



DETAILED AUDIT MANUAL VOLUME II 2025

FINANCE DEPARTMENT
GOVERNMENT OF UTTARAKHAND



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Chapter 11: Annexures and Audit Checklist

This chapter will provide standard forms and formats, annexures (includes various formats/templates to be used for audit life cycle) and checklist for audit execution. The chapter has been divided in two parts. First part includes ‘Annexure’ which contains various Forms and Format used under this Manual and second part Includes the ‘Detailed Audit Checklist’ to be used for conducting the Detailed Audit.

11.1 Annexures

The various forms and format used under this manual is as under:

11.1.1 List of ISSAI’s Standards

The following a table represents the summary of auditing standards issued by INTOSAI for public sector audits. The audit team need to read and thoroughly understand the requirement of auditing standards in performance of any audit procedure.

The link for downloading the aforesaid standards is: <https://www.intosai.org/focus-areas/audit-standards>

Numbers	Category of Standards	Remarks
INTOSAI P1-P9	INTOSAI founding principles	Founding historical principles specifying the role and functions that SAIs should aspire to. These principles may be informative to Governments and Parliaments as well as SAIs and the wider public and may be used as reference in establishing national mandates for SAIs.
INTOSAI P10-P99	INTOSAI Core principles	Core principles that support the founding principles for a SAI, clarifying issues in relation to the SAIs role in society as well as high level aspirations for the proper functioning and professional conduct of a SAI
ISSAI 100-129	Fundamental principles of public auditing	Defines basic set of concepts and principles that defines public sector auditing and the diverse types of engagements supported by the ISSAIs.
ISSAI 130-199	SAI organizational requirements (SAI level)	Requirements for organizational functions of a SAI that are designed to enhance the performance of quality audits
ISSAI 200-299	Financial audit principles	These define the elements and principles of financial auditing with reference to the fundamental principles of public sector auditing
ISSAI 300-399	Performance audit Principles	These define the elements and principles of performance auditing with reference to the fundamental principles of public sector auditing
ISSAI 400 -499	Compliance audit principles	These define the elements and principles compliance auditing with reference to the fundamental principles of public sector auditing
ISSAI 2000-2999	Financial Audit Standards	Standards for financial auditing in conformity with the financial audit principles
ISSAI 3000-3999	Performance Audit Standards	Standards for performance auditing in conformity with the performance audit principles
ISSAI 4000-4999	Compliance audit standards	Standards for compliance auditing in conformity with the compliance audit principles
GUID 1900-1999	SAI organizational guidance	Guidance that supports the SAI in enhancing organizational performance in practice related to the organizational requirements and ISSAI implementation

Numbers	Category of Standards	Remarks
GUID 2900 – 2999	Supplementary financial audit guidance	Guidance that supports the auditor in the financial audit process on how to apply the ISSAIs in practice
GUID 3900 – 3999	Supplementary performance audit guidance	Guidance that supports the auditor in the performance audit process on how to apply the ISSAIs in practice
GUID 4900-4999	Supplementary compliance audit guidance	Guidance that supports the auditor in the compliance audit process on how to apply the ISSA is in practice
/GUID 5000-5999	Subject matter specific guidance	Guidance that supports the auditor in understanding a specific subject matter and the application of the relevant ISSAIs
Reserved for future development based on ISSN 100		
ISSAI 600-699	Principles for other engagements	These define the elements and principles of other engagements with reference to the fundamental principles of public sector auditing
COMP 700-799	Competency principles	Principles laying down the competencies and professional studies, knowledge, ethics, values, and attitudes required by the public sector auditor to undertake audit in line with the ISSAIs
ISSAI 6000-6899	Standards for other engagements	Standard for other engagements in conformity with the fundamental principles of public sector auditing. This may include other INTOSAI
COMP 7000-7499	Competency standards	Standards that set out the competencies and professional to, knowledge, ethics, values and attitude and attitudes required by the public sector auditor to undertake audit in line with the ISSAIs
GUID 6500 – 6999	Supplementary guidance on other engagements	Guidance that supports the auditor in other engagements on how to apply the ISSAIs in Practice
GUID 7500 – 7999	Supplementary competency guidance	Guidance to a SAI in implementing mechanisms and programmed for competency development in line with ISSAIs

11.1.2 Declaration Regarding Adherence to the Code of Ethics

(This declaration is required to be signed separately by each member of the audit team once in every year. A signed copy of the declaration should be given to the DIRECTORATE OF AUDIT (DOA).)

I, Shri/Smt./MS _____ (name), _____ (designation) hereby declare that:

- I have read and understood the Directorate of Audit (DoA)'s code of ethics.
- I will uphold and abide by the Directorate of Audit (DoA)'s Code of Ethics.
- I do not have any personal or professional interest in the audited entity.

As a representative of the Directorate of Audit (DoA), I undertake to adhere to the following:

- I will conduct the audit assigned to me in a fair, honest, timely and competent manner.
- I will maintain strict confidentiality of all information gathered during audit.
- I will not behave or conduct myself in an inappropriate manner with any official of the audited entity
- I will not accept any kind of inducement from the audited entity

Name and Signature: _____

Date: _____

11.1.3 Format of Annual Detailed Audit Plan

Audit cases selected

This section would consist of the summary of the Audit cases selected together with categorization into Category A and B. Annual Detailed Audit plan shall covers objective of audit and reason for selection of particular audit case, advisory for the department and units for rendering all support during the audit, other general information etc. This section shall provide the summary of the entire annual detailed audit plan.

Units selected based on the auditor qualification provided in FAA such as Qualified/Adverse/Disclaimer type of opinion.	Units selected based on the discretion of the Additional Chief Secretary/Principal Secretary/ Secretary Finance	Unit selected by Director of Audit (ULB/RLB) for conducting detailed audit along with FAA.	Units selected based on Special Request by the Urban Development/Panchayati Raj/ Rural Development Administrative Departments or Head of Departments (HoD) to Secretary Finance
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Audit Unit selected

This section would consist number of audit units selected under each Audit case.

Administrative Planning

This section shall provide the summary of

- Period for which Detailed Audit is to be conducted.
- Audit team member assigned,
- Days allocation to each Audit Unit
-

Points of Special Consideration

This section shall mention specific which has given rise for Detailed Audit that the auditors. This section shall include any other information to be mentioned in the annual planning for Detailed Audit plan such as appointment of external agencies for audit, timelines and period for audit, nos. of audit team, general advisory to the auditors, follow-up on compliance, code of ethics and standards to be followed etc.

11.1.4 Format of Intimation Letter

Intimation Letter

Intimation Reference No.

Dated:

The Head of the Entity (Head of Management or those charged with governance)

XYZ entity.

Sir/Madam,

The Objective and Scope of the Audit

As required under the Uttarakhand Audit Act 2012 the Directorate of Audit will conduct the Detailed Audit of **{Insert name of ULB or RLB}**, for the period ended as on XXXX and other related Records.

This is a mandated audit as required by the Laws. We further confirm our understanding of this audit engagement by means of this intimation letter.

Detailed audit provides comprehensive reporting on auditee's financial data, non-financial data, regularity and propriety of the expenditure, internal controls over the financial reporting and performance of the schemes and projects.

The audit is proposed to be conducted from **DD-MM-YYYY to SS-MM-YYYY**. You are requested to provide to the auditors with all the information and documents required for conducting the Detailed Audit including but not limited to financial statements, ledgers, trial balance, cashbooks, register and records.

Responsibilities of the Auditor

We will conduct our audit in accordance with the **Detailed Audit Manual of Government of Uttarakhand**. Those standards require that we comply with ethical requirements. As a part of an audit in accordance with **Detailed Audit Manual of Government of Uttarakhand**, we exercise professional judgement and maintain professional scepticism throughout the audit.

Entry Conference Meeting

The Entry Conference Meeting shall be conducted at the commencement of audit. Amongst others, the contents of the engagement letter will be discussed in the Entry Conference Meeting.

Disclosure of Fraud and Corruption

If the management is aware of fraud and corruption that took place in the entity, they should disclose to the auditors during the audit the Entry Conference Meeting or during conduct of the audit. It is the responsibility of **{Insert name of ULB or RLB}** to institute adequate system of internal controls to prevent and detect fraud and corruption.

Custody and Control Documents

The responsibility for custody and control of documents shall rest with the **{Insert name of ULB or RLB}**. The auditor shall not remove documents from the entity's premises without management's consent. At the end of the audit, the auditors shall handover all the documents to the management.

Exit Conference Meeting

An Exit Conference Meeting shall be held on **{Insert date of last days}**. During Exit Conference Meeting, the Detailed Auditor report and audit findings along with management's responses will be discussed and finalized.

Reporting

On completion of audit, a Detailed Audit report as provided in this audit manual shall provide provided. This includes observations as noted during Detailed Audit and provide comprehensive reporting on auditee's financial data, non-financial data, regularity and propriety of the expenditure, internal controls over the financial reporting and performance of the schemes and projects.

Agreement of Terms

Please sign and upload the attached copy of this letter on OAMS to indicate your acknowledgement of, and agreement with, the arrangements for our audit including our respective responsibilities

(signed)

Authorized Officer, Directorate of Audit (DoA)

11.1.5 Format of Auditing Planning Memorandum

Note: To be prepared separately for ULB and RLB

1. Name of ULB/RLB	XXX
2. Date	DDD/MM/YYYY
3. Background	
3.1 Description of ULB/RLB	
3.2 Details of any significant changes	
3.3 Period and scope of Audit	Describe the scope of audit and the authority under which it will be conducted including other reporting requirements, if any.
3.4 Internal/ External Environment affecting to ULB/RLB	e.g., parliamentary/ Legislative directive, relevant laws and regulations effecting the entity, organisational set-up and sources of funding, Core function or nature of entity
3.5 Understanding of Auditee's financial situation	
4. Assessment of Areas to be Audited	
	This shall be finalised in accordance with procedure mentioned in point no. 5.1.1.
5. Methodological planning	• Audit objective. • Audit scope. • Audit questions and sub-questions. • Audit criteria. • Strategy, methods and sources for data collection and analysis; and • Expected results of the audit.
6. Administrative Planning	• Team composition, considering necessary skills and needs for experts. • Timed activity plan, with clear milestones. • Mechanisms for monitoring the progress of audit. • Communication with the audited entities and other main stakeholders

	Auditee units
7. Audit Design Matrix	
8. Extent of Check for each of the Areas to be Audited	
Human Resource	To be decided based on the severity of the observations reported in the financial attest audit by applying the processional judgments
Procurement	
Grants.	
.... Etc.....	
Prepared by:	
Name:	
Designation:	
Date:	
	Reviewed by: Name: Designation: Date:

