centrally sponsored road works, Planning, Monitoring, Standards & Research, administration of Central Road Fund etc.

Highways Division: The Highways Wing is concerned with all NHAI related issues handled in the Ministry, including projects assigned to NHAI requiring processing at Government level, State Support Agreements, Independent Highways, Highways Regulatory Commission, Setting up of Expressway Authority, Administrative matters of NHAI, Works of Expressways in the Country.

2.2. Road Transport Wing

The Road Transport Wing is concerned with the formulation of policies relating to regulation of road transport, legislation relating to road transport including aspects of road safety, environmental issues, automotive norms besides making arrangements for movement of vehicular traffic with neighboring countries.

2.3. Finance Wing

The Finance Wing is common to both the Ministry of Road Transport & Highways and the Ministry of Shipping; and renders financial advice on various matters. It also assists in planning, budgeting, monitoring and evaluation of schemes/programmes.

2.4. Administration Wing

The Administration Wing handles the cadre management of the Central Engineering Services (Roads) Group 'A' and service matters in respect of other categories of posts is dealt with by this Wing.

2.5. International Cooperation Wing

The International Cooperation Wing deals with international cooperation in roads, road transport and highways matters. The functions of the Wing include scrutinizing proposals and offers relating to bilateral cooperation and Memorandum of Understanding with various countries, deliberations and developments in the Road Transport and Highways Sector on behalf of India at International Forums.

2.6. Toll & Coordination Wing

This Wing handles formulation or amendment of User Fee [Toll policy/rules, Cabinet/EGoM/CCI notes], Toll Notification matters in respect of National Highways, representations for exemption from user fee by individuals, organizations and State Governments, Processing User Fee issues/grievances raised by various Transport associations such as All India Motor Transport Congress, All India Confederation of Goods Vehicle Owners' Association etc., Implementation of Electronic Toll Collection System, Preparation of various reports/returns on user fee, Co-ordination with NHAI/other Departments/State Govt. on Toll issues, Fee notifications/de-notification, Issuing of guidelines regarding notifications. Policy matters relating to Wayside Amenities and all general coordination matters including preparation of annual reports etc.

2.7. Land Acquisition Wing

This Wing handles land Acquisition matters, Environment/Forests/Wildlife Clearances in respect of National Highway Development Projects, National Highways Act and related matters, National Highways Tribunals, Monitoring & Review of National Highway Projects.

2.8. Parliament Wing

This Wing deals with all coordination work relating to Parliament and Parliamentary matters.

2.9. Transport Research Wing

The Transport Research Wing (TRW) is common to the Department of Road Transport & Highways and the Department of Shipping. The TRW is responsible for collection, compilation and dissemination of statistics on road and water transport.

3. Major Projects/Schemes

The major projects/schemes under the audit jurisdiction of Infrastructure IV are as follows:

3.1. Bharatmala Pariyojana

The [Bharatmala Pariyojana](#) envisages development of about 26,000 km length of Economic Corridors, which along with Golden Quadrilateral (GQ) and North-South and East-West (NS-EW) Corridors are expected to carry majority of the Freight Traffic on roads.

3.2. Connectivity in LWE Area

The Government has approved a [scheme](#) for development of about 1,177 km of NHs and 4,276 km of State Roads in Left Wing Extremism (LWE) affected areas as a Special Project with an estimated cost of about ₹7300 crore.

3.3. Char Dham Pariyojana

The Ministry has taken up separate programme for connectivity improvement for Char-Dham (Kedarnath, Badrinath, Gangotri & Yamunotri) in Uttarakhand. The main [objective of the Pariyojana](#) was to improve the connectivity to the Chardham pilgrimage centres (Badrinath, Kedarnath, Gangotri, Yamunotri) in the Himalayas, making journeys to these centres safer, faster and more convenient.

3.4. Setu Bharatam

This [programme](#) envisages to build bridges for safe and seamless travel on National Highways. The programme aims at making all national highways Railway Level Crossing free by 2019.

3.5. Road Safety Scheme/Projects

The Ministry has set up [training and research centers](#) such as Driving Training Centers (DTC), Institute of Driving Training and Research (IDTR), Inspection and Certification Centre (I&C) for skill development for creation and development of necessary infrastructure. The infrastructure will be in form of land, building, driving testing tracks, vehicles, simulators and workshop, etc, improvement in road design, modernization of construction techniques, introduction of improved material conforming to latest trends etc.

4. Autonomous Bodies/Societies/Public Sector Undertakings under MoRTH:

The autonomous bodies/PSUs under the audit jurisdiction of Infrastructure IV are as follows:

4.1. National Highways Authority of India ([NHAI](#))

NHAI has been set up as a Central Authority to develop, maintain and manage the National Highways entrusted to it by the Government of India.

4.2. Indian Academy of Highway Engineers ([IAHE](#))

The Academy is the Premium National Training Institute for sharing of knowledge and pooling of experience on the entire range of subjects dealing with the construction and maintenance of roads; bridges; tunnels and road transportation including technology, equipment, research, planning, finance, taxation, organization, and all connected policy issues.

4.3. National Highways and Infrastructure Development Corporation Limited ([NHDICL](#))

NHIDCL is dedicated exclusively to the task of constructing/upgrading/widening of National Highways in parts of the country which shares international boundaries with neighbouring countries in order to promote regional connectivity on a substantial basis.

All the above-mentioned PSUs/autonomous bodies/societies fall under the commercial audit jurisdiction of the office. The relevant portions in the commercial audit manual of this office may be referred for further details.

5. Regional Offices of MoRTH:

The Ministry has 21 Regional Offices, headed by CE-Regional Officers. The responsibilities of these offices include preparation and submission of Draft Annual Plan for the State, consisting of projects identified and prioritized in consultation with the State, including Budget requirements, Approval of individual estimates for utility shifting, land acquisition, tree cutting etc. against each items in the Original Sanctions of the projects, invitation, evaluation, acceptance and issue of Letter of Award, acceptance of change of scope proposals and granting extension of time for projects. All the above works are undertaken by Regional Offices as per the Delegation of Powers to Chief Engineer-Regional Officer framed by the MoRTH, Headquarters, New Delhi.

6. Pay and Accounts Offices under MoRTH:

The Pay and Accounts Offices (PAOs) of MoRTH under the audit jurisdiction of Infrastructure IV are as follows:

6.1. Pay and Accounts Office (NH)

The Pay & Accounts Office (NH) mainly deals with coordination among Regional Pay & Accounts Office (RPAOs), AG (A&E), Uttarakhand and the Ministry.

Functions of this office involves maintenance of various records relating to NH Accounts, keeping a watch on toll collected by NHAI and its credit into the Government account, finalization of GPF, pension cases and establishment related payments.

6.2. Pay and Accounts Office (Secretariat)

Pay & Accounts Office (Secretariat), MoRTH is basic unit of departmentalized accounts organization, and it functions as treasury-cum-departmental Accounts Office of Ministry of Shipping and Road Transport Highways. All payments and accounting of transactions related to Ministry or Road Transport and Pay and Accounts Officer (Secretariat) are made by PAO (Secretariat). Besides other work, the Pay and Accounts Officer also acts as DDO for PAO (Secretariat).

7. Externally Aided Project (EAP) Cell, MoRTH:

Audit is responsible for reporting to the funding agency whether the implementing agency carried out expenditure on the scheme in accordance with the pattern specified in the staff appraisal report relating to the schemes and terms of such assistance and Government of India instructions and to identify matters relating to inadequacies in systems and control, cases of fraud or presumptive fraud, wasteful expenditure, failure

of administration to take corrective action on recommendations contained in earlier report. Following points must be checked before the issuance of Audit certificate in such cases:

- (i) It should be ensured that the expenditure is incurred for the purpose it is meant and conforms to the procedure and terms and conditions of agreement and Government of India's instructions. All objections raised during local Audit should also be mentioned in the Audit Certificate, duly signed by Group Officer.
- (ii) After the closure of financial year, the audit certificate shall be issued within 9 months or earlier as required under the Project/Loan Agreement i.e. Certificate should be issued any time after receipt of SOE. Audit Certificate should be issued to project implementing authority under intimation to Ministry of Finance (Department of Economic Affairs).
- (iii) While conducting the audit on the 'Statement of Expenditure' (SOE) in respect of World Bank/Externally Aided Projects for certifying Expenditure admissible for reimbursement, the field party should also conduct Audit on the propriety side of the Financial transaction, and a separate IR (Management Letter) covering all aspects of Financial transactions should be prepared and issued to the implementing authorities and Department for taking necessary action at their end.
- (iv) During local audit, it is necessary to obtain a listing of all SoE's submitted during the period under review and for each expenditure perform thorough evaluation of the adequacy of the following supporting documentation:
 - a) Procurement documents (Bid documents, invitation, evaluation, award)
 - b) Purchase Contract
 - c) Purchase Order
 - d) Letter of Credit
 - e) Supplier's invoice and certification of origin
 - f) Shipping or import documents and inspection Certificates.
 - g) Contractor's Invoices or Certificates
 - h) Other evidence of receipt of goods and Services
 - i) Force account records
 - j) Recurrent cost records
 - k) Authorization for payment
 - l) Evidence of payment/bank statement
 - m) Accounting records of approvals, disbursements, and balance available
 - n) Evidence that refunds have been made by suppliers and corresponding adjustments made in subsequent application in instances where goods have been returned.

- (v) After evaluation, it must be ascertained that the expenditure was properly authorized and approved and is accurate.
- (vi) It must be verified that the expenditure is eligible for bank disbursement under the Loan Agreements. Following ineligible expenditures, if included in the SOE, may be invariably examined:
 - a) duplicate invoices
 - b) payments made in advance of receipt of goods or delivery of services, unless these payments are consistent with contract provisions and are established commercial practice.
 - c) payments that should have been made under normal disbursement procedures with full documentation (e.g., payments against contracts subject to the Bank's prior review, or payments against contracts with values exceeding defined SOE limits); and
 - d) payments for items that are not procured in accordance with the legal agreements such as:
 - Payments for items from countries that are not eligible under the Banks's Procurement Guidelines
 - Payments for items not specified in the procurement.
 - Payments made prior to loan signing or before the eligible date specified for retroactive financing.
 - Payments for items on the negative list or not on the positive list (for adjustment operation lending).
- (vii) Summarize the results of the work performed on a summary form and the borrower must be notified of all the instances of negative findings.

It is advisable to draft Audit Inspection Report paras identifying specifically that the project/work scheme is aided by World Bank/External Agency where the implementing Agency is executing other works besides World Bank aided works.

Section I: Miscellaneous

1. Follow up Audit

Follow up refers to the process where the auditor examines the corrective actions the audited entity, or any other responsible party, has taken based on previous performance audits.

A follow-up of an audit report concentrates on findings and recommendations that are still relevant at the time of the follow-up. As such, a follow up report should not normally repeat recommendations from the previous report.

Follow-up audit is not restricted to implementation of recommendations alone; it also focuses on whether the audited entity has adequately addressed the problems and remedied the underlying situation after a reasonable period. Thus, if there are observations and conclusions on new issues, new recommendations to address them may be made.

2. Complaint Cases

The matter regarding verification of complaints by field office has been reviewed by CAG and in this regard the following general advisory was issued:

- (i) In all complaint cases, the Principal Director and Group Officers should examine the instances/ facts which are verifiable and only those should be verified properly.
- (ii) They should not be in attempt to requisition money and irrelevant documents.
- (iii) Complaints based on general statement which are not verifiable should be filled without wasting resources on them.

