User Requirement Specifications Document

path

AMS(Audit Management System)

for
CAG

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Table of Contents

1 Purpose

The purpose of the this document is to detail out the understanding of the Path team of the functioning and operations of the IA&AD department and map that with the functionality required in the AMS system.

2 Overview

The overall functioning of IA&AD can be divided in to four entities.
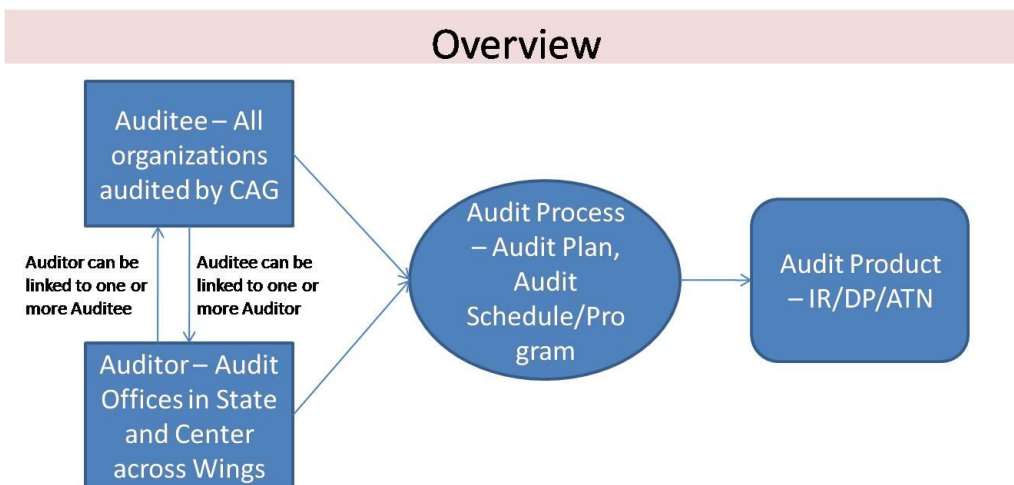
Audit Types:

As per discussion with various users, the audits can be divided into following types:

- Expenditure Audit
  - Compliance Audit
  - Performance Audit
- Revenue Audit (Tax Revenue)
  - Compliance Audit
  - Performance Audit
- Receipt (Non-Tax Revenue) Audit
  - Compliance Audit
  - Performance Audit

3   Approach for the AMS project

The project is divided into different phases and iterations to ease the implementation.

In first phase following iterations will be covered and information collected:

- Auditee
    - Auditee Basic Information, Data specific for wings
    - Schemes, Projects, Activities and Products –Create Masters for Schemes, Activities, Projects and Products and map them with Auditee.
    - Audit Guidelines – mapped to Audit Activities
    - Media report about Auditee (PDF/Doc) – upload facility for PDF or Doc file
- Auditor
- Auditee-Auditor mapping
- User Authorization
- Audit Schedule – mapping auditee to audit Party and dates of audit
- Objection classification
- Inspection Report (IR)
    - IR Entry,
    - IR approval workflow and generation and follow up
    - Audit Activity Report Details (PDF/Doc) – upload facility for PDF or Doc file
    - Test Audit Note
- Basic Reports

In the first iteration, the plan is to implement the following modules:

- Auditee – Basic information of the auditee
- Auditor

While the auditee and auditor information will be entered by the respective AG office in each wing, the development of other modules can continue.

Other functionality regarding AMS will be implemented in subsequent phases.

4   Structure of Document

The project has been organized with a view to capture Auditee, Auditor, Audit Process and Audit Project. Effort has been made to make requirements completely uniform across wings and as uniform as possible between the wings. For this reason the document has been organised as per the two different kinds of requirements:

- Common requirements including the Basic minimum

- Specific requirements for each wing

5 Common Functionality

This section will list the details of auditee and Auditor wing wise. All wings will have some common data like details of the respective Wings, Ministries, Departments, units etc.

5.1.1 Auditee

Auditee information needs to be captured to build the auditee profile. The basic information about the auditee will be common across all the wings and helps to define the core features of an auditee like who is point of contact, what is the risk rating of the auditee, the address of the office etc. The information specific to each wing will be captured against each wing subsequently in the document under that wing section in the field office.

This audit profile will be used at the time of audit planning to decide on the audits to be done. The profile of the auditee should be updated as and when there is a change in the information so that the information is always current and while planning it gives the correct picture.

The following information will be captured for each Auditee across wings.

Each Auditee will be coded with a unique code

Auditee Information

A1	A2	A3	A4	A5
Auditee Master Data tables – common to all wings e.g. Name of Office, Address, Department, Ministry	Auditee dependent Data tables - specific to a wing e.g. Commercial - Sector, Nature of PSU	Other Masters - Hierarchy/ Designations in Auditee Organizations, Departments, Ministries	HR Details	Records maintained by each Auditee – department wise exhaustive list

A6	A7	A8	A9
Schemes /Projects/Activities	Audit Guidelines - *linked to A6*	Media report about Auditee (PDF/Doc)	Audit Activity Report Details (PDF/DOC)

Following information about the auditee will be common across all wings:

Auditee Basic Information: The below information is common for all auditee.		
S. No.	**Information**	**Detail Description**
1.	Office/Auditee Name	Name of the Auditee Office
2.	Type of Unit	Government Office/Autonomous Body/Regulator/Local

		Body/Commercial Unit
3.	Description	Brief description of Auditee. This can be used to store any particular or peculiar information about the Auditee that can be printed in reports or used in audit planning.
4.	Designation of Heading Officer	
5.	Name of Heading Officer	Name of the officer heading the office currently so that system will know who was heading the office at the time of audit.
6.	Office Address	Address of the office
7.	District	
8.	State	
9.	Contact Phone	
10.	Website Address	
11.	Email Address	
12.	Audit Mandatory	Yes/No
13.	DPC Section	Section under which the auditee is audited. An auditee may be audited under multiple sections. This is required to know for what type of audit what section will be used.
14.	Incorporated on Date	Date of Incorporation of the auditee
15.	Inactive Since	Date. To keep the auditee records current so that any inactive auditee will not be planned in next audit.
16.	Risk Rating	High/Medium/Low. Risk rating will help to decide the frequency of audit during planning. If the risk rating is high, the auditee will be audited more often. This will have to entered by the user manually as of now. It will be done through the system in subsequent phases.
17.	Treasury	List out the treasury to which the auditee is attached.
18.	Check Drawing	Yes/No.
19.	Major Heads Operated	User can enter the major heads operated
20.	Frequency of Audit	Monthly/Biennial/Triennial/Annual. This will be used for audit Planning.
21.	Audit Fee Per Audit	
22.	Audited Up To	Financial Year
23.	Last Audited On	Date

24.	Last Audited by Internal audit	Date
25.	Old Non-Production cases produced in last Audit	Number
26.	Old Non-Production cases carried forward	Number
27.	Fresh cases not produced in the last audit.	Number
28.	Name of Department	
29.	Party Days allotted	Number
30.	Fax Number	
31.	VLC Code	Only in case of civil state units.

Note: Points 25-29 is transactional data, will come from system itself after audits are planned in the system but for now this will have to be captured as it is not in the system.

Auditee Profile – This will give the details of Auditee financial data. Financial data will help in risk analysis of the auditee and decide on frequency of audit. This also could be common for all auditees. Depending on the requirements of the concerned wing information may be stored for up to 10 years.