11.1.6 Format of Minutes of Entry Conference Meeting

Particulars	To be filled by Audit Team
Name of ULB/RLB	
Date of meeting	
Place of meeting	
Agenda of the meeting	
Members present (total no.)	
Head of Auditee unit	
Names of members- Auditee Personnel	
Team Leader of audit party	
Names of members- Auditor Personnel	
Key issues discussed in the meeting	
Distribution of minutes to	
Name of Official to whom minutes will be sent	
Signature of the members present	

11.1.7 Format of Minutes of Exit Conference Meeting

Name of the Entity:

Period of audit:

Particulars	To be filled by Audit Team
Name of ULB/RLB	
Date of meeting	
Place of meeting	
Members present (total no.)	
Names of present members	
Agenda of the meeting	
Key issues discussed in the meeting	
Distribution of minutes to	
Signature of the members present	
Prepared By	Reviewed by
Name	Name
Designation	Designation
Date	Date

11.1.8 Format of Detailed Audit Report for ULB

A. General Information

Auditee's Profile		
1	Name of the Audit Unit	
2	Address & Telephone No.	
3	Name of Head of the Auditee	
4	Name and Designation of Senior Accounts Person (Not mandatory)	
5	Name and Designation of DDO (Gazetted)	
6	Name and Designation of DDO (Non- Gazetted)	
7	List of Officials Met: Name & Designation	
Auditor's Profile		
1	Name of Audit Team Members	
2	Contact No. of Audit Team Members	
3	E-Mail ID of Audit Team Members	
4	Name of Audit Team Leader	
5	Contact no. of Audit Team leader	
6	e-mail ID of audit Team Leader	
Audit Profile		
1	Period of Audit	
2	Start Date	
3	End Date	
5	Number of Man- Days Allocated	
6	Number of Man- Days- Actual	
8	Total Number of Transactions	

B. Details of Audit Report

Report Summary	Title
	Executive Summary
	Subject Matter
	Audit Scope
	Audit Criteria
	Audit methodology and Approach

C. Audit Observations, Conclusions and Recommendations

Type of Para	
Initial memorandum No.	
Initial memorandum Type	
Para No.	
Document Reference (if any)	
Financial Amount (if Any)	
Observation: Documents Referred: Description Mentioned in Initial memorandum: Response from the Auditee on Initial memorandum: Conclusion and Recommendation:	

D. Compliance to the Previous Year's Audit Observations

Compliance to the Previous Year's Audit Observations- Pending Para						
S. No.	Report No. & Year	Para No.	Description of Audit finding matrix	Paras Settled Based on the Compliance	Paras Dropped as a Result of inclusion in Current Year Audit Report	Remarks
XX	XX	XX	XX	XX	XX	XX

E. Signature of the Detailed Audit Report**11.1.9 Format of Detailed Audit Report of RLB**

A) General Information

Auditee's Profile			
1	Name of the Audit Unit		
2	Address & Telephone No.		
3	Name of Head of the Auditee		
4	Name and Designation of Senior Accounts Person (Not mandatory)		
5	Name and Designation of DDO (Gazetted)		
6	Name and Designation of DDO (Non- Gazetted)		
7	List of Officials Met: Name & Designation		
Auditor's Profile			
1	Name of Audit Team Members		
2	Contact No. of Audit Team Members		
3	E-Mail ID of Audit Team Members		
4	Name of Audit Team Leader		
5	Contact no. of Audit Team leader		
6	e-mail ID of audit Team Leader		
Audit Profile			
1	Period of Audit		
2	Start Date		
3	End Date		
5	Number of Man- Days Allocated		
6	Number of Man- Days- Actual		
8	Total Number of Transactions		

B) Details of Audit Report

Report Summary	Title
	Executive Summary
	Subject Matter
	Audit Scope
	Audit Criteria

C) Audit Observations, Conclusions and Recommendations

Type of Para	
Initial memorandum No.	
Initial memorandum Type	
Para No.	
Document Reference (if any)	
Financial Amount (if Any)	
Observation: Documents Referred: Description Mentioned in Initial memorandum: Response from the Auditee on Initial memorandum: Conclusion and Recommendation:	

D) Compliance of Previous Audit Observations

Compliance to the Previous Year's Audit Observations- Pending Para						
S. No.	Report No. & Year	Para No.	Description of Audit finding matrix	Paras Settled Based on the Compliance	Paras Dropped as a Result of inclusion in Current Year Audit Report	Remarks
XX	XX	XX	XX	XX	XX	XX

F. Signature of the Detailed Audit Report**11.1.10 Format of Quarterly Progress and Performance Report**

Part A: Quarterly Progress and Performance report	
Quarter under review	
Summary of the status of audit execution up to the reporting period: <i>[Summary with % audit completed and pending etc. shall be mentioned here in a brief paragraph]</i>	
Plan for the ongoing quarter: <i>[Plan for completing the audit scheduled in upcoming quarter along with back log for current quarter, if any shall be mentioned here in a brief paragraph]</i>	
Any challenges and issues with respect to staffing etc.:	
Comments on the Reviewed Report for QAIP:	
Part B: Status of Audit Plan up to the reporting period includes	
Total nos. and list of audit unit planned for audit	
Total nos. and list of audit units where audit is yet to begin	
Total nos. and list of audit units which audit is under execution	
Total nos. and list of audit units where audit is completed but issue of report is pending	
Total nos. and list of audit units for which final report has been issued	
List of Audit Parties with number of audits allotted and status (yet to begin, in execution stage, completed but issue of report pending and completed, and report issued)	
Details of deviation in planned audit activities with the actual together with the reasons for such deviation (if any) and suggestions	
List of observations noted from Quality Assurance Improvement Program (QAIP) aspect:	
Comments on the status of compliances conducted by the audit unit with respect to audit paras reported in the previous year's audit report.	
Part C: Plan for the Ongoing Quarter and remaining Annual Audit Plan	
Nos. of audit units planned for auditing in upcoming quarter	
Nos. of audit backlog for previous quarter of the year	
Details of planned audit team deployment for the schedule upcoming quarter and backlog audit	
Challenges/Suggestions, if any, for completion of planned audit in upcoming quarter	

Part D: Other Items

Include such other specific items as per the guidelines issued by Directorate of Audit (DoA) as well as Audit Cell

As per Detailed Audit Report of the Unit					As per follow-up audit report		
Para no.	Description of para	Plan of action for Compliance of Audit Observation	Timeline provided for Compliance of Audit Observation	Name of official responsible for Compliance of Audit Observation	Plan of action for Compliance of Audit Observation	Timeline for Compliance of Audit Observation	Name of Official responsible for Compliance of Audit Observation

11.1.11 Format of Follow-Up Register**11.2 Audit Check List for Urban Local Bodies and Rural Local Bodies**

The audit checklist is a set question which provides level of assertion on assorted topics covered/ relevant for the Detailed Audit of Urban Local Bodies and Rural Local Bodies.

Urban Local Bodies

Applicable for Nagar Panchayat, Nagar Palika Parishad, Nagar Nigam

1. Internal Control System (ICS)/ Compliance Review

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
A. General							
1	Is there any internal audit system in organisation or is there any internal audit conducted by administrative department of the auditee? If yes, please seek the internal audit report and discuss the key finding with management.						
2	Are the duties, authorities and responsibilities clearly defined in the organizational structure of the auditee? Are the limits of authorities and delegation of authority clearly defined and notified in writing?						
3	Is there a management information system that will produce the necessary information and reports and provide the possibility of analysis needed by the management?						
4	Are the operating results and assessments shown and announced in the administrative accountability report?						
5	Are there written policies to regulate dealings with employees, suppliers, consumers of services, information security, public and creditors?						
6	Does auditee have constituted an audit committee with oversight of internal and external audit arrangements together with responsibility of the operation of internal controls?						
7	Does auditee have a written code of ethics, applicable to both officials and elected representatives to serve as a benchmark for management's and						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
	staff's attitudes and behaviour? Is the code of ethics communicated throughout the organisation?						
8	Have all the employees of auditee signed the "Code of Ethics Declaration" and is signed declaration is included in the personnel files of employees?						
9	Does auditee respond robustly to breaches of codes of conduct and law? And is there communication throughout the organisation of disciplinary action taken because of breaches?						
10	Does auditee ever override normal procedures, codes, internal controls, etc.—for instance, to make procurements without following procurement procedures or appoint personnel without a media announcement? Are such overrides documented and investigated?						
B. Accounting and Records							
1	Check whether auditee has maintained proper books of accounts as mandated under UMAM, 2021. Check whether ledgers, expense register, register for immovable properties etc. are updated on real time basis.						
2	Check whether closing balance of previous year are correctly carried forwarded. (Check all the ledger balances to ensure, whether closing balances are correctly carried forwarded)						
3	Check whether the authorised person has maintained books of accounts. (<i>Ask for the job description of the person maintaining books of accounts or letter for authorization</i>). Check whether any modification/revision in books of accounts has been made after getting the approval from authorised person?						
4	Check whether absence of authorised person to maintain the books of accounts impact the system? If yes, what are the measures to tackle the situation. Check whether the appropriate authority has approved financial statements?						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
5	Check whether auditee had prepared financial statements in accordance with prescribed form and format of governing regulations i.e., UMAM, 2021.						
6	Check whether approved financial statements have been submitted to administrative department within timelines prescribed under governing act, rules, and regulations.						
C. Budgeting							
1	Check whether budget estimation has been prepared as per the prescribed forms and format of UMAM, 2021.						
2	Check whether budget estimate was presented to competent authority for obtaining necessary approval. Also, check whether approved budget estimates have been submitted to administrative department within timelines prescribed in governing act, rules, and regulations.						
3	Check minutes of meeting to ensure that all the activities proposed under the budget was approved by competent authority. Check the supporting documents for estimation of expenditure and income (select five high value items of expenditure and income and verify the estimation procedure).						
4	Check whether there was any budget revision/amendment in the last year? If yes, whether appropriate approvals were taken while revising the budget? Check whether the auditee had adopted budget control procedure? If yes, check whether budget control register is maintained in the prescribed format? Also, check whether variance analysis has been performed and reason for overspending and underspending has been explained in detail? If no, ask for the explanations.						
D. Cash and Bank							
1	Check whether cash book is updated on real time basis and Check whether auditee have performed physical verification of cash on a regular interval.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
	If yes, obtain the copy of physical verification report and enquire about the findings.						
2	Check whether auditee has prepared bank reconciliation statement (BRS) as per the format prescribed under rules and regulations? If yes, check whether the frequency of preparation of BRS is in line with the accounting policies of auditee or rules and regulations governing such auditee. Check whether BRS contains cheques which were not cleared for more than 3 months (i.e., stale cheque). If yes, check what steps have auditee taken for such transactions?						
3	Check that there are no over-writings, erasures etc., made in cash book. In case of any over-writing or erasures check whether the same has been approved by competent authority.						
4	Check whether accounting policies or rules and regulation prohibit the signing of blank cheques? If yes, check whether any blank cheque is lying with cashier, ask the explanations.						
5	Moneys received are remitted in full into the Bank or Treasury without undue delay and without appropriating them to meet departmental expenses.						
6	Check whether details of unspent balances in hand are shown when closing the cash book at the end of each month. Also check, heavy cash balances which are not required for immediate disbursement is not kept on hand at any time.						
7	Check whether money has been drawn from the Bank / Treasury far in advance of requirements and Check whether advances paid for departmental purposes do not remain unadjusted for unduly extended period.						
8	No money paid to an employee is charged off in the cash book, unless it is in settlement of a personal claim and it is ensured that such employee						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
	remains accountable for the money received by him till, he renders accounts for the same.						
9	Check whether interbank transactions are affected to i.e., from one bank account to another bank account. These transactions, if any, should be scrutinised carefully to ensure that such amounts have been used properly and recouped within a reasonable time and that such interbank transactions are authorised by the competent authorities.						
E. Receipts							
1	Whether auditee prepared a register of receipt books (i.e., AC13 – Receipt Register) as prescribed in UMAM, 2021 and in prescribed formats, printed, serially numbered bearing name and seal of the auditee?						
2	Check whether receipts books were issued only to the authorized officials for collection of various receipts on account of Rent, Rate, Taxes, Fees, and Penalties etc.						
3	Check whether blank receipt books and counterfoils of used receipts are kept in safe custody.						
4	Check whether s.no. of receipts issued was recorded in the cash book and in the collection registers (i.e., LC03: Register of Taxes and Other income collected by means of the license system and RE02: Register of Rent etc.						
5	Check whether amount received are deposited into the bank account on daily basis. Also, check whether huge cash amount is lying with cashier in the form of cash, cheque, or demand draft. If yes, ask reason for not depositing into bank account.						
6	Is there a control over stocks of receipt books? Are checks made on the sequence numbers of issued receipts? Are cancelled receipts kept and accounted for?						
7	Is there any system governing the hand-over of cash, etc. when the cashier is changed? Is yes, check whether appropriate controls have placed for preventing cash loss. (i.e. documented cash transfer form)						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
F. Data/ Information System Security and Data/ Back up							
1	Does Auditee have an information security policy? If yes, the contracts made with the staff of the auditee include provisions on information security?						
2	Is there a requirement for having a strong authentication (password) in accessing the systems and applications? Are the accesses to systems and applications recorded? Check whether security control to access the system like <i>log-in, password, access token etc.</i> have exist and working appropriately?						
3	Are the unauthorized accesses to systems and applications reported to management?						
4	Check whether physical security over computer system like <i>fire damage, water damage and power supply variation</i> are there?						
5	Check whether control over computers like <i>restriction on use of USB ports, centralised purchase of hardware and software and use of anti-virus software</i> are there?						
6	Check whether there is a proper mechanism to modify access password by authorised person? Check whether software and data security are there like password, PINs, and monitoring after office hours.						
7	Check whether data communication security is there like <i>encryption of data while sending over the mail and audit trail of significant data movement etc.</i>						
8	Check whether there is an adequate system for data back up? Check whether proper data backup strategies are there like <i>dual recoding of data, periodic dumping of data in case of unauthorised access or physical disaster etc.?</i>						
9	Check whether availability of alternate source of supply/ maintenance service is there or not?						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
10	Check whether testing of data backup regularly performed or not? Check whether data backup has been taken during last year or not? In case yes, whether the same has been kept to the place other than the place where books of accounts have been maintained?						

