

**COMPTROLLER & AUDITOR GENERAL OF INDIA's
PERFORMANCE REPORT
2011-2012**



From the Comptroller & Auditor General of India's desk

It gives me great pleasure to present the Performance Report of Indian Audit and Accounts Department for the year 2011-12. Commitment to quality and professionalism are the most significant principles governing our work ethos.

This report reflects both our performance and the value and benefits of the Supreme Audit Institution (SAI) of India to external stakeholders. Our audit efforts have resulted in recovery of ₹3,356.94 crore by the Government. In addition, there have been significant changes in policies, rules, laws, etc., at the Union as well as State level as a result of audit recommendations.

Improvement in auditing methodologies and professional practices is a continuous process. Our focus is on balanced reporting in conformity with international best audit practices and dissemination of findings to stakeholders through easy to read booklets. Taking forward the recommendations of the XXVth Accountants General Conference, we carried out an organizational restructuring of Audit offices for facilitating integration of audit efforts and presentation of sector based reports to Government.

We are continuously engaging with our stakeholders. A conference on accrual based financial reporting in Government was organised in June 2011, which was inaugurated by the Union Finance Minister and attended by Finance Ministers from the states in addition to key officials from Finance Departments of the states and the Union Government. As part of our relational strategy, we communicate with the executive regularly on different forums. The seminars on Direct Taxes Code and International Seminar on Revenue Audit: New Frontiers were very well received by the stakeholders.

SAI India is an active member of many multilateral professional organizations. In the 12th ASOSAI Assembly held at Jaipur in February / March 2012, we took over as Chair of the ASOSAI. During the year, we were appointed as External Auditor of two UN Agencies namely World Intellectual Property Organization and International Atomic Energy Agency.

I congratulate all officers and staff of the IA&AD who work tirelessly towards meeting the benchmarks for high quality even when faced with challenges.

(Vinod Rai)

Comptroller & Auditor General of India



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Performance Highlights

About the Performance Report	<p>This report aims to meet accountability requirements by reporting on</p> <ul style="list-style-type: none">• The extent to which SAI India has met its legal obligations with regard to its audit mandate and required reporting ;• Evaluation and follow up on our own performance as well as the impact of our audit; and• The regularity and the efficiency in the use of public funds, including our own actions and activities and the use of SAI resources.
About the CAG of India and the IAAD	<ul style="list-style-type: none">• The Constitution of India forms the basis for the existence and mandate of the CAG.• The CAG's DPC Act 1971 provides for compilation and presentation of accounts of the State Governments by the CAG.• The CAG's DPC Act, specifies the entities that come within our audit purview at the Union and State level covering both receipts and expenditure.• The CAG of India discharges his duties through the IAAD. The CAG's office located in New Delhi is the headquarters of IAAD. It is supported by 142 field offices spread across India and five overseas offices.• In view of Goal 1 of the Strategic Plan 2020 and recommendations of the XXV Conference of the Accountants General, the offices both at Union and State level have been reorganized on sectoral lines in order to integrate the audit effort.
Key Results in Audit	<ul style="list-style-type: none">• We audited 52,251 units covering 96 <i>per cent</i> and 81 <i>per cent</i> of planned audits at Union and State level, respectively.• We issued 49,390 Inspection Reports.



	<ul style="list-style-type: none">• We issued 137 audit reports during 2011-12. These include 252 Performance Audit products. We made 1,590 recommendations to our audited entities at Union and State level. Of these, 627 recommendations (39 per cent) were accepted by the audited entities.• We certified 5,730 accounts of Union and State Governments, PSUs, Autonomous Bodies, Externally Aided Projects and others. Out of these, 83 per cent certificates were issued on time.• The Government accepted 35 per cent of recoveries pointed out by Audit (₹ 79,214 crore). Of these, ₹3,357 crore were actually recovered.• 38.76 per cent and 27.39 per cent of the recommendations made in our Compliance and Performance Audit Reports, have been accepted by the Union Government and State Governments, respectively.• We pointed out several instances of deviation from rules, regulation; deficiencies in planning and implementation of schemes, lack of coordination among various agencies, etc.• Changes were made by the Government in the policy, law, rules, etc. on the basis of audit observations.• We are yet to receive 18,762 Action Taken Notes on Audit Reports from previous years at Union and State Level as on 31 March 2012.
Key Results in Accounts and Entitlements	<ul style="list-style-type: none">• We finalized 5,50,762 pension and revision cases.• We carried out 95.68 per cent of the planned treasury inspections. State Government accepted 67.22 per cent of the recommendations made by us.



	<ul style="list-style-type: none">• We issued 92.25 <i>per cent</i> account slips to GPF account holders on time.
Professional Standards and Quality Management	<ul style="list-style-type: none">• Three Indian Government Accounting Standards (IGAS) were approved by Government of India by March 2012. Four IGAS and IGFRS (Indian Government Financial Reporting Standard) were under consideration of the Government of India.• Format of Audit Certificates for Finance and Appropriation Accounts of State Governments for the accounts for the year 2010-11 has been modified.• DG (Inspection) inspected 49 field offices of IA&AD as a measure of internal control mechanism. 45.57 <i>per cent</i> of the recommendations made in the Inspection Reports were implemented.• As a measure of quality assurance, we commissioned an International Peer Review with the following objectives:<ul style="list-style-type: none">○ to assess the extent to which the performance audit function of SAI India adheres to applicable standards of professional practice; and○ to identify opportunities for improvement.
Resource Management	<ul style="list-style-type: none">• Against a budget allocation of ₹ 2,430.97 crore we spent ₹ 2,427.17 crore in 2011-2012.• Optimal staffing in the field offices continued to be the main focus of the HR strategy.• Of the 44,872 people working in IAAD, 90 <i>per cent</i> directly added value to our core activities.• Our RTIs trained 12,368 persons.
Seminars and Events	<ul style="list-style-type: none">• On completion of 150 years of the institution of the Comptroller & Auditor



	<p>General of India, the concluding ceremony was held on 16 November 2011 at New Delhi.</p> <ul style="list-style-type: none">• A conference on accrual based financial reporting in Government, was organised in June 2011.• International Seminar on “Revenue Audit-New Frontiers” was organized on 14-15 November 2011 covering Direct Taxes, Indirect Taxes and State Receipt Audit.• Seminar on Direct Taxes Code, conducted in May 2012, was attended by Stakeholders including CBDT and the practitioners.
International Participation Contributions and	<ul style="list-style-type: none">• SAI India is a key player in the international auditing organisations like INTOSAI and ASOSAI. CAG is a member of INTOSAI and ASOSAI Governing Board. He chairs INTOSAI working Group on IT audit and its Knowledge Sharing Committee.• SAI India took over as Chair of the ASOSAI from SAI Pakistan.• CAG is a member of UN panel for external auditors and the external auditor for seven UN organisations (WHO, IMO, UNWTO, IOM, WFP, WMU and IMLI)• Audit of two more UN organizations (WIPO and IAEA) was entrusted to SAI India.• Bilateral Seminars were held with China and Poland.



Chapter 1

About this Performance Report

The institution of Comptroller and Auditor General of India forms part of an overall legal and constitutional system within the country. It is responsible for planning the scope of work and using proper methodologies and standards to ensure that they promote accountability and transparency over public activities.

International Standards for Supreme Audit Institutions (ISSAI 20) envisage that information about SAIs should be readily accessible and pertinent. Their work processes, activities and products should be transparent. They should also communicate openly with the media and other interested parties and be visible in the public arena.

The Performance Report of the Comptroller & Auditor General of India has been prepared keeping in view the principles of transparency and accountability as envisaged in ISSAI 20 and 21¹.

This report aims to meet accountability requirements by reporting on

- the extent to which SAI India has met its legal obligations with regard to its audit mandate and required reporting ;
- evaluation and follow up on our own performance as well as the impact of our audit; and,
- the regularity and the efficiency in the use of public funds, including our own actions and activities and the use of SAI resources.

This report also meets transparency parameters by providing reliable, clear and relevant public reporting on our status, mandate, strategy, activities, financial management, operations and performance. It, therefore, seeks to

- create awareness and understanding about the CAG and the Indian Audit and Accounts Department's role and functions;

¹ *Comptroller and Auditor General of India is a member of the International Organisation of Supreme Audit Institutions (INTOSAI), which is the umbrella organisation for Government audit offices (referred to as Supreme Audit Institutions) across the world.*



- inform our clients and stakeholders, both internal and external, about our key results and achievements; and
- share information about innovations within our organisation to encourage emulation within and outside the IAAD.



Chapter 2

About the Comptroller & Auditor General of India and the Indian Audit and Accounts Department

I Who are we?

The concept and establishment of audit is inherent in public financial administration as management of public funds represents a trust. Audit is not an end in itself but an indispensable part of a regulatory system whose aim is to reveal deviations from the accepted standards, and violation of the principles. The Constitution of India has mandated the Comptroller & Auditor General of India (also known as the Supreme Audit Institution in the international context) as the auditor of the nation. We are an instrument in ensuring accountability of the executive to the legislature. The Comptroller & Auditor General of India (CAG) and the Indian Audit and Accounts Department (IAAD) functioning under him, constitute the Supreme Audit Institution of India. Senior functionaries of the SAI representing the CAG in the States are called Principal Accountants General/ Accountants General.

In the Indian system of governance, Parliament/ State Legislature authorizes the budget which prescribes how Government will collect money through taxes and how much and for what purposes. There are also financial rules to ensure standards of propriety, regularity and probity in managing public funds. The Government Departments and other public bodies are expected to follow these rules and adhere to the framework prescribed therein, when they receive and spend public money. The spending Departments are accountable to the Parliament and State Legislatures for both the quantity and quality of their expenditure.

Articles 148 to 151 of the Constitution prescribe a unique role for the CAG of India in assisting Parliament to enforce the legislative accountability of Government Departments. The CAG audits both Central and State Governments and also compiles the accounts of the State Governments.

Role of Comptroller and Auditor General assumes greater significance in view of the federal multiparty democracy where Governments both at Union and States are responsible for implementation of large number of schemes involving huge



resources. There has been a paradigm shift in public financial management in the country in recent past with focus on public private partnerships for delivery of public services and larger devolution of funds through direct transfers to third tier of government or NGOs. Civil society is emerging as a major stakeholder.

II Our Vision, Mission and Core Values

***Our Vision** represents what we aspire to become: We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting, recognized for independent, credible, balanced and timely reporting on public finance and governance.*

***Our Mission** enunciates our current role and describes what we are doing today: Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders, the Legislature, the Executive and the Public, that public funds are being used efficiently and for the intended purposes.*

***Our Core Values** are the guiding beacons for all that we do and give us the benchmarks for assessing our performance:
Independence, Objectivity, Integrity, Reliability, Professional Excellence, Transparency and Positive Approach.*

III Independence of SAI

LIMA declaration, ISSAI 1 envisages that the establishment of Supreme Audit Institutions and the necessary degree of their independence shall be laid down in the Constitution; details may be set out in legislation.

The Constitution of India provides for a Comptroller and Auditor General. Independence of the CAG from the executive branch of the Government of India



and State Governments is inherent in Article 148 of the Constitution which imbues the CAG with immunity from executive action accorded to a Supreme Court Judge (making him independent of the Executive as well as the Legislature). Articles 149 and 150 define his duties and powers. Article 151 prescribes that audit reports relating to Union and the State Governments are to be submitted to the President of India/ Governor of the State to be placed before Parliament or State Legislature.

The Constitution enables the independent and unbiased nature of audit by the CAG by providing for:

- Appointment of CAG by the President of India;
- Special procedure for removal of CAG;
- Salary and expenses of CAG not being subject to vote; and
- Making CAG ineligible to hold any other Government office after completion of term.

The Constitution further provides that the conditions of service of persons serving in the Indian Audit and Accounts Department and the administrative powers of the Comptroller and Auditor-General shall be such as may be prescribed by rules made by the President after consultation with the Comptroller and Auditor-General.

IV Our Accounts Mandate²

The CAG's Duties, Powers and Conditions of Service (DPC) Act 1971 promulgated in exercise of powers conferred by the Constitution provides for compilation of accounts by the CAG. Besides compiling accounts, the CAG is responsible for preparing and submitting the accounts to the President, Governors of States and Administrators of Union Territories having Legislative Assemblies. He may also give information and render assistance, related to preparation of accounts. While compiling accounts of State Governments from the subsidiary accounts submitted by treasuries and other officers of the State Governments, we do not just mechanically total up incomes and expenditures but act as financial advisors. We raise an alarm if monies are being drawn in excess of authorization or if

² Section 10, 11, & 12 of DPC Act 1971



there are no supporting bills for an item of expenditure. We actively monitor expenditure patterns and issue advice on excesses, surrenders and lapses of funds. This ensures that systemic corrections are made in time and acts as an important circuit breaker that prevents frauds.

V Our Audit Mandate³

The audit mandate of the CAG is defined in the CAG's DPC Act 1971. As per the provisions of the Act, the CAG has the mandate to audit and report upon:

- All receipts and expenditure from the Consolidated Fund of the Union and State Governments;
- All financial transactions in emergencies, outside the normal budget (called the Contingency Fund);
- Inflows and outflows of private monies of the public held by the Government in trust e.g. small savings, deposits in lieu of services and obligations (called Public Accounts) at Central as well as State levels;
- All trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts kept in any Government Department;
- All stores and stock accounts of all Government offices and Departments;
- Accounts of all Government companies, e.g. ONGC, SAIL, etc.;
- Accounts of all statutory corporations and bodies that provide for audit of their accounts by CAG, e.g., Food Corporation of India;
- Accounts of all autonomous bodies and authorities substantially financed from Government money e.g. Panchayati Raj Institutions, Urban Local Bodies, universities, Indian Institutes of Management, Indian Institutes of Technology, State Health Societies, etc.
- The CAG may also agree to special audit engagements outside his mandatory commitments. Such engagements ordinarily relate to accounts of bodies involving substantial investment of public funds and may be accepted either on request of the President/ Governor or own initiative; and

³ Section 13, 14, 15, 16, 17, 19, 20 of CAG's DPC Act 1971



- Based on the recommendations of the Eleventh Finance Commission, the CAG may prescribe the format for the preparation of budgets and for keeping of accounts of the local bodies. The CAG has also been entrusted the role of providing technical guidance and support to local fund auditors in certain states.

VI What we do not Audit

The mandate of the CAG does not extend to the audit of public sector banks; Government corporations whose statutes do not provide for audit by the CAG, e.g., Life Insurance Corporation, and companies where the Government shareholding is less than 50 *per cent*.

VII Our Powers

In carrying out the above mentioned duties, the CAG has powers⁴ to:

- inspect any office or organization subject to his audit;
- call for any records, papers, documents from any audited entity;
- decide the extent and manner of audit;
- examine all transactions and question the executive; and
- dispense with, when circumstances so warrant, any part of detailed audit of any accounts or class of transactions and to apply such limited check in relation to such accounts or transactions as he may determine.

Powers of Delegation: CAG can delegate his powers under the provisions of the DPC Act or any other law to any officer of his Department, with the exception that unless the CAG is absent on leave or otherwise, no officer can submit an audit report to the President or Governor on his behalf.

Powers to make regulations: for carrying into effect the provisions of the DPC Act in so far as they relate to the scope and extent of audit, including laying down for the guidance of Government Departments the general principles of Government accounting and the broad principles in regard to audit of receipts and expenditure.

⁴ Section 18,21,22,23, & 24 of CAG's DPC Act 1971



In 2007, under section 23 of the CAG's DPC Act, we have issued 'Regulations on Audit and Accounts' which define in detail the scope, manner, and extent of auditing and accounting mandate of SAI India.

Powers to make rules: CAG of India has powers to make rules in relation to maintenance of accounts by Union and State Government Departments and treasuries.

VIII We conduct different types of Audit

Our audit mandate as per the DPC Act, specifies the entities that come within our audit purview at the Union and State level. However, the audit scope and extent, the methodology and approach to be adopted by the CAG in conducting audit of these entities, is at the discretion of the CAG. We conduct three types of audit in the entities audited by us.



VIII A Compliance Audit

Compliance Audit examines the transactions relating to expenditure, receipts, assets and liabilities of Government for compliance with:

- the provisions of the Constitution of India and the applicable laws; and
- the rules, regulations, orders and instructions issued by the competent authority either in pursuance of the provisions of the Constitution of India and the laws or by virtue of the powers formally delegated to it by a superior authority.



India and the laws or by virtue of the powers formally delegated to it by a superior authority.

Compliance audit also includes an examination of the rules, regulations, orders and instructions for their legality, adequacy, transparency, propriety, prudence and effectiveness, that is, whether these are:

- intra vires of the provisions of the Constitution of India and the laws (Legality);
- sufficiently comprehensive and ensure effective control over Government receipts, expenditure, assets and liabilities with sufficient safeguards against loss due to waste, misuse, mismanagement, errors, frauds and other irregularities (Adequacy);
- clear and free from ambiguity and promote observance of probity in decision making (Transparency);
- effective and achieve the intended objectives and aims (Effectiveness).