S. No.	Information	Detail
1.	Last Audited Year	Year in which last audit done
2.	Expenditure for Last Audited year	Money
3.	Revenue for Last Audited year	Money
4.	Last Budgeted Expenditure	Money
5.	Last Actual Expenditure	Money
6.	Last Budgeted Receipt	Money
7.	Last Actual Receipt	Money
8.	Procurement Budget	Money
9.	Source of Funding	
10.	Savings Current year	Money
11.	Saving Current year – Surplus or Shortfall	Surplus or Shortfall
12.	Savings Previous Year	Money

13.	Saving Previous year – Surplus or Shortfall	Surplus or Shortfall
14.	Growth of expenditure over last year	Money
15.	Growth of revenue over last year	Money
16.	Grant/Appropriation number in budget	Number
17.	Grants	Some auditee may get some grants that needs be known at the time of audit

Most of the above information will be corresponding to the current year. They will be stored year wise so that information can be retrieved in later years also.

All the above information about the auditee should be captured by all wings so that a complete basic auditee profile can be drawn and used in audit planning and reports.

Auditee Audit Type Mapping:

An auditee must be mapped to the types of audit that can be done for it. This information can be used during planning. Normally the same audit party does all the audits for an auditee in a single audit. But there are cases when:

- Different types of audits are done by different wings.

- The same wing gets different type of audits done by different audit parties

- The same wing gets different type of audits done by same audit party but at two different times i.e. the audits are planned as two audits and not as one.

When planning for an audit, the audit types will also be shown so that user can map the auditee, audit type and the Audit party.

Auditee and Audit Type Mapping –		
S. No.	**Information**	**Detail**
1.	Auditee	Auditee
2.	Audit Type	Audit types

5.1.1.1 Auditee Masters

There is certain information that will be common across all wings and that can be kept in the system as a common repository like the States in India, District in each states etc. Wherever in the AMS system this information is required to be filled in by user, the user can select from the list and use. This will ensure that data entry has fewer errors and that data is consistent across the application.

The following information will be common in the system:

- States – All the states in India. IA&AD AMS team will need to provide the exhaustive list of all states in India along with their code.

- Districts – All the districts in India state wise. IA&AD AMS team will need to provide the exhaustive list of all districts in India state wise along with their code.

- Ministries - The functioning of auditee is divided into Ministries in Center and Departments in States. In Center, all auditees fall under some Ministry. Ministries may be sub divided into Departments. In states, all auditees fall under Departments and sub-departments. There are no ministries in state level auditees. An exhaustive list of all Ministries along with their codes is to be provided by IA&AD AMS team.

- Departments IA&AD AMS team will need to provide the exhaustive list of the departments across all states and all ministries along with their codes so that can be fed into the system.

- DPC Sections – Audit type wise. The DPC sections determine the type of audit done like for Expenditure audit the sections would be different from the ones for Revenue Audit. When planning an audit, the DPC sections corresponding to Audit type should be shown. Also, an auditee may be audited under more than one section. Section and Mandate is interchangeably used in IA&AD, AMS needs to store the Sections.

- Audit Types – details are mentioned in previous section

All this information will have to be pre-populated in the system before the actual data entry starts so that the user can just select and fill this information.

Ministry Details:

S. No.	Information	Detail
1.	Name	Name of each ministry
2.	Description	Brief description of Ministry
3.	Code	Unique code for each ministry

Department Details:

S. No.	Information	Detail
1.	Name	Name of each Department
2.	Description	Brief description of Department
3.	Code	Unique code for each Department

Audit Types Details– This will list out all the various types of Audit.

S. No.	Information	Detail
1.	Audit Type	Name of audit type
2.	Description	Brief description of Audit type

5.1.2 Auditor

The Auditors are the IA&AD audit team that audits all the auditee. The auditor hierarchy and organization needs to be captured in the system so that the user authorization hierarchy can be built and also so that the auditee can be assigned to auditors. The auditor auditee mapping can then be used during audit planning.

The auditors are divided into 8 wings namely:

1. Civil

2. Revenue

3. Commercial

4. Autonomous Bodies (AB)

5. Local Bodies (LB)

6. Railways

7. Postal & Telegraph (P&T)

8. Defence

Each wing looks after a certain set of auditee based on their function like Railways, Autonomous bodies, Local Bodies etc. Some of these wing work both in center and state and some only work in center and some only in states.

Wing	Operates in Center	Operates in State
Civil	Y	Y
Revenue	Y	Y
Commercial	Y	Y
Autonomous Bodies	Y	Y
Local Bodies		Y
Railways	Y	
Postal & Telegraph	Y	
Defence	Y	

The functioning of each wing may be further sub divided into sub-wings depending on the nature of work they audit and if there is a significant difference in the nature of work.

Wing	Operates in	Common Name	Sub-wing	Sub-wing	Sub-wing	Sub-wing
Civil Central	Central		ESM (Economic & Services Ministry)	SD (Scientific Department)	Works	Civil (Rest)
Civil State	State	Report States	Works	Civil (Rest of Civil) - called Inspection also		

|								
Revenue Central	Central		Central Excise (CERA – Revenue Audit Central Excise)		Service tax	Direct Tax(Income Tax) (RADT)	Customs	
Revenue State	State	SRA (State Receipt Audit)						
Commercial	Central							
Commercial	State							
Autonomous Bodies	Central							
Autonomous Bodies	State							
Local Bodies	State							
Railways	Central							
P&T	Central							
Defence	Central	Ordinance Factories	Navy	Ordinance Factories	Air Force	Army	Defence Accounts (CGDA)	DRDO

E.g.
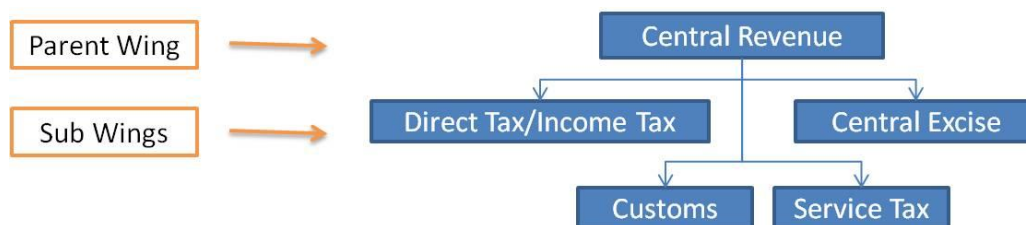
The Auditors in IA&AD are identified by offices like PAG Office (Civil Audit Karnataka). Each Office is identified by the Wing/sub-wing and the State or Jurisdiction. Like Works audit wing of Principal Accountant General (L.B. Audit & Accounts) with Jurisdiction Uttar Pradesh.

There are also Branch offices headed by a Group Officers which should be treated alike irrespective of their location.

Each Auditor Office has support staff and Field Staff or Audit Parties. Support staff sits in the office and helps in the various office functions where as Field staff constitutes the Audit parties that actually go out and conduct the audit. While planning the audits, only the field staff is planned for audit. When entering the auditor data, the field staff should be identified from support staff.

