Financial Attest Auditing Guidelines

for audit of

State Government Accounts

Comptroller and Auditor General of India

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Preface

The Constitution of India enjoins upon the Comptroller & Auditor General the responsibility of preparing the reports on the accounts of the Union and State Governments. This responsibility is discharged by the CAG by providing an assurance on the Finance and Appropriation accounts, after conducting financial attest audit of these accounts. The broad guidance for conduct of the accounts audit has been available in Manual of Standing Orders (Audit), Manual of Standing Orders (A&E) and other supplementary instructions. The Financial Attest Audit Manual (FAAM) brought out by the Department in June, 2009 provided the principles and concepts applicable to various financial attest audits conducted by the Department. However, specific guidance for conducting financial attest audit of State Government Accounts was not available in a consolidated form. This document aims to fill this gap. These guidelines have been specifically designed after considering the unique position of Indian Audit and Accounts Department in preparation and audit of State Government Accounts, where AG (A&E) is the compiler of the accounts and AG (Audit) is the auditor, both these authorities working under the aegis of CAG of India. The guidelines recognize the roles of AG (A&E), AG (Audit) and State Government and aim at establishing synergy in their working.

A systemic and process oriented approach with focus on scientific sample selection, internal control environment, management assertions and robust documentation requirements make these guidelines not only complete and comprehensive, but also easy to implement. The guidelines ensure optimum utilization of the Voucher Level Computerization (VLC) software by leveraging on the technological capabilities of the software, thereby reducing the burden of carrying out the numerous manual checks, without compromising on the audit quality.

I am sure that the implementation of these guidelines would lead to better audit practices, support the assurance being given to external stakeholders and strengthen professional practices. These guidelines would certainly enhance the capabilities of this Department in fulfilling its mandated duties in the best possible manner.

It needs to be acknowledged that these guidelines have been formulated when the State Governments are moving towards a virtualised accounting environment, which necessitates that these guidelines are reviewed at an appropriate time in future to keep pace with the evolving accounting environment.

Shashi Kant Sharma
Comptroller and Auditor General of India
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1. Introduction

1.1 Financial Attest Audit (FAA) is concerned with expression of audit opinion on a set of financial statements. FAA is required to be carried out to reduce the possibility of the material misstatement in a financial statement and thereby, provide credibility to such a statement. The Financial Attest Audit Manual 2009 (FAAM) of Indian Audit & Accounts Department lays down the framework for the process of Financial Attest Audit within the Indian Audit and Accounts Department. This Manual was brought out in June, 2009 with the objective of bringing the Indian practice at par with the international best practices as far as applicable.

1.2 Presently, the audit of State Government accounts is being done as per instructions under MSO (Audit) and supplementary instructions given by the competent authority. A need has been felt to provide detailed operational guidelines to make the audit of State Government Accounts compliant with FAA requirements, and also to support the requirements of the FAA manual.

1.3 These guidelines provide a comprehensive set of instructions keeping the following in mind:

- The unique role of CAG in compiling the accounts of State Governments through offices of AG (A&E) and audit through offices of AG (Audit)
- The principles of FAA and compatibility with applicable ISSAIs
- The capabilities available in the Voucher Level Computerisation System for automating audit checks
- The checklists available as part of instructions under MSO (A&E) and MSO (Audit), Manual of Instructions on Central Audit (MICA) and other instructions
- Report of the task force instituted for this specific purpose, and report of subsequent committees created to draft guidelines
- The lessons learnt, feedback received and suggestions offered by the field offices which piloted audit as per the draft guidelines

1.4 Henceforth, the financial attest audit of State Government accounts has to be conducted as per these guidelines. All other existing instructions relating to audit of State Government Accounts get superseded. These guidelines are intended to operationalise the FAAM 2009, which provides conceptual clarity for all financial attest audits being undertaken by the Department.

Financial attest audit of State Government accounts

1.5 CAG of India has the responsibility of certifying and providing assurance on the accounts of Union and State Governments. The CAG acts as the sole auditor, by the virtue of the provisions in the Constitution of India and the Legislation (Act). The audit of these accounts is conducted in accordance with the requirements of Articles 149 and 151 of the Constitution of India and Section 13 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

(1) The reports of the Comptroller and Auditor General of India relating to the accounts of the Union shall be submitted to the President, who shall cause them to be laid before each House of Parliament

(2) The reports of the Comptroller and Auditor General of India relating to the accounts of a State shall be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State

Article 151 of the Constitution of India

1.6 Section 13 of the CAG's (DPC) Act 1971 requires the CAG to audit all transactions of the Union, of the States and of the Union Territories having a Legislative Assembly, relating to the Consolidated Fund, the Contingency Funds and the Public Accounts and to audit all trading, manufacturing, profit and loss accounts and balance sheets and other subsidiary accounts kept in any department of the Union or of a State or a Union Territory. This Section also enjoins on the CAG the duty to report on the accounts, expenditure or transactions so audited by him.

Sec 13 of the Act enjoins on the C&AG the duty to audit all expenditure from the Consolidated Fund of India, of each state and each Union Territory having a Legislative Assembly, all transactions of the Union, of the States and of the Union Territories having a Legislative Assembly, relating to the Contingency Funds and Public Accounts and to audit all trading, manufacturing, profit and loss accounts, balances sheets and other subsidiary accounts kept in any department of the Union or of a State or a UT. This Section also enjoins on the C&AG the duty to report on the accounts, expenditure or transactions so audited.

Sec 13 of the CAG's (DPC) Act 1971:

1.7 Regulations 33-42 of the Regulations on Audit and Accounts -2007 of the Comptroller and Auditor General of India provides guidance on conducting financial audit. These guidelines have been prepared to detail out the process for financial attest audit of State Government Accounts keeping the aforementioned Regulations in view.

1.8 Accounts in so far as the Union and State Governments are concerned denote the Finance Accounts and Appropriation Accounts (FA&AA). FAA of State Government accounts is about expressing an audit opinion on the FA&AA. It requires audit of financial systems and transactions, including evaluation of compliance with applicable statutes and regulations. The objectives of FAA are to:

- verify whether the accounts of the Government are properly prepared, are complete in all respects and are presented with adequate disclosures;
- assure that there is no material misstatement in annual accounts certified by audit; and
- certify that the annual accounts provide a true and fair financial status of the State Government.

1.9 The accounts thus certified provide for better transparency in financial management, encourage financial discipline and continuous improvement in system of accounting of the State Governments.

1.10 The annual FA&AA are prepared by the respective Accountants General in the states and Union Territories with legislatures with the exception of Goa, Delhi and Puducherry which have their own Directorate/Controller of Accounts. The Audit office has the responsibility of certifying the annual accounts prepared by the A&E office from the transaction details furnished by the various accounts rendering units of the State Government. The audit office exercises checks

on selected transactions of every month and finally issues audit certificate after checking the annual accounts in the form of FA&AA. The certification of accounts, however, is not an absolute one, it is subject to audit observations appearing in CAG's other compliance and performance audit reports related to the State Government, especially, the Report on State Finances.

Structure of the Guidelines

1.11 These Guidelines for audit of Finance Accounts and Appropriation Accounts of the State Governments help in planning, implementing and reporting on the year long process of FAA starting from getting an assurance on internal control environment, assessing the robustness of the VLC system, checking of vouchers/challans, other accounting transactions, substantive testing of selected sample transactions, monthly civil accounts, Report on Monthly Expenditure (Monthly Appropriation Accounts) and finally audit of Finance accounts and Appropriation accounts.

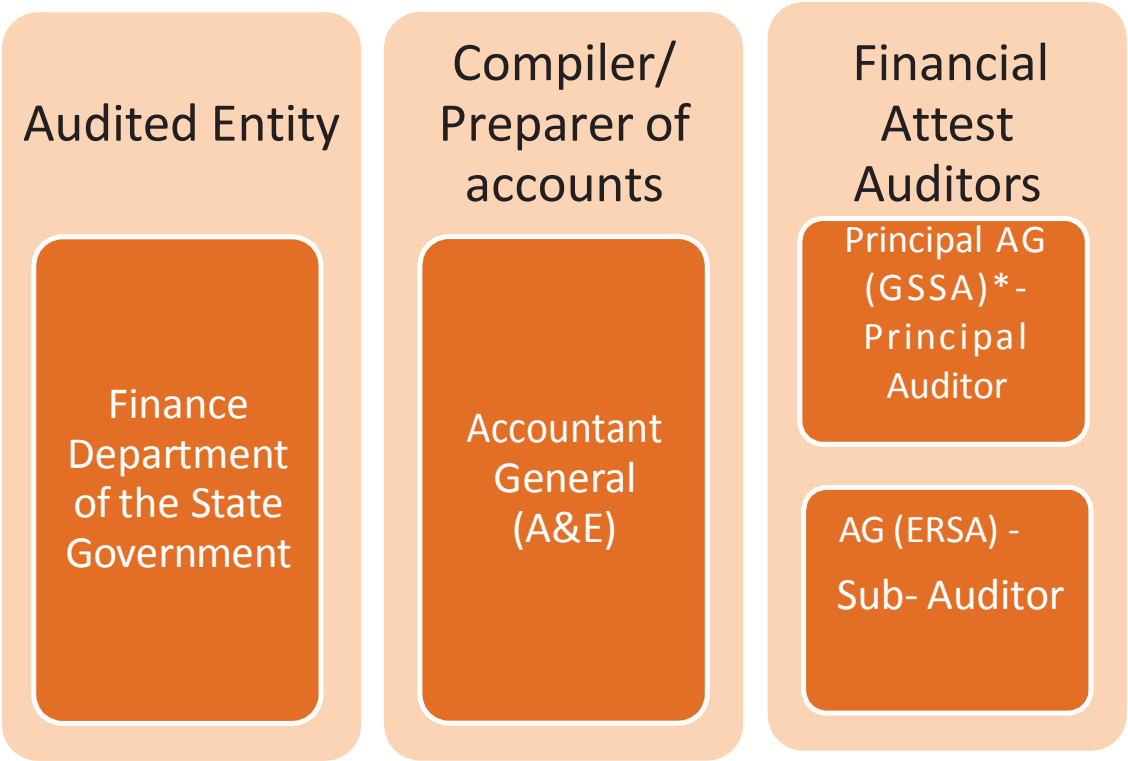
1.12. The Guidelines lay down the timelines for the audit, procedures to be followed for the audit, responsibility centers for the audit and the audit checks to be exercised by the audit teams for proving the correctness of assertions made in audit. The guidelines have been structured as under:

1. Audit Planning
2. Audit implementation
3. Documentation and Reporting

1.13 The detailed audit checks to be carried out on the Vouchers, Monthly Civil Accounts, Report on Monthly Expenditure (Monthly Appropriation Accounts), Finance Accounts and Annual Appropriation Accounts have been annexed to the guidelines. Instructions on selection of sample of vouchers and other inputs of the accounts for substantive audit tests have also been annexed to the Guidelines.

2. Audit Planning

2.1 Audit planning for the FAA of State Government Accounts is the responsibility of the Accountant General in charge of audit of FA&AA and preparation of Audit Report on State Finances, henceforth, referred to as the Principal Auditor. The other audit offices which contribute to audit of FA&AA would be referred as Sub-Auditors for the purpose of these guidelines. The office of Accountant General (A&E), as compiler and preparer of State Government accounts is a major partner in this exercise. The Finance Department of the State Government would be the audited entity for the purpose of this audit.



- *Where Pr. AG (GSSA) is not in-charge of audit of FA&AA, AG (ERSA) would be the Principal Auditor*

2.2 Audit of FA&AA of States would now be a year-long process and not merely a year-end exercise. Hence, there should be a dedicated section in the Audit offices to audit the FA&AA or to contribute to FA&AA. Central Audit sections in Offices of the Principal Auditor and the Sub-Auditors should be renamed as 'Financial Audit Wing' (FAW) and should be given the responsibility of contributing to FAA of State Government Accounts. However, audit functions other than those related to FAA, currently being carried out by the Central Audit sections would continue to be carried out by FAW. These guidelines are therefore equally applicable to the Sub- Auditors.

2.3 Within FAW of the Principal Auditor's office, Financial Attest Audit Team (FINAT) is to be constituted. FINAT has to be headed by a Senior Audit Officer and should be assisted by two Assistant Audit Officers and supporting auditors. The Principal Auditor may entrust any additional work to the FINAT, if considered necessary, but the FAA of the finance accounts and appropriation accounts, monthly civil accounts and Report on Monthly Expenditure (Monthly Appropriation Accounts) should be the primary responsibility of FINAT. The FAW should be under the supervisory control of the Group Officer in charge of Administration as stated in the orders on restructuring of IA&AD. The Principal Auditor is at liberty to supplement the FAW as per the requirements. This may be necessary and advisable during Phase II of the audit process discussed later.

2.4 The planning, execution, reporting and documentation of audit of FA&AA as well as coordination with the other teams in the Financial Audit Wing dealing with scrutiny of vouchers, sanctions, etc., would be the responsibility of FINAT. FINAT should also co-ordinate with audit teams of Sub-Auditors contributing to FAA, local audit parties responsible for substantive audit as part of FAA and Treasury Inspection teams of office of Accountant General (A&E). While preparing the Annual Audit Plans of different audit offices (contributing to Financial Attest Audit of State Government accounts) within the State, the requirements of Financial Attest Audit Team (FINAT) should also be ascertained and included in the plan of these offices. For this purpose, the coordinating wings in the offices of the Sub-Auditors within the state responsible for preparing the Audit Plan should interact with FINAT.

Timelines for audit

2.5 The audit of FA&AA currently commences with the issue of a time schedule by the Government Accounts wing of the Headquarters office (C&AG's office) in consultation with the PPG wing. The process of financial attest audit of State Government gets completed with finalization of audit certificate and signing of Report on State Finances by the CAG. It is expected that this process is completed by mid of December of the ensuing year to enable the State government to take on board important concerns before the next year's budget. The various stages leading up to the certification of Accounts are given below.

Stage

Flow of statements from A&E to Audit

Return by Audit

Stage

1.Vetting of Notes to Accounts (NTAs) by GA wing

2.Return of vetted NTAs by Audit

3.Draft certification by AG(Audit)

3.Vetting of Audit certificate by RS wing-Approval of HQ

4.Modify accounts based on audit comments and print ready

5.Signing of audit certificate by CAG

6.Bond copy of Report on State Finances

7.Clearance of SFR by Report States

8.Signing of Report on State Finances by CAG

Co-ordination between the offices of Principal Auditor & AG (A&E)

2.6 The FA&AA are prepared in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. These accounts are compiled from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries offices and departments responsible for the keeping of such accounts functioning under the control of the State Government, certain Statements received from the State Government or its parastatals and the statements received from the Reserve Bank of India. In states where the treasuries render Compiled Accounts, the accounts are compiled/consolidated from the Compiled Accounts rendered by the treasuries. The treasuries, offices and departments functioning under the control of the State Government are primarily responsible for preparation and correctness of the initial and subsidiary accounts as well as ensuring the regularity of transactions in accordance with the applicable laws, standards, rules and regulations relating to such accounts and transactions. AG (A&E) is responsible for preparation and submission of Annual Accounts to the State Legislature. The audit of these accounts is independently conducted through the office of the Principal Auditor in accordance with the requirements of Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for expressing an opinion on these Accounts based on the results of such audit.

2.7 It is imperative that there is a close interaction and coordination between these two offices and the State Government. In addition to direct coordination about the finalization and certification of accounts, some other areas where interaction between these offices is of crucial importance are:

- Budget review including review of new heads etc. by Accountant General (A&E)
- Inspection of treasuries by Accountant General (A&E)
- Review of Works and Forest Accounts prepared by Accountant General (A&E)

Co-ordination among the audit offices

2.8 As discussed above, the overall responsibility of audit of State Government accounts lies with the Principal Auditor. The responsibility of designing the audit strategy for audit of accounts, preparation of audit plan, level of assurance required, the method of selection of vouchers for substantive testing, communication with the AG (A&E) and the State Government and finally deciding about the audit observations would lie with the Principal Auditor. Sub-auditors engaged in the audit of transactions forming part of monthly accounts or financial statements of State Government are to work in co-ordination with the Principal Auditor finally issuing audit certificate on the State accounts. Audit of accounts rendering units, (e.g. Public Works and Forest Divisions), Pay and Accounts Office in some states, etc. are to be integrated in the certification process of State accounts. The Principal Auditor is expected to provide detailed audit plan, other relevant details and timelines to the Sub- Auditors well in advance, so that the audit requirements are built into the annual audit plan of their offices.

Audit Planning Activities

2.9 Planning for FAA helps to develop an audit approach which will ensure that sufficient and appropriate evidence is gathered to support the audit opinion given in FA&AA in the most effective manner. The audit planning process for audit of State Government accounts would have the following elements:

- Internal Control Assurance
    - Assurance from A&E Office
    - Assurance from State Government
- Risk analysis
- Determining materiality levels & sample selection
- Deciding documentation requirements

Internal Control Assurance

2.10 The whole system of financial and other controls, including the organizational structure, methods, procedures and internal audit, established by the Government, to assist in conducting the business of the audited entity in a regular economic, efficient and effective manner; ensuring adherence to management policies; safeguarding assets and resources; securing the accuracy and completeness of accounting records; and producing timely and reliable financial and management information is known as the internal control environment.

Assurance from A&E Office

2.11 The accounts of the State Governments are compiled and prepared by the AG (A&E) through the Voucher Level Computerization (VLC) system from the primary records and accounts maintained by the State Government. It is important that the Principal Auditor assesses the robustness of the internal control environment, as the process of audit is only a test check and the extent of such test check is dependent on the internal control assessment. While compiling the transactions and preparing accounts, computer aided validation check can and have been built in the VLC system and assurance on this can be obtained. Inclusion of all accounts rendering units in monthly accounts, ensuring of budget data against each unit of appropriation, etc. are some of the assurances that can be obtained from A&E office. Checks and validation in VLC system can be enhanced to suit this requirement and work load in audit process can be reduced accordingly. However, the Principal Auditor is expected to validate the internal control assurance given by AG (A&E) by independent test checks.

Assurance from State Government

2.12 Similar to the assurance from AG (A&E) office, Audit needs to have assurance from other information rendering units of State Government for annual accounts. Some information other than the statements compiled by the A&E office forming part of financial statements, are also included in the accounts certified by Audit. Information on guarantees given by State Government, investment in Statutory Corporations/ Government Companies, incomplete works, etc., are some of the information furnished by Finance Department, which appear as part of the financial statements. In these cases, an assurance from the Finance Department/other departments should be obtained, through A&E Office or directly, on the correctness of the data depicted in the annual accounts to be certified by the Principal Auditor. However, the Principal auditor should conduct independent test check for confirming the robustness of the systems prevalent in these departments for completeness and accuracy.

Risk analysis

2.13 Audit planning requires conducting of risk analysis of account areas, accounting information, and accounts rendering units, expenditure incurring units and revenue collection units. The decision on selection of appropriate sampling method, materiality levels and risk parameters are left to the professional judgment of the Principal Auditor. However, guidelines for statistical sampling using IDEA application are given in Annexure-D.

2.14 The Principal Auditor should, however, ensure that risk analysis of account areas, accounting information, accounts rendering units, expenditure incurring units and revenue collection units are decided prior to commencement of audit and should be an input for preparation of the annual audit plans of the office of the Principal Auditor as well as of the Sub - Auditors and the annual treasury inspection program of Accountant General (A&E).

2.15 An indicative list of sources of information is placed at Annexure-A for various accounts areas/accounting information/accounts rendering units.

Determining materiality levels & sample selection

2.16 Prescribing and planning materiality level in the form of monetary thresholds and other criteria for selection of sample vouchers, sample account areas and sample transactions for substantive testing is one of the major audit planning activities. The selection of samples for substantive testing of accounting inputs like vouchers, challans, classified abstracts, consolidated abstracts, transfer entries, settlement accounts, clearance memorandum and different transactions forming part of the accounts will be done by Principal Auditor adopting any appropriate statistical sampling methods. Similar activities are required to be done by Sub- Auditors in their respective audit jurisdictions.

2.17 It will be the responsibility of FINAT to apply the appropriate sampling methodology as decided by the Principal Auditor to draw the sample transactions for conduct of FAA and communicate the same to the FAW, field audit parties and treasury inspection teams. The sampling may be done after stratifying the VLC data of transactions into revenue receipts, capital receipts, revenue expenditure, capital expenditure, deposits & advances and remittances (Annexure-D). Detailed guidance, in this respect is available in the FAA Manual (Chapter 2 and 4).

2.18 The following transactions forming part of the monthly civil accounts and Report on Monthly Expenditure (Monthly Appropriation Accounts) of the State are recommended to be considered *Material by Nature and Context*, and hence 100% checking of these transactions and related Heads of Accounts as detailed below is suggested:

- Loans under *Major Heads 6075 to 7615(except 7610-Loans to Government servants, etc.)*;
- Public Debt under *Major Heads 6003 and 6004;*
- Contingency Fund under *Major Heads 7999 and 8000;*
- Reserve Funds booked under *Major Heads 8115 to 8235;*
- *Minor Heads 101–Pay and Accounts Office-Suspense, 102–Suspense Account (Civil), 109– Reserve Bank Suspense (Headquarters), 110–Reserve Bank Suspense (Central Accounting Office), 111–Departmental Adjusting Account under major Head 8658 – Suspense Accounts*
- Cash Balances booked under *Major Head 8999 – Cash Balances*
- *Deposits of local funds under Major Head 8338 – Deposits of Local Funds*
- Cash Balance Investment Account – 8673
- Minor Head 800-Other Expenditure (especially if schemes like flagship programmes are booked here)

2.19 Any other Head of Account for which field offices feel that 100 per cent check has to be conducted can be added to the above list. However, if 100 per cent check of any class of transactions mentioned above is considered impractical due to large number of transactions (vouchers), sample selection method can be adopted. This decision can only be taken by the Head of field audit office.

Deciding documentation requirements in form of Matrix & Information Sheet

2.20 The FINAT would prepare a '*Matrix'* showing the assertions sought to be proved, samples of transactions and vouchers selected for carrying out the test, substantive audit tests to be carried out and the responsibility centre for the substantive audit test. A sample matrix is at Annexure-B.

2.21 FINAT would also monitor receipt of '*Information Sheet*' based on the '*Matrix'* supplied to all the audit teams involved in the FAA of FA&AA showing the nature of substantive audit test, the units/account area/account information on which the test was carried out and results of the substantive audit tests carried out by FAW, Local Audit Parties and Treasury Inspection units. While this *Information Sheet* should be received from FAW on a monthly basis, the local inspection parties and treasury inspection units should attach this *Information Sheet* as a separate appendix to the regular inspection reports. The Information Sheets will be forwarded to FINAT after vetting by the concerned headquarters section. A sample Information Sheet linking audit planning with execution and reporting is at Annexure-C

3. Audit Implementation

3.1 The basic process for conducting Financial Attest Audit is discussed in this chapter with brief listing of the kind of audit checks to be conducted placed as annexures to the Guidelines.

Preparatory work for commencement of FAA

3.2 The implementation of FAA of State Government accounts should appropriately start from review of the State budget. Since the office of AG (A&E) as the compiler and preparer of accounts conducts this activity in a comprehensive manner, the office of the Principal Auditor may rely on the budget review report prepared by AG (A&E).

3.3 Before the commencement of the audit of transactions from the first month of the financial year, Audit has to ensure that budget provisions/estimates, included in the Demands for Grants and other budget documents have been correctly carried over into the Voucher Level Computerization (VLC) system and records maintained in the Book Section. In States, where the A&E office has been getting data in electronic format and has been importing it electronically to the VLC system, Principal Auditor need not check correctness of the budget data transferred to VLC system. It is sufficient to seek an assurance in this regard from the A&E office. In States, where manual compilation system is existing and budget data received from State Government are manually copied in registers/records also an assurance may be obtained from A&E office on the reliability and correctness of the data. However, accuracy should be ensured through test check of data.

3.4 FINAT may conduct check of IT Controls in the VLC system and where possible in the Treasury Information System/IFMS as a preparatory activity to assess the reliability of the systems.

FAA implementation stages:

3.5 After carrying out the preparatory activities, the FAA through Finance Department of the State Government and all the auditing entities can commence. The FINAT will select the sample of vouchers for substantive audit of the underlying transactions using scientific sampling principles and techniques. FINAT will also direct substantive audit based on inputs from central audits done in Principal Auditor and Sub- Auditors/ FAWs and treasury inspection reports received from AG (A&E). The audit teams within FAW or the local audit parties will carry out the audit with reference to records available in the audited entity in respect of cases referred/intimated by FINAT. Audit observations pertaining to audit of transactions required by

FINAT, are also to be communicated to the Principal Auditor for consideration while certifying the annual accounts.

3.6 The FAA can be organized in two Phases:

(A) **Phase I - Year Long Activities**

1. Examination of Sanctions
2. Examination of Vouchers
    i. Received in the Principal Auditor's office
    ii. Retained with the Account rendering units
3. FAA using Inputs from Inspection of Treasuries
4. Analysis of inputs by FINAT
5. Audit of the Monthly Civil Accounts and Report on Monthly Expenditure (Monthly Appropriation Accounts)
6. Comprehensive review of Grants

(B) **Phase II - Year End Activities**

1. Entry Conference
2. Audit of Statements and Appendices of Finance Accounts
3. Audit of Appropriation accounts
4. Vetting of NTAs (Notes to Accounts)
5. Preparation of Draft audit comments
6. Exit Conference

(A) **Phase I - Year Long Activities**

Examination of Sanctions:

3.7 FAW would carry out Sanction audit with the objective of identifying deficiencies that may affect the accuracy and reliability of Finance Accounts and Appropriation Accounts. The following points should specifically be looked into by individual audit teams within FAW while auditing sanctions and the results of such audit communicated to FINAT. The audit checks required to be carried out by the individual audit teams while auditing sanctions for the purpose of audit of Finance and Appropriation Accounts are:

- *Whether the classification of heads of account indicated in the sanction is as provided in the Demands for Grants/Supplementary Demands.*

- *Whether the sanction issued complies with provisions of Government Accounting Rules with regard to classification into Revenue and Capital expenditure.*
- *Whether the sanction order correctly classifies the sanctioned expenditure into Voted/Charged categories where required.*
- *Whether the sanction is for drawal of budgeted funds merely to avoid lapsing of budget provision and if so, pursue the matter for appropriate comments.*
- *Whether the sanctions are issued by the competent authority and where required with the approval of Ministry of Finance/Cabinet of Ministers.*
- *Whether timelines are prescribed for submission of utilization certificates (e.g. in case of GIA sanction) or repayment schedules for loans and advances.*
- *Whether write-off sanctions are issued after following prescribed procedures.*

3.8 Financial Audit Wing may maintain a Register showing the irregularities noticed during audit of sanctions which may have a bearing on the accuracy of accounts and send a list of unsettled cases to FINAT after audit of vouchers for the month of March with copies of correspondence exchanged in the matter. In addition, any other cases which may have an impact on audit of annual accounts should also be reported to FINAT. FINAT will analyze their resolution and take appropriate decision while conducting audit of financial statements.

3.9 Copies of contracts endorsed to Audit would also require scrutiny. While the checks would be different from the audit checks performed on sanctions, in spirit, they would serve a similar objective of providing leads to conducting substantive audit of vouchers and accounts.

Examination of Vouchers

3.10 The primary objective of audit conducted by the FAW is to ensure the propriety and regularity of financial transactions. The FAA serves the purpose of providing assurance to the financial transactions and financial systems through conducting the desk audit of vouchers, abstract contingent bills etc., accompanying the monthly accounts. However, this activity hitherto being carried out by central audit, was not specifically aimed at feeding inputs and leading to the certification of FA&AA. To derive the benefits from this exercise, the results of **this** audit have to be programmed to serve as input for certification of FA&AA.

Examination of vouchers received in Principal Auditor's Office

3.11 In Government Accounting vouchers include not only Bills and Challans but other documents like Transfer Entry Documents, Reserve Bank of India Advice Memorandum, Inward Settlement Accounts, Outward Settlement Accounts and Approvals and Authorizations granted by Accountant General (A&E).

3.12 Audit of vouchers forming main part of the monthly civil accounts is the most important audit check in Phase I. Substantive audit checks on individual vouchers and transactions should be carried out by FAW and local audit parties immediately after the annual audit plan is approved and should end only after the accounts for March (Supplementary) are closed. Detailed guidance on audit of vouchers is at Annexure-E. The results of the central and local audit of vouchers would be communicated to FINAT in the Information Sheet (Annexure-C) on a monthly basis as mentioned in para 2.21.

Examination of vouchers-retained with the Accounts rendering units

3.13 While vouchers are sent along with the monthly accounts, sub-vouchers/challans are retained in the treasuries. There are also divisional offices of Public Works Department, Forest Department and PAOs that render compiled accounts but do not send the supporting documents, vouchers and challans to the AG (A&E) and their eventual transmission to the Audit Office. The audit methodology has therefore to be a little different in respect of these records. The FINAT would select the sample transactions to be checked in local audit and would communicate these to the designated audit parties. The Principal Auditor or Sub- Auditor may decide to entrust verification of original record pertaining to any audit finding noticed by FAW to the wing itself rather than relying on local audit parties. The results of the central and local audits should be communicated to FINAT by the audit teams in the Information Sheet prepared as suggested in para 2.21.

FAA using inputs from Inspection of Treasuries

3.14 Since the treasury is the nodal point through which all transactions of Government money are carried out, it is necessary to include the audit of the treasury in a program for audit of the FA&AA. Instead of a separate audit of treasuries by the audit teams of Principal Auditor for the purpose of FAA of FA&AA, it has been decided to leverage the inspection of treasuries carried out by inspection teams from the office of (A&E) for this purpose.

3.15 The inspections carried out by the (A&E) has two dimensions namely, review of the controls exercised by the treasury staff and inspection of the integrity of selected transactions. The Principal Auditor would share the sampling methodology being applied in selection of

vouchers, which can be adopted by AG (A&E) for selection of transactions during the treasury inspection. The Principal Auditor could also request specific examination of certain class of transactions during treasury inspections which are considered high risk. The details of the checks on the financial controls in a treasury and on the selected transactions are given at Annexure-F.

3.16 A quarterly report on the results of the above checks and any other issues emerging out of inspection of treasuries should be sent by the AG (A&E) to Principal Auditor. Significant issues emerging from these reports would provide important inputs to FINAT on accuracy and reliability of the primary records being received from the treasuries.

Analysis of inputs by FINAT

3.17 FINAT would analyse the inputs received from desk audit and local audit of selected vouchers, treasury inspection reports and monthly accounts to ascertain their impact on the financial statements. FINAT may conduct a wider audit of accounting areas where major deficiencies, weaknesses or inaccuracies were noticed during the above mentioned examinations. The objectives of such audits would be to identify underlying reasons of deviations and their impact on the financial statements. The results of this audit should be reported in the Report on State Finances, if considered significant or informed to the State Government in form of a Management Letter.