VIII B Financial Audit

Financial audit is primarily concerned with expression of audit opinion on a set of financial statements. It includes

- examination and evaluation of financial records and expression of opinion on financial Statements;
- audit of financial systems and transactions including an evaluation of compliance with applicable statutes and regulations which affect the accuracy and completeness of accounting records; and
- audit of internal control and internal audit functions that assist in safeguarding assets and resources and assure the accuracy and completeness of accounting records.

VIII C Performance audit

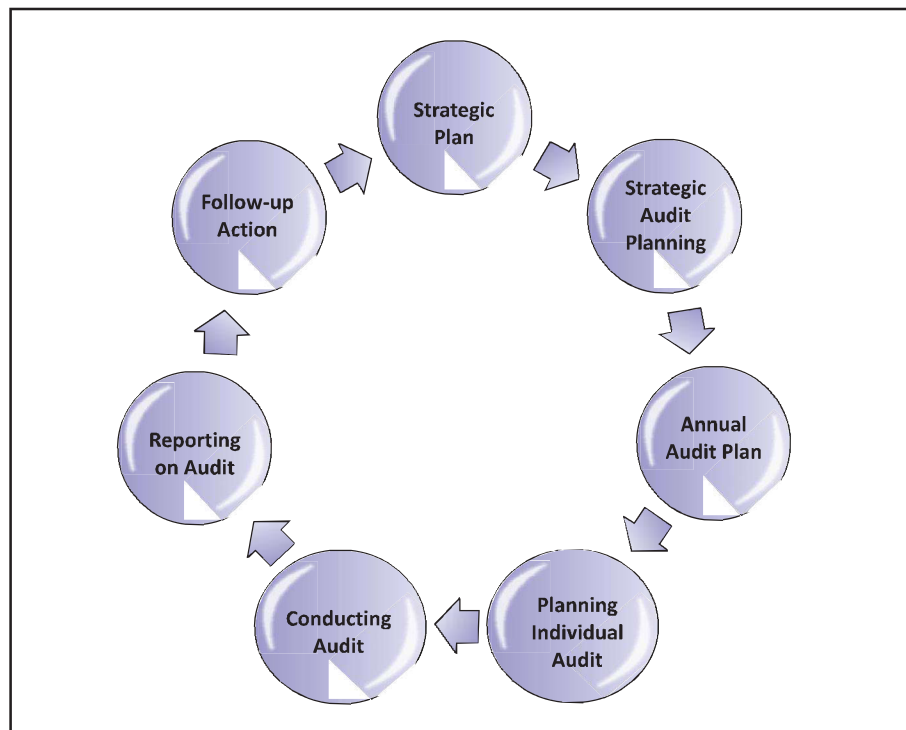
Performance audit is an independent assessment or examination of the extent to which an organisation, programme or scheme operates economically, efficiently and effectively. Performance audit assesses:



- **Economy** – Economy is minimizing the cost of resources used for an activity, having regard to appropriate quality. Economy issues focus on the cost of the inputs and processes.
- **Efficiency** – Efficiency is the relationship between the output, in terms of goods, services or other results and the resources used to produce them. Efficiency exists where the use of financial, human, physical and information resources is such that output is maximized for any given set of resource inputs, or input is minimised for any given quantity and quality of output.
- **Effectiveness** – Effectiveness is the extent to which objectives are achieved and the relationship between the intended impact and the actual impact of an activity. Effectiveness addresses the issue whether the scheme, programme or organisation has achieved its objectives.

IX Our Audit Process

The audit process at the SAI level and the individual audit office level follows these stages.





Strategic Plan provides the overarching framework for planning in the Indian Audit and Accounts Department on all significant areas for a longer time horizon.

High level strategic goals set out in Strategic Audit Plan 2020

Goal 1	• Integrating audit efforts
Goal 2	• Promoting professionalism in public sector auditing
Goal 3	• Improving communication with stakeholders and ensuring higher visibility
Goal 4	• Enhancing audit effectiveness
Goal 5	• Improving delivery of accounting and entitlement functions
Goal 6	• Improving human resource management

Strategic Audit Plans are developed in accordance with the strategic direction that CAG decides to follow, audit mandate, risk assessment, significance of the issue and available resources. These plans include audits that are to be taken up under each of the three methodologies described above.

Annual Audit Plans are developed by each field office of the CAG on the basis of the overall strategic audit plan. This plan details the individual audits planned to be carried out during the annual audit cycle. The annual plan exercise also takes into account periodicity of audit as determined by audit mandate, risk assessment and other relevant parameters including significance of the issue or unit. It is further defined by available resources, both human and financial for carrying out the audits.

We also develop detailed audit programmes describing the team to be deployed, the time allotted and the exact dates of the audit. The audit teams conduct audit based on prescribed audit norms, using different techniques for collecting reliable, competent and sufficient audit evidence to support their audit



conclusions. They are guided by the auditing standards of SAI India and other instructions issued from time to time.

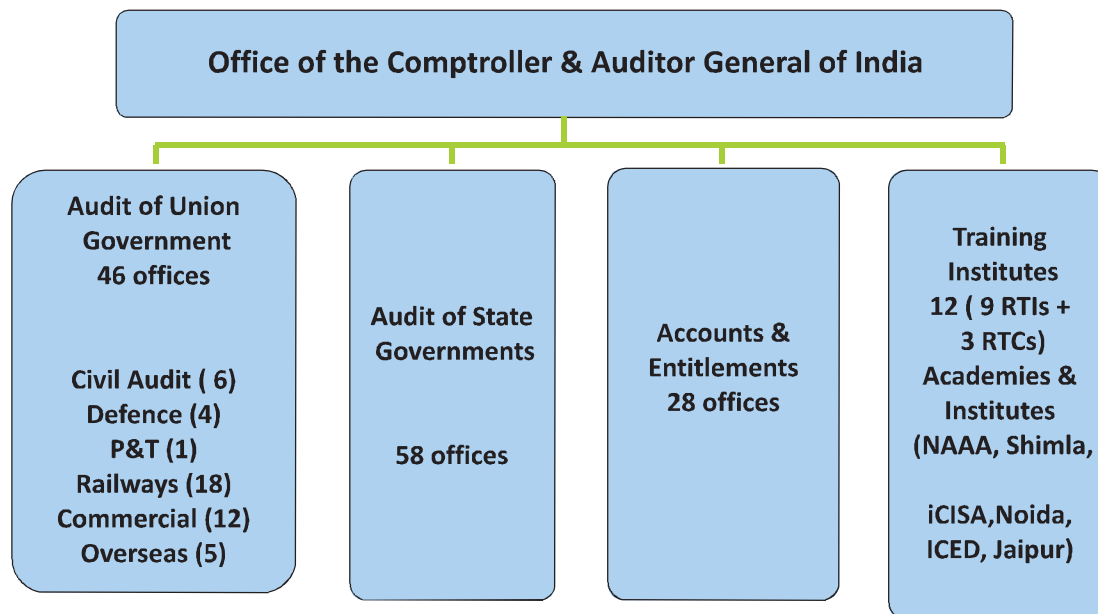
On completion of an audit, a report is issued to the audited entity, popularly known as Inspection Report. Audit Findings of high value or the ones that may have a significant impact are further refined and vetted for inclusion in the Audit Reports published at Union and State level.

The audited entities and Ministries are expected to take action on the basis of the shortcomings pointed out and the recommendations made in the Audit Reports and send action taken notes on the audit observations printed in the audit report. The audit reports issued by the CAG at the Union and State levels are discussed in the respective Public Accounts Committee (PAC) and Committee on Public Undertakings (COPU) meetings. Compliance with audit observations and recommendations is also examined and reported upon during subsequent audits.

The Audit Committee is yet another mechanism employed for follow up of audit. The Audit Committees consisting of officials from the audited entity and IAAD are formed at Union and State level to monitor the follow up process, to bridge our perception gaps and to increase levels of communication besides discussing and settling outstanding audit observations largely pertaining to the Inspection Reports.

X Our Organisation

The Comptroller and Auditor General of India discharges his duties through the Indian Audit and Accounts Department. The Department consists of approximately 44,872 employees. The CAG's office located in New Delhi is the headquarters of IAAD. It is supported by 142 field offices spread across India and five offices located abroad.



XI The CAG Office

The Office of the Comptroller and Auditor General of India in New Delhi directs, monitors and controls all activities connected with audit, accounts and entitlement functions of the Indian Audit and Accounts Department. It lays down the long term vision, mission and goals of the SAI, India. It also sets the policies, auditing standards and systems and does the final processing and approval of all Audit Reports. For carrying out these responsibilities, it has been organized on a functional basis and there are separate divisions dealing with Accounts and Entitlements, Civil Audit, Railway Audit, Commercial Audit, Revenue Audit, Administration of Personnel, Training, Communication, Organization and Methods, Inspection of field offices, Electronic Data Processing (EDP) etc. These divisions are headed by the Deputy/ Additional Deputy Comptroller and Auditor Generals reporting directly to the CAG. They are assisted by Directors General, Principal Directors and Directors, who are all senior level managers. Organization chart of CAG office is given at Annex I.



XII Field Offices in IAAD

The functional wings in the CAG office are supported by the field offices throughout the country. These offices are responsible for actually carrying out the audit and accounts mandate of the CAG. The types of field offices in the Department are discussed below:

- **Offices of the Principal Accountants General/ Accountants General (Audit)** in every State are responsible for audit of all receipts and expenditure of the State Government, audit of Government companies, corporations and autonomous bodies in the State as well as local bodies. In addition these offices also discharge Technical Guidance and Support functions for the local bodies. There are 58 such Audit offices in India.

- **Offices of Accounts and Entitlements (A&E) headed by Principal Accountants General/ Accountants General (A&E) (28)** are engaged in maintaining the accounts of the State Governments and authorizing GPF and pension payments of their employees.

- **Offices of the Director Generals /Principal Directors of Audit (29)** are responsible for audit of the activities of the Union Government, including

Category	Main	Branch
Audit Offices (Union Govt.)		
Civil	6	4
Defence	4	13
P&T	1	12
Railway	18	3
Commercial	12	15
Overseas	5	0
Total - Audit Offices (Union Govt.)	46	47
Audit Offices for Audit of State Accounts	58	12
State Accounts and Entitlement Offices	28	7
Regional Training Institutes/ Regional Training Centres, NAAA, Shimla, iCISA, and iCED	15	0
Grand Total	147	66



Civil Ministries and Departments, Defence, Indian Railways and Posts and Telecommunications.

- **Overseas Audit Offices** headed by Principal Directors in Washington, London and Kuala Lumpur audit embassies and other Government establishments in each region. Office of PDA in Rome is responsible for auditing World Food Program and office of PDA in Geneva audits the World Health Organization, the UN Agencies for which SAI India is the external Auditor.
- **Offices of the Principal Directors of Commercial Audit and ex officio Members Audit Board (MAB) (12)** are responsible for the audit of Central Public Sector Undertakings (PSUs). They certify the annual accounts of the Statutory Corporations and conduct Supplementary Audit of Government Companies. They also conduct compliance and performance audits in PSUs.
- Three national level Institutions, nine Regional Training Institutes and three Regional Training Centres are engaged in capacity building of officers and staff in IAAD. (A list of the offices is placed at Annex II of this report)

XIII Restructuring of Audit Offices

Taking forward the recommendations of the XXVth Accountants General Conference, the Strategic Plan 2020 recommended organizational restructuring as one of the tools for facilitating integration of audit efforts and presentation of a sector based perspective to the Government. The restructuring of Audit offices was notified in February/ March 2012 to be effective from 2 April 2012.

The principles underlying restructuring were:

Sectoral Integration: Transition from a function based audit approach to a Department/ Ministry and a sector based approach both at Headquarters as well as in field offices.

Vertical integration: Audit of Ministry/ Department, Government offices, Autonomous Bodies and Public Sector Undertakings under the Ministry/ Department to be conducted by a single office (or group of offices) both in case of Union and State Governments.



Segregation of Audit of Union from State Audit: All audit activities pertaining to Government of India are under the charge of Deputy CAGs (DAI) and all state level audit functions with Additional Deputy CAGs (ADAI) with regional supervisory responsibilities. Only audit of Central Government funds that are transferred to States and expended through State implementing agencies continue to be with State Audit offices.

Minimal Reporting lines: To do away with multiple reporting lines for State Audit offices, the supervision of all audit activities in a State were integrated under one ADAI i.e. there is a single ADAI for all AsG (Audit) in a state.

XIV Key features of restructuring

XIVA Audit of Union Government

- To ensure vertical integration of Ministries/ PSUs/ Autonomous Bodies in respect of Union Government, restructuring has been carried out both at the level of Headquarters and field offices. Sectoral profiling in respect of Union Government at the HQ level is summarized below.

	Sectors
DAI (Commercial)	Economic and Infrastructure Ministries
DAI (Report Central & Local Bodies)	Social & General Services Ministries and Local Bodies
DAI (Government Accounts and Central Revenue Audit)	Government Accounts and Central Receipts
DAI (Defence, Communication & Railways)	Defence, Communication & Information Technology and Railways

- Field offices auditing Central Ministries i.e., offices of Director General of Audit (Central Expenditure), Principal Director of Audit (Economic Services Ministries), Principal Director of Audit (Scientific Departments), Director General of Audit, Post & Telecommunications, Principal Directors of Audit (Railways), Director General/ Principal Directors of Audit, Defence and Principal Directors of Commercial Audit have also been given sectoral profiles.



- In addition to the three existing offices in New Delhi, Mumbai and Kolkata for audit of receipts and expenditure of Central Government units, six more offices would be opened in Ahmedabad, Bengaluru, Chandigarh, Chennai, Hyderabad and Lucknow, along with eight branch offices in various cities with effect from 2 April 2012. These nine offices and eight branch offices will deal with audit of receipts and expenditure of Central Government.

XIVB Audit of State Governments

- All audit activities in the States i.e. Civil Audit, Commercial Audit, Receipt Audit, Audit of State Autonomous Bodies and also Local Bodies shall be coordinated and supervised by the ADAIs under their regional charge. Distribution of states among ADAIs is given below:

ADAI - CR	ADAI - ER	ADAI - NER	ADAI - NR	ADAI - WR
Bihar	Andhra Pradesh	Arunachal Pradesh	Delhi	Goa
Chhattisgarh	Odisha	Assam	Haryana	Gujarat
Jharkhand	Puducherry	Manipur	Himachal Pradesh	Karnataka
Madhya Pradesh	Tamil Nadu	Meghalaya	Jammu & Kashmir	Kerala
Uttar Pradesh	West Bengal	Mizoram	Punjab	Maharashtra
		Nagaland	Uttarakhand	Rajasthan
		Sikkim		
		Tripura		

- There would be two State Audit offices in 10 States⁵ i.e. Principal Accountant General (Social and General Sector) and Principal Accountant General (Economic and Revenue Sector), with effect from 2 April 2012. In case of Maharashtra, the distribution of jurisdiction among Principal Accountant Generals is more on geographical basis. In case of other

⁵ Andhra Pradesh, Gujarat, Karnataka, Kerala, Madhya Pradesh, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal



states, where there is only one Accountant General office, distribution of jurisdiction among the Group officers was done on sectoral basis.

- The offices of Local Bodies Audit would stand merged with the respective offices of Principal Accountant General (General and Social Sector Audit) with effect from 2 April 2012.
- Audit of centrally sponsored schemes where State agencies are the implementing agencies will continue to be done by State Accountant General.

XV Audit Advisory Board

An Audit Advisory Board is set up under the Chairmanship of the CAG to advise him in matters relating to audit and suggest improvements in the performance and focus of audit within the framework of the constitutional and statutory mandate of the CAG. It includes highly qualified individuals and professionals from diverse fields. It is a reflection of our openness to external advice and has been identified as a good practice by the International Peer review Team. The members of the Board function in an honorary capacity. The Board consists of eminent persons in diverse fields and DAIs from the Department. The constitution of the Board for the biennium 2011- 12 is as under:

Shri Vinod Rai Comptroller and Auditor General of India	Ex-officio Chairman
Ms. Shailaja Chandra Former Chief Secretary, Delhi	Member
Shri. T. Sethumadhavan Public Finance Consultant	Member
Shri. Pratap Bhanu Mehta President, Center for Policy Research, New Delhi	Member
Dr. A. K. Shiva Kumar Adviser, UNICEF, New Delhi	Member
Ms. Rohini Nilekani Chairperson, Arghyam	Member
Ms. Kalpana Morparia Chief Executive Officer, JP Morgan India Pvt. Ltd., Mumbai	Member
Ms. Sunita Narain Director General, Center for Science and Environment, New Delhi	Member
Shri K. V. Kamath Chairman, ICICI Bank, Mumbai	Member



Ms. Shabana Azmi Social Activist	Member
Shri Pradeep Kumar Central Vigilance Commissioner	Member
CA Subodh Kumar Agrawal President, The Institute of Chartered Accountants of India	Member
Deputy Comptroller and Auditor General	Ex-officio Member
Deputy Comptroller and Auditor General (Report Central)	Ex-officio Member
Deputy Comptroller and Auditor General (Commercial)	Ex-officio Member
Deputy Comptroller and Auditor General (Government Accounts & Central Revenue Audit and Chairman GASAB)	Ex-officio Member
Deputy Comptroller and Auditor General (Receipt Audit)	Ex-officio Member
Principal Director (SMU)	Ex-officio Secretary to the Board

The Audit Advisory Board had two meetings during the year 2011-12, *i.e.*, one on 17 August 2011 and second on 12 January 2012. The Board deliberated upon the issues related to capacity building and creation of MIS in the audited entities, Mahatma Gandhi National Rural Employment Guarantee Scheme, Audit of Benami Transactions Acts, *etc.*

Audit Advisory Boards in the states have been constituted under the chairmanship of the Pr AG/AG. Other Accountants General are members of the Board. Nominated members are drawn from amongst eminent academicians, professionals and retired Civil Servants. The Audit Advisory Boards have been constituted in all the states. The Boards are reconstituted every two years.