Audit Office Organization Structure
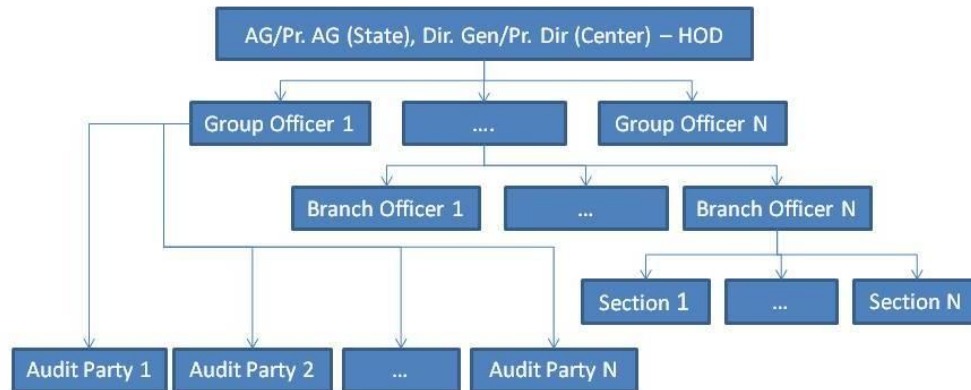
The following information would be required for Auditor Offices and the staff:

Auditor Information

B1	**B2**	**B3**	**B4**
Organization Structure – each Audit office detail - e.g. Name of Office, Designation of Owner, Address, Wing, Sub-Wing – *linked to A1*	Auditor HR database along with Hierarchy	Audit Party Database – *linked to A1, B1, B2*	User for the CAG AMS system – *linked to B1, B2*

Wings		
S. No.	**Information**	**Detail**
1.	Name	Name of wing or Sub wing
2.	Description	Brief description of Wing

Auditors Basic Information		
S. No.	**Information**	**Detail**
1.	Office Name	E.g. Office of Accountant General(Audit)
2.	Address	
3.	City	
4.	Pin	
5.	District	
6.	State	
7.	Office Email	
8.	Office Phone	
9.	Designation	
10.	Name of Officer	

11.	Officer Email	
12.	Officer Type	HOD or Local HQ/GO or BO/Audit Party/Support Staff/RAP
13.	Section	Section name in case of Support Staff or Audit Party
14.	Audit Party Number	Audit Party to which person belongs if it is an Audit Party member (with Officer type = Audit Party)
15.	Officer ID	The unique ID of the officer as allotted by the CAG HQs
16.	Wing and Sub wing	Wings and Sub wings of the auditor

For the purpose of AMS, the Auditors can be classified under wings and sub wings depending on type of work undertaken by them. E.g. a GO may be looking after Direct Tax (Sub Wing) audits under Revenue (Wing). A GO may be looking after Customs (Sub Wing) audit under Revenue (Wing).

Each auditor GO/HOD may be looking after a particular wing/sub wing or more than one wing/sub wing. AMS needs to capture which GO/HOD is looking after which wing/sub wing. There will be a one to many relationships between Auditor and Wing/Sub wing.

Auditor and Auditee– Each auditee will be mapped to an Auditor Office, GO that will carry out its Audit. There could be many to many relationship between Auditee and Auditor. One Auditor will be auditing more than one auditee. Also, an auditee may be audited by more than one audit offices like a State AG office may be doing Revenue audit for the auditee where as the expenditure audit may be done by some other Audit Office.

Users

As of now, the required number (say 100) of users will be created in the system for data entry of Auditee. Each user will be given a unique login id and password. These users can be distributed to the various HOD offices where the data entry is to take place.
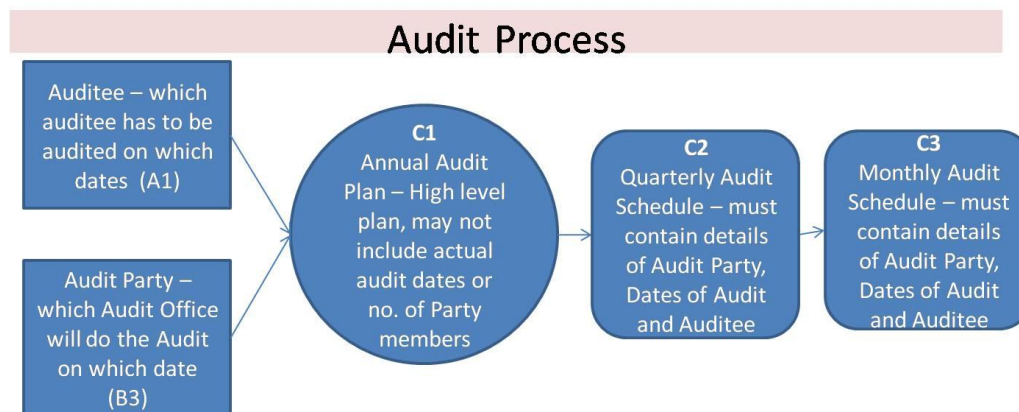
5.1.3 Audit Planning

Audit Planning is the process where the auditees to be audited in the current financial year are identified, based on the risk analysis and the current profile of the auditee. Then the auditors who will audit these auditees are identified. An yearly plan is drawn for all the Auditor offices. These plans are prepared by the co-ordination section at the local head quarters and approved by the Group officers in consultation with the Brach staff. The plan is then approved by the Head of department. This plan is then circulated to all the concerned offices for them to follow.

The Yearly plan contains the auditee to be audited in that particular year. It may not contain the Audit Parties and the dates of audit. From this yearly plan, the Group officers then create Quarterly plan. In the quarterly plan, they map the Audit Parties and dates on which audit needs to be done with the auditee. The Quarterly Plan is sometimes converted to the monthly plan with all the details.

In case the planned Audit Party or one or two members from the Audit Party are not available due to some reason at the time of Audit, the audit Parties may be re-grouped to adjust the gap, the number of days of audit may be readjusted or audit personal may be transferred from other group to this office. The Monthly Audit Plan then needs to be changed.

In the AMS system, the user will be able to feed in the approved yearly plan. Create quarterly and monthly plans by mapping Auditee with the Audit Party and selecting type of Audit to be done. The user can enter the Audit days and dates on which audit needs to be done.

The user will also be able to re-organize the audit parties by assigning and re-assigning Audit personnel to audit parties.

Note: In the first Phase of the AMS system, the risk planning would be done outside the system and only the final schedule will be fed in the system.

Also the transfer and posting of the audit Personnel will not be done in the system in first phase. It will come when the HR database is implemented.

5.1.4 Inspection Report

Inspection Reports are the product of the audit conducted.

The audit team raises objections called observations in the document during the audit. They compile the observations in a Draft IR. Each observation is recorded and becomes a para in the Draft Inspection Report (IR). The audit team sends the Draft IR to the Branch Office or the Local Headquarter. The Draft IR is approved by the group officer (GO). Some para may be deleted for various reasons and a final IR is created from the Draft IR with the group officer approval.
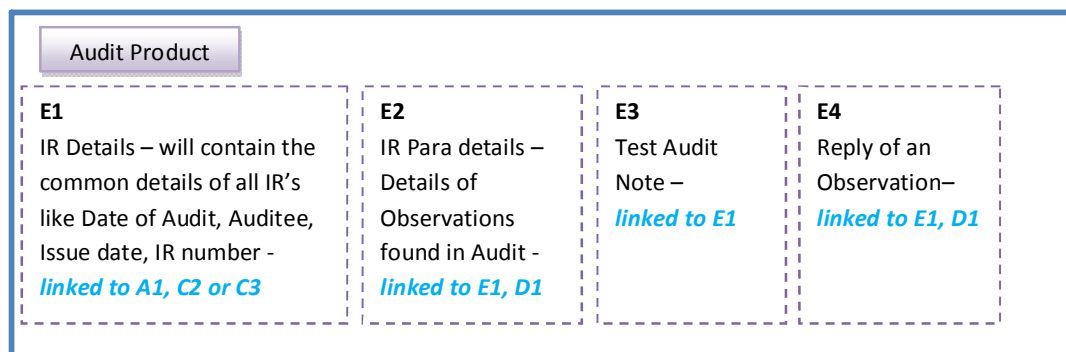
Any Draft IR has to be approved by the GO for it to become an IR. The final IR is then printed from the system and sent to the auditee for further action. All observations in the IR need to be settled or closed. So the IR is followed up by the IA&AD office. The IR issued to an Audit unit may also be forwarded to its immediate supervisors.

Inspection reports may be called by different names in different Wings/Sections like Inspection Report, Local Audit Report or Local Test Audit Report Attributes.

All observations in the IR's are to be classified in a 3 tier classification so that the coding of the paras is uniform across all wings. There would be a master list of classification that will be common to all wings. If required a separate sub-list may be added for each wing that has the requirement for any additional classification.