Audit of the Monthly Civil Accounts, Report on Monthly Expenditure (Monthly Appropriation Accounts)

3.18 As the next step, detailed audit of monthly civil accounts, Report on Monthly Expenditure (Monthly Appropriation Accounts) and their underlying transactions and vouchers is to be taken up. It is suggested that this audit could be scheduled immediately after the AG (A&E) shares the monthly civil accounts for the month of September with the Principal Auditor since this would provide half-yearly figures of expenditure and receipts. Detailed audit of the monthly civil accounts and the Report on Monthly Expenditure (Monthly Appropriation Accounts) may be carried out for the selected months of September, January, February, March (preliminary) and March (supplementary).

3.19 The objective of the audit checks in this phase are to identify errors, unauthorized expenditure etc. if any sufficiently early so that corrections can be carried out before the Accounts for the year are finally closed. FINAT will also test check transactions indicated in the 'Verified Date-wise Monthly Statement' for each month. The audit checks to be carried out at this stage are indicated in 'Audit Checks for audit of Monthly Civil Accounts' attached as

Annexure –G. The audit checks to be carried out on Report on Monthly Expenditure (Monthly Appropriation Accounts) are indicated in the 'Audit Checks for audit of Report on Monthly Expenditure (Monthly Appropriation Accounts)' attached as Annexure – H.

Comprehensive Review of Grants

3.20 The FINAT should conduct a comprehensive review of at least two Grants every year. The results of this audit and the findings of audit of monthly civil accounts, Report on Monthly Expenditure (Monthly Appropriation Accounts) and the FA&AA should be used for reporting on the administration of the Grant by the departmental officers. Grants for such review should be selected by the Principal Auditor using professional judgement on the basis of substantial persistent savings/ excesses/other irregularities disclosed in past appropriation accounts. The scope of this review should inter alia include compliance with budgetary procedures and expenditure control exercised in respect of provisions made in the budget/ supplementary demands. The review should provide an insight not only into the nature of and reasons for the excess expenditure or savings in relation to the budgeted grants but also focus attention, more importantly, on the control failures and deficiencies, delays in decision-making, etc., that might have facilitated the excesses/savings and on the failure of superior authorities to detect and rectify them. Failure of the controlling and drawing & disbursing officers to restrict their expenditure within the allotted amounts would be requiring special attention and probe.

3.21 A separate Register may be maintained in FINAT to record errors and omissions noticed during audit of Report on Monthly Expenditure (Monthly Appropriation Accounts)/ monthly civil accounts for follow up action. The unsettled cases which may have impact on accuracy or completeness of FA&AA should be considered for audit comments and for qualification of accounts as well as for inclusion as comments in the Report on State Finances.

Phase II-Year End Activities

Entry conference

3.22 It is also advisable to organize an Entry conference with the State Government at an appropriate time, before the start of Phase- II of audit implementation. In such conference, the AG (A&E) and other Sub-Auditors should also participate. There is a possibility of organizing this conference along with the Exit Conference being organized by AG (A&E) to discuss finalization of accounts. It is of paramount importance that the audit objectives, scope, methodology are discussed with the Finance Department of the State Government, and also sent to them through a formal communication with a copy to the AG (A&E).

3.23 It is important to have a well laid out communication plan for conduct of audit of accounts. The Principal Auditor should have regular interactions with the AG (A&E) as the preparer of accounts, the Finance Department of the State Government as the audited entity and the Sub-Auditors among others. The documentation about the interaction should be maintained as part of the audit file.

Audit of Statements and Appendices of Finance Accounts

3.24 Implementation of Phase II of the audit process will commence after the AG (A&E) starts submitting the Statements of Finance Accounts to Audit for scrutiny. In addition to the audit checks prescribed, review of compliance with audit observations pointed out during earlier phase of audit will also be part of the scope of audit of this phase. In case, corrections are carried out later on monthly civil accounts already audited these corrections should be scrutinized and their impact on accounts assessed. The detailed audit checks to be carried out on each Statement and Appendix of Finance Accounts are indicated in the 'Audit Checks for audit of Finance Accounts' attached as Annexure - I.

Audit of Appropriation accounts

3.25 The audit of Annual Appropriation Accounts commences as soon as Grant Statements containing information relating to grant number, nomenclature of the heads of accounts up to sub-head level forming part of the particular grant and final grant against each sub head are received from AG (A&E). The correctness of grant number and nomenclature of heads of account should be checked at this stage with reference to those in detailed demands for grants and any corrigendum issued thereof as also the Supplementary Demands for Grants for the year. Further, information relating to the sanctioned provision (Original and Supplementary) and the effect of re-appropriation/resumption orders issued during the year against each sub-head should also be checked for correctness.

3.26 Audit of detailed appropriation accounts showing final Grant and expenditure figures should focus on verifying whether the expenditure incurred is within the sanctioned provision or is covered by re-appropriation orders issued to meet the excess expenditure. The audit relating to audit of Monthly Civil Accounts and Report on Monthly Expenditure (Monthly Appropriation Accounts) should aid the audit process at this stage. Finally the audit of the final Appropriation Accounts is to be taken up as per the audit checks attached as Annexure - J.

Use of Computer Aided Audit Techniques

3.27 Several of these audit checks are amenable to execution on the VLC Database through

use of Computer Aided Audit Techniques (CAATs) like IDEA. Audit checks required in various substantive audit tests are listed out in this document to facilitate easy development and adoption of CAATs in such audits by the Audit offices. The query to be used is dependent on the nature of Master Tables in the VLC Application in use at the A&E office. In fact, if the controls of VLC system are audited effectively and the Principal Auditor is of the opinion that reliance can be placed on the System, it is advisable to execute through CAATs the checks of verification of major head-wise/minor head-wise figures in the statements/ appendix with those in the VLC system, and checks of consistency of figures between different statements/appendix in finance accounts and between those in different statements/appendix of the finance accounts and corresponding figures in appropriation accounts. Though all the VLC systems of all the AG (A&E) offices are broadly similar, the Principal Auditor should keep in mind the specific table structure and programming while designing the audit checks through use of CAATs. Sample audit report which can be developed in the VLC system to facilitate audit check is included as Annexure-K.

3.28 The audit report module could be developed in the VLC system for automating the financial audit process itself. Computerization of the audit process either through in-house or off the shelf software would assist in better planning, execution and monitoring of Financial Attest Audit procedures and reporting. It would be advisable to develop Audit Report Module as per the requirements of individual Principal Auditor. A list of common sample Audit Report is given in Annexure-K.

Audit Checks – A recap

3.29 The guidelines include the audit checks to be applied in five separate annexures as given below:

a. Audit checks – Vouchers *(*Annexure –E*)*
b. Audit checks – Treasury (Annexure –F)
c. Audit checks - Monthly Civil Accounts (Annexure-G)
d. Audit checks – Report on Monthly Expenditure (Monthly Appropriation Accounts) (Annexure – H)
e. Audit checks – Finance Accounts (Annexure-I)
f. Audit Checks - Annual Appropriation Accounts (Annexure-J)

3.30 Further, keeping in view the responsibilities of A&E and Audit offices, audit checks to be conducted as part of FAA process as referred in para 3.1 have been divided in following four categories to avoid duplication of effort and for optimum utilisation of available resources:

1. **Category-1: Automated Checks–** These are built in Audit checks in the VLC system, or can be built in the VLC system. After confirming the availability of these checks in VLC, and testing their reliability, these audit checks need no longer be done manually. A confirmation report on these audits checks should be obtained by the Principal Auditor from the AG (A&E).
2. **Category-2: Exception Report Based Audit –** The Principal Auditor would request AG (A&E) for generating an exception report on audit checks in this category for further audit scrutiny.
3. **Category-3: Report assisted check-** AG (A&E) would generate specific reports to enable conduct of audit checks referred to in this category.
4. **Category-4: Manual checks-** In case of these audit checks, the audit has to be done manually

Vetting of Notes to Accounts

3.31 Notes to Accounts (NTAs) are additional information/disclosures provided in Volume-I of the Finance Accounts that help explain specific items in the statements as well as provide a more comprehensive assessment of the financial position. These Notes can be information on accounting policies, contingent liabilities or contextual information explaining the financial numbers. These Notes can also be disclosures, in certain cases. These serve an important role of providing transparency, specifically because the accounts are compiled by AG (A&E) for the financial transactions done by the State Government.

3.32 The NTAs are an integral part of the Accounts and the Principal Auditor has to do the due diligence on the proposed NTAs. It has been an established practice that AG (A&E) proposes draft NTAs and these are vetted by the Principal Auditor before their inclusion in the Accounts. Even after vetting the NTAs there may be circumstances where audit observations elaborating and accentuating NTAs may be necessary for the reasons of materiality and context. In such cases, the audit observations should bring out the impact of the NTAs on the accuracy and reliability of Accounts. This is necessary because the NTAs made by AG (A&E) serve as disclosures or clarifications and not audit comments. Such audit observations should be communicated by the Principal Auditor to AG (A&E) and State Government and considered for inclusion in the Report on the State Finances.

Preparation of Draft audit comments

3.33 Based on the results of audit, the Principal Auditor would prepare the draft audit comments on the Finance and Appropriation Accounts and send it to Finance Department for

their replies with a copy to AG (A&E) and Sub- auditors.

Exit Conference

3.34 On conclusion of audit, FINAT shall arrange for holding an Exit Conference with the Finance Department of the State Government. The AG (A&E) and the sub-auditors may also be requested to participate in this conference. The draft comments on accounts and the issues relating to the certification should be discussed in this conference. Efforts should be made to get replies of the State Government on each of the issues raised as part of the audit of accounts. The minutes of the Exit Conference should be prepared and issued to the State Government.

4 Documentation and Reporting

Audit File

4.1 Documentation in a FAA requires maintenance of audit file along with the set of working papers. Audit file refers to one or more folders, in physical or electronic form, containing the records that describe the audit documentation for a specific engagement. The audit file to be maintained by the Principal Auditor should include the detailed audit plan, the sample selection, nature, timing and extent of procedures performed, results of such procedures and the evidence obtained. It should also mention significant matters arising during the audit, the conclusions reached thereon and significant professional judgments made in reaching those conclusions. Audit file should also include record of discussions of significant matters with Management, Government and others, including the nature of the significant matters discussed and when and with whom the discussions took place.

4.2 Audit file should be properly indexed, referenced and supplemented by the set of working papers. In case of multiple audit files, a master index of the files may be maintained in addition to the index of each audit file. The auditor should complete the administrative process of finishing the audit file on a timely basis.

4.3 The responsibility of ensuring documentation of evidence in form of working papers, in support of all facts, figures and comments included in the audit report would rest with the respective audit offices conducting the audit. Documentation of working papers should include completion of '*Matrix*' including information sheets referred to in Para 2.20 and 2.21 above and should show specific accounts, accounts areas, nature of transactions chosen for proving the different assertions, samples of vouchers/documents chosen for substantive audit tests relating to each assertion, results of the substantive audit tests done and the overall conclusion drawn with cross referencing of audit evidence collected.

Assurance Memo

4.4 Assurance Memos have been prescribed in the guidelines to seek an assurance from the Principal Auditor and AG (A&E) to the compliance of these guidelines. These memos would provide the assurance to the controlling ADAI/ DAI about the completeness and robustness of the process being followed while compiling and certifying the accounts by the concerned authorities. The Memo to be signed by the Principal Auditor as given in Annexure L1 would be supported by an Assurance Memo about compilation of Finance and Appropriation Accounts as given in Annexure L2 to be signed by the Pr. AG/AG (A&E).

Results of Audit

4.5 The objectives of conducting FAA of State Government accounts are to provide an assurance on accounts to the stakeholders, improving quality of accounts, encouraging systemic improvements and enforcing financial discipline. The outcome of FAA can be in the following forms:

1. Revision / correction of Accounts
2. Management Letter
3. Audit opinion
    - Audit Certificate
    - Significant audit findings in Report on State Finances

The first two forms mentioned above are in addition of an audit opinion, which is mandatory.

Management Letter

4.6 A Management Letter should be issued by the Principal Auditor to the Principal Secretary in-charge of Finance Department (the audited entity) pointing out those audit findings which though not material enough to affect the audit opinion, need to be addressed to improve the quality of accounts. While developing findings, it is important to focus on underlying causes of problems rather than simply to report the problems and their results. It should be ensured that nothing communicated to the audited entity is inconsistent with the audit opinion. A copy of the Management Letter issued to the State Government should also be sent to the AG (A&E). A Management letter can also be issued to the A&E office for matters relating to compilation of accounts.

Audit Opinion

4.7 Audit of financial statements are 'reasonable assurance' engagements. Given the inherent limitations of an audit engagement, the auditor can only provide a 'reasonable assurance' and not an 'absolute one', the result of which is that most of the audit evidence obtained by the auditor will be persuasive rather than conclusive. In general, reasonable assurance audits are designed to result in a conclusion expressed in a positive form, such as "in our opinion the financial statements present fairly, in all material respects (or give a true and fair view of) the financial position of … and its financial performance and cash flow……..".

4.8 Accordingly, the results of this audit are communicated to the external stakeholders through an audit opinion which has two components:

- Audit Certificate
- Significant audit findings in Report on State Finances

Audit Certificate

4.9 The exact format of audit certificate will be governed by the instructions issued from the Headquarters Office. Detailed guidance about Auditor's Opinion is available in Chapter 7 of Financial Attest Audit Manual, 2009. Separate audit certificates are required to be given for the Finance Accounts and the Appropriation Accounts. The auditor may express various types of opinions as below:

Unqualified opinion

4.10 An unqualified opinion is given when, in the judgement of the Principal Auditor,

(i) **For Finance Accounts:**

The financial statements and accompanying notes give a true and fair view of the financial position, and the receipts and disbursements of the audited entity for the year under audit

(ii) **For Appropriation Account:**

A true and fair view of the accounts of the sums expended in the relevant year compared with the sums specified in the schedules appended to the Appropriation Acts passed.

4.11 An unmodified/unqualified opinion is given when, in the judgment of Principal Auditor, the financial statements fairly present/give a true and fair view and have been prepared in accordance with relevant accounting requirements. In forming this judgement, the Principal Auditor should be satisfied in all material respects that:

(i) the financial statements have been prepared in accordance with relevant legislation, regulations, instructions of Finance Department, Government Accounting and applicable accounting standards (and that any departures are justified and adequately explained in the financial statements);

(ii) there is adequate disclosure of all information relevant to a proper understanding of the financial statements;

(iii) appropriate accounting policies have been consistently applied in the preparation of financial statements; and

(iv) the financial statements are free from material irregularity.

4.12 In forming the judgment about absence of material irregularity, the Accountant General must be satisfied that in all material respects:

(i) transactions comply with the legislation (both primary and secondary) governing them;

(ii) transactions comply with any regulations relating to them issued by a body with the power to do so under the governing legislation;

(iii) approval of Finance Department or any sponsoring Department has been sought and obtained as required;

(iv) the financial transactions fall within the ambit of the Vote of the Parliament or Legislature.

Unqualified Opinion with Emphasis of Matter

4.13 An auditor may express an unqualified opinion and also include explanatory paragraphs, known as 'Emphasis of Matter' in the report. Emphasis of matter may be required in circumstances where the Principal Auditor is of the view that Financial Statements do present a true and fair view, but there are certain issues or concerns which must be brought to the notice of stakeholders as part of the audit opinion. The emphasis of matter may relate to appropriateness of accounting policies, adequacy of disclosures, internal control management issues or significant transactions to name a few. Normally, the emphasis of matter would feature issues of higher significance or materiality than audit findings that appear in Report on State Finances.

Qualified/Modified Opinion

4.14 The audit opinion should be modified where the Principal Auditor is unable to satisfy himself that the Financial Statements are free from material misstatement whether caused by fraud, error or other irregularity. For Appropriation Accounts, a modified opinion is also given on all excess votes.

The reasons for qualification fall into two groups:

(i) The audit may have caused the Principal Auditor to be uncertain as to whether material error does, or does not, exist in the accounts

(ii) The Principal Auditor may disagree with the way something has been dealt with in the accounts.

Significant audit findings in Report on State Finances

4.15 The results of FAA in form of audit comments are presented in the Report on State Finances. Significant irregularities noticed during audit of finance accounts and appropriation accounts should be presented as audit findings along with an analysis of underlying causes and their impact. The audit findings could relate to financial management weaknesses, internal control deficiencies or inappropriate accounting treatments etc. noticed during the audit checks performed as discussed in Chapter 3. These findings should be discussed with the State Government and their replies should be considered. These findings should also be discussed in the Exit Conference held to discuss the FA&AA and the Report on State Finances.

4.16 Some examples of audit findings which could be presented in Report on State Finances are:

Finance Accounts

4.16.1 Opaqueness in Accounts – Operation of omnibus minor head 800, outstanding balances under major suspense heads

- Public funds lying outside Government accounts –in commercial savings accounts and similar arrangements, Operations of personal deposits accounts, moneys in commercial savings banks and cooperative schemes
- Funds lying outside the consolidated fund- non transfer of unutilized funds from personal deposit /treasury savings bank accounts at the end of the financial year.
- Continued adverse balance and static balances over a period of time
- Non transfer of funds collected to appropriate Reserve Funds and its non-investments
- Integrity and reconciliation issues Wrong classifications-pendency of detailed contingent bills and Utilization certificates
- Conversion of State Government Loans into Equity and writing off of Loans made by the State Government

Appropriation Accounts

- Expenditure incurred without budget line
- Failure to obtain legislative approval for augmenting provisions
- Incorrect classification – voted & charged, revenue & capital
- Other misclassifications
- Deficient sanction orders

- Sanction of additional funds by executive orders
- Inappropriate advances from contingency funds
- Non furnishing or incorrect utilisation certificates

Supervision and Review

4.17 The responsibility of preparing draft audit opinion including draft Audit Certificate and draft audit comments which might find a place in the Report on State Finances would be of FINAT after conclusion of audit and after considering the replies received from the State Government. The Principal Auditor would send the draft audit opinion to the controlling DAI / ADAI for approval of CAG. This opinion would be supported by the Assurance Memos as discussed in para 4.4 above and an appreciation note about the process followed.

Annexure A

(Please refer to Para 2.15)

Indicative list of sources of information for various accounts/accounting information/accounts rendering units.

Unit on which Risk Analysis is to be done Unit on which Risk Analysis is to be done	**Source of information for Risk Analysis**
Account Information Areas and Accounting	a. Comments from audit of Finance Accounts and Appropriation Accounts of previous year. b. Notes to Accounts and foot notes included in current and previous year's Finance Accounts and Appropriation Accounts. c. Comments on savings and excesses in Grants appearing in current and previous year's Appropriation Accounts. d. Disclosure requirements under Fiscal Responsibility and Budget Management Act e. Report on Monthly Expenditure (Monthly Appropriation Accounts) f. Report on review of balances carried out by Accountant General (A&E). g. Entries in 'Objection books' maintained in compilation sections of Office of Accountant General (A&E) and by Central Audit Parties. h. Assurances given by the Accountant General (A&E) and the Ministry/Department of Finance on correction of accounts, if any, in the

	entry and exit conferences of the previous year. **i.** Reports of Public Accounts Committee on regularization of excesses in years.
Accounts Rendering Units	a. Report of inspection of treasury by AG(A&E) b. Annual report on working of treasuries prepared by Accountant General(A&E) **c.** Report on review of Works and Forest Accounts prepared by Accountant General(A&E) **d.** Inspection Reports of local audits and CCO based audits
Drawing and Disbursing Officers	a. Budget allocations and actual expenditure of previous year b. Reports of local inspection parties c. Audit notes of central audit parties d. Sanctions Register maintained by Central Audit wing and the office of Accountant General (A&E)

Annexure – B

(Please refer to Para 2.20)

Audit Matrix for audit of vouchers
Voucher for the month of ---- Audit
conducted by :

(1) Checking arithmetical accuracy

Sl. No	Voucher number	Voucher date	Checking of consistency with List of Payments/SOP		Checking of consistency with receipt		Checking arithmetical accuracy			
			Amount as per List of Payments/ SOP	Difference if any	Amount as per Cash Account/Receipt Schedule	Difference if any	Amount as per List of Payments /SOP	Difference if any	Total of sub vouchers	Difference if any
1.										
2.										

(2) Checking correctness of classification

Gross/ Deduction	Voucher number	Voucher date	Functional Classification Check			Expenditure Categorisation Check						Economic Classification Check				
			As per LOP	As per Voucher	Difference if any	Actual category		Eligibility for voted status	Eligibility for charged status	Eligibility for plan status	Eligibility for non plan status	Booked status		Eligible status		Difference
						Voted/Charged	Plan/Non Plan					Capital	Revenue	Capital	Revenue	
Gross payment																
Deductions made																

The Classification check should cover the deductions made in the bill as well.

(3) Checking adequacy of sanctions

Sl No	Voucher number	Voucher date	Adequacy of sanction			Adequacy of approval			Adequacy of appropriation					
									Head of account details			Amount		
			Sanctioning authority for expenditure as per voucher	Sanctioning authority as per delegation of powers	Difference if any	Actual approving authority for voucher	Required authority for approval of voucher	Difference if any	HOA in voucher	HOA in Grant	Difference	Provision in Grant	Gross amount in voucher	Excess if any
1.														

a) Checking of format of voucher

Sl. No	Voucher No.	Voucher date	Correctness of type of bill				Completeness of documents			Authority for certificate of payment			
			AC Bill	DC Bill	GIA bill	Others	Stamped Receipt	sanction	Others	Amount as per certificate	Amount paid	Authority for payment	Remarks if any

b) Verification of special categories of vouchers

Sl. NO	Category of voucher											
	Nil Payment voucher				Refund Vouchers				AC Bills			
	Voucher No and amount	Budget allocation	Justification for drawal	Remarks	Voucher No and amount	Reason for refund	Details of original advance/receipt/payment	Verification of original advance/receipt/payment	Bill No and amount	Date when DC Bill due	Whether sanctioned by appropriate authority	Remarks
1.												
2.												

Audit Matrix for audit planning of Monthly Civil Accounts

Audit done: *Audit of Monthly Civil Accounts for month of ---*

Assertion: *Assertions on Disclosure:*

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity	Sample chosen to prove assertion	Results of Audit Test (*To be filled up by Audit Team*)				Remarks (*To be filled up by Audit Team*)
1.	Checking the justification for bookings under Minor Head 800-Other Receipts ***Note*** *Must be checked in audit. The sample to be chosen is dependent on professional judgement of AG (Audit)*	Financial Attest Audit Team (FINAT)	Book Section VLC Section AAD Section	Bookings under Minor Head 800 – Other Receipts under various functional Major Heads	**Sample of transactions booked under Minor Head 800– Other Receipts selected for test in audit**	**Nature of transaction with challan number and date if challan is available**	**Possibility and need for booking under any other minor head**	**Amount to be booked to other minor head**	
2.	Checking the justification for bookings under Minor Head 800-Other Expenditure ***Note*** *Must be checked in audit. The sample to be chosen is dependent on professional judgement of AG (Audit)*	Financial Attest Audit Team (FINAT)	Book Section VLC Section AAD Section	Bookings under Minor Head 800 – Other Expenditure under various functional Major Heads	**Sample of transactions booked under Minor Head 800– Other Expenditure selected for test in audit**	**Nature transaction voucher and date of with number**	**Possibility and need for booking under any other minor head**	**Amount to be booked to other minor head**	
3.	Checking correctness of Grants booked under 'other grants' ***Note*** *Must be checked in audit. The sample to be chosen is dependent on professional judgement of AG (Audit)*	Financial Attest Audit Team (FINAT)	TM	Grants booked under 'other grants'	**Sample of other grants selected for test in audit**	**Nature of grant with voucher number and date**	**Possibility of and need for booking under other minor heads**	**Amount to be booked under other minor head**	
4.	Checking the justification for bookings under Minor Head 500-Receipts awaiting transfer to other Minor Heads ***Note*** *Must be checked in audit. The sample to be chosen is dependent on professional judgement of AG (Audit)*	Financial Attest Audit Team (FINAT)	Book Section VLC Section AAD Section	Bookings under Minor Head – 500 Receipts awaiting transfer to other minor heads under all functional major heads	**Sample of transactions booked under Minor Head 500 selected for test in audit**	**Nature of transaction with challan number and date if available**	**Possibility of initial booking directly to relevant head of account after considering the detailed head and the object head under the minor head**	**Amount to be transferred to ultimate final head of account**	

5.	Checking the justification for bookings under Minor Head 502-Expenditure awaiting transfer to other Minor Heads ***Note*** *Must be checked in audit. The sample to be chosen is dependent on professional judgement of AG (Audit)*	Financial Attest Audit Team (FINAT)	Book Section VLC Section AAD Section	Minor Head – 502 Expenditure awaiting transfer to other minor heads	**Sample of transactions booked under Minor Head 502 selected for test in audit**	**Nature of transaction with voucher number and date**	**Possibility of initial booking directly to relevant head of account after considering the detailed head and the object head under the minor head**	**Amount to be transferred to ultimate final head of account**	
6.	Checking confirmation of balances by Deposit holders ***Note*** *Must be checked in audit in respect of all deposits for which the AG maintains detailed accounts and from the concerned Head of Department for deposits of which the HOD maintains detailed accounts.*	Financial Attest Audit Team (FINAT)	Deposit Section	Balances outstanding under Major Heads 8336-Civil Deposits, 8338 – Deposits of Local Funds, 8342 – Other Deposits, 8443 – Civil Deposits, 8448 – Deposits of Local Funds and 8449 – Other Deposits for which the AG maintains detailed accounts	**Sample of deposits selected for audit test**	**Balance as per books of AG** **As per Ledger** / **As per Broadsheet**	**Balances as confirmed by Deposit holder**	**Difference if any**	

7.	Checking confirmation of balances by Loanees ***Note*** *Must be checked in audit in respect of all loan accounts for which the AG maintains detailed accounts and from the concerned Head of Department for loans of which the HOD maintains detailed accounts.*	Financial Attest Audit Team (FINAT)	Loans Section	Balances outstanding in respect of all loans for which the AG (A&E) maintains detailed accounts	**Sample of Loans selected for audit test**	**Balance as per books of AG**		**Balances as confirmed by Loanee**	**Difference if any**	
						As per Ledger	**As per Broadsheet**			
8.	Checking validity of transactions booked under suspense head ***Note*** *Must be checked in audit. The quantum of transactions to be checked can be on the basis of professional judgement.*	Financial Attest Audit Team (FINAT)	Book Section	Balances booked under Major Head 8658 - Suspense	**Sample of transactions selected for test in audit**	**Validity of booking in terms of need to transfer receipt/expenditure to other ultimate heads of account, other accounting officers or other accounting circles**		**Amount not justified with details of final head of account**		
9.	Confirming balances remaining to be recouped ***Note*** *Must be checked in audit*	Financial Attest Audit Team (FINAT)	AAD	Transactions under Contingency Fund	**Amount recouped**	**Amount remaining to be recouped**		**Remarks**		

Audit Matrix for audit planning of Monthly Civil Accounts

Audit done: *Audit of Monthly Civil Accounts for month of ---*

Assertion: *Assertions on Measurement*

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity	Sample chosen to prove assertion		Results of Audit Test (*To be filled up by Audit Team*)			Remarks (*To be filled up by Audit Team*)
1	Checking whether balances of heads of account closing to balances are correctly carried forward for the month. ***Note*** *The need for and quantum of substantive audit test can be decided on the basis of the results of test of controls in VLC system and the internal controls in Office of AG (A&E).*	Financial Attest Audit Team (FINAT)	Book Section AAD Section VLC Section	Opening Balances of current month		**Closing balance of previous month**	**Opening balance of current month**	**Difference if any**	
				Major Head	Amount				
2	Checking arithmetical accuracy of selected Consolidated Abstract ***Note*** *The need for and quantum of substantive audit test can be decided on the basis of the results of test of controls in VLC system and the internal controls in Office of AG (A&E).*	Financial Attest Audit Team(FINAT)	Central Treasury Section/VLC Sections	**Consolidated Abstract selected for scrutiny**		**Total as indicated in Consolidated Abstract**	**Total as per Appropriation Check Register maintained in the AAD section**	**Discrepancies if any**	
3	Checking arithmetical accuracy of selected List of Payments/SOP and Schedule of Receipts ***Note*** *The need for and quantum of check can be decided on*	Financial Attest Audit Team(FINAT)	Central Treasury Section/VLC Section	**List of Payments/SOP selected for test in audit**		**Total as per List of Payments/ SOP**	**Actual total worked out in audit**	**Discrepancies if any**	
				Schedule of Receipts selected for test in audit		**Total as per Schedule of Receipts**	**Total actually worked out in audit**	**Discrepancies if any**	

	the basis of the results of test of controls in VLC system and the internal controls in Office of AG (A&E).								
4	Checking correctness of interest paid on loans and deposits ***Note*** *Must be checked in audit*	Financial Attest Audit Team(FINAT)	Book Section Loan Section Deposit Section VLC Section	**Loan /Deposit selected for test in audit**	**Interest payable as per G.O/ Agreement**	**Interest due as worked out in audit**	**Actual Interest paid as per voucher**		**Discrepancy if any**
5	Checking differences in Loans/Deposits broadsheet and the corresponding Ledger balance ***Note*** *Must be checked in audit*	Financial Attest Audit Team(FINAT)	Loan Section Book Section Deposit Section	**Loan/Deposit selected for audit**	**Balance as per Loans/Deposit Broadsheet**	**Balance as per Ledger**	**Difference if any and reasons**		
6	Checking correctness of calculation of interest paid on General Provident Fund/Reserve Fund/Sinking Fund bearing interest ***Note*** *Must be checked in audit*	Financial Attest Audit Team(FINAT)	Provident Fund EDP Section Deposit Section Book Section	**Fund selected for audit**	**Interest payable and rate prescribed**	**Interest actually paid**	**Difference if any (no. of cases & amount)**		**Remarks**
				General Provident Fund					
				Reserve Fund					
				Sinking Fund bearing interest					
				Sinking Fund not bearing interest	Nil	Interest if any credited			
7.	Checking correctness of Cash balances reported by Reserve Bank of India ***Note*** *Must be checked in audit*	Financial Attest Audit Team(FINAT)	Book Section	**Cash Balance reported by Central Accounting Section of RBI**	**Cash Balance as compiled by AG (A&E)**	**Difference if any**	**Treasury where difference noted**	**Bank where difference noted**	Remarks

8	Checking reasons for balances in Departmental Adjusting Account Broadsheet and Ledger ***Note*** *The need for and quantum of check can be decided on the basis of the results of test of controls in VLC system and the internal controls*	Financial Attest Audit Team(FINAT)	Book Section	**Departmental Adjustment Account selected**		**Balance as per Departmental Adjusting Account Broadsheet**		**Balance as per Ledger**		**Differences if any**					
9	Checking whether receipts and payments under MH: Deposits with Reserve Bank (RBD) in Detail Book agree with Deposits of the State Government with Reserve Bank of India ***Note*** *Must be checked in audit*	Financial Attest Audit Team(FINAT)	Account Current Section Book Section	**Public Accounts Department of RBI**		**Agency Bank transaction**		**Inter Governmental transaction**		**Inter governmental Debit**				**Inter governmental credit**	
				Debit	Credit	Debit	Credit	Debit	Credit	Repayment of W&M Advances	Investment in treasury bill	Maturity of treasury bill	Rediscount of treasury bill	Grant of W&M Advance	
				As per Treasury	As per Treasury	As per treasury	As per treasury	As per AG	As per AG	As per AG	As per AG	As per AG	As per AG	As per AG	
				As per RBI	As per RBI	As per RBI	As per RBI	As per RBI	As per RBI	As per RBI	As per RBI	As per RBI	As per RBI	As per RBI	
				Difference if any	Difference if any	Difference if any	Difference if any	Difference if any	Difference if any	Difference if any	Difference if any	Difference if any	Difference if any	Difference if any	
10.	Checking whether the departmental balances under Major Head 8671 & Permanent cash imprest under 8672 are for authorised limits ***Note***	Financial Attest Audit Team(FINAT)/ *Field Audit parties*	Book Section	**Check amount booked under**		**Amount authorised**		**Amount actually booked**		**Difference if any**				Remarks	
				MH 8671 – Departmental Balances											
				MH 8672 –											
	To be carried out in local audit by field audit parties			Permanent Cash Imprest											