Chapter 3

Key Results and Achievements – Audit

In Indian Audit & Accounts Department (IA&AD), we strive to promote accountability, transparency and good governance by providing an independent audit assurance on financial and performance management in Government and Public Sector. IA&AD is continuously introducing new initiatives in the form of innovative auditing practices based on the prescribed auditing standards and guidelines for improved auditing results. Key functional areas of the department are audit of various audited entities under Central Government, State Government, Local Bodies, Autonomous Bodies, Public Sector Units etc., Inspection Reports (IR), Audit Reports and Audit Certificates are the main outputs of the audit process. Ensuring the quality and timeliness of these products is a key result area of IA&AD.

I Our Innovations and Initiatives

I A Central Receipt Audit (Direct Taxes):

The approach of Revenue Audit Direct Taxes was primarily centered on the audit of scrutiny assessments completed by Income Tax Department. Each assessment was checked for regularity vis-à-vis the existing tax statutes. As these assessments were completed by the Assessing Officers at the level of Deputy Commissioners/ Assistant Commissioners/ Income Tax Officers, our primary audit entity was the Assessing Officer. In view of the changes introduced in the tax administration and large scale computerization of the basic functions for example summary assessment, the need for modification in approach to audit of direct taxes was felt. The transition to the Department Centric Audit (DCA) is basically a change in the manner in which we look at the audit planning, execution and reporting. The basic purpose of DCA is to focus on the functioning of Income Tax Department in a holistic manner and to review the levels of internal controls and the department's adherence to them. During January-March 2012, field offices conducted pilot study of Department centric audit of one Commissionerate. Based on pilot study reports from field offices and the deliberations in the Zonal Workshops held in February 2012, guidelines for Department Centric Audit together with audit checks were issued.



I B Railway Audit

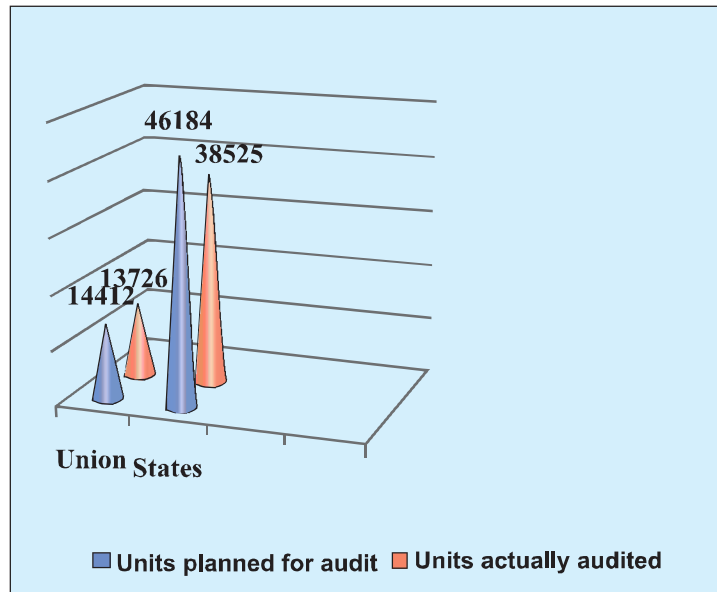
Indian Railways is one of the biggest Departments of the Government of India with an independent budget. In recognition of the need to sharpen focus on Railway finances, we considered a stand-alone report on Railway Finances as an appropriate instrument. Accordingly, a stand-alone report on Railways Finances was prepared (No.3 of 2012-13) highlighting the strengths and areas of improvements in Railway Finances.

We also introduced the concept of Zonal Railway Report with the aim of focusing on annual assessment on working of the zone during the reporting year. This audit report is prepared and issued by the local heads of the Railway Audit offices to the respective General Managers of the concerned Railway Zone. It is like a management letter and is expected to be an aid to management. Our initiative has been received well and appreciated by the audited entities.

II Audit Coverage – Audited Entities planned Vs Audited Entities audited during 2011-12

Audit offices of IA & AD plan performance, financial and compliance audits each year on the basis of mandatory requirements, significance of issues, risk assessment and available manpower resources. A total of 52,251 units were audited during 2011-12.

The graph below shows that 96.19 *per cent* of the planned audits at the Union level and 81.33 *per cent* of the audits planned at the State level were completed. Audit offices also audited sanctions, vouchers and contracts as per the audit norms set for the respective offices. Special requests for conducting audit under Sec 14 of CAG MSO Audit were received from 36 organizations. In response we conducted 31 request/special audits (10 audits at Union level and 21 audits at State level).



III Our Audit Products

ISSAI 20 envisages that the SAIs initiate and conduct audit and issue the relevant reports in a timely manner. They should produce an audit report as a key output of each audit. Inspection reports, audit reports and audit certificates are the main outputs of the audit process. Ensuring the quality and timeliness of these products is a key result area for IAAD.

IIIA Inspection Reports

Inspection reports are the primary products of audit. On completion of audit of every audited entity an inspection report elaborating the audit observations is issued to the Head of the audited entity. We issued 49,390 Inspection reports during 2011-12.

	Inspection Reports issued	No of References made
Union	12,383	188
State	37,007	2,700

At the Union level 94.02 *per cent* of the inspection reports were issued on time. At the State level, the on-time performance was 74.73 *per cent*. Heads of the Audit offices had made 188 references at Union level and 2,700 references were made at State Level to higher administrative levels based on weakness of



internal control/ wasteful expenditure/ revenue leakage etc., noticed during audit inspections and commented upon in the inspection reports.

IIIB Audit Reports

The audit process involves preparing a report to communicate the results of audit. Article 151 of the Constitution envisages that the Comptroller and Auditor General of India will prepare and submit reports to the President or the Governor for laying in the Parliament or the State Legislatures as the case may be. We prepared and submitted 137 audit reports (including standalone performance audit Reports) during 2011-12 to the Parliament and the State Legislature.

	No. of Reports
Union Government	33
State Governments & Union Territories	104

IIIC Performance Audit

While the previous paragraph provides information about all the audit reports issued by SAI India in 2011-12, this paragraph exclusively talks of our performance audit output and outcome. The CAG approved 252 performance audit products [these include standalone reports (38), audit paragraphs (189), compendium (25)]. We made 1,590 recommendations to our audited entities at Union and State level. Of these 627 recommendations (39.43 *per cent*) were accepted by the audited entities. The table below indicates the details at Union and State level.

	Audit Products	Recommendations made	Recommendations accepted
Union Level	16	195	98 (50.25 <i>per cent</i>)
State Level	236	1,395	529 (37.92 <i>per cent</i>)
Total	252	1,590	627(39.43 <i>per cent</i>)



IIID Certification Audit

Comptroller and Auditor General's DPC Act (1971) provides for audit of expenditure and receipts of the Union and State Governments, Autonomous Bodies and Public Sector Undertakings by the CAG of India. In addition, we are also expected to certify the expenditure incurred on externally aided projects.

We certified 5,730 accounts of Union and State Governments, PSUs, Autonomous Bodies, externally aided projects and others. 4,738 certificates were issued within the prescribed time frame.

	Accounts certified	On time Certification
Union Government	653	486
State Government	2,270	2,242
PSUs	1,223	913
Autonomous Bodies	859	564
Externally Aided Projects and Others	725	533
Total	5,730	4738 (82.69 per cent)

Delays in receipt of accounts from the audited entity, delays in receipt of replies to audit observations and non availability of staff were some of the reasons for delayed certification of accounts.

IIIE Compliance Audit:

The observations made by audit during compliance audit are being compiled and issued to the respective Ministry/Corporation/Company as Compliance Audit Report. During 2011-12, 2,115 paragraphs, other than those designated as performance audits were included in the compliance reports. Out of the 576 observations made 436 audit paras were accepted by the audited entities at the



Union level. At the State level, 1,539 audit paras were included in the compliance reports out of which 544 were accepted by the audited entities.

IV Our Audit Impact

Some of our audit observations point towards underassessment of taxes or specific loss to the exchequer. This necessitates recoveries from the concerned parties by the Executive. Recoveries at the instance of audit are discussed below:

(₹ in crore)

	Recoveries pointed out	Recoveries accepted	Recoveries effected
Union Government	33,723.40	7,073.90	1,721.41
State Governments	45,490.12	20,706.15	1,635.53
Total	79,213.52	27,780.05	3,356.94

The audited entities accepted about 35.06 *per cent* of the recoveries pointed by audit. The Government recovered ₹3,356.94 crore as a result of audit which is only about 4.24 *per cent* of the amount pointed out for recovery during the year.

V Recommendations accepted by the executive

While audited entities at the Union level accepted 38.76 *per cent* of the recommendations made, at the State level the percentage of acceptance was approximately 27.39 *per cent*. The financial value of the recommendations accepted was ₹271.16 crore, at Union level and ₹4,807.19 crore at State level.

VI Financial Impact of Audit of Annual Accounts of PSUs

In case of annual accounts of Government companies and corporations we conduct supplementary audit under section 619 (4) of the Companies Act, 1956. The corrections made as a result of three phase audit of companies and corporations at the Union level are given in the table below:



	No. of Companies	₹ in Crore
Accounting Policies/Notes to the Accounts/Classification Mistakes, etc.	53	29,304.81
a) Impact on Accounting Policy	5	241.90
b) Amendment to Notes to the Accounts	26	27,686.99
c) Classification mistakes	22	1,375.92
Impact to Transactions commented	164	6,567.49
(a) Profit	61	4,340.90
(b) Loss	5	81.12
(c) Assets	50	1,009.76
(d) Liabilities	48	1,135.71

At the State level, 9 companies and 21 corporations revised their accounts as a result of our audit comments. The following was the financial impact of the revisions.

(₹ in crore)

Overstatement of profit/loss	583.16
Understatement of profit/loss	56,739.45
Overstatement of Assets/ Liabilities	56,112.44
Understatement of Assets/ Liabilities	2,142.77

VII Major Audit Findings

As a result of our audit we pointed out several instances of deviation from rules, regulation; deficiencies in planning and implementation of schemes, lack of coordination among various agencies etc.

VIII Major audit observations in respect of Performance Audits

Findings of some of the performance audits are listed below:



VIIIA Audit Report on XIX Commonwealth Games held in Delhi

We noted that, due to poor governance model, there were inexplicable delays in decision making resulting in creation of an artificial or consciously created sense of urgency. The dates (October 2010) for Games being fixed, such delays could be overcome only by seeking and liberally granting waivers in laid down Government procedures for cutting short the process, specially the contracting procedures. Public exchequer had to bear huge extra financial burden for such lapses which could have been avoided by better planning and adoption of a better governance model for games delivery. These observations need to be seen in the light of the fact that a Study Report on preparedness for Games was submitted in July 2009, wherein, we had strongly recommended that the Government should revisit the model of Governance for CWG as in the model adopted, authority was dissipated, accountability was defused and unity of command was not provided for or followed.

VIIIB Performance Audit of Fertiliser Subsidy

In spite of massive amounts of expenditure by the Government of India on fertilizer subsidy/concession, annual production of fertilizers increased only marginally from 284 Lakh MT in 2003-04 to 298 Lakh MT in 2008-09. Changes in the subsidy regime, have failed to incentivize significant increase in domestic production of fertilizer. The process for detailed assessment of fertilizer requirements was flawed, with the general practice being merely projections of increases of 5 to 10 *per cent* over the previous season's / year's requirement. Further, first point sales were being treated as consumption for purposes of passing on fertilizer subsidy.

We also found significant deficiencies in quality control over subsidized fertilizers in terms of inadequate / poor infrastructure, lack of adequate skilled manpower, and huge shortfalls in testing of fertilizer samples.

Thus we could not derive an assurance that the huge expenditure incurred on fertilizer subsidy payments to manufactures / importers of fertilizers actually resulted in full availability of high quality fertilizers as per requirement at the stipulated subsidised prices in a timely manner to the farmers.



VIIIC Recovery of Arrears of Tax Demand

The arrears of direct tax demand were ₹ 2.29 lakh crore in March 2010 equivalent to 54 *per cent* of total direct tax collections. It also registered a steep hike in last five years. We found that there was variability in the data maintained by different wings in the CBDT. Omissions at various stages of processing pointed towards lax internal controls. Analysis of high value demand cases revealed that the irrecoverability of demand was caused by delay in liquidation/ insolvency proceedings, no assets for recovery, assessee not traceable, demand covered by stay. We also noted that the tax recovery officers sparingly exercised the special powers towards recovery of the demand.

VIIID Performance Audit Report on Civil Aviation in India

Air India (AI) and Indian Airlines (IA) were amalgamated into the National Aviation Company of India Ltd in 2007. We were unable to ascertain the detailed justification for merger of two entities. The initiation of action towards merger also appeared to be ill timed in view of the independent large scale acquisition of aircrafts by AI and IA. There were huge delays in actualisation of the merger/operational integration. The aircraft acquisition process also took unduly long time. Post bid changes affected the transparency of the negotiation process.

While the liberalised approach to bilateral agreements on international entitlements as well as external factors (Aviation Turbine Fuel (ATF) prices, and economic recession from late 2008 onwards) were important contributory factors leading to the dismal operational performance of the erstwhile IAL/AIL and the merged entity, chronic operational deficiencies in their functioning cannot be ignored.

IX Changes in Policies, Rules, Law and other significant changes at the instance of audit

Besides monetary impact, the changes made in the policy, law, rules and other significant changes made by the Government on the basis of audit observations are as follows:



Union Audit

IX A Central Excise & Service Tax

- We pointed out that the rules did not provide for proportionate reversal of credit in respect of inputs written off partially. Accordingly the Government amended Rule 3 (5B) which required a manufacturer or service provider to pay an amount equivalent to the CENVAT credit taken in respect of inputs or capital goods even where the value of such inputs or capital goods was written off partially.
- We had pointed out that only Allopathic medicines were shifted to MRP base levy with effect from 08.01.2005 and Ayurvedic and Homeopathic medicine continued to be assessed under section 4 which resulted in short collection of duty. At the instance of Audit MRP based assessment under section 4A was extended to all medicaments (including Ayurvedic, Unani, Siddha, Homoeopathic or Bio-Chemic systems) manufactured exclusively in accordance with the formulae prescribed in authoritative book specified in the first schedule to the Drug and Cosmetic Act, 1940 vide notification dated 24.12.2011.
- We had pointed out that CENVAT Credit was availed on various input services for the use in manufacture of dutiable and exempted goods or services, and the credit was proportionately reversed for input services attributable to exempted goods, however, interest thereon was not paid by the manufacturer citing multiple judicial pronouncements. Due to varied interpretations uniform interest was not being charged by the Commissionerates. At the instance of Audit, Rule 6 of the Cenvat Credit Rules, 2004 was amended retrospectively vide Section 73 of the Finance Act, 2010 and sub rule 7 was inserted which provided for payment of interest at the rate of 24 per cent per annum from the due date till the date of payment of the amount equivalent to Cenvat credit attributable to input or input services used in or in relation to manufacture of exempted goods. The issue of differing interpretations was also settled by judgment of Supreme Court in the case of M/s Ind-swift Laboratories Ltd. {2011 (265) ELT 3 (SC)}. Board had also issued Circular No.942/03/2011-CX dated 14.3.2011 clarifying that Board's view has been endorsed by the Supreme Court.
- There was no provision for issuance of show cause notice for recovery of interest under section 11A of Central Excise Act 1944. We had observed that



there were cases pertaining to non-recovery of interest on differential duty. This has been remedied with the Finance Act 2011 by amending section 11A.

- Based on our audit observations pointed out during 2010-11, necessary amendments to the existing rules were introduced in the Budget 2011-12 by issuing amendment to Cenvat Credit Rules, 2004 requiring a banking company and a financial institution including a non-banking financial company providing taxable services to pay, for every month, an amount equal to fifty per cent of the Cenvat credit availed on inputs and input services in that month. Thus effectively, only 50 per cent of the Cenvat credit availed is allowed to be utilised towards payment of tax or duty.
- Also in the Budget 2011-12, the relevant rules pertaining to payment of service tax by institutions offering broking services on Foreign Services have been amended. Now the service tax is payable as a transaction graded percentage depending on the value of turnover of currency exchange. Alternatively, the value of service may be determined as the difference between the transaction value and the RBI reference rate.