The following section lists the information that has to be captured for IR's across all wings:
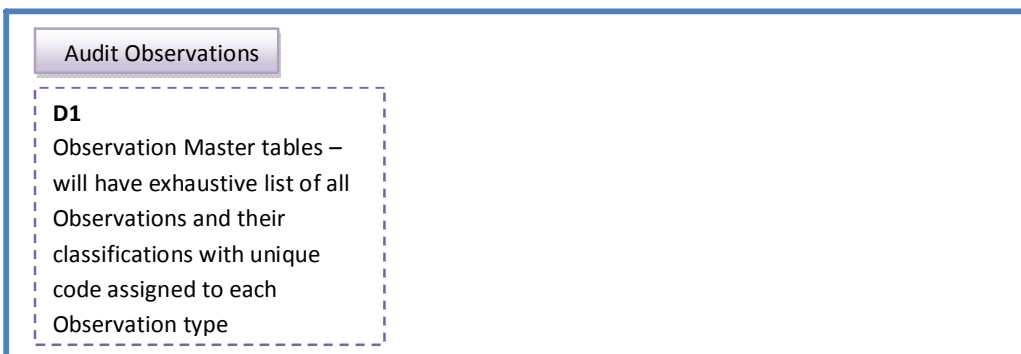
Audit Product

Audit Product			
E1 IR Details – will contain the common details of all IR's like Date of Audit, Auditee, Issue date, IR number - *linked to A1, C2 or C3*	**E2** IR Para details – Details of Observations found in Audit - *linked to E1, D1*	**E3** Test Audit Note – *linked to E1*	**E4** Reply of an Observation– *linked to E1, D1*

Title Sheet or Introductory Details of IR		
S. No.	**Column**	**Detail**
1.	IR Number	Generated by system when IR entered first time in system
2.	Date of receipt of draft report	Date
3.	Date of submission to AO	Date
4.	Date of submission to GO	Date
5.	Date of Approval by GO	Date
6.	Date Issued to the Auditee	Date
7.	Objection Year	Date - Year
8.	Years Audited	Date – Year
9.	Audited From	Date

10.	Audited To	Date
11.	Details of Audit Party/ Name of Sr.A.O./ Party members	Audit Party ID.
12.	Names of incumbent heads of the auditee unit during the period under audit	May be more than one. Details with the period to be stored.
13.	Selection/ Requisition of records	Need to clarify
14.	IR Type	Draft/Final
15.	IR Status	Issued/Pending/Closed
16.	No. of Observations in IR	Sum of all observations

Audit Observations

The following will be the entities in the Audit Observations:

> **Audit Observations**
>
> **D1**
> Observation Master tables –
> will have exhaustive list of all
> Observations and their
> classifications with unique
> code assigned to each
> Observation type

Observation Classification		
S. No.	**Column**	**Detail**
1.	Observation ID	Unique ID for each observation
2.	Title	Title
3.	Parent Observation	Parent observation to make 3 or more tier
4.	Description	Detail of classification if any

Para Details

Para Details (Part IIA or IIB)		
S. No.	**Column**	**Detail**
1.	IR Number	Map to parent IR
2.	Para Number	Para can be numbered so that they are printed in same order in IR
3.	Para Title	
4.	Para Classification Level 1	Map to Observation Classification
5.	Para Classification level 2	Map to Observation Classification
6.	Para Classification level 3	Map to Observation Classification
7.	Money Value of the Objection	Money
8.	Whether PDP	Yes/No

Deleted: 3

9.	Serious Financial Irregularity	Yes/No
10.	Date of Settlement of Para	Date
11.	Amount Accepted	Money
12.	Settled By	Value to be chosen from list.
13.	Reference Number of Last Reply Received	
14.	Date of last reply received from the auditee	Date
15.	Remarks	
16.	In case the case has been transferred to other unit post audit the code of the present owner unit	
17.	Observation on which Rule/Section of the Auditee	
18.	Whether accepted at the audit query stage	Yes/No
19.	Whether the transaction was seen by the Internal Audit Party of the Auditee	Yes/No
20.	Discussion done in inter-department meetings, if any	
21.	Current Acceptance Status	Accepted/Not Accepted/ Reply Awaited
22.	Current Action Taken Status	Rectification Initiated/ Rectified / Not Rectified
23.	Contributed by	Employee ID of the person who found out the objection
24.	Whether being processed as a DP	Yes/No
25.	DP Status at HQs	Considered/ Deferred / Not Considered
26.	DP No at CAG HQs	Considered/ Deferred / Not Considered
27.	Year the Case was processed as a DP	
28.	Year the Case was published in the IA&AD Report	Whether approved as a DP
29.	Printed in CAG's Audit Report No.	
30.	Tabled in legislature on	Date
31.	ATN Received on	Date
32.	ATN Sent for Verification On	Date
33.	If Verification could not be done this time the next due date of verification	
34.	Current Verification Status of ATN	Verified/Awaited
35.	Result of verification intimated to CAG HQs on	Date
36.	Whether the case was settled or dropped	Settled /Dropped
37.	the auditee was last reminded about the case on	Date
38.	COPU/PAC details if selected for discussion by COPU/PAC	

IR Norms: These are common across all wings

S. No.	Column	Detail
1.	Receipt of IR in section within _____ days of completion of inspection	Number of days
2.	Submission by section to AO within _____ days of entering into the system	Number of days
3.	Submission by AO to GO within _____ days of receipt	Number of days
4.	Approval by GO within _____ days of receipt	Number of days
5.	To be typed / entered in system within _____ days of receipt	Number of days
6.	IR to be returned by Inspecting officer after replying to queries within_____days	Number of days

IR Recovery Details

S. No.	Column	Detail
1.	IR Number	
2.	Accounting Month	
3.	Amount Recovered	
4.	Challan Number	
5.	Challan Date	
6.	Remarks	

Note: There will be a provision to enter the legacy data if it is formatted in the present structure. This is however not mandatory. But the offices will have to enter the counts of balances of legacy data in a separate for which an interface will be provided..

5.2 Wing: Civil Central

As per discussion with RC (Report Central), SD (Scientific Departments), and ESM

This section lists out the basic understanding about the Civil Central Wing and any variations in information or process it may have from the common details listed out above in common section.

5.2.1 Auditee

For Civil Central, Auditee is classified by the following hierarchy:
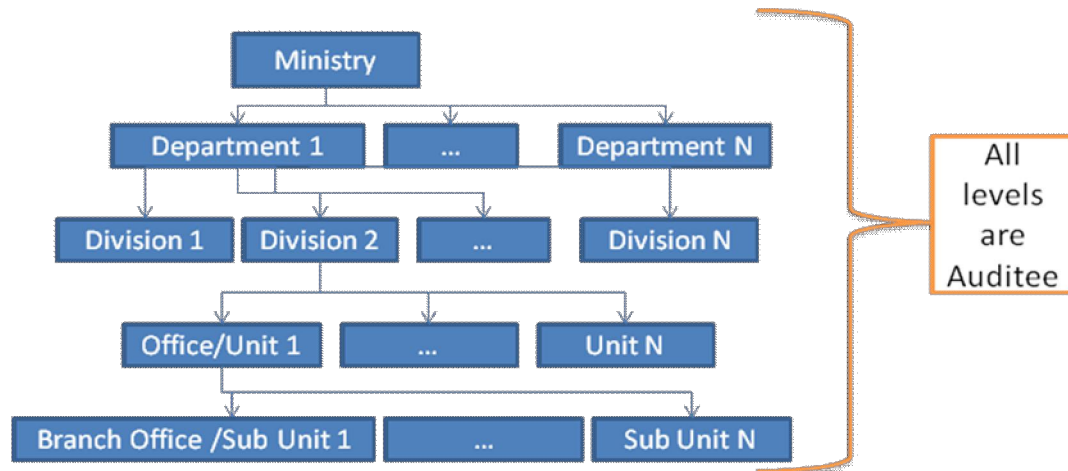
There is one to many relationships from top to bottom. A unique Auditee can be generated by using all these columns.

