

# **CHAPTER-VI**

## **MATERIALS FOR THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

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**CHAPTER-VI**  
**MATERIALS FOR THE REPORT OF THE COMPTROLLER AND**  
**AUDITOR GENERAL OF INDIA**

**6.1 GENERAL**

(a) In terms of Article 151 (2) of the Constitution, the C&AG of India shall submit a report termed as Audit Report relating to the accounts of the State Government, to the Governor of the respective State who shall cause them to be laid before the State Legislature. The Audit Report enables the Legislature as well as the general people to be aware of the State's financial position, irregularities, extravagant and wasteful expenditure of public money and also to evaluate the regularity and propriety of the Government expenditure. Thus, the Audit Report is not only important instrument in ensuring accountability of the executive to the Legislature in the matters concerning financial management but also indicates the quality of work, knowledge and efficiency of the Audit organization. It is, therefore, most important that cases of serious financial irregularities, appreciable loss/extravagant/wasteful/ nugatory expenditure of public money owing to negligence or injudicious decision of the executive or failure of the Government to implement the social/rural development programme/scheme etc., which merit for inclusion in the report should be segregated right from the time it come to notice of audit and their processing started forthwith and completed in the minimum time.

(b) GSS-I wing is required to furnish the under mentioned materials for inclusion in the Audit Report to the Report Section on the due dates prescribed by that Section from time to time.

- i) Observation on Comprehensive review of schemes and programme, implemented/launched by the State/Central Government;
- ii) Important points/irregularities noticed during Local Audit of different Department/Directorate or its subordinate offices of the State Government and non-commercial autonomous bodies/ authorities/ institutions etc;
- iii) Appropriation audit and control of expenditure;
- iv) Lack of Cash management/Cash control;
- v) Defalcation/misappropriation/fraud;
- vi) Cases of fraud and corruption warranting vigilance investigation;
- vii) Concrete case of drawal of fund in advance or in excess of requirement;
- viii) Review of Stores & Stock Accounts;
- ix) Non-submission of Proforma Accounts;
- x) Important cases of Loss and write off of Government dues and of wasteful or nugatory expenditure;
- xi) Lack of responsiveness of Government on Inspection Reports;
- xii) Internal Control System of Selected Department;

(Paragraph 7.3.2 of MSO (Audit) & Old Manual)

**6.1.1 Observation on Comprehensive reviews of schemes and programme, implemented/ launched by the State/Central Government.**

In addition to the normal expenditure audit including scrutiny of individual transactions in order to detect cases of improper, extravagant, wasteful or uneconomical expenditure, Voucher Level Computerisation audit/Efficiency-cum-Performance audit is also conducted with a view to examining how far the agency or authority whose transactions are under audit is adequately discharging its financial responsibilities in implementation of the schemes/programme undertaken by it.

Important findings are brought to the notice of the Legislature in the shape of reviews incorporated in the Audit Report. After the approval of the review by the Group Officer and Pr. AG, a copy of it is sent to Report Section for incorporation in the Audit Report.

**Note:** *Review of scheme/programme should be conducted pertaining to the period of five years, if otherwise not directed by the C&AG office.*

**6.1.2 Important points/irregularities noticed during Local Audit of different Department/ Directorate or its subordinate offices of the State Government and Non-Commercial Autonomous Bodies/Authorities Institutions etc.**

(a) Cases of appreciable loss, extravagant/wasteful/nugatory expenditure of public money, unauthorized payment, drawal or parking of fund, misuse of Government property, fraud, embezzlement, failure of the Government to implement the social/rural development programme/ scheme or any other interesting cases of financial irregularities occurred owing to negligence or injudicious decision of the Government detected/noticed during local audit of different Government Departments/Directorates should find place in the Audit Report.

(b) Serious irregularities and lapses noticed in the accounts of bodies/authorities and sanctioning authorities audit of which is conducted under Sections 14, 15, 19 and 20 of the C&AG's (DPC) Act, 1971 have to be grouped section-wise after drafting paragraphs with details of grant/loan received, expenditure incurred, the Section of the Act under which the Audit was undertaken etc. for incorporation in the Audit Report.