IX B Commercial Undertakings

- India Infrastructure Finance Company Limited (IIFCL) - On the basis of our audit observation, the cabinet has approved the modification in the Scheme for Financing Viable Infrastructure through which IIFCL is being brought under the regulatory oversight of Reserve Bank of India by registering it as a Non-Banking Financial Company- Infrastructure Finance Company (NBFC-IFC). Therefore, all the prudential norms applicable to NBFC-IFC will be applied on IIFCL.
- National Mineral Development Corporation Limited, Electronics India Limited, Bharat Dynamics Limited and Mishra Dhatu Nigam Limited have taken corrective action by issuing instructions to adopt '30 days a month' as a norm for the purpose of calculation of leave encashment. Earlier, these companies adopted 26 days a month as a norm for leave encashment.
- Steel Authority of India Limited (SAIL) changed its accounting policy relating to subsidy extended for electricity charges payable by its executives.
- Based on our audit observations SAIL amended its accounting policy regarding amortization of lease hold land and building for better understanding.

**IX C Direct Taxes**

- We pointed out that the concept of MAT was applicable only to companies and not to firms/AOPs. Audit recommended that the provisions of section 115JB may be extended to firms/AOPs who are taking advantage of deduction or incentive available in the Income Tax Act. An amendment has been made in the Income Tax Act 1961 under Section 115JC through Finance Act, 2012 wherein the concept of MAT has been extended to non-company assesses.

IX D Railway

Details of changes made by the Government / Management on the basis of our audit observations are listed below:

- Railway Board instructed Zonal Railways to ensure finalization of tenders for proper exploitation of advertisement potential of Railway stations and other assets within the time limit prescribed.
- Railway Board have agreed to incorporate the various charges to be levied on demanding parties for Power cum – Traffic Block in MOU stage itself to avoid any ambiguity at later stage.
- Railway Board instructed Zonal Railways to devise suitable mechanism and recover suitable penalty from the contractors who damage railway cable along the railway tracks during execution of work.

IX E Union Expenditure:

- Based on the observations/ recommendations made in CAG report on “Performance Audit of Water Pollution in India”, the Ministry of Environment & Forests prepared a road map for management of Water Pollution in India.
- The accounting policy relating to treatment of Assets created out of Project grants was changed by Indian Institute of Science Education and Research, Pune and value of the Assets was not merged with Institute Accounts.

State Governments:

- We pointed out that the component of Central Sales Tax (CST) was not included in cost price of vehicle determining tax under Motor Vehicle Act 1988. The Government issued instructions vide circular no. Tax/ Assessment/ CST/



including/ ON/ 4781 dated 5 July 2011 for inclusion of component of CST in the cost price of vehicle for assessing the tax under MVA 1988. (Gujarat)

- Rule 63 (6) of Rajasthan Minor Mineral Concession Rules, 1986 was silent about the recovery of cost of minerals excavated and removed to the extent between 10 to 25 per cent, over and above the quantity sanctioned in the permit. At the instance of audit, Rule was amended as under,

“In case a permit holder has excavated and carried away mineral to the extent of above 10 per cent to 25 per cent over and above the quantity specified in the permit within stipulated time of the permit, double royalty shall be charged from the permit holder for the excess excavation of the mineral”.

- On the basis of our audit observation, circular no. 27/2010 was issued by the State Government of Rajasthan notifying that the rates of agriculture land situated in periphery area, Nagar Palika area & rural area whose area is less than 1000 SM should be three times of agriculture rate and rate fixed for residential plot situated nearby, whichever is higher.

X Follow Up

ISSAI 10 prescribes that SAI should have independent procedures for follow up to ensure that audited entities properly address their observations and recommendations and that corrective actions are taken. Regulations on Audit and Accounts 2007 stipulate that the Secretary to Government of the concerned Department shall cause preparation of self explanatory action taken note(s) on the audit paragraph(s) relating to his/her Department, that are included in the audit report, for submission to the PAC/COPU. An action taken note states whether

- Facts and figures in the audit report are acceptable;
- Circumstances in which the irregularity pointed out in the audit paragraph occurred;
- Action taken to fix responsibility and likely time frame for completion of action;
- Current status of recovery;
- Action taken or proposed to be taken on suggestions and recommendations made by audit; and



- Remedial action taken or proposed to avoid occurrence of similar cases in future.

The table below shows the position of action taken notes as on 31 March 2012:

	ATN awaited at the end of 31 March 2012	ATNs settled during the year
Union level	1,050	1,486
State Level	17,712	1,073



Chapter 4

Key Results and Achievements – Accounts and Entitlements

Article 149 of the Constitution mandates the CAG of India to compile, prepare and submit the Accounts of the Union and State Governments. Currently, we are responsible for compilation and preparation of accounts of State Governments, maintenance of GPF accounts and authorization of pension payments of State Government employees. Accordingly, the key outputs are Monthly Civil Accounts, Finance Accounts and Appropriation Accounts. The key focus areas of this wing and the achievements during the year 2011-12 are discussed below.

I Key Focus Areas

The key focus area of this wing during the year 2011-12 was to see the compliance of the revision in the format of the Finance Accounts of the States introduced during the year 2009-10. Finance Accounts of all the States for the year 2010-11 were reviewed in the Accounts wing for quality assurance and lessons learnt were disseminated to the concerned AsG (A&E) to facilitate further improvement in preparation of the Finance Accounts for the year 2011-12. Another important activity initiated in this period was the technical upgradation of the VLC⁶ application to the latest version of Oracle database and application server. This was done to ensure business continuity in the face of rapid technological changes in the decade since VLC implementation.

II Innovations and Initiatives

The existing system of classification being followed by the Government of India and the State Governments is a six tier hierarchical structure. Expenditure is classified according to the function, programme, and its economic nature using a fifteen digit numerical code. Receipts are classified according to their nature and source.

The Committee constituted by the Government of India, Ministry of Finance, for revision of List of Major and Minor Heads of Accounts of Union and States have submitted their report for final approval to Ministry of Finance. Unlike existing

⁶ VLC: Voucher Level Computerisation Application is the core accounting software used by all Accounts & Entitlement offices of IAAD



classification structure which has a single hierarchical six tier structure (Major Head → Sub-Major Head → Minor Head → Sub-Head → Detailed Head → Object Head), the proposed classification structure is a multi-segment structure. It has seven independent segments with their individual hierarchical (vertical) structure.

In order to ensure our preparedness for the proposed revised classification structure and for familiarizing our state AsG with the same, five regional workshops were organized by Accounts Wing during the year 2011-12. Workshops were held at Mumbai (January 2012), Guwahati (January 2012), Kolkata (January 2012), Bangalore (February 2012) and Chandigarh (February 2012).

III Our Accounts Performance

III A Work plan of accounts wing

Monthly Civil Accounts, Finance and Appropriation Accounts, Accounts at a glance, various MIS reports including Report of Expenditure, DDO wise expenditure figures, warning slips, Grant-wise excess expenditure are presented by State Accountants General (Accounts & Entitlement) to the State Government. Rendition of these documents is monitored at the level of field office as well as Headquarters. Treasury inspections are also conducted to assist the State Government to ensure that system of treasuries is working in accordance with prescribed procedures.

III B Timeliness

27 Accounts offices of the IAAD were due to render monthly accounts to the State Governments. While 16 Accounts offices were able to render monthly civil accounts on time, there were delays in submission of monthly civil accounts by 11 Accounts offices. Delays occurred mainly in the Accounts offices in the seven North Eastern States, two States from East, one State in South and one in North due to late receipt of accounts from the treasuries.

III C Completeness

66.66 *per cent* of the monthly civil accounts rendered were complete in all respects. 18 out of 27 Accounts offices rendered complete monthly accounts to the State Governments. In nine Accounts offices monthly accounts rendered were incomplete as treasuries had been excluded from the accounts rendered.



Treasuries are excluded from accounts on account of incompleteness of accounts and/or late receipt of accounts.

III D Causes of delay in rendering accounts to State Governments and incompleteness of Accounts

Delay occurred mainly due to late receipt of accounts from treasuries/divisions and other account rendering authorities of State Government, staff shortage and technical problems relating to accounting software and hardware. Treasuries/divisions are excluded from accounts for incompleteness of accounts and late receipt. Delays in rendering of accounts by treasuries are sometimes attributed to difficult and poor road connectivity and shortage of staff.

IV Treasury Inspections

Treasury inspections are conducted to assist the State Government in ensuring that system of treasuries is working in accordance with prescribed procedures.

AsG (A & E), being the compiler and preparer of the State Government Accounts, examines the internal control mechanism in a treasury. The objective of treasury inspection is to seek an assurance that various checks and procedures prescribed for preparation of initial accounts are duly complied by the treasuries.

The Inspections are carried out at the level of treasury as well as sub treasury. We carried out 95.68 *per cent* of the planned treasury inspections. State Government accepted 67.22 *per cent* of the recommendations made by us.

Description	No of inspections planned	No of inspections carried out	Inspection reports issued	Recommendations made	Recommendations accepted
Treasury	710	699	702	3,887	1,889
Sub Treasury	2,163	2,050	1,271	2,594	2,468
Total	2,873	2,749	1,973	6,481	4,357

IV A Major Findings of Treasury Inspections during 2011-12

We noticed deviations in compliance to financial rules impacting financial management of the States for example delay/ non submission of Abstract Contingent (AC) bills, excess payment of pensionary benefits, crediting of Government receipts to Personal Ledger Account instead of Consolidated Fund



of State etc. All such cases were reported to the State Government for necessary corrective action.

V Our Entitlements Performance

V A Pension cases finalized

The Accounts and Entitlement offices in IA&AD finalized 5,50,762 pension and revision cases. The average time taken for finalization of a case ranged from 2 days (Chhattisgarh) to 75 days (West Bengal). While there were no delays in processing pension cases in 15 offices, average delays ranging from 7 days to 60 days took place in the rest of the offices. Revision of pension on account of sixth pay commission, incomplete information, staff shortages were some of the reasons for delays in processing pension cases.

V B Maintenance of General Provident Fund Accounts

A&E offices in Indian Audit & Accounts Department are responsible for maintenance of General Provident Fund Accounts (GPF) of State Government employees. During the year 2011-2012, we maintained 40,95,796 GPF accounts through 23 A&E offices. Accounts slips in respect of 37,78,502 GPF accounts i.e. 92.25 per cent were issued in time.

No. of GPF accounts maintained	No of accounts slips issued in time
40,95,796	37,78,502

VI Specific Measures taken to address client grievances/ new initiatives taken

We are conscious of our responsibilities towards our clients for providing services within the timeframe and addressing their grievances. We are leveraging technology to provide efficient services as well as interacting with the stakeholders seeking their cooperation in this endeavor. This section describes some of the initiatives taken by some of the Accounts and Entitlements.

VI A Andhra Pradesh

The website of the office is used to give a brief description of the activities and initiatives of the Funds group. The GPF slips from 2009-10 have been placed on the website for downloading by the subscriber. The employee data is being captured from the information given by the subscriber while downloading the slip. Eligibility for payment under Residual Balance is also displayed in the



website for wider publicity. In order to digitize the records and also to preserve records for easy retrieval, the GPF ledger cards are scanned and these scanned images are incorporated in the GPF package for the purpose of viewing. A dedicated g-mail exclusively for GPF related correspondence is functioning since 2011. On an average around 200 emails are received monthly and attended to by an official exclusively posted for this purpose. One Assistant Accounts Officer who is also the Public Relations Officer/ Public Grievance Officer has been deployed to redress the grievances of the GPF subscribers and Pensioners

Principal Accountant General (Accounts & Entitlement) has also published a document "Innovation in Pension". The purpose of this publication is to document the structural change so that it can serve as a record and guide to employees in the office and also facilitate replication in all offices of the Indian Audit and Accounts Department that authorize pensions to State Government employees. The document shows that the thread of quality control runs consistently through the entire process, from the stage of the application to the dispatch of the authorization and the transfer of the case file to old records for future reference and use. Another noteworthy feature is the constant feed-back to the pensioner to enable him to rectify defects in the pension application and to keep him informed of the stage of processing of his case.

VI B Haryana

Press Notes were given in the leading newspapers apprising the Haryana Government employees and retirees about necessity of timely submission of pension and final payment cases as well as about their grievance redressal. Accountant General held a meeting with the Heads of Offices in January 2012 at Bhiwani to impress upon them to respond to wanting details /documents for release of dues. The subscribers have been issued PIN (Personal Index Number) to view the status of their GPF accounts as well as final payment cases on the office website.

VI C Himachal Pradesh

IVRS & Website have been setup for providing information and registering grievances relating to GPF account holders and Pensioners. Two seminars were conducted, at Keylong and Kaza during the year 2011-12, to apprise the stakeholders about the gaps in documentation impacting processing of Pension & GPF final payment by the AG office.

**VI D Karnataka**

A database of Mobile phone number and e-mail ID of all GPF subscribers is being created for direct and quick contact/interaction with subscribers with the objective of communication of status of claims/updating of credit/debit postings, etc. to the subscriber through SMS. A new Pension software, SAI (System Automation Initiative) - Pension is being implemented. This would reduce the information gap as pensioner can ascertain the status of his/her pension case in the AGs office by accessing the office website.

VI E Maharashtra

A fully computerized GPF package (GEMS) on the line of SAI (Pension) modules has been introduced since April, 2011 and all final refund application/Residual balances are issued through this module. The office conducted workshops at district level to educate the DDO's and Treasury officers for improving the quality of GPF schedules by capturing all the relevant information. Pension Adalats were conducted to address the grievances of the Pensioners.

VI F Tripura

SAI (System Automation Initiative) - Pension Project is being implemented to provide efficient and timely services to the pensioners.

VI G Uttarakhand

E-initiative such as on line status of GPF balances and subscription and SMS Pull and Push facilities are being continued. New initiatives include online grievances recording and redressal facility.

VI H West Bengal

The Pension wing of this office has a full fledged complaint redressal section named 'Pension Facilitation cell' where pensioners can come for redressal of their grievances. This Cell has been strengthened further and brought under the purview of SAI - Pension so that the queries/grievances of the pensioners can be expeditiously addressed in an electronic environment.



Chapter 5

Professional Standards and Quality Management

We are conscious of the significance of Professional Standards and Practices both for Government Auditors and Accountants. These provide guidance to be followed under diverse situations by all the practitioners and to that extent serve as benchmarks for quality control and quality assurance process.

I Government Accounting Standards Advisory Board (GASAB)

The Comptroller and Auditor General of India, with support of Government of India constituted the Government Accounting Standards Advisory Board (GASAB) in August 2002. The mission of GASAB is to formulate and recommend accounting standards with a view to improve Government accounting and financial reporting to enhance public accountability and decision making quality. GASAB consists of 16 members with high level representation from multi party stakeholders from Government (Central and State), Professional Accounting Institutes, Reserve Bank of India and Academia.

GASAB has the following responsibilities:

- To establish and improve standards of Government accounting and financial reporting in order to enhance accountability mechanisms;
- To formulate and propose standards that improve the usefulness of financial reports based on the needs of the users;
- To keep the standards current and reflect change in the Governmental environment;
- To provide guidance on implementation of standards;
- To consider significant areas of accounting and financial reporting that can be improved through the standard setting process; and
- To improve the common understanding of the nature and purpose of information contained in financial reports.

The standards based on cash based accounting system are termed as Indian Government Accounting Standards (IGASs) and become mandatory for application by the Union, States and the Union territories with legislature from the date as notified by the Government. The standards based on accrual based accounting system are termed as Indian Government Financial Reporting



Standards (IGFRSs) and become recommendatory for pilot studies from the date approved by GASAB. The standards developed in consultation with stakeholders, are forwarded to Ministry of Finance for consideration and notification in accordance with provisions of the Constitution.

IA IGAS notified

Up to March 2012, following three IGASs have been notified:

- IGAS 1 on *Guarantees given by Governments: Disclosure requirements*, was notified by the Government in December 2010.
- IGAS 2 on *Grants in aid: Accounting and classification* was notified by the Government in May 2011.
- IGAS 3 on *Loans and Advances made by Government* was notified by the Government in February 2012.

IB IGAS and IFRS under consideration

IGASs and IGFRSs under consideration of the Government are listed below:

- IGAS on *Foreign currency transactions and loss or gain by Exchange Rate Variations*
- IGAS on *Public Debt and Other Liabilities of Governments: Disclosure requirements*
- IGFRS on *Property, Plant and Equipment*
- IGFRS on *Contingent Assets and Contingent Liabilities: disclosure requirements*

IC IGAS and IGFRSs under consideration

IGASs and IGFRSs under various stages of development and under consideration include the following:

- IGAS on *General Purpose Financial Statement of Government*
- IGAS on *Government Investments in Equity*
- IGAS on *Leases*
- IGFRS on *Presentation of Financial Statements*
- IGFRS on *Revenue from Exchange Transaction*
- IGFRS on *Inventories*
- IGFRS on *Accounting Policies, Changes in Accounting Estimates and Errors*



II Reorganization of Audit Wing

A need was felt to internalize the latest audit methodologies that have been adopted by IA&AD, bring the manuals up to date and create capacities to use these methodologies in day to day functioning. As a result, the erstwhile Audit Wing was reconfigured into Professional Practices Group (PPG) and Strategic Management Unit (SMU) w.e.f. May 2011. These units function under the supervision and guidance of Deputy Comptroller and Auditor General.