DoPT has also issued procedures for handling anonymous complaints:

- (i) No action is required to be taken on anonymous complaints irrespective of the nature of the allegations and such complaints need to be simplified.
- (ii) Complaints containing vague allegations could also be filed without verification of identity of the complainant.
- (iii) If a complaint contains verifiable allegations, the administrative Ministry/Department may take cognizance of such complaint with the approval of the competent authority to be designated by the Ministry/Department as per their distribution of work. In such cases, the complaint will be first sent to the complainant for owning/disowning, as the case may be. If no response is received from the complainant within 15 days of sending the complaint, a reminder will be sent. After waiting for 15 days after sending the reminder, if still nothing is heard, the said complaint may be filed as pseudonymous by the Ministry/Department.

3. Quarterly Return on Supervision of field audit parties by Group Officers

Group Officer should devote a minimum of seven days in a month to supervise field audit parties. The quarterly return on supervision has to be sent by HoDs to their ADAIs/DAIs giving appropriate explanation for significant variations. A format for furnishing the return may be adhered to.

4. Clearance of Old Outstanding Paras

All Inspection Reports and Audit Observations outstanding for more than three years should be analysed and reviewed. Those observations that have clearly ceased to be of any significance with the passage of time may not be pursued further. Accordingly, the potential draft para register should also be reviewed periodically to determine the topicality and frequency of the cases entered in the register. Such cases which are more than three-year old are not found topical may be deleted from the PDP register.

5. RTI cases

Information in response to the RTI request is to be furnished expeditiously within a period of seven days on receipt of request from the RTI Cell.

Transfer of cases to other authorities may be done within a day and replies to other items may be submitted within five days or as prescribed.

Section J – Annexures

Annexure I

Planning of Audit procedure (Desk Review)

Sl. No.	Description	Details
1	Name of the Entity	
2.	Period of Audit	
3.	Duration of audit	
4.	Have the documents of the entity (such as the financial budget/outcome budget/result framework documents/Annual reports/new policies and changes in policy/previous inspection reports/Performance audit report conducted earlier etc.,) being desk reviewed?	
5.	Have documents and data from secondary sources such as reports of State and Union Governments and of various Government /NSSO data/digitalized data availed in data.gov.in VLC data, beneficiary data (if applicable) etc and other sources like media reports, research reports, academic reports etc. been desk reviewed?	
6.	Potential risk/focus areas that emerge of the review conducted as at (4 & 5) above.	
7.	List of audit objectives that are intended to be pursued both on regularity and propriety aspects	
8.	Summarize the planned scope of audit	
9.	Audit procedures that are intended to be applied (review of records, physical verification, joint inspection, external evidence collection etc.)	
10.	Broad assignment plan for each party member	
11.	Other remarks	

Sr. Audit Officer

Group Officer

Proforma of Title Sheet

TITLE SHEET		
(TO BE SUBMITTED ALONG WITH DRAFT INSPECTION REPORT)		
	PART A Summary of audit results	
1.	Name of the organization audited	
2.	Name of party personnel	
	(i) Sr. Audit Officer	
	(ii) Asstt. Audit Officer	
	(iii) Auditor	
3.	Period of audit	
4.	Dates of commencement and completion of audit (Extension of time, if any, granted may be separately indicated).	
5.	Whether Entry Conference was held with the Audited Entry? If yes, enclose Minutes/Records of discussions. If no, provide reasons.	
6.	Number of paras (drawing reference to para nos.) included in Part-IIA of the Inspection Report	
7.	Number of paras (drawing reference to para nos.) relating to fraud or misappropriation. Presumptive fraud and leakage of revenue etc.	
8.	Paras relating to persistent irregularities etc. that need to be brought to the notice of HoD through Management Letter.	
9.	Briefly mention the challenges faced during audit (non-production of records, manpower of resource constraints, scope limitation etc.) and how they were addressed during the course of audit.	
10	Suggestions for overcoming such challenges in future audits	
11	Whether Exit Conference was held and draft Inspection Report discussed with the Head/Nodal Officer of the Audited Entity. If no reasons may be indicated.	
12	Date of submission of Draft Inspection Report and all working papers to Hqrs. (may be submitted within a period of 7 working days from the date of conclusion of audit.	
13	Reasons for delay in submission of draft IR etc. to Hqrs. With reference to the allotted time period, if any	
14	General remarks, if any	
	Part B (Details of Audit Process followed)	
1.	Whether the allocation of duties amongst each member of the Audit Team (SAO/AO/AAO/Sr. Auditor/Auditor) was prepared in line with the planned broad assignment plan and acknowledged by respective party members? If no reasons and justification may be provided.	

2.	Sampling methodology adopted (Use as many rows as needed)					
	Sl. No.	Section/Wing being audited	Nature of document	No selected for review	Percentage of selection	Sample method adopted
	1.	Purchase/Works/ Establishment etc.	Files/ Vouchers Etc.	(Indicate actual number selected)	(indicate percentage for each category)	Random/Stratified judgment etc.
3.	Whether focus areas identified and procedure applied were as planned (with reference to the plan as approved by Group Officer before commencing the audit)? If no, reasons and justification may be provided.					
4.	Whether all issued marked for examination by Group Officer on supervision/Hqrs section have been addressed?				Compliance to Group Office comments on supervision to be enclosed as per Annexure C	
5.	Whether all work assigned as per allocation of duties were completed? If no, provide whether the reasons and justification are provided.				Certificate as per Annexure D to be enclosed	
6.	Briefly indicate the potential focus areas for next audit					
7.	Whether daily diaries indicating the documents/records checked by team members of the Audit Team have been prepared, signed and enclosed?				Daily Diary as per Annexure E to be enclosed for each member	
8.	Whether a certificate of obtaining sufficient and appropriate evidence (key documents) for the audit observations included in the Draft Inspection Report has been provided?				Certificate as per Annexure F to be enclosed	
9.	Whether the key documents have been referenced in the para and the source of evidence has been provided as footnotes?					
10	Please indicate the position of outstanding paras of previous Inspection Reports as under.				Reasons for the paras remaining outstanding	
	Period of Inspection Reports	No. of paras outstanding (opening)	No. of paras outstanding (Closing)			
	1.	2.	3.			
11	Whether a certificate that the audit was conducted in accordance with the CAG's Auditing Standards 2017 has been provided?				Certificate as per Annexure F to be enclosed	
12	Whether a certificate that the audit party has complied with the Audit Quality Framework and Code of Ethics has been provided?				Certificate as per Annexure F to be enclosed	

Dated:

Sr. Audit Officer

Annexure-III**Minutes of entry conference**

Entry Conference was held with the officer/officials of O/o
..... on at

The following members attended the entry meeting:

Auditee Unit's Members	Audit Team Members

Brief of meeting:

Head of office of audited entity

Sr. Audit Officer

Annexure-IV**Duty list of each member of the Audit Team****(Work Allocation)**

Duties assigned	Noted and signed (Acknowledgement)
Name, Senior Audit Officer	
Name, Assistant Audit Officer	
Name, Supervisor/ Senior Auditor/ Auditor	

Sr. Audit Officer

Annexure-V**Follow up of supervision by the Group Officer**

Name of the Audited Entity	Date of Supervision	Comments/Queries of the Group Officer	Action taken by the Audit Team on Comments/Queries

Sr. Audit Officer**Annexure-VI****Certificate at the conclusion of Audit**

We have examined all the issues as per the duty list (except the following) and necessary audit observations based on audit scrutiny, have been issued.

Sl No.	Brief particulars of the issues which could not be seen in audit	Reasons thereof [non availability of records, time constraints, shortage of manpower, other constraints/reasons] etc.
1.		
2.		

Sr. Audit Officer**Annexure-VII****Daily Diary of each member of the Audit Team ⁴**

Date	Brief details such as file number, item of work done, records seen and examined etc.

Sr. Audit Officer

⁴ Now Daily Diary is being automatically generated in OIOS.

Certificate

It is certified that:

- a) Sufficient and appropriate evidence (key documents) for the audit observations included in the Draft Inspection Report have been obtained and have been submitted along with the Draft Inspection Report.
- b) That the audit was conducted in accordance with the CAG's Auditing Standards 2017.
- c) The audit party has complied with Audit Quality Framework and Code of Ethics.

Sr. Audit Officer

Minutes/Record Discussions at the conclusion of Audit

Present:

From Ministry's/Audited Entity's side	From Audit side

The audit observations were discussed in detail and necessary clarifications, wherever sought, were given from the Audit side.

It was pointed out by Audit that initial replies from the Audited Entity in respect of audit observations of Current IR were still awaited and the same may be furnished of priority. In response, the assured to send the replies at the earliest possible.

The meeting ended with vote of thanks.

(Signature)	(Signature)
(Name & Designation)	(Name & Designation)
From Audited Entity's side	From Audit side

Annexure-X

Checklist for the Sr. Auditor/Auditor of co-ordination section in respect of DIR submitted by Audit Teams after completion of audit. To be counter signed by AAO (Co-ordination section)

Sl. No.	Particulars	Whether attached or not (Yes / No)	If yes, page number of file in the current IR
1	Title Sheet		
2	Duty list		
3	Detailed note prepared by the Audit Team (Audit Plan) in respect of issues to be seen in audit		
4	Audit Requisitions		
5	Preliminary Audit Observations		
6	Reply of Preliminary Audit Observations		
7	Statement showing list of records seen in audit		
8	Current IR and date when received from the Audit Team		
9	Soft copy of the Draft Inspection Report		
10	Separate file along with key documents in respect of Part-II (A) Paras.		
11	Old Inspection Reports and other documents given to the Audit Team at the commencement of audit		
12	Review of old IRs/Paras and settlement memo/Verification Note		
13	Reports of physical inspection/site visits, if any		
14	Questionnaires, if any		
15	Confirmation by third party, if any		
16	Whether Audit Findings Matrix prepared		
17	Entry meetings		
18	Exit meeting		
19	Whether Inspection Reports has been submitted in proper format.		
20	Whether all supporting/key Documents have been checked		
21	All the calculations, if any, have been checked.		
22	Daily Diary		
23	Risk analysis		
24	List of Arbitration/Court Cases, if any		
25	Certificate of loss and theft, if any		
26	Certificate of Suspension/termination cases, if any		
27	Check list in respect of works.		

Deficiencies, if any, communicated to audit Party by vide letter no. -

**Sr. Auditor/Auditor
Hqrs. (Civil)**

**Assistant Audit Officer
Hqrs. (Civil)**

Declaration

(Ref: Para 3.24 of the Code of Ethics)

Declaration regarding adherence to the Code of Ethics of the Comptroller and Auditor General of India
(This declaration is required to be signed separately by each member of the audit team prior to the commencement of the audit. A copy of the declaration should be given to the head of the audited entity as soon as the audit commences.

Each declaration should be enclosed in original with the Inspection Report).

I, Shri/Smt/Kum (name), (designation) hereby declare that:

I have read and understood the SAI India's Code of Ethics.

I will uphold and abide by the SAI India's Code of Ethics and the CCS (Conduct) Rules.

I do not have any personal or professional interest in the audited entity.

As a representative of the SAI India, I undertake to adhere to the following:

I will conduct the audit assigned to me in a fair, honest, timely and competent manner.

I will maintain strict confidentiality of all information gathered in the course of audit.