2. Performance (Value for Money) of Program, Projects, and Schemes

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation noted (Y/N)	Initial Memo No	Amount (if any)
1	In addition to procurement checklist, auditor may ask for the following: a. what are the different inputs/resources/goods/services used in the project/ scheme/ activity/ programme/ work to be audited? From where these resources have been purchased? b. check whether procurement been done considering the economic order quantity to obtain the best price with discount in pricing etc.? Check the entire procurement procedure. (<i>Refer Audit Checklist for Procurement expenditure</i>)						
2	Check whether expenditure has been incurred strictly in accordance with the guidelines / instructions of the program, project, or scheme and to serve solely for the purpose for which the scheme has been sanctioned.						
3	Check whether advances are not drawn and charged off as final expenditure in the project, program, or scheme accounts, especially towards the end of the fiscal year.						
4	Whether there have been any serious avoidable delays in the progress of the program, project or schemes resulting in increase in the total cost of the scheme.						
5	Whether there has been any wasteful expenditure incurred that resulting from lack of co-ordination or mis-management/ inefficient handling of program, scheme or project.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation noted (Y/N)	Initial Memo No	Amount (if any)
6	Check whether Utilisation Certificates (UCs) in respect of assistance/ grants received for implementing the program, project or schemes are furnished promptly. Check whether unutilised amounts at the end of the year are refunded if so, prescribed by the scheme sanctioning authority.						
8	Has any tracking system been established so, as to assure timely submission of required reporting such as monthly /annual statement of expenditure or progress report?						
9	Check whether auditee had complied with the requirement of program, project, or scheme for opening a separate bank, maintenance of sperate cash book etc.						
10	Are there any standards, measure and indicators are established to assess the performance of program, project, and schemes? Further, how these standards, measures or indicators were established?						
11	Is there any monitoring mechanism in guidelines of the program, project or scheme or donor agreement? If yes, has auditee followed these procedures. In case no, what procedures are adopted by management of auditee to monitor the performance of program, project, and schemes.						
12	Enquire about terms and conditions of guidelines/ donors' agreements of program, project or schemes to understand the following: a. funding mechanism b. reporting requirement c. auditing requirement d. procedure to be adopted in case target not achieved e. data management and documentation requirement f. other key matters						
13	Collect progress report (annual/ quarterly/monthly, as prescribed in guidelines or donors' agreement) and analyse the followings: a. target vs actual performance of the program, project or scheme and seek explanations for the variances.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation noted (Y/N)	Initial Memo No	Amount (if any)
	b. what is the period for each of the milestones/targets to be achieved while implementing the project or programme? Have these timelines been adhered? c. have the planned targets been achieved with desired quality and resources?						
14	Enquire about the outcome of the program, project and schemes. a. what is the envisaged or planned impact or outcome? b. what is the actual impact or outcome? c. how can the outcome be improved and brought to the desired level?						
15	Completion Registers: In respect of schemes like Rural Development Programme, Urban and Rural Rozgar Programme etc., the guidelines prescribe that a completion register for utilisation of government funds should be maintained. It should be verified in audit: a. whether this register is maintained properly indicating the assets created by the implementation of the scheme. b. whether the revenues realisable from the assets are correctly assessed, demanded, collected, and accounted for as prescribed; and c. whether suitable steps have been taken to ensure the safety and proper maintenance of the assets regularly.						

3. Procurement Expenditure

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (if any)
1	Check whether necessary procurement planning is conducted by considering following: a. need assessment of items/goods and supporting budget provision. b. mapping of procurement planning with Annual Action Plan of the auditee. c. preparation of procurement estimates.						
2	Check whether prior approval of competent authority has been taken for procurement estimates?	Chapter 12 of UMAM and Procurement Rules, 2017					
3	Evaluation of individual procurement process (for Limited Tendering = value up to 25,00,000): a. whether auditee had prepared a detailed RFP document stating the technical, financial, and other requirements of the bid? b. whether the RFP was approved as per powers given in the Schedule of Powers? c. whether a committee had been formed to oversee the entire procurement process. d. whether earnest money as specified in RFP documents has been received. e. check whether adequate time was given for submission of bids based on the threshold level as prescribed in procurement rules, 2017. Also, whether requirement of three quotations is complied with? f. Check whether declaration for conflict of interest has been obtained from all the participants to the bid g. whether the bids were opened only on the notified date mentioned in RFP documents and in the presence of representatives of all firms/organisations who have participated.	Chapter 12 of UMAM and Procurement Rules, 2017					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (if any)
	h. check whether bidder possess requisite qualification as mentioned in RFP documents? i. whether comparative statement has been prepared and approved by the committee so formed justifying the approval of rates? j. whether the minutes of bid opening have been duly recorded? k. whether the contract entered with the successful bidder is in the name of authorised representative of the auditee? l. Were payment terms clearly stipulated to prevent bidders from quoting prices based on varying advance payment. m. check that the terms and conditions of the contracts was in accordance with the provisions of the Procurement Rule, 2017. n. check whether procurement of material, goods and services valuing more than 25,00,000 was done through Limited tendering only in the cases mentioned in Procurement Rules, 2017						
4	Evaluation of individual procurement process (for Tendering by Advertisement = value up to 25,00,000): a. was sufficient/wide publicity given to generate competition and avoid favouritism to select vendors (as per procurement rules, 2017, advertisement shall be made in two national wide commonly used newspaper). b. All the points mentioned in point 4 shall be checked.						
5	Evaluation of individual procurement process (for electronic reverse auction): a. check whether procedure of e-procurement (i.e., rule 35 of Procurement Rule, 2017) has been followed for procurement of material, goods and services. b. All the points mentioned in point 4 shall be checked.						
6	Evaluation of individual procurement process (for Single Source Tendering = value up to 10,00,000):						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (if any)
	a. check whether procurement was made after getting certificate of technical valuation approved by competent authority. b. In case of procurement of goods or services on nomination basis, check whether contract has been entered with a related party. If yes, compare the prices of materials/ goods or services with the prices of such items supplied by other vendors. In case of significant differences ask for explanations. c. Check whether vendor has submitted conflict of interest declaration. d. check whether prices of material supplied by selected vendor is in accordance with fair market prices.						
7	Evaluation of individual procurement process (for Single Tendering = value up to 5,00,000): a. check whether single tendering is done only in case of procurement of material, goods, and services for which no registered dealer is there at auditee. b. check whether procurement was made after getting certificate of technical and financial valuation approved by competent authority. c. Check whether vendor has submitted conflict of interest declaration. d. check whether prices of material supplied by selected vendor is in accordance with fair market prices.						
8	In case of procurement of equipment, whether RFP/PO includes the specifications emphasis on factors like efficiency, obsolescence factor by ensuring that the equipment to be purchased conformed to the latest specifications and technology available in the market, optimum fuel/power consumption, use of environmental friendly materials, low maintenance cost etc. (please cross check the requirement specified in RFP/ PO with documents submitted by the vendor at the of delivery of such equipment)						
9	Perform comparison between current year's rates of materials/ goods or services with the rates of material/ goods or services with previous year. In case of significant variances seek explanations.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (if any)
10	Check whether any vendor is associates with auditee from such an extended period (i.e., more than 3 or 5 years). If yes, perform reconciliation of rates of material or goods for last three years and ask the reasons for significant variations (if any).						
11	Perform review of PO issued/ procurement requisition made during the audit period with a view to ascertain the cases where purchase order/ requisition is split into multiple orders/ requisition just to by-pass the sanction or approvals from higher authorities?	Chapter 12 of UMAM					
12	Check whether auditee has mechanism of inspection and examination of materials and goods received. If yes, check whether material/ goods are received of desired quality and specifications as mentioned in the purchase order.						
13	In case material and goods are of inferior quality and returned to the supplier, check that replacements of returned material goods were received and payments for the rejected material/goods has been deducted before making the final payment.						
14	Are procedures established so that vendors with inferior quality or late delivery are identified to eliminate additional dealings with that vendor						
15	Check whether actual procurement of materials, goods or services significantly exceeds the estimated procurement. If yes, does it adversely affected the progress of works and resulted in subsequent procurement at higher costs?	Chapter 12 of UMAM					
16	Check whether the goods/services purchased are used for the intended purposes. Also, Interview with key officials on the utility aspect of the goods procured and collect feedback if the same items can be ordered.	Chapter 12 of UMAM					
17	Whether any procurement of personal nature is being charged to procurement expenditures.						
18	Check whether invoices from vendor are issued in chronological order. Also, verify that invoices are raised as per the purchase order and agreement.	Chapter 12 of UMAM					
19	Check whether payment to vendor is made after getting necessary approvals and in accordance with the terms and conditions of the contract/agreement.	Chapter 12 of UMAM					