11.	Checking if balances in Plus & Minus Memorandum of Deposits sent by treasuries agree with corresponding figures in Broadsheets ***Note*** *The need for and quantum of check can be decided on the basis of the results of test of controls in VLC system and the internal controls*	Financial Attest Audit Team(FINAT)	Deposit Section	**Selected Deposit head**	**Selected treasury**	**Balance as per +/- memorandum**	**Amount as per Broad sheet**	**Difference if any**	**Remarks**
12.	Checking whether in respect of PW Accounts in respect of Heads of Accounts other than Receipts and Expenditure the bookings tally with corresponding credits and debits in Schedule of Deposits ***Note*** *The need for and quantum of check can be decided on the basis of test check of bookings in the accounts*	Economic & Services Sector Audit Wing	Works Miscellaneous Section	**Head of Account selected**	**Debits**			**Credits**			**Discrepancies if any**		
					As per Schedule	**As per Accounts**	**Differences**	**As per Schedule**	**As per Accounts**	**Differences**	**Debits**	**Credits**	
13.	Checking correctness of the differences noted in Line 1 of Schedule of Settlement with Treasuries ***Note*** *The need for and quantum of check can be decided on the basis of test check of bookings in the accounts.*	Economic & Services Sector Audit Wing	Works Miscellaneous section	**Difference noted in Line 1 of Schedule of Settlement with Treasuries for current month**	**Difference noted in Line 1 of Schedule of Settlement with Treasuries for previous month**	**Discrepancy**	**Difference noted in Line 5**	**Actual difference calculated**	**Discrepancy if any**	

14.	Checking whether receipts booked in Line 4 of Schedule of Settlement with Treasuries of PW Accounts are supported by consolidated treasury receipt ***Note*** *The need for and quantum of check can be decided on the basis of test check of bookings in the accounts.*	Economic & Services Sector Audit Wing	Works Miscellaneous section	**Receipts as at Line 4 of Schedule of Settlement with Treasuries**	**Value of Consolidated Treasury Receipt**	**Difference if any**		
15.	Checking correctness of payments of Land Awards ***Note*** *Must be checked in audit.* Quantum to be professionally decided.	Economic & Services Sector Audit Wing	Works Miscellaneous section	**Sample of Land Award Statements**	**Amount as per Payment Voucher**	**Amount as per Land Award Statement/ Register of Land Charges**	**Difference if any**	
16.	Checking correctness of Certificate of Balances in Contractor's Ledger ***Note*** *Must be checked in audit.* Quantum to be professionally decided	Economic & Services Sector Audit Wing	Works Miscellaneous section	**Sample of Contractor's Ledger Selected**	**Amounts as per Certificate of Balance**	**Amounts as per Contractor's Ledger**	**Difference if any**	Remarks
					Advance	Advance		
					Secured Advance	Secured Advance		
					Other Amounts	Other Amounts		
					Total	Total		

Audit Matrix for audit planning of Monthly Civil Accounts

Audit done: *Audit of Monthly Civil Accounts for month of ---*

Assertion: *Assertion on Occurrence:*

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity	Sample chosen to prove assertion	Results of Audit Test (*To be filled up by Audit Team*)					Remarks (*To be filled up by Audit Team*)
1.	Checking authorisations for rectifications to closing balances of previous year ***Note*** *Must be checked in audit*	Financial Attest Audit Team (FINAT)	Book Section	**Sample of Heads of Account closing to balances**	**Closing balance of previous year**	**Opening balance of current year**	**Pro forma corrections if any**	**Difference if any**		
2.	Checking transfer of unspent balances of PD/PLA to appropriate Major Heads at the end of the year ***Note*** *Must be checked in audit*	Financial Attest Audit Team (FINAT)	AAD Section Deposit Section	**Outstanding balance of Personal Ledger Accounts/Personal Deposit Accounts**	**Outstanding balance as at the end of March 2014**	**Balance transferred to appropriate functional Major Head**	**Outstanding amount as on 31 March**			Remarks
				Major Head 8336						
				Major Head 8338						
				Major Head 8342						
				Major Head 8443						
				Major Head 8449						
				Others						
3.	Checking correctness of booking of unspent balances of PLA/PDA remitted back as reduction of expenditure and not wrongly booked as	Financial Attest Audit Team (FINAT)	Deposit Section Book Section	**Sample of Deposit Accounts selected**	**Amount debited to deposit account**	**Account to which contra credit given**	**Account originally debited when deposit was created**	**Discrepancies if any in crediting**		

	revenue receipts ***Note*** *Must be checked in audit*								
4.	Checking pendency of Abstract Contingent Bills ***Note*** *Must be checked in audit*	Financial Attest Audit Team (FINAT)	TM Section VLC Section	**Number of AC Bills pending as at month end**	**Number of AC Bills for which DC Bill should have been submitted by month end**	**Number of DC Bills actually received**	**Outstanding overdue DC bills (no. & amount)**		
5.	Checking whether refunds of revenue have been classified as 'deduct refunds' only ***Note*** *Must be checked in audit. The quantum of check can be professionally decided*	Financial Attest Audit Team (FINAT)	VLC	**Sample of Refunds of revenue selected for audit**	**Head of account to which refund should have been debited**	**Head of account actually debited**	**Difference**		
6.	Checking receipt of Utilisation Certificates due for the year ***Note*** *Must be checked in audit. The quantum of check can be professionally decided. The sample should choose transactions of previous financial year also for which the utilisation certificate is due during the current year*	Financial Attest Audit Team (FINAT)	TM Section VLC Section	**Sample of Grant–in-aid expenditure selected for test in audit with Head of Account**	**Due date for submission of Utilisation Certificate**	**Date of Receipt of Utilisation Certificate and amount of utilisation**	**Details of refund if any of unutilised amount**	**Outstanding amount and number of utilisation certificates**	
				Current Year					
				Previous Year					
7.	Checking if lapsed deposits and other deposits like Election Deposits have been correctly transferred	Financial Attest Audit Team (FINAT)	Deposit Section VLC Section	**Lapsed Deposits exceeding the**	**Deposits required to be**	**Amount to be transferred to Revenues**	**Actual amount transferred**	**Balance to be transferred**	

	to Revenues			**period prescribed for transfer**	**rred to revenues**				
8.	Confirmation of investments/assistance to PSUs	Financial Attest Audit Team (FINAT)	TM Section	**Expenditure on investments in/assistance to public sector undertakings during the month under Minor Head 190**		**Investments/Assistance confirmed by public sector undertaking**	**Difference if any**		
9.	Checking correctness of transactions pertaining to transfer of (i) receipts from union to states booked under Minor Head 901 (ii) Grants in aid and (iii) Loans	Financial Attest Audit Team (FINAT)	VLC Sections Account Current section	**Head of Account**		**Amount as per sanction order**	**Amount as per Consolidated Abstract**	**Amount as per clearance memo**	Remarks on difference if any
				0020-Corp.tax					
				0021-tax on income other than Corporation tax					
				0032-taxes on wealth					
				0037-customs					
				0038-union excise duty					
				0044-service tax					
				1601-GIA from CG					
				6004-L&A from CG					

Audit Matrix for audit planning of Monthly Civil Accounts

Assertion: *Assertion on Regularity:*

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity and source documents	Sample chosen to prove assertion	Results of Audit Test (*To be filled up by Audit Team*)			Comments if any (*To be filled up by Audit Team*)
1.	Check of use of authorised Major Heads, Sub Major Heads, Minor Heads, Sub Heads, Detailed Heads and Object Heads. ***Note:*** *The need for and quantum of test audit can be decided on the basis of internal controls in Office of AG (A&E)*	Financial Attest Audit Team (FINAT)	AAD/Book Section. Report on analysis of budget carried out by AAD Section of AG (A&E). Report on completion of uploading budget details in VLC system	Sample to be decided on the basis of Note in Column 2. If the internal control is not adequate all heads of account to be checked.	**Head of account**	**Provision under the head of account in Budget**	**Corresponding Bookings under the head of account in MCA/Appropriation Check Register**	
2.	Check for adequacy of budget provisions for all expenditure booked separately for voted and charged items. ***Note:*** *The need for and quantum of test audit can be decided on the basis of internal controls in Office of AG (A&E) with regard to review of budget and check of correctness of Appropriation Check*	Financial Attest Audit Team (FINAT)	AAD Section. Appropriation Check Register in the Budget Module of VLC System. Report on analysis of budget carried out by AAD Section of AG (A&E).	Head of Account and Grant Number.	**Budget provisions as per BE/RE/Re – appropriations**	**Expenditure booked in MCA**	**Difference**	Remark if there is excess of expenditure or likely to lead to excess.
				Voted				
				Charged				

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity and source documents	Sample chosen to prove assertion	Results of Audit Test (*To be filled up by Audit Team*)			Comments if any (*To be filled up by Audit Team*)
	Register in Budget Module of VLC System in Office of AG (A&E).							
3.	Check for eligibility of budget provisions for expenditure considered as charged on Consolidated Fund to be categorised as charged ***Note:*** *This should be compulsorily verified in audit.*	Financial Attest Audit Team (FINAT))	AAD Section Book Section	Major Head under which budget provision exist for charged items	**Eligibility for being charged as per Budget and as per provisions of Constitution**			
4.	Check on existence of expenditure on New Service/New Instrument of Service ***Note:*** *This should be compulsorily verified in audit.*	Financial Attest Audit Team (FINAT)	AAD Section Book section Budget Documents, Appropriation Check Register in Budget Moduleof VLC System Instructions of Public Accounts Committee on classification of New service/New Instrument of service	Cases of excess of expenditure over budget allocation shown in audit check 2 above	**Cases of expenditure with zero allocation in budget (New Service)**	**Cases of excess of expenditure over allocation in budget and New Instrument of Service included in them**	**Details of supplementary demand for grants if any moved.**	

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity and source documents	Sample chosen to prove assertion	Results of Audit Test (*To be filled up by Audit Team*)				Comments if any (*To be filled up by Audit Team*)
5.	Checks of Annual adjustments in accounts ***Note:*** *This should be compulsorily verified in audit.*	Financial Attest Audit Team (FINAT)	Book Section VLC Sections	Annual adjustments due to be carried out	**Annual adjustments carried out during the month**	**Annual adjustments carried out in March (P) and March (S) and validity of adjustment**	**Annual adjustments carried out in months other than March if any and its validity**		Invalid adjustments if any.
6..	Checking the validity of periodical adjustments booked ***Note:*** *This should be compulsorily verified in audit.*	Financial Attest Audit Team (FINAT)	Book Section/ AAD section/ VLC Sections/TM Section	**Nature of Periodical adjustments carried out in the month**	**Existence of provision in budget and inadequacy if any noticed**	**Existence of Authority for periodic adjustment and inadequacy if any noticed**	**Amount due and actual adjustments to funds heads due but adjustment not carried out**	**Due date of adjustment and actual date of adjustment**	
				Adjustments to transfer grant in aid to funds					
				Adjustments to transfer expenditure from service heads to funds					

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity and source documents	Sample chosen to prove assertion	Results of Audit Test (*To be filled up by Audit Team*)				Comments if any (*To be filled up by Audit Team*)
				Book Adjustments of payments against receipts due					
				Adjustment to transfer receipts to Fund account					
				Sinking Fund adjustments					
				Adjustments to transfer expenditure from one head of account to another head of account					
				Adjustments to transfer central share of funds to Reserve funds					
				Adjustments for payment of interest on fund balances					
				Other adjustments					
7.	Checking of proposals for annual adjustment received from Chief Controlling Officers ***Note:*** *Must be checked in audit*	Financial Attest Audit Team (FINAT)	VLC	Annual Adjustment Entries to be received from CCOs (eg. Interest on departmental PF balances)	**Annual adjustment proposal received from CCOs**	**Adjustments accepted and accounted by AG(A&E)**	**Comments on adjustments if any**		
8.	Checking whether expenditure for Public Works	Outside Audit Department of Works and	Works Miscellaneous and Forest	**Sample Divisions chosen**	**Letter of Credit Limit**	**Actual Expenditure incurred**	**Excess of expenditure over limit of Letter of Credit**		

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity and source documents	Sample chosen to prove assertion	Results of Audit Test (*To be filled up by Audit Team*)				Comments if any (*To be filled up by Audit Team*)
	Divisions and Forest Divisions are spending within limits of Letter of Credit ***Note:*** *This is required to be tested in field audit or Works Accounts/ Forest Accounts sections depending on availability of information*	Forest Audit wing	Miscellaneous Sections if information is available						
9.	Checking of correctness of classification of receipts/expenditure booked under 'Capital' head of account for correctness of the economic classification ***Note*** *The sample for substantive audit test to be chosen based on the professional judgement of the auditor*	Financial Attest Audit Team (FINAT)	VLC	**Sample of transactions booked under 'Capital' head of account selected for audit test**	**Expenditure booked under 'Capital' head of account.**	**Norms for booking receipt/expenditure under 'Capital' head of account.**	**Comments if any on validity of booking under capital head of account.**		
10.	Checking of correctness of receipt/expenditure booked under	Financial Attest Audit Team (FINAT)	VLC section	**Sample of receipt/expenditure booked under 'Revenue' head of**	**Receipt/Expenditure booked under 'Revenue' head of account.**	**Norms for booking expenditure under 'Revenue' head of account.**	**Comments if any on correctness of booking under Revenue head of expenditure**		

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity and source documents	Sample chosen to prove assertion	Results of Audit Test (*To be filled up by Audit Team*)			Comments if any (*To be filled up by Audit Team*)
	'Revenue' head of account for correctness of economic classification adopted. ***Note*** *The sample for substantive audit test to be chosen based on the professional judgement of the auditor*			**account selected for substantive audit test**				
11.	Checking validity of classification of all expenditure under 'Plan' as per provisions in Plan Budget ***Note*** *The sample for substantive audit test to be chosen based on the professional judgement of the auditor*	Financial Attest Audit Team (FINAT)	AAD	**Cases of Plan and Non Plan expenditure selected for test in audit**	**Expenditure booked under 'Plan' without budget provision under 'Plan' head if any**	**Expenditure booked under 'Non Plan' Head of Account without budget provision under 'Non Plan' head of account.**	**Comments if any on appropriateness of booking under Plan/Non Plan expenditure**	
12.	Checking of Conversion of loans into equity share capital or grant ***Note*** *Must be checked in audit*	Financial Attest Audit Team (FINAT)	Loans Section Book section	Loans converted to equity/grant during the month	**Amount of loan converted to equity share capital or grant**	**Amount of loan converted supported by sanctions with Budget provision**	**Amount of loan converted not supported by sanctions with Budget provision**	

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity and source documents	Sample chosen to prove assertion	Results of Audit Test (*To be filled up by Audit Team*)			Comments if any (*To be filled up by Audit Team*)
13.	Checks in r/o irrevocable loans written off ***Note*** *Must be checked in audit*	Financial Attest Audit Team (FINAT)	Loans Section	Loans written off if any during the month head of account wise booked under Minor Head 792 of functional major head or Minor Head 795 under Major Head 2075	**Amount of loans written off**	**Sanction order**	**Comments on written off and deviations of prescribed procedures if any**	
14.	Written off differences between Ledger and Broad sheet ***Note*** *Must be checked in audit*	Financial Attest Audit Team (FINAT)	Book Section	Balances where difference exists between Ledger and Broadsheet	**Amount of difference between Ledger and Broadsheet**	**Amount booked under MH 8680**	**Comments on booking of expenditure if any**	
15.	Check in r/o losses written off ***Note*** *Must be checked in audit*	Financial Attest Audit Team (FINAT)	TM Section	Total amount of losses written off	**Sanction order**	**Amount written off under Minor Head 792 of relevant functional Major Head**	**Comments on difference if any**	

Sample Matrix for audit planning of Monthly Civil Accounts

Audit done on: *Audit of Monthly Civil Accounts of Government of ------ for month of ----*

Assertion: *Assertion on completeness*

Sl.No	Substantive Audit Test to be carried out (1)	Responsibility Centre for Audit (2)	Audited Entity (3)	Source Documents (4)	Sample chosen to prove assertion (5)		Results of Audit Test (*To be filled up by Audit Team*) (6)			Remark
1.	Completeness of receipt of all accounts: Check on whether accounts have been received from all Accounts Rendering Units ***Note:*** *This check may be limited to test check of sample month if registers indicated in column 4 are properly maintained.*	Financial Attest Audit Team (FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Central Treasury Section of Office of Accountant General (A&E) and VLC Database	• Due Date Register of VLC • Wanting Register of Central Treasury Section • Report on exclusions of accounts sent to Hqrs • Verification of receipt of sample accounts. Sample to be chosen on basis of professional judgment based on consistent delay in submission of accounts/consistent exclusions	***Units***		***Number of accounts due to be received***	***Number of accounts actually received***	***Difference and list of exclusions***	
					Treasuries					
					PWD Divisions					
					Forest Divisions					
					Pay & Accounts Office					
					Resident Commissioner New Delhi					
2.	Any exclusions in the accounts received ***Note:*** *Need for and quantum of sample to be tested to be decided after*	Financial Attest Audit Team (FINAT) *Audit task Assigned to*: Shri/Smt. ----	Compilation Sections of Office of Accountant General (A&E) and VLC Database	Verification of accounts of sample of treasuries and sample of divisions Sample to be chosen on basis of professional	***Sample Unit Chosen***		***Number of sub Treasuries/Sub Divisions due***	***Number of sub Treasuries/Sub Divisions included***	***Difference and list of exclusions***	***Remarks***
					Treasury					

	Checking the verification done by Central Treasury Section on inclusion of transactions of all sub treasuries/sub divisions in treasury/division accounts to decide on quantum and need for test check.			judgment.	Public Works Division					
					Forest Divisions					
3.	Inclusion of all Clearance Memo received from Reserve Bank ***Note:*** *Need for and quantum of sample for test check to be decided after checking the control exercised in the VLC system for monitoring acceptance of transfer entries by VLC and Book sections and in Account Current Section to watch clearance of transfer entries proposed for booking.*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Account Current Section	• Clearance Memo received from RBI • Transfer entries proposed by Account Current section • Transfer entries accepted and booked to final heads by Book Section and VLC compilation sections	***Number of Clearance Memo Received during the month by Account Current Section***		***Number of Transfer Entries proposed and sent for acceptance***	***Number of Transfer entries accepted and booked***	***Remarks***	
							Account Current Section Book Section VLC sections	Book Section VLC Sections	Clearance Memo remaining to be acted upon due to not proposing of Transfer entry, not accepting transfer entry or failure to book to final head of account Audit to compare CM details from Account Current section with VLC generated CM –wise details to check misclassification, if any, especially at the time of data capture in VLC.	

4.	Inclusion of all Inward and Outward Settlement Accounts ***Note:*** *The need for audit check and sample to be tested to be decided after* • *Checking the control exercised in the Account Current Section for monitoring receipt of Inward Settlement Account and issue of Outward Settlement Account.* •*Checking the transfer entries raised by Account Current Section and forwarded to VLC Section for acceptance and booking to final heads of account.*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Account Current Section	Inward Settlement Accounts received and Outward Settlement sent. Bookings under Major Head 8793 – Inter State Suspense Account	**Number of Accounts due** Inward Settlement Accounts		**Number of accounts received/to be dispatched**	**Number of accounts adjusted through transfer entries**	**Number of accounts remaining to be adjusted**	**Remarks**
					Outward settlement Accounts					

5.	Checking the consistency of the following figures in account: • Abstract of Major Head Totals with Disburser's Account • Abstract of Major Head Totals with Consolidated Abstracts. • Consolidated Abstract figures with vouchers/schedules / suspense slips/ transfer entries ***Note:*** *These checks need to be done only if the test check of controls in the VLC IT system*	Financial Attest Audit Team (FINAT) in association with the IT Audit wing of the Office. *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	VLC Sections of Office of AG (A&E).	Abstract of Major Head Totals, Disburser's Account, Consolidated Abstracts, Classified Abstracts and Schedules etc.	**Bookings under selected Major Heads as per Abstract of Major Head Totals**	**Corresponding Figure as per Disburser's Account**	**Corresponding Figure as per Consolidated Abstract**	**Corresponding Figure as per Schedules etc.**	**Discrepancy if any**	**Remarks**
	and test check of a small sample of Major Heads across Abstract of Major Heads/Consolidated Abstract/ Schedules etc. reveals short comings. *If discrepancies are noticed the analysis should be done till the Object Head of Account.* *Sample for test check may be selected on the basis of professional judgment.*									

6.	Checking of differences if any between total of List of Payments and total of accompanying schedules Checking of differences if any between total of receipts as per cash account and total as per Schedule of Receipt ***Note:*** *The need for and quantum of test check can be decided on the basis of effectiveness of scrutiny by Central Treasury Section and the existence of differences booked under Major Head 8658 – Suspense (Civil) Treasury Suspense*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Central Treasury Section	List of Payments and accompanying schedules; Cash Account and accompanying Schedule of Receipts.	**Total of List of Payment (LOP)/Cash Account for selected treasuries**	**Total of Schedules of expenditure (SOE)**	**Total of Schedule of Receipts (SOR)**	**Difference if any between LOP and SOE**	**Difference if any between Cash Account and SOR**	**Bookings under 8658 – Suspense, Treasury Suspense and remarks**

7.	Check of differences if any between the totals of LOP and accompanying Vouchers ***Note:*** *The need for and quantum of test check can be decided on the basis of effectiveness of scrutiny by Central Treasury Section and the existence of differences booked under Major Head 8658 – Suspense (Civil) Objection Book Suspense*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Central Treasury Section	List of Payments and accompanying schedules and vouchers Register of Wanting Vouchers and correspondence thereto	**Total number of vouchers and their value as per selected LOP**	**Total number of vouchers and their value as per corresponding Schedules**	**Total number of actual vouchers attached to correspondin g schedules**	**Difference booked under Major Head 8658 – Suspense (Civil) Treasury Suspense**	**Remarks**
8.	Check if all periodic adjustments required to be carried out have been booked ***Note:*** *The periodic adjustments should be compulsorily checked in audit.*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Book Section, Appropriation Accounts section, VLC Sections, Loans sections	List of Periodic Adjustments shown in previous years Finance Accounts, List of Periodic adjustments with Book section, Appropriation Accounts Section and various VLC Sections, Rules governing transfers to Fund Accounts and meeting expenditure out of the Funds, Government Loan repayment and interest payment schedules.	**Number of Periodical Adjustments required to be carried out**	**Number of Periodical Adjustments actually carried out**	**Value of Periodical Adjustments due to be carried out**	**Value of Periodical Adjustmen t s actually carried out**	**Differen ces in number and value of periodic adjustm ent due to be carried out and actuals**	**Remarks**

9.	Check if all transfer entries required due to reconciliation of accounts have been carried out. ***Note:*** *The transfer entries on account of reconciliation have to be compulsorily checked in audit.*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	VLC Sections	Reconciliation registers in VLC Sections Reconciliation Statements received from departmental authorities	**Number of Reconciliation statements (sent by CCOs) received major headwise**	**Value of differences noticed in reconciliation major head-wise**	**Number of transfer entries approved major head-wise**	**Value of transfer entries approved major head-wise**	**Transfer entries due to be processe d and values major headwise**	**Remarks**
					Major Head #					
					Major Head #					
					Major Head #					
10.	Check of recoupment of contingency fund where due. ***Note:*** *The adjustments on account of contingency fund have to be compulsorily checked in audit.*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Book section AAD Section & concerned VLC Section	Supplementary demand for grants Sanction orders to meet expenditure out of contingency fund Contingency Fund Broadsheet	**Recoupment due as per sanction orders**	**Provision in supplement ary grants**	**Details of Transfer entry approved**	**Remarks**		
11.	Transfer of balances under Minor Head 101 –under Major Head 8782 – Cash Remittance etc. to Major Head 8675 – Reserve Bank Deposits in respect of non banking treasuries if any. ***Note:*** *If the VLC program provides for this transfer as part of the*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Book Section	**Bookings under 8999 – Cash Balance in Monthly Civil Accounts**	**Bookings under Minor Head 101 under Major Head 8782**	**Bookings under Major Head 8675 – Reserve Bank Deposits**	**Difference**	**Remarks**		

	closing checks, the test may not be conducted.								
12.	Check of booking of value of bonus shares if any issued in favour of the Government by government owned entities under Major Head 4000 - Miscellaneous Capital Receipts. **Note:** *This check should be compulsorily carried out in audit where such transaction occurs.*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Book Section		**Details of declaration of bonus shares**	**Value of shares**	**Amount booked under Major Head 4000 – Miscellaneous Capital Receipts**	**Remarks**	
					Company A				
13.	Verification of bookings of receipts and expenditure by treasuries.	Treasury inspection parties. Report of treasury inspection parties to be monitored by FINAT	TM Section of AG (A&E)	**Sample date**	**Amount booked as per Statement of Receipts**	**Amount posted to cash book/Subsidiary registers/Bank pass book**	**Amount booked as per statement of Payments**	**Amount posted in cash book/subsidiary registers/Bank Passbook**	**Difference between receipts and expenditure booked in Register of Reserve Bank Deposits**	**Remarks**
				Day 1						
				Day 2						
14.	Check of completeness of schedules from Public Works Divisions and agreement of figures with those in schedules. ***Note:*** *The need for and the quantum of check can be decided after*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ----	Works Accounts wing of AG (A&E)	**Schedule**	**Amount as per accounts**	**Amount in schedule**	**Difference booked to Miscellaneous Public Works Advance/Deposits**		
				Schedule of Works Expenditure					
				Schedule of debits to stock					
				Schedule of revenue realised					
				Schedule of deposit works					
				Schedule of debits/credits to Miscellaneous Heads of					

	examining the efficiency of monitoring followed in Office of AG (A&E).	Assistant Audit Officer		Accounts					
				Schedule of debits/credits to remittances					
				Schedule of settlements with treasuries					
				Receipt of Schedule of Miscellaneous Works Advances					
15.	Check of agreement between expenditure booked with corresponding expenditure figures in classified abstract of expenditure, schedule of deposit works and schedule of debits to stock. ***Note:*** *Need for and quantum of sample to be tested to be decided after Checking the verification done by Works Accounts Section on agreement of figures and action taken if differences are observed.*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Works Accounts wing of AG (A&E)	**Total Expenditure**	**Expenditure as per Classified Abstract of Expenditure**	**Expenditure of deposit works**	**Debits to stock**	**Total**	**Differences**

16.	Check completeness of schedules from Forests Divisions and agreement of figures with those in schedules. ***Note:*** *The need for and the quantum of check can be decided after examining the efficiency of monitoring followed in Office of AG (A&E).*	Financial Attest Audit Team(FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Forests Accounts wing of Office of AG (A&E)	**Schedule of cheques drawn**	**Schedule of remittances**	**Memo of forest deposits**	**Statement of Forest Advances**	**Schedule of classified expenditure**	**Amount outstanding under III – Other Remittances – Items adjustable by Forest**

Annexure –C

(Please refer to Para 2.21)

Sample Information Sheet for audit planning, execution and reporting

Audit of: *Audit of Monthly Civil Accounts of Government of Himachal Pradesh for month of April 2013*

Assertion: *Assertion on completeness*

Sl.No	Substantive Audit Test to be carried out	Responsibility Centre for Audit	Audited Entity	Sample chosen to prove assertion	Results of Audit Test			Audit finding if any
1.	Completeness of receipt of all accounts Check whether accounts have been received from all Accounts Rendering Units	Financial Attest Audit Team (FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Central Treasury Section of Office of Accountant General (A&E) and VLC Database	***Units***	***Number of accounts due to be received***	***Number of accounts actually received***	***Difference***	*Non receipt of accounts of two PWD Divisions namely PWD Division Kinnaur and PWD Division Chamba not received as also from Office of Resident Commissioner New Delhi in the month of April 2013 (as on 31 July 2013)*
				Treasuries	12	12	Nil	
				PWD Divisions	23	21	2 (PWD Division Kinnaur and PWD Division Chamba)	
				Forest Divisions	14	14	Nil	
				Pay & Accounts Office	1	1	nil	
				Resident Commissioner New Delhi	1	0	1	
2.	Absence of any exclusions in the accounts received	Financial Attest Audit Team (FINAT) *Audit task Assigned to*: Shri/Smt. ---- Assistant Audit Officer	Compilation Section 1 of Office of Accountant General (A&E) and VLC Database	***Sample Unit Chosen***	***Number of sub Treasuries/Sub Divisions due***	***Number of sub Treasuries/Sub Divisions included***	***Difference***	The Accounts of Solan PWD Division for the month of April 2013 did not include the transactions of Arki Sub Division under the Division (*as on 31 July 2013*)
				Shimla Treasury Accounts	5	5	Nil	
				Solan PWD Division	4	3	1 (Arki Sub Division)	
				Una Forest Division	3	3	Nil	

Dated Signature of Assistant Audit Officer who carried out the audit check:

Annexure-D

(Please refer to Para 2.13 and 2.17)

Guidelines for statistical sampling for audit of Finance & Appropriation Accounts using Application like IDEA

The objective of financial attest audit of Finance & Appropriation Accounts is to provide reasonable assurance that financial statements are free from material misstatement and irregularity. This opinion has to be based on competent, relevant, reasonable and unbiased evidence. Financial statements are not required to be absolutely correct and no system of internal control can guarantee completeness and accuracy of accounting records, nor can it be absolute assurance against human error and fraud. The justification for accepting some uncertainty arises from the relationship between such factors as the cost and time required to examine all the data and the adverse consequences of possible erroneous decisions based on the conclusions resulting from examining only a sample of the data. If these factors do not justify the acceptance of some uncertainty, the only alternative is to examine all of the data. Since this is seldom the case, the basic concept of sampling is well established in auditing practice. In the case of audit of Finance and Appropriation Accounts the sampling is to be carried out on the transactions in the VLC database using IDEA package. The Monetary Unit Sampling method recommended in the Financial Attest Audit Manual of the Indian Audit & Accounts Department is the suggested method of sampling.

The IDEA application is to be applied on the VLC Database. The sampling is to be done after stratifying the VLC data of transactions into Revenue Receipts, Capital Receipts, Revenue Expenditure, Capital Expenditure, Deposits and Advances and Remittances. However following transactions forming part of the Monthly Civil Accounts and Report on Monthly Expenditure (Monthly Appropriation Accounts) of the State are recommended to be considered *Material by Nature and Context*. The sampling should therefore be done on transactions *other than* transactions listed in para 2.18 for which 100% checking is suggested.