I will not behave or conduct myself in an inappropriate manner with any official of the audited entity.

I will not accept any kind of inducement prohibited under the Central Civil Services (Conduct) Rules, 1964, directly or indirectly from the audited entity.

Signed:

Date:

Annexure-XII

Grading of Inspection Report (IR)

Sl No.	Process Parameter			Allocated Score	Obtained Score
1	Planning			30	-
1(a)	Desk review – Understanding the auditable entity	Review of guard file, data analysis and understanding internal controls.	Internal Document	5	
			External database	5	
		Identification of potential risk/focus areas	Focus area from past audits	5	
			New Focus areas	5	
1(b)	Audit planning – Planning audit procedure	Determination of scope of audit and audit objectives		5	
		Deciding the assignment plan for team members. Audit procedure and preparation of audit design matrix, if applicable		5	
2	Conducting the audit			45	
2(a)	Finding and evidence	Extent of findings from identified risk/focus area	A	25	
			B	15	
			C	5	
		Extent of sufficient and appropriate evidence (KD)	Part II-A	8	
			Part II-B	2	
2(b)	Documentation	Preparation of audit file and documentation of working papers- Extent of field work done		10	
3	Reporting			25	
3(a)	Drafting and presentation	Drafting quality		5	
		Appropriate classification of paras into Part IIA and Part IIB		5	
		Motality of paras		5	
3(b)	Timeliness	Submission of Draft IR		5	
		Issue of IR		5	
Total				100	

IR Grading:

Score of IR	Less than 25	26-30	31-35	36-40	41-45	46-50	51-60	61-70	71-80	81-90	91-100
IR Grade	0	1	2	3	4	5	6	7	8	9	10

Total Score =

IR Grade =

Criteria-wise allotment of Risk Factors points

1. Budget and expenditure for last year (BE/RE)

BE	RE	Actual

2. Actual expenditure incurred in a year vis-à-vis total budget allotment may be incorporated with a range parameter of (2-10)

1	96% to 100%	2
2	81% to 95%	4
3	66% to 80%	6
4	51% to 65%	8
5	Below 51%	10

3. Saving/surrenders and Excess Expenditure of ₹ 100 crore and above against the budget allotment for last year (0-5)

1	60% to 50%	5
2	50% to 40%	4
3	40% to 30%	3
4	30% to 20%	2
5	Below 20%	1

4. Number of Schemes having budget more than ₹ 100 crore (0-10)

1	More than 5	10
2	4-5	8
3	3	6
4	2	4
5	1	2
6	0	0

5. New scheme introduced/Major shift in policy by the Ministry/Department within 2 years (0-5)

1	New Scheme introduced	5
2	Shift of policy in exiting scheme (s)	3
3	None of the above	0

6. Number of Part-II A paras issued in IR having substantive finding/objections for last 3 years (1-5)

1	5 and above	5
2	4	4
3	3	3
4	2	2
5	1	1

7. PAs/TAs attempted/Printed in CAG report for last 3 years (3-5)

1	1-2	3
2	More than 2	5

8. Department not audited for last five years (1-3)

1	5 years and above	3
2	3-4 years	2
3	1-2 years	1

9. Number of Utilization certificate of pending as on 31/03/2019 (2-5)

1	More than 1000	5
2	500-1000	3
3	Less than 500	2

10. Number of topics issues (Media/letter of ministry etc.) (0-5)

1	No adverse Topic/Issues	0
2	1 to 2	1
3	3-4	2
4	4-5	3
5	6-7	4
6	More than 7 adverse Topics/Issues	5

11. Any fraud/misappropriation cases found in Ministry/Department for year 3 years (0-5)

1	No Fraud/Misappropriation	0
2	1 to 2	1
3	3-4	2
4	4-5	3
5	6-7	4
6	More than 7 Fraud/Misappropriation	5

12. Complaint cases found in Ministry/Department (Test checked in Audit) for year 3 years (0-5)

1	No Complaint cases	0
2	1 to 2	1
3	3-4	2
4	4-5	3
5	6-7	4
6	More than 7 Complaint cases	5

Total Score =

Sr. Audit Officer

Risk Analysis

Name of the Auditee Unit:				
Sr. No.	Parameters	Range of values in ₹		Risk value
1	<u>EXPENDITURE</u> Plan	Greater than 25 crore	20	
		15 crore to 25 crore	10	
		Above 10 crore and upto 15 crore	8	
		5 crore to 10 crore	6	
		1 crore to 5 crore	4	
		Below 1 crore	3	
2	Paras in the previous IRs of unit (2 IRs to be checked)	Para score 8-11 6-7 3-6 1-2	Score 4 3 2 1	
3	Non-production of records to audit, as reflected in the past 3 IRs (3 IRs to be checked)	1 each to the past 3 audits for records not produced		
4.	Topical Issues (Media/Letter from Ministry etc.)	Multiple Reports in Newspapers & Letters	5	
		Single Report in Newspaper & Letter	3	
		Nil	1	
5	Drawals in excess of allotments reflected in past IR (Check figures of 3 years)	<u>Excess</u> upto 5% 5 to 10% 10% to 15% 15% to 20% above 20% If excesses are reported in more than 1 IR, scores maybe totalled.	0 0.5 1 1.5 2	
6	Unadjusted advances	<u>Pending for</u> More than 5 years 3-5 years 1-3 years	3 2 1	
7	Whether internal audit was conducted in the last 2 years (2 IRs to be checked)	If conducted : 0 If not conducted : 2		
8	Periodicity of last audit	Less than 3 years: 1 Above 3 years to 5 years: 2 Above 5 years: 3		

9	Maintenance of accounts records viz. Cashbook, Bill Register, Stock records etc. (3 IRs to be checked)	Score of 1 for comments appearing in each year	
10	Delayed remittances to treasury	Delay Of more than 30 days : 3 Between 15 to 30 days : 2 Between 10 to 15 days : 1	
11	Expenditure without proper sanction (3 IRs to be checked)	2 points allotted for every IR	
12	Splitting of expenditure sanction (3 IRs to be checked)	1 point to be allotted for every IR	
13	Stock verification	If done : 0 If not done : 1	
14	Non-reconciliation	If done : 0 If not done : 1	
15	Unadjusted contingent balances	If comments exist : 1 If no comments exist : 0	

Maximum : 65

48-65: High

30-48: Medium

0-30: Low

TABLE – 1									
Status of Office-wise Sanctioned Strength and Persons in Position as on _____									
Details	Sanctioned Strength			Persons in Position			Projected during the concerned year		
	SA O	AA O	Sr. Auditor /Auditor	SA O	AAO/Su pervisor	Sr. Auditor /Auditor	SA O	AAO/Su pervisor	Sr. Auditor /Auditor
Total Staff									
Staff in Hqrs									
Staff in field audit parties									
Ratio of staff in headquarters to staff in field audit parties									

General Audit checks to be performed in respect of various categories of auditable units**Administration Units:**

Some important checks to be exercised while auditing the administrative wings are:

- i. Whether all the administrative/establishment /contingency work done as per the rules & regulations of Govt. of India (abiding GFR, CCS conduct rule, Receipt & Payment Rules, DoPT rules, Fundamental Rules & Service Rules, LTC rules etc.)?
- ii. Whether the procurement of store and stocks were done as per the provisions of GFR and purchase files of furniture, computers, stationery, etc. have been properly maintained?
- iii. Whether stores and stocks account ledgers along with periodical physical verification reports have been maintained properly?
- iv. Whether the awards of Annual Maintenance contracts (AMCs) were done as per the GFR rules?
- v. Whether expenditure incurred by the Ministry/Office was booked under correct object head?
- vi. Whether the Pay Bill Registers, Service Books, LTC/TA Registers etc., were maintained as per rules?
- vii. Whether the reimbursement of Medical Bill, TA/LTC etc., were done as per rules prescribed?
- viii. Whether other records viz., Library register, Income Tax/TDS, Pension, Stock, Stationery, GPF etc., were maintained as per the laid down rules/regulations after approval of the competent authority?
- ix. Income tax calculation records including Children Education Allowance records/ tuition registers, rent agreements/receipts etc.
- x. Survey reports/list/files of store materials and/or vehicles declared unserviceable/obsolete/condemned along with cost of items, etc., (if any) during the audit period and details of auctions conducted for the same.
- xi. Imprest Registers and appropriate orders.
- xii. Honorarium files.
- xiii. Registers of Electricity/Telephone/Internet/Water bills (as applicable) and payment vouchers.
- xiv. A list of total numbers of vehicles maintained along with files relating to the purchases of new vehicles during the audit period along with log books.

Grants for Autonomous Bodies:

The following points relating to Grants must be taken into consideration while doing the accounts audit of Autonomous Bodies:

- i. Whether Grant has been kept in separate bank account in accordance with the stipulations mentioned in the sanction letter?
- ii. Whether Utilization Certificate submitted is as per the applicable GFR Form?
- iii. The grant amount should be matched with sanction letter.
- iv. Whether the accounting for the grant has been correctly done keeping in view its nature (Revenue/Capital) as mentioned in the sanction letter?
- v. The expenditure incurred out of the Grant should be for the purpose as mentioned in the sanction letter. Further whether the expenditure has been correctly accounted for in the books of accounts?
- vi. Whether the unspent grant and interest on grant has been correctly depicted in the Utilisation Certificate as well as in the books of accounts?
- vii. While doing the audit a table containing the amount of Grant received, utilized and unspent should be prepared duly linked with Key Documents which should be enclosed with the factual para on the grant.

These points are not exhaustive, in addition to the above mentioned points, all the compliance of provisions of GFR related to grants must be seen during the audit.

Schemes:

Some important checks to be exercised while auditing the schemes are:

- i. Whether the financial management control was adequately exercised?
- ii. Whether there exists a robust monitoring mechanism in the Ministry to watch over the progress/bottlenecks in the schemes?
- iii. Whether the schemes were designed in consultation with States and Union Territories?
- iv. Whether the schemes were efficiently monitored to achieve the timelines for the Physical and Financial Progress?
- v. Whether the terms & conditions were laid down in the letter sanctioning grants to not to divert the Grants or entrust execution of the scheme or work concerned to another Institution(s) or Organization?
- vi. While sanctioning the subsequent grant in case of recurring grants-in-aids, whether the unspent balance of the previous grant was taken into the account or not?
- vii. Whether the Ministry had a system in place to obviate duplication in Grants-in-aid?

- viii. Whether the Utilisation Certificates against the central assistance released were received by the Ministry as and when due?
- ix. Whether the impact assessment of the schemes was carried out by the Ministry?