(c) Review of the accounts of the Co-operative Societies, wherein Government have made substantial investments in the form of share capital, loan, grant etc. may be conducted annually. The office of the Registrar of Co-operative Societies and allied offices may be visited for the purpose. Pr. AG may include appropriate comments in the Audit Report as a result of scrutiny of these records in the offices of the sanctioning authorities. Necessary action for such examination may be undertaken and the feasibility of reporting results of such examinations given due consideration. The relevant materials in this regard (including the statistical information on such investments in Co-operative societies) may be proposed for inclusion in the Chapter on 'Financial Assistance to Local Bodies'.

(HQs. letter No. I245-TAI/25-74, Vol-I dated 29-12-75)

### 6.1.3 Appropriation audit and control of expenditure:

Important comments arising as a result of appropriation audit and from a study of the Appropriation Account would find place in the Audit Report under Chapter II. When

possible, comments on physical progress of project/schemes/programme in relation to the targets and actual expenditure may be included in the report. Any other points establishing linkage between the budget and accounts in terms of policies and their effect may also be commented upon.

[Annexure 1 of paragraph 7.3.8 of C& AG's MSO (Audit)]

### 6.1.4 Lack of Cash management/Cash control:

Cases of unauthorized expenditure incurred by the auditee unit from the un-disbursed liquid cash, retention of Government revenue instead of depositing to the Government account and incurring expenditure there from, failure on the part of the management in proper maintenance of the cash book which could lead to fraud, defalcation/ embezzlement of cash may be incorporated in the Audit Report either individually or in consolidated manner.

### 6.1.5 Defalcation/misappropriation/fraud:

Cases of defalcation, misappropriation, fraud etc. which are detected by the field parties during the course of local audit or Special Audit on the basis of reports on such matters received from the Heads of Offices/ Departments/ Finance Department should be entered in the "Register of Defalcations, Misappropriations, Fraud" etc. with the approval of the Group Officer. Cases which appear glaring and considered fit for inclusion in the Audit Report should be processed in details and developed into individual or consolidated (i.e. clubbing of similar cases into one) draft paragraphs and submitted to the Group Officer for approval. A synoptic statement of up to date outstanding cases of defalcations, misappropriations, frauds, etc. detected in local audit should be prepared from this register for transmission to Report Section for inclusion in the Audit Report. All subsequent developments on such cases of defalcations, misappropriations, fraud etc. should also be mentioned in the statement. Final settlement of the cases should be watched through this register. The cases which have been finally incorporated in the Audit Report as individual or consolidated paragraphs should not be cleared from the Register until the cases are finally settled though the same may be deleted from the IR. Suspected cases of defalcations, etc. may not be entered in the Register of Financial Irregularities. The Register should be submitted to the Group Officer on the 7<sup>th</sup> of each month indicating the latest action taken on each case.

**Note:** According to the recommendations of the State Public Accounts Committee, an enquiry should in every case of fraud be specifically made by the Head of the Department as to whether the question of prosecuting the guilty person was considered. The result of the enquiry should be embodied, if necessary, in the draft paragraph prepared for the Report of the C&AG for the information of the Public Accounts Committee.

### 6.1.6 Cases of fraud, malafide and corruption warranting Vigilance Investigation:

While approving the IRs, the Group Officer may identify the cases of suspected fraud, malafide and corruptions warranting vigilance investigation and submit to the Pr. AG alongwith an extract of the IR para. The Pr. AG on examining the case may take up the matter with the

Administrative Secretaries of the Department demi-officially highlighting the need of making vigilance investigation under intimation to the ADAI. Meanwhile, the matter may be proposed for in the Audit Report and the fact of having intimated the State Government for taking urgent action on the matter may also be mentioned in the Audit Para.