Prerequisite:

Three data file having following details should be generated from VLC.

a. First file should consist of relevant treasury account details voucher details (voucher number & date, account classification, grant no., treasury code & name, gross amount, DDO code & name)
b. Second file should consist of relevant works and forest compiled account like division code and name, accounting month, Accounts Classification details, DDO code and name, gross amount etc.

c. Third file should consist of records of Inward/outward account through RBI having details about account source, party name (like PAO(CRPF)(M/O HOME AFFAIRS)(8658-109), date of transaction, party name, clearance memo and advice number, amount, accounts classification, Dr./Cr. etc.

These files can be generated from VLC database through any one of following methods.

(i) IDEA import Assistance (ODBC option) can be used to export the said data files from VLC Database.

(ii) SQL may be used to export the said data files from VLC Database in excel format.

(iii) Specialized software may also be used for generating the said data files from VLC in excel format.

MS Excel 2007 worksheet can store upto 16384 ***columns*** and 1048576 ***rows.*** Therefore, if possible, please try to copy all data in one sheet. It would help you in importing data at IDEA, otherwise we will have to join all worksheets through append database function.

The Principal Auditor may use any statistical sampling method depending upon the nature and size of population. However, the steps of Monetary Unit Sampling (MUS) to be followed in IDEA application for different stratums of transactions are given below:

1. Creation of a working folder.
2. Import of VLC data.
3. Creation of different strata based on different sector of accounts (E.g. Expenditure Head- Revenue Account-General Services-Between Major Head 2011 and Major Head 2075).
4. Planning of Monetary Unit Sample (MUS)- In this process, characteristics of sample are to be decided.
   For example- i) Confidence Level – 95%
   ii) Tolerance Rate (Materiality) – 1% of total amount of transactions
   iii) Expected Error Rate- Less than ½% of Tolerance Rate i.e. 0.49
   iv) Monetary Sample Size
5. On getting Sample, based on characteristics decided in step-4 above, Audit checks are to be carried out and corrections, if any, done with reasons.
6. Evaluation of Monetary Unit Sample - Generation of Report on Overstatement/ Understatement
7. Conclusion of Monetary Unit Sampling evaluation Process.
8. The process of Monetary Unit Sampling stated in steps 4 to 7 above may be repeated for other stratas (individually for each stratum) as created in step 3 above.
9. Finally, after clubbing of the results of individual stratum, complete assurance for the whole population can be given.

Annexure E

(Please refer to Para 3.11)

Audit Checks for audit of Vouchers

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The following checks on assertions on measurement, completeness, regularity, occurrence and disclosure will be mandatorily exercised on all vouchers selected for audit by both the Field Audit Parties and Central Audit Parties:

CATEGORY-1- AUTOMATED (IN VLC) CHECK		
Assertions on Measurement:		
1	1	Verify whether the amount accounted in the Schedule of Payment is same as the amount actually paid as per Voucher.
2	2	Verify whether the amount accounted in the Schedule of Receipts is same as the amount actually received as per Challan.
3	3	Verify whether the totaling in the vouchers and challans are correctly arrived at.
CATEGORY-2: EXCEPTION REPORT BASED AUDITCHECK		
Assertion on Regularity		
4	1	Check whether the expenditure is incurred with proper budget allocation and that the expenditure is not on a new service or new instrument of service.
Assertion on Occurrence		
5	2	Check whether in respect of expenditure incurred through Contingency Fund action to recoup the same through supplementary demands has been taken.
6	3	Check whether Detailed Contingent Bill has been received within the specified period for amounts drawn on Abstract Contingent Bill.
CATEGORY-3: REPORT ASSISTED CHECK		
Assertion on Regularity		
7	1	Check whether in respect of bookings under *Minor Head 101- PAO Suspense* under *Major Head 8658-*, the expenditure is adjustable with Government of India and action has been taken for adjustment.
8	2	Check whether in respect of bookings under Major Head 8658-102- Suspense Account (Civil), the classification is justified based on the circumstances and action taken to collect wanting information/documents and adjust the same through minus debit or minus credit.
9	3	Check whether in respect of any cash written off due to theft/embezzlement etc after the same has reached the government servant, the amount is entered in government account as a receipt and then shown as expenditure under appropriate head of account and that only net loss after recovery of any dues is shown as such loss
Assertion on Occurrence		
10	4	Check all Nil Payment Vouchers of month of March to verify whether they have been paid to avoid lapsing of budget allocation.

11	5	Check whether in respect of refund of deposits, the original deposits were credited to government account.
12	6	Check whether in respect of adjustment or refund of advances, the advance had originally been paid and booked under the correct head of account.
13	7	Check whether 'Refunds of Revenue' has been booked as reduction of the revenue receipts as per the General Direction 2.2 of the List of Major and Minor Heads of Accounts.
14	8	Check whether 'Refunds of Grants-in-aid and Contributions' has been booked as reduction of the revenue receipts by booking under Minor Head 900 'Deduct-Refunds' under the Major/Sub-Major Heads falling in the Sector 'C. Grants-in Aid and Contributions'.
15	9	Check whether the Alteration Memorandum by treasuries pertains to current year and at least one head of account affected by the Alteration Memorandum is a debt/deposit/remittance head.
Assertion on Disclosure:		
16	10	Check whether only General Purpose Grants are booked under Minor head 'Other Grants'
17	11	Check correctness of bookings under *Minor Head 500 – Receipts awaiting transfer to other heads*'
18	12	Check correctness of bookings under *Minor Head 502 – Expenditure awaiting transfer to other heads'*

		Approvals and Authorisations by Competent Authority
19	13	Check approval given for crediting of interest to GPF Account to ensure that the calculations are correctly made on the outstanding balances under the Fund and are subject to budget provisions.
20	14	Check approval given for crediting of appropriations to and interest to Sinking Funds to ensure that the calculations are correctly made on the outstanding balances under the Fund and subject to budget provisions.
21	15	Check approvals given for repayment of loans to central government and interest thereon to ensure completeness of payments due.
22	16	Check correctness of approvals given for proforma correction of closing balances of previous year's accounts.
23	17	Check approvals given for write off of balances due to government but have become irrecoverable for appropriateness of such write off.
24	18	Check approvals given for crediting to Revenue Head of account any deposits remaining unclaimed.
25	19	Check approvals given for writing off any amount due to book keeping errors to *Major Head 8680- Miscellaneous Government Accounts* for correctness of procedure followed and amounts written off.
26	20	Check all transactions of the nature of periodical adjustments carried out by the Office of Accountant General (A&E)

CATEGORY-4 – MANUAL CHECK		
Assertions on Measurement		
27	1	Verify whether the amount actually paid as per Voucher is same as per the receipt signed by the recipient.
28	2	Verify whether the total of sub-vouchers equal the paid amount as per main voucher.
29	3	Check whether the sub-vouchers retained by Drawing & Disbursing Officer and Countersigning Authority are within the limits prescribed by Government.
30	4	Verify whether the total of Detailed Contingent Bills (including challans in case of refund of unutilised amounts) equal the amount drawn as per Abstract Contingent Bills
31	5	Check whether the deducted amounts from bills are correctly booked in corresponding Revenue Receipt/Capital Receipt/Public Account Major Head.
Assertion on Completeness		
32	6	Check whether Grants-in-aid received in kind through GOI are booked under Major Head 1601 and expenditure under Functional major Head or Major Head 3606 (Please see List of Major and Minor Heads of Accounts)
33	7	Check whether all adjustments for affording interests to deposits, reserve funds have been carried out by Departments on the basis of master list of such obtained from Directorate of Treasuries.
34	8	Verify whether the bills/challans are in the prescribed format and contains all documents required to be attached to the bill/challans.
Assertion on Regularity		
35	9	Verify whether certificate of Payments or Certificate of Receipts for Missing Vouchers/Challans are properly authorised and accepted by Accountant General (A&E).
36	10	Verify whether the classification of vouchers and challans are correctly done.
37	11	Check whether expenditure booked as charged expenditure is eligible for such classification under provisions of constitution and as per provisions in the budget.
38	12	Check whether the expenditure in the voucher is sanctioned by appropriate authority and the actual expenditure is for the amount sanctioned.
39	13	Verify whether the vouchers contain order of payment by treasury officer with the seal of payment stamped on the voucher.
40	14	Verify whether the payments of pay and allowances made after one year after it is due are with the approval of Accountant General (A&E).
41	15	Check whether the expenditure is correctly classified as revenue or capital based on principles applicable for classification into revenue or capital.
42	16	In respect of offices having cheque drawing powers, check whether the transactions pertain only to their offices.

Assertion on Disclosure		
43	17	Check whether the classification shown in the Bill/Challan is correct
	Documents other than Vouchers and Challans The following audit checks should be carried out by Central Audit Parties as part of financial attest audit function on these documents:	
	Transfer Entry Documents:	
44	18	***Identify whether the Transfer Entry is passed before closure of the accounts for the financial year or after closure of financial year***
		If Transfer Entry passed before the accounts for the year are closed: Check whether the correct head of account which should have been originally debited or credited has been given a debit or credit in the Transfer Entry Form and whether the Head of Account given wrong debit or credit is given a 'minus debit or credit
		If the Transfer Entry passed after the accounts of the financial year are closed: Verify the following:
45	19	Whether the transfer entry involves *more than one government*. If so verify from the Transfer Entry Form whether the correct Head of Account which should have been originally debited or credited has been given a Debit or Credit and whether the Head of Account originally given *wrong* debit or credit is given a 'minus debit or minus credit'.
46	20	Whether the transfer entry involves *only one government* and *also involves a commercial department*. If so confirm from the Transfer Entry Form whether the correct Head of Account which should have been originally debited or credited has been given a Debit or Credit and whether the Head of Account originally given *wrong* debit or credit is given a 'minus debit or minus credit'.
47 48	21 22	Whether the transfer entry involves *only one government* and does *not involve a commercial department*. If so verify from the Transfer Entry Form whether: That only a 'Note of the Error' is made and no transfer entry made when the corresponding head of account relates to a revenue receipt head of account or revenue expenditure head of account on both sides. If the Transfer entry relates to a Debt, Deposit, Remittance Head of Account confirm whether the correct Head of Account which should have been originally debited or credited has been given a Debit or Credit and whether the Head of Account originally given *wrong* debit or credit is given a 'minus debit or minus credit'.

49	23	If the Transfer entry relates to rectification of short/nil credit to a Debt, Deposit, Remittance Head of Account which should have been given but instead wrongly credited to a revenue receipt head of account confirm whether the correct DDR Head of Account which should have been originally credited has been given a Credit and whether the Revenue Receipt Head of Account originally given *wrong* credit is given a 'debit- deduct refunds'.
50	24	If the Transfer entry relates to rectification of short/nil debit to a Debt, Deposit, Remittance Head of Account which should have been given but instead wrongly debited to a revenue expenditure head of account, confirm whether the correct Debt Deposit Remittance Head of Account which should have been originally debited has been given a Debit and whether the Revenue Expenditure Head of Account originally given *wrong* debit or *Major Head 0075 -Miscellaneous General Services* is given a 'credit'.
51	25	Check whether in respect of transfer entries pertaining to transfer of tax revenue from the union to states covered under *Major Heads 0020-Corporation Tax, 0021- Taxes on income other than Corporation Tax,* 0032 – Taxes on wealth, 00037 – Customs, 0038 – Union Excise Duties and 0044 – Service tax and *1601 – Grants-in-aid from Central Government* are correctly booked by Office of Accountant General (A&E).
52	26	Check whether debits/credits not supported by proper schedules are booked under

Annexure-F

(Please refer to Para 3.14)

Audit Checks -Treasury Inspection

CATEGORY-4 – MANUAL CHECK

1. Verification of receipt of daily scrolls, pass books from the bank and proper maintenance register of daily receipts and payments. This should be done at least for transactions of two days in a month selected at random.
2. Verification of fact of checking entries in register of daily receipts and payments by the treasury officer for transactions of two days in a month selected at random.
3. Verification of effacement of challans by treasury officer before crediting to government account for sample transactions selected.
4. Verification of posting of receipts and payments from daily account to the cash book directly or through subsidiary registers at least for transactions of two days in a month selected at random.
5. Verification of posting of net difference between receipts and payments of the day into Register of Reserve Bank Deposits at least for transactions of two days in a month selected at random.
6. In respect of non banking treasuries, verification of payment and receipt procedures to ensure that vouchers, cheques and bills are passed by treasury officer before payment and challans scrutinised by him before receipt at least for transactions of two days in a month selected at random.
7. Verification of the proper maintenance of following Registers:
   a. Register for Reserve bank Deposits
   b. Registers for revenue deposits class-wise
   c. Registers for personal deposits
   d. Registers of bill passing branch consisting of register of token, register of pay orders and register of objected bills
   e. Register of Abstract Contingent Bills and adjustment thereof
   f. Register of withdrawals through letter of credit
   g. Register of lapsed deposits
   h. Plus and Minus Memoranda
8. Verification of controls for watching expenditure against budget allotment.
9. Checking of effectiveness of controls on receipt and issue of stamps, stamp papers, small coins, opium, cheque books and receipt books.
10. In respect of computerised treasury accounts, following IT controls should be carried out:
    a. Examination of selected transactions from token entry, passing of bills to the compilation of treasury accounts in the treasury accounting system.
    b. In respect of sub treasury transactions, checking the consolidation of the sub treasury transaction in the treasury accounts.
    c. Verification of the monthly accounts for one month at least to ensure that all reports provided in the system are being generated and are accurate and complete.
    d. Checking of the input controls like validation checks exercised before data entry,

authorisation to enter primary data and changes to primary data, privilege granted to data entry operators to enter data and the changes and controls to avoid duplicate entry

e. Verification of data processing controls to ensure the integrity of master data, effectiveness of logical controls, correct processing, absence of manual intervention in processing and proper transfer of data from one processing stage to another.

f. Checking of selected output controls to ensure that the outputs are correctly generated and are in tune with pre-input control parameters.

11. In respect of non-banking treasuries verification of the maintenance of following records/processes:

    a. Treasurer's cash book to ensure that there is no register subsidiary to the cash book and transfer payments are not included in cash book.

    b. Accountant's cash book and its checking by Treasury Officer

    c. Process of agreeing treasurer's daily balance sheet with that of the accountant and review of the process by the Treasury officer.

    d. Process of agreeing totals of cash book with corresponding entries in the Subsidiary registers.

    e. Process of incorporating balances of sub treasuries in the Accountant's daily balance sheet.

12. Identify the transfers between service Major Heads in Consolidated Fund and Public Accounts Head. Vital information for detailed examination by Audit.

13. Checking of system of close watch over adjustment of Provisional Pension /DCRG in treasuries.

Annexure –G

(Please refer to Para 3.18)

Audit Checks for audit of Monthly Civil Accounts

Audit checks to be carried out on the Monthly Civil Accounts to prove the assertions in audit are the following:

Category-1- Automated (in VLC) Check		
Assertions on Completeness:		
1	1	Check whether all clearance memos of Reserve Bank of India/Inward Settlement Accounts/Outward Settlement Accounts are included in the monthly civil accounts.
2	2	Check whether there are any differences between totals of List of Payments and Schedules and differences if any are booked under *Major Head 8658 – Suspense Account-102-Suspense Accounts (Civil) Treasury Suspense*
3	3	Check whether there are any differences between schedules and accompanying Vouchers and differences if any are booked under *Major Head 8658 – Suspense Account-102-Suspense Accounts (Civil) Objection book Suspense.*
4	4	Check that in respect of public debt issues the permission of Government is available
5	5	Verify whether all the Outward Settlement Accounts for the month have been sent.
6	6	Verify whether all the Inward Settlement Accounts have been properly acted upon.
7	7	Check whether the entire balance under Major Head *'8782 - Cash Balance, Remittances etc.-101-Cash Remittances between Treasuries & Currency Chests'* have been transferred to Major Head '*8999 - Cash Balance-104-Remittances in Transit-Local'* leaving no balance under the former head.
8	8	Check whether all figures of expenditure in PWD Accounts tally with total of items in classified abstract of expenditure, Schedule of Deposit Works & Takavi works and Schedule of debits to stock.
9	9	Check whether there are differences if any between figures in accounts and accompanying schedules and if so whether they are booked to Miscellaneous Public Works Advance or Deposit.
10	10	Check whether the expenditure in the account tallies with expenditure indicated in Classified Abstract of Expenditure.
11	11	Check if the totals of Abstract of Major Head Totals tally with corresponding figures in Disburser's Account.
12	12	Check if the figures under Abstract of Major Head Totals tally with totals of Consolidated Abstracts of Debt/Deposit/Remittance Heads and those of Departmental Abstracts.
13	13	Check if in selected Compilation Sheets and Consolidated Abstracts the bookings of expenditure are supported by vouchers/schedules/suspense slips/transfer entries.
14	14	Check if in selected Compilation Sheets and Consolidated Abstracts the bookings of receipts are supported by Schedule of receipts/deduction sheets/transfer entries.

Assertions On Measurement		
15	15	Check the arithmetical accuracy of selected List of Payments/Schedule of Payments, Cash Account and Schedule of Receipts
16	16	Check whether the previous month's figures are correctly carried forward to current month for all heads of accounts in the Monthly Civil Accounts.
17	17	Check the arithmetical accuracy of the selected Consolidated Abstracts.
Assertions on Regularity		
17	17	Check whether all Major Heads, Sub Major Heads, Minor Heads, Sub Heads, Detailed Heads and Object Heads operated are authorized
18	18	Check whether there is adequate budget provision either through original estimates, supplementary estimates for the total expenditure booked under various Heads of Account.
CATEGORY-2: EXCEPTION REPORT BASED AUDITCHECK		
Assertions on Completeness		
19	1	Check whether all the accounts of Treasury/Pay & Accounts Officers/Resident Commissioners in New Delhi for the month have been included in the monthly civil accounts.
20	2	Check whether all Accounts from Public Works and Forest Divisions have been included in the monthly civil accounts
21	3	Check whether there are no exclusions of sub treasuries in the selected treasury accounts or subdivisions in division accounts of PWD/Forest Division.
CATEGORY-3: REPORT ASSISTED CHECK		
Assertions on Completeness		
22	1	Check if the crediting of funds created for amortisation due for the month has been done as per requirement
23	2	Check whether all periodical adjustments due for the month/quarter and year have been carried out.
24	3	Check whether the transfer entries in respect of rectification of mistakes necessitated by the reconciliation of accounts by departmental heads are carried out under intimation to the departments concerned.
25	4	Check if Transfer Entries for recoupment of Contingency Fund necessitated by the passing of any Supplementary Budget during the month is effected.
26	5	Check specifically if the Transfer Entries effected for recoupment of Contingency Fund are only for the value of actual transactions and not for the entire sanctioned amounts
27	6	Check whether the entire balance under the Major Head *'8675-Reserve Bank Deposits'* has been transferred to Major Head *'8999-Cash Balance-102-Deposits with Reserve Bank'*.

28	7	Check whether in respect of any bonus shares issued by Government Companies in favour of the State Government, the amount of receipt classified under *Major Head '4000-Miscellaneous Capital Receipts'* equals the estimates of provisions/expenditure as investments under the appropriate Major/Minor Head in the Capital Expenditure side.
29	8	In respect of Public Works Accounts check the following: Check whether the monthly accounts include the following schedules: • Schedule of works expenditure; • Schedule of debits to stock; • Schedule of revenue realised; • Schedule of Deposit Works/Takavi Works; • Schedule of debits/credits to Miscellaneous Heads of account; • Schedule of debits/credits to remittances; • Schedule of settlement with treasuries; • Schedule of miscellaneous works advances;
30	9	Check whether the receipts in the PW account tallies with revenue receipts booked in Register of Revenue Realised.
31	10	In respect of accounts of Forest Divisions verify the following: o Whether the monthly accounts include the following documents: ▪ Schedule of cheques drawn; ▪ Schedule of remittances; ▪ Memo of forest deposits; ▪ Statement of forest advances; o Schedule of classified expenditure; o Amount outstanding under III – Other remittances – Items adjustable by Forest.
Assertions on Measurement		
32	11	Check correctness of calculation of interest paid if any on loans and whether correct interest rates applicable for such loans have been adopted for calculation
33	12	Check differences if any between balances in the Loans Broadsheet and Ledger and the reasons for the same
34	13	Check correctness of calculation of interest paid if any on General Provident Funds/Reserve Funds /Sinking Funds and whether correct rates applicable for such funds have been adopted for calculation
35	14	Check if the cash balances reported by Central Account Section of Reserve Bank of India in Statement of Balances equal the cash balance figure compiled by Office of Accountant General (A&E) and also the total of figures in cash accounts of treasuries for net transaction in district treasuries, transactions in Headquarters and adjustment transactions made by Central Accounts Section of Reserve Bank of India. In case of differences check whether the difference is being pursued for correction.
36	15	Check differences between balances in the Departmental Adjusting Account Broadsheet and Ledger if any and the reasons for the same
37	16	Check whether net receipts or payments under the head *'Reserve Bank of India Remittances'* as in the Detail Book agree with the corresponding adjustment for the month made by the Reserve Bank of India against the balance of the Government concerned

38	17	Check whether the bookings under Major Heads '*8671-Departmental Balances*' and '*8672-Permanent Cash Imprest*' are for authorised amounts
39	18	Check if balances in Plus and Minus Memorandum submitted by treasury agrees with corresponding figures in Broadsheet
		In respect of Accounts of Public Works Divisions carry out the following checks:
40	19	Check whether in respect of Heads of Account other than Receipts and Expenditure the bookings in the accounts tallies with corresponding debits and credits in *Schedule of Deposits and Takkavi Works* and transactions booked under cash settlement suspense where the head is operative.
41	20	Check whether the difference noted in Line 1 of *Schedule of Settlement with Treasuries* is same as in previous month and the difference in Line 5 is worked out correctly.
42	21	Check whether the receipts in Line 4 of *Schedule of Settlement with Treasuries* are supported by consolidated treasury receipt and certification of cheques by treasury officer.
43	22	Check whether the payment vouchers under Land Award Statements are in agreement with award statements and register of land charges.
44	23	Check whether the 'Certificate of Balances' show balances in respect of contractors separately showing advance payments, secured advances and other transactions and agrees with balances in contractor's ledger.
Assertions on Regularity		
45	24	Check if unadjusted balances in *Suspense Accounts* represent assets in the form of receivables either through cash/adjustment or liabilities in the form of payables through cash/adjustment
46	25	Check selected expenditure to ensure that there are no unauthorized cases of expenditure on New Service/New Instrument of Service
47	26	Verify that transactions involving annual adjustments are appearing only in the accounts of March (Final).
48	27	Check whether the annual adjustments proposed by compilation sections in Office of Accountant General (A&E) are correct and justified.
49	28	Check whether proposals for annual adjustment received from Chief Controlling Officers are incorporated in Accounts have been scrutinised in Office of Accountant General (A&E).
50	29	Check whether any conversion of loans given to any Body/Authority into equity share capital or grant is authorised through proper sanctions
51	30	Check in respect of any irrecoverable loans written off whether the write off is booked under *Minor Head 792* under *Functional Major Heads or Minor Head 795 under Major Head 2075 – Miscellaneous General Services* have in fact become irrevocable
52	31	Check whether bookkeeping differences written off if any like difference between Ledger and Broadsheet booked to Major Head '*8680 – Miscellaneous Government Accounts'* are correctly done following procedures prescribed in Rule 38 of Government Accounting Rules 1990.

Assertions on Occurrence		
53	32	Verify that there are no unauthorised rectifications of balances of previous year's account closing to government account.
54	33	In respect of the accounts for the month of March, check whether the unspent balances of Personal Ledger Accounts and Personal Deposit Accounts have been transferred to appropriate Major Heads especially *Major Heads 8336, 8338, 8342, 8443, 8448 and 8449 etc* from which they were created
55	34	Check the debits under Major heads dealing with Deposits to verify whether any unspent balances of previous years in the Personal Deposit Accounts/Personal Ledger Accounts have wrongly been treated as revenue receipts during the current year
56	35	Check whether Detailed Contingent Bills for all Abstract Contingent Bills which are due till March have been received
57	36	Check if the bookings of refunds of revenues shown below are classified only as '*deduct refunds*': • Refunds of revenues for the current year; • Refunds of revenue of previous year.
58	37	Check if recoveries of overpayments made in cash or by short drawal from a bill, during the same financial year in which such overpayments were made is booked as reduction of expenditure under the concerned Service Head and Recoveries of Overpayments pertaining to previous year(s) recorded under distinct minor head '911- Deduct-Recoveries of Overpayments' below the concerned Major Head of account.
59	38	Check whether utilisation certificates for all grants given during the previous year have been received
60	39	Check whether refunds of unutilised grants if any on the basis of information given in Utilisation Certificates have been made
61	40	Check whether the deposits like election deposits of candidates failing to secure minimum votes which have to be transferred to revenues have been transferred
62	41	Check whether the reconciliation of expenditure by Departmental Heads have been carried out with Accountant General (A&E) and whether the adjustments required on the basis of reconciliation of expenditure by Departmental Heads with Accountant General (A&E) have been carried out. Also check whether there is no double adjustment for same transaction.
63	42	Check through confirmation obtained independently from the public sector entities whether the investments in public sector stated to be made as per monthly civil accounts have in fact been made
64	43	Check in respect of specific Funds created out of Consolidated Fund or from any Grants received and booked as Receipts under Minor Head, whether the corresponding transfer to/from Reserve Funds under the concerned functional Major Head has been made
65	44	Check whether the accounting entries to transfer expenditure incurred to be ultimately transferred to Reserve Funds/Sinking Funds have been carried out to ensure that the expenditure has in fact been met from the Reserve Fund concerned
66	45	Check whether the withdrawals from Personal Ledger Account/Personal Deposit Account are supported by paid cheques

67	46	Check in audit of treasuries: ○ That the total of payments reported by treasuries in daily schedules relating to Reserve Bank of India Remittances is debited to Reserve Bank of India A/C. ○ That the total of issues reported by treasuries in daily schedules relating to RBI Remittances is credited to Reserve Bank of India A/C. ○ That daily schedules of RBI Remittances are supported by vouchers. That deduction in Plus and Minus Memoranda are equal to receipts in accounts
68	47	Check whether Receipts booked under *Minor Head 901- Share of net proceeds assigned to States* under Major Heads 0020 – Corporation tax, 0021 – Taxes on income other than Corporation tax, 0032 – Taxes on wealth, 00037 – Customs, 0038 – Union Excise Duties and 0044 – Service tax and receipts booked under 1601 – Grants-in-aid from Central Government, 6004 – Loans & Advances from the Central Government may be checked with relevant sanctions, grant registers, clearance memos etc. available in Book/Account Current sections
Assertions on Disclosure		
69	48	Examine whether bookings under *Minor Head 800 - Other Receipts* is justified or whether they should be booked under some other Minor Head under a Major Head already existing for such booking
70	49	Examine whether bookings under *Minor Head 800 - Other Expenditure* is justified or should be booked under some other Minor Head under a Major Head already existing for such booking.
71	50	Check whether the Grants booked under the head '*Other Grants'* are only those grants which are general purpose grants
72	51	Check whether bookings of receipts under 'Minor *Head 500 - Receipts awaiting transfer to other minor heads'* are justified.
73	52	Check whether bookings of expenditure booked under the '*Minor Head 502 - Expenditure awaiting transfer to other minor heads'* are justified.
74	53	Check if all the deposit holders have independently confirmed the balances outstanding against them as per their accounts.
75	54	Check if the Loanees have independently confirmed the balances outstanding against loans availed by them.
76	55	Verify the Suspense Register to ensure that no expenditure debitable to the Consolidated Fund is kept under suspense.
77	56	Check whether the un-recouped expenditure incurred from Contingency Fund is not booked to the Consolidated Fund.
78	57	Check whether expenditure booked under 'Contingency Fund' by treasury is with proper sanction.
		Reserve Bank of India Advice Memorandum

79 80 81 82	58 59 60 61	Check if the transactions covered through this system are only in respect of the following transactions: Accounts of inter-state suspense booked under *Major Head 8793 – Inter State Suspense Accounts.* Repayments of loans taken by states from central and interest thereon booked under Major Head *'8658 –110 Reserve Bank Suspense-Central Accounts Office'*. Pensions of retired High Court Judges charged to consolidated Fund of India pending recovery from State Government concerned. Transactions of 'RBI Remittances occurring in state non banking treasury.
83	62	Check in case of repayment of loans and interest, the booking under major Head *8658 – 110 Reserve Bank Suspense-Central Accounts Office'* is cleared by '*minus credit*' on receipt of clearance memo from the Reserve Bank of India by credit to Major Head "*8675 - Deposits with Reserve Bank - States – CAS Reserve Bank*
		Outward Settlement Account
84	63	Check whether the net debit or credit advised to the Reserve Bank of India is correct on the basis of the advice of adjustments sent to Reserve Bank of India and the supporting schedules including treasury consolidated receipts and paid cheques.
85	64	Check whether the debits and credits indicated in the settlement Account are legitimately due from/to the concerned State to which the Outward settlement account is being sent.
86	65	Check details of permanent and temporary sanctions of the transactions pertaining to other governments maintained in specific register in the Office of Accountant General (A&E) to check the legitimacy
		Inward Settlement Account
87	66	Check whether the net debit or credit advised to the Reserve Bank of India is correct on the basis of the advice of adjustments sent to Reserve Bank of India and the supporting schedules including treasury consolidated receipts and paid cheques.
88	67	Check whether the debits and credits indicated in the settlement Account are legitimately due from/to the concerned State to which the Outward settlement account is being sent.
89	68	Check whether debits/credits included in the Inward Settlement Accounts are finally classified under the relevant Receipt/Expenditure/Public Account Major Head
CATEGORY-4-MANUAL CHECK		
Assertions on Measurement		
79	1	Check in respect of Provident Funds under trustee whether the balances in the account match the corresponding balance in the accounts sent by the trustee.
Assertions on Regularity		

80	2	During field audit of Public Works/Forest Divisions verify whether the expenditure incurred is within limits prescribed by Letter of Credit issued to the Division.
81	3	Check whether selected the capital expenditure incurred qualifies to be booked as capital as per norms for treating an expenditure as capital.
82	4	Check whether selected revenue expenditure incurred qualifies to be booked as revenue and not capital as per norms for treating expenditure as revenue or capital.
83	5	Check whether selected the expenditure booked as plan expenditure qualifies to be booked as Plan expenditure as per provisions in the Plan Budget.

Annexure – H

(Please refer to Para 3.18)

Audit Checks for audit of Report on Monthly Expenditure (Monthly Appropriation Accounts)

1.0 Introduction

Offices of Accountant General (A&E) prepare Report on Monthly Expenditure (Monthly Appropriation Accounts) showing sub-head wise provision and expenditure together with savings/excess over provision and the percentage of excess. The Report on Monthly Expenditure (Monthly Appropriation Accounts) are sent to the Finance Department every month. Copy of the Accounts is also given to Office of Accountant General (Audit). This Account gives an overall view of the sub-head wise expenditure up to the month in the Consolidated Fund against available budget provision and helps to identify errors in classification, excessive expenditure, cases of shortfall in expenditure, operation of unauthorized heads etc.