- A department may or may not be linked to a ministry e.g. Department of Atomic energy

- Each auditee will be linked at least to a department or ministry.

- An auditee unit is mostly organizational unit, not just a DDO office. It is treated as one auditee. It may have branch offices which are treated as separate Auditees and separate IR's are issued to them.

- Each Department is linked to a Grant. If there is no department under a ministry then Grant is linked to Ministry. Grant may change year after year so there should be a provision to update it.

Example:
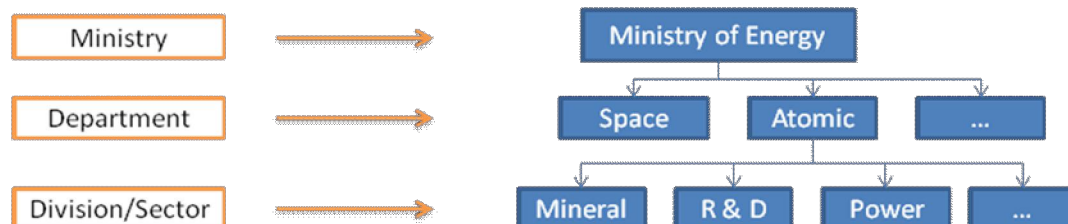
The civil Central wing will need to provide the exhaustive list of the Ministries, Departments and Divisions etc. so that they can be pre-populated in the system. During data entry the user will then see a drop down list of these values and there will be a minimal chance of error.

Exhaustive List will be required for the following information:

- Ministries – Name and Description

- Departments – Name and Description

- Divisions – Name and Description

- Grants – Name and Description

All the common details of the auditee as listed in the Common section above will be captured for auditee.

5.2.2 Auditor

The Auditor hierarchy and organization in Civil Central wing is same as described in the common section above.

5.2.3 Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at whom they are stationed.

5.2.4 Inspection Report

The IR information to be captured in Civil Central wing is same as described in the common section above.

5.3 Wing: Central Revenue – Direct Tax

Central Revenue wing consists of sub wings Central Excise, Service Tax, Customs and Direct or Income Tax. This section covers Direct or Income Tax.

5.3.1 Auditee

The auditee for Direct Tax (DT) is Income Tax department. The income tax department (CBDT) has an organization of its own. The auditee for the DT wing is only the DDO and no other offices.
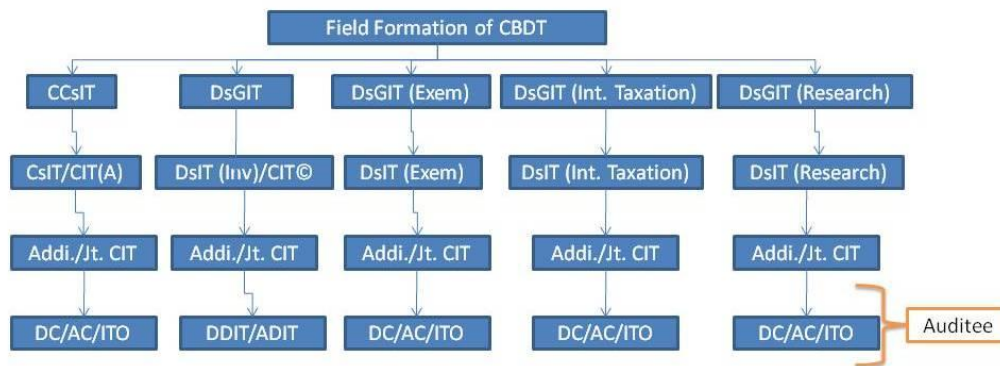
Though only the DDO are an auditee for the DT wing, all offices in the hierarchy need to be maintained in the system for reporting purposes. The offices that are not audited can be marked as non-auditable for DT wing in the system. They however may be auditable for some other wing.

Assessee: An auditee may have assessee also associated with it. The DT wing does not audit the assessee independently but the assessee records are checked when auditing an auditee and the assessee name is mentioned in the observations related to the assessee. AMS need to maintain the list of assessee also with the details of the assessee.

Exception: An assessee may move from one group officer to another. E.g. Air India (assessee) files its returns from Delhi in 1st year. But it second year it may file return from Jaipur. There should be a screen to transfer assessee from one auditee to another.

5.3.2 Auditor

The Auditor hierarchy and organization in DT wing is same as described in the common section above.

5.3.3 Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at whom they are stationed. Assessee are not planned in audit planning explicitly, the assessee attached to an auditee at the time of audit are audited as part of the process.

5.3.4 Inspection Report

The IR information to be captured in DT wing is same as described in the common section above.

Exception: In some cases, Expenditure audit is done by DT wing, but the IR is shown as outstanding against the Civil team. This can be considered as a transfer case and the IR can be transferred to Civil wing.

If only a few para from the whole IR are transferred, then a dummy IR can be created with only the transferred paras. When a para is transferred, it is considered as settled in the original and as outstanding/Open in the new IR.

5.4 Wing: Central Revenue – Central Excise and Service Tax

Central Revenue wing consists of sub wings Central Excise, Service Tax, Customs and Direct or Income Tax. This section covers Central Excise and Service Tax which are of same nature.

5.4.1 Auditee

The auditee for Central Excise (CE) and Service Tax (ST) departments is Central Board of Excise and Customs (CBEC) and offices below it. CBEC is a part of the **Department of Revenue under the Ministry of Finance**, Government of India. The Commissionerate is headed by the Commissioner who is equivalent in   rank to Divisional Commissioner in the state. The Commissioner is the supervisory head and final decision making authority with regard to disputes regarding the levy of Central Excise duty in his jurisdiction. The Commissioner is assisted by Additional/Joint Commissioners and other officers in the Commissionerate Headquarter office. There are subordinate field formations called Divisions headed by a Dy./Asst Commissioner (Group A) and there are five or more Ranges under each Division headed by a Superintendent of Central Excise (Gazetted Group B). Each Range officer of the division is assisted by 3 to 5 Inspectors (Group C Executive).
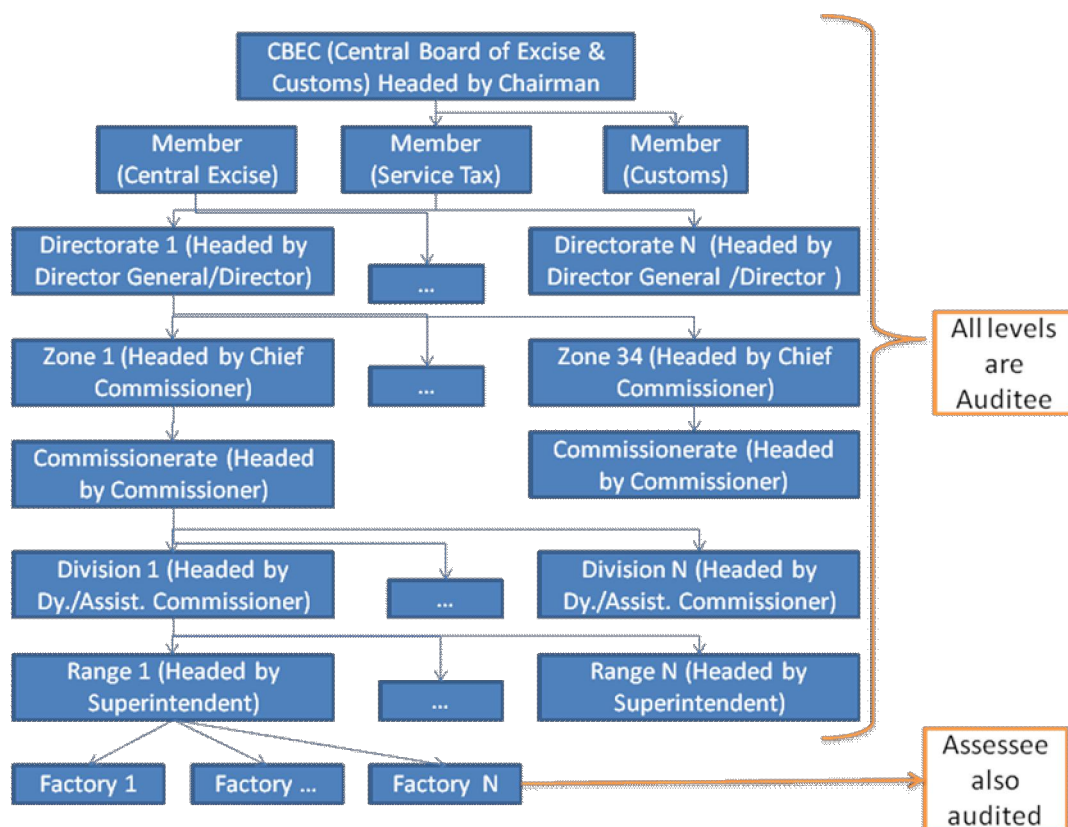
 In Central Excise, ranges are divided on geographical basis. In Service Tax, ranges are divided on type of service provider. Each range will have one or more factories (Assessee). Unlike other