II A Professional Practices Group (PPG)

The rationale behind creation of PPG was to provide impetus to emerging audit methodologies and disseminating best practices. The main jobs performed by PPG include:

- Establishing, enhancing and enforcing a desired audit quality regime.
- Developing, reviewing and updating auditing standards in conformity with the INTOSAI standards.
- Development, dissemination and implementation of all new audit methodologies.

II B Strategic Management Unit (SMU)

The SMU is to handle all matters relating to Planning for IA&AD, General Audit Policy and development of Strategic Audit Plans. The responsibilities of the SMU include:

- Development and midterm review of five year Perspective Plan of IA&AD and Implementation of Strategic Plan, 2020 of IA&AD
- Development of Audit Policy
- Strategic Audit Planning

III Audit methodology and guidance:

The guidelines and manual are regularly reviewed and updated. During 2011-2012, we decided to present Finance Accounts of the State Government in two volumes. This necessitated a review of the contents of the format of the C&AG's Audit Certificates on Finance and Appropriation Accounts of State Governments. We modified format of Audit Certificates for Finance and Appropriation Accounts of State Governments for the accounts for the year 2010-11.



IV Quality Assurance

Quality assurance is a periodic evaluation of the audit process. Its objective is to provide the SAI with a reasonable assurance that the audit work of the SAI complies with professional and applicable legal standards. Quality assurance is carried out by individuals who are not part of the audit process they are reviewing. It can be carried out internally by the SAI or by another SAI.

IV A External Peer Review of SAI India

The performance audit function of SAI India was reviewed in the period October 2011 to March 2012 by an international peer review team led by the Australian National Audit Office and included representatives from the Supreme Audit Institutions of Canada, Denmark, The Netherlands and the United States of America. The terms of reference of the peer review were:

- a) to assess the extent to which the performance audit function of SAI India adheres to applicable standards of professional practice; and
- b) to identify opportunities for improvement.

IV B Internal Peer Reviews

We also conduct Peer Review of Audit offices as part of Quality Assurance Mechanism. These are governed by the guidelines on "Quality Assurance through Peer Review". In 2011-12, we conducted Peer Reviews of 31 Audit Offices. The Inspection Wing coordinates these Peer Reviews. Follow-up action on the Peer Review Report is done by the concerned Functional Wings.

The Peer Review Reports have identified scope for improvement in the areas of Audit Planning, Assignment Planning and Follow-up of Audit Reports.

IV C Director General of Inspection

Inspection Wing conducts inspections of 90 Audit offices and 28 Accounts & Entitlement offices in a 3 yearly cycle. As part of our internal control mechanism, these inspections point towards variability, if any, in functioning of the offices across the country. Deviations noticed with reference to prescribed procedures, rules, regulations etc are intimated to concerned offices for appropriate follow



up. During the year 2011-12, 49 offices⁷ were inspected by utilizing 395 party days.

Number of Inspections planned	Number of Inspections carried out	Number of Recommendations made	Number of Recommendations implemented	Compliance Percentage
65	49 ⁸	2,001	912	45.57

⁷ (A&E-09, Audit-10, Member Audit Board-04, Defence Audits-01, Railways-08, Training Institutes-01 and 16-Branch Offices)

⁸ 33 main offices & 16 branch offices



Chapter 6

How we manage our resources

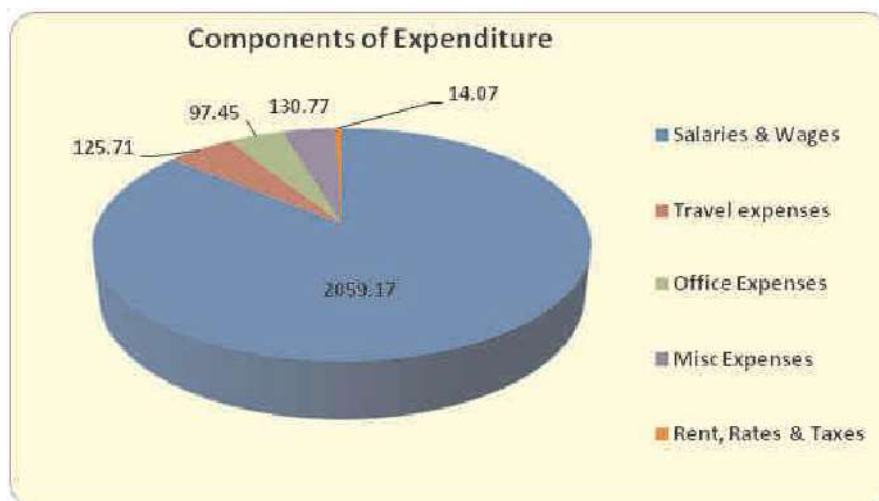
ISSAI 10 prescribes that SAIs should have necessary and reasonable human, material, and monetary resources in order to operate effectively. They should manage their own budget effectively and allocate it appropriately.

I Our Financial Management

We spent ₹2,427.17 crore in 2011–2012 against a budget allocation of ₹ 2,430.97 crore. We incurred expenditure on the following components:

IA Components of Expenditure

We spent 84.84 per cent of our resources on 'Salaries' and wages and 5.18 per cent on 'Travel'. Thus 90 per cent of total expenditure was incurred directly on our manpower.



IB Expenditure pattern on functional basis

All expenditure on IAAD, except the expenditure of CAG's office and UN Audit Unit, is voted. Civil audit offices accounted for largest share of expenditure followed by civil accounts offices. Overall we spent about 60 per cent on Audit (excluding Headquarters). The total expenditure on the Civil Accounts Offices was approx 36 per cent.



Categories of offices	Actual Expenditure (₹ in crore)	Percentage of Expenditure
Headquarters office	71.59	2.95
Overseas Audit offices	16.91	0.70
Civil Audit Offices	1,099.93	45.31
P & T Audit Offices	70.56	2.91
Railway Audit Offices	129.91	5.35
Defence Audit Offices	47.34	1.95
Commercial Audit Offices	94.15	3.88
NAAA Shimla	8.57	0.35
Department Canteen	10.12	0.42
Civil Accounts offices	868.85	35.80
UN Audit	9.24	0.38
Total	2,427.17	100

IC Cost of audit⁹

Total expenditure on audit functions during 2011-12 was ₹ 1,538.96 crore, including administrative and training overheads. Expressed as percentage, the expenditure on audit was only 0.036 *per cent* of total of the expenditure and revenue of Central and State Governments for 2011-12. The details of expenditure and revenue of Central and State Governments for 2011-2012 are as follows:

Expenditure on auditing functions

For every one lakh rupees of transactions audited, expenditure on Audit was a mere ₹ 36.

⁹ *Cost of Audit = Expenditure on audit / (Total revenue receipts + expenditure)*



(₹ in crore)

Particulars	Union Government	State Governments	Total
I. Revenue Receipts			
Tax Revenue	6,33,983	5,77,368	12,11,351
Non Tax Revenue	2,73,611	98,597	3,72,208
Total I	9,07,594	6,75,965	15,83,559
II. Expenditure			
Revenue Expenditure	13,05,195	10,92,476	23,97,671
Capital Expenditure	1,39,465	1,75,352	3,14,817
Total II	14,44,660	12,67,828	27,12,488
Total revenue receipts + expenditure (I+II)	23,52,254	19,43,793	42,96,047

The above figures of revenue and expenditure do not include transactions of the Central and State public sector undertakings, autonomous bodies, bodies substantially financed by Government grants, loans, and public debt transactions of the Union and State Governments, which are also audited by the CAG. Reckoning these receipts and expenditure also, the expenditure on audit in terms of its proportion to the total amount of receipts and expenditure audited was significantly less than 0.036 per cent.

II How we manage our Human Resources

Our people are our key assets as we are a knowledge based organization. ISSAI 40 prescribes that the SAI should establish policies and procedures designed to provide it with assurance that it has adequate number of competent and motivated staff to discharge its function effectively. Some significant developments during 2011-12 included the following:

- Requisitions placed with Staff Selection Commission for direct recruitment to the post of Divisional Accountants, Auditors, Accountants



and Data Entry Operators, materialised during 2011-12. This resulted in addressing the deficiency in Group 'C' cadre to a great extent.

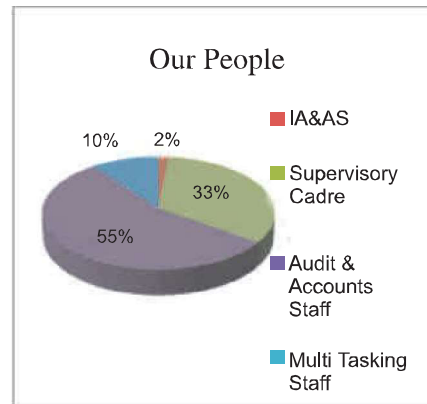
- Consultants were allowed to be appointed on contract recruitment basis so that the working in the field offices was not affected due to shortage of staff.

III Our People

Our manpower is broadly classified into four categories:

Category	Numbers
IA&AS	667
Supervisory Cadre	14,996
Audit & Accounts Staff	24,613
Multi Tasking Staff	4,596
Total	44,872

There are about 34.90 *per cent* people at different managerial and supervisory levels in IAAD and 54.85 *per cent* constitute audit and accounts staff. Only 10.24 *per cent* (MTS) of the total strength works in a purely support function. As against sanctioned strength of 67,984, only 66 *per cent* staff is presently working in the Department. We recruited 1,833 people in Group 'C' cadre during the year. This helped in mitigating the deficiency to a large extent.



Indian Audit & Accounts Service (IA&AS) Officers are recruited through Union Public Service Commission. The top, senior and middle management level of IAAD are manned by officers from this service. They constitute what is called the Group A services in Government of India.

Supervisory Cadres - The gazetted supervisory cadre (Group B) consists of Senior Audit/ Accounts Officers, Audit/Accounts Officers and Assistant Audit/ Accounts Officers. They form the critical operational management in our hierarchy.



Assistant Audit /Accounts Officers are promoted to the cadre after passing all India departmental examinations popularly known as Section Officers Grade Examination.

Audit & Accounts Staff – Auditors/ Accountants and Senior Auditors/ Senior Accountants form this cadre and constitute 55 *per cent* of our total manpower. They are recruited by the Staff Selection Commission or promoted from feeder cadre of clerks.

Multi Tasking Staff – All support functions in various IAAD offices are carried out by multi tasking staff (MTS).

Designation chart of different categories of officers in our main wings is given at Annex III.

IV Qualifications

Looking at it from the viewpoint of qualifications, we have 923 Accounting and Auditing professionals, 109 CISA/CIA qualified personnel and 28,395 graduates in our Group B and C cadres.

The IA&AS consists of eight doctorates, 232 professionally qualified¹⁰ officers, 292 post graduates and 135 graduates.

V Recruitments

We recruited 2,983 persons in 2011-2012. The largest number of recruitments (1,833) took place in the Group 'C' category, *i.e.*, Audit and Accounts staff category.

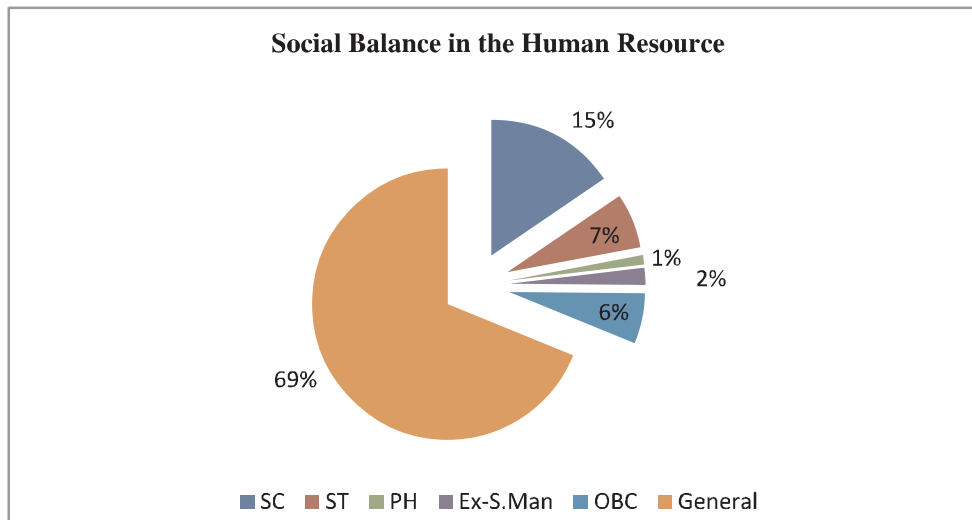
Category	No. of persons recruited
IA&AS	20
Supervisory Cadre	0
Audit & Accounts Staff	1,833
MTS	1,130
Total	2,983

¹⁰ Engineers, Doctors, MBA, CA, ICWA, CFE, CIA, CISA etc.



VI Affirmative Action

Amongst our people we have 28 *per cent* of persons belonging to 'Scheduled Castes'/ 'Scheduled Tribes' and 'Other Backward Classes'. One *per cent* of our people are 'differently abled' and two *per cent* are 'ex-service men.



VII Gender Balance

The number of women employees in any of the cadres does not exceed 24 *per cent* of the total strength of the cadre. In comparative terms the percentage of women employees is highest in the IA&AS at 24 *per cent* and lowest amongst the multi tasking staff at 11 *per cent*. Thus though we may not have enough women in our cadres, we do have a greater percentage of women in decision making positions.

Category	Women	Men
IA & AS	160	507
Supervisory Cadre	2,735	12,261
Audit/Accounts Staff	5,702	18,911
Multi Tasking Staff	521	4,075
Total	9,118	35,754

VIII Staff Associations

We have 240 staff associations and five All India Federations representing audit and accounts staff and supervisory cadre of officers. Twelve meetings were held between apex level Federations and top administrative levels in the Headquarters of IAAD during 2011-12. State level meetings were held by the PASG/AsG with the concerned field level Service Associations.



IX Professional Capacity Development

C&AG of India presents more than 100 Audit Reports every year to the Parliament and State Legislatures. We have about 45,000 personnel serving SAI India in different capacities. To enhance the audit skills and update the domain knowledge of the employees at large, the training structure of the department comprises National Academy of Audit and Accounts at Shimla for training mainly the IA&AS Officers. International Centre for Information Systems and Audit, Noida mainly caters to training participants from the SAIs from all over the world. We have nine Regional Training Institutes and three Regional Training Centres engaged in capacity building of supervisory cadres and audit and accounts staff. A new centre for Environment Audit is being set up at Jaipur for conducting specific courses in the field of Environment Audit.

X Training of newly recruited officers

Direct recruit IA&AS and Direct Recruit Assistant Audit Officers (DRAAO) undergo extensive induction and professional training before they are confirmed in service. The IA&AS officers undergo training for a period of 104 weeks. This training includes a 15 week foundation course, professional training of 70 weeks in two phases, study tour of three weeks and on the job training of 16 weeks. The officers are required to pass departmental exams (Part 1 and Part II) before they are confirmed in service.

Officers can also join the IA&AS on promotion or through lateral recruitment. They undergo induction training at National Academy of Audit & Accounts, Shimla (NAAA) for a period of three weeks.

The DRAAO Probationers undergo seven months training at Regional Training Institutes when they are recruited. This includes three months of induction training, one month on the job training in their respective field offices and three months preparatory training. They are required to pass the Section Officers' Grade Examination before they are confirmed as AAOs.

XI In-service Training

Officers and staff in our organisation are extensively trained in accounts, audit, administration, management and IT. Courses are organised to implement new methodologies and update our human resources with current practices. Besides training conducted by the 12 training institutions in the department, every field



office is also required to conduct in-house training to take care of the specific training requirements of their people.

The graph shows that in case of RTIs and in-house training, the targets set has been more than achieved. While NAAA, Shimla trained 274 IA&AS officers, RTIs trained 12,368 people during the year; iCISA, Noida trained 1,041 people and 23,145 staff members were trained through the In house training programs organized by the field offices.



SAS Preparatory Training for DRAAOs and training for SAS examinees was also conducted in all the RTIs and RTCs. The training effort clearly reflected in the results of Section Officers Grade Examination. Special Training programmes were also conducted on 'Akshar Naveen' and 'Saaransh' software to facilitate implementation of instructions of Rajbhasha Vibhag. Besides training in the department, 24 of our officers were trained in external training institutions within India and 35 officers were trained in training institutions outside India during 2011-2012.

XII Centres of Excellence

Each RTI/RTC in IAAD has been designated as a Centre of Excellence for the topics allotted to them. As Centres of Excellence the RTIs develop structured training modules, case studies and other reading material with special emphasis on designated area of specialization. They also conduct workshops and seminars on specific areas of specialization. Following are defined areas of excellence for different institutes during the year 2011-12:

SI No	RTI/RTC	Area of Excellence
1	RTI, Jammu	Defence Audit
2	RTI, Jaipur	Social Sector Audit
3	RTI, Kolkata	Railway Audit & LB Audit



4	RTI, Mumbai	Corporate Governance and Finance and Audit of Municipal Corporations
5	RTI, Nagpur	Revenue Audit
6	RTI, Chennai	Audit of Public Private Partnership in Infrastructure Projects
7	RTI, Ranchi	Audit Quality Management Framework
8	RTI, Allahabad	GASAB & Certification Audit
9	RTI, Shillong	Certification Audit in Autonomous District Councils as per applicable Financial Attest Audit Manual
10	RTC, Bangalore	Information Technology Audit
11	RTC, Hyderabad	Local Bodies and Social Audit
12	RTC, New Delhi	Information Technology

XIII International Center for Environment Audit and Sustainable Development

A training facility called the “International Centre for Environment Audit and Sustainable Development (iCED)” has been set up at Jaipur as the Global Training Facility for INTOSAI. It started functioning at Jaipur from 09-05-2011 from the Regional Training Institute Jaipur campus as the iCED building is under construction.