A detailed examination of the Accounts should be carried out by Principal Auditor-Office of Accountant General (Audit) for selected months. The months suggested are September (mid-year), every month of the last quarter (January, February, March (Preliminary) and March (Supplementary). The objective of this audit check is to identify errors, unauthorized expenditure etc. if any sufficiently early so that corrections can be carried out before the Accounts are closed finally.

A separate Register may be maintained in section (FINAT) responsible for audit to record errors and omissions noticed during audit of Report on Monthly Expenditure (Monthly Appropriation Accounts) for follow up action. The unsettled cases which may have impact on accuracy or completeness of Finance Accounts could be considered for audit comments or qualification of accounts.

CATEGORY-1- Automated (IN VLC) Check		
Assertions on Completeness		
1	1	Check whether the Report on Monthly Expenditure (Monthly Appropriation Accounts) includes expenditure reported through all Classified Abstracts and Consolidated Abstracts for the month
2	2	Check whether appropriation includes the original appropriation, supplementary demands, reappropriations and the resumption of grants if any.
3	3	Check whether all the Grants are included in the Report on Monthly Expenditure (Monthly Appropriation Accounts)

Assertions on Measurement		
4	4	Check whether the figures of actual Expenditure tally with corresponding figures in Classified Abstract and Consolidated Abstract
Assertions on Regularity		
5	5	Check whether the Classification adopted in the budget is as per the List of Major and Minor Heads of Account up to Minor Heads of Accounts
6	6	Check whether all expenditure incurred are with adequate budgetary provision as per Appropriation Act approved by the Legislature.
7	7	Check whether there are any items of expenditure which is a New Service and for which not even token provisions exist even in supplementary Budgets
CATEGORY-3: REPORT ASSISTED CHECK		
Assertions on Completeness		
8	1	Check whether expenditure incurred under Contingency Fund during the month is included. If so check whether the availability of proper sanctions and correctness of classification especially when new subhead is opened.
9	2	Check whether recovery of overpayments if any is included
10	3	Check if adjustments on account of Reserve Funds due during the month are included.

Assertions on Regularity		
11	4	Check whether new Sub-heads, Detailed heads and Object Heads have been opened and operated with the prior concurrence of Accountant General (A&E).
12	5	Check existence of repetitive schemes for the same purpose in the budget. Unnecessary multiplication of sub-heads should be restricted.
		The following checks should be carried out on reappropriations of funds:
13	6	Check whether re-appropriation orders issued are authorised in terms of relevant Rules governing the Delegation of Financial Powers of the Government concerned.
14	7	Check whether re-appropriation orders have been issued before the close of the financial year.
15	8	Check that no re-appropriation orders have been issued to meet expenditure which has not been sanctioned by an authority competent to sanction it.
16	9	Where re-appropriation has been made to provide for additional funds over and above the sanctioned provision, check whether they have been issued before incurring the actual expenditure beyond the sanctioned provision.
17	10	Check whether the reappropriation is limited to the savings within the grant.
18	11	Check the nature of re-appropriation to ensure that there are no reappropriations from charged to voted, revenue to capital/loan categories and from one grant to another grant.

		The following checks should be carried out to ensure due compliance with legislative powers:
19	12	Verify whether there are any unauthorised transfer/appropriation of funds from the Consolidated Fund to the Public Account.
20	13	Check whether proceeds from any cess collected for specific purpose by the Government as per the relevant cess Act is correctly transferred to the concerned designated Fund in the Public Account and expenditure met from Funds is as per relevant rules.
21	14	Check whether there are any re-appropriation made for meeting expenditure on new service or new instrument of service.
Assertions on Occurrence		
22	15	Check whether the capital expenditure on account of investments in equity of Public Sector Undertakings included in the Detailed Appropriation Account are booked only under the Minor Head *'190-Investments in Public Sector and Other Undertakings'*
Assertions on Disclosure		
23	16	Check to ensure that there are no transactions dealing with receipts in to the Reserve Fund and adjustment thereto in any of the Treasury accounts since these are to be accounted almost in all cases through Adjustment Transfer Entries in Office of Accountant General (A&E**)**
CATEGORY-4-MANUAL CHECK		
Assertions on Regularity		
		The following checks on the budget should also be carried out:
24	1	Check whether provisions in the budget have been obtained under any non-existent scheme.
25	2	Check whether provisions have been made under capital section for expenditure which falls under revenue section.
26	3	Check whether provisions have been made under revenue section for expenditure which falls under capital section.
27	4	Check whether lump-sum provision obtained through Supplementary demand accompanies details upto object-head level.
28	5	Check whether there are any cases of misclassification of provisions at the object head level within the same section of the Grant.
29	6	Check whether provisions for expenditures treated as charged on the Consolidated Fund are as per provisions of Article 202(3) of the Constitution of India.
30	7	Check in local audit whether there are any systems in place for monitoring the actual expenditure against appropriation particularly where a lumpsum allotment is placed at the disposal of a single higher authority but several officers are authorised to incur expenditure

Annexure – I

(Please refer to Para 3.23)

Audit Checks for audit of Finance Accounts

1. General checks for all Statements:

a) Check whether the format of various statements/appendices is as prescribed by Office of C&AG of India

b) Check whether nomenclature of heads of accounts are correct and conform to the List of Major and Minor Heads of Accounts

c) Check whether the figures are given in '*Crore of Rupees*' for figures in Statements 1 to10, Notes to Accounts and Appendix I, and in '*Lakh of Rupees*' for figures in Statements 11 to 19, and remaining Appendices

d) Check whether the figures for the same item depicted across different statements and appendices are the same and if there are any differences due to rounding or otherwise, suitable foot-notes are given to explain the differences

e) Check whether details of the source of data are indicated as foot-note in respect of facts and figures included in the Finance Accounts from sources other than that accounts or accounting records maintained by Office of Accountant General (A&E)

f) Check whether reconciliation of figures in Statements 12, 13, 15 and 16 has been carried out with corresponding expenditure figures in Appropriation Accounts.

g) Check correctness of figures for previous years wherever indicated with corresponding figures in the Finance Accounts of that particular year and check whether variations if any are explained through appropriate foot-notes.

h) Check correctness of all the figures and references given in 'Notes to Accounts'.

i) Check whether irregularities if any pointed out by Central Audit Support Sections (CASS) during the year while doing the audit of vouchers in the Loan, Book, Deposit and Account Current sections in Office of Accountant General (A&E) have been complied with.

j) Check whether provisions of Indian Government Accounting Standards issued so far have been complied with or not.

k) Check whether there are no abnormal transactions of receipts/disbursements requiring investigation, rectification or insertion of suitable footnotes.

l) *Check whether Per contra* adjustments wherever carried out have been linked at different places.

m) Check whether updated position in respect of difference in the accounts figures of Deposits with the Reserve Bank of India and those intimated by the Reserve Bank of India are exhibited in footnote below Statement 18 and Annexure to Statement No. 2.

n) Check correctness of the totals and calculations of percentages in statements.

o) Check whether suitable footnotes have been given for 'adverse' balances under Debt/Deposit/Remittance heads.

p) Check whether serial numbers are given to scheme/projects appearing under the minor head/sub-head and serial numbers wherever appearing.

(*Of the various Statements of the Finance Accounts, Statements 11, 12, 13, 15, 16 & 18 may be considered as core statements which represent the details of the entire transactions of the Government during a year. The accuracy and completeness of these statements will have to be ensured by suitable sample checks of primary accounting records of A&E office. The other statements contain consolidated figures of these statements or data extracted from these statements and/or information received or procured from other records of A&E office, or other sources like Finance Department, RBI, and Heads of Department etc. Therefore, audit should focus on ensuring accuracy and completeness of these six statements)*

2. Audit checks for Statements of Finance Accounts and Appendices

	Category-1- Automated (in VLC) Check	
Statement-1: Statement of Financial Position **Salient Features: This statement shows the financial position of the State giv**ing cumulative figures of assets and liabilities of the Government as at the end of the year compared to previous year. **Source Data:** Previous year's Finance Accounts and Link Statements **Link statements:** Appendix VIII, Statement No. 5, 6, 7, 13, 14, 15, 16, 17, 18, 19 and Annexure to Statement No. 2		
	Contents	**Audit Checks**
	Assets **Cash**	
1	(i) Cash in treasuries and Local Remittances	Check if the figure in the Statement tallies with the sum of the closing balance under MH 8999 in Statement 18
2	(ii) Departmental Balances	Check if the figure in the Statement tallies with the closing balance under MH 8671 in Statement 18
3	(iii) Permanent Imprest	Check if the figure in the Statement tallies with the closing balance under MH 8672 in Statement 18
4	(iv) Cash Balance Investments	a) Check if the figure in the Statement tallies with the closing balance under MH 8673in Statement 18 b) Check if the figure in the Statement tallies with the corresponding figure in Annexure to Statement No. 2
5	(v) Deposits with Reserve Bank of India	Check if the figure in the Statement tallies with the figure shown under MH 8999-102 in Statement 18
6	(vi) Investment from Earmarked Funds	Check if the figure in the Statement tallies with the closing balance of Investment shown in Statement 19
7	**Capital Expenditure** (i) Investments in shares of Companies, Corporations etc.	Check if the figure in the Statement tallies with the total investment shown in Statements 5 & 14
8	(ii) Other Capital Expenditure	Check if the figure in the Statement tallies with the figure obtained by deducting Total Investment in Statement 14 from the Total Capital Expenditure in Statement 13.
9	**Contingency Fund**	Check if the figure in the Statement tallies with the total disbursement shown under MH 8000 in Statement 18
10	**Loans & Advances**	Check if total of Loans & Advances in the statement tallies with balances under Major Head 6075 to 7615 under 'F - Loans & Advances' in Statements 7 & 16
11	**Advances**	Check if the figure in the Statement tallies with the balance shown under MH 8550 in Statement 18
12	**Remittance Balances**	Check if the figure of Remittance Balances agree with the total of the balances of MH 8781 to 8797 under M - Remittances. in Statement 18

13	**Cumulative Excess of expenditure over receipts (*if excess*)**	a) Check if the figure of Cumulative Excess of expenditure over receipts (if excess) represents the difference between the totals of the assets and the liabilities indicated in this Statement. b) Check whether the difference between current year and previous year under the cumulative excess of expenditure over receipts is explained by way of Footnote.
	<u>Liabilities</u> **Borrowings (Public Debt)**	
14	(i) Internal Debt	Check if the figure in the Statement tallies with the balances shown under MH 6003 in Statements 6 & 15
15	(ii) Loans and Advances from Central Government Non-Plan Loans	Check if the figure in the Statement tallies with the balance shown under MH 6004-01 in Statement 15
16	Loans for State Plan Schemes	Check if the figure in the Statement tallies with the balance under MH 6004-02 in Statement 15
17	Loans for Central Plan Schemes	Check if the figure in the Statement tallies with the balance under MH 6004-03 in Statement 15
18	Loans for Centrally Sponsored Plan Schemes	Check if the figure in the Statement tallies with the balance under MH 6004-04 in Statement 15
19	Other Loans	Check if the figure in the Statement tallies with the balance under MH 6004-07 in Statement 15
20	**Contingency Fund (corpus)**	Check if the figure in the Statement tallies with the figure shown under MH 8000-201 in Statement 18
21	**Liabilities on Public Account** (i) Small Savings, Provident etc	Check whether the figure in the Statement tallies with the total of balances shown under MHs. 8009 to 8032 in Statement 18
22	(ii) Deposits	Check whether the figure in the Statement tallies with the total of balances shown under MHs 8336 to 8449 in Statement 18
23	(iii) Reserve Funds	Check whether the figure in the Statement tallies with the Gross balances under MHs 8115 to 8235 in Statement 18
24	(iv) Remittance Balances	Check whether the figure in the Statement tallies with the credit balances under MHs 8781 to 8793 in Statement 18
25	(v) Suspense and Miscellaneous Balances	Check whether the figure in the Statement tallies with the balance shown under MHs 8658 to 8679 excluding MHs 8671, 8672 & 8673
26	**Cumulative Excess of Receipts over Expenditure (*if excess*)**	Check if the figure of Cumulative Excess of expenditure over receipts (if excess) represents the difference between the totals of the assets and the liabilities indicated in this Statement.
27	**Total**	Check if the totals of the Assets and Liabilities in this Statement tallies.
28	**General Check**	The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above.

Statement-2- Statement of Receipts and Disbursements

This Statement shows the summary of Receipts and Disbursements for the year under Consolidated Fund, Contingency Fund and Public Account of Government.

Source Data: Civil Accounts for March (Supplementary)

Statement No. 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16, 17 ,18, and Appendix– 2,3,4 and 8.

29	*Tax Revenue (Raised by the State)*	Check whether the figure of Tax Revenue (Raised by the State) agree with the totals of bookings under Major Heads 0020 to 0045excluding minor head 901 in Statement 11
30	*Non-Tax Revenue:*	Check whether the figure in the Statement tallies with the Total Non-Tax Revenue shown in MCA.
31	*Interest Receipts*	Check whether the total of *Interest Receipts* in this statement agrees with total of *Major Head 0049- Interest Receipts* shown in MCA.
32	-*Others*	Check whether the figure shown against *Others* in this statement agrees with corresponding bookings under the Revenue Receipts *Major Heads 0046 to 1475* excluding the *Major Head 0049 – Interest Receipts* shown in MCA
33	***-Total***	Check whether the *total* in this statement is correct
34	Share of Union Taxes/Duties	Check whether the figure in the Statement tallies with the sum of figures under the minor head 901 under MHs 0020 to 0045 in Statement 11
35	Grants from Central Government	Check whether the figure in the Statement tallies with the figure shown under MH 1601 in MCA
36	Revenue Deficit	Check Revenue Deficit shown in this statement is correctly calculated in cases where revenue expenditure exceeds revenue receipts.
37	**Section-B-Capital Capital Receipts**	Check whether the figure in the Statement tallies with the figure shown under MH 4000 in MCA
38	Recoveries of Loans & Advances	Check whether the figure in the Statement tallies with the Receipts shown under F- Loans and Advance in MCA
39	**Public Debt Receipts** -Internal Debt	Check whether the figure in the Statement tallies with the Receipts shown under MH 6003 in MCA
40	- Loans from GOI	Check whether the figure in the Statement tallies with the Receipts shown under MH 6004 in MCA
41	-Net of Inter State Settlement	Check whether the figure in the statement tallies with net in booking under MH 7810 in MCA
42	**Total - Receipts Consolidated Fund**	Check correctness of the Total Receipts in Consolidated Fund in this statement.
43	Deficit in Consolidated Fund	Check i f the deficit if any shown in this statement is correctly calculated.
44	**Part-II - Contingency Fund**	Check whether the figure in the Statement tallies with the Receipts shown under MH 8000 in MCA

45	**Part III-Public Account** Small Savings & Provident Fund etc	Check whether the figure in the statement tallies with the Total Receipts shown under 'I- Small Savings, Provident Funds, etc.' in MCA
46	Reserves & Sinking Funds	Check whether the figure in the statement tallies with the Total Receipts shown under 'J. Reserve Funds' in MCA
47	Deposits	Check whether the figure in the statement tallies with the Total Receipts shown under MHs-8342 to 8449 in MCA
48	Advances	Check whether the figure in the statement tallies with the Receipts shown under MH 8550 in MCA
49	Suspense & Miscellaneous	Check whether the figure in the statement tallies with the Total Receipts shown under 'L- Suspense and Miscellaneous' in MCA
50	Remittances	Check whether the figure in the statement tallies with the Total Receipts shown under 'M- Remittances' in MCA
51	**Total Receipts Public Account**	Check whether the Total Receipts in this statement is correctly arrived at.
52	Deficit in Public Account	Check Deficit in Public Account if any has been correctly calculated.
53	Opening Cash Balance	Check if the Opening Cash Balance in this statement tallies with Closing Balance of previous year.
54	Increase in Cash Balance	Check if the Increase in Cash Balance in this statement tallies with the difference between closing and opening cash balance booked under Major Head 8999- Cash Balance in VLC system.
55	**Disbursements** **Part-I-Consolidated Fund** **Section-A Revenue** **Revenue Expenditure**	Check whether the figure in the Statement tallies with the Total Revenue Expenditure shown in Monthly Civil Accounts (MCA) for March Supplementary
56	-Salaries	Check if the figure under Salaries in this statement agrees with corresponding figure in 'Statement 4 - Expenditure by Nature'.
57	-Subsidies	Check if the figure of Subsidy shown in this statement agrees with corresponding figure in Expenditure by Nature given in 'Statement 4- Statement of Expenditure in Consolidated Fund'.
58	-Grants-in-aid	Check if the figure of Grants-in-Aid in this statement agrees with figure in Statement 4 - Expenditure by nature.
59	**-General Service** -Interest Payments and Service of debt	Check whether the figure in the statement tallies with the figure shown under Interest payment and servicing of debt in MCA
60	-Pension	Check if the figure in the Statement tallies with the figure shown under MH 2071 in MCA

61	-Others	Check if the figure under *Others* in this statement agrees with the bookings under all *Object Heads excluding those relating to 'salaries, subsidy, grants-in-aid, Interest payments & service of debt and pension'* under *Major Heads 2011 to 2075* in the VLC System.
62	Total-General Services	Check if the *Total* indicated in this statement is correctly worked out.
63	Social Services	Check if the figure of *Social Services* in this statement agrees with the bookings under the *Major Heads 2202 to 2251* after excluding bookings under *Object Heads 'Salaries, Subsidy and Grants-in-aid'* under these *Major Heads in the VLC System.* *Check whether sum of figure of Social Services in this statement and Object Heads relating to 'Pay, DA, HRA, CCA, Subsidies and Grants- in- aid'* under this sector tallies with the corresponding total in 'Statement 12
64	Economic Services	Check if the figure of *Economic Services* in this statement agrees with the bookings under *Major Heads 2401 to 3475* after excluding bookings under *Object Heads* '*Salaries, Subsidy and Grants-in-aid*' under these Major Heads.
65	Compensation & Assignments to Local Bodies & Panchayati Raj Institutions	Check if the figure in the Statement tallies with the figure under MH 3604 and 3606 in MCA
66	Revenue Surplus	Check Revenue Surplus if any shown in this statement is correctly calculated in cases where revenue receipts exceed revenue expenditure.
67	**Section B −Capital** **Capital Expenditure**	Check if the figure in the Statement tallies with the figure shown under Total Capital Expenditure in MCA
68	Salaries	Check if the figure of Salaries in this statement agrees with corresponding figure in Expenditure by nature under 'Statement 4 – Statement of Expenditure in Consolidated Fund'.
69	General Services	Check if the figure of General Services in this Statement tallies with the bookings under Major Head 4055 to 4075 reduced by bookings under Object Heads relating to 'Pay, DA, HRA, CCA' etc. in the VLC System.
70	Social Services	Check if the figure under Social Services in this statement agrees with the bookings under Major Heads 4202 to 4250 reduced by bookings under Object Heads relating to 'Pay, DA, HRA, CCA' etc. in the VLC System.

71	Economic Services	Check if the figure under Economic Services in this statement agrees with bookings under Major Heads 4401 to 5475 reduced by bookings under Object Heads relating to 'Pay, DA, HRA, CCA' etc. in the VLC System.
72	***Loans & Advances disbursed***	Check whether the figure in the Statement tallies with the Disbursements shown under F-Loans and Advance in MCA
73	General Services	Check if the figure under Loans & Advances Disbursed in this statement tallies with the bookings under Major Head 6075 in MCA.
74	Social Services	Check if the figure under Social Services in this statement agrees with the disbursements under Major Heads 6202 to 6250 in MCA
75	Economic Services	Check if the figure under Economic Services in this statement agrees with the disbursements under Major Head 6401 to 7475 in the MCA.
76	*Others*	Check if the figure under Others in this statement agrees with the disbursements under Major Heads 7610 to 7615 in the MCA.
77	**Repayment of Public debt**	
78	*Internal Debt (Market loans etc.)*	Check whether the figure in the Statement tallies with the Disbursements shown under MH 6003 in MCA
79	*Loans from Government of India*	Check whether the figure in the Statement tallies with the disbursement in MH 6004 in MCA
80	***Net of Inter-State Settlement***	Check if the figures under net of Inter-State Settlement in this statement agrees with bookings under Major Head 7810- Inter State Settlement in MCA
81	*Appropriation to Contingency Fund*	Check if the figure under the Statement tallies with the figure shown under MH 7999 in MCA
82	***Total Expenditure Consolidated Fund***	Check if the Total Expenditure Consolidated Fund in this statement is correctly arrived at
83	***Part II Contingency Fund Contingency Fund***	Check if the figure under Contingency Fund in this statement tallies with the debit under Major Head 8000-Contingency Fund in the in MCA
84	***Part III-Public Account***	
85	*Small Savings & Provident Fund etc.*	Check whether the figure in the statement tallies with the Total disbursements shown under 'I- Small Savings, Provident Funds, etc.' in MCA
86	*Reserve & Sinking Funds*	Check whether the figure in the statement tallies with the a Total disbursements shown under 'J. Reserve Funds' in MCA
87	*Deposits*	Check whether the figure in the statement tallies with the Total disbursement shown under MHs 8342 to 8449 in MCA

88	*Advances*	Check whether the figure in the statement tallies with the disbursements shown under MH 8550 in MCA
89	*Suspense Miscellaneous*	Check whether the figure in the statement tallies with the Total disbursements shown under 'L- Suspense and Miscellaneous in MCA
90	*Remittances*	Check whether the figure in the statement tallies with the Total Disbursement shown under 'M- Remittances' in MCA
91	***Total Disbursement Public Account***	Check if the Total Disbursements Public Account in this statement is correctly arrived at.
92	*Surplus in Public Account*	Check whether the Surplus in Public Account if any has been correctly calculated.
93	*Closing Cash Balance*	Check if the Closing Cash Balance in this statement is correctly worked out.
94	Decrease in Cash Balance	Check if the Decrease in Cash Balance in this statement, if any, is equal to the difference between closing cash balance and opening cash balance and is correctly arrived at.
95	**General Check**	The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above.

Statement-3 - Statement of Receipts in Consolidated Fund

Salient Features: This statement gives the revenue and capital receipts by functional major heads (revenue), grants-in-aid and debt receipts by sub-major head/minor head and loan receipts and inter-state settlement

Source Data: Monthly Civil Accounts for March (Supplementary) and VLC data

Link statements: Statement No. 2, 6, 7, 11, 15, 16 and Appendix -8..

	I. Consolidated Fund	
96	**A-Tax Revenue** A.1 Own Tax Revenue	Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2
97	A.2 Share of net proceeds of taxes	Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2
98	Total A	Check if the figure of *Total A* in this statement is correctly arrived at.
99	**B-Non-Tax Revenue**	Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2
100	Total B	a) Check if the figure under *Total* B in this statement is correctly arrived at. b) Check if the figures of *Total B- Non Tax Revenue* in this statement tally with corresponding figures in 'Statement 2 – Statement of Receipts & Disbursements'.
101	**II. Grants from Government of India** **C-Grants-in-aid from Central Government.** Non Plan Grants	Check if the figure in the Statement tallies with the figure shown under MH 1601-01 in VLC

102	Grants for State Plan Schemes	Check if the figure in the Statement tallies with the figure shown under MH 1601-02 in VLC
103	Grants for Central Plan Schemes	Check if the figure in the Statement tallies with the figure shown under MH 1601-03 in VLC
104	Grants for Centrally Sponsored Plan Schemes	Check if the figure in the Statement tallies with the figure shown under MH 1601-04 in VLC
105	Grants for Special Plan Schemes	Check if the figure in the Statement tallies with the figure shown under MH 1601-05 in VLC
106	Total C	Check if the figure of Total C in this statement is correctly arrived at.
107	Total Revenue Receipts (A+B+C)	Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2
108	**Capital, Public Debt & Other Receipts** **D- Capital Receipts**	Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2
109	**E-Public Debt Receipts** Internal Debt of State Government *-Market Loans* *-Ways & Means Advance from RBI* *-Bonds* *-Loans from financial institutions* *-Special Securities issued to National Small Savings Fund*	Check if the figures under *Internal Debt* in this statement equal the bookings under the concerned *Minor Heads 101 to 800* under *Major Head 6003* in the VLC system.
110	Loans & Advances from Central Government	Check if the figures under *Loans & Advances from Central Government* in this statement equal the bookings under the concerned Minor Head under *Major Head 6004* in the VLC system.
111	**Total E – Public Debt Receipts**	a) Check if the Total E shown in this statement is correctly arrived at. b) Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2
112	**F - Loans & Advances by State Government (Recoveries)**	Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2
113	**G Inter-State Settlement Transfer to Contingency Fund**	Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2
114	Total Receipts in Consolidated Fund (A+B+C+D+E+F+G)	Check if the Total Receipts in Consolidated Fund is correctly worked out.
115	**General Check**	The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above

Statement 4:
Statement of Expenditure in Consolidated Fund

Salient features: This statement gives the summary of expenditure for the current year under various sectors of Consolidated Fund of State (Revenue/Capital/Loans and Advances).

Source data: Monthly Civil Accounts for March (Supplementary) and VLC data

Link Statements: Statement Nos. 2, 5, 6, 7, 12, 13, 15, 16, 17,Appendix 2,3,4, 8 and 11

116	**A. General Services:** A.1 Organs of State A.2 Fiscal Services A.3 Administrative Services A.4 Pension & Misc. General Services	Check whether the figures under General Services in this statement tallies with expenditure booked under the following Major Heads in MCA o 2011 to 2075 for general service revenue expenditure o 4055 to 4075 for general service capital expenditure o 6075 for loans and advances relating to general services.
117	Total- General Services	Check whether the Total General Services are correctly arrived at.
118	**B. Social Services:** B.1 Education, Sports Art & Culture- B.2 Health & Family Welfare- B.3 Water Supply, Sanitation, Housing& Urban Development B.4Information&Broadcasting B.5 Welfare of Scheduled Caste, Scheduled Tribes, other Backward Classes and Minorities B.6Labour and Labour Welfare B.7 Social Welfare & Nutrition B.8 Others	Check whether the figures under Social Services in this statement tallies with expenditure booked under the following Major Heads MCA o 2202 to 2251 for social services revenue expenditure o 4202 to 4250 for social services capital expenditure o 6202 to 6250 for loans and advances relating to social services.
119	**Total Social Services**	Check whether the total is correctly arrived at
120	C. **Economic Services:** C.1Agriculture & Allied Activities C.2 Rural Development C.3 Special Area Programmes C.4 Irrigation & Flood Control C.5 Energy C.6 Industry & Minerals C.7 Transport C.8 Science, Technology & Environment C.9 General Economic Service	Check whether the figures under Economic Services in this statement tallies with expenditure booked under the following Major Heads in the VLC system: o 2401 to 3475 for economic services revenue expenditure o 4401 to 5475 for economic services capital expenditure o 6401 to 7475 for loans and advances relating to economic services.
121	Total - Economic Services	Check whether the total is correctly arrived at
122	**D. Grants in Aid & Contributions:**	Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2

123	**E. Loans to Government Servants, etc.:**	Check whether the figures under Loans to Government servants etc. in this statement tallies with booking under the Major Head 7610 and 7615 in the VLC system
124	**F. Public Debt**	Check if the figure in the Statement tallies with the corresponding figure shown in Statement 2
125	Total - Grants in Aid & Contributions, Loans, Loans to Government Servants, Public Debt	Check whether the total is correctly arrived at.
126	Total Consolidated Fund Expenditure	Check whether the total of Consolidated Fund Expenditure is correctly arrived at
127	**B Expenditure by Nature**	*a)* Check if object head totals tallies with the figures available in VLC *b)* Check whether the total of 'Nature of Expenditure' tallies with corresponding figure in Part A of this Statement.
128	**General Check**	The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above
<u>Statement 5 - Statement of Progressive Capital Expenditure</u> **Salient features:** This statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1 **Source Data:** Major Head Abstracts of Capital Expenditure **Link Statements:** Statement 1, 2, 4, 13, 17 and Appendix 8 and 10.		
129	**A. Capital Account of General Services**	Check if the figure under Capital Account of General Services in this statement tallies with expenditure booked under Major Head 4055 to 4075 in the VLC system.
130	**B. Capital Account of Social Services**	Check if the figure under Capital Account of Social Services in this statement tallies with expenditure booked under Major Head 4202 to 4250 in the VLC system.
131	**C. Capital Account of Economic Services**	Check if the figure under Capital Account of Economic Services in this statement tallies with expenditure booked under Major Head 4401 to 5475 in the VLC system.
132	**Total**	Check if the *Total* in this statement is correctly arrived at
	***General Checks*:**	

133	a) Check if the cumulative expenditure up to the end of the year is correctly worked out. b) Check if the sub-totals of the three different sectors agree with totals of Major Heads forming part of the sector. c) Check if the Grand total is correctly struck. d) Check if the percentage of increase/decrease in expenditure during the year for each Major Head in the statement is correctly worked out. e) Check if the cumulative balances up to previous year for each Major Head are correctly carried forward from previous year after considering all the Proforma corrections. f) The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above	
<u>Statement 6 - Statement of Borrowings and Other Liabilities</u> **Salient features:** This statement gives the borrowings (secured/unsecured) consisting of internal debt, borrowings from Government of India, Other Obligations and servicing of debt which are used to finance the fiscal deficit. **Source Data:** Consolidated abstract of receipts/disbursements relating to 6003, 6004 and transactions under I–small savings under provident funds, J-Reserve Funds and K-Deposits forming part of the Ledger. **Link Statements:** Statement 1, 2, 3, 4, 15, 17, 18, 19 and Appendix -8		
134	**A. Public Debt:** **6003 Internal Debt of the State Government**	Check whether the figure in the Statement tallies with the corresponding figure shown under MH 6003 in Statement 15
135	**6004 Loans and Advances from the Central Government**	Check whether the figure in the Statement tallies with the corresponding figure shown under MH 6004 in Statement 15
136	**B. Other Liabilities**	Check whether the figures of *Other Liabilities* in this statement comprising of Small Savings, Provident Funds etc., Reserve Funds and Deposits tally with the bookings under the *Major Heads* 8009 to 8449 in Statement 18
137	**Total - Public Debt & Other Liabilities (A+B)**	(a)Check whether the distinct figures for *interest bearing and non- interest bearing Reserves* and *Deposits* under J-Reserves and K-Deposits in this statement have been correctly worked out. (b) Check if the Total – Public Debt & Other Liabilities is correctly arrived at.
138	***Checks common to all items*:** a) Check whether the net increase/decrease and the percentage of total liabilities in this statement are correctly worked out. b) Check whether the figures of servicing the debt shown in the note to the statement tallies with corresponding expenditure on interest booked in the VLC system. c) The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above	

Statement – 7 - Statement of Loans and Advances given by the Government

Salient features: In this Statement, Loans and Advances forming part of F- Loans & Advances of Consolidated Fund are summarised sector-wise and loanee-wise and group-wise. The loans and advances given by the State Government are depicted in Statement 1 and recoveries, disbursements feature in Statements 2, 3& 4.