wings, CE & ST wing also audits the assessee which are factories falling in a range. IR's are issued to the Assessee.

CE & ST wing audits following entities:

- **Commissionerates** (all offices – commissioner to superintendent). For this IR (called Local Audit Report) are issued to respective offices and their supervisors. Frequency of audit is fixed like biennial, triennial etc. This is mostly Expenditure audit.

- **Assessee**. For this, they ask the corresponding Commissioners or ranges to provide them the list of Assessee under them. Then select the assessee based on some parameters and audit them. For this IR is issued to Assessee and copied to the corresponding range office. Frequency of audit may vary on the parameters selected. Each Assessee has a unique Registration number which needs to be captured. The Assessee can be mapped to the corresponding ranges, indirectly then they will also be mapped to commissioner.

Note: For CE and ST, AMS need to maintain the assessee information also.

Types of Audit

CE & ST wing does two types of audit:

1. Revenue audit

2. Expenditure audit

5.4.2 Auditor

The Auditor hierarchy and organization in Revenue Central wing is same as described in the common section above.

5.4.3 Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at which they are stationed.

5.4.4 Inspection Report

The IR information to be captured in Revenue Central wing is same as described in the common section above.

5.5 Wing: Central Revenue – Customs

Central Revenue wing consists of sub wings Central Excise, Service Tax, Customs and Direct or Income Tax. This section covers Customs and will list out any variations from the Common process.

5.5.1 Auditee

The auditees of Customs wing are various custom houses, SEZ etc.

The Custom House is headed by a Commissioner, assisted by Additional Commissioner, Joint Commissioners, Deputy Commissioners and Asst. Commissioners. All of the offices are audited.

5.5.2 Auditor

The Auditor hierarchy and organization in Central Revenue wing is same as described in the common section above.

5.5.3 Audit Planning

During audit planning, in Customs, different types of audit are planned separately. E.g. For same auditee, expenditure and revenue audit will be planned as two audits and different or same Audit Party may conduct the audit.

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted.

5.5.4 Inspection Report

The IR information to be captured in Central Revenue wing is same as described in the common section above.

5.6 Wing: Commercial Central and State

Commercial wing audits Public Sector Units (PSU) in center and state. The functioning of commercial wing is same in both center and states, only difference being that the PSU in centre fall under Central Ministries and in States they fall under State departments.

5.6.1 Auditee

The auditees of commercial wing are various PSU's in center and state. Unlike in Civil and Revenue wings, the auditee hierarchy is not governed by designations in commercial wing.

e.g. SAIL is a PSU audited by commercial central wing. Various auditees in SAIL are:
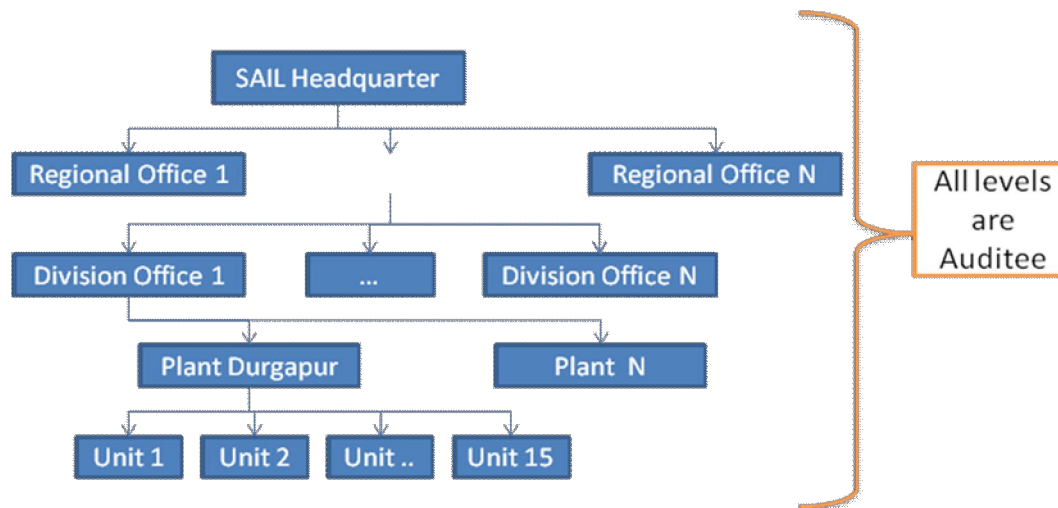
The auditee in Commercial wing can be identified by the following information:

- Sector – Power etc.

- Ministry/Department

- Type of PSU

- PSU Name – NTPC HQ, NTPC Plant Chattisgarh

5.6.2 Auditor

The Auditor hierarchy and organization in Commercial wing is same as described in the common section above.

In commercial wing, in place of AG there are MAB. Audit plans are approved by MAB.

In addition to the normal audit parties that move around and audit multiple auditees, some of the audit parties in commercial wings are Resident Audit Parties (RAP). RAPs are stationed at a particular auditee location and they audit only that particular auditee for the entire year. During planning also, these parties are planned with that particular auditee only. In case an Audit personal has to be moved form one party to other, he has to be transferred in case of an RAP.

5.6.3 Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at which they are stationed.

5.6.4 Inspection Report

The IR information to be captured in Commercial wing is same as described in the common section above.

5.7 Wing: Railways

Railways wing audits various departments in Central Railways.

5.7.1 Auditee

The auditee of Railway wing is the Central Railway bodies like Railway Board, Zonal HQ till Station Level, Production units, PSU and some other units.

Railway Board Chairman is the highest authority that is audited by Railway wing. All the Directorates under Railway Board are also audited.