The objectives of this center are:

- (i) Capacity building through training.
- (ii) Knowledge dissemination and sharing.
- (iii) To be a Centre for Environment Policy Research.
- (iv) To offer professional certification on Environmental studies.



iCED building under construction



XIV Publications

As a part of the knowledge sharing effort a number of quarterly newsletters and journals are published by the functional wings and offices in our organization. Grassroots – e-journal of Local Bodies wing focuses on the new initiatives in the field of audit of local bodies; Green Files a quarterly newsletter of ICED highlights the developments in the field of environment; Direct Taxes wing brings out a quarterly e-journal by name ‘Rupee Trail’ capturing the developments in the field of audit of direct and indirect taxes.

XV How we use Information Technology

Information Systems (IS) Wing acts as a facilitator for computerization of activities identified by various functional wings. It is responsible for maintaining CAG Website, CAGSPS (Intranet) and other related websites. Other initiatives include Digitization of manuals/publications/rule books; Virtual Private Network (VPN) including five services i.e. Video Conferencing, Voice on Internet Protocol (VOIP), Fax, internet and e-mail in 189 offices; implementation of e-payment in PAOs of IAAD.

IS wing is facilitating implementation of Technical upgradation of the existing VLC System from Oracle 8i to Oracle 11g in 3-tier architecture on Linux Operating System in 40 sites (27 States);

We also extensively use Information Technology in all our functional areas.

In Accounts offices: Voucher level Computerization on Oracle platform has been implemented in all accounts offices. This has led to a strengthened MIS on accounts. Other entitlement functions like maintenance of GPF accounts (including IVRS), Pension finalization and Gazetted Entitlement have also been computerized.

Administrative functions: Many of the administrative functions are computerized in our offices e.g. payroll, monthly review of expenditure, library, dak etc. Integrated Dak Management System have been customized and successfully implemented in the C&AG office in collaboration with NIC.

Audit Offices: Our audit offices use IT for audit planning, audit programmes, tracking audit reports and observations, maintaining auditee databases etc.



Methodology and Training: Most of the manuals, guidance and training material are available in digital form. This material is shared within the IAAD through the mail server. Besides, VPN service has been implemented in more than 189 offices of IA&AD including branch offices.

XVI Our efforts to promote Rajbhasha

XVI A Publications

We published four issues of quarterly magazine of Rajbhasha, "Lekha Priksha Prakash" during the year from the Hqrs. Field offices are also regularly publishing the Hindi Magazines to promote Hindi as an official language.

XVI B Hindi Programmes

- (a) We conducted four Quarterly meetings to review the progressive use of Rajbhasha in Headquarter Office as per the orders of Rajbhasha Vibhag, Government of India, Ministry of Home Affairs.
- (b) Hindi Pakhwada was celebrated from 3-09-2012 to 14-09-2012 in Headquarter Office as well as field offices. Many competitions were organized to promote use of Hindi in day to day functioning of the offices. Rajbhasha Shields were given on 28-09-2012 by the C&AG for the best performance in Hindi and the best Hindi magazines among our field offices.
- (c) The target of inspection of 25 *per cent* of our field formations fixed by the Rajbhasha Vibhag, Government of India, Ministry of Home Affairs was achieved.
- (d) Parliamentary Committee for Official Language inspected offices of the Sr. Deputy Accountant General (A&E) Sikkim (14.05.2011), Deputy Accountant General (Works) Orissa, (3-10-2011), Accountant General (A&E) Nagaland (31-10-11), Accountant General Goa (18.01.12).

XVI C Translation

As required under section 3(3) of the Official Language Act, following were translated in Hindi before dissemination.

- (a) All the resolutions, general orders, rules, notifications, administrative or other reports or press communiqués;



- (b) Audit reports and other reports and official papers to be laid before a House or the Houses of Parliament;

XVII Infrastructure Development

To augment office space as well residential units for use of IA&AD at various stations all over India many building projects are under progress as detailed below:-

Following projects were expected to be completed during 2011-12 but could not be completed due to inadequacy of resources. They are at advanced stages of completion:

- i. Agartala, Tripura – 8 quarters
- ii. Aizawl, Mizoram – AG office
- iii. Bangalore – Annexe Building for AG (A&E)
- iv. Dehradun, Uttarakhand – 219 Residential quarters, Guest house & Multipurpose hall
- v. Kohima, Nagaland – 104 quarters
- vi. Puri, Orissa – Branch office
- vii. Shillong, Meghalaya – Hostel of RTI

Projects under construction are listed below:

- i. Dehradun, Uttarakhand – Office
- ii. iCISA, NOIDA – Renovation & upgradation
- iii. Itanagar, Arunachal Pradesh – Office
- iv. Jaipur, Rajasthan – iCED
- v. Lucknow, Uttar Pradesh – Office
- vi. Patna – 178 quarters & multipurpose hall
- vii. Port Blair, Andaman and Nicobar – 20 quarters
- viii. Shillong, Meghalaya – RTI
- ix. Shimla – Sports facilities

Following projects have also been planned to be taken up:

- (i) Ahmedabad – 7 quarters, Guest House & transit accommodation
- (ii) Bangalore – New office at J C Road



Chapter 7

Seminars and Events

Auditing is a knowledge centric profession. An auditor needs to know the environment in which audited entity is operating and has to engage with them continuously. In order to meet this requirement we organize Seminars and Workshops to facilitate knowledge sharing. Seminars and events organized during the year 2011-12 are discussed below:

I Conference of Finance Ministers on Accrual based Financial Reporting



A conference on accrual based financial reporting in Government was organised on 21 June 2011. The conference was inaugurated by the Union Finance Minister, Shri Pranab Mukherjee and was attended by Finance Ministers from the States in addition to key officials from Finance Departments of the States and the Union Government. A booklet on *Operational guidelines for accrual based financial reporting in Government* was released by the Union Finance Minister during the conference. The participants were addressed by Shri Vinod Rai, the Comptroller and Auditor General of India and the Finance Ministers of States attending the conference. It also included a presentation by Mr. Fredrich Freiherr Von Dornberg, the lead consultant from Germany who shared the experience of the transition process from cash to accrual based accounting system in the State of Hesse, Germany. The presentation was followed by panel discussions on accrual based financial reporting and asset accounting.



Booklet on *Operational Guidelines for accrual based financial reporting in Government*: The booklet¹¹ details the background note on accrual accounting in India, outcome of pilot studies conducted on accrual accounting under the aegis of GASAB Secretariat, objectives and components of general purpose financial reporting under accrual based accounting system and suggests a way forward for transition from cash to accrual accounting in government.

II Workshop on Transition to Accrual Accounting.

A two day workshop on *Transition to Accrual Accounting* was organised on 26 & 27 September 2011 at iCISA, Noida. The training was attended by 17 participants from Accountant General (A&E) offices from States and select officers from Organised Accounting Services of the Central Government. The training was inaugurated by Shri T.K. Sanyal, Deputy Comptroller and Auditor General & Chairman GASAB. The valedictory address was delivered by Shri Shankar Narayan, Director General/ Accounts and Member Secretary, GASAB.

III National Seminar on Direct Taxes Code



The office of the Comptroller and Auditor General of India organized a one day national Seminar on Direct Taxes Code on 4 May 2011 with a view to sensitize the officers of the Department to the prospective change in the auditee environment as well as to flag the issue relating to concepts and implementation of Direct Taxes Code. The Seminar was inaugurated by Dr. C. Rangarajan,

¹¹ The booklet can be accessed at <http://gasab.gov.in/pdf/booklet-on-operatinal-guidelines.pdf>



Chairman, Economic Advisory Council of the Prime Minister. Shri Sunil Mitra, Revenue Secretary to Government of India was the Guest of Honour.

Distinguished guests included Members of the Central Board of Direct Taxes, officers of the Central Board of Taxes, representatives of FICCI, ASSOCHAM, CII, ICAI and PSUs. The Seminar was attended by the Director General/Principal Accountants General/ Principal Directors/ Accountant Generals and Group Officers in the field offices and officers of the office of the Comptroller and Auditor General of India.

Deliberations in the seminar covered the following broad areas:

- DTC- An Overview
- DTC- General Anti Avoidance Rules and International Taxation
- DTC- Corporate Assesseees

Every session had presentations by officers of CBDT, representatives of ICAI and other experts.

IV International Seminar on Revenue Audit-New Frontiers



The office of the Comptroller and Auditor General of India organized two day International Seminar on “Revenue Audit-New Frontiers” on 14-15 November 2011 covering Direct Taxes, Indirect Taxes and State Receipt Audit. The Seminar was inaugurated by Shri Vinod Rai, Comptroller and Auditor General of India and was organized as a part of celebrations on the occasion of completion of 150



years of the Institution of the C&AG as well as to commemorate the completion of 50 years of Revenue Audit by SAI India. The seminar was attended by delegates from seven countries (Supreme Audit Institutions of Brazil, China, Denmark, Germany, Mauritius, South Africa and USA) and officers of C&AG of India.

Deliberations in the seminar covered the following broad areas:

- Audit of Income Tax Receipts
- Audit of VAT
- Audit of Customs Receipts
- IT audit of Revenue Administration

V The valedictory function of the 150th Anniversary



On completion of 150 years of the Institution of the Comptroller & Auditor General of India the concluding ceremony was held on 16 November 2011 at New Delhi. The valedictory function was graced by the Hon'ble Finance Minister, Shri Pranab Mukherjee and the Hon'ble Chairman Public Accounts Committee, Dr. Murali Manohar Joshi. Shri Vinod Rai, Comptroller & Auditor General of India described the useful role being played by the Institution of C&AG in last several decades in concordance with the mandate framed by the framers of the Constitution. He also mentioned about the significant role being played by the Institution in the International Auditing fraternity.



Shri Pranab Mukherjee in his speech emphasized the role of C&AG in providing assurance to its multiple stakeholders.

Shri Murali Manohar Joshi, while referring to the evolution of the Institution of C&AG emphasized the independence enjoyed by the Institution. He also stated that CAG's DPC Act 1971 needs to be revisited to meet the new challenges.

On this occasion, the Hon'ble Finance Minister also released commemorative coins of ₹ 10 and ₹ 150.



Chapter 8

Our Interaction with Key Stakeholders

The primary clients of the CAG are the Parliament, State Legislatures and the public. For the Parliament and each state legislature there is a Public Accounts Committee (PAC) and a Committee on Public Undertakings (COPU) which examine SAI India audit reports. Other key stakeholders of the CAG include Government departments and ministries, and organisations and individuals with specific interests in the subject matter of the audits conducted by SAI India.

Communication with our stakeholders is a continuous and dynamic process. Our interaction with our clients and stakeholders helps us in understanding the expectations that the stakeholders have from SAI India and gives meaning to the assurance and accountability work that we do. We have a documented communication policy that guides our interactions with external stakeholders.

I Audit Advisory Boards

An Audit Advisory Board is set up under the Chairmanship of the CAG to advise him in matters relating to audit and suggest improvements in the performance and focus of audit within the framework of the constitutional and statutory mandate of the CAG. It is one of the key instruments employed to enhance leadership and direction in IA&AD and thereby improve audit quality. The members of the Board function in an honorary capacity. The Board consists of eminent persons in diverse fields and Deputy Comptroller and Auditor Generals from the Department. The first Audit Advisory Board was constituted in 1999. Since then the Board was reconstituted five times (2001, 2003, 2006, 2009, 2011). Current Board constituted in 2011 is the sixth Board.

II Interaction with Audited Entities

Our audited entities are one of the key stakeholders in the audit process. Our interaction with them takes place on a continuous basis before, during and after audit. Our audit programmes are communicated well in advance to the audited entities. In case of important audits e.g. performance audits – the audit planning is done in consultation with the audited entity. All audit teams conduct entry and exit conferences at the beginning and closure of audit. At every stage of audit



the audited entity is given an opportunity to respond to audit queries and findings.

Audit committee meetings are organized by all field offices to discuss and take action on the audit observations issued at the field level. When a field office finds persistent irregularities of a systemic nature, management letters are used to communicate concerns of audit to the audited entity.

Officials from audited entities are regularly invited to Seminars/ Workshops and Training Courses organised in the Department.

III Interaction with Public Accounts Committee and Committee on Public Undertakings

The Public Accounts Committee (PAC) and Committee on Public Undertakings (COPU) at Union and State level are our main partners in ensuring public financial accountability. CAG's Audit Reports that are tabled in the Parliament/Legislature stand referred to the PAC/COPU. The CAG assists in the working of the Committees by preparing a Memorandum of Important Points for Report discussion. The CAG and his representatives assist PAC/COPU in their examination of witnesses during the meetings. Based on its examination the PAC/COPU publishes Report containing recommendations. The executive is required to report on the Action Taken on the recommendations of the Committee. The Committees then publish an Action Taken Report. In case of audit observations not discussed in the meetings, the executive is required to furnish Action Taken Notes duly vetted by Audit.

In 2011-12 the Central PAC/COPU held 48 meetings to discuss audit reports.

Audit Report	No. of Meetings of PAC/COPU held during the year 2011-12	No. of Paras/ Performance Audit discussed during the year 2011-12
Report Central	14	09
Commercial	15	06
Railway	04	05
Direct Tax	03	01
INDT(Customs)	01	01



Central Excise	02	00
Defence & Communication	09	06
Total	48	28

The States PACs/COPU met on 775 occasions and discussed 1618 Paras/ Performance Audit Reviews.

Audit Report	No. of Meetings held	No. of Paras/ Performance Audits discussed
Western Region	170	444
Northern Region	161	380
Eastern Region	81	73
North Eastern Region	112	458
Central Region	227	242
Local Bodies	24	21
Total	775	1618

IV Interaction with academic and professional institutions

We interact with a number of academic and professional institutions. Senior Officers of the Department are nominated on Central Councils of Institutes like Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI) and Institute of Cost and Works Accountants of India (ICWAI). By virtue of being Council members of ICAI, the Officers are also nominated on various Committees/Boards of the Institute like Accounting Standards Board, Auditing and Assurance Standards Board, Internal Audit Standard Board, Professional Development Committee, Ethical Standards Board, Committee on Information Technology, Peer Review Board, etc. ensuring constant interaction with these professional bodies. The training institutions in the Department also link up with various academic institutions for faculty support in training our staff and officers.



V Interaction with Media

As per our Communication Policy for external stakeholders, CAG is the apex authority for decisions relating to matters of communication policy, and for interaction with the media. In his absence, DAI and Officer in Charge of Communication Policy will interact with the media. Such interaction is intended to disseminate information about the Department, the Audit Reports and to issue clarifications, if any, needed to meet basic information needs of stakeholders or remove distortions or misrepresentation of facts by any external agency including the media.

The Communication Policy Cell at Headquarters Office headed by a Media Advisor is responsible for effective communication with print/electronic media and public. The Media Advisor is the spokesperson at Headquarters. The Principal Accountant General or the senior most Accountant General level Officer where there is no Principal Accountant General in the State, is responsible for effective communication with the media in the States/UTs.

We undertake a range of actions to communicate audit messages to our clients after audit reports are presented to Parliament and state legislature. A media conference is held to discuss audit reports. Press briefs are also issued highlighting the contents of the Audit Report after presentation. The reports are made available on our website. We have introduced small booklets to communicate audit messages for significant social sector performance audits.



Chapter 9

Our International Participation and Contribution

The SAI India is a key player and a major contributor to development of auditing standards and practices in the international community. The SAI India works at international, regional and bilateral level to help strengthen audit practices across the SAIs.

I Our involvement with INTOSAI

Comptroller and Auditor General of India is a member of International Organization of Supreme Audit Institutions (INTOSAI) which has a membership of 190 countries. The CAG performs the following role in the INTOSAI community:

- Member, Governing Board of INTOSAI.
- Chair of Knowledge Sharing and Knowledge Services Committee of Goal 3 of INTOSAI.
- Chair of Working Group on IT Audit.
- Membership of various INTOSAI Committees & Working Groups.
- Management of INTOSAI Collaboration Tool.

II Work with INTOSAI, its regional bodies and Working Groups and committees

II A Committee on Knowledge Sharing and Knowledge Services

SAI India is chair of the committee on Knowledge Sharing and Knowledge Services (Goal 3) of the INTOSAI. The mandate of the committee is to 'encourage SAI cooperation, collaboration, and continuous improvement through knowledge sharing, including providing benchmarks, conducting best practice studies, producing audit guidance material and performing research on issues of mutual interest and concern. SAI India is assisting Working Groups/ Task Forces in evaluating/ assessing their scope/ activities and their alignment to the Strategic Plan with a view to prevent the overlapping of activities. Further, SAI India had developed INTOSAI Collaboration Tool (ICT) in 2005. The INTOSAI Collaboration Tool (ICT) aims at integrating unstructured content, documents, e-mail, calendaring and real time tools to provide users in INTOSAI community with real time collaboration, communication and content management.