Pay and Account Offices (PAOs)

Some important checks to be exercised while auditing the Pay and Accounts Offices (PAOs) are:

- i. Whether all the bills received in PAO were in prescribed format and entered in bill register and whether there was a checks sanction against expenditure?
- ii. Whether all the bills presented to P&AO were passed for payment after pre-check timely?
- iii. Whether Expenditure between Capital and Revenue were allocated, and general checks in respect of bills submitted for pre-check were exercised accordingly?
- iv. Whether the transactions in the departmental accounts classified in accounts strictly under the Major and Minor Heads and the detailed classifications below the Minor Head shown as per the Detailed Demands for Grants?
- v. Whether Advances and withdrawal from the GPF and corresponding provisions maintained?
- vi. Whether the records related to Transfer of GPF Account, GPF Accounts, BROADSHEETS, Annual closing of Accounts, Monthly Reconciliation Sheet (Merged DDO Scheme), Annual Reconciliation of Balances were maintained?
- vii. Whether Determination and Authorization of the Amounts of Pension / Gratuity done accurately and timely and commutation of pension was done as per rules.
- viii. Whether compilation of Vouchers in the Accounts Section, Receipts, Rectification of Transfer Entries/ Journal Entries, Submission of Finance Accounts, Clearance of Suspense Accounts done timely?
- ix. Whether the amount of pension, gratuity, and graded relief has been worked out correctly with reference to average emoluments/emoluments last drawn as the case may be?
- x. Whether death gratuity in the absence of any valid nomination has been authorized to the legal heir/family members duly supported by legal documents?
- xi. Whether the apportionment of the charge between Central and State Governments, has been indicated invariably in the pension report and the correct heads of account have been shown on the pension payment order?
- xii. Whether pension payments have been authorized strictly on the terms stated and to the persons named in the pension papers?

- xiii. Whether the dues as assessed including those which came to notice subsequently, and which remain outstanding till the date of retirement of the government servant have been adjusted from gratuity/provisional gratuity?
- xiv. Whether the period for which family pension is admissible has been clearly worked out with reference to the date of birth of children and has correctly been mentioned in the authority?

In addition to these broad checks, the local audit party may see that the records like registers, vouchers etc. have been maintained properly.

Finance Accounts

Some important checks to be exercised while certifying the Finance Accounts are:

- i. Whether the heads of account shown in the Accounts are authorized ones and the nomenclature thereof conform to the classification given in the list of Major and Minor Heads of Accounts?
- ii. Whether there are any anomalies or obvious mistakes of classification?
- iii. Whether wide variations between revised estimates and actuals have been properly examined to ensure that no serious misclassifications have occurred?
- iv. Whether per contra adjustments have been carried out correctly in all cases?
- v. Whether abnormal transactions of receipts, disbursements or balances have been investigated and rectified or properly explained by footnotes. The balances under Debt, Deposit, Suspense and Remittances, etc. should be particularly reviewed in detail and a report similar to that given by Commercial Auditors on company Accounts containing, inter alia, a critical appreciation and review of balances highlighting obvious omissions and commissions be furnished to Headquarters along with the audited copy of Finance Accounts?
- vi. Whether the opening balances agree with the closing balances shown in previous year's accounts?
- vii. Whether the adverse balances are properly explained and whether the action taken for liquidating the same is adequate?
- viii. Whether the amounts shown against the minor head "Writes off from heads of account closing to balance" under the major head "8680 - Miscellaneous Government Account" are covered by sanctions issued by the Comptroller and Auditor General or the Controller General of Accounts or other accounting authorities in cases where the accounts have been departmentalized or separated from Audit or other authorities to whom the power has been delegated?
- ix. Whether codal provisions regarding transfer of entire balance under "Cash Remittances between treasuries and currency chests" under the major head "8782" to Remittances in transit' under the major head "8999" and that under "8675 Reserve Bank Deposits" to "8999 Cash Balance - Deposits with Reserve Bank" have been observed leaving no balance under former heads?

- x. Whether the balance under "Deposits with Reserve Bank" agrees with the balance communicated by the Bank and if not whether the difference has been properly explained.
- xi. Whether the figures tally with those given in the Appropriation Accounts?
- xii. Whether figures exhibited in the summarized statements agree with those given in the detailed statements?
- xiii. Whether totals shown in the statements are correct?
- xiv. Advances from Contingency Fund and their subsequent recoupment should be carefully watched so as to ensure that they are properly accounted and that there is no omission.
- xv. Discrepancies between Statements 13 and 14 should be checked and corrected.

Appropriation Accounts

Some important checks to be exercised while certifying the Appropriation Accounts are:

- i. Whether the figures (Gross) of Expenditure noted against each sub-head agree with the figures shown in the Consolidated Abstract Register maintained by the Pr. PAO/ PAO?
- ii. Have the figures shown against various sub-heads been agreed (minor head-wise) with corresponding figures shown in the Statement of Central Transactions (SCT)? Do the amounts for Revenue and Capital Sections also tally with the corresponding amounts shown in the Statement of Central Transactions (SCT) taking into account the corresponding recoveries adjusted in reduction of expenditure in the accounts?
- iii. Whether the figures of expenditure shown in the reconciliation statement agree with the figures of Head-wise Appropriation Accounts of the Grants/ Appropriations and SCT?
- iv. Had a certificate to the effect that the expenditure included in the Accounts has been sanctioned by the Competent Authority been recorded at the end of the Accounts?
- v. In case, some of the expenditure included in Accounts, has not been sanctioned by the Competent Authority, has a certificate at (iv) been suitably qualified and list of items of expenditure not sanctioned attached to the account in the prescribed form?
- vi. In case, any expenditure included in the Account has not been sanctioned by the Competent Authority, has any action been taken or is proposed to be taken to have that expenditure regularized/ sanctioned?
- vii. Have the general entries/ adjustments (including March Supplementary Accounts) been properly taken into account in the Consolidated Abstract Register?
- viii. Has it been verified that the re-appropriation made under the various Heads was as per Rule 10 of "Delegation of the Financial Power Rules" and Government of India decisions incorporated thereunder and other instructions issued by the Ministry of Finance from time to time?
- ix. Whether re-appropriation under the various Heads have been carefully examined to see that under no Heads re-appropriation is excessive, unnecessary or injudicious in contravention to the instructions on the subject?
- x. Sometimes the expenditure is incurred by re-appropriation which attracts the provisions of "New Service/ New Instrument of Service" and requires prior approval of Parliament.

- xi. While scrutinizing the Appropriation Accounts, cases of such type which constitute "New Service/ New Instrument of Service") be examined with reference to the guidelines issued by Ministry of Finance for dealing with the cases of "New Service/ New Instrument of Service" vide their letter no. R/(15)P(RA) dated 13.4.1982 as amended from time to time and incorporated as GoI decision below Rule 10 of DFPR? Such cases may be suitably commented upon.
- xii. Whether the expenditure incurred by other Departments/ Ministries on behalf of the Department Ministry pertaining to this grant and vice-versa has been currently accounted for in the account? Verify with reference to the correspondence of the concerned Department/ Ministry.
- xiii. Verify reasons for saving and excess given in the Head-wise Appropriation Account with reference to the budget expenditure sanction, expenditure control files of the Ministry/ Department and found to be correct? If not, suitable comments be made?
- xiv. Have the excesses been explained in all cases where any segment of the Grant/ Appropriation as a whole had exceeded the amounts sanctioned i.e. Revenue. (Voted), Revenue (Charged). Capital (voted). Capital (charged)? Excess under individual sub-heads involving amounts up to ₹ 10000 each need not be explained unless these are instrumental in causing the excesses.
- xv. Has the Advance from Contingency Fund of India been drawn for unforeseen expenditure? Whether the same has been properly recouped at the close of financial year by obtaining Supplementary Grant? If not the action by the Department may be examined critically and commented upon suitably.
- xvi. Examine the items outstanding under Suspense Head critically and steps taken by the Department to clear these balances? Suitably, comments may be proposed for these items.
- xvii. Check the expenditure incurred during the month of March and last quarter of the financial year w.r.t. the total expenditure incurred during the whole year with a view to comment on rush of expenditure during the month of March?
- xviii. Whether the heads of account mentioned in the Accounts are authorized ones.
- xix. Whether the sub-heads have been grouped separately for 'Revenue' and 'Capital' Sections and whether 'charged' and 'voted' figures have been shown distinctly.
- xx. Whether the original provisions, supplementary provisions and amounts re-appropriated or surrendered have been shown correctly.
- xxi. Whether gross figures of expenditure have been adopted in cases where recoveries by debit to heads of account under a different Grant/Appropriation, are adjusted in reduction of expenditure.
- xxii. Whether the facts and figures given in the various "Notes" are correct.
- xxiii. Whether the grant-wise details of estimates and actuals of recoveries adjusted in reduction of expenditure have been prepared correctly.
- xxiv. Whether the figures exhibited in the accounts tally with those shown in the Finance Accounts.

- xxv. It has to be ensured that variations under "Revenue Expenditure", "Capital Expenditure", "Loans", "Charged" and "Voted" categories have been separately worked out/ commented upon.
- xxvi. Comments on defective budgeting should be highlighted if the provision is not made under the correct head of accounts.

Attached Offices & Subordinate Offices:

Some important general checks to be exercised while auditing the attached and/or subordinate offices of the Ministry are:

- i. Whether effective internal control tools like internal audit, physical verification of Stocks, Stores and library, Annual Verification of Service books were effectively carried out?
- ii. Whether the exercise of delegation of financial powers for procurement of Goods and Services has been done in accordance with the prevalent rules and guidelines?

General Audit checks undertaken during audit of CPWD/DDA**Audit checks done at CPWD and DDA subordinate offices/divisions**

Since the subordinate offices of CPWD and DDA are predominantly engaged in construction and maintenance works, the following specific audit checks performed at the subordinate offices of these institutions:

1. Register of Works (NIT register).
2. Register of Deposits and Schedule of deposits.
3. Work Order registers, Supply Order registers and Bill registers.
4. Internal Audit report (latest).
5. Agreements which witnessed foreclosure, rescission, suspension etc. and agreements done at the risk and cost of original contractors for the period.
6. Monthly Accounts.
7. Cash and stock accounts.
8. Cash books.
9. Register/file of reconciliation with PAO/CAU.
10. Form-51 files.
11. Division-wise register of transactions adjusted under the head "Cash Settlement Suspense Account" (CSSA).
12. Details of "Material Purchase Settlement Suspense Account" (MPSSA).
13. Misc. Recovery Register.
14. Contractor Bill Register.
15. Contractor Ledger.
16. Register of works Abstract.
17. Stock Register for Tender Forms.
18. Tender Opening Register.
19. Advances Register.
20. Register of interest-bearing securities e.g. Performance Guarantee, FDRs, and Security Deposit Register etc.
21. T&P Ledger of all sub-division.
22. Temporary/Permanent Advance Register, Imprest Register.
23. Dismantled Register, MAS accounts, Task Register of all Sub-Divisions.

24. Stocks Register.
25. Dead Stock Register.
26. Objection Book.
27. Contingent Register.
28. Incumbency Register.
29. Accession register.
30. File relating to Parliament Questions.
31. Complaint cases, if any.
32. Object head wise budget allocation/fund received/actual expenditure.
33. Temporary advance register.
34. Cash purchase register.
35. List of uncleared cheques.
36. Bank reconciliation statement.
37. Transfer Entry Register.
38. Assets Registers.
39. Leverage register.
40. List of Purchases through GeM with amount.
41. Total amount of purchases done without GeM.
42. Arbitration cases, if any.
43. Cases where funds have been diverted to other works/projects (if any).
44. Any other relevant records and documentation as required.

Audit checks to be performed at the Horticultural divisions of CPWD/DDA

Following specific audit checks are undertaken at the horticultural divisions of CPWD/DDA:

1. Total area in hectare under the jurisdiction of Divisions.
2. Number of gardeners to be deployed in each agreement/works as per yardstick of CPWD. (i.e., Audit can check the short deployment of gardeners.)
3. Target for tree plantation and achievement in this regard.
4. Standard operating procedure if any devised by the division for the above-mentioned target.
5. Monthly/annual report of plantation maintained.
6. Report/information on survival rate of the planted trees.
7. Afforestation for the trees cut for some purpose, if any.