(HQs. Confidential D.O. No. 1149-Reo(S)/187-2003 dated 28.8.2003)

### 6.1.7 Concrete case of drawal of fund in advance or in excess of requirement

(a) A paragraph showing cases of drawal of funds in advance of requirements detected during the course of local inspection should be prepared by Headquarters for inclusion in the Report of the C&AG. As soon as a case of drawal of fund in advance of requirement is noticed from an IR, the details of the same should be entered serially in a Register namely “Register showing cases of drawals of funds in advance of requirements” in the pro-forma given below:

Sl. No.	Department	Designation of the Drawing Officer	IR Para reference	G.O. No. date and amount sanctioned	No. and date of Bill	Date of encashment
1	2	3	4	5	6	7

Amount drawn	Purpose	Reasons for drawal in advance of requirement	Reasons for remaining un-disbursed	Explanation of the Head of the Deptt./ Government	Dates of disbursement	Amounts disbursed
1	2	3	4	5	6	7

(b) The matter should immediately be taken up with the Head of the Department/Government and pursued vigorously and intelligently. If the explanations given by the Head of the Department/Government are not satisfactory and if the entire amount or a substantial part of it is lying unspent for a considerable period, a paragraph on such amount should be processed for inclusion in the Audit Report. The Register would be submitted to the concerned Branch Officer on the first day of each month, to the Group Officer on the 1<sup>st</sup> day of January, April, July and October and to the Pr. AG on the 1<sup>st</sup> day of January and October.

### 6.1.8 Review of Stores & Stock Accounts:

(a) The C&AG shall have authority to audit and report on the accounts of stores and stock kept in any office or department of the State Government. A synoptic paragraph on the Stores and Stock Accounts maintained by the departmental offices together with the points of observations noticed in the audit of Store and Stock as envisaged in **paragraph 7.8** of this manual is to be included in the Audit Report.

(b) The stores and stock accounts of the following Departments are required to be submitted to audit by the 5<sup>th</sup> September each year:

Sl. No.	Departments	Details of Accounts	
1	School Education	i)	Scheme for supply of text books
2	Health and Family Welfare	i)	Consolidated stores account of Principal, State Hospitals
		ii)	Central Medical Stores
		iii)	Infectious Diseases Hospital
		iv)	Central Family Welfare Store, State Family Welfare Bureau, Directorate of Health Services
		v)	Central medical Stores of Employees State Insurance (Medical Benefit)
3	Correctional Home	i)	Jail Depot, Calcutta
		ii)	Alipore Central Jail Press
		iii)	Consolidated stores account of Presidency and Central Jails
4	Information and Cultural Affairs	i)	Consolidated stores accounts (other than Distribution Section)

(c) The GSS-I Wing may, therefore, call for the Stores Accounts of the above institutions by the 31<sup>st</sup> May each year from the respective department in consolidated form duly certified to its correctness, mentioning the name of the officer conducted the physical verification and indicating that the balances are not in excess of requirement, and reasons for holding excess stock, if any. A synoptic statement should be prepared in the following form with explanatory notes and comments regarding stores verification, action taken for adjustment of shortages and excess, if any, unnecessary accumulation of stock, unserviceable stores, etc. The draft report together with the statement duly approved by the Group Officer should be forwarded to the Report section for scrutiny and approval of the Pr. AG for incorporation in the Audit Report.

Sl. No.	Department	Description	In Rupees (₹)				
			Opening Balance	Receipts	Issues	Closing Balance	Value
1	2	3	4	5	6	7	8

**Note 1:** The Store Accounts should bear the signature and designation of the officer in immediate charge of the stores and also of the Accountant responsible for the preparation of the accounts. The inspection party should see that the above provision has been satisfied when checking the Store accounts.

**Note 2:** Where there is a definite policy of writing down the values of stores by depreciation, such depreciation should be shown as an item in the stores accounts as per the rate prescribed by the Government. Where there is no such policy, only actual write-off of surplus and unserviceable or lost stores should be shown, or losses on revaluation.

**Note 3:** The Group Officer will furnish audit certificates on all the store accounts so supplied. If the accounts have not come under local audit, the fact should be stated on the face of the accounts and the audit certificates suitably modified. In such cases, the accounts should be checked in subsequent local audit and the results reported in the next Report of the C&AG.

### 6.1.9 Proforma Accounts

The operation of some departments of Government includes undertakings of a quasi-commercial character. Even though these are maintained almost entirely for the benefit of the department, it is necessary that the financial results of the undertaking may be known and kept on a proforma basis. Serious delays in preparation or non-preparation of Proforma accounts and important conclusions based on the records made available to audit during local inspections of the offices should be mentioned in the Audit Report.