II B Working Group on IT Audit

The Working Group on IT Audit (WGITA) is chaired by SAI India. As Chair of WGITA, our focus was on creation and sharing of best practices and methods in Information Technology related audits and to facilitate the exchange of information. SAI India is also participating in projects in the frontier areas of Information Technology, *i.e.*, “Cloud Computing and Virtualization”, and Green IT”.

II C Other Regional Bodies, Working Groups and Task Forces

In addition to Knowledge Sharing Committee (KSC) and WGITA, the representatives of the SAI India attended the meetings of the following Regional Bodies/Working Groups/Task Forces and shared their work experience with other member SAIs:

- ❖ Working Group on Environmental Auditing
- ❖ Working Group on Accountability for Audit of Disaster-related aid
- ❖ Steering Committee of INTOSAI Donor Cooperation
- ❖ Steering Committee of the Professional Standards Committee (Goal 1)
- ❖ Project on Audit Quality Control (Goal 1)
- ❖ Harmonization Project Group (Goal 1)
- ❖ Compliance Audit Sub-committee (Goal 1)

II D Global Training Facility at Jaipur

Further, INTOSAI WGEA would be using the “International Center for Environment Audit and Sustainable Development (iCED)” being set up in Jaipur as its global training facility. This facility seeks to harness India’s expertise in conducting more than 100 environment audits in the last 20 years in providing extensive training and experience sharing in the field of environment audit and sustainable development.

III 4th INTOSAI Donor Steering Committee Meeting

SAI India hosted the 4th INTOSAI Donor Steering Committee meeting at Jaipur from 23rd to 25th February 2012. The occasion provided for fruitful meetings and interaction between various stakeholders such as Pooled Fund Task Force Meeting, INTOSAI Coordination Meeting, Donor Coordination Meeting, Steering



Committee Leadership Coordination meeting etc. Apart from the meetings, a visit to International Centre for Environment Audit and Sustainable Development (iCED), Jaipur was also organised.

IV INTOSAI Future Course of Action

Knowledge Sharing Committee

As Chair of KSC, we will be developing a framework to assist Working Groups/ Task Forces in evaluating/ assessing their scope/ activities and their alignment to the Strategic Plan with a view to prevent the overlapping of activities of the Working Groups/Task Forces. We will also be initiating and establishing a global feedback mechanism for Goal 3. We plan to promote the extensive use of INTOSAI Collaboration Tool (ICT) in line with the INTOSAI communication policy and strategy. All committees, subcommittees, working groups, taskforces of INTOSAI will be encouraged to undertake projects using the ICT. The ICT provides a unique opportunity for different groups to work in tandem in developing joint products relevant to the INTOSAI community. We will further develop the website <http://www.intosaiksc.cag.gov.in> for facilitating and encouraging interaction among the Working Groups and Task Forces of Goal 3. The website will be linked to all Working Groups/Task Forces and their products. The website will also include products of dissolved Working Groups/Task Forces to preserve their legacy.

V Our involvement with ASOSAI

The Governing Board of INTOSAI has recognized seven Regional Working Groups: Asian Organization of Supreme Audit Institutions (ASOSAI (established in 1979), Arab Organization of Supreme Audit Institutions (ARABOSAI, established in 1976), African Organization of Supreme Audit Institutions (AFROSAL, established in 1976), Caribbean Organization of Supreme Audit Institutions (CAROSAI, established in 1988), European Organization of Supreme Audit Institutions (EUROSAL, established in 1990), Pacific Association of Supreme Audit Institutions (PASAI, established in 1987), Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS, established in 1965). SAI India is a charter member of ASOSAI.

SAI India has played a pivotal role in ASOSAI as it was Chairman from 1979 to 1982, 1994 to 1997 and Secretary General from 2000 to 2009. The Comptroller and Auditor General of India has been on the Governing Board of ASOSAI



continuously since 1979. At present, SAI India is the Chairman of ASOSAI. SAI India is also the editor of Asian Journal of Government Audit, the mouth piece of ASOSAI fraternity, which is published twice a year.

VI The 12th Assembly of ASOSAI

SAI India hosted 12th ASOSAI Assembly at Jaipur from 28th February to 3rd March 2012. (This includes the 44th G.B. Meeting, 5th ASOSAI Symposium and 45th G.B. Meeting on 28th February, 2nd March and 3rd March 2012 respectively). This was the most successful Assembly held so far both in terms of number of participants (181) as well as number of member countries (42) represented. SAI India took over as Chair of the ASOSAI from SAI Pakistan. Keeping in view the broad consensus among member SAIs to adopt ISSAIs and as the Chairman of ASOSAI, SAI India intends to play more proactive role in supporting member SAIs to implement ISSAIs at all levels of governance.



Some of the important issues considered and decisions taken during the 12th ASOSAI Assembly are as under:

The election to the Governing Board and the Audit Committee of ASOSAI for the period 2012-15 was held. Twelve SAIs, namely the SAIs of Bangladesh, Bhutan, China, Iran, Iraq, Jordan, Mongolia, Philippines, Russia, Saudi Arabia, Thailand, and United Arab Emirates contested for the six positions on the Governing Board. The SAIs of Bangladesh, Jordan, Mongolia, Myanmar, Nepal and Turkey ran for elections for the two positions on the Audit Committee. While the SAIs of



Bangladesh, China, Philippines, Russia, Saudi Arabia and Thailand were elected to the Governing Board, the SAIs of Jordan and Turkey succeeded in securing the two seats on the Audit Committee.

The SAI of Malaysia was approved as the host SAI for the 13th Assembly to be held in 2015. The Assembly also approved a second term for Dr Kun Yang as Secretary General of ASOSAI for the period 2012-15.

The Financial Statements for the FY 2009-2011 and the three-year rolling budget plan for FY 2012-15 were approved. The Audit Committee gave an unqualified opinion on the Financial Statements for FY 2009-11 as a result of its external audit. Further, the Audit Committee recommended that the current Secretariat formulate a unified accounting policy applicable even in the case of the change of the Secretariat.

The Training Administrator delivered a triennial report on the results of the ASOSAI capacity-building programmes. In addition, the SAI of Japan reported on ASOSAI's new regional drive to expand the training opportunities, tentatively called "Establishment of the ASOSAI Training Centres".

Evaluation of the mid-term implementation of the ASOSAI Strategic Plan (2011-15) was approved.

The Secretary General reported on the 1st ASOSAI-EUROSAI Joint Conference and the Memorandum of Understanding on Cooperation signed between ASOSAI and EUROSAI. To facilitate specific cooperation activities, the Assembly agreed to suggest to EUROSAI that ASOSAI and EUROSAI: (a) share information on each other's training programs and the pool of training experts; and (b) invite each other's training experts to their respective training programmes.

The final report of the 9th ASOSAI Research Project on "Evaluation and Improvement of Internal Audit Systems and Relationship between the IAUs and SAIs" was adopted.

The award for the best article among the articles contributed to the ASOSAI Journal over the past three years went to Dr. Batbayar Badamdorj, Deputy Auditor General of Mongolia.

Mr. Hadi Poernomo, Chairman, Audit Board of the Republic of Indonesia, presented a special report on the establishment of the ASEAN Supreme Audit



Institutions (ASEAN SAIs), a sub-regional auditing community consisting of 10 South East Asian SAIs.

VII 44th Governing Board Meeting of ASOSAI

During the 44th Governing Board meeting of ASOSAI on 28th February, 2012, reports on the various activities of organization were presented. These included the Secretary General's Reports on the Secretariat activities, ASOSAI's financial management and Implementation of the ASOSAI Strategic Plan for 2011-15. There were also reports on the ASOSAI Journal, INTOSAI Professional Standards Committee, INTOSAI Working Group on IT Audit, INTOSAI Finance and Administration Committee, ASOSAI Working Group on Environmental Audit, ASOSAI-EUROSAI cooperation, the progress of the UN-INTOSAI Initiative 2010 and report on the results of the 9th Research Project. The Governing Board also approved the extension of the term of SAI of Japan as the Training Administrator of ASOSAI for the period 2012-15.

VIII 5th ASOSAI Symposium

On the sidelines of the ASOSAI Assembly, on 2nd March the 5th ASOSAI Symposium was held on the theme, "Assimilating the International Standards of Supreme Audit Institutions (the ISSAIs)." The Symposium served as a meaningful platform to exchange views on the benefits the implementation of ISSAIs would bring to the Supreme Audit Institutions.

Following keynote speeches by the SAIs of India and Sweden, Special Reports were delivered by the SAIs of China and Russia on their national experiences in assimilating the ISSAIs in their domestic auditing environment. In the panel presentation session, the SAIs of Australia, Bhutan, Cyprus and Pakistan shared their views on implementing the ISSAIs.

IX 45th Governing Board Meeting of ASOSAI

"Audit to Detect Fraud and Corruption: Evaluation of the Fight against Corruption and Money Laundering", was chosen as the topic of the 10th ASOSAI Research Project.

Mr Ambrin Bin Buang, Auditor General of Malaysia, announced that the 13th Assembly would be held in Kuala Lumpur, Malaysia in February 2015 and also briefed the Governing Board about the preparations in this regard.



The SAI of Philippines was selected as the host SAI for the 46th Governing Board meeting to be held in 2013 and the SAI of Russia was selected as the host SAI for the 47th Governing Board meeting as well as the 2nd ASOSAI-EUROSAT Joint Conference to be held in 2014.

X The second meeting of the 9th ASOSAI Research Project

The second meeting of the 9th ASOSAI Research Project on “Evaluation and Improvement of Internal Audit Systems and the Relationship between the Internal Audit Units and SAIs” was held in New Delhi, India from 28-29 April 2011 with the administrative support of the Board of Audit and Inspection of Korea, and the Comptroller and Auditor General of India.



The second meeting was attended by a total of 21 participants from 12 research team members – China, India, Indonesia, Iran, Iraq, Korea, Kuwait, Malaysia, Pakistan, Russia, Saudi Arabia and Vietnam. Presentations and discussions on the status of Internal Audit Units and the relationship with the SAI were made by each member SAI. Country papers of the research team were included in the final report to complement the result of the questionnaires. The final report of the research was presented at the first Plenary session of 12th Assembly held in Jaipur, India on 29th February 2012.

XI Audit of International Organizations

SAI India was the External Auditor of the following United Nations Agencies:

- World Health Organization (WHO)
- International Maritime Organization (IMO)
- World Tourism Organization (UNWTO)
- International Organization of Migration (IOM)



- World Food Programme (WFP)
- World Maritime University (WMU)
- International Maritime Law Institute (IMLI)

During the year, SAI India was appointed as External Auditor of two more UN Agencies namely World Intellectual Property Organization (WIPO) and International Atomic Energy Agency (IAEA). These appointments were made in the face of competition from countries like United Kingdom, Spain, Norway and Philippines. Our term of audit for WIPO is from 2012 to 2017 and for IAEA from 2012 to 2013. As an external auditor, besides financial audit, we have to undertake performance and compliance audits. Specialized training is conducted for the officials selected for these audits. These audits culminate into two final products (Financial Report/ Certification of Financial Statements - known as Short Form Report and Performance/ Compliance Report known as Long Form Report) which are transmitted in the legislative assemblies of these agencies.

XII Meeting of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency

The 52nd Regular Session of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency was held in New Delhi in November/December 2011. The General Assembly in 1959 established the Panel of External Auditors, comprising the individual external auditors of the United Nations system, who are also Heads of Supreme Audit Institutions. Panel Members share experiences and methodologies on an on-going basis so as to ensure as far as possible uniformity of external audit practices throughout the United Nations system. The findings and recommendations of Panel Members are taken seriously, and the status of recommendations is closely monitored to ensure timely and effective implementation. In this way, Panel Members contribute significantly to the fulfillment of the Charter of the United Nations.



During the 52nd regular session of the Panel, Mr. Vinod Rai, the Comptroller & Auditor General of India, was elected as the Chairman of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. He succeeded Mr. Norbert Hauser, Vice-President, Federal Court of Auditors, Germany.



Much of the Panel's work is undertaken by the Technical Group which is mandated to research and review specific topics of interest to the Panel. The Technical Group reports to the Panel at its regular meeting on the topics reviewed and its recommendations. 27th Meeting of the Technical Group was held in New Delhi, and during this meeting, Mr. Jagbans Singh, Director General, in International Relations, in the office of the CAG of India, was elected as the Chairman of the Technical Group of the Panel.

XIII 12th Indo-Polish Joint Seminar on “Communication with the Public via the Media” at Warsaw, Poland during September 2011

Under the aegis of Memorandum of Understanding between SAIs of India and Poland, SAI Poland hosted 12th Indo- Polish Joint Seminar on Communication with Public via the media at Warsaw, Poland during September 2011. From SAI India, Ms. Malashri Prasad, Additional Dy. CAG led the delegation comprising Mr. Amitabh Mukhopadhyay, Director General, Mr. Subir Mallick, Principal Director and Ms. Alka Rehani Bhardwaj, Principal Director.



Both SAIs presented papers on the following themes:

- Principles of Co-operation of the SAI with the Media.
- Principles of work and duties of the SAI's Press Officer.
- Problem in Cooperation/ Working with Journalists.
- Reaching the Public Opinion via the Internet: Chances of the SAI.
- Internal Communication within the SAI.

XIV 2nd Indo-China Young Auditor's Forum at Mumbai during October-November 2011

Under the aegis of Memorandum of Understanding between SAIs of India and China, SAI India hosted the 2nd Indo- China Young Auditor's Forum at Mumbai. Ten delegates from both the SAIs participated in the Forum. The topics discussed in the forum were “Unique role of Government Audit and its distinction from other auditing practices” and “Code of ethics for auditors”.

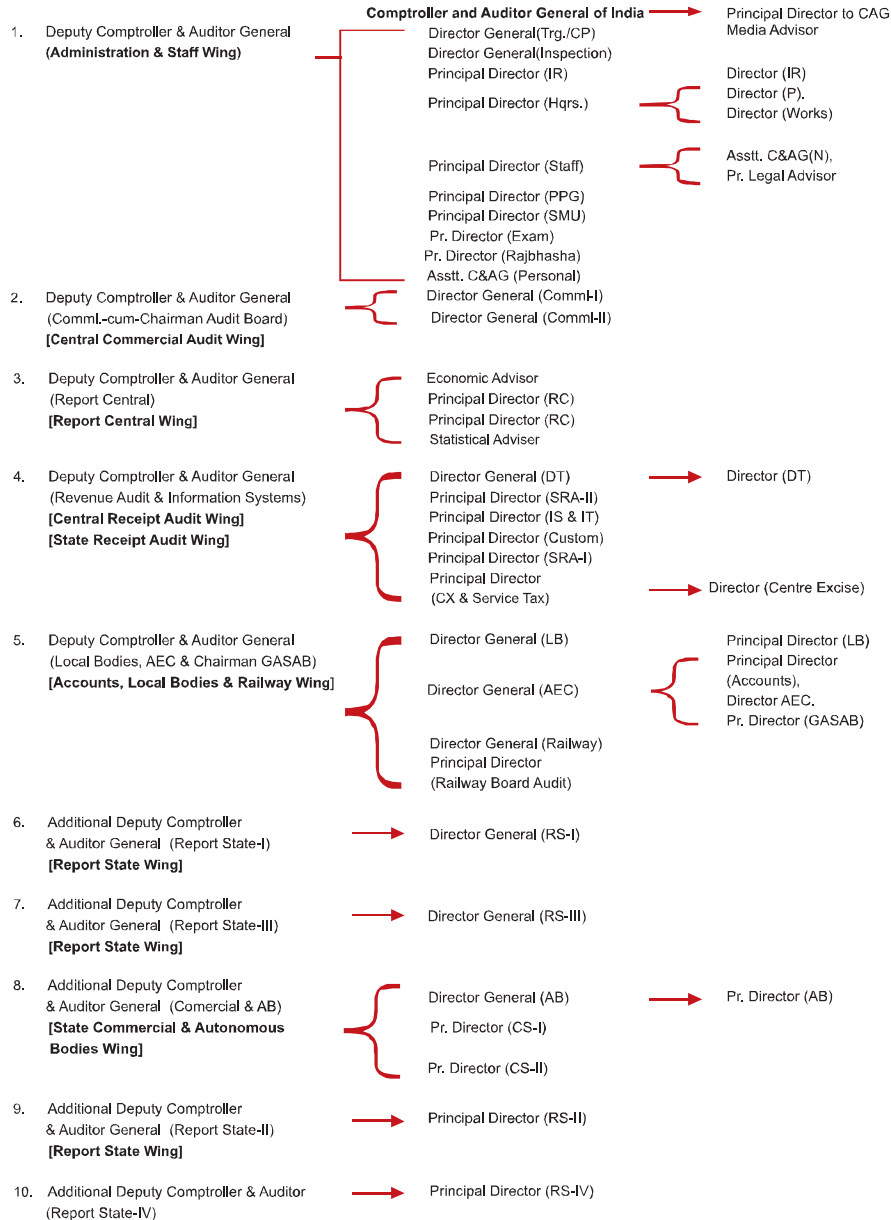




Annex I
Organisational Chart



SHRI VINOD RAI



Note:- Field office formation are headed by the officers of the designation of DG/PAG/PD/AG and they report to the concerned DAIs/ADAs.