8. Survey report of trees and numbers of trees under jurisdiction of Division/sub-division if any
9. Types of trees maintained and number of trees maintained of each type.
10. Record of number of trees cut/fell, if any.
11. Details of dimension of fallen tree (i.e., length, diameter, weight).
12. List of plantations against the cutting trees and above said period and related files.
13. Information about auctions held/conducted for auction of logs.
14. Amount of receipts from auctions (Sub-division wise and consolidated) along with files.
15. Details of revenue generated from sale of trees.
16. Stock/Inventory Register, Auction Register, bid register for auction of logs/wood.
17. Source of adoption of rates (i.e., DSR/Market/committee).
18. Physical verification report.
19. Complaint Register.
20. List of grounds/parks etc.
21. Procedure of booking of grounds/parks.
22. Allotment/booking Registers of grounds/parks.
23. Payment receipt books of grounds/parks along with list of charges approved by the competent authority.
24. Year-wise details of revenue generated from grounds/parks.
25. Details of outstanding security deposit along with Register.
26. Details of cancellation/penalty charges.
27. Files relating to payment of electricity and water charges.
28. File relating to maintenance, watch and ward security etc.
29. Inventory registers.
30. Physical verification report of inventory.
31. Revenue generated from internal and external sources.
32. Records relating to biodiversity parks.

Specific audit checks to be performed during audit of Land Disposal department of DDA

The [Land Disposal Department at DDA](#) is headed by the Commissioner (Land Disposal). The main activity of the Department is disposal of land through allotment/auction/tender/draw for various proposes i.e., residential, commercial, industrial and institutional. Allotment is done on the basis of free hold, leasehold, temporary allotment and license fee. Following specific audit checks are undertaken during audit of this department:

1. Whether the various activities in the Land Disposal Department are conducted as per the laid down rules/regulations after approval of competent authority?
2. Whether disposal of land through allotment/auction/tender/draw for various purposes i.e residential, commercial, industrial and institutional was done timely and cost effectively?
3. Whether allotment of free hold basis, leasehold basis, temporary allotment and license fee basis was done timely and cost effectively?

4. Whether department performed timely and cost effectively in respect of post allotment activities related to issuance of possession letter, physical possession, cancellation of allotment, restoration of allotment, and extension of time for completion of building, execution of the lease deed, conveyance deed and mutation of the property?
5. Whether department recovered ground rent/misuse charges timely in all its properties especially in institutional land allotted to various stakeholders?
6. Whether department identified various breaches of terms of allotment by the allottees viz., non-completion of building/structure for specific use; non-adherence to other terms of allotment, non achievement of envisaged public purpose?
7. Whether fixation of reserve price for disposal of various types of land was done timely and cost effectively?
8. Whether the revenue is being realised for the parking sites handed over to MCD? Moreover, whether the DDA land is being used by the MCD for parking sites in an unauthorized manner?
9. Whether plots allotted for residential/institutional purpose are used as commercial for various stakeholders?
10. Whether the amount has been realised for the plots where payment should have been deposited in instalments in respect of plots of Land Disposal (Rohini branch)?
11. To check the necessary Documents as proof of physical possession while processing the case from Lease hold to Freehold.

Specific audit checks to be performed during audit of Land Management department of DDA

DDA plays an important role in acquisition and development of land in Delhi for various developmental schemes as per Master Plan. The work of land acquisition is initiated by the [Land Management Department](#) of DDA. Following specific audit checks are undertaken during audit of this department:

1. Whether there was any levy of damage charges for unauthorized occupation of DDA's property?
2. Whether protection of land from unauthorized encroachment has been ensured, as per Standard Operating Procedures (SOP) and the laid down rules/regulations?
3. Whether there was delay in issuing the demand by Land and Building Department from DDA for Enhanced compensation resulting in excess payment of interest?
4. Whether there was delay in release of compensation/enhanced compensation by DDA and interest paid due to this delay (if any).
5. Whether Utilization Certificates were received from Land & Building Department (Delhi Government)?
6. Whether reconciliation exercise was done for the payments released by DDA to L&B Department. Details of amount lying undisbursed with L&B Department?
7. Cases of non-receipt of excess funds lying undisbursed in respect of land acquisition awards with L&B Department which was received from DDA.

8. Whether there was delay in submission of clarifications and removal of deficiencies in cases where some discrepancies are found in the statement of demand received from Land Acquisition Cell?

Detailed audit checks done during the analysis of work

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
PRE-REQUISITION FOR WORK			
1.	Check whether the proposal was initiated, and the work executed after establishing the need/justification for work.	CVC guidelines (Sr no. 4) dated 21 st November 2002	Records of Client Dept.
PRELIMINARY ESTIMATE			
2	Check whether the Preliminary Estimate is inflated or is unrealistic as it would result in deposit of excess amount by client department.	Delhi plinth area rate (DPAAR)	Preliminary estimate, deposit register,
3	Check whether Preliminary Estimate includes estimates of all necessary development works so that assets created do not remain unutilized due to lack of development works.	CPWD works Manual	PE, Work file
DETAILED ESTIMATE			
4	Check whether the Detailed Estimate is prepared in time to avoid any cost overrun. Whether Technical sanction has been obtained by competent authority.	Time provided in Preliminary Estimate.	Work file, DE
5	Check whether the scope and specifications of the work are changed drastically by the executing authorities.	CVC Guidelines dated 19/08/2002.	Client Requirement, Provisions in DE.
6	Check whether the estimate of work has been split into smaller works to avoid sanction of higher authority.	General financial rules	DE, Agreement register, Work order Register.
7	Check whether the rates of ' <i>scheduled items</i> ' are as per applicable Delhi schedule of Rates (DSR) as any higher rate would result in inflating of estimates and undue benefit to contractors.	CPWD works Manual	DE, DSR, Tendered rates
8	Check whether the rates of ' <i>non-scheduled items</i> ' are properly worked out (DAR) and there is no overloading of elements.	CPWD works Manual	DE, DAR, Rate Analysis statement, Tendered rates
9	Check the rates specified in the Latest DSR together the cost index (commensurate with that DSR) to see that the rate specified in the Detailed estimate is not inflated.	General Prudence	DE, DSR & Cost Index.
10	Check whether any major item of work is excluded/ omitted in the Detailed Estimate as such exclusion would necessitate taking up the work at a later stage at a higher rate.	CPWD works Manual	Extra item statement, Detailed Estimate (DE) and payment vouchers
11	Check whether Detailed estimate did not include abnormally less quantity of any item of work as such in in-accurate estimation of quantity would necessitate execution of the	CPWD works Manual	Deviation statement, Detailed Estimate (DE) and payment vouchers

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
	work subsequently at higher rates than tendered rates.		
12	Check whether yardstick for various provisions is not exceeded.	Yardsticks for provisions.	DE, Yardsticks
13	Check whether there was any tendency on part of the consultants to use costly as well as imported items in the estimate (as against standard specification) to increase the cost of work as the fee payable to them is fixed as certain percentage of the cost of work. (To check such tendency a clause related to maximum ceiling of payment need to be incorporated in the agreement with the consultant).	CVC (dated 19/08/2002)	DE, Yardsticks
14	Check whether the Technical Sanction has been accorded by the Competent Authority delegated with such power.	CPWD works Manual	DE, Works File,
15	Whether green building norms were considered while framing the estimates?	CPWD works Manual	PE, DE & Works File
APPOINTMENT OF CONSULTANT			
16	The appointment of consultants should be absolutely need based and for specialised jobs only.	CVC guidelines dated 21 st November 2002.	Records relating to appointment of consultants.
17	The selection of consultants should be made in a transparent manner through competitive bidding.	-do-	Records relating to appoint of consultants
18	Check whether award of consultancy contract was done at pre-determined/ad-hoc rates and not by way of competitive price bids results in acceptance of exorbitant fees.).	CVC Guidelines dated 19/08/2002.	Records relating to appoint of consultants
19	Check the Architect fee specified in the contract with the <i>ceiling fees prescribed by Council of Architects</i> .	Web site of Council of Architects	Architect's contract & ceiling fees prescribed by the council.
20	The scope of work and role of consultants should be clearly defined and the contract should incorporate clauses having adequate provisions for penalising the consultants in case of defaults by them at any stage of the project including delays attributable to the consultants.	CVC Guidelines dated 19/08/2002.	Agreement with the Consultant.
TENDERING PROCESS			
21	Check whether the tender for work has been called timely after the preparation of Detailed Estimate to avoid any cost overrun.	Time allotted in PE.	Tender forwarding memo, DE
22	Check whether contingencies were added to the estimated ' <i>cost put to tender</i> '. (<i>Cost put to tender is excluding contingencies</i>).	CPWD Manual	Check Detailed Estimate and the amount put to tender.
23	Check whether the cost index is added with scheduled items and not with the non-scheduled items. (Rate of non-schedule items are worked out through analysis-DAR)	CPWD Manual	Check Detailed Estimate and the amount put to tender.
24	The advertised/global tender notice should be published in 'national' and 'local' dailies with a large circulation along with publication in the	CPWD Manual & CVC guidelines	Records of Advertisement including paper cutting.

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
	website. Check whether the same has been done.	dated 21 st November 2002.	
25	Check whether the details of tenders awarded on nomination basis was posted on website in public domain along with reason thereof.	CVC Order dated 5 th July 2007	Document of uploading in the web site.
26	As per Supreme Court Judgment exceptional circumstances in which ' <i>single source purchase</i> ' can be resorted to is (i) during natural calamities; (ii) emergencies declared by Govt. (iii) Proprietary items/ supplier or contractor has exclusive rights in respect of goods or services; (v) no reasonable alternative or substitute exists; (vi) no bids or bids received were very low inspite of repeated etc. In other cases, Public auction should be made. Check whether this is followed.	Supreme Court Judgment SLP (CIVIL) No.10174 of 2006 & CVC order No.23/7/07 dated 05/07/2007	Tender file.
27	Check whether work for small amount (work orders) are published in the website of the department.	CVC Guidelines No.98/ORD/1dated 11 th February 2004.	Agreement Register/Work Order Register, Document of uploading in the web site.
28	Check whether the approval of building plans from local bodies and availability of clear site was ensured before approval of NIT	CPWD manual	Concerned work file
29	Check whether any change in the tender terms and conditions, specification and tender opening date are published in the newspaper in the case of advertised tenders. Communicating such changes only to those who purchased the tender documents is against the principle of giving equal opportunity to all prospective bidders.	CVC guidelines dated 21 st November 2002.	Tender File/ NIT
30	Check whether there is any instance of inviting of limited tender on the grounds of emergency but later either the completion was abnormally delayed or assets were not put to use on completion	CVC guidelines dated 19/08/2002.	File/Record of works, Comparative Statement
31	Check whether the approved list of contractors is updated periodically weeding out the non-performers and including fresh entrants in the field.	CVC guidelines dated 21 st November 2002.	List of empanelled contractors, Agreement/Work order Register.
32	To generate fair and adequate competition, it is important that sufficient time, depending upon the magnitude and complexity of the project should be given to the bidders to submit their bids. For big projects, extensions if asked by most of the bidders may be considered in the larger interest of the project	CVC guidelines dated 21 st November 2002, CPWD Manual.	Tender Document (NIT).
33	Check whether pre-qualification criteria restrict competition by eliminating the bidders in the pre-qualification bidding stage itself. There may be apparent favouritism to a particular firm in such cases. (Yardstick for fixing pre-	CVC Guidelines dated 17 th December 2002 & CPWD manual.	Tender Document (NIT), bids, PQ Documents