Audit Template for Checking of Procurement and Construction Expenditure

Audit
Template_Procurement

4. Establishment Expenditure

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (if any)
1	a. In case of Pay Bills, check the followings: Check whether pay bill has been prepared as per the scales and as per the appointment's letters, applicable rules and orders governing appointments. On sample basis, scrutinize the attendance records of employees and check the calculation of the number of working days with the pay bills, including privilege leaves, half-pay leaves, sick leaves, and leaves without pay. b. Check whether list of unpaid salaries is monitored from the Ledgers and considered at the time of payment of next salary. c. Check whether the details of the new appointments, increments and retirements has been updated in the payroll register. d. Check whether all the necessary statutory deductions have been affected and necessary returns and certificates have been issued. Check whether all the statutory deductions from pay bills have been deposited in respective fund/heads of accounts within prescribed timelines. e. Check disbursement made to the employees have been duly accounted for in the cash book and the subsidiary register.	Chapter 9 of UMAM					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (if any)
	f. In case of arrears, check the arithmetical accuracy of the arrears (whether arrear payment has been calculated retrospectively from the date specified in the order).						
2	In case of Service Books, check the followings: a. Check whether all the events (i.e., date of appointment, revision, suspension, stoppage of increments, confirmation, deputation etc.) in respect of an employee are recorded in his service book and attested by the competent authority. b. Check that service books contain a certificate of annual verification of service with reference to acquaintance rolls and other records. c. Check that no alteration of the date of birth of the official is made in contravention of the relevant rules and without sanction of the competent authority. d. Check that orders for sanction of leave have been recorded in the service book, giving reference to memo no, date etc. e. Check whether employee's option, if any, regarding revised scale/pension nomination to DCRG, GPF, etc. were recorded in the Service books. f. Whether the provisions of Uttarakhand (UP) Palika (Centralised) services Retirement Benefit Rules 1981 and Uttarakhand (UP) Non-Centralised Services Retirement Benefits Regulations 1984 are being followed with regards to Pension and Gratuity (in respect of calculation, accrual, payment etc.) g. Check that pays columns of the service books agree with the pay drawn as per the office copies of pay bills and paid acquaintance rolls. (On sample basis) h. Check that officials are not retained beyond the date of superannuation, except under the orders of Government or competent authority.	Chapter 9 of UMAM					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (if any)
	i. Check that the service books of all government servants are maintained as per the prescribed form and format.						
3	In case of Leave Register, check the followings: - check that leaves in credit have been correctly worked out in accordance with the rules and regulations of the auditee. - check whether leave register has been revised wherever necessary with reference to orders regarding completion of probation, confirmation etc. - check that excess leave sanctioned, or excess leave salary drawn by mistake and discovered later was rectified. - check that encashment of leave wherever allowed was correctly admissible, and the order no, block period, etc. were recorded in the service book	Chapter 9 of UMAM					
4	Whether register of advances has maintained in prescribed form and format? If yes, answer the following questions: - check whether advance to employees has been provided for officials purpose only - check whether prior approval of competent authority has been obtained before giving advance to employees. - check whether advances are settles with in the timelines prescribed in the governing rules and regulations - check whether outstanding balances are regularly followed up with the concerned employee on a regular interval. - check whether outstanding advances at the end of year are reflected in the annual accounts?	Chapter 9 of UMAM					

Audit Template for Checking Establishment Expenditure



5. Other Revenue Expenditure

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
1	Whether all the vouchers were made in the prescribed form and presented at the concerned office for pre-check and passing for payment by Head of Office? If yes, answer the following questions: a. Check that all the vouchers were prepared in prescribed printed form containing full details of claims and information necessary for classification in accounts, acknowledgement of payment, pay order by the Head of Office, both in words and figures. b. Check that all vouchers were serially numbered starting from 1st April every year and stamped "Paid and cancelled". c. Check that Vouchers were kept in safe custody and not destroyed before expiry of prescribed period.	UMAM					
2	Verify whether auditee has adopted chart of accounts as prescribed by the governing rules and regulations. Verify whether full details of each item of expenditure (including account code as per Chart of Account) are available in payment advice and voucher prepared as per UMAM.						
3	Verify whether the expenditure sanctioned for or required to be incurred within a limited period has not been incurred beyond that period without proper sanction. Whether any personal expenses have been charged to other revenue expenditures.	UMAM					
4	Check whether auditee had incurred proportionately more expenditure during last quarter, as compared to the expenditure in the other three quarter of the Financial Year. If yes, point out the reasons and explanations.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
5	Whether there has been any wasteful expenditure incurred that resulting from lack of co-ordination or mis-management/ inefficient handling of accounting function.						
6	In case any revenue expenditure is incurred by using PFMS or IFMS, verify the following: a. PFMS – (i) Whether Net Amount payable to Vendor has been recorded in PFMS system; (ii) Whether Payment advise has been generated from PFMS and has been accounted for as cheque; (iii) Verify whether deduction/ recovered amount has been recorded in PFMS separately b. IFMS – (i) Whether gross bill payable to Vendor has been recorded in IFMS system; (ii) Whether Payment advise has been generated from IFMS and has been accounted for as cheque (ii) Whether amount of monthly salary journal has been transferred to the individual employees using IFMS.						

Audit Template for Checking Other Revenue Expenditure

Audit

Template_Other Reve

6. Fixed Assets, Stores and Stock

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
Fixed Assets							
1	Whether sperate register are maintained for fixed assets (i.e., Form FA 01: Register of Immovable Property, Form FA 02: Register of Movable Property, Form FA 03: Register of Land, EN 01: Register of Public Lighting System). If yes, answer the following questions:	Chapter 3 and 15 of UMAM					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
	a. check whether registers include all the relevant details of property, like location, area, survey number and ownership etc. b. check whether Fixed Assets depicted in the Register exist physically and are in working order? c. check whether assets were purchased as per requirement and under proper authority. d. Whether Ownership/title of all asset's vests with the auditee? e. check that depreciation, as prescribed, is charged on assets. f. In case of newly acquired fixed asset, check that relevant documents such as invoice, title deed etc. are in order. g. check that no expenditure of revenue nature such as renovation, replacement, etc. is treated as addition to fixed assets. h. In case of any obsolete asset (non-performing), check whether the same was written off with the necessary approvals.						
2	Enquire about impact of technological change on different assets (if any)						
3	Review adequacy of repair and maintenance Procedures. a. In case huge repair and maintenance expenditure are incurred on specific assets, check whether such huge repair and maintenance was necessary and incurred based on some technical evaluation. b. Also, check whether approval from competent authority had been taken prior incurring such repair and maintenance expenditure.	Chapter 3 and 15 of UMAM					
4	In case assets were acquired on lease, check the terms of leased property including options for renewal, lease classification, potential impact of renewal terms, unusual covenants, and restrictions on use.						
5	Enquire about compliance with environmental and safety requirements						
6	Enquire about the procedures adopted by auditee by which the physical existence of tangible fixed assets is safeguarded.						
Stores and Stocks							

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
1	Check whether auditee had conducted a requirement analysis of stores for the year and the same has been estimated properly in auditee's budget for the year.						
2	Examine the procedures and controls to ensure that purchase of stores is not done without actual need or more than requirement resulting in accumulation of idle stock and consequential loss to the auditee.						
3	Whether auditee had prepared the stock register/ account in accordance with the prescribed rules and regulations governing auditee. If yes, answer the followings: a. check whether measures were taken to survey, segregate and to dispose of old, unserviceable, surplus, and obsolete stores suitably for the advantage of the institution. b. check whether stores are kept under the custody of a permanent and responsible employee of auditee including its lock and key. c. check whether issue of stores is supported by approved requisitions and indents by competent authority. Also, check whether the recipients acknowledge issues. d. check whether the value in stores account tallies with the balance reflected in the general accounts. e. check whether excess found on physical verification was immediately considered and shortages were investigated and disciplinary action was initiated against the persons concerned for shortages						
4	Whether stores were sold only with the prior approval of the competent authority? If yes, answer the following questions: a. Whether selling rates were reviewed periodically and revised, if necessary, after comparison with the market rates? b. Check that survey report was approved by the competent authority before unserviceable stores were sold. c. When stores are sold through public auction, check that documents are available to prove that sufficient publicity had been given notifying that:						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
	(i) the auction was conducted properly in accordance with the rules and regulations of the auditee, (ii) unserviceable stores and stock have been sold to the highest bidder, and (iii) Competent authority had approved the auction. d. Check that profits or losses resulting from sales or due to revaluation, stock taking, or other causes were promptly adjusted in accounts and the relevant rules were followed in this regard.						
Idle Machinery							
1	Whether there is any idle/ unserviceable machinery? If yes, answer the following questions: a. check the date of purchase/ receipt of the machinery and its original cost. Also, check the period for which it is idle and the reasons thereof. b. check the estimated cost of major or minor repairs required to make it serviceable. Also, enquire about the reasons for not taking up repairs promptly. c. check the amount of expenditure already incurred on repairs and replacements since the date of its acquisition. d. If the machinery was required for the day to day working of the office, check that what alternative arrangements have been made in the absence of the machinery and at what cost.						
2	Check whether auditee had incurred proportionately more expenditure during last quarter, as compared to the expenditure in the other three quarter of the Financial Year. If yes, point out the reasons and explanations						

Audit Template for Checking Fixed Assets and Stores & Stocks:

Audit Template_Fixed
Assets, Stores and Stc

7. Revenue and Income							
S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
Revenue (Tax – Property Tax, Taxes on water supply, drainage tax, elementary education tax, scavenging tax, any other tax applicable from time to time)							
1	Whether auditee has kept Demand Register, Register of Refunds, Remission and Write offs,, Register of Warrant Fee and Other Fees, Assessment List and Register of Objection are in prescribed format (i.e., Form TA 01, Form TA 03, Form TA 04 Notice Fee, Warrant Fee and Other Fees, Form TA 08, and TA 09 respectively). Also check whether all the registers are updated on all occasion of raising of demand, collection, refund, write off etc.?	Chapter 3 of UMAM					
2	Whether database of the properties is being updated on regular basis based on the information supplied by owner and the quarterly statement submitted by each inspector regarding new building, re-building, and extension to existing building.	Uttarakhand (UP) Nagar Nigam Act, 1959 and Uttarakhand (UP) Nagar Nigam (Property Tax) Rules 2000 as amended Rules 2016.					
3	Whether assessment, demand and collection of taxes has been performed in accordance with following acts and rules. a. Uttar Pradesh Municipal Corporation (Property Taxes) Rules, 2000 b. UP Municipal Corporation Act, 1959 c. Uttar Pradesh Municipal Corporation (Property Taxes) (Second Amendment) Rules, 2013 d. Uttarakhand Property Tax Amendment Rules, 2016. e. Accounting policies of the auditee.	Section 129, 140 to 159 of UP Municipality Act, 1916), Chapter 6 of the UMAM					
4	Based on the result of database updation (point no 2), check whether new demand or any change in the exiting demand were updated in demand register and in corresponding registers in timely manner.						
5	In case of Self-Assessment , check whether the following approach is being adopted: a. for existing assesses whether income is being accrued based on records available with the local body when it becomes due b. for new assesses whether tax is being accrued only after submission, scrutinization and approval of the self-assessment form.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
	c. in case of short assessment of tax (self-assessed) whether balance demand has been raised or and demand register has been updated accordingly. d. whether booking of the tax demand is being made based on past records in cases where the self-assessment forms are not received till the cut-off date.	Chapter VI of the Municipalities Act 1916, Chapter 21 of the Municipal Corporation Act 1959, Chapter 6.1.21 of the UMAM					
6	Whether the revenue from property tax including surcharge and other taxes is being recognized in the period in which they become due, and demands are ascertainable. Whether collection in respect of house property tax and other taxes is being cross verified from 'demand and collection register and with quarterly statement submitted by the tax department.	Section 168 and 169 of the Uttarakhand (UP) Municipalities Act 1916 and under sections 506, 507 and 512 of the Uttarakhand (UP) Municipal Corporation Act 1959 Chapter 6 of the UMAM Accounting Policies and UMAM					
7	Whether notices of demand and warrants are issued, and penalties are charged as per the relevant byelaws.						
8	In case of non- payment of property tax, check whether auditee has adopted procedure to attach the property of assessee? If yes, check whether entire procedure as prescribed in relevant rules has been adhered?						
9	In case of refund/remission or waive off, check the followings: a. whether refund/remission or waive off has been granted as per applicable act or rules b. prior approval from appropriate authority was taken c. in case of write off, a provision is created and in case of subsequent recovery of write off amount the same is treated as prior period income d. necessary adjustment/entries have been made in appropriate registers and accounts.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
10	Whether reconciliation of taxes due last year, taxes assessed current year and collected made current year had been performed? If yes, what is the frequency and approval procedure of such reconciliation. Additionally, obtain reconciliation reports and check whether there are significant differences. If yes, ask for the reasons.	Accounting Policies					
11	Check whether proposer disclosure was made in respect of assessment and collection of taxes in financial statements such as: a. assessment procedure and compliance to applicable law, rules, and regulations b. notional demand of tax which GoUK has waived -off c. tax income collected under litigation d. other taxes collected under litigation e. other disclosure requirement as mentioned in governing act or rules.	Chapter 3 of UMAM					
Revenue (Non-Tax – Water Supply & Sewerage Charges: Water supply charges, Sewerage charges, Meter rent for water supply, Connection charges for water supply, Water tanker charges)							
1	Whether auditee has maintained prescribed registers (i.e., WS 02: Monthly Summary statement, WS 03: Quarterly Summary Statement WS 05: Application for house connection, WS 06; House connection register, WS 07: Meter reading Book, TA 01: Demand Register, Coll 01: Summary of Daily Collection, etc.)? If yes, check whether necessary registers are updated in accordance with the prescribed procedure and policies in a timely manner.	Chapter 3 and 7 of UMAM					
2	Whether the revenue from Water Supply and Sewerage Charges is being recognized in the period in which they become due, and demands are ascertainable (in accordance with the prescribed rules, regulations, and policies). Whether collection in respect of Water Supply and Sewerage Charges is being cross verified from ‘demand and collection register and with quarterly statement submitted by the water supply department.	Chapter 3 and 7 of UMAM					
3	Whether notices of demand and warrants are issued, and penalties are charged as per the relevant byelaws.	Chapter 3 and 7 of UMAM					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
4	Common accounting procedures: Whether the following policies for accounting have been applied like Property Tax as given in Property Tax section: a. Income is under litigation. b. Refunds, remissions of incomes c. Write off receivables, and	Chapter 3 and 7 of UMAM					
5	Whether reconciliation of charges due last year, charges due current year and collected made current year had been performed? If yes, what is the frequency and approval procedure of such reconciliation. Additionally, obtain reconciliation reports and check whether there are significant differences. If yes, ask for the reasons.	Chapter 3 and 7 of UMAM					
6	Whether the Water Works Inspector is inspecting all the water connections at the prescribed interval as specified by the ULB and submitting the report of such inspection to the Executive Officer or authorized officer.	Chapter 3 and 7 of UMAM					
Revenue (Non-Tax – Rent, Fees, Solid Waste Management Fees, and Other source of Income)							
1	In case of Rental income and other recurring income, check the followings: a. demand for rent has been made as per the agreement with the third party. b. arrears have been recorded while issuing fresh demand? c. rental incomes have been updated in the respective Registers. d. whether provision for unrealized rent receivable has been done in following manner? Outstanding for more than 2 year but not exceeding 3 years: 50% Outstanding for more than 3 years: 100%. e. whether provision related to annual increment in rent is in accordance with accounting policy of the auditee. f. perform reconciliation of collections made with ledger, receipt book and bank statements. g. check, in case of non-payment of rent, auditee has adopted adequate mechanism to vacate such property/ assets.	Chapter 3 and 8 of UMAM					
2	In case of income from License Fees, advertisement, display fees and other fees/ income, check the followings:	Chapter 3 and 8 of UMAM					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
	a. demand for fees has been made as per the agreement with the third party. b. arrears have been recorded while issuing fresh demand? c. fees collected have been updated in the respective Registers. d. perform reconciliation of collections made with ledger, receipt book and bank statements.						
3	In case of Deposits, check the followings: a. deposits have been accounted for as liability on receipt. b. deposits have been adjusted against the cost of the services rendered to the customers. c. sharing with the accounts department a monthly detail of the deposits adjusted? d. payment Order made in Form AC 15 on refund of deposit only after an application for the same is received e. list of Lapsed Deposits prepared at each accounting year end and sent to the accounts department for recognizing it as income after obtaining the approval of the authorized officer.	Chapter 3 and 8 of UMAM					
4	Perform variance analysis of all the collection made in current year with last year's (i.e., collections from taxes, collection from water and supply charges, rental income, license fees, advertisement fees, display fees). In case of variances more than +10%/ (10%), quote the reasons of variances (like change in rate, increase in the number of applications for sale of land etc.).						

Audit Template for Checking Revenue and Income:

Audit
Template_Revenue an

8. Loans and Borrowings, Loans and Advances, Investments and Special Funds

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
1	Whether auditee taken Loan from Central or State Government or financial Institutions/Banks? If yes, please answer the following questions: - check whether the auditee has maintained a Register of Loans in Form AC 23 to record the receipt and repayment of loans. - check whether receipt and repayment of loan is correctly recorded in the cash book. - check arithmetical accuracy of the interest calculation. Also, check whether any penalty is levied in case of delayed repayment. If yes, check whether amount is calculated as per prescribed rules and ask for the reason for delay. - check whether the auditee has taken prior permission of State Government for loans to be taken from financial institutions/banks. - check whether auditee has spent the amount of loan only for the purpose for which it was taken and within the specified time.	Chapter 17 of UMAM					
2	Whether auditee has provided loan to any individual/ organisation the following controls are observed by the head of accounts of the ULB: - ensures that adequate provision is made for the interest accrued between the date of last payment of interest and the date of Financial Statements and is charged to the current period's Income and Expenditure Statement. - conducts physical verification of Sinking Fund Investment documents and compares with the Sinking Fund Investment Account. - monitors the funds borrowed and ensures proper utilisation of the same. - ensures that the present value of the sinking fund investment ties up with the value of the Fund as per the State Government's sanction. - ensures that the transfers to escrow account out of income collected are as per the conditions of borrowings	Chapter 17 of UMAM					
3	Whether auditee had given Loans and Advances to any individual/ organisation, if yes, check the following: check whether competent authority duly authorized Loan/advance given.	Chapter 17 of UMAM					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
	b. check whether there was no splitting of Sanction Orders to avoid sanction of higher authorities. c. check whether the purpose for which the loan/advance was given is strictly in pursuance of the activities of the organization. d. check whether the due requirements of loans including furnishing of agreements, securities etc. were completed and requisite details were obtained. e. check whether the schemes for which loans have been given are sanctioned by the competent authorities. f. check that no fresh loan/advance was given if the balance of the previous loan/advance is still unsettled. g. check the arithmetical accuracy of interest received. Also check whether interest is collected on due date, in case, interest is collected post due date, check whether any penalty had been levied on such loan or not?						
4	Whether an Investment Register is maintained which provides all details regarding nature, amount, period, rate of return, date of payment, date of maturity of investments etc.? If yes, answer the following questions: a. check whether auditee have approved guidelines on investment of surplus funds. b. check whether all investment certificates have been physically verified and reconciled? c. check whether Investment certificates have been kept in proper custody and where investments have been lodged with the bank/third party a certificate has been obtained from the party holding the investments. d. check whether return on the investment is properly calculated and accounted for in the Books of Accounts. e. examine that there was no delay in investment or reinvestment on maturity of investment.	Chapter 17 of UMAM					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
5	Whether auditee had maintained a Special Fund Register which provides all details regarding nature, amount, period, bank details, rate of return, date of payment, investment made, date of maturity of investments etc.? If yes, answer the following questions: - separate bank accounts are created for each special funds. - accounts Department maintains a Special Fund Register and enters the details of the order approving the special fund - amount collected as development charges has been transferred to the development fund. - the fund is being utilized for the purpose for which it has been created. - investments made from the special fund is recorded in the Special Fund Investment Register. - income earned from the investment is updated in the special fund register. - reconcile the Ledger Balance, the Special Fund Register and the Special Fund bank account balance.	Chapter 18 of UMAM					