Annex II

OFFICES OF THE INDIAN AUDIT & ACCOUNTS DEPARTMENT

I	Audit Offices- Union and Union Territories
A.	Civil
1.	Director General of Audit, Central Receipt, New Delhi
2.	Director General of Audit, Central Expenditure, New Delhi
3.	Principle Director of Audit, Economic & Service Ministries, New Delhi
4.	Principal Director of Audit, Scientific Department, New Delhi
5.	Principal Director of Audit, Central, Kolkata Branch Office at: Port Blair
6.	Director General of Audit, Central, Mumbai
	Note: Audits of Union Territories of Chandigarh, Lakshadweep and Puducherry are covered by the Accountant General (Audit), Haryana, Kerala and Tamil Nadu & Puducherry respectively. Audit relating to Dadra and Nagar Haveli is covered by Accountants General (Civil Audit),Gujarat, Rajkot
B.	Defence
1.	Director General of Audit, Defence Services, New Delhi
2.	Principal Director of Audit, Defence Services, Chandigarh
3.	Principal Director of Audit, Air Force and Navy, New Delhi
4.	Principal Director of Audit, Ordnance Factories, Kolkata
C.	Post and Telecommunication
1.	Director General of Audit, Post & Telecommunications, Delhi



D.	Railways
1.	Principal Director of Audit, North Central Railway, Allahabad
2.	Principal Director of Audit, East Coast Railway, Bhabaneswar,
3.	Principal Director of Audit, South East Central Railway, Bilaspur
4.	Principal Director of Audit, Southern Railway, Chennai
5.	Principal Director of Audit, North-Eastern Railway, Gorakhpur
6.	Principal Director of Audit, North-East Frontier Railway, Maligaon, Guwahati
7.	Principal Director of Audit, East Central Railway, Hajipur
8.	Principal Director of Audit, South Western Railway, Hubli
9.	Principal Director of Audit, West Central Railway, Jabalpur
10.	Principal Director of Audit, North Western Railway, Jaipur
11.	Principal Director of Audit, Eastern Railway, Kolkata
12.	Principal Director of Audit, South-Eastern Railway, Kolkata
13.	Principal Director of Audit, Railway Production Units & Metro Railway, Kolkata
14.	Principal Director of Audit, Central Railway, Mumbai
15.	Principal Director of Audit, Western Railway, Mumbai
16.	Principal Director of Audit, Northern Railway, New Delhi
17.	Principal Director of Audit, South Central Railway, Secunderabad
18.	Principal Director of Audit, Railway - Commercial, New Delhi
E.	Commercial
1.	Principal Director of Commercial Audit & Ex-Officio, MAB, Bangalore



2.	Principal Director of Commercial Audit & Ex-Officio, MAB, Chennai
3.	Principal Director of Commercial Audit & Ex-Officio, MAB, Hyderabad
4.	Principal Director of Commercial Audit & Ex-Officio, MAB I, Kolkata
5.	Principal Director of Commercial Audit & Ex-Officio, MAB II, Kolkata
6.	Principal Director of Commercial Audit & Ex-Officio, MAB I, Mumbai
7.	Principal Director of Commercial Audit & Ex-Officio, MAB II, Mumbai
8.	Principal Director of Commercial Audit & Ex-Officio, MAB I, New Delhi
9.	Principal Director of Commercial Audit & Ex-Officio, MAB II, New Delhi
10.	Principal Director of Commercial Audit & Ex-Officio, MAB III, New Delhi
11.	Principal Director of Commercial Audit & Ex-Officio, MAB IV, New Delhi
12.	Principal Director of Commercial Audit & Ex-Officio, MAB, Ranchi
F.	Overseas
1.	Principal Director of Audit, India Audit Office, London
2.	Principal Director of Audit, Indian Accounts, Washington DC
3.	Principal Director of Audit, India Audit Office, Kuala Lumpur
4.	Director of External Audit, Food & Agricultural Organisation, Rome
5.	Director of External Audit, World Health Organisation, Geneva
II	Audit Offices - States
1.	Principal Accountant General (Civil Audit), Andhra Pradesh, Hyderabad
2.	Sr. Dy. Accountant General (LB Audit & Accounts), Andhra Pradesh, Hyderabad
3.	Accountant General (Commercial & Receipt Audit), Andhra Pradesh, Hyderabad



4.	Accountant General, Arunachal Pradesh, Itanagar
5.	Principal Accountant General (Audit), Assam, Guwahati
6.	Sr. Dy. Accountant General (LB Audit & Accounts), Assam, Guwahati
7.	Principal Accountant General (Audit), Bihar, Patna
8.	Accountant General (Audit), Chhattisgarh, Raipur
9.	Sr. Dy. Accountant General (LB Audit & Accounts), Chhattisgarh, Raipur
10.	Accountant General, Goa
11.	Principal Accountant General (Commercial & Receipt Audit), Gujarat, Ahmedabad
12.	Accountant General (Civil Audit), Gujarat, Rajkot
13.	Sr. Dy. Accountant General (LB Audit & Accounts), Gujarat, Ahmedabad
14.	Principal Accountant General (Audit), Haryana, Chandigarh
15.	Principal Accountant General (Audit), Himachal Pradesh, Shimla
16.	Sr. Dy. Accountant General (LB Audit & Accounts), Himachal Pradesh, Shimla
17.	Principal Accountant General (Audit), Jammu & Kashmir, Srinagar
18.	Principal Accountant General (Audit), Jharkhand, Ranchi
19.	Principal Accountant General (Civil & Commercial Audit), Karnataka, Bangalore
20.	Sr. Dy. Accountant General (LB Audit & Accounts), Karnataka, Bangalore
21.	Accountant General (Works, Forest & Receipt Audit), Karnataka, Bangalore
22.	Principal Accountant General (Civil & Commercial Audit), Kerala, Thiruvananthapuram



23.	Accountant General (Works, Forest & Receipt Audit), Kerala, Thiruvananthapuram
24.	Sr. Dy. Accountant General (LB Audit & Accounts), Kerala, Thiruvananthapuram
25.	Principal Accountant General (Civil & Commercial Audit), Madhya Pradesh, Gwalior
26.	Sr. Dy. Accountant General (LB Audit & Accounts), Madhya Pradesh, Gwalior
27.	Accountant General (Works & Receipt Audit), Madhya Pradesh, Bhopal
28.	Principal Accountant General (Audit)-I, Maharashtra, Mumbai
29.	Sr. Dy. Accountant General (LB Audit & Accounts), Maharashtra, Mumbai
30.	Accountant General (Audit)-II, Maharashtra, Nagpur
31.	Sr. Dy. Accountant General (LB Audit & Accounts), Maharashtra, Nagpur
32.	Accountant General (Commercial Audit), Maharashtra, Mumbai
33.	Accountant General (Audit), Manipur, Imphal
34.	Sr. Dy. Accountant General (LB Audit & Accounts), Manipur, Imphal
35.	Principal Accountant General (Audit), Meghalaya, Shillong
36.	Accountant General, Mizoram, Aizawl
37.	Accountant General (Audit), Nagaland, Kohima
38.	Accountant General (Audit), New Delhi, Delhi
39.	Principal Accountant General (Civil Audit), Orissa, Bhubaneswar
40.	Sr. Dy. Accountant General (LB Audit & Accounts), Orissa, Bhubaneswar



41.	Accountant General (Commercial, Works & Receipt Audit), Orissa, Bhubaneswar
42.	Principal Accountant General (Audit), Punjab, Chandigarh
43.	Principal Accountant General (Civil Audit), Rajasthan, Jaipur
44.	Sr. Dy. Accountant General (LB Audit & Accounts), Rajasthan, Jaipur
45.	Accountant General (Commercial & Receipt Audit), Rajasthan, Jaipur
46.	Accountant General (Audit), Sikkim, Gangtok
47.	Principal Accountant General (Civil Audit), Tamil Nadu & Puducherry, Chennai
48.	Sr. Dy. Accountant General (LB Audit & Accounts), Tamil Nadu, Chennai
49.	Principal Accountant General (Commercial & Receipt Audit), Tamil Nadu, Chennai
50.	Accountant General (Audit), Tripura, Agartala
51.	Sr. Dy. Accountant General (LB Audit & Accounts), Tripura, Agartala
52.	Principal Accountant General (Civil Audit), Uttar Pradesh, Allahabad
53.	Sr. Dy. Accountant General (LB Audit & Accounts), Uttar Pradesh, Allahabad
54.	Accountant General (Commercial & Receipt Audit), Uttar Pradesh, Lucknow
55.	Principal Accountant General (Audit), Uttarakhand, Dehradun
56.	Sr. Dy. Accountant General (LB Audit & Accounts), Uttarakhand, Dehradun
57.	Principal Accountant General (Audit), West Bengal, Kolkata
58.	Accountant General (Receipt, Works & LB Audit), West Bengal, Kolkata



III Accounts and Entitlement Offices - States	
1.	Principal Accountant General (A&E), Andhra Pradesh, Hyderabad
2.	Accountant General (A&E), Assam, Guwahati
3.	Accountant General (A&E), Bihar, Patna
4.	Accountant General (A&E), Chhattisgarh, Raipur
5.	Accountant General (A&E), Gujarat, Rajkot Branch Office at: Ahmedabad
6.	Accountant General (A&E), Haryana, Chandigarh
7.	Accountant General (A&E), Himachal Pradesh, Shimla
8.	Sr. Dy. Accountant General (A&E), Jammu & Kashmir, Srinagar
9.	Accountant General (A&E), Jharkhand, Ranchi
10.	Accountant General (A&E), Karnataka, Bangalore
11.	Accountant General (A&E), Kerala, Thiruvananthapuram Branch Offices at: Ernakulam, Kottayam, Kozhikode and Thrissur
12.	Accountant General (A&E)-I, Madhya Pradesh, Gwalior
13.	Accountant General (A&E)-II, Madhya Pradesh, Gwalior
14.	Principal Accountant General (A&E)-I, Maharashtra, Mumbai
15.	Principal Accountant General (A&E)-II, Maharashtra, Nagpur
16.	Sr. Dy. Accountant General (A&E), Manipur, Imphal
17.	Accountant General (A&E), Meghalaya, Shillong
18.	Accountant General (A&E), Nagaland, Kohima
19.	Principal Accountant General (A&E), Orissa, Bhubaneswar



20.	Accountant General (A&E), Punjab, Chandigarh
21.	Principal Accountant General (A&E), Rajasthan, Jaipur
22.	Sr. Dy. Accountant General (A&E), Sikkim, Gangtok
23.	Principal Accountant General (A&E), Tamil Nadu, Chennai
24.	Sr. Dy. Accountant General (A&E), Tripura, Agartala
25.	Accountant General (A&E)-I, Uttar Pradesh, Allahabad
26.	Accountant General (A&E)-II, Uttar Pradesh, Lucknow
27.	Accountant General (A&E), Uttarakhand, Dehradun
28.	Principal Accountant General (A&E), West Bengal, Kolkata
IV	Training Institutes
1.	National Academy of Audit and Accounts, Shimla
2.	International Centre for Environment Audit and Sustainable Development (iCED), Jaipur
3.	International Centre for Information Systems and Audit, Noida
4.	Regional Training Institute, Allahabad
5.	Regional Training Institute, Chennai
6.	Regional Training Institute, Jaipur
7.	Regional Training Institute, Jammu
8.	Regional Training Institute, Kolkata
9.	Regional Training Institute, Mumbai
10.	Regional Training Institute, Nagpur
11.	Regional Training Institute, Ranchi



12.	Regional Training Institute, Shillong
13.	Regional Training Centre, Bangalore
14.	Regional Training Centre, Hyderabad
15.	Regional Training Centre, New Delhi



Annex III

Comptroller and Auditor General of India						
	Top Management	Senior Management	Middle Management	Operational Management	Audit & Accounts Staff	Multitasking Staff
CAG Office	Deputy Comptroller and Auditor Generals, Additional Deputy Comptroller and Auditor Generals	Directors General, Principal Directors	Directors, Deputy Directors	Senior Administrative Officers (Sr. A.O.) Administrative Officers (AO), Assistant Administrative Officers (AAO), Supervisors	Senior Auditors / Accountants, Auditors / Accountants, Clerks, Hindi Translators, IT Staff, Secretarial Staff etc.	Record Keeper, Peons, Drivers etc.
Audit & Accounts Offices		Principal Accountants General/ Accountants General(Audit / A&E), Directors General / Principal Directors	Sr. Deputy Accountants General, Deputy Accountants General	Sr. AO, AO, AAO, Assistant Accountants General/ Assistant Directors	Senior Auditors/ Accountants, Auditors/ Accountants, Clerks, Hindi Translators, IT Staff, Secretarial Staff etc.	Record Keeper, Peons, Drivers etc.
Training Academies & Institutes		Directors General/ Principal Directors	Directors, Deputy Directors	Senior Audit / Accounts officers, Audit/Accounts Officers, Assistant Audit/Accounts Officers, Supervisors	Senior Auditors/ Accountants, Auditors/ Accountants, Clerks, Hindi Translators, IT Staff, Secretarial Staff etc.	Record Keeper, Peons, Drivers etc.

**ABBREVIATIONS**

A&E	Accounts and Entitlements
AC	Abstract Contingent
ADAI	Additional Deputy Comptroller and Auditor General of India
AFROSAI	African Organization of Supreme Audit Institutions
AG	Accountant General
AOPs	Association of Persons
ARABOSAI	Arab Organization of Supreme Audit Institutions
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ASOSAI	Asian Organisation of Supreme Audit Institutions
ATNs	Action Taken Notes
CAG	Comptroller and Auditor General of India
CAROSAI	Caribbean Organization of Supreme Audit Institutions
CBDT	Central Board of Direct Taxes
CENVAT	Central Value Added Tax
CFE	Certified Fraud Examiner
CIA	Certified Internal Auditor
CII	Confederation of Indian Industry
CISA	Certified Information System Auditor
COPU	Committee on Public Undertakings
DAI	Deputy Comptroller and Auditor General of India



DDO	Drawing and Disbursing Officer
DG	Director General
DPC	Duties, Powers and Conditions of Services
DRAAO	Direct Recruit Assistant Audit Officer
DTC	Direct Taxes Code
EUROSAI	European Organization of Supreme Audit Institutions
FICCI	Federation of Indian Chambers of Commerce and Industry
GASAB	Government Accounting Standards Advisory Board
GOI	Government of India
GPF	General Provident Fund
IAAD	Indian Audit and Accounts Department
IA&AS	Indian Audit and Accounts Service
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
ICT	INTOSAI Collaboration Tool
iCED	International Centre for Environment Audit and Sustainable Development
iCISA	International Centre for Information Systems and Audit
ICWA	Institute of Cost and Works Accountants
IIFCL	India Infrastructure Finance Company Limited
IGASs	Indian Government Accounting Standards
IGFRS	Indian Government Financial Reporting Standards



IMLI	International Maritime Law Institute
IMO	International Maritime Organisation
INTOSAI	International Organisation of Supreme Audit Institutions
IOM	International Organisation of Migration
IR	Inspection Reports
IR Division	International Relations Division
IRCTC	Indian Railway Catering and Tourism Corporation Limited
IS	Information Systems
ISSAI	International Standards of Supreme Audit Institutions
IT	Information Technology
IVRS	Interactive Voice Response System
KSC	Knowledge Sharing Committee
LB	Local Bodies
MAB	Members Audit Board
MAT	Minimum Alternate Tax
MIS	Management Information System
MoU	Memorandum of Understanding
MRP	Maximum Retail Price
MSO	Manual of Standing Orders
MTS	Multi-Tasking Staff
NAAA	National Academy of Audit and Accounts
NBFC-IFC	Non-Banking Financial Company- Infrastructure Finance



Company	
NIC	National Informatics Centre
ONGC	Oil and Natural Gas Corporation
OLACEFS	Organization of Latin American and Caribbean Supreme Audit Institutions
PASAI	Pacific Association of Supreme Audit Institutions
P&T	Post and Telecommunications
PAC	Public Accounts Committee
PAO	Pay and Accounts Office
PPG	Professional Practices Group
PSUs	Public Sector Undertakings
RBI	Reserve Bank of India
RTC	Regional Training Centre
RTI	Regional Training Institute
SAI	Supreme Audit Institution
SAIL	Steel Authority of India
SAS	Subordinate Audit/Accounts Service
SMS	Short Messaging Service
SMU	Strategic Management Unit
UN	United Nations
UNWTO	World Tourism Organisation
USA	United States of America



UTs	Union Territories
VAT	Value Added Tax
VLC	Voucher Level Computerisation
VOIP	Voice over Internet Protocol
VPN	Virtual Private Network
WFP	World Food Programme
WGITA	Working Group on Information Technology Audit
WHO	World Health Organisation
WIPO	World Intellectual Property Organisation
WMU	World Maritime University