(Ref. Chapter 49 of section VI of Commercial Audit Manual Pt. II)

Draft paragraph on wanting Proforma Accounts incorporating the position as on the 31<sup>st</sup> August should be prepared by the 10<sup>th</sup> September or by the date fixed by the Pr. AG.

### 6.1.10 Important cases of Loss, write off and remission of Government: Dues/Revenue

A statement of the number of cases relating to remission and write off of Government dues and revenue and the amount involved should be prepared indicating the broad reasons for the write-off or waiver and action for realization or institution of certificate cases before writing off or waiver. The cases may be categorized as follows:

- a) Whereabouts of defaulter not known;
- b) Defaulter did not own any property;
- c) Defaulter declared insolvent;
- d) Records not traceable;

Departmental files relating to cases involving large amount should be examined and serious irregularities, if any, brought out for incorporation in report.

[Ref. Paragraph 7.3.21 (viii) of MSO (Audit)]

### 6.1.11 Lack of responsiveness of Government on IRs:

Pr. AG arranges periodical inspection of Government departments to conduct test check of the transaction and verify the maintenance of important accounts and other records as per prescribed rules and procedure. Important irregularities, detected during inspection, if not settled on the spot, find place in the IR which are issued to the head of offices inspected with a copy to the next higher authorities. Government of West Bengal, Finance Department order No. 5703 (72)/FB dated 29.8/72 provides for prompt response by the Executive to the IRs to ensure rectificatory action in compliance of the prescribed Rules and Procedure and secure accountability for the deficiencies, lapses etc., noticed during audit. The head of offices and next higher authorities require rectification of the defects and omission promptly and report their compliances to Pr. AG. A half yearly report is sent to Principal Secretary/Secretary of the Department in respect of pending IRs/ Paragraphs to facilitate monitoring of the audit observations in the pending IRs. Non-receipt of replies to the pending IR paragraphs from the Head of the offices as well as from the Head of the Departments indicated their failure to initiate action in regard to the defects, omission and irregularities pointed out in IRs. Such inaction on the part of the executive to initiate action on the audit observation communicated through IRs should find a place in the Audit Report. Accordingly, a statement indicating the Department-wise breaks up as well as total number of IRs & Paragraphs and type of irregularities with money value should be prepared and sent to the report section for incorporation in the Report.

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**6.1.12 Internal Control System of Selected Department**

In order to highlight effectiveness as well as interesting features relating to the internal audit and internal control system of the auditee organization the following points, inter-alia, may be mentioned in the Audit Report.

- a) Analysis of the Year-wise objection raised in internal audit, those settled and those outstanding indicating revenue implications.
- b) Serious irregularities noticed in statutory audit in cases initially scrutinized in internal audit.
- c) Department in which machinery for internal control system has not been established.

**[Ref. Paragraph 7.3.21 (xi) of MSO (Audit)]**

**6.1.13 Other points of interests:**

In addition to above, any serious irregularities on the following points may be incorporated in Audit Report.

- i) Exemption given without any valid rules/regulations.
- ii) Extra-legal concessions or refund of revenue.
- iii) Reduction of revenue demands or waiver of revenue dues etc.

**[Ref. Paragraph 7.3.22 of MSO (Audit)]**

**6.2 Cases for Incorporation in Audit Report :**

It is difficult to lay down any hard and fast rule in regard to the nature of cases for inclusion in the Audit Report. However, following guidelines/ principles in selection of the cases for incorporation in the Audit Report may be taken into consideration.

**[Ref. Paragraph 7.3.22 (b) of MSO (Audit)]**

**6.2.1 Cases that may not be considered for inclusion in the report:**

Following types of cases may not be considered for inclusion in the Audit Report:

- i) Very old cases, where it is naturally very difficult to take any effective action or even to reconstruct the facts and circumstances in which the alleged irregularities took place.
- ii) Cases in respect of which Government is taking or has promised to take remedial measures including suitable disciplinary action, where necessary, to prevent recurrence of such irregularities in future.
- iii) Minor cases where malafide or deliberate intentions to circumvent procedure are not involved.
- iv) Cases which are sub-judice, or have been referred to arbitration should not be mentioned in such a way as to prejudice the claim or their defence in the court of law or arbitrator. No useful purpose is served normally by inclusion of such cases in the report.