Rural Local Bodies

For Gram Panchayat, Kshettra Panchayat, For Zila Panchayat

1. Internal Control System (ICS)/ Compliance Review

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
A. Meetings and Committees							
1	Does auditee had formed required six standing committees for the performance of the duties for the Gram Panchayat/Kshettra Panchayat/ Zila Panchayat as mandated by Uttarakhand Panchayati Raj, 2016.	Section 4(3) & Section 35, Section 66, Section 112 of the Uttarakhand Panchayati Raj Act, 2016					
2	Check whether auditee had conducted required number of meetings as prescribed under section 3 and 21 of Uttarakhand Panchayati Raj, 2016. Also check whether all other provision such as quorum, manner of conduct of meeting, adjournment provision, notice, voting, minutes of meeting etc. are complied with? On sample basis, check the minutes of meetings and enquire about the key decision taken.	Sections 3, 21,66, 103 of the Uttarakhand Panchayati Raj Act, 2016					
B. Accounting and Records							
1	Check whether auditee has maintained proper books of accounts as mandated under Uttarakhand Panchayati Raj Act, 2016 or other governing rules and regulations (i.e., Simplified Formats of Accounts for PRIs).	Section 39,79, 118 of the Uttarakhand					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
2	Check whether ledgers, expense register, register for immovable properties etc. are updated on real time basis.	Panchayati Raj Act, 2016					
3	Check whether closing balance of previous year are correctly carried forwarded. (Check all the ledger balances to ensure, whether closing balances are correctly carried forwarded)						
4	Check whether books of accounts have been maintained by the authorised person (ask for the job description of the person maintaining books of accounts or letter for authorization).						
5	Check whether any modification/revision in books of accounts has been made after getting the approval from authorised person?						
6	Check whether person making entries is not approving the entries?						
7	Check whether auditee had prepared financial statements in accordance with prescribed form and format of governing rules and regulations.						
8	Check whether the appropriate authority has approved financial statements?						
9	Check whether approved financial statements have been submitted to administrative department within timelines prescribed under governing act, rules, and regulations.						
C. Budgeting							
1	Check whether budget estimation has been prepared as per the prescribed forms and format of Uttarakhand Panchayati Raj Act, 2016 or other governing rules and regulations (i.e., Simplified Formats of Accounts for PRIs).	Section 44,82 of the Uttarakhand Panchayati Raj Act, 2016					
2	Check whether budget estimate was presented to competent authority for obtaining necessary approval. Also, check whether approved budget estimates have been submitted to administrative department within timelines prescribed in governing act, rules, and regulations.						
3	Check minutes of meeting to ensure that all the activities proposed under the budget was approved by competent authority.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
4	Check the supporting documents for estimation of expenditure and income (select five high value items of expenditure and income and verify the estimation procedure).						
5	Check whether there was any budget revision/amendment in the last year? If yes, whether appropriate approvals were taken while revising the budget?						
6	Check whether the auditee had adopted budget control procedure? If yes, check whether budget control register is maintained in the prescribed format? Also, check whether variance analysis has been performed and reason for overspending and underspending has been explained in detail? If no, ask for the explanations.						
D. Cash and Bank							
1	Check whether cash book is updated on real time basis. (For example; check whether expenditure incurred in cash are recorded in cash book as and when payment is made not later than date).						
2	Check whether auditee have performed physical verification of cash on a regular interval. If yes, obtain the copy of physical verification report and enquire about the findings.						
3	Perform surprise physical verification of cash to verify whether the cash balance lying at the auditee is matching with cash book.						
4.	Check whether auditee has prepared bank reconciliation statement (BRS) as per the format prescribed under rules and regulations? If yes, check whether the frequency of preparation of BRS is in line with the accounting policies of auditee or rules and regulations governing such auditee.						
5	Check whether BRS contains cheques which were not cleared for more than 3 months (i.e., stale cheque). If yes, check what steps have auditee taken for such transactions?						
6	Check that there are no over-writings, erasures etc., made in cash book. In case of any over-writing or erasures check whether the same has been approved by competent authority.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
7	Moneys received are remitted in full into the Bank or Treasury without undue delay and without appropriating them to meet departmental expenses.						
8	Check whether advances paid for departmental purposes do not remain unadjusted for unduly extended period.						
9	No money paid to an employee is charged off in the cash book, unless it is in settlement of a personal claim and it is ensured that such employee remains accountable for the money received by him till, he renders accounts for the same.						
10	Check whether interbank transactions are affected to i.e., from one bank account to another bank account. These transactions, if any, should be scrutinised carefully to ensure that such amounts have been used properly and recouped within a reasonable time and that such interbank transactions are authorised by the competent authorities.						
11	Check whether details of unspent balances in hand are shown when closing the cash book at the end of each month. Also check, heavy cash balances which are not required for immediate disbursement is not kept on hand at any time.						
12	Check whether money has been drawn from the Bank / Treasury far in advance of requirements.						
13	Check whether advances paid for departmental purposes do not remain unadjusted for unduly extended period.						
E. Receipts							
1	Whether auditee had prepared a register of receipt books as prescribed in Uttarakhand Panchayati Raj Act, 2016.						
2	Whether all receipts are in prescribed formats, printed, serially numbered bearing name and seal of the auditee?						
3	Check whether receipts books were issued only to the authorized officials for collection of various receipts on account of Rent, Rate, Taxes, Fees, and Penalties etc.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
4	Check whether blank receipt books and counterfoils of used receipts are kept in safe custody.						
6	Check whether amount received are deposited into the bank account on daily basis. Also, check whether huge cash amount is lying with cashier in the form of cash, cheque, or demand draft. If yes, ask reason for not depositing into bank account.						
F. Data/ Information System Security							
1	Does Auditee have an information security policy? If yes, the contracts made with the staff of the auditee include provisions on information security?						
2	Is there a requirement for having a strong authentication (password) in accessing the systems and applications?						
3	Are the accesses to systems and applications recorded?						
4	Are the unauthorized accesses to systems and applications reported to management?						
5	Check whether physical security over computer system <i>like fire damage, water damage and power supply variation</i> are there?						
6	Check whether security control to access the system <i>like log-in, password, access token etc.</i> have exist and working appropriately?						
7	Check whether control over computers <i>like restriction on use of USB ports, centralised purchase of hardware and software and use of anti-virus software</i> are there?						
8	Check whether there is a proper mechanism to modify access password by authorised person?						
9	Check whether software and data security are there <i>like password, PINs, and monitoring after office hours.</i>						
10	Check whether data communication security is there <i>like encryption of data while sending over the mail and audit trail of significant data movement etc.</i>						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
11	Check whether control over use of internet or accounting system are established? <i>like restriction on use of various sites and security system.</i>						
G. Data/ Back- Up							
1	Check whether there is an adequate system for data back up?						
2	Check whether proper data backup strategies are there like <i>dual recoding of data, periodic dumping of data in case of unauthorised access or physical disaster etc.?</i>						
3	Check whether availability of alternate source of supply/ maintenance service is there or not?						
4	Check whether data backup has been taken during last year or not? In case yes, whether the same has been kept to the place other than the place where books of accounts have been maintained?						
5	Check whether testing of data backup regularly performed or not?						

2. Performance of Schemes

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
1	In addition to procurement checklist, auditor may ask for the following: a. what are the different inputs/resources/goods/services used in the project/ scheme/ activity/ programme/ work to be audited? From where these resources have been purchased? b. check whether procurement been done considering the economic order quantity to obtain the best price with discount in pricing etc.? Check the entire procurement procedure. (<i>Refer Audit Checklist for Procurement expenditure</i>)						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
2	Check whether expenditure has been incurred strictly in accordance with the guidelines / instructions of the program, project, or scheme and to serve solely for the purpose for which the scheme has been sanctioned.						
3	Check whether advances are not drawn and charged off as final expenditure in the project, program, or scheme accounts, especially towards the end of the fiscal year.						
4	Whether there have been any serious avoidable delays in the progress of the program, project or schemes resulting in increase in the total cost of the scheme.						
5	Whether there has been any wasteful expenditure incurred that resulting from lack of co-ordination or mis-management/ inefficient handling of program, scheme or project.						
6	Check whether Utilisation Certificates (UCs) in respect of assistance/ grants received for implementing the program, project or schemes are furnished promptly.						
7	Unutilised amounts at the end of the year are refunded if so, prescribed by the scheme sanctioning authority.						
8	Is there any monitoring mechanism in guidelines of the program, project or scheme or donor agreement? If yes, has auditee followed these procedures. In case no, what procedures are adopted by management of auditee to monitor the performance of program, project, and schemes.						
9	Enquire about terms and conditions of guidelines/ donors' agreements of program, project, or schemes to understand the following: a. funding mechanism b. reporting requirement c. auditing requirement d. procedure to be adopted in case target not achieved e. data management and documentation requirement f. other key matters						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
10	Collect progress report (annual/ quarterly/monthly, as prescribed in guidelines or donors' agreement) and analyse the followings: a. target vs actual performance of the program, project or scheme and seek explanations for the variances. b. what is the period for each of the milestones/targets to be achieved while implementing the project or programme? Have these timelines been adhered? c. have the planned targets been achieved with desired quality and resources?						
11	Enquire about the outcome of the program, project and schemes. a. what is the envisaged or planned impact or outcome? b. what is the actual impact or outcome? c. how can the outcome be improved and brought to the desired level?						
12	Check whether auditee had complied with the requirement of program, project, or scheme for opening a separate bank, maintenance of sperate cash book etc.						
13	Has any tracking system been established so, as to assure timely submission of required reporting such as monthly /annual statement of expenditure or progress report?						
14	Are there any standards, measure and indicators are established to assess the performance of program, project, and schemes? Further, how these standards, measures or indicators were established?						

3. Procurement Expenditure

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
1	Check whether auditee had prepared procurement plan in accordance with Annual Action Plan. If yes, check whether the same has been approved by competent authority						
2	Evaluation of individual procurement process (for Tendering = value up to 5,00,000/ 25,00,000): - whether auditee had prepared a detailed RFP document stating the technical, financial, and other requirements of the bid? - whether the RFP was approved as per powers given in the Schedule of Powers? - whether a committee had been formed to oversee the entire procurement process. - whether earnest money as specified in RFP documents has been received. - check whether adequate time was given for submission of bids based on the threshold level as prescribed in procurement rules, 2017. Also, whether requirement of three quotations is complied with? - Check whether declaration for conflict of interest has been obtained from all the participants to the bid - whether the bids were opened only on the notified date mentioned in RFP documents and in the presence of representatives of all firms/organisations who have participated. - check whether bidder possess requisite qualification as mentioned in RFP documents? - whether comparative statement has been prepared and approved by the committee so formed justifying the approval of rates? - whether the minutes of bid opening have been duly recorded? - whether the contract entered with the successful bidder is in the name of authorised representative of the auditee?	Procurement Rules, 2017					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
	l. Were payment terms clearly stipulated to prevent bidders from quoting prices based on varying advance payment. m. check that the terms and conditions of the contracts was in accordance with the provisions of the Procurement Rule, 2017. n. check whether procurement of material, goods and services valuing more than 25,00,000 was done through Limited tendering only in the cases mentioned in Procurement Rules, 2017						
3	Evaluation of individual procurement process (for Single Source Tendering): a. check whether procurement was made after getting certificate of technical valuation approved by competent authority. b. In case of procurement of goods or services on nomination basis, check whether contract has been entered with a related party. If yes, compare the prices of materials/ goods or services with the prices of such items supplied by other vendors. In case of significant differences ask for explanations. c. Check whether vendor has submitted conflict of interest declaration. d. check whether prices of material supplied by selected vendor is in accordance with fair market prices.						
5	Evaluation of individual procurement process (for Single Tendering = value up to 5,00,000): a. check whether single tendering is done only in case of procurement of material, goods, and services for which no registered dealer is there at auditee. b. check whether procurement was made after getting certificate of technical and financial valuation approved by competent authority. c. Check whether vendor has submitted conflict of interest declaration. check whether prices of material supplied by selected vendor is in accordance with fair market prices.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
6	Perform comparison between current year's rates of materials/ goods or services with the rates of material/ goods or services with previous year. In case of significant variances seek explanations.						
7	Check whether auditee has mechanism of inspection and examination of materials and goods received. If yes, check whether material/ goods are received of desired quality and specifications as mentioned in the purchase order.						
8	In case material and goods are of inferior quality and returned to the supplier, check that replacements of returned material goods were received and payments for the rejected material/goods has been deducted before making the final payment.						
9	Check whether auditee had incurred proportionately more expenditure during last quarter, as compared to the expenditure in the other three quarter of the Financial Year. If yes, point out the reasons and explanations						
10	Whether any procurement of personal nature is being charged to procurement expenditures (for example, purchase of mobile phone is charged to project where there was a budget for communication device, without showing it as an asset to FAR and authorization letter of personal having custody)						
11	Check whether invoices from vendor are issued in chronological order. Also, verify that invoices are raised as per the purchase order and agreement.						
12	Check whether payment to vendor is made after getting necessary approvals and in accordance with the terms and conditions of the contract/agreement.						
13	Check whether payment to vendor is made after getting necessary approvals and in accordance with the terms and conditions of the contract/agreement.	Procurement Rules, 2017 or as amended from time to time.					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
14	Evaluation of individual procurement process (for Tendering by Advertisement = value up to 25,00,000): (For Zila Panchayat) a. Is sufficient/wide publicity given to generate competition and avoid favouritism to select vendors (as per procurement rules, 2017, or as amended from time to time, advertisement shall be made in two national wide commonly used newspaper). b. All the points mentioned in point 4 shall be checked.						
15	Evaluation of individual procurement process (for electronic reverse auction): a. check whether procedure of e-procurement (i.e., rule 35 of Procurement Rule, 2017 or as amended from time to time,) has been followed for procurement of material, goods and services. b. All the points mentioned in the point 4 shall be checked.						
16	Evaluation of individual procurement process (for Single Source Tendering = value up to 10,00,000): For Zila Panchayat a. check whether procurement was made after getting certificate of technical valuation approved by competent authority. b. In case of procurement of goods or services on nomination basis, check whether contract has been entered with a related party. If yes, compare the prices of materials/ goods or services with the prices of such items supplied by other vendors. In case of significant differences ask for explanations. c. check whether vendor has submitted conflict of interest declaration. check whether prices of material supplied by selected vendor is in accordance with fair market prices.						

Audit Template for Checking of Procurement Expenditure



Audit
Template_Procurement

4. Establishment Expenditure

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
1	In case of Pay Bills, check the followings: - Check whether pay bill has been prepared as per the scales and as per the appointment's letters, applicable rules and orders governing appointments. On sample basis, scrutinize the attendance records of employees and check the calculation of the number of working days with the pay bills, including privilege leaves, half-pay leaves, sick leaves, and leaves without pay. - Check whether the details of the new appointments, increments and retirements has been updated in the payroll register. - Check whether all the necessary statutory deductions have been affected and necessary returns and certificates have been issued. - Check whether all the statutory deductions from pay bills have been deposited in respective fund/heads of accounts within prescribed timelines. - Check disbursement made to the employees have been duly accounted for in the cash book and the subsidiary register. - In case of arrears, check the arithmetical accuracy of the arrears (whether arrear payment has been calculated retrospectively from the date specified in the order).	Section 36 of the Uttarakhand Panchayati Raj Act, 2016					
2	In case of contractual employees: - Check whether the salaries of contractual employees have been appropriately accounted for in the books of accounts. Cross verifies the salary paid from cash book, bank statement and expense register. - Check the salaries paid by the Zilla Panchayat to the contractual employees are in accordance with contract agreement. Honorarium to Sarpanch/ Gram Pradhan						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
	c. Check whether honorarium was paid to Sarpanch was accordance with the rate prescribed under Act and rules circular issued by Uttarakhand Panchayati Raj Department. d. Cross check the honorarium paid from expense register with cash book, bank statement.						
3	Check the following transactions and report if any finding noted during the audit: a. Check that the amount of TA claimed (fares or kms for journeys, daily allowance etc.) are correct with reference to the pay of the claimant and prescribed rates. b. Check the supporting documents such as tickets in proof of travel and receipts for conveyance of personal effects (in case of transfers) as prescribed have been attached to the bill. c. Check that the tour was performed through shortest route and not through circuitous routes. d. Check whether any personal bill is not claimed.						
4	In case of Medical Bills , check the followings: a. Check whether medical bills were produced and submitted in time. b. Check whether medical bill presented for payment are supported by adequate bills/invoice. c. Ensure that the medical claim has been approved by the competent authority and are from approved by medical institutions/hospitals/panel. d. Check that the medical bills were produced and submitted within the time limit as prescribed under Rules and Regulations.						
5	In case of Service Books , check the followings:						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
	a. check whether all the events (i.e., date of appointment, revision, suspension, stoppage of increments, confirmation, deputation etc.) in respect of an employee are recorded in his service book and attested by the competent authority. b. check that service books contain a certificate of annual verification of service with reference to acquaintance rolls and other records. c. check that no alteration of the date of birth of the official is made in contravention of the relevant rules and without sanction of the competent authority. d. check that orders for sanction of leave have been recorded in the service book, giving reference to memo no, date etc. e. check whether employee's option, if any, regarding revised scale/pension nomination to DCRG, GPF, etc. were recorded in the Service books. f. Check that pays columns of the service books agree with the pay drawn as per the office copies of pay bills and paid acquaintance rolls. (On sample basis) g. Check that the service books of all government servants are maintained as per the prescribed form and format.						
6	In case of Leave Register, check the followings: a. check that leaves in credit have been correctly worked out in accordance with the rules and regulations of the auditee. b. check whether leave register has been revised wherever necessary with reference to orders regarding completion of probation, confirmation etc. c. check that excess leave sanctioned, or excess leave salary drawn by mistake and discovered later was rectified. d. check that encashment of leave wherever allowed was correctly admissible, and the order no, block period, etc. were recorded in the service book	Section 36 of the Uttarakhand Panchayati Raj Act, 2016					
7	Whether register of advances has maintained in prescribed form and format? If yes, answer the following questions:						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
	a. check whether advance to employees has been provided for officials purpose only b. check whether prior approval of competent authority has been obtained before giving advance to employees. c. check whether advances are settles with in the timelines prescribed in the governing rules and regulations. d. check whether outstanding balances are regularly followed up with the concerned employee on a regular interval. e. check whether outstanding advances at the end of year are reflected in the annual accounts?						

Audit Template for Checking Establishment Expenditure



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5. Other Revenue Expenditure

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	AuditorsRemarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
1	Whether all the vouchers were made in the prescribed form and presented at the concerned office for pre-check and passing for payment by Head of Office? If yes, answer the following questions:						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	AuditorsRemarks	Documents Verified	Observation Noted (Y/N)	Initial memo No	Amount (If any)
	a. Check that all the vouchers were prepared in prescribed printed form containing full details of claims and information necessary for classification in accounts, acknowledgement of payment, pay order by the Head of Office, both in words and figures. b. Check that all vouchers were serially numbered starting from 1st April every year and stamped “Paid and cancelled”. c. Check that Vouchers were kept in safe custody and not destroyed before expiry of prescribed period. d. Perform variance analysis of expenditure incurred in the previous year with the expenditure in current year, if the variance in expenses of current year is more than 10% of the previous year, quote reasons thereof.						
2	Verify whether auditee has adopted chart of accounts as prescribed by the governing rules and regulations.						
3	Verify whether full details of each item of expenditure (including account code as per Chart of Account) are available in payment advice and voucher prepared.						
4	Verify whether the expenditure sanctioned for or required to be incurred within a limited period has not been incurred beyond that period without proper sanction.						
5	Whether any personal expenses have been charged to other revenue expenditures.						
6	Check whether auditee had incurred proportionately more expenditure during last quarter, as compared to the expenditure in the other three quarter of the Financial Year. If yes, point out the reasons and explanations.						
7	Whether there has been any wasteful expenditure incurred that resulting from lack of co-ordination or mis-management/ inefficient handling of accounting function.						