Source Data: Consolidated Abstract of Major Heads under Loan (Receipt/Disbursements) and the bookings in the Ledger, Loans Broadsheet of loans maintained by Office of Accountant General (A&E) and VLC.

Link Statements: Statement 1, 2, 3, 4, 16, 17 and Appendix -8.

	Contents	Audit Checks
139	**(i) Statement of Loans and Advances Section-I-Summary of Loans and Advances – Loanee Group-wise**	Check 'Loanee Group' figures are correctly worked out by checking whether the institution codes (viz. Panchayathiraj institutions, Universities, Boards, Corporations etc. have been given correctly to the VLC Classification Codes upto detailed Head.
140	**Section 2: Summary of Loans and Advances – Sector-wise** **-General Services** **-Social Services** **-Economic Services** **-Loans to Government Servants** **-Loans for miscellaneous purposes**	a) Check whether the figures under Statement of Loans and Advances in this statement tallies with sum of bookings under Major Heads 6075 for general services, 6202 to 6250 for social services, 6401 to 7475 for economic services, 7610 for loans to government servants and 7615 for miscellaneous loans in VLC system. b) Check whether the percentage of increase/decrease during the year shown in the Statement is correctly worked out.
141	**General Check**	The figures in this statement may also be checked with the corresponding figures available in

Statement 10- Statement of Voted and Charged Expenditure

Salient features: Shows the expenditure which are charged on the consolidated Fund of the State and those which are voted and their corresponding percentages.

Source Data: Consolidated abstract of expenditure by major heads.

Link Statements: Statement No 2, 4,6,12, 13, 16, 18 and Appendix -8

	Contents	Audit Checks
142	**Expenditure Heads (Revenue Account)**	Check the figure in the Statement tallies with the corresponding figure

143	**Expenditure Heads (Capital Account)**	Check the figure in the Statement tallies with the corresponding figure
144	**Disbursement under Public Debt, Loans & Advances**	a) Check whether expenditure under 6003 and 6004 are shown as charged in this statement b) Check whether the charged and voted figures of *Loans & Advances* in this statement tallies with the bookings
145	**Inter-State Settlement and Transfer to Contingency Fund**	a) Check whether the charged and voted figures of *Inter- state Settlement* in this statement tallies with the bookings under *Major Head 7810* in VLC system. b) Check whether voted figures of *Transfer to Contingency Fund* in this statement tallies with the bookings under *Major Head 7999* in VLC system. c) Check whether percentage of charged expenditure and voted expenditure to total expenditure has been exhibited under the statement.
146	**General Check**	The figures in this statement may also be checked with the corresponding figures available in the Link Statements

Statement-11 - Detailed Statement of Revenue & Capital Receipts by Minor Heads

Salient feature: This statement gives details of revenue raised by the Government (tax- including devolution of Union tax and duties, non-tax, grants-in-aid from Union Government) and miscellaneous capital receipts

Source Data: Civil Accounts for March (Supplementary)/ VLC

Link Statements: Statement 2, 3, 9, 14 and Appendix – 8.

	Receipt Heads (Revenue Account)	
147	**A. Tax Revenue**	a) Check whether the figure under *Tax Revenue* in this statement tallies with the bookings under *Major Heads 0020 to 0045* in the VLC system. . b) Check whether the *Tax revenue* given in this Statement shown under Sector A- Tax Revenue is net figure taking into account the refunds under the Minor Heads concerned.

148	**B. Non Tax Revenue**	a) Check whether the figure under Non-*Tax Revenue* in this statement tallies with the bookings under *Major Heads 0046 to 1475* in the VLC system. b) Check whether Debt Relief/Debt waiver received and classified
149	**C. Grants in aid & Contributions**	a) Check whether under *Non Tax Revenue* and *Grants- in-aid* included in this sector, refunds of non tax revenue and grants-in-aid are mentioned separately against the specified Minor Head '*Deduct-Refunds*'. b) Check to ensure that no amount of proceeds transferred to States
150	**Grand Total**	Check whether the figure under *Total* in this statement is correctly arrived at
151	**Receipt Head (Capital Account)**	Check whether the figures under capital receipts are tallied with the
	***General Audit Checks*:**	
152	The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above	

<u>Statement 12 - Detailed Statement of Revenue Expenditure by Minor Heads</u>

Salient feature: This statement gives detailed account of revenue expenditure by minor heads under non-plan, plan and centrally sponsored scheme separately.

Source Data: VLC
Civil Accounts for March (Supplementary)

Link Statements: Statement No. 2, 4, 8, 10 and Appendix - 2, 3, 4 and 8

	Expenditure Heads (Revenue Account)	
153	**A. General Services**	a) Check whether the figures under *General Services* in this statement tallies with bookings under *Major Heads 2011 to 2075* in the VLC system. b) Check if Interest Relief
154	**B. Social Services**	Check whether the figures under *Social Services* in this statement tallies with bookings under
155	**C. Economic Services**	Check whether the figures under *Economic Services* in this statement tallies with bookings

156	**D. Grants in aid & Contributions**	Check whether the figures under *Grants-in-aid* in this statement tallies with bookings under *Major*
	General Audit Checks:	
157	a) Check whether the classification of expenditure into voted/charged and plan/non-plan in this statement are as per corresponding bookings in the VLC system. b) Check whether the charged expenditure figures in this statement are displayed in bold/italic letters. c) Check whether the percentage of increase/decrease during the current year shown in the statement has been correctly worked out. d) Check whether the amounts booked under *Minor Head 911-deduct Recoveries of Overpayments* are correct. e) The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above	

<u>Statement 13 - Detailed Statement of Capital Expenditure</u>

Salient feature: The Statement shows the Abstract of expenditure heads by capital (plan/non-plan, CSS/CPS) as available.

Source Data: Civil Accounts for March (Sup), VLC

Link Statements: Statement no. 1, 2, 4, 5, 10, 14, 17 and Appendix 2, 3, 6 and 8.

	Expenditure Heads (Capital Account)	
158	**A. Capital Account of General Services**	Check whether the figures of capital expenditure under *General Services* in this statement tallies with bookings
159	**B. Capital Account of Social Services**	Check whether the figures of capital expenditure under *Social Services* in this statement tallies with bookings
160	**C. Capital Account of Economic Services**	Check whether the figures of capital expenditure under *Economic Services* in this statement tallies with bookings
161	**Grand Total**	Check whether the figure of Grand Total is arrived at
	General Checks	
162	a) Check whether the charged expenditure in the statement is displayed in italics. b) Check whether the percentage of increase/decrease during the year shown in the statement is correctly worked out.	

Statement 14- Detailed Statement of Investments of Government

Salient feature: Details of investments of the State Government in Statutory Corporations, Government companies, other Joint Stock Companies, Co-operative banks, Societies etc., up to the end of the year and also giving the comparative summary of investment between share capital and debentures.

Source Data: Consolidated Abstracts, VLC data on *Minor Head 190 - 'Investment', 192- Investment in other non government institutions 195 – Investment in cooperative institutions,* material received from the institutions and previous year's Finance Accounts.

Link Statements: Statements 1,5, 11 and 13

	Section 1	
163	**Comparative summary government investment in share capital**	Check whether the totals of Sections 1 and 2 tally.
	Section 2	
164	**Details of investment**	a) Check whether the investment in share capital shown in this statement tallies with expenditure booked against the Minor Head '190 – Investments in corporations, companies, 192 – Investments in other non-government institutions and 195 – Investment in cooperatives' etc. Also check other Minor Heads in respect of investments prescribed in List of Major and Minor Heads of Accounts (e.g. Minor Head 107 and 108 under Major Head 4425, Minor Head 101 under Major Head 4855 etc. b) Check whether the investment shown in this statement is equal to the relevant Grant of Appropriation Accounts.

Statement 15- Detailed Statement on Borrowings and Other Liabilities

Salient features: This statement gives the detailed account of secured/unsecured borrowings of Government including borrowings and other liabilities, public debt and other interest bearing obligation during and up to the end of the year, maturity profile, repayment schedule and interest rate profile.

Source Data: Public Debt Ledger, Civil Accounts for March (Sup), Maturity profile prepared from the data of the Finance Department and material available in the books of Accountant General (A&E), Market Loans Broadsheet, Ways and Means Advance Register, Overdraft Register.

Link Statements: Statement No. 1, 2, 3, 4, 6, 10, 12, 17, 18 and Appendix -8.

165	**(a) Statement of Public Debt and Other Interest Bearing Obligations**	

166	**A. Public Debt**	Check whether the figure of *Public Debt* in this statement tallies with bookings under *Major Heads 6003, 6004* in VLC System.
167	**Small Savings, Provident Fund etc.**	Check whether the figure of *Small Savings, Provident Funds* in this statement tallies with bookings under *Major Heads* 8009 to 8032 in Statement 18
168	**Reserve Funds**	Check whether the figures of Reserve Funds tallies with the booking under Major Head 8115 to 8235
169	**Deposits**	Check whether the figure of *Deposits* in this statement tallies with bookings under *Major Heads 8336 to 8449* in VLC System.
170	**Annexure**	Check whether the figures of Annexure are getting agree with figures shown in Section (a) of the Statement

<u>Statement 16- Detailed Statement on Loans & Advances made by Government</u>

Salient features: This Statement gives details on loans and advances given by the Government, the changes in loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc and loans given for plan purposes and centrally sponsored schemes.

Source Data: Ledger

Link Statements: Statement No. 1, 2, 3, 4, 7, 9, 10, 11, 17 and Appendix -8.

	Section 1:	
	Major and Minor Head-wise details of Loans and Advances	
171	**A. Loans and advances**	a) Check whether the figures under Loans and Advances in this statement tally with bookings under Major Heads 6075 to 7615 in the VLC system. b) Check whether the amount advanced for plan purposes for each major head is shown separately and it is in conformity with the plan figure shown in MCA. c) Check if the figures of interest received and credited to revenue shown in the statement tally with corresponding figures in 'Statement 11 – under different Minor Heads below Major Head 0049

Statement 17- Detailed Statement on Sources & Application of funds for expenditure other than on revenue account

Salient features: This Statement gives capital and other expenditure (other than on revenue account) and the source of fund for the expenditure.

Source Data: Civil Accounts for March (Sup), Previous year's Finance Accounts, Contingency Fund Register, Ledger, Surplus/Deficit flowing from Revenue Transactions. And VLC data

Link Statements: Statement No. 1, 2, 4, 5, 7, 13, 15, 16, 18 and Appendix – 8.

172	**Capital & Other Expenditure**	Check whether the total figure of *capital expenditure* for different Sub-Sectors in this statement tallies with corresponding total of bookings under all *Major Heads* including unrecouped expenditure from Contingency Fund comprising of the Sub-Sectors in the VLC system.
173	**Capital Expenditure (Sub-Sector wise)**	
174	**Loans & Advances**	Check whether the total figures of *Loans & Advances* for different Sub-Sectors in this statement tallies with corresponding total of bookings under all *Major Heads* including unrecouped expenditure from Contingency Fund comprising of the Sub- Sectors in the VLC system.
175	**Total Capital & Other Expenditure**	Check whether the *total of capital and other expenditure* is correctly worked out
176	**Deduct: Contribution from Contingency Fund**	Check whether the figure of *Contributions from Contingency Fund* in this statement tallies with un- recouped balance of Contingency Fund.
177	**Contribution from Miscellaneous Capital Receipts**	Check whether the figure of *contribution from Miscellaneous Capital Receipts* in this statement equals the bookings under *Major Head 4000* in the VLC system.
178	**Contribution from Development Funds, Reserve Funds**	Check whether the figure of *contribution from Reserve Funds* (if debit) in this statement equal the bookings under *Major Heads 8115 to 8235* in the VLC system
179	**Net Capital and Other Expenditure**	Check whether the *net capital and other expenditure* is correctly calculated.
	Principal Sources of Funds	

180	**Debt**	a) Check whether the net figure (Receipt minus Disbursements) of *Contributions from Debt* in this statement tallies with bookings under *Major Head 6003-* in Statement 15 b) Check whether the net figure (Receipt minus Disbursements) of *Contributions from Loans & Advances from Central Government* in this statement tallies with bookings under *Major Head 6004* in Statement 15 c) Check whether the net figure (Receipt minus Disbursements) of *Contributions from Small Savings, Provident Fund etc*. in this statement tallies with bookings under *Major Heads 8009 to 8032* in Statement 18
181	**Other Obligations**	a) Check whether the figure of *Contribution from Other Obligations – Contingency Fund* in this statement equals the bookings under *Major Head 8000 less the unrecouped amount* in the VLC system b) Check whether amount which remained unrecouped in the previous year and recouped in current year is credited under Major Head 8000 c) Check whether the figure of *Other Obligations – Contingency Fund* tallies with corresponding figures in 'Statement 18. d) Check whether the figure of *Other Obligations - Reserve Funds* in this statement equal the credit balances under *Major Heads 8115 to 8235* in Statement 18 e) Check whether the figure of *Other Obligations - Reserve Funds* agree with the net figure (Receipts less Disbursements) under J-Reserve Funds. f) Check whether the figure of *Other Obligations – Deposits & Advances is* net (Receipts less Disbursements) figure and tallies with corresponding figure in 'Statement 18- g) Check whether the figure of O*ther Obligations - Suspense & Miscellaneous* in this statement equals the bookings under *Major Heads 8656 to 8680* in the VLC system h) Check whether the figure of *Other Obligations – Suspense & Miscellaneous is* net (Receipts less Disbursements) figure and tallies with corresponding figure in 'Statement 18 i) Check whether the figure of O*ther Obligations - Remittances* in this statement equals the bookings under *Major Head 8781 to 8797* in the VLC system. j) Check whether the figure of *Other Obligations – Remittances is* net (Receipts less Disbursements)
182	**Total – Debt & Other Receipts**	Check whether the *Total - Debt and Other Receipts* are correctly arrived at.
	Add	

183	**Adjustment on account of retirement/disinvestment**	Check whether adjustment on account of disinvestments shown is correctly arrived at.
184	**Cash Balance**	Check whether the *cash balance* shown in this statement is equal to the bookings under *Major Head 8999 – Cash Balance*.
185	**Investments**	Check whether the figure of Investments tallies with total investments (net of debit minus credit) under Reserve Funds and Cash Balance
	Add:	
186	**Amount closed to Government Accounts during year**	Check whether the figure under *Amount Closed to Government Accounts* equals the amount in *Appendix VIII Summary of Balances*
187	**Net – Provision of Funds**	Check whether the *net–provision of funds* in this statement is correctly arrived at
	General Checks	
188	a) Check whether the figure of Cash Balance agrees with the corresponding amount in 'Appendix VIII – Summary of Balances'. b) Check whether the difference between the net provision of funds and the net capital and other expenditure to the end of the year in the statement is explained properly. c) The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above	

<u>Statement 18- Detailed Statement on Contingency Fund and Public Account Transactions</u>

Salient features: This Statement shows the changes in Contingency Fund during the year, the appropriations to the Fund, expenditure, amount recouped etc. It also depicts the transactions in public account in detail.

Source Data: Transactions under Major Head 8000 and Ledger.

Link Statements: Statements 1, 2, 6, 10, 15, 17, 19 and Appendix -8.

189	**A – Contingency Fund**	a) Check whether the credits and debits to *Contingency Fund* shown in this Statement tallies with the bookings under the *Major Head 8000* in the VLC system. b) Check if the figure of Contingency Funds agrees with corresponding figure in the broadsheet maintained for it in Office of Accountant General (A&E). c) Check if the corpus of the Contingency Fund booked under *Major Head 8000* – tallies with confirmation received from the finance Department of the Government
190	**B – Public Account**	Check if the figures of heads of Account under public account agree with corresponding figures in Broadsheet maintained for this purpose in Office of

191	**I. Small Savings, Provident Fund etc**	a) Check whether the figure of *Small Savings, Provident Funds* in this statement tallies with bookings under *Major Heads* 8009 to 8032in VLC System. b) Check whether all the unclaimed deposits in *Major Head 8009 - General Provident Fund* have been transferred to the *Major Head 8443 – Civil Deposits*
192	**J. Reserve Funds**	a) Check whether the figure of *Reserve Funds* in this statement tallies with bookings under *Major Heads 8115 to 8235* in VLC System. b) Check whether interest on interest bearing Reserve Funds have been debited to *Major Head 2049* and credited to the Fund.
193	**K. Deposits & Advances**	a) Check whether the figure of *Deposits & Advances* in this statement tallies with bookings under *Major Heads 8336 to* 8550 in VLC System. b) Check whether interest on the interest bearing deposits have been debited to *Major Head 2049 –* and credited to the Deposit concerned.
194	**L. Suspense & Miscellaneous**	a) Check whether the figure of *Suspense & Miscellaneous* in this statement equals the bookings under *Major Heads 8656 to 8680* in the VLC system. b) Check whether balances under Suspense & Miscellaneous closing to Government Account in *Major Head 8680* are shown separately in this statement. c) Check whether the entire balance under *Major Head 8782*-00-101 has been transferred to Major Head 8999 d) Check whether entire balance under MH 8675-Deposit with Reserve Bank is transferred to MH 8999
195	**M. Remittances**	a) Check whether the figure of *contribution from other Obligations - Remittance* in this statement equals the bookings under *Major Head 8781 to 8797* in the VLC system. b) Check whether the balance under *Minor Head 101-* in *Major Head 8782-* is nil by transferring the balance to *Major Head 8999-Cash Balance-Remittance in Transit*
196	**N. Cash Balances**	a) Check whether the *cash balance* shown in this statement is equal to the bookings under *Major Head 8999*
197	**Common Audit Checks** a) The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above	

Statement 19- Detailed Statement on investment of earmarked funds

Salient features: This includes all debit balances under investments.

Source Data: Civil Accounts for March (Sup), Consolidated Abstracts, Ledger for Reserve Fund

Link Statements: Statements 6, 18 and Appendix -8.

	J. Reserve Funds	
198	**Reserve Funds bearing interest**	Check whether the figure of Reserve Funds in this statement tallies with bookings under Major Heads 8115 to 8235 in VLC System.
199	**Reserve Funds not bearing interest**	Check whether the classification into Reserve Funds bearing interest and not bearing interest is correctly done.
200	**Total Reserve Funds**	Check whether the total of Reserve Funds in this statement is correctly carried out and the balances agree with figures in corresponding Broadsheet maintained in Office of Accountant General (A&E).
	Sinking Funds	
	For Amortisation of loans	
201	**A. For amortisation of loans** **B. For depreciation of loans** **Grand Total** **Sinking Fund Investment Account**	a) Check whether statement tallies with balance under *Major Head 8222* in VLC System. b) Check whether on maturity of loan the amount paid is transferred to *Major Head 8680* – from *Major Head 8222-* . c) Check whether the appropriation to the fund is created by charging the concerned revenue head of account for amount inclusive of profit from investment from fund. d) Check whether charges for redemption of debt are charged only to *Major Head 2048- or Major Head 2049* . e) Check whether on maturity of the loan, the balance outstanding under this head is credited to the *Major Head 8680* f) Check whether the value of matured loans has been transferred to *Major Head 8680* - and compare the transfers with bookings in the Miscellaneous Government Account
202	**Common Audit Checks:** a) Check whether the Opening and Closing Balances of Cash, Investment and total of earmarked funds have been correctly indicated. b) The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above	

	Part III	
	Appendices	

Appendix II- Comparative Expenditure on Salaries

Salient features: This appendix includes salary payments on the basis of Departments and Major Heads relating to Plan, Non Plan and centrally sponsored schemes

Source Data: All Consolidated Abstracts

Link Statements: Statements 2, 4, 12 and 13.

	Contents	**Audit Checks**
203	**Names of:** **Department** **Major Head** **Description of Scheme** **Plan Schemes** **Non Plan** **Centrally Sponsored Schemes** **Total Salary Payments for Current Year** **Total Salary Payments for Previous Year**	a) Check whether the figure of *Salaries* in this statement tallies with totals of all the *Object Heads* relating to *'Pay, DA, HRA, CCA'* etc. across all Revenue *Major Heads 2011 to 3475 and Capital Major Heads 4055 to 5475* in VLC System. b) Check if the total of *Salaries* in this statement tallies with corresponding figure in 'Statement 4 - Expenditure by Nature'. c) Check if of *Salaries* in this statement tallies with corresponding figure in 'Statement 12 – Detailed Statement of Revenue Expenditure by Minor Heads'.

Appendix III-Comparative Expenditure on Subsidy

Salient features: This appendix includes subsidy payments on the basis of Departments and Major Heads relating to Plan, Non Plan and Centrally Sponsored Schemes

Source Data: All Consolidated Abstracts of all expenditure Major Heads in VLC System

Link Statements: Statements 2, 4, 12 and 13.

204	**Name of:** **Department** **Major Head** **Description** **Plan** **Non plan** **Centrally Sponsored Schemes** **Total Subsidy payments for current year and Total Subsidy for previous year.**	a) Check if the total of *Subsidy* in this statement equals totals of all the Object Heads relating to Subsidy across all *Major Heads 2011 to 3475 and Capital Major Heads 4055 to 5475 (if any)* in VLC System. b) Check if the total of *Subsidy* in this statement agrees with figure in 'Statement 4 - Expenditure by Nature'. c) Check if total of *Subsidy* in this statement agrees with figure at end of 'Statement 12 – Detailed Statement of Revenue Expenditure by Minor Heads'. d) Check if figure of *Subsidies (if any)* in this

Appendix IV- Grants in aid/Assistance given by the State Government		
Salient features:	It shows recipient-wise, scheme-wise details of Grant-in-aid for Plan, Non Plan and Centrally Sponsored Schemes for current year and previous year.	
Source Data:	All Consolidated Abstracts of Expenditure Major Heads in VLC System	
Link Statements:	Statements 2, 4, 8 and 12 and 13.	
205	**Information on:** **Recipient,** **Scheme,** **Plan,** **Non Plan** **CSS** **Total Grant in aid payments** **Grant in aid resulting in creation of capital assets for current year** **Grant in aid resulting in creation of capital assets for previous year**	a) Statement tallies with sum of the expenditure Classified under Object Head '31 Grants- in-Aid' 35-Grants for Creation of Capital Assets and Minor Heads 191, 192, 193, 196, 197 and 198 in All Revenue Expenditure Major Heads in the VLC System. b) Also Check if the figure of *Grants-in-aid* in this statement agrees with Statement 13 (if any) c) Check if the figure of *Grants-in-aid* in this statement agrees with figure in Statement 4 of Volume 1 Expenditure by nature. d) Check if figure of *Grants-in-aid* in this statement agrees with corresponding figure at end of 'Statement 12 – Detailed Statement of revenue Expenditure by minor heads'.
Appendix V-Details of externally aided projects		
Salient features:	This appendix shows external aid approved, received and to be received as loan or grant as well as amount of loan repaid and remaining to be paid and expenditure incurred on the project.	
Source Data:	Information furnished by State Government, Information from Central Plan monitoring systems, Sanctions received from Government of India for release of funds	
Link Statements:	Nil	
206	**Information on:** **Aid agency** **Scheme or project** **Total approved assistance** **Amount received as Loan and amount yet to be received** **Amount received as Grant and amount yet to be received** **Amount of loan repaid and remaining to be repaid Expenditure up to previous year** **Expenditure for current year**	a) Check the receipts of *Grants-in-aid and Loans* received indicated in the statement tallies with corresponding bookings under the relevant *Revenue/ Loans Major Heads* in the VLC system. b) Check whether *Expenditure on projects* shown in this statement tallies with corresponding bookings under the concerned *Revenue/Capital Expenditure Major Heads* in the VLC system

Appendix VI-Plan Scheme Expenditure

Salient features: This appendix shows details of outlay, budget allocation and expenditure on central plan schemes and State Plan Schemes.

Source Data: Bookings under Sub head or below under different expenditure Major Heads, Central Plan Scheme Monitoring System, Budget documents.

Link Statements: Statement 12, 13 and 16.

207	**A: Central Plan Scheme Expenditure Information on:** Government of India Scheme State Scheme Budget Provision Actual Expenditure showing GOI releases State Share Total expenditure for current year Total expenditure for previous year **B: State Plan Scheme Expenditure Information for two years (current and last year) on:** State Scheme Nature of Scheme (TSP/SCP/Normal) Plan Outlay Budget Allocation Expenditure	a) Check whether the expenditure on the schemes in this statement tallies with corresponding details of the scheme available under the designated *Sub-Head or below* under the relevant *Major Head (revenue/capital expenditure head).* b) Check the details of *Outlay, Budget and Expenditure* relating to previous years as shown in this statement tallies with corresponding figures in accounts of previous years.

Appendix VIII - Summary of Balances

Salient features: This appendix shows the cumulative figures of Debit and Credit separately under Consolidated Fund, Contingency Fund and the Public Account. It also shows Opening Cash Balance of the Government at the beginning of the year and closing Cash Balance at the year.

This statement includes an Explanatory Note on "Government Account".

Source Data: Civil Accounts for March (Supplementary), Consolidated Abstracts of functional Major Heads, Ledger for Debt Deposit and Remittance Heads of Account, information collected from Revenue Receipt Audit wings of Office of Accountant General (Audit) regarding taxation changes, previous year's Finance Accounts and Contingency Fund Register.

Link Statements: Statement No. 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 15, 16, 17, 18 and 19

208	**Consolidated Fund** **Contingency Fund** **Public Account** **Debit balance, Sector of the General Account, Credit balance** **Annexure showing Loans for which acceptances awaited from Loanee, period of pendency of acceptance and amount outstanding**	a) Check whether total of the two sides (Debit Balances and Credit Balances) tally. b) Check whether the *Debit and Credit Balances* in this statement tallies with corresponding bookings under *E- Public Debt, F- Loans and Advances, Major Head 8000 - Contingency Fund, I – Small savings etc., J- Reserve Funds, K-Deposits & Advances, L-Suspense & Miscellaneous, M- Remittances and N- Cash Balance* in the VLC system. c) Check whether receipts in *B- Receipt Heads (Revenue Account)* shown in details portion of this statement tallies with bookings under receipts in relevant *Major Heads (Revenue Receipt Account)* in the VLC system. d) Check whether the *receipts in C-Receipt Heads (Capital Account)* shown in details portion of this statement tallies with bookings under receipts booked under *Major Heads (Capital Receipts)* in the VLC system. e) Check whether expenditure in *D- Expenditure Heads (Revenue Account)* shown in details portion of this statement tallies with bookings under expenditure in relevant *Major Heads (Revenue Expenditure Account)* in the VLC system. f) Check whether the *expenditure in Expenditure Heads (Capital Account)* shown in details portion of this statement tallies with bookings under expenditure booked under *Major Heads (Capital Expenditure)* in the VLC system. g) Check whether the figure of Contingency Fund shows the Credit balance available as on 31st March (Statement No. 18) h) Check whether Explanatory Note on Allocable Capital Outlay consequent on reorganization of States which is yet to be settled is provided. The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above.

<u>Appendix XI-</u>

<u>Maintenance Expenditure with segregation of salary and non salary expenditure</u>

Salient features: This appendix contains maintenance expenditure classified as salary and non salary for different grants

Source Data: VLC System and Information collected from Government

Link Statements: Statement 4.

209	**Information on:** **Grant Number and Name** **Head of account from Major Head to Object Head Classification into Plan and Non Plan Description of work** **Component of expenditure classified as:** **Salary** **Non salary** **Total**	a) Check whether the expenditure indicated in this Statement with the expenditure booked at Object Head level of the Revenue/Capital Major Heads in VLC System
	Category 3-Report Assisted Check	

Statement – 7- Statement of Loans and Advances given by the Government

Salient features: In this Statement, Loans and Advances forming part of F- Loans & Advances of Consolidated Fund are summarised sector-wise and loanee-wise and group-wise.

The loans and advances given by the State Government are depicted in Statement 1 and recoveries, disbursements feature in Statements 2, 3& 4.

Source Data: Consolidated Abstract of Major Heads under Loan (Receipt/Disbursements) and the bookings in the Ledger, Loans Broadsheet of loans maintained by Office of Accountant General (A&E)

Link Statements: Statement 1, 2, 3, 4, 16, 17 and Appendix -8.

210	**Section 2: Summary of Loans and Advances – Sector-wise** -General Services -Social Services -Economic Services -Loans to Government Servants -Loans for miscellaneous purposes **Section 3 – Summary of repayment in arrears – Loanee Group-wise**	Check whether the write off of loans if any is with proper authority

Statement 12- Detailed Statement of Revenue Expenditure by Minor Heads

Salient feature: This statement gives detailed account of revenue expenditure by minor heads under non-plan, plan and centrally sponsored scheme separately.

Source Data: VLC, Civil Accounts for March (Supplementary)

Link Statements: Statement No. 2, 4, 8, 10 and Appendix - 2, 3, 4 and 8

	Expenditure Heads (Revenue Account)
	General Audit Checks:
211	a) Check if Grants-in-aid given to Local Bodies and transfer to Deposit are not classified under Capital Section instead of Revenue Section. b) Check the correctness of bookings of significant expenditure if any under Minor Head '800 Other expenditure' and incorporation of suitable footnote in this regard.

Statement 13- Detailed Statement of Capital Expenditure

Salient feature: The Statement shows the Abstract of expenditure heads by capital (plan/non-plan, CSS/CPS) as available.

Source Data: Civil Accounts for March (Sup), VLC

Link Statements: Statement no. 1, 2, 4, 5, 10, 14, 17 and Appendix 2, 3, 6 and 8

	Expenditure Heads (Capital Account)
	Common Audit Checks
212	a) Check to see that expenditure in this statement excluding expenditure met from the Contingency Fund as advance which remained un-recouped before the close of the year tallies with corresponding figures in Appendix 1 of Appropriation Accounts. b) Check to verify that the amount of advance taken in previous year/years and recouped during current year is included in expenditure figures and check the same also with corresponding figures in previous year's Finance Accounts and there is appropriate disclosure through footnote. c) Check whether minus expenditure if any in the capital expenditure in the statement are explained suitably. d) Check if significant expenditure if any booked under Minor head "800-Other Expenditure' is correctly classified. e) Check whether the transfers appearing under *Minor Head '902'* across different *Major Heads* invariably disclose the name of the Reserve Fund and full classification of accounts where the amounts have been transferred are explained by way of suitable footnote. f) Check whether the investment figures appearing under minor head '190' across different Major heads invariably discloses the name of the undertaking and tally with the investment figure appearing in Statement 14

Statement 14- Detailed Statement of Investments of Government

Salient feature: Details of investments of the State Government in Statutory Corporations, Government companies, other Joint Stock Companies, Co-operative banks, Societies etc., up to the end of the year and also giving the comparative summary of investment between share capital and debentures.

Source Data: Consolidated Abstracts, VLC data on *Minor Head 190 - 'Investment', 192- Investment in other non government institutions 195 – Investment in cooperative institutions*, material received from the institutions and previous year's Finance Accounts.