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
	qualification criteria specified in CVC O.M. No.12-02-1-CTE-6 dated 17 th December 2002).		
34	Check whether the criteria of evaluation/exclusion are specified in a clear and unambiguous terms at the time of inviting tenders itself and are not worked out after opening of tender.	CVC Guidelines dated 9 th July 2003.	NIT
35	Check whether there is any instance of award of work to contractor who did not fulfil the eligibility criteria.	General Prudence	Agreement Register, NIT, bid, Work File.
36	Check whether there is any case of re-tendering without adequate justification. If so, any changes made to the pre-qualification criteria at the time of such re-tendering. Check whether it was done to facilitate entry of a particular firm.	General Prudence	Tender Opening Register, Work File, NITs and bids, PQ Criteria
37	Check whether there is any instance of accepting tender at a higher rate than the rate received during first call, rejected on flimsy grounds.	General Prudence	Tender Opening Register, Agreement Register, Work File, NITs and bids.
38	Check whether any Item of work was deleted after opening of price bid to make the favoured contractor as the lowest tenderer(L-1).	General Prudence/ CVC Guidelines dated 19/08/2002.	DE/NIT, bids, Agreement, Tender Opening Register.
39	CVC guidelines stipulate for re-tendering in fair and & transparent manner in the event of backing out the Lowest Bidder (L-1). Check whether this was complied with.	General Prudence/CVC dated 24 th August 2000	NIT, bids, Agreement, Tender Opening Register.
40	Check whether there is any instance in which the tender documents were issued to 'technically pre-qualified' firms and after receiving their offer on single bid basis the offer of lowest bidder was rejected on technical ground.	General Prudence/ CVC dated 21 st Nov. 2002.	Tender Opening Register/Work File, Agreement.
41	Check whether there is any post tender negotiations other than with Lowest Bidder (L-1) (except in accordance with Govt. of India's policy of giving purchase preference to PSUs)	CVC letter No.8(1)(h)/98(1) dated 18.11.98	Tender Opening Register/work File, Agreement, comparative Statement
42	Check whether re-tendering process was done promptly in the event of backing out of 1 st lowest contractor to avoid cost overrun.	CPWD works manual	Justification statements of 1 st call and 2 nd call
43	Check whether there is any instance of abnormal delay in awarding the work even after the offer of a particular firm is found acceptable.	CVC guidelines dated 21 st Nov. 2002.	Tender Opening Register/Tender File, Agreement, Financial Bid, Comparative Statement, Tender Forwarding Memo, Letter of Award
44	Check whether tender received after due date and time of receipt is considered as such practices would vitiate the sanctity of tender process and to would lead to malpractices.	CVC - dated 19/08/2002.	Tender Opening Register, bids.
45	Check Income Tax deposit statement to see that whether same PAN is shown against different contractors.	General Prudence	IT Deposit statement.

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
46	Check whether scrutiny of tenders was done in accordance with laid down procedures and completed within prescribed time limit to avoid backing out of contractor and consequent cost overrun.	CPWD manual	Tender forwarding memo
47	Check whether Analysis of Rates for each item (Justification Statement) was prepared strictly as per Delhi Analysis of Rates (DAR) and no extra elements; higher rates were considered.	CPWD manual works	Justification statement, DAR
48	Bid exceeding 5 per cent of the of the Justified Cost should in normal case be accepted. In no case bids exceeding 10 per cent of the Justified cost can be accepted. Check whether this CPWD manual provision was complied with.	CPWD manual works	Justification statement& Agreement.
49	Check whether the tender document stipulate for a particular brand of product instead of stipulating the use of ISI marked products as it encourages restrictive trade practice.	CVC Guidelines dated 19/08/2002.	NIT/Agreement.
50	Check whether the tender documents (instructions to bidders or general and special conditions of contract) are updated to suit the contract requirement & safeguard the interest of the Department.	CVC guidelines dated 21 st November 2002.	NIT, Dept. records.
51.	Check whether all corrections, omissions and insertions etc. are properly numbered and attested by the tender opening officers to show that the cutting/overwriting/alterations were made before submission of bid (to avoid possibility of subsequent tampering of documents).	CPWD Manual, CVC Guidelines dated 19/08/2002.	Bids.
52.	Check whether comparative statement of rates quoted by the tenderers was prepared, checked, and signed by the officials to avoid award of work to a contractor other than L-1.	CVC Guidelines dated 19/08/2002.	Comparative Statement.
53.	Check whether the certificates produced by the contractors for having executed works ' <i>for private organizations</i> ' are supported with TDS details.	CVC Guidelines dated 19/08/2002.	Bid document of the contractor.
54.	Check whether work was awarded to the contractor not having valid income-tax clearance certificate or sales-tax registration. Also check <i>the rate of TDS recovery</i> in such cases.	CVC - dated 21 st November 2002	Bid document, IT File.
55.	Check whether there is a system of proper maintaining of tender opening register.	CVC guidelines dated 21 st November 2002.	Tender opening Register.
56.	In case the letter of acceptance of tender incorporates period of completion of work excluding rainy season, the period of rainy season should be specified.	CVC Guidelines.	NIT/Agreement.
EXECUTION OF WORK			

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
57	Check whether there was any loss/extra expenditure (rent, lease charges) due to delay in work.	General prudence in public expenditure	Work file, hindrance register
58	Check whether clear site (free from all encumbrances) was available before tendering for work so that work did not stop or abandon due to site dispute.	CPWD Works Manual	Work file, client correspondence file, site order book, hindrance register
59	Check whether soil data were properly collected before tendering the work so that work did not stop or abandon due to poor soil conditions.	CPWD Works Manual	Soil investigation report, work file, hindrance register
60	Check whether environmental clearances, if required, were obtained before award of work so that work did not stop or abandon due to objection by environmental authorities.	CRZ rules and regulations, other environmental instructions of MOEF	Work file, hindrance register
61	Check whether the building / work plans were got approved by the local body in planning stage so that work did not stop or abandon due to unapproved plan.	CPWD Works Manual & CVC Guidelines dated 19/08/2002.	Work file, other connected correspondence file
62	Check whether architectural and other drawings were prepared in time and as per requirement so that work did not stop or abandon due to non-preparation of drawing/drawing discrepancies.	CPWD Works Manual	Drawing file, work file, hindrance register
63	Check whether availability of services such as road, water, electricity, drainage and sewerages, etc. was considered while planning for work so that completed work did not remain unutilized.	CPWD Works Manual	Relevant records, hindrance register, utilization of created assets.
64	Check whether there was inordinate delay in completion of work due to departmental lapses resulting in avoidable payment of escalation.	Contract clause, CPWD works manual	Work file, hindrance register, Escalation Statement
65	Check whether work was abandoned by contractor due to lapses on the part of the department resulting in litigation/arbitration by contractor which was ultimately paid in the favour of contractor resulting into extra expenditure on work.	General prudence in public expenditure	Work file, hindrance register, Arbitration cases, and Award
66	Check whether work has been abandoned by contractor due to lapses on the part of the department resulting in re-tendering and consequential cost overrun.	General prudence in public expenditure	Work file, hindrance register, Site Order
67	Check any case of issue of work and commencement of work without having a formal agreement signed.	CVC guidelines dated 21 st Nov. 2002.	Departmental Records, viz, RA Bill, payment, Voucher
68	Check whether the performance guarantee was obtained at the time stipulated in the tender document and is verified from the issuing bank.	CVC guidelines dated 21 st November 2002	Departmental Records, viz PG register
69	Check whether labour licence from appropriate authority is obtained by the contractor before commencement of work.	CVC guidelines dated 21 st November 2002	Departmental Records, viz, Labor Licence of the contractor, Fortnightly Report

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
70	In the event of the failure of the contractor to complete the work, the contract agreement should be rescinded by the Department and the left-over work should be got executed at the risk and cost of the original contractor. Check whether this is followed or not.	CVC guidelines dated 21 st November 2002	Departmental Records, viz Agreement Register
71	Check whether there are any instances of execution of less quantity of Items for which contractor has quoted abnormally low rates or such item of work are substituted for giving undue advantage to the contractor.	CVC guidelines dated 21 st November 2002	Agreement, RA Bill, , Substituted /Extra item Stateement
72	Check whether there is any instance of execution of abnormally higher quantity than that was mentioned in the agreement in respect of abnormally high rated items (AHR item) since such practices would be advantageous to the contractor.	CVC guidelines dated 21 st November 2002	Agreement, RA Bill, Deviation Statement.
73	Check whether there is any instance of substitution of item of work (abnormally low-rate item by abnormally high-rate item) for the advantage of the contractor especially where consultants are engaged for estimation, supervision and preparation of bills.	CVC guidelines dated 21 st November 2002	Agreement, RA Bill, Substituted items Statement
74	Theoretical consumption of Steel, Cement, murum, aggregate boulder, bitumen should be prepared to ascertain that the quantity of materials used are not less than the required theoretically calculated	CVC Guidelines	MAS Account, Statement of Theoretical Calculation.
75	Check whether there is huge deviation in the quantity of different classes of rocks anticipated in the NIT and the executed. If so, what was the classification of rock envisaged in the soil testing/geological report.	General Prudence	Tender document/ Agreement, Final/R.A. Bill, Soil Testing/geological report.
76	In case extraction and Transportation of Rocks are treated as different items specified in the Agreement, cross check the quantity shown as excavated and transported.	General Prudence	NIT, Quantity in the Final/ Running R.A. Bills.,Extra item Statement
77	Check whether there was persistent huge deviation (especially in the same nature of work) resulting in payment at higher rate.	General Prudence	Final/ R.A. Bills of different works, Deviation statement.
78	Check whether there are huge payments for extra items for similar nature of works (especially same extra items in respect of works taken up in a period). If so, compare the rates of similar items (like labour) envisaged while working out Analysis/Market of rate at the time of award of each work with that of the rates considered while working out the rate for extra items to assess extra financial implication.	General Prudence	(i) Similar type/ scope of work (ii) Justification statement of each work with that of the Market rate calculation for extra item.