**Note:** *Cases of habitual and important irregularities against rules and procedure, etc., noticed in the accounts of the various Departments from year to year, the continuance of which is likely to lead to losses, frauds, etc. should, however, be mentioned in the Audit Report.*

### **6.2.2 Cases that may be considered for inclusion in the report:**

Followings are the illustrative list of irregularities that would generally merit inclusion in the Audit Report.

- i) Any negligence or manipulation in accounts and fraud in a monetary transaction or in the disposal of stores, etc.
- ii) Any appreciable loss of Government money or property.
- iii) Any serious irregularity connected with a contract or heavy purchase.
- iv) Any extraordinarily infructuous or apparently unnecessary expenditure such as:
  - a) Payments made as act of grace,
  - b) Unnecessary payment of demurrage, rent or compensation consequent upon some executive failure,
  - c) Payments of heavy amounts due to failure to enforce contractual terms and agreement,
  - d) Irrecoverable advance etc.
- v) Large claim which is outstanding for a long time from foreign Government, Local bodies or outside parties.
- vi) Unsatisfactory working of a Government Scheme.
- vii) Absence of administrative regulation or procedure to secure a proper and effective check upon monetary transactions.
- viii) Any irregularity connected with grant-in-aid, such as, neglect (a) by the sanctioning authority, of the conditions precedent to the grant (b) by the grantee of the conditions attached to the grant by the sanctioning authority.
- ix) Any important irregularity in the realization of revenue.
- x) Sanction to write-off of an item of avoidable expenditure.
- xi) Uneconomical/wasteful expenditure attributable to (a) execution of a scheme without investigation of its utility/feasibility, (b) Unsatisfactory execution of work without any plan estimate, requirement and by the agency lacking required infrastructure.
- xii) Any irregularity in connection with the withdrawal and disbursement of money designed to bring about a closure accord between expenditure and allotment.
- xiii) Inadequacy of rules or absence of administrative regulations sufficient to secure a proper and effective check-up on monetary transaction.

**Note 1: In reporting cases of financial irregularities, the actual amount involved should invariably be stated, as far as possible.**

**Note 2: Individual cases of irregularity should be mentioned in the Audit Report only when they are really important as involving any serious transgression of rules or orders leading or likely to lead, to loss of public money or serious breaches of audit procedure or safeguards. Petty cases should not ordinarily be reported unless they reveal any serious defect in rules or system. If there are a number of cases of financial irregularities of the same nature occurring in the same department not exceeding the money limit fixed from time to time,**

which may produce an appreciable cumulative effect, they may be mentioned in a single paragraph of the Report.

**Note 3:** The State Public Accounts Committee desire that all cases of financial irregularities, however, small the sum involved, which entail a question of principle, should be mentioned in the Audit Report. Orders of the PAG should be obtained before preparing draft paragraphs on any such case for the Report.

**Note 4:** When a case predominantly administrative or technical in character is thought to be of sufficient importance, require mentioning in the Audit Report, a paragraph may be drafted after discussion with the administrative department of Government classifying the issues and eliminating the point of controversy as far as possible.

**Note 5:** Though the Report of the CAG will deal with transactions brought to account up to the end of the financial year to which the accounts relate, it will be permissible to include in the Report for a particular year, rare cases of exceptional importance which ought to be brought to notice urgently, even though they may relate to a later year. The latest information received in a later year may also be included in a case belonging to the earlier year of accounts.