Link Statements: Statements 1,5, 11 and 13

	Contents	**Audit Checks**
213	**Section 1** **Comparative summary of government investment in share capital**	Check whether the totals of Sections 1 and 2 tally.
	Section 2	

214	**Details of investment**	a) Check the correctness of Pro-forma corrections if any carried out on the progressive expenditure and explained in appropriate footnotes. (report) b) Check if the product obtained by multiplying the number of shares by the face value of each share agrees with the amount shown as investment and difference, if any are explained in 'remarks' column or in footnotes. (report) c) Check if details of bonus shares received if any are indicated in footnotes. d) Check if the total of *dividends received* tallies with the figures booked under *Major Head 0050-Dividend and Profits* in Statement 11 and if difference exists whether they are explained in footnotes. (report)
<u>Statement 18- Detailed Statement on Contingency Fund and Public Account Transactions</u> **Salient features:** This Statement shows the changes in Contingency Fund during the year, the appropriations to the Fund, expenditure, amount recouped etc. It also depicts the transactions in public account in detail. **Source Data:** Transactions under Major Head 8000 and Ledger. **Link Statements:** Statements 1, 2, 6, 10, 15, 17, 19 and Appendix -8.		
215	**J. Reserve Funds**	a) Check whether there are inoperative Reserve Funds for long period which can be closed. b) Check whether fund-wise break-up has been given by way of footnote for the figures under the *Minor Head 'Other Funds'.* c) Check whether the expenditure met from the Fund is limited to cash balance available in the Fund and investments are not utilized unless they are first disinvested and then used for meeting expenditure.

216	**K. Deposits & Advances**	a) Check age-wise analysis of the figures under Deposits & Advances to ensure reasonableness of balances and existence of any irrecoverable advance needing write off. b) Check whether deposits liable for transfer to lapsed deposits have been transferred. c) Check whether reconciliation of Personal Deposit Accounts/Personal Ledger accounts with administrators of the accounts is done and the balances in *Minor Head 106 under Major Head 8443- Civil Deposits* are realistic and all inoperative accounts are closed.
217	**L. Suspense & Miscellaneous**	Check whether write off from heads of account closing to balances booked under *Major Head 8680-* is treated as closed to government account and net of the current year's transaction is taken on debit side or credit side as the case may be and
218	**Annexure showing analysis of suspense balances and remittance balances**	a) Check whether the balances shown under the annexure tally with balances in the Broadsheet maintained for the Suspense & Remittance Heads in
	Common Audit Checks	
219	a) Check whether the balances under various sectors, have the following type of balance: E-Public Debt - Credit balance F-Loans and advances - Debit balance Contingency Fund - Credit Balance (Total Fund amount less un-recouped amount). I- Small Savings - Credit balance. J-Reserve Funds - Credit Balance (net). Investment account - Debit balance. K-Deposits - Credit balance 8550 Civil Advance - Debit balance	
<u>Statement 19- Detailed Statement on investment of earmarked funds</u> **Salient features:** This includes all debit balances under investments. **Source Data:** Civil Accounts for March (Sup), Consolidated Abstracts, Ledger for Reserve Fund **Link Statements:** Statements 6, 18 and Appendix -8.		
220	**Sinking Fund Investment Account**	Check whether the discharges booked if any are correct from the basic sale records communicated by Public Debt Office or other
	Category-4-Manual Check	

Statement-2- Statement of Receipts and Disbursements **Salient Features:** This Statement shows the summary of Receipts and Disbursements for the year under Consolidated Fund, Contingency Fund and Public Account of Government. **Source Data:** Civil Accounts for March (Supplementary) **Link statements:** Statement No. 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16, 17 and 18, and Appendix– 2,3,4 and 8.		
221	**Receipt** **Part-I-Consolidated Fund** **Section A- Revenue** **Revenue Receipts**	Check whether the figure in the Statement tallies with the Total Revenue Receipts shown in Monthly Civil Accounts (MCA) for March Supplementary
222	*Tax Revenue (Raised by the State)*	Check whether the figure of *Tax Revenue (Raised by the State)* agree with the totals of bookings under *Major Heads 0020 to 0045*excluding minor head 901 in Statement 11
223	*Non-Tax Revenue:*	Check whether the figure in the Statement tallies with the Total Non-Tax Revenue shown in Monthly Civil Accounts
224	*- Interest Receipts*	Check whether the total of Interest Receipts in this statement agrees with total of Major Head 0049- Interest Receipts shown in Monthly Civil Accounts (MCA)
225	*-Others*	Check whether the figure shown against *Others* in this statement agrees with corresponding bookings under the Revenue Receipts *Major Heads 0046 to 1475* excluding the *Major Head 0049 – Interest Receipts* shown in MCA
226	*Total*	Check whether the *total* in this statement is correct
227	Share of Union Taxes/Duties	Check whether the figure in the Statement tallies with the sum of figures under the minor head 901 under MHs 0020 to 0045 in Statement 11
228	Grants from Central Government	Check whether the figure in the Statement tallies with the figure shown under MH 1601 in MCA
229	Revenue Deficit	Check *Revenue Deficit* shown in this statement is correctly calculated in cases where revenue expenditure exceeds revenue receipts
230	**Section-B- Capital** **Capital Receipts**	Check whether the figure in the Statement tallies with the figure shown under MH 4000 in MCA

231	**Recoveries of Loans & Advances**	Check whether the figure in the Statement tallies with the Receipts shown under F-Loans and Advance in MCA
	Public Debt Receipt	
232	- Internal Debt	Check whether the figure in the Statement tallies with the Receipts shown under MH 6003 in MCA
233	- Loans from GOI	Check whether the figure in the Statement tallies with the Receipts shown under MH 6004 in MCA
234	**Net of Inter State Settlement**	Check whether the figure in the statement tallies with net in booking under MH 7810 in MCA
235	Total Receipts Consolidated Fund	Check correctness of the *Total Receipts in Consolidated Fund* in this statement
236	Deficit in Consolidated Fund	Check if the deficit if any shown in this statement is correctly calculated
237	**Part II-Contingency Fund** Contingency Fund	Check whether the figure in the Statement tallies with the Receipts shown under MH 8000 in MCA
	Part III-Public Account	
238	Small Savings & Provident Fund etc	Check whether the figure in the statement tallies with the Total Receipts shown under 'I- Small Savings, Provident Funds, etc.' in MCA
239	Reserves & Sinking Funds	Check whether the figure in the statement tallies with the a Total Receipts shown under 'J. Reserve Funds' in MCA
240	Deposits	Check whether the figure in the statement tallies with the Total Receipts shown under MHs- 8342 to 8449 in MCA
241	Advances	Check whether the figure in the statement tallies with the Receipts shown under MH 8550 in MCA
242	Suspense & Miscellaneous	Check whether the figure in the statement tallies with the a Total Receipts shown under 'L- Suspense and Miscellaneous' in MCA
243	Remittances	Check whether the figure in the statement tallies with the Total Receipts shown under 'M- Remittances' in MCA
244	Total Receipts – Public Account	Check whether the *Total Receipts* in this statement is correctly arrived at
245	Deficit in Public Account	Check Deficit in Public Account if any has been correctly calculated
246	Opening Cash Balance	Check if the Opening Cash Balance in this statement tallies with Closing Balance of previous year.

247	Increase in Cash Balance	Check if the *Increase in Cash Balance* in this statement tallies with the difference between closing and opening cash balance booked under *Major Head 8999- Cash*
	Disbursement Section-A-Revenue	
248	**Revenue Expenditure**	Check whether the figure in the Statement tallies with the Total Revenue Expenditure shown in Monthly Civil Accounts (MCA) for March Supplementary
249	-Salaries	Check if the figure under *Salaries* in this statement agrees with corresponding figure in 'Statement 4 - Expenditure by Nature'
250	-Subsidies	Check if the figure of *Subsidy* shown in this statement agrees with corresponding figure in *Expenditure by Nature* given in 'Statement 4 - Statement of Expenditure in Consolidated Fund'.
251	-Grants-in-aid	Check if the figure of *Grants-in-Aid* in this statement agrees with figure in Statement 4 of Volume 1 Expenditure by nature
	General Services	
252	Interest Payments & Service of debt	Check whether the figure in the statement tallies with the figure shown under Interest payment and servicing of debt in MCA
253	Pension	Check if the figure in the Statement tallies with the figure shown under MH 2071 in MCA
254	- Others	Check if the figure under *Others* in this statement agrees with the bookings under all *Object Heads excluding those relating to 'salaries, subsidy, grants-in-aid, Interest payments & service of debt and pension'* under *Major Heads 2011 to 2075* in the VLC System.
255	Total-General Services	Check if the *Total* indicated in this statement is correctly worked out
256	**Social Services**	a) Check if the figure of *Social Services* in this statement agrees with the bookings under the *Major Heads 2202 to 2251* after excluding bookings under *Object Heads 'Salaries, Subsidy and Grants-in-aid'* under these *Major Heads in the VLC System* b) *Check whether sum of figure of Social Services in this statement and Object Heads relating to 'Pay, DA, HRA, CCA, Subsidies and Grants- in- aid'* under this sector tallies with the corresponding total in 'Statement 12

257	**Economic Services**	Check if the figure of *Economic Services* in this statement agrees with the bookings under *Major Heads 2401 to 3475* after excluding bookings under *Object Heads* '*Salaries, Subsidy and Grants-in-aid*' under these Major Heads
258	**Compensation & Assignments to Local Bodies & Panchayati Raj Institutions**	Check if the figure in the Statement tallies with the figure under MH 3604 3606 in MCA
259	Revenue Surplus	Check *Revenue Surplus* if any shown in this statement is correctly calculated in cases where revenue receipts exceed revenue expenditure.
	Section B – Capital	
260	**Capital Expenditure**	Check if the figure in the Statement tallies with the figure shown under Total Capital Expenditure in MCA
261	-Salaries	Check if the figure of *Salaries* in this statement agrees with corresponding figure in Expenditure by nature under 'Statement 4 – Statement of Expenditure in Consolidated Fund'.
262	General Services	Check if the figure of *General Services* in this Statement tallies with the bookings under *Major Head 4055 to 4075* reduced by bookings under Object Heads relating to '*Pay, DA, HRA, CCA*' etc. in the VLC System
263	Social Services	Check if the figure under *Social Services* in this statement agrees with the bookings under *Major Heads 4202 to 4250* reduced by bookings under Object Heads relating to 'Pay, DA, HRA, CCA' etc. in the VLC System.
264	Economic Services	Check if the figure under *Economic Services* in this statement agrees with bookings under *Major Heads 4401 to 5475* reduced by bookings under Object Heads relating to 'Pay, DA, HRA, CCA' etc. in the VLC System
265	**Loans & Advances disbursed**	Check whether the figure in the Statement tallies with the Disbursements shown under F-Loans and Advance in MCA
266	General Services	Check if the figure under *Loans & Advances Disbursed* in this statement tallies with the bookings under *Major Head 6075* in MCA.
267	-Social Services	Check if the figure under *Social Services* in this statement agrees with the disbursements under *Major Heads 6202 to 6250* in MCA
268	Economic Services	Check if the figure under *Economic Services* in this statement agrees with the disbursements under *Major Head 6401 to 7475* in the MCA
269	Others	Check if the figure under *Others* in this statement agrees with the disbursements under *Major Heads 7610 to 7615* in the MCA
	Repayment of Public Debt	

270	-Internal debt (Market loans etc.)	Check whether the figure in the Statement tallies with the Disbursements shown under MH 6003 in MCA
271	Loans from Government of India	Check whether the figure in the Statement tallies with the disbursement in MH 6004 in MCA
272	**Net of Inter-State Settlement**	Check if the figures under *net of Inter-State Settlement* in this statement agrees with bookings under *Major Head 7810- Inter State Settlement* in MCA
273	Appropriation to Contingency Fund	Check if the figure under the Statement tallies with the figure shown under MH 7999 in MCA
274	Total Expenditure to Consolidated Fund	Check if the *Total Expenditure Consolidated Fund* in this statement is correctly arrived at
	Part II Contingency Fund	
275	Contingency Fund	Check if the figure under *Contingency Fund* in this statement tallies with the debit under *Major Head 8000-Contingency Fund* in the in MCA
	Part III-Public Account	
276	Small Savings & Provident Fund etc	Check whether the figure in the statement tallies with the Total disbursements shown under 'I- Small Savings, Provident Funds, etc.' in MCA
277	Reserves & Sinking Funds	Check whether the figure in the statement tallies with the a Total disbursements shown under 'J. Reserve Funds' in
278	Deposits	Check whether the figure in the statement tallies with the Total disbursement shown under MHs 8342 to 8449 in
279	Advances	Check whether the figure in the statement tallies with the disbursements shown under MH 8550 in MCA
280	Suspense & Miscellaneous	Check whether the figure in the statement tallies with the Total disbursements shown under 'L- Suspense and Miscellaneous in MCA
281	Remittances	Check whether the figure in the statement tallies with the Total Disbursement shown under 'M- Remittances' in MCA
282	Total Disbursements Public Account	Check if the *Total Disbursements Public Account* in this statement is correctly arrived at.
283	Surplus in Public Account	Check whether the *Surplus in Public Account* if any has been correctly calculated
284	Closing Cash Balance	Check if the *Closing Cash Balance* in this statement is correctly worked out.
285	Decrease in Cash Balance	Check if the *Decrease in Cash Balance* in this statement, if any, is equal to the difference between closing cash balance and opening cash balance and is correctly arrived at.

286	**General Check-** The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above	
<u>Annexure to Statement No. 2 - Cash Balances and Investments of Cash Balances</u> **Salient features:** This annexure shows the cash balances and investments of cash balances. This annexure also shows the ways and means position of the Government during the financial year **Source Data:** Transactions under Major Head 8999 **Link Statements:** Statement No. 1,15, 17, 18 and 19.		
	(a) General Cash Balance-	
287	**Cash in Treasuries**	Check in case of Banking Treasuries , balance is NIL
288	**Deposits with Reserve Bank Remittances in transit**	Check whether the *cash balance* shown in this statement is equal to the bookings under *Major Head 8999 – Cash Balance* in VLC system.
289	**Investment held in the Cash Balances Investment Account**	a) Check whether the *cash balance* shown in this statement is equal to the bookings under *Major Head 8673 – Cash Balance Investment Account* in VLC system. b) Check whether the figures in the statement tally with corresponding figures communicated by Reserve Bank of India.
	(b) Other Cash balance and Investments-	
290	**Cash with Departmental Officers**	Check whether the *cash balance* shown in this statement is equal to the bookings under *Major Head 8671 – Departmental Balance* in VLC system
291	**Permanent advances for contingent expenditure with departmental officers**	Check whether the *cash balance* shown in this statement is equal to the bookings under *Major Head 8672– Permanent Cash Imprest* in VLC system.
292	**Investments of earmarked funds**	Check whether the figures in the statement tallies with the corresponding figures in 'Statement 19 –Detailed Statement on Investments of Earmarked Funds'.
	***Common Audit Checks*:**	

293	a) Check whether the figures in the statement tallies with the corresponding figures in 'Statement 18 b) Check whether the latest position of reconciliation of Reserve Bank Deposit difference between the account figure and figure intimated by Reserve Bank of India has been exhibited by way of footnote. c) Check if the figures in the statement agree with the figures in Broadsheet maintained separately for this purpose in Office of Accountant General (A&E). d) Check whether following Explanatory Notes have been provided below the statement- i) Cash and Cash equivalents ii) Status of Daily Cash Balance iii) Limit for the Ways and Means Advances iv) Investments made from general cash balance e) Check whether the amounts of Ways and Means Advances mentioned in the Explanatory note agree with the figures shown under 6003-110 f) Check whether the number of days when Ways and Means Advances were availed mentioned in the Explanatory note is correct as per communications given by Reserve Bank of India and assertion received from Ministry of Finance of State Government. g) Check whether amounts of Ways and Means Advances mentioned in the Explanatory note tallies with corresponding figures in 'Statement No. 15 The figures in this annexure may also be checked with the corresponding figures available in the Link Statements mentioned above
	NOTES TO ACCOUNTS AND APPENDIX-I
294	Facts and figures given in 'Notes to Accounts and Appendix-I' may be checked with the details available in A&E office and various Statements/Appendices of Finance Accounts
<u>Statement-3 - Statement of Receipts in Consolidated Fund</u> **Salient Features:** This statement gives the revenue and capital receipts by functional major heads (revenue), grants-in-aid and debt receipts by sub-major head/minor head and loan receipts (sector head). **Source Data:** Monthly Civil Accounts for March (Supplementary) and VLC data **Link statements:** Statement No. 2, 6, 7, 11, 15, 16 and Appendix -8.	
295	**General Check:** Check if an explanatory note on 'Taxation Changes' has been incorporated in this statement.
<u>Statement 5</u> **<u>Statement of Progressive Capital Expenditure</u>** **Salient features:** This statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1 **Source Data:** Major Head Abstracts of Capital Expenditure **Link Statements:** Statement 1, 2, 4, 13, 17 and Appendix 8 and 10.	
296	**General Checks:** Check whether explanatory notes on (i) Return on Government Investments and (ii) Summary of Financial Results of the Working of the Departmentally Managed Government Undertakings as disclosed by the latest Proforma accounts are provided in the Statement.

Statement 6- Statement of Borrowings and Other Liabilities **Salient features:** This statement gives the borrowings (secured/unsecured) consisting of internal debt, borrowings from Government of India, Other Obligations and servicing of debt which are used to finance the fiscal deficit. **Source Data:** Consolidated abstract of receipts/disbursements relating to 6003, 6004 and transactions under I–small savings under provident funds, J-Reserve Funds and K-Deposits forming part of the Ledger. **Link Statements:** Statement 1, 2, 3, 4, 15, 17, 18, 19 and Appendix -8	
297	**General Checks:** a) Check whether the following Explanatory Notes have been provided in the Statement: i. Amortisation arrangement – Sinking Fund Account ii. Loans from National Small Savings Fund iii. Loans & Advances from Government of India iv. Market Loans v. Service of Debt vi. Appropriation for reduction or avoidance of debt.
Statement – 7 - Statement of Loans and Advances given by the Government **Salient features:** In this Statement, Loans and Advances forming part of F- Loans & Advances of Consolidated Fund are summarised sector-wise and loanee-wise and group-wise. The loans and advances given by the State Government are depicted in Statement 1 and recoveries, disbursements feature in Statements 2, 3& 4. **Source Data:** Consolidated Abstract of Major Heads under Loan (Receipt/Disbursements) and the bookings in the Ledger, Loans Broadsheet of loans maintained by Office of Accountant General (A&E) and VLC. **Link Statements:** Statement 1, 2, 3, 4, 16, 17 and Appendix -8.	

298	**Section 2: Summary of Loans and Advances – Sector-wise** **-General Services** **-Social Services** **-Economic Services** **-Loans to Government Servants** **-Loans for miscellaneous purposes** **Section 3 – Summary of repayment in arrears – Loanee Group-wise**	a) Check whether appropriate footnote is given for all cases of adverse balances (minus balances) b) Check whether the provisions of Indian Government Accounting Standards 3 – Loans & Advances regarding presentation in prescribed formats of summary statements loanee group- wise, sector-wise, fresh loans and detailed statements major and minor head-wise, repayments in arrears, fresh loans and advances made to those loanees in default of payment, loans in perpetuity etc are indicated correctly. c) Check from the loans broadsheet whether the recoveries in arrears are correctly carried out in respect of loans for which the Office of Accountant General (A&E) maintains detailed accounts. d) Check from the statement of loans received from the Government whether the recoveries in arrears are correctly calculated in respect of loans for which the Government maintains detailed accounts. e) Check whether the statements on outstanding loans and interest have been received from all departments for loans for which the detailed accounts are maintained by the department. f) Check whether the position of undertakings against which loans are outstanding and have gone under liquidation is disclosed by way of footnote.
<u>Statement – 8 - Grants-in-aid given by the Government</u> **Salient features:** This statement gives the position of grants-in-aid disbursed by theGovernment to PRIs/ULBs/PSUs/Autonomous bodies etc separately for grants paid in cash and in kind. **Source Data:** VLC **Link Statements:** Statement 2, 12 and Appendix -4		
299	**(i)**Grants-in-Aid paid in Cash to: Panchayati Raj Institutions Urban Local Bodies Public Sector Undertakings Autonomous Bodies Non-Government Organisations	**(a)** Check whether the figures of *Grants-in-aid paid in cash* in this statement tallies with bookings under *Minor Heads concerned*. under all Major Heads of Account in Revenue Expenditure. (Also verify the worksheet received from A&E office along with the Statement)
300	**(ii)Grants-in-Aid given in kind**	a) Check whether the figures indicated against *Grants-in-aid given in kind* are based on statements received from the Government. b) Check whether the figures of Grants-in-aid for creation of capital assets if any are attested by the appropriate audit authority in government. c) Check whether the classification of *Grants-in-aid* into plan and non plan are correctly indicated for selected

301	**General Check**	The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above.

Statement 9- Guarantees given by the Government

Salient features: This statement shows the position of guarantees given by the Government in respect of loans etc., raised by various companies/ corporations.

Source Data: Data supplied by Finance Department and database maintained by Central Audit Wing

Government orders, Information from institutions who is given guarantee, Annexure to budget documents, Copies of challan for remittance of guarantee commission/fees under minor head '108' of major head '0075'

Link Statements: Statements 11 in respect of receipt of guarantee commission/fees booked under *Major Head 0075 – Miscellaneous General Services*.

302	**A. Guarantees given by the State Government for repayment of loans, etc., raised by Statutory Corporations, Government Companies, Local Bodies and Other Institutions during the year and sums guaranteed out-standing on the 31st March in various sectors**	Check the correctness of total amount guaranteed, guarantee commission paid, guarantee payment if any invoked resulting in government making payment from information called for from the beneficiary of the guarantee.
303	**B. Particulars of the Guarantees**	a) Check the correctness of maximum amount of guarantees and outstanding amount of guarantees in respect of both principal and interest with corresponding information in the Budget documents and information received from Finance Department
		b) Check the correctness of guarantee commission with bookings under *Major Head 0075 – Miscellaneous General Services* 108 Guarantee Fee in Statement 11
		c) Check whether the totals of A, B and C sections of the Statement agree with each other.
		d) Check the correctness of waiver of commission with waiver sanction orders issued by the Government if any.
		e) Check whether limit prescribed under Article 293 of Constitution of India within which Government may give guarantee on the security of the Consolidated Fund of State has been fixed and if fixed whether they have been exceeded or not.

		f) Check arithmetical accuracy of outstanding figures of guarantee indicated in the statement.
		g) Check the correctness of bookings shown under the Guarantee Redemption Fund if any such fund has been set up and check if details of such fund are shown as explanation in the statement.
		h) Check if ceilings, if any, prescribed under the FRBM Act of the state for guarantees to be issued by the state has been exceeded or not.
		i) Check in cases of invocation of guarantees and the payment is made by the Government whether the paid amount has been separately shown in 'Statement 16 – detailed Statement of Loans & Advances given by the
		j) Check whether the following disclosures required under Indian Government Accounting Standards - 1 'Guarantees given by Government' have been made in the body of the Statement or by way of explanatory notes: a. Guarantee Redemption Fund – Creation, Balance etc. b. Guarantee fees – rates etc. c. Guarantee invoked - cumulative balances d. Letter of Comfort e. Limits f. Structured payment arrangement g. Disclosures – FRBM Act h. Designated Authority for Guarantee.

Statement 10

Statement of Voted and Charged Expenditure

Salient features: Shows the expenditure which are charged on the consolidated Fund of the State and those which are voted and their corresponding percentages.

Source Data: Consolidated abstract of expenditure by major heads.

Link Statements: Statement No 2, 4,6,12, 13, 16, 18 and Appendix -8.

304	**Disbursement under Public Debt, Loans &**	Check whether the expenditure booked as charged in this statement are relating to only those heads of account which are defined as charged under the Constitution of India.
305	**Inter-State Settlement and Transfer to Contingency Fund**	Check whether the charged and voted expenditure in the statement tallies with the net figure of charged and voted expenditure in the Appropriation Account.
306	**Total**	Check whether these figures tallies with the figures shown in Summary of Appropriation Accounts (Grand Summary)

Statement-11 -Detailed Statement of Revenue & Capital Receipts by Minor Heads **Salient feature:** This statement gives details of revenue raised by the Government (tax- including devolution of Union tax and duties, non-tax, grants-in-aid from Union Government) and miscellaneous capital receipts **Source Data:** Civil Accounts for March (Supplementary)/ VLC **Link Statements:** Statement 2, 3, 9, 14, and Appendix – 8.		
	Receipt Heads **(Revenue Account)**	
307	**C. Grants-in-aid & Contributions**	a) Check whether the figures under *Grants-in-aid & Contributions* in this statement tallies with the bookings under *Major Heads 1601* in the VLC system. b) Check whether the figures of Central tax transfer and Grants-in-aid tally with the records maintained in the Book Section of Office of Accountant General (A&E).
308	**Receipt Head Capital Account**	Check whether the receipts shown under MH 4000-102 – Bonus Share and MH 4000-104 Disinvestments are correct and linked with Statement No. 14
309	**General Checks:** a) Check whether significant amounts if any booked under Minor Head '800-Other Receipts' are correctly booked under this Head. b) Check whether the reasons for increase/decrease in Revenue Receipts in comparison with the previous year have been provided. c) Check whether the reasons for increase/decrease in Revenue Receipts with reference to the budget estimates and also the actual at sub-head/object head level from VLC database. d) Check whether all minus receipts other than those booked under Minor Head 900-Deduct Refunds are explained by way of footnote.	
Statement 12 - Detailed Statement of Revenue Expenditure by Minor Heads **Salient feature:** This statement gives detailed account of revenue expenditure by minor heads under non-plan, plan and centrally sponsored scheme separately. **Source Data:** VLC Civil Accounts for March (Supplementary) **Link Statements:** Statement No. 2, 4, 8, 10 and Appendix - 2, 3, 4 and 8		
	Expenditure Heads	
	(Revenue Account)	

310	***General Audit Checks:*** a) Verify whether the amount of Contingency Fund Advance taken in previous year and recouped during current year have been included in the expenditure figures in this statement and check their correctness with respect to corresponding figures in the previous year's Finance Account and whether the same is explained through footnote. b) Check whether minus expenditure if any included in this statement have been explained suitably by footnote. **c)** Verify whether expenditure met from the contingency fund as advance which remained un- recouped before the close of the year has been excluded from the expenditure figures shown in this statement and explained by way of footnote. d) Check whether the expenditure met from the contingency fund as advance which remained un- recouped before the close of the year compares with corresponding figures of Appendix 1 of the Appropriation Accounts. j) Check whether the following disclosures have been made under concerned Minor Head by way of footnote. i. Grant in aid expenditure ii. Subsidy expenditure iii. Expenditure on externally aided projects iv. Number of pensioners with type of pension/ amount booked under Major Head 2071 v. Number of pensioners being paid pension under 2235-60-102 vi. Break up of interest credited notionally on various provident fund accounts under 2049-03-104 k) Check the figures given in Annexure to this statement (Release of funds for major central schemes) are correctly worked out with reference to information in Central Plan Scheme Monitoring System (CPSMS) and the expenditure incurred by State. l) Check if the figures relating to transfer/contribution to Reserve Funds and expenditure met out of those funds are shown distinctly under the relevant Minor Heads (viz. '*797*' for transfer/contribution to concerned Fund Account' and '*902/903*' for transfer towards meeting the expenditure from the concerned Fund Account). Check also if full classification of accounts is given through footnote where such transfer has taken place m) Check if appropriate footnotes have been given regarding notional book adjustments carried out in the account and shown in this statement. n) Check whether the reasons for increase/decrease in revenue Expenditure in comparison with the previous year have been provided. Also check the reasons with reference to budget estimates and actual sub-head/object head level expenditure recorded in VLC

<u>Statement 13- Detailed Statement of Capital Expenditure</u>

Salient feature: The Statement shows the Abstract of expenditure heads by capital (plan/non-plan, CSS/CPS) as available.

Source Data: Civil Accounts for March (Sup), VLC

Link Statements: Statement no. 1, 2, 4, 5, 10, 14, 17 and Appendix 2, 3, 6 and 8.

	Expenditure Heads	
	(Capital Account)	

311	**Common Audit Checks** a) Check to see that expenditure in this statement excluding expenditure met from the Contingency Fund as advance which remained un-recouped before the close of the year tallies with corresponding figures in Appendix 1 of Appropriation Accounts. b) Check whether the amount of advance taken in previous year/years and recouped during current year in the statement tallies with corresponding figure in Finance Accounts of previous year. c) Check whether minus expenditure if any included in this statement have been explained suitably. d) Check whether variations in closing balance from previous year's accounts if any due to Proforma corrections are explained through suitable footnotes. e) Check whether any expenditure on account of Grants-in-aid, Subsidies out of Capital Account is explained through appropriate footnote.

<u>Statement 14 - Detailed Statement of Investments of Government</u>

Salient feature: Details of investments of the State Government in Statutory Corporations, Government companies, other Joint Stock Companies, Co-operative banks, Societies etc., up to the end of the year and also giving the comparative summary of investment between share capital and debentures.

Source Data: Consolidated Abstracts, VLC data on *Minor Head 190 - 'Investment', 192- Investment in other non government institutions 195 – Investment in cooperative institutions*, material received from the institutions and previous year's Finance Accounts.

Link Statements: Statements 1,5, 11 and 13

	Section 1	
312	**Comparative summary of government investment in share capital**	Check whether the totals of Sections 1 and 2 tally.
	Section 2	

313	**Details of investment**	a) Check whether the investment in share capital shown in this statement tallies with expenditure booked against the Minor Head '190 – Investments in corporations, companies, 192 – Investments in other non-government institutions and 195 – Investment in cooperatives' in the VLC System. b) Check whether Dividend declared on investments made by Government have been received and credited to Government Account on the basis of information from Companies in which the investment is made. c) Check if there is an explanation in the remark column in respect of dividend received during the current year which actually pertains to the earlier year or the dividend declared during the year not yet paid to Government. d) Check whether the 'remarks' column contains other relevant information e.g. purchase of shares at a discount, reasons for not declaring any dividend, losses incurred by the concerns, transfer of shares by the Government to other parties, concerns under liquidation etc. In the case of continuous losses, examine whether accumulated loss to the end of the year and the first year of loss are mentioned. e) Check if details of bonus shares received if any are indicated in footnotes. f) Check whether investments if any made from Revenue acc*ount has been expl*ained in footnote. g) Check whether figures under Section 3 are correctly exhibited with reference to Reconciliation Statement between 'Statement 13 and 'Statement 14 h) Check whether the figures shown under the column (8) - Percentage of Government Investment to the total paid up capital is correctly exhibited. i) Check whether the type of investment indicated in column (4) is correct. j) Check whether all the investments shown in the statements are confirmed by Government departments as well as concerned undertakings.
	Common Audit Checks	
314	The figures in this statement may also be checked with the figures available in the Link Statements mentioned above	

Statement 15- Detailed Statement on Borrowings and Other Liabilities		
Salient features:	This statement gives the detailed account of secured/unsecured borrowings of Government including borrowings and other liabilities, public debt and other interest bearing obligation during and up to the end of the year, maturity profile, repayment schedule and interest rate profile.	
Source Data:	Public Debt Ledger, Civil Accounts for March (Sup), Maturity profile prepared from the data of the Finance Department and material available in the books of Accountant General (A&E), Market Loans Broadsheet, Ways and Means Advance Register, Overdraft Register.	
Link Statements:	Statement No. 1, 2, 3, 4, 6, 10, 12, 17, 18 and Appendix -8.	
	(b) Statement of Public Debt and Other Interest Bearing Obligations	
315	**B. Public Debt**	a) Check whether the figures shown under '*interest paid*' column agree with corresponding figures in 'Statement 12- Detailed Statement of Revenue Expenditure by Minor Heads'. b) Check whether details of new loans raised have been disclosed by way of footnote
	Annexure	
316	**(a) Maturity Profile**	Check if the *Maturity Profile* of loans are correctly indicated in the statement by comparing with Loan
317	**(c)Interest Rate Profile of outstanding loans**	Check if the *interest rate profile* shown in the Statement is correct with reference to loan documents.