Railways itself is divided into Zones, Divisions etc whose offices (HQ) are also audited.
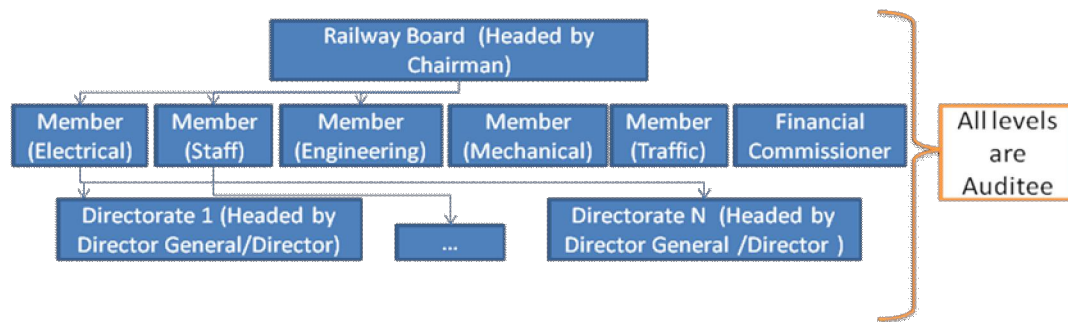
AND
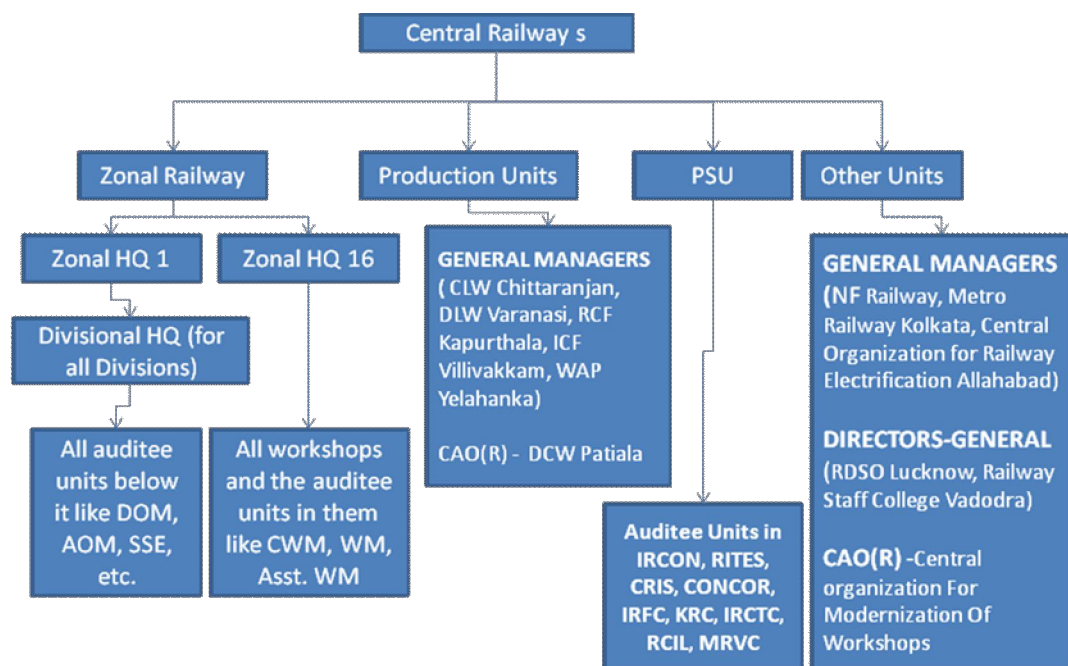
The auditee in Railway wing can be identified by the following information:

- Department

- Zone/Division

- Sector

- Designation Or Name of Office – like Railway Board Chairman or North Eastern Zonal Headquarter

  OR as

- Workshops / Production Unit

5.7.2 Auditor

The Auditor hierarchy and organization in Railway wing is same as described in the common section above.

In addition to the normal audit parties that move around and audit multiple auditees, some of the audit parties are Resident Audit Parties (RAP). RAPs are stationed at a particular auditee location and they audit only that particular auditee for the entire year. During planning also, these parties are planned with that particular auditee only. In case an Audit personal has to be moved form one party to other, he has to be transferred in case of an RAP.

5.7.3 Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at which they are stationed.

5.7.4 Inspection Report

The IR information to be captured is same as described in the common section above.

5.8 Wing: Defence

Defence wing audits various departments under Defence ministry. This is a central wing that operates across the whole country for all auditee units under defence ministry.
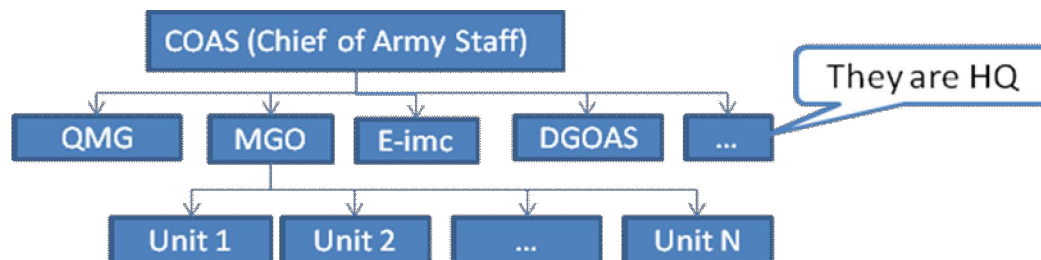
5.8.1 Auditee

Auditee for Defence wing can be categorized into:

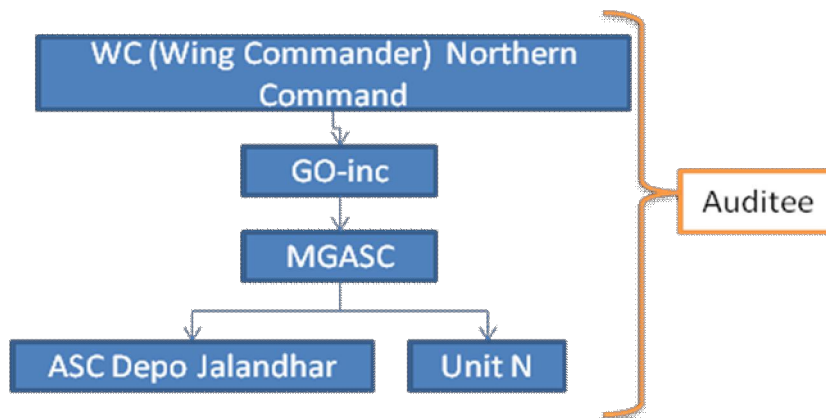Organization of all of them is same as below.
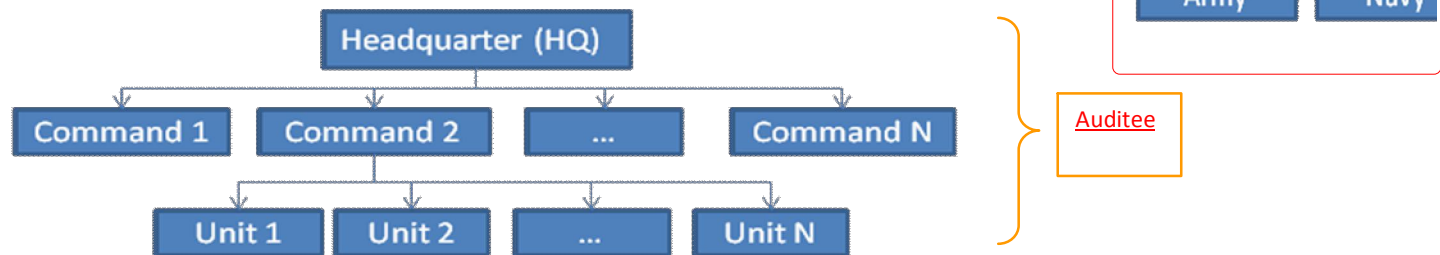
Note: Command is more like Zone in railway

Army – This document lists details of Army under services. But all other services are also similar.

Army is divided into 7 commands organized as:

The auditee can be identified by the following information:

- Command,

- Branch of Service (BOS)

- Unit Name

BOS is common across all Commands. Master List of BOS will have to be provided by the Defence wing. There are 15-20 types of units

e.g. Sample data -

Command – WC
BOS – CB
Unit – Ambala Cant

Command – WC
BOS – Corps HQ
Unit – 2 Corps HQ

CGDA e.g.