Audit Template for Checking Other Revenue Expenditure

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Template_Other Reve

6. Fixed Assets and Stores & Stocks

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
Fixed Assets							
1	Whether sperate register are maintained for fixed assets. If yes, answer the following questions: - check whether registers include all the relevant details of property, like location, area, survey number and ownership dee etc. - check whether Fixed Assets depicted in the Register exist physically and are in working order? - check whether assets were purchased as per requirement and under proper authority. - Whether Ownership/title of all asset's vests with the auditee? - check that depreciation, as prescribed, is charged on assets. - In case of newly acquired fixed asset, check that relevant documents such as invoice, title deed etc. are in order. - check that no expenditure of revenue nature such as renovation, replacement, etc. is treated as addition to fixed assets. - In case of any obsolete asset (non-performing), check whether the same was written off with the necessary approvals.						
2	Enquire about impact of technological change on different assets (if any).						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
3	Review adequacy of repair and maintenance Procedures. a. In case huge repair and maintenance expenditure are incurred on specific assets, check whether such huge repair and maintenance was necessary and incurred based on some technical evaluation. b. Also, check whether approval from competent authority had been taken prior incurring such repair and maintenance expenditure.						
4	In case assets were acquired on lease, check the terms of leased property including options for renewal, lease classification, potential impact of renewal terms, unusual covenants, and restrictions on use.						
5	Enquire about compliance with environmental and safety requirements						
6	Enquire about the procedures adopted by auditee by which the physical existence of tangible fixed assets is safeguarded.						
Stores and Stocks							
1	Check whether auditee had conducted a requirement analysis of stores for the year and the same has been estimated properly in auditee's budget for the year.						
2	Examine the procedures and controls to ensure that purchase of stores is not done without actual need or more than requirement resulting in accumulation of idle stock and consequential loss to the auditee.						
3	Whether auditee had prepared the stock register/ account in accordance with the prescribed rules and regulations governing auditee. If yes, answer the followings: a. check whether measures were taken to survey, segregate and to dispose of old, unserviceable, surplus, and obsolete stores suitably for the advantage of the institution. b. check whether stores are kept under the custody of a permanent and responsible employee of auditee including its lock and key.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
	c. check whether issue of stores is supported by approved requisitions and indents by competent authority. Also, check whether the recipients acknowledge issues. d. check whether the value in stores account tallies with the balance reflected in the general accounts. e. check whether excess found on physical verification was immediately considered and shortages were investigated and disciplinary action was initiated against the persons concerned for shortages						
4	Whether stores were sold only with the prior approval of the competent authority? If yes, answer the following questions: a. whether selling rates were reviewed periodically and revised, if necessary, after comparison with the market rates? b. check that survey report was approved by the competent authority before unserviceable stores were sold. c. when stores are sold through public auction, check that documents are available to prove that sufficient publicity had been given notifying that: (iv) the auction was conducted properly in accordance with the rules and regulations of the auditee, (v) unserviceable stores and stock have been sold to the highest bidder, and (vi) Competent authority had approved the auction. d. check those profits or losses resulting from sales or due to revaluation, stock taking, or other causes were promptly adjusted in accounts and the relevant rules were followed in this regard.						
5	Check whether auditee had incurred proportionately more expenditure during last quarter, as compared to the expenditure in the other three quarter of the Financial Year. If yes, point out the reasons and explanations						

Audit Template for Checking Fixed Assets and Stores & Stocks:



Audit Template_Fixed
Assets, Stores and Stc

7. Revenue and Income

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
Revenue (Tax)							
1	Whether auditee has kept demand collection register, receipt book, ledger and other registers as prescribed by governing act, rules, and regulations. Also check whether all the registers are updated on all occasion of raising of demand, collection, refund, write off etc.?	Section 44,84,123 of the Uttarakhand Panchayati Raj Act, 2016					
2	The income of the Gram Panchayat/Kshettra Panchayat/Zila Panchayat is including: Taxes: The Gram Panchayat shall impose such tax as the state government may authorised in accordance with the provisions of this Act, Rules, and Regulation. Fee and Other fee: made otherwise under this act. Fee on vehicle registration and fee on assessment. a. check whether prescribed tax and other fee has been correctly assessed in accordance with the provisions of the applicable act, rules, and regulation. b. check collection in respect of taxes and other fee has been properly accounted for in the books and accounts. c. check whether demand slip has been issued to all the assessee in respect of whom tax is collected. d. check collection in respect of taxes has been appropriately accounted in the books of accounts. also, cross verify the transaction from ‘demand and	Section 46 (9), 84, 123 of the Uttarakhand Panchayati Raj Act, 2016					

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
	collection register' with the 'counterfoils of demand slips,' cash book' and 'receipt book.' e. check whether there are arrears in tax from demand and collection register? If yes, whether appropriate action have been taken in accordance with act and rules to release it. f. perform reconciliation of total tax collected from demand and collection register with cash book on monthly basis and annual basis to ensure that all the tax collected is recorded and deposited.						
3	Perform variance analysis of all the taxes collected in current year with last year's tax collection. In case of variances more than +10%/ (10%), quote the reasons of variances (like change in rate or abolition of taxes, etc.).						
4	In case of delayed payment or non-payment of taxes, check whether notices of demand and warrants are issued, and penalties are charged as per the provision of applicable act, rules, and regulations.						
5	Whether reconciliation of taxes due last year, taxes assessed current year and collected made current year had been performed? If yes, what is the frequency and approval procedure of such reconciliation. Additionally, obtain reconciliation reports and check whether there are significant differences. If yes, ask for the reasons.						
Revenue (Non-Tax – Rent, Fees, and Other source of Income)							
1	Rent from shops, premises & buildings etc.: a. check whether records for all the shops, building and premises is updated in register of immovable property b. check whether rent for entire year is collected and appropriately accounted in the books of accounts in respect of every shop, building and premises mentioned in register of immovable property with revenue register and cash book.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
	c. check whether annual increment of rent in accordance with terms and conditions of agreement or applicable rules has been appropriately accounted in the books of accounts. d. check, in case of non-payment of rent, auditee has adopted adequate mechanism to vacate such property/ assets. e. perform variance analysis of rent collected during the current year with rent collected in previous year, and quote the reasons for variances (like change in rent rates, less recovery of rent due to property being vacant etc.)						
2	Income from surcharge on stamp duty/ agriculture produce, mandi fees: Ensure income so collected is recorded in the books of accounts in appropriate head. Also, cross verify the income so collected with cash book, revenue register and receipt book.	Section 44, 84, 123 of the Uttarakhand Panchayati Raj Act, 2016					
3	Income from ration card fee, fee for issuing duplicate certificate and other fee: Ensure income so collected is recorded in the books of accounts in appropriate head. Also, cross verify the income so collected with cash book, revenue register and receipt book.						
4	Income from tender fee: a. check whether the tender fee is collected in respect of all the tender issued by Zilla Panchayat during current year. Cross verifies the tender fee collected from annual action plan to ensure the all the tender fee is recorded and deposited appropriately. b. cross verify the income so collected with cash book, sale of tender documents and receipt book to ensure income so collected is appropriately recorded in the books of accounts.						
5	In case of income from license Fees, advertisement, display fees and other fees/ income , check the followings:						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
	a. check whether collection has been made in accordance with the terms and conditions of the agreement. b. fees collected have been updated in the respective Registers. c. perform reconciliation of collections made with ledger, receipt book and bank statements.						
6	Perform variance analysis of all the collection made in current year with last year's (i.e., collections from taxes, collection from water and supply charges, rental income, license fees, advertisement fees, display fees). In case of variances more than +10%/ (10%), quote the reasons of variances (like change in rate, increase in the number of applications for sale of land etc.).						



Audit
Template_Revenue an

Audit Template for Checking Revenue and Income:

8. Grant and Loans & Advances

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation noted (Y/N)	Initial Memo No	Amount (If any)
1	In case of Grants , check the followings: a. check whether auditee has maintained a register of grants and funds received from various sources in prescribed format.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation noted (Y/N)	Initial Memo No	Amount (If any)
	b. check whether the auditee had submitted a statement of grants and funds received from various sources to administrative department as prescribed by governing rules and regulations? c. in case of receipt of grant or funds, check whether release orders, payment advice and other relevant orders and notes are attached with grant receipt vouchers. d. check whether the grants were used for the purpose for which they were sanctioned (i.e., expenditure pertaining to some other grant should not be charged interchangeably). e. check whether auditee had submitted utilization certificates to controlling office against each grant in a manner prescribed under terms and conditions of the grant. f. check whether the UCs were duly authorized and submitted on time by the concerned official. In case of any variances noticed in the review, seek explanations from the auditee.						
2	Performance Grant: a. check that gram panchayat is adhering with the guidelines for claiming Performance Grant as per the recommendations of Finance Commission. b. check that gram panchayat is taking necessary steps every year for increase in its own sources of revenue over the preceding year. c. check that gram panchayat is taking steps for audit of accounts immediately after the end of the fiscal year.						
3	In case of Loans and Advances , check the followings: a. check whether the purpose for which the loan/advance was given is strictly in pursuance of the activities of the organization. b. check whether competent authority sanctioned advances? c. check whether there was no splitting of sanction orders to avoid sanction of higher authorities.						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation noted (Y/N)	Initial Memo No	Amount (If any)
	d. check whether advances are settled within the prescribed timelines If no, check whether interest or penalty on unsettled advances have been appropriately accounted in the books of accounts in accordance with governing rules and regulations. e. check the arithmetical accuracy of interest received. Also check whether interest is collected on due date, in case, interest is collected post due date, check whether any penalty had been levied on such loan or not? f. check that no fresh loan/advance was given if the balance of the previous loan/advance is still unsettled.						
4	Whether auditee has taken loan from central or state government or financial institutions/banks? If yes, please answer the following questions: a. check whether the auditee has taken prior permission of state government for loans to be taken from financial institutions/banks. b. check whether the auditee has maintained a loan register to show the receipt and repayment of loans. c. check whether receipt and repayment of loan is correctly recorded in the cash book and subsidiary registers. d. check whether the unit has spent the amount of loan only for the purpose for which it was taken and within the specified time. e. check whether sizeable portion of loan is unutilized? If yes, ask the reason for such un-utilisation.	Section 47 of the Uttarakhand Panchayati Raj Act, 2016.					

9. CAG 8 Format and e -Gram Swaraj

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
1.	Check Whether the auditee has maintained the accounts of e- Gram Swaraj. If yes, then please answer the following questions: - Check whether the accounts are prepared on cash basis. - Check whether the period of accounts is a fiscal year ending of 31st March. - Check whether daily transactions are recorded in Cash Book. The receipts are recorded on receipts side and payments on payments side. - Check whether every day the cash book is closed, and Closing Balance worked out would then form the Opening Balance for next day. - Check whether the classification/head of account for each transaction is clearly mentioned. - Check whether Every day the details of transactions as recorded in the cash book is transferred to either Register of Receipts if the transaction is receipts or to Register of Payments if it is payment under the respective heads of account. - Check whether at the end of each month the totals of Receipts and Payments (up to object head level) are to be posted to the Monthly Receipts and Payment Account. - Check whether the monthly figure is added to previous month's progressive total and the figures up to the end of the current month are worked out in the Consolidated Abstract. - Check whether at the end of each month the totals of Receipts and Payments (up to object head level) are to be posted to the Monthly Receipts and Payment Account. - Check whether at the end of the month the bank reconciliation and treasury reconciliation are completed.						
2	Check whether proper inputs are provided by auditee for various formats like: Monthly/Annual receipts and payments accounts (Format I)						

S. No	Audit Questions	Reference (Act/ Rules/ Policy/ Guidance etc.)	Auditors Remarks	Documents Verified	Observation Noted (Y/N)	Initial Memo No	Amount (If any)
	b. Consolidated Abstract (Format II) c. Monthly Reconciliation Statement (Format III) d. Format for Receivable and Payable (Format IV) e. Format for Immovable Property (Format V) f. Format for Movable Property (Format VI) g. Inventory Register (Format VII) h. Format of Demand, Collection, and balance (Format VIII)						