318	**Common Audit Checks-** a) Check whether in case of Provident Fund maintained by the State Government, the figures in the statement tallies with the details submitted by the State Government to A&E office. b) Check if discharge of loans in current year as shown in the Annexure to the Statement tallies with the figures under relevant heads of Detailed Appropriation Accounts. c) Check adverse balances if any are suitably explained. d) Check if variations in Opening Balance with reference to previous year due to proforma corrections or otherwise if any are explained suitably. e) Check if unclaimed matured market loan balances outstanding at the end of the year if any are transferred proforma from Market Loans bearing interest to Market Loans not bearing interest and are explained suitably though footnote. f) Check if figures of *outstanding market loans* agree with corresponding figures communicated by Reserve Bank of India. g) Check if Debt Relief/Debt Waiver received and classified under *Major Head 0075*and Interest Relief if any classified under *Major Head 2049* are qualified through footnotes. h) Make independent confirmation of the outstanding balances from the creditor as per their books and verify differences if any communicated by the Creditor like LIC, GIC, NABARD, Banks, various Ministries of Government of India etc from whom borrowings have been made. i) Check whether figures of statement (b) – Maturity Profile and statement (c) – Interest Rate Profile are agreed with figures of statement (a) – Public Debt and other obligations j) Check if total of Annexure to this Statement agrees with total of the main Statement. k) Check if the opening balances in this statement tallies with the Closing Balance of previous year and whether differences if any are explained in footnotes. l) Cross check the figures in the statement with corresponding figures in detailed Appropriation Accounts and records maintained in the Book Section/Loans Sections/Funds Sections in Office of AG (A&E). m) The figures in this statement may also be checked with the corresponding figures available in the Link Statements mentioned above

<u>Statement 16-Detailed Statement on Loans & Advances made by Government</u>

Salient features: This Statement gives details on loans and advances given by the Government, the changes in loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc and loans given for plan purposes and centrally sponsored schemes.

Source Data: Ledger

Link Statements: Statement No. 1, 2, 3, 4, 7, 9, 10, 11, 17 and Appendix -8.

	Section 1:	
	Major and Minor Head-wise details of Loans and Advances	

319	**B. Loans and advances**	a) Check whether the write off of loans if any is with proper authority b) Check whether total write off shown in the statement tallies with the sum of amount shown under minor heads 792 and 795 in Statement 12 c) Check whether the percentage of increase/decrease during the year shown in the Statement is correctly worked out d) Check whether appropriate footnote is given for all cases of adverse balances
	Section 2	
320	**Repayment in arrears from Other Loanee Entities** **Additional Disclosure** **i) Fresh loans and advances made during the year** **ii) Loan sanctioned as 'loan in perpetuity'** **iii) Loans granted by the Government for which terms and conditions are yet to be settled** **iv) Fresh loans and advances made during the year to the loanee entities from whom repayments of earlier loans are in arrears.**	a) Check whether the information, regarding balances outstanding in this statement tally with the detailed accounts maintained by the Departmental Officers on sample basis and those kept by the Office of Accountant General (A&E). b) Check if non-receipt of information from Government if any is specifically disclosed. c) Check if figures of Loans & Advances agree with the corresponding figures in Loans Broadsheet for this purpose maintained in Office of Accountant General (A&E). d) Check whether there are loans and advances in respect of which the terms and conditions for repayment have not been settled and the fact is specifically disclosed. e) Check if there are concerns which have gone under liquidation and from which the recovery of loan is outstanding and verify whether appropriate disclosure is made. f) Check reasons for minus balance if any and verify whether footnote is added to explain the reasons for minus balances. g) Check whether footnotes are provided for the Loans advanced out of Contingency Fund and are in agreement with corresponding figures in 'Appendix – 1 of Appropriation Accounts'.

Statement 18- Detailed Statement on Contingency Fund and Public Account Transactions

Salient features: This Statement shows the changes in Contingency Fund during the year, the appropriations to the Fund, expenditure, amount recouped etc. It also depicts the transactions in public account in detail.

Source Data: Transactions under Major Head 8000 and Ledger.

Link Statements: Statements 1, 2, 6, 10, 15, 17, 19 and Appendix -8.

321	**J. Reserve Funds**	Check whether Footnotes have been provided to link up the contribution to/expenditure out of reserve funds with Statement 12.

322	**L. Suspense & Miscellaneous**	a) Check whether debit column (disbursements) in the statement is nil since paid cheques issued by treasury officers should be accounted as Minus Debits under respective *Minor Heads namely 101-Preaudit Cheque, 103-Departmental Cheque, 104-Treasury Cheque, under Major Head 8670- Cheques and Bills*. b) Check whether *Major Head 8673* which is part of *L-Suspense* is shown separately. c) Check whether the balances under "Suspense and Miscellaneous" are not kept outstanding for long period and steps have been taken for their clearance. d) Check whether write off from heads of account closing to balances booked under *Major Head 8680-Miscellaneous Government Account* is sanctioned by competent authority (C&AG/Accountant
323	**Annexure showing analysis of suspense balances and remittance balances**	Check whether the impact of outstanding on cash balance shown in column (7) is given correctly.
324	***Common Audit Checks*** Check whether there is explanation given for Minus Balances if any.	

<u>Statement 19- Detailed Statement on investment of earmarked funds</u>

Salient features: This includes all debit balances under investments.

Source Data: Civil Accounts for March (Sup), Consolidated Abstracts, Ledger for Reserve Fund

Link Statements: Statements 6, 18 and Appendix -8.

325	***Common Audit Checks:*** a) Check whether fund-wise break up has been given by way of footnote for the figures under *Minor Head- Other Funds*. b) Check whether the investments shown under this statement are really in existence with reference to the confirmation received from the Government department or the authority with whom the investment is made e.g. Sinking Fund Investments are with Public Debt Office, RBI.(The details of investments are listed in the individual broadsheets). c) Check whether there are huge Cash balances without or negligible investments. If such balances exist the same may be considered for incorporation in the Audit Report as these figures are only notional cash balances showing unrealistic position of Reserve Funds.
	Part III Appendices

<u>Appendix IV</u>

<u>Grants in aid/Assistance given by the State Government</u>

Salient features: It shows recipient-wise, scheme-wise details of Grant-in-aid for Plan, Non Plan and Centrally Sponsored Schemes for current year and previous year.

Source Data: All Consolidated Abstracts of Expenditure Major Heads in VLC System

Link Statements: Statements 2, 4, 8 12 and 13.

326	**Information on:** **Recipient,** **Scheme,** **Plan,** **Non Plan,** **CSS** **Total Grant in aid payments** **Grant in aid resulting in creation of capital assets for current year** **Grant in aid resulting in creation of capital assets for previous year**	a) Check if the details of *Schemes* in this statement are complete by cross verification with Plan documents and Budget document b) Check whether the figure of *Grants-in-aid* in this statement agrees with the corresponding total of grants-in aid resulting in creation of capital assets indicated in the audited information furnished by the Auditor of Local Funds.

Appendix V

Details of externally aided projects

Salient features;	This appendix shows external aid approved, received and to be received as loan or grant as well as amount of loan repaid and remaining to be paid and expenditure incurred on the project.
Source Data:	Information furnished by State Government, Information from Central Plan monitoring systems, Sanctions received from Government of India for release of funds
Link Statements:	Nil

327	**Information on:** **Aid agency** **Scheme or Project** **Total approved assistance** **Amount received as Loan and amount yet to be received** **Amount received as Grant and amount yet to be received** **Amount of loan repaid and remaining to be repaid** **Expenditure up to previous year** **Expenditure for current year**	a) Check whether the *information on externally aided projects* in the statement is complete by cross verification with details available in Plan documents and budget documents. b) Check the figure of *Grants-in-aid/Loans* in this statement released through Government of India tallies details in sanction orders issued by Ministries of Government of India and entries in Central Plan Scheme Monitoring System if details are available therein c) Check whether the balances of *Loans* shown in this statement tallies with information in the corresponding *Loans Broadsheets* maintained in the Office of Accountant General (A&E) where AG (A&E) maintains detailed accounts and from the department al authorities where the department maintains such d) detailed accounts

Appendix VI - Plan Scheme Expenditure

Salient features: This appendix shows details of outlay, budget allocation and expenditure on central plan schemes and State Plan Schemes.

Source Data: Bookings under Sub head or below under different expenditure Major Heads, Central Plan Scheme Monitoring System, Budget documents.

Link Statements: Statement 12, 13 and 16.

328	**A: Plan Scheme Expenditure Information on:** Government of India Scheme State Scheme Budget provision Actual Expenditure showing GOI releases State share Total expenditure for current year Total expenditure for last year	a) Check whether the information on *Schemes* shown in this statement tallies with corresponding details in the Plan documents and Budget documents of the state. b) Check whether the information on *Schemes* shown in this statement tallies with corresponding details available in the Central Plan Scheme Monitoring System. c) Check whether the break-up of total expenditure into 'Tribal Sub Plan' and 'Special Component Plan', 'Normal' etc. have been given at the end of 'Appendix –VI A.'
329	**B: State Plan Scheme Expenditure Information for two years (current and last year) on:** State Scheme Nature of Scheme (TSP/SCP/Normal) Plan Outlay **Budget Allocation** **Expenditure**	

Appendix VII - Direct transfer of Central Scheme Funds to Implementing Agencies in the State

Salient features: This appendix gives details of funds transferred by Government of India to program/project implementing agencies without routing the funds through the budget of the State Government. This statement is unaudited

Source Data: Central Plan Scheme Monitoring System

Link Statements: Nil

330	**Information on:** **Government of India Scheme** **Implementing Agency** **Government of India release of funds for current year** **Government of India release of funds for previous two years.**	Check whether the fact that *this statement is unaudited* is specifically mentioned in the title of the Statement.

Appendix VIII - Summary of Balances

Salient features: This appendix shows the cumulative figures of Debit and Credit separately under Consolidated Fund, Contingency Fund and the Public Account. It also shows Opening Cash Balance of the Government at the beginning of the year and closing Cash Balance at the year.

This statement includes an Explanatory Note on "Government Account".

Source Data: Civil Accounts for March (Supplementary), Consolidated Abstracts of functional Major Heads, Ledger for Debt Deposit and Remittance Heads of Account, information collected from Revenue Receipt Audit wings of Office of Accountant General (Audit) regarding taxation changes, previous year's Finance Accounts and Contingency Fund Register.

Link Statements: Statement No. 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 15, 16, 17, 18 and 19

331	**Consolidated Fund** **Contingency Fund** **Public Account** **Debit balance, Sector of the General Account, Credit balance** **Annexure showing Loans for which acceptances awaited from Loanee, period of pendency of acceptance and amount outstanding**	a) Check the un-reconciled balances if any between Ledger and Broadsheet to see whether it has been disclosed and action taken for reconciliation. b) Check whether there are any differences between cash Balance in the compiled accounts and the balance reported by Reserve Bank of India and whether the difference is suitably explained. c) Check whether explanatory note in 'Government Account' is provided in the Appendix.

Appendix IX - Financial Results of Irrigation Works **Salient features:** This appendix contains the financial results of major irrigation and navigation works giving out the project-wise details of capital invested during and to end of the year. Further the revenue receipts for the year, working expenses, net revenue and the rate of return on the capital outlay is included in the statement. **Source Data:** Information collected from Government. **Link Statements:** Statement 13		
332	**Information on:** **Financial results of Irrigation projects and Electricity schemes** - Direct, Indirect and total Capital outlay during the year, - Progressive Direct, Indirect and total Capital outlay at the end of the year on Irrigation projects declared as commercial. - Direct and indirect receipts of the projects/schemes working expenses and maintenance expenditure. - Working expenses during the year. - Net revenue excluding interest. - Net profit or loss after meeting interest.	a) Check completeness of the list of whether Irrigation projects/Electricity schemes which have been declared as commercial included in the statement. b) Check whether required information in respect of both financial results of irrigation works and electricity schemes have been given. If not check whether there is appropriate disclosure. c) Check whether decrease/increase in the percentage of profit/loss as compared to previous year and reasons thereof have been included. d) Check whether rate of interest charged in current year has been indicated. e) Check whether criteria for considering a project/scheme as 'productive' or 'unproductive' have been explained f) Check whether amount of unrealized revenue on outstanding water rates and arrears, if any, have been indicated. g) Check if in case the information is awaited from the State Government, the fact has suitably been disclosed. h) Check if there is specific mention of any departmentally run and managed electricity generating schemes under the direct control of the Government if such schemes exist
Appendix X - Statement of Commitments – List of Incomplete Capital Works **Salient features:** This appendix shows the details like estimated cost, actual cost, physical progress and pending payments for different kinds of works. **Source Data:** Information collected from Government. **Link Statements:** Statement 5 and 13.		

333	**Information on:** **Period** **Amount and number of works under Irrigation works** **Building works** **Road works** **Bridge works** **Other works.** **Detailed information for individual work:** **Details of work** **Contracted amount** **Estimated cost of work** **Year of commencement** **Target year** **Physical progress** **Expenditure during the year** **Progressive expenditure** **Pending payments** **Revised cost estimate**	a) Check whether the details in this statement tallies with details available in the Plan document and Budget document. b) Check whether the details in this statement tallies with details submitted by the Government. c) Check correctness of details in this statement on a selective basis through Works Audit parties. d) Check whether figures shown in 'Abstract of Commitments' agree with totals of 'Details'.

Appendix XI

Maintenance Expenditure with segregation of salary and non salary expenditure

Salient features: This appendix contains maintenance expenditure classified as salary and non salary for different grants

Source Data: VLC System and Information collected from Government

Link Statements: Statement 4.

334	**Information on:** **Grant Number and Name** **Head of account from Major Head to Object Head** **Classification into Plan and Non Plan** **Description of work** **Component of expenditure classified as:** **Salary** **Non salary** **Total**	a) Check whether the expenditure is capable of being classified as maintenance expenditure and not as capital expenditure with reference to the principles applicable for such classification. b) Check whether the information in this statement tallies with those given by Government

Annexure J

(Please refer to Para 3.25)

Audit Checks for audit of Annual Appropriation Accounts

Introduction

Annual Appropriation Accounts are to be audited for correctness of provisions, expenditure, savings/excess and disclosures required as per law. The audit checks are to prove the different assertions.

CATEGORY-1- Automated (in VLC) Check		
Assertions on completeness		
1	**1**	Check whether the appropriation accounts include all the grants
2	**2**	Check whether the appropriation accounts include the original grant or appropriation, supplementary grant or appropriation and reappropriations, withdrawals or surrenders and resumptions of grant, if any, in respect of all the grants.
3	**3**	In respect of Grants operated by more than one department of Government verify whether the expenditure figures in the Grant includes the total expenditure incurred by all departments authorised to incur expenditure from the grant.
4	**4**	Check whether the appropriation and the related expenditure are given upto the level of subheads in a Grant.
5	**5**	Check whether the format of Appropriation Accounts is as prescribed and shows the following details correctly: a. Number and nomenclature of the Grant and those of the Heads of account up to Subhead; b. Separate details of appropriation and expenditure for voted and charged items; c. Separate exhibition of revenue and capital items and display of appropriation in the sequence of Original, Supplementary, Reappropriation and Surrenders; d. The minus sign for reappropriations/surrenders from subhead is indicated. e. Savings and excess are mentioned in the descending order of the quantum of savings/excess.
Assertions on Measurement		
6	**6**	Check whether the figures in 'Summary of Appropriation Accounts' are on gross basis after including the recoveries adjusted and not on net basis.

7	**7**	Check whether the figures in Detailed Appropriation Accounts are reconciled (Major head-wise, Minor head-wise and Loan wise) with corresponding figures in Statements 12, 13, 15 and 16 of the Finance Accounts as far as expenditure from Consolidated Fund is concerned
8	**8**	Check whether the figures in Summary of Appropriation Accounts are reconciled with corresponding figures in Statement No.10 of Finance Accounts
9	**9**	Check whether all the appropriation, expenditure, savings and excess figures are indicated in thousands of rupees
10	**10**	Check whether the amounts shown in the Grant Summary of Appropriation Accounts agree with those in the individual Grants and Grant-wise details of recoveries.
11	**11**	Check whether reconciliation of the expenditure in the Appropriation Accounts with that reflected in the Finance Accounts has been worked out correctly in the Grant Summary
12	**12**	Check whether the deviations of expenditure from appropriation have been correctly worked in respect of voted-revenue, Voted-capital, Charged-revenue, Charged-capital items**.**
13	**13**	Check whether the figures of 'Provision/Expenditure/Excess/Saving' as given under 'Summary of Appropriation Accounts' tally with those given under individual 'Grant/ Appropriation-wise Accounts'.
14	**14**	Check whether in respect of fund accounts the opening balances indicated in the Notes agree with closing balances of previous years.
15	**15**	Check whether in respect of Fund accounts the receipts indicated in the Notes agree with figures under the head 'transfers' in the detailed appropriation accounts.
16	**16**	Check whether in respect of Fund accounts the disbursements agree with figures indicated in 'statement of recoveries adjusted in accounts as reduction of expenditure'.
Assertions on Regularity		
17	**17**	Check whether the Classification adopted in the budget is as per the List of Major and Minor Heads of Account up to Minor Heads of Accounts
18	**18**	Check whether the appropriation accounts adopt the same heads of account as in Part II of Demands for Grants
19	**19**	Check whether all expenditure incurred are with adequate budgetary provision approved by the Legislature.
Assertions on Disclosure		
20	**20**	Check whether all charged appropriations and expenditure have been shown in the appropriation accounts in italics and a note to this is given in the introductory portion of the accounts

CATEGORY-3: REPORT ASSISTED CHECK		
Assertions on Completeness		
21	**1**	Check whether the expenditure met out of advance from Contingency Fund but not yet recouped to the Fund are shown in Appendix 1
22	**2**	Check whether details of estimates and actuals in respect of recoveries adjusted in the accounts in reduction of expenditure are shown in Appendix II.
Assertions on Measurement		
23	**3**	Verify whether the expenditure indicated in the appropriation check register tally with corresponding figures in consolidated abstracts**.**
Assertions on Regularity		
24	**4**	Check whether new sub-heads, Detailed Heads and Object Heads have been opened and operated with the prior concurrence of Accountant General (A&E).
25	**5**	The following checks should be carried out to ensure due compliance with legislative powers: a. Verify whether there are any unauthorised transfer/appropriation of funds from the Consolidated Fund to the Public Account. b. Check whether proceeds from any cess collected for specific purpose by the Government as per the relevant Cess Act is correctly transferred to the concerned designated Fund in the Public Account and the utilization is as per relevant rules. c. Check whether the corresponding figures in Appropriation Accounts, Statement of State Transactions and Finance Accounts are consistent. d. Check whether there are significant re-appropriations made for meeting expenditure on new service or new instrument of service
26	**6**	Check the nil payment vouchers to verify whether they are merely cases of transfer to civil deposits/Deposit of Local Funds (Major Heads 8443 & 8448) at the fag-end of the financial year from functional major heads to avoid lapse of grants
Assertions on Occurrence		
27	**7**	Check whether the expenditure met out of advance from Contingency Fund but not yet recouped to the Fund are not shown as expenditure from consolidated fund and note to this effect is kept under the concerned Major Head in the Appropriation Accounts.
28	**8**	Check whether the expenditure met out of advance from Contingency
29	**9**	Fund but not yet recouped to the Fund in the previous year but recouped in the current year is shown as expenditure from consolidated fund during the current year
30	**10**	Where re-appropriation has been made to provide for additional funds over and above the sanctioned provision, check whether they have been issued before incurring the actual expenditure beyond the sanctioned provision

CATEGORY-4-MANUAL CHECK		
Assertions on Completeness		
31	**1**	Check whether in respect of expenditure of public works department the appropriation unit adopted is each work or item of expenditure for which allotments have been made individually or in groups
32	**2**	Check whether the scope of the subhead adopted in demand for grants is sufficiently broad as to cover only items of appreciable size.
Assertions on Measurement		
33	**3**	Verify whether the expenditure indicated in the appropriation accounts tally with corresponding figures in Appropriation Check Register in Office of Accountant General (A&E).
34	**4**	Check whether all the reappropriations orders issued up to 31 March and received till the prescribed cutoff date have been taken into account in preparation of the appropriation accounts and only such orders have been considered
Assertions on Regularity		
35	**5**	The following checks on the budget should also be carried out: a) Check whether provisions in the budget have been obtained under existing schemes. b) Check whether provisions have been made under capital section for expenditure which falls under revenue section. c) Check whether provisions have been made under revenue section for expenditure which falls under capital section. d) Check whether there are any cases of misclassification of provisions at the object head level. e) Check whether provisions for expenditures treated as charged on the Consolidated Fund are as per provisions of Article 202(3) of the Constitution of India. f) Check whether lump-sum provision is not sought in supplementary demands without showing the scheme-wise requirement.
36	**6**	The following checks should be carried out on reappropriations of funds with reference to original records in the administrative departments where felt necessary: a. Check whether re-appropriation orders issued are authorised in terms of relevant Rules Governing the Delegation of Financial Powers of the Government concerned. b. Check whether re-appropriation orders have been issued before the close of the financial year.

		c. Check the re-appropriation orders to verify whether any such order has been issued to meet expenditure which has not been sanctioned by an authority competent to sanction it. d. Check the nature of re-appropriation to ensure that there are no reappropriations from charged to voted, revenue to capital/loan categories and from one grant to another grant. e. Check whether the reappropriations are intended to cover only those types of expenditure which are normally under the scope or intention of the Grant. f. Check whether the Finance Ministry has approved the reappropriation/surrender. g. Check whether adequate reasons have been given for the increase/decrease in provision
37	**7**	Check whether there is budget provision in the concerned grant for conversion of loans to equity.
38	**8**	Check whether specific Notes on Reserve Funds involving transfer of funds from/to the Consolidated Fund are included
Assertions on Disclosure		
39	**9**	Check whether the comments on savings and excess required to be made as per instructions laid down by Public Accounts Committee have been made in the Appropriation Accounts.
40	**10**	Check whether the reasons indicated by the department for excess/savings are included in the appropriation accounts
41	**11**	Check whether there are adequate disclosures in the appropriation accounts in respect of the following: a. Substantial amounts paid by Government as subsidies to institutions. b. Large items of expenditure recoverable from other Governments, outside parties, etc. c. Instances of large payments or adjustments carried over from a previous year. d. Cases of recurring excesses/savings over the past few years. e. Cases where additions made by re-appropriation to meet expenditure are found to be less than the ultimate savings. f. Cases where expenditure in excess of deposited amount in respect of deposit works is met from any appropriation of Grant. g. Cases where there are persistent savings h. Cases where the project remained incomplete despite adequate budget allocation for sufficient period.
42	**12**	Check whether in respect of expenditure debited to 'Suspense' heads of account, there are appropriate explanatory notes given in the appropriation accounts.
43	**13**	Check whether there are appropriate narrations under the grant concerned given for deviations with regard to expenditure which was met out of the grants, subventions, etc, received from other Government, outside bodies, organizations etc., e.g., subvention made out of the Central Road Fund

		Constituted by the Government of India etc. and for expenditure from various reserve funds.
44	**14**	Check in local audit whether there are any systems in place for monitoring the actual expenditure against appropriation particularly where a lumpsum allotment is placed at the disposal of a single higher authority but several officers are authorised to incur expenditure
45	**15**	Check whether explanation for variation does not include trivial cases of variation below levels prescribed by Public Accounts Committee.
46	**16**	Check whether explanation for variations are clear, complete and conclusive and also states cases where no explanation has been provided by Government
47	**17**	Check whether intention of Government to transfer Government Asset to a non government institution/body has been indicated in Part III of the Demands of Grants and in case it is below the procurement cost to government whether there is sufficient disclosure in notes.
48	**18**	Check whether reclassification of expenditure to adopt correct classification due to post budget decision is separately mentioned with details.
49	**19**	Check whether all cases of overall excess expenditure over the Grant requiring regularisation are mentioned under the Grant and in the Summary and the actual amount of excess is indicated in brackets.
50	**20**	Check whether there is a note to the effect that expenditure met out of advance from Contingency Fund but not yet recouped to the Fund in the previous year but recouped in the current year is shown as expenditure from consolidated fund during the current year under the concerned Grant of which the Major Head is part of.
51	**21**	Check in respect of Grants from which Reserve Funds are created, whether there is an indication of the specific Major Head and Grant where activities permissible to be incurred from the Reserve Fund are likely to be depicted.
52	**22**	Check whether norms prescribed for comments on Appropriation Accounts by the Public Accounts Committee have been disclosed in "INTRODUCTORY"
Assertions on Occurrence		
52	**23**	Check whether are instances of postponement to a later year of payments or adjustments which should have been made during the year under report are brought out appropriately or not in the explanations.
53	**24**	Check whether expenditure transferable to funds or other heads of account have been transferred.

Annexure – K

(Please refer to Para 3.26)

The Integrated Audit Report Module for Generation of various information through VLC for FAA Checks

1. The objective of many of the FAA checks appears to be to detect errors that can be corrected by Accounts offices. As the VLC system is tested for a long time and all A&E offices are now able to generate the Finance and Appropriation Accounts directly from the VLC system, the reliability and integrity of data of Finance and Appropriation Accounts can be test checked by the audit offices by generating their own developed exceptional reports instead of relying on the figures or reports given by A&E offices.
2. Therefore, the checks identified as Automated can be ensured by the A&E Offices and expected a reasonable assurance on those checks which are identified as category-1 automated checks through VLC system.
3. However, by using the exceptional reports the audit offices can test check the correctness and control totals of the VLC data and the Audit offices can concentrate on more analytical checks that will assist in forming an opinion on the annual accounts.
4. To facilitate the Audit offices, it is necessary to develop an Audit Module through which the auditors able to generate various reports to confirm the figures of Finance and Appropriation Accounts and for further analysis.
5. The Audit offices may develop their reports in-house or through Vendors with the help of Accounts Offices so as to minimize the dependency on Accounts offices on day to day basis.

Advantages of Report Module:

a. As the Audit module to be developed will be hosted in VLC server itself, the Audit officers need not require any expertise in Database Activities and maintenance of databases for FAA checks.
b. The Auditors through their computers installed in FAW can get the access with read only privilege to Audit report Module and can generate various reports for further analysis through appropriate tool like IDEA software.
c. This Report Module can always be enhanced or added more reports as per the local requirements

The reports can be made available through Audit Report Module is as given below:

Sno	Report Details	Parameter
1	Complete List of Vouchers for analysis through IDEA including items kept under Suspense	Month
2	List of AC bills	Month, Year
3	List of DC bills details captured	Month, Year
4	List of DC bills pending	Month, Year
5	List of GIA Vouchers	Month, Year
6	List of Contingency fund Vouchers	Month, Year
7	Contingency Fund amount through PWD/Water Resources/Forest Divisions	Month, Year
8	Distribution of Accounts (Treasury ;Public Works; Forest ;Water Resources Divisions)	Month, Year
9	Investments under Minor Head 190	Month, Year

10	Monthly Civil Accounts	Month
11	Report on Monthly Expenditure (Monthly Appropriation Accounts)	Month
12	Nil voucher Report i.e, Amount transferred from consolidated Fund to Public Account to avoid lapse of Budget	Month, Year
13	OB suspense Broadsheet	Month
14	List of Transfer Entries	Month, Year
15	Trend Analysis for 5 years(including current Year) : a) Revenue receipts b) Tax revenue c) Non-tax revenue d) States share of Union taxes and duties and Grants-in-aid from Central Government e) Revenue expenditure f) Interest payment g) Loans and advances given by State Governments h) Capital Expenditure i) Loans and advances from Central Government etc.,	Year
16	Warning Slips	Month
17	Finance and Appropriation Accounts in A4 can be viewed by the Auditors directly through newly developed "Appropriation and Finance Accounts Module"	Year
18	Consolidated Abstracts – Payment	Month, Year
19	Consolidated Abstracts – Receipt	Month, Year
20	Compiled Accounts of Public Works Divisions	Month
21	Compiled Accounts of Water Resource Divisions	Month
22	Compiled Accounts of forest Divisions	Month
23	Annual Figures for Finance Accounts Receipt and Payment	Year
24	Externally Aided Projects	Month , Year
25	Other miscellaneous exceptional reports as per the user request	Month, Year

Annexure- L 1

(Please refer to Para 4.4)

ASSURANCE MEMO

(to be signed by the Principal Auditor)

The Certification audit of Finance and Appropriation Accounts for the year _____with respect to Government of_____was carried out by this office.

2. The responsibility of preparation of accounts was that of office of the Principal Accountant General (A&E) who has given the Assurance Memo which has been placed in Annexure L 2.

3. The audit has been conducted as per financial attest audit guidelines for audit of State Government Accounts.

4. It is confirmed that in respect of Finance Accounts, no material misstatements have been noticed.

5. It is confirmed that in respect of Appropriation Accounts, no material misstatements have been noticed.

6. The other observations not amounting to material misstatements during the audit, would be suitably included in the Audit Reports for the year_____, specially the State Finance Report for the year_____.

Annexure- L 2

(Please refer to Para 4.4)

(To be submitted by the office of the Principal Accountant General (A&E)

Assurances related to Compilation of Finance and Appropriation Accounts

1. The accounts have been compiled from the vouchers, challans, initial and subsidiary accounts rendered by the treasuries and other account rendering units and there are no cases of pendency in the receipt of accounts.

2. The cash balances as per the accounts have been reconciled with RBI and the differences, if any, have been scrutinised and necessary footnotes have been included stating the reasons for variations.

3. The Statements _____ and Appendices _____were generated directly from VLC. As regards alterations/corrections made in the PDF format, it is informed that these are carried out for the purposes of rounding, incorporating footnotes and formatting. It is confirmed that "Rounding" has not materially altered any figure and the impact of Rounding is available for verification.

4. The Statements 8 (ii), Annexure to Statement 12, Appendix-IX (Financial Results of Irrigation Schemes) and Appendix-X (Statement of Commitment on incomplete Public Works Projects), Explanatory notes in Statements 11 and 12 were generated based on the information received from the Government and it has been ensured that these statements reflect the statement available in their representation.

5. The Statements 9 and 14 were prepared based on the inputs received from the concerned entities and it has been ensured that they tally with available data as provided by these entities.

6. Appendix VII has been generated based on the information available in the CPSMS website.

7. The Reconciliation has been done to an extent _____% by the Chief Controlling Officers of the State Government**.**

8. Effects of all Journal Entries/Transfer Entries has been given and got reconciled with Government Department.

9. All the annual adjustments as required have been carried out.

10. All the Government of India transfers have been accounted for without any omissions.