Command – Pension
BOS – CDA
Unit – PAO LKO or DA ALD

Station in sample data = Location

In Army, there are units like battalions, regiments etc. that keep on moving. They are not audited. The Static units are audited. At the time of audit of a static unit, whichever moving unit is preset there, all of them are audited under that Static unit.

Additions required:

1. All the moving (non-static) units should also be captured in the system. They will be marked as non-auditable for system to identify them from the static units that are audited. They will not be used/mapped in Audit Planning.
2. All Defence data should be confidential. It should no be accessible by any user at Server level also.
3. Defence wing is ok with the Auditee information provided in attached Auditee field details except a few changes:
   Command – each unit is linked to a command

   Station = Location

   Address - not required

   No. of Party days assigned to unit

PDOF – Their audit is like Commercial Audit. Org. Structure is same as other Defence wing.

DG (OF)

|

BR   WEAPON   EXPLOSION

|

XYZ

|

Facory1 – Factory N

5.8.2 Auditor

The Auditor hierarchy and organization in Defence wing is same as described in the common section above.

In addition to the normal audit parties that move around and audit multiple auditees, some of the audit parties are Resident Audit Parties (RAP). RAPs are stationed at a particular auditee location and they audit only that particular auditee for the entire year. During planning also, these parties are planned with that particular auditee only. In case an Audit personal has to be moved form one party to other, he has to be transferred in case of an RAP.

5.8.3 Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at which they are stationed.

5.8.4 Inspection Report

The IR information to be captured is same as described in the common section above.

Unique IR number will be generated for each IR when the IR is entered first time in the system, may be at BO as Draft IR or at GO as Final IR.

The IR is issued to the static unit audited. But the paras in the IR for the moving units should be linked to the respective units also.
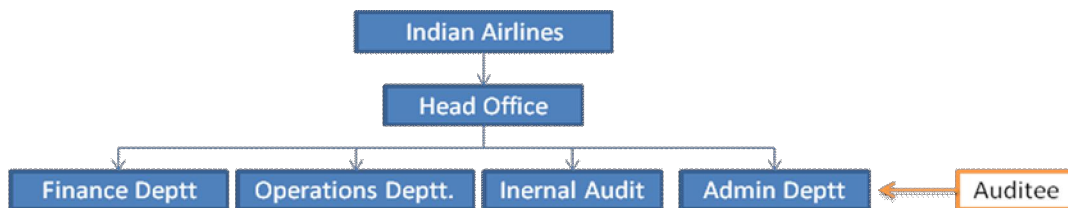
5.9 Wing: Autonomous Bodies – Central and State

Autonomous body's wing audits various autonomous bodies in center as well as States. Autonomous bodies in Center are created by Act of Parliament. Autonomous bodies in State are created by Act of State.
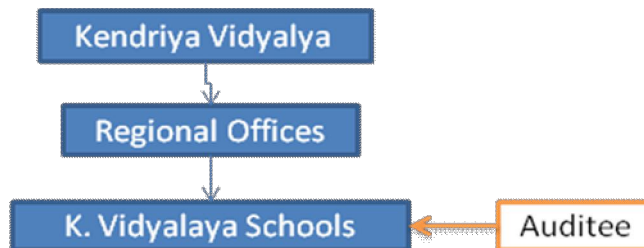
5.9.1 Auditee

AB are almost same as PSU's, only their accounting structure in different:
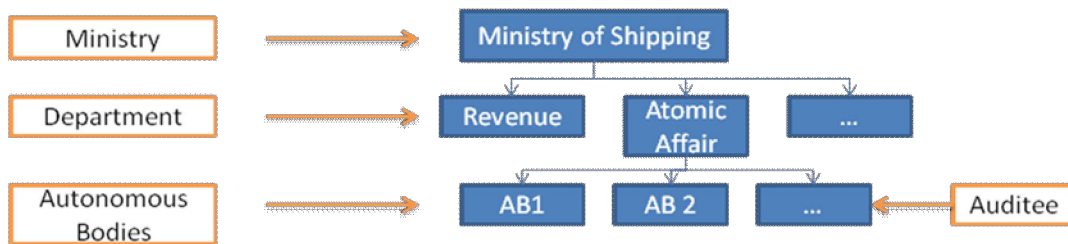
E.g.

E.g.

The auditee can be identified by the following information:

- Department/Sector

- Type of Unit

- Unit Name

Additions for Auditee for AB (to PSU data structure)

1. Include State Govt. Ministry also
2. Every AB has its own Act. Want full Act on site. PDF for each Act and link to the respective Auditee.
3. Status of Entrustment of Audit.
    a. If entrustment not extended then de-activate Auditee
    b. Give another column for when it is about to expire and send email to respective officer
    Audit Entrusted up to Date
4. Status of Certification of Account - Year till audit done
5. Status of Submission in Parliament/Legislature - Date of Submission
6. Structure of Accounts - Accrual Basis/Cash Basis
7. Uniform/Standard Format of Accounts followed – Yes/No
8. Projects
    a. Major Projects
    b. Target Date of Completion for project
9. Products
10. Services
11. Financial data – like Corpus/Capital fund– to be provided by user

5.9.2 Auditor

The Auditor hierarchy and organization in AB wing is same as described in the common section above.

In addition to the normal audit parties that move around and audit multiple auditees, some of the audit parties are Resident Audit Parties (RAP). RAPs are stationed at a particular auditee location and they audit only that particular auditee for the entire year. During planning also, these parties are planned with that particular auditee only. In case an Audit personal has to be moved form one party to other, he has to be transferred in case of an RAP.

5.9.3 Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at which they are stationed.

5.9.4 Inspection Report

The IR information to be captured is same as described in the common section above.

Unique IR number will be generated for each IR when the IR is entered first time in the system, may be at BO as Draft IR or at GO as Final IR.

5.10 Wing: Civil States - Central Audit

Central Audits are performed by the Civil States wing but they are treated as a separate entity as the process of these audits is different from the other audits.

Along with an AG office that audits the transaction of State and Center, each state has an Accounts Office headed by AG (Accounts). It compiles the account of State Governments on their behalf. These accounts maintained by Accounts Offices are audited by Audit offices.

Each AG office in State will have separate people (Audit Party) to perform Central Audit.

Account offices get vouchers from State Governments, from various DDO's. These DDO's are auditee for Central Audit team.

5.10.1 Auditee

The various DDO in all states that sends voucher to IA&AD Accounts Offices ate the auditee for Central Audit wing. These would be same as the DDO's in Civil States Audit.

DDO prepares bill, gives it to Treasury. Treasury gives Cheque back to DDO, which gives it to concerned party. This bill becomes voucher that is sent to the Accounts office. AG accounts office receives vouchers from all over the State he is looking after. He compiles the vouchers and prepares account of the State Government. Every state has a Civil Audit AG.

5.10.2 Auditor

The Auditor hierarchy and organization in Central wing is same as described in the common section above.

5.10.3 Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. The auditee is selected based on voucher selection. Selected vouchers are audited for issues like – signed at right place or not, classified or not, sanctioned letter attached or not etc.

The selection process has to be done outside the AMS project.

5.10.4 Inspection Report

In Central audit IR are not made. The observations found in the audit are called Objection Memos or Audit Memos and these objection memos are issues to the Department (DDO). Audit Memos are similar to para in IR. The objections for all DDO in a state are compiled in an Objection Book for that state. One objection book is made for each year for each state. For next year the numbering in the Objection book is started again to reflect the year.

Status of the observation could be Pending until settled, Dropped and Closed.

5.11 Wing: Local Bodies

Local Bodies wing audits the local bodies in various states. Local Bodies is a state subject matter. For local bodies financial data for 10 years is important.

5.11.1   Auditee

The auditees for Local Bodies wing are Panchayati Raj Institutions and Municipal corporations in Metros and rural areas.