### **6.3 METHODS OF DRAFTING DRAFT PARAGRAPH/REPORT**

In drafting a Draft paragraph and review Report for inclusion in the Audit Report of CAG, following principles should be observed:

- i) The drafting of paragraph/report should be well, lucid, accurate and brief without compromising on essential details. The language used should be capable of being easily understood and use of parentheses should, generally, be avoided.
- ii) It is essential that a detached, dispassionate and an objective attitude is maintained and that expressions suggestive of a political opinion or bias are avoided.
- iii) It should be ensured that the facts are mentioned in the report after careful verification.
- iv) Audit paragraph should clearly focus wrong decisions taken by Government officials leading to loss to the Government.
- v) As the Audit Reports are intended for Parliamentarians, Legislators, the press and the people, the language used should be intelligible to an ordinary citizen, so that a person not versed in the intricacies of accounts and audit may be able to understand the financial implications without having to wade through a mass of statistical data or factual narration.
- vi) Accuracy, brevity, clarity and purposeful focus should be indicated in the reports. The Audit findings should be significant. Efforts should be made to reduce the use of passive voice and complex sentences, and to avoid verbosity, parenthetical clauses, foreign phrases, scientific and jargon words and inclusion of information extraneous to the comments and strictly not relevant. The thrust of the paragraphs and reviews should come out clearly. Inclusion of statistical data those are not quite relevant and not necessary for a clear presentation of the issues should be avoided.
- vii) If a table is included in a review/paragraph, it should be followed by a clear analysis of the information contained therein.
- viii) Technical expressions, clichés and slang should be avoided; if, however, their use is unavoidable, they should be adequately explained. Dates should be mentioned when necessary

for a clear presentation of the case and where the time sequence is relevant to the effectiveness of audit comments.

ix) In dealing with cases of irregular, excessive or wasteful expenditure and losses, efforts should be made to quantify their extent.

x) Draft Paragraphs and, more particularly, reviews should be supported, where desirable, by graphs, charts, photographs, diagrams, sketches, etc. in order to improve the visual impact. It should, however, be kept in view that clearances may be necessary from the authorities concerned before maps and other sensitive visuals are printed in the reports.

xi) In case of reviews the highlights should be in bold letters and the highlight should not contain any point that has not been included in the review. The highlight should be linked with the relevant sub-paragraph.

xii) Audit Paragraphs included in reports should clearly bring out defects in systems and procedures that led to the irregularity and the remedial or preventive measures, if any, adopted.

xiii) Care should be taken to avoid asperity in comments. The use of words such as “fraud” or “embezzlement” that denote criminal intent should be avoided unless the criminal act itself has been conclusively established. It would generally be sufficient to use some ordinary word, such as “loss”, in such cases.

xiv) The names of the departments, organizations and parties concerned with the irregularities, designation of the official(s) and the place of occurrence of the case may be mentioned unless in any case this may not be considered desirable by the Government. However the name(s) of the officials personally responsible for any loss, irregularities should not be mentioned.

xv) It may also be desirable to maintain some degree of anonymity in reporting cases of misappropriation or loss when departmental action against officials held responsible is already in progress or criminal proceedings have been or are likely to be instituted.

xvi) There is no objection to names of private firms, including firms of contractors, being mentioned in the Report wherever this is considered desirable to bring out the importance of a case. Such mention will, however, not be made where the facts of the case are, or are likely, to be the subject matter of litigation, arbitration, etc.

xvii) In drafting comments based on a study of the Finance Accounts, care should be taken to avoid general expressions conveying praise or blame with reference to the standard of financial administration achieved by Government. The Report should also avoid references to estimates and prospects for future years.

xviii) The audit observations should have been referred to the Ministry/Department concern and if, no reply is received, that should be indicated along-with the number of reminder sent. Instances of receipt of only interim replies should also be suitably mentioned in the respective Reviews/Paragraphs.

xix) The comments in the Draft Paragraph/Reviews to be supported with key document and the key documents, wherever possible, should be got authenticated from the Department concerned.

xx) Appropriate currency units should be used. Such as, for amounts more than Rs. 100 lakh, crore should be used. The words lakh and crore should be used as a unit and not in plural.

xxi) The emphasis should be on quality rather than on quantity and on analysis rather than on mere narration. The thrust of the paragraphs and reviews should come out clearly.

**[Ref. PD (RS) Letter no. 387-Rep(s) dt, 31.3.97 and Chapter 3 of Section 7 of MSO (Audit)]**

xxii) In addition to the above stated methods the instructions contained in “Style Guide” issued by the C & A.G. should be followed.