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
79	Check for instances of defective, sub-standard works, Poor workmanship.	CPWD Manual	Departmental Records, Site visits., Completion Certificate
80	Cement concrete cubes are not tested at regular interval, thus defeating the very purpose of testing concrete cubes.	CVC Guidelines.	Departmental Records., Third Party Quality Assurance, CTE, Concrete Cement Cube Report
81	Check whether clauses relating to Liquidated Damages have been suitably incorporated and was levied wherever required.	General Prudence	Contract Document and work files
82	Whether necessary guarantee like Performance Guarantee, Security Deposit etc. were received and updated time to time.	CPWD Manual	Work files, PG Register, Security Deposit
83	Check whether the extension of time was granted from time to time and compensation, if required, was levied.	CPWD Manual	Work files, Milestones in the Agreement, EoT, Register/file
84	Check whether the funds meant for a particular work was diverted for a work not approved by competent authority.	CVC Guidelines dated 19/08/2002.	Departmental Records.
85	Check whether any equipments/stores were procured out of the Deposit made by the client, but not utilised in the work (i.e., expenditure met out of Deposit amount).	General Prudence.	Departmental Records.
86	Check whether rates of all items included in bill of quantities (BOQ) for payments are same as in agreement file.	Contract documents, Agreement file	Agreement file, BOQ of payment voucher
87	Payments for deviations, extra items and substitute items have been made against approved deviations, extra items and substitute items statements.	CPWD works manual	Deviation /Extra item statement, RA bill
88	Check whether the Deviations/extra/substituted items were approved by the authority competent to accord Technical Sanction.	CPWD Manual	RA Bill, Appendix-1 etc.
89	Wherever there is huge deviation/ huge expenditure on extra/substituted items, whether there is documented justification exist (approved by the authority competent for the purpose).	CPWD Manual, General Prudence.	Departmental Record, work file
90	Check whether similar/identical contracts were awarded at the same time with different rate pertaining major items of work.	General Prudence, CVC - dated 21 st November 2002	Agreements of similar works.
91	Check whether there is any instance of wrong treatment of substituted item as extra item and payment made accordingly.	General Prudence, CPWD Manual Section-23.	Substituted/extra, Agreement
92	Check the labour rate attached with the R.A. Bill and the rate considered by Department while Justifying the rate (Market Analysis of Rate)	General Prudence	RA Bill, Calculation sheet of Justification of Rate
93	Check the labour rate attached with the R.A. Bill for the period for which escalation for labour rate is allowed & also check the fortnightly labour report required to be furnished by the Contractor.	General Prudence	RA Bill, Labour Report, Escalation Statement

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
94	Check whether voids (empty space) deducted in the case of earth filling (other than those below flooring).	CVC Guidelines dated 19/08/2002.	Departmental Records.
95	Hindrances on account of non-availability of cement, labour shortage, machineries, which are responsibility of contractor is not admissible.	CVC Guidelines.	Hindrance Register
96	Check the analysis of the rate for extra/substituted items to ensure that they are not inflated by overloading of elements.	General Prudence	DAR, Analysis of Rates considered, Extra/deviated item
97	Check whether there is any case of payment to contractor at the full rate even though the full scope of the work of that item was not executed.	General Prudence	Agreement, R.A. Bill, MB etc.
98	Check whether there is any case of calculating Income Tax, SD and labour cess etc. on net payment (i.e. after deducting the recoveries) instead of on gross payment.	Rule provisions	Departmental Records (RA Bills)
99	Check whether there is any instance of payment of escalation without having provision in the agreement.	CVC guidelines dated 21 st November 2002	NIT, Agreement, RA Bills.
100	Check whether Indices for payment under clause 10C, 10CA or 10CC have been taken correctly avoiding any excess payment to contractor.	Clause 10C, 10CA and 10CC of General conditions of contracts (GCC)	Theoretical Consumption, RA Bill, Indices of DG(W)
101	While payment against clause 10C minimum wages applicable on the last date of the quarter previous to the one under consideration has been taken into account.	Clause 10C of General conditions of contracts (GCC)	Payment voucher, Minimum wages declared, Escalation Statement
102	While payment against 10CC, escalation for cement, steel and similar materials has been paid as per the provisions of clause 10CA.	Clause 10CA and 10CC of General conditions of contracts (GCC)	RA Bill, Agreement, Theoretical Calculation, Indices
103	While paying escalation for the period after stipulated date of completion, indices prevailing on the date of completion (stipulated) have been taken into consideration.	Clause 10CA and 10CC of General conditions of contracts (GCC)	-do-.
104	Check whether there is any escalation paid for the period for which no extension of time was granted by the competent authority.	CVC guidelines dated 21 st November 2002	NIT, Agreement, RA Bill, EoT file/Register
105	Check whether the rebate offered by the contractor has been taken into consideration while making payment.	Contract documents, Agreement file	Agreement, RA Bill, Work File
106	Check whether there is any case of the rebate not considered while finalizing the rates for extra/substituted items.	CVC guidelines dated 21 st November 2002	Bid/Agreement, RA Bills.
107	Check whether there is any case of Payment made on full rates for sub-standard work.	General Prudence	Payment vouchers & Other Deptt. Documents, RA Bill, Third Party
108	In case of use of PPC instead of OPC cement recovery as prescribed in the contract clauses has been made.	Contract clauses	Agreement file, RA Bill

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
109	If steel has been procured from secondary producer instead of primary producer, necessary recovery as per contract clauses has been made.	Contract clauses	Agreement file, RA Bills
110	In case non-employment of technical supervisor for work or his absence from work site, necessary recovery as per clauses of contract has been made.	Contract clauses	Agreement, RA Bill, Work File
111	Check the adequacy of the system to prevent double payment of security deposit	General Prudence	Departmental Records, SD Deposit and Cash Book
112	Check whether the IT, GST TDS, Labour Cess recovered was deposited with the appropriate authorities in time.	Rules in this regard.	Departmental Records
113	Check whether measurements of items are recorded under items other than the appropriate one to extend undue benefit to the contractor. (This happens in the case of similar nature of work having different rates).	CVC guidelines dated 21 st November 2002	Agreement, MB, R.A. Bills etc.
ADVANCES			
114	Wherever payment of advances to the contractor are found, check whether the NIT/Bid document expressly stipulate the amount of advances, the rate of interest and submission of Bank Guarantee equivalent to the amount of advance. There should be a provision in the contract for adjustment of advance progressively even as the bills are cleared for payment.	CVC guidelines 8 th June 2004	NIT, Payment Voucher, Advance Reg. /Contractors Ledger, MB etc., RA Bill
115	Check whether the amount of interest-bearing mobilisation advances is commensurate with the progress of work and mobilisation of required equipment.	CVC guidelines 8 th June 2004	Departmental Documents.
116	Check whether the amount of non-interest-bearing advances are time bound and not linked with the progress of work. There should be a clear stipulation of interest to be charged on delayed recoveries either due to the late submission of bill by the contractor or any other reason.	CVC guidelines 10 th April 2007.	Departmental Documents.
117	Check wherever payment of 'Machinery and Equipment advance' are made insurance and hypothecation to the Organisation is ensured.	CVC guidelines 10 th April 2007.	Departmental Documents.
118	Check whether supervisory staff with adequate qualification is employed by the Contractor. If not, is there any penalty imposed?	Terms & conditions of agreement & CVC Guidelines dated 21 st Nov. 2002.	Terms & Conditions of Agreement, Intimation from Contractor etc.
119	Check whether there is any instance of payment of Secured Advance for excess quantity of material required for the work.	CVC Guidelines dated 17 th December 2002	Departmental Records.
120	Secured advance on perishable items should not be paid without obtaining insurance cover	CVC Guidelines dated 17 th December 2002	Departmental Records, Agreement

Sl. No.	Aspect /Checklist	Codal Provisions	Records to be seen
121	Check whether there is any instance of not effecting recoveries of secured advance in respect of material utilized in the items which were measured and paid.	CVC Guidelines dated 17 th December 2002	MB, Contractors Ledger, RA Bill etc.
ON- SITE AND WORK-RELATED RECORDS			
122	Check whether the Measurement Books are properly maintained, and the senior officers examined the MBs as per the prescribed norms.	CVC guidelines dated 21 st November 2002	Departmental Records.
123	Check whether the hindrance register is maintained properly.	CVC guidelines dated 21 st November 2002.	Departmental Records.
124	Check whether the site order register is maintained properly.	CVC guidelines dated 21 st November 2002.	Departmental Records.
125	Check whether other prescribed records like Bill register, Contractors' ledger etc. were properly maintained.	CPWD Manual	Related records.
126	Check whether MAS A/c registers of important materials viz. cement, steel, bitumen, etc. were maintained properly. The Register should be periodically checked by Senior Officers.	CVC guidelines dated 21 st November 2002.	Departmental Records.
127	Check whether lot wise manufacturer's test certificates of Steel and Cement is obtained and kept in record. Reference of these test certificates should be given in corresponding cement and steel Registers to facilitate checking by any independent authority. Independent testing of cement and steel should also be done at regular intervals to ensure proper quality.	CVC guidelines dated 21 st November 2002.	Departmental Records.
128	Check whether there is Cutting/over-writings in cement registers. (Any cutting, overwriting etc. gives an indication manipulation of cement records to cover up less utilisation of cement).	CVC guidelines dated 21 st November 2002.	Departmental Records.
129	Check whether Water used for the work was tested regularly at the specified frequency to ensure proper quality of concrete work and the testing of water need to be maintained.	CVC guidelines dated 21 st November 2002.	Departmental Records.
130	Check whether record of testing of earth brought from outside for filling maintained	CVC guidelines dated 21 st November 2002.	Departmental Records.
131	Check whether record of testing of earth disposed of declaring unserviceable not maintained to avoid corrupt practices.	CVC guidelines dated 21 st November 2002.	Departmental Records.
132	Check whether initial and routine pile tests which are mandatory as per IS codes to check the bearing capacity of piles were carried out.	CVC guidelines dated 21 st November 2002.	Departmental Records.
133	Check whether there is any system of issue of Inspection notes by the senior officers as a record of their inspection.	CVC guidelines dated 21 st November 2002.	Departmental Records.

The following source documents need to be checked in all cases of works audit for analysis of work:

1. Client request for work (if applicable).
2. AA&ES and Technical Sanction to work.
3. Estimates of works (preliminary estimates).
4. Detailed Estimates (structural/architectural drawings).
5. Rate Analysis Statements.
6. Cost Index prevailing at the time of approval of estimates.
7. Drawing files.
8. Tender forwarding memo, NIT (Notice Inviting Tender) and advertisement records of NIT.
9. Records of payment made to DAVP or other advertising agencies.
10. Records/documents of uploading tenders on the website in cases of e-tendering.
11. List of empaneled contractors.
12. Tender documents (Eligibility criteria prescribed; Pre bid meetings; Technical and financial bids with envelopes, records of technical evaluation, Earnest Money deposit records, comparative statement, justification statement etc.).
13. Letter of acceptance of work and letter of award of work.
14. Records relating to appointment of consultant, agreement made with consultant, records of correspondence with consultant and payment vouchers for payment made to consultant (wherever applicable).
15. Work agreement(s) (to check scope of work; terms and conditions of work; special conditions of work etc.).
16. Bank Guarantees furnished by the contractor.
17. Advances paid to the contractor (Mobilisation advance, secured advance etc.) and their recovery (if any).
18. Cases of machinery/equipment advances given along with insurance and hypothecation (if any).
19. List of machinery, equipment and T&P deployed at site.
20. Supervisory staff/Technical Representatives' eligibility and experience certificates.
21. Geological survey/ Soil investigation report.
22. Local Bodies/Statutory approvals.
23. Monthly accounts including schedules and schedule dockets.
24. Theoretical consumption statements for cement, steel etc., along with cement register, steel register and their related testing reports.

25. Vouchers (RA bills, Final Bill), including payments made by Hand receipts.
26. Documents showing deposits of Income Tax, Labour cess, GST with appropriate authority.
27. Imprest Register (if any).
28. Schedule of Deposits and Register of Deposits.
29. Contractor's ledger, MAS register, Site Order Book, Hindrance Register etc.
30. Verification of internal control i.e., internal audit reports, physical verification of Stocks, monitoring tools, inspection registers etc.
31. Labour license records, Muster Rolls; Fortnightly Labor Reports.
32. Computerized Measurement Books.
33. Guarantee Bond and adequate certifications required for specialized component of work as per the agreement.
34. Third party quality assurance agency reports (if any).
35. CTE inspection reports (if any).
36. Correspondence files related to work (also called work files).
37. Escalation Payments (payments made under Schedule F of the agreement – 10C, 10CA, 10 CC, if any) by checking indices of cement, steel, minimum prescribed wages etc., as issued by the office of Director General (Works) during the duration of the work.
38. Statements of Deviation items, Substitution items, and extra items and their approval and payments along with rate analysis statements.
39. Arbitration cases (if any).
40. Penalties imposed by statutory bodies (if any).
41. Completion and Occupation certificates (where applicable).
42. Details of money released by the client department for the work.
43. Extension of Time (EoT), if granted with or without levy of compensation and files along with approval of competent authority.
44. Reports on Technical surveys undertaken by SE or higher authorities.
45. Complaint cases (if any).
46. Cases of misuse/theft (if any).
47. Cases where funds have been diverted to other works/projects (if any).
48. Cases where equipment /stores were procured out of the deposits made by the client, but not utilized in the work (if any).
49. Any other relevant records and documentation as required in the agreement.
50. Construction & Demolition waste management (as applicable).

Intimation Letter

Letter No:

Dated:

To,

Name and/or Designation of the Head of Office,

Address of the Auditee.

Subject: Compliance audit of the “subject matter” of the auditee**Sir/Madam,**

The Compliance audit of the Auditee will be taken up by the audit team of this office w.e.f, period of visit as per table below:

Sl. No.	Name (Mr./ Mrs./ Ms.)	Designation	UID Number	Mobile Number
1				
2				
2				
3				

1. Broad objectives of audit are as under:

- a. To confirm whether the activities of Govt./Public govern such entities. More specifically, it may involve Sector entities which are in accordance with the relevant laws, regulations and authorities that are examining as to what extent the audited entity follows rules, laws and regulation, budgetary resolutions, economy instructions, policy, established codes, or agreed upon terms, such as the terms of a contract or the terms of a funding agreement.
- b. System of internal control internal audit in relation to budgetary assumption, financial statements, compliance, and financial reporting.
- c. To audit Transparency and competitiveness in contracts and procurements.
- d. To examine and report upon propriety in expenditure that has a significant bearing on mandate/operations & budgetary grants of the Organization/entity;
- e. Value for money derived from individual or a set of material transactions.
- f. To examine the stores and stock accounts.
- g. Banking and cash management issues.
- h. Audit the I.T. applications etc.

2. Our audit shall be conducted with reference to the Auditing Standards and Regulations on Audit and Accounts, 2020 issued by the Comptroller and Auditor General of India.

3. The period covered under the audit shall be 2022-23 which may also include examination of documents / transactions of the previous years, if considered relevant by the audit team.

4. Consistent with contemporary professional practice and provisions in the CAG's Regulations on Audit and Accounts 2020 (Regulation 132) our audit team would seek an entry conference at appropriate top/senior level, having control and authority over the subjects under

the present audit. The entry conference will be an opportunity for the audit team to explain the audit objective criteria and examination of the internal control system.

It is desirable that the entry conference is held on the first working day of the audit period.

On conclusion of the audit, the audit team would request you for an exit conference (Regulation 135) in which audit findings communicated to the auditee will be discussed.

5. The request for entry and exit conferences shall be made formally by the Head of the Audit Team. We request you to kindly make it convenient to hold the meetings on the opening and closing days respectively.

6. Under Section 18 of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 it is the responsibility of the person in charge of any office or department, the accounts of which have to be inspected and audited by the Comptroller and Auditor General of India to afford all facilities for inspection by the audit team and comply with the request for information in as complete as a form as possible and with all reasonable expedition. Our audit team shall request for information and documents, indicating the expected time within which these may be provided. We expect that the documents/records held by the auditee should be available within the same day and the information will be made available within the time indicated in the information seeking memo.

7. Attention is drawn to Regulation 155, which provides that the form, type and extent of data, information and documents required for audit test and the nature of shall be determined by audit officer and that the data, information and documents would also include those obtained by auditable entity from the third party and relied upon by the auditee in its performance of functions. Any such request shall be made available with the approval of the Principal Director of Audit.

8. We also draw your attention to Regulation 159, which enjoins that where required by audit in special circumstances the auditable entity shall conduct physical verifications of stores, stocks, assets etc. in the presence of the Audit Officer.

9. We request you to please provide appropriate and reasonable office accommodation and other office amenities to the audit team similar to the facilities available for the personnel of the organization.

10. We suggest that you may nominate a liaison officer of a sufficiently senior level for day to day coordination in the audit functions.

11. We bring to your kind notice that in the event of unreasonable delay in supply of information and documents leading to partial, selective or complete withholding of data / information leading to material scope limitation, the audit team may be compelled to suspend the audit after bringing it to the notice of the head of the office in writing and bring the matter to the notice of higher management.

12. While compilation of information requested for by audit may require some time, furnishing of documents held by the auditee organization should be made within the same day since these are readily available.

13. It may be mentioned here that failure to produce necessary record/documents or to respond to the clarifications sought by the audit team would tantamount to preventing a Government Officer from performing his/her duties and could, therefore, invite action under Sections 175-186 of the Indian Penal Code.

14. Our audit teams have been directed to return the documents as soon as their examination is over. We expect to issue an inspection report containing the results of audit within 30 days of conclusion of audit for the response of the department.

15. We will acknowledge the acceptance of audit findings and conclusions and remedial measures assured / taken by the auditee organizations in our inspection report if remedial measures are taken during the course of audit itself.

16. We hope that your office maintains a file register / register of documents held along with the cash book will be required on the very first day of audit. These and other documents forming the basis of information furnish with reference to the questionnaire.

17. Depending upon the volume of work and supply of information / documents the period of audit may be extended.

18. Incidentally, in tune with international auditing standards, our department has adopted Code of Ethics and in compliance of the same, an undertaking should be furnished in the audited units, by all the audit team members prior to the commencement of audit. A copy of the same duly signed by each member may be obtained for them.

19. We bring to your kind notice that our team would expect only working environment assistance in their day to day working and documents and information and nothing more. Should you feel it necessary to contact senior officers you are most welcome to contact Name of the Group Officer at telephone number --- and if necessary, even the **Principal Director of Audit (Infrastructure)** at telephone number -- & e-mail: pdainfradl@cag.gov.in

20. In case you have doubt in regard to the genuineness of audit team reporting for audit in your office please feel free to request them to confirm their identity with reference to valid ID Cards issued by this office to its audit inspection staff.

Looking forward to a constructive engagement.

Kindly acknowledge the receipt on this office email: pdainfradl@cag.gov.in and section e-mail id.

Regards,

sd/-

(Name)

Director/ Dy. Director

Audit Design Matrix

**Audit Design Matrix in respect of Compliance Audit of - Name of the Auditee-
for the period-----**

Sr. No	Audit Objective	Audit Questions	Audit Criteria	Data collection and analysis method	Audit Evidence
1.					
2.					
3.					
4.					

Various Registers (related to civil audit) maintained in the office as per the Calendar of Returns (CoR)

Sl. No.	Name of the Register	Purpose for maintaining register/return/report (Information provided in the register)	Whether maintained/ submitted online (electronic format) or offline (physical format)
1.	Register of Audit/ Audit cycle Register	To keep record of the risk profile of the auditee and to track periodicity of Audit conducted.	Offline (register). Additionally, the records are also maintained on the e-office through monthly submissions of the registers.
2.	Outstanding Para Register	To keep track of all previous outstanding paras of auditee entities.	Both online (legacy data in OIOS) and offline (registers).
3.	Monthly Progress Report	To show status of various FS/draft paras/audit reports/ongoing audits/ progression of AAP/outstanding paras and IRs/complaint cases/ training details and other details (work done) related to the wing for the month.	Online (through e-office)
4.	Objection Book Register	To monitor the value of objections pending	Online (through e-office)
5.	Register of Important Points	To record important points to be compiled in the next audit	Both Online and Offline. (a) In the offline mode, the relevant information is recorded and maintained through RIP's registers. (b) In the online mode, the points related to the auditee's RIP are updated in the verifiable items section of the auditee's profile on the OIOS.
6.	Potential Draft Para Register	To track potential draft paragraphs.	Offline
7.	Press clippings register	To keep a record of all the press clippings received, further action taken and remarks of the field party.	Both offline and online mode (a) Offline mode (register) (b) Online Component: Verifiable Items in auditee profile on OIOS also maintained.
8.	Complaints Register	To keep a record of all the complaints received and action taken thereon.	Both online (OIOS) and offline (register). (The auditee's profile on OIOS contains verifiable items regarding these complaints)

9.	IR issue Register	To keep a record of the IRs issued during the month.	The registers are submitted physically for offline record-keeping. Additionally, the records are also maintained on the e-office through monthly submissions of the registers.
10.	Agenda and Board Minutes Register	To record all the important points noticed during the vetting of Agenda and Board Minutes and to review the same during the next audit.	Offline (Register) and Online (Points are updated in the verifiable items in the auditee profile on OIOS).
11.	Fortnightly progress report for certification of Union Accounts (Civil)	To keep a record of the present status of the accounts of audit of Union Accounts (Civil)	Online (through e-office)
12.	High Value Contract Register	To keep a record of all the high value contracts that the auditee has entered so that the same can be reviewed during the next audit.	Offline (through registers) and online (verifiable items in the auditee profile in OIOS)
13.	Grants in Aid Register	To keep a record of all the grants received during the year by the auditee for reviewing the same during the next audit.	Offline (file)
14.	Sanction Register	Sanctions received from Ministry are diarized and sanction audit is done.	Online (through e-Office)

Note: The authority to whom these registers/reports/returns are submitted and their respective frequency of submission (i.e., weekly/fortnightly/monthly etc.) are to be guided by the Calendar of Returns (CoR) of the concerned wing.

Procedure to be followed for verification of ATN

कार्यालय
प्रधान निदेशक लेखापरीक्षा(अवसंरचना)
नई दिल्ली -110002

संख्या:RS/9-28/22-23/ATN Corres./ 44-54

दिनांक: 06.06.2023


कार्यालय ज्ञापन

Subject: Procedure to be followed for verification of Action Taken Notes

As per the orders of the PDA (Infrastructure), the following procedure needs to be followed on receipt of Action Taken Notes (ATN) from the Ministry / Management:

- ATNs which are received by the concerned section directly from the Ministry / Management, should be submitted to the PDA Secretariat. The date of receipt of ATNs shall be marked on the same by the concerned Group Officer. Meanwhile, the concerned section may start the verification of the same at their end without any delay after taking a copy of the same.
- After the ATN has been marked by the PDA (Infrastructure), ATN will be marked to Report-I /II Section as well as the concerned group from PDA Secretariat.
- If the ATN is received directly in PDA Secretariat from the HQs office, the same procedure shall be followed i.e. ATN shall be forwarded to Report-I Section or Report-II Section as well as the concerned group from PDA Secretariat after the ATN has been marked by the PDA (Infrastructure).
- As soon as the ATN is received by the concerned group, the verification of the facts / figures may be started immediately and the instructions contained in office order dated 22 November 2022 with respect to maintenance of time schedule for finalization of ATN should be followed by the sections in letter and spirit.

This issues with the approval of the PDA (Infrastructure).


(Varun Tyagi)
Sr. Audit Officer (Report-I)

To

1. Director (Aviation)
2. Director (RT&H)
3. Director (Admin.)
4. Dy. Director (Infra-I)
5. Dy. Director (Infra-II)
6. PDA Secretariat
7. Sr. Audit Officer (Report-II)
8. All Co-ordination Sections