[Letter No. 70-Audit (AP)/6-2003 dated 16-5-2006]

## **6.4 PROCESSING OF DRAFT PARAGRAPH**

### **6.4.1 PDP Register:**

All important paragraph of the IR relating to financial irregularities or any other matter, if found potential for development into Draft Paragraph either individually or in consolidated form of similar nature of cases depending on money value as prescribed by CAG from time to time (at present Rs. One Crore for each paragraph) should be forwarded to the GSS-I/DP section by the Supervising Officer or by the inspecting AAO/Supervisor or by the concerned sections (GSS-I/IR & GSS-I/AB) along with all the supporting key documents with the approval of the Group Officer . On receipt of the IR paragraph, the GSS-I/DP Section should record the same in the “Register of Financial Irregularities” termed as “Potential Draft Paragraph (PDP) Register”. All information viz. Period of IR, name of the auditee unit, name of the Department, subject matter, name and designation of the personnel responsible for such irregularities, money value, the name and designation of the contributing official etc. should be recorded in the Register. The Register should be reviewed and put up to Group Officer through concerned Branch Officer on 7<sup>th</sup> of each month.

**(HQs’ circular no. 40/Audit Procedure/2004-99 dated 18.10.2002 BO No. A/IC-II/2001-02/3 dt. 29.5.01)**

### **6.4.2 Processing of Draft Paragraph:**

a) The GSS-I/DP section, on examination of the IR Paragraph with the supporting documents, reply of the auditee unit, and comment of the department, if found fit for inclusion in the Report, should process the IR Paragraph for development into a Draft Paragraph and submit to the Group Officer for approval. On approval by the Group Officer it should forward to the Report section with all the relevant key documents, for further action and obtaining approval of the PAG and for forwarding the same to the respective department of the Government and CAG’s office as per the procedure indicated in MSO (Audit).

b) The cases which are neither settled nor found matured for developing into a Draft Paragraph for want of information, Government reply, etc, but considered fit for inclusion in the Report subsequently on further processing, should, with the approval of the Group Officer be retained in the Register indicating there against the latest action taken.

c) The Supervising Officer should when it contains important financial irregularities, draw up himself a Draft Paragraph for inclusion in the Audit Report in accordance with the detailed instructions contained in **paragraphs 6.3** of this manual. He will also arrange key documents thereto showing the designation of the persons responsible for the irregularity mentioned in the Draft Paragraph. The Draft Paragraph and the key documents should be attached to the IR and sent to GSS-I headquarters for further action as indicated in the **paragraph 6.4.2** of this manual.

**6.5 TRANSLATION OF REPORT IN REGIONAL LANGUAGE**

Audit Report in Regional language version was to be prepared for placing in State Legislature to facilitate wider dissemination of Audit Report findings and for the benefit of easy comprehension of the audit view point. The translation of the paras/reviews should be taken in-house. And as the press uses earthy language and expression as aid to easy comprehension of complex issues and facts presented in the report having better readability, the same practice may be emulated for translation in Regional Language

**(CS No. 22 of 2002 of Report Manual)**

**6.6 FURTHER SCRUTINY OF DRAFT PARAGRAPHS**

All the draft paragraphs passed by the PAG should be pursued by Report Section. The GSS-I Wing will hand over the files with copies of relevant paragraphs of the IR, departmental replies to the paragraph, if any, the relevant audit query statements, Government orders thereon, etc., to the Report Section along with the draft para. These files will be retained by Report Section, which will forward the Draft Paragraph to Government for comments. A copy of the Draft Paragraph will simultaneously be sent to the GSS-I Wing. Replies when received will be scrutinized in Report Section in consultation with the GSS-I Wing. The key documents of the Draft Paragraph should be marked 'confidential'. Annotations to the queries on the draft paras made by the CAG will also be prepared by the Report Section, in consultation with the GSS-I Wing, if necessary. Further information, if any required, in connection with any Draft Paragraph or Report on Review of scheme/programme should be collected from the concern auditee unit/department. Officials from GSS-I Wing may be deputed for this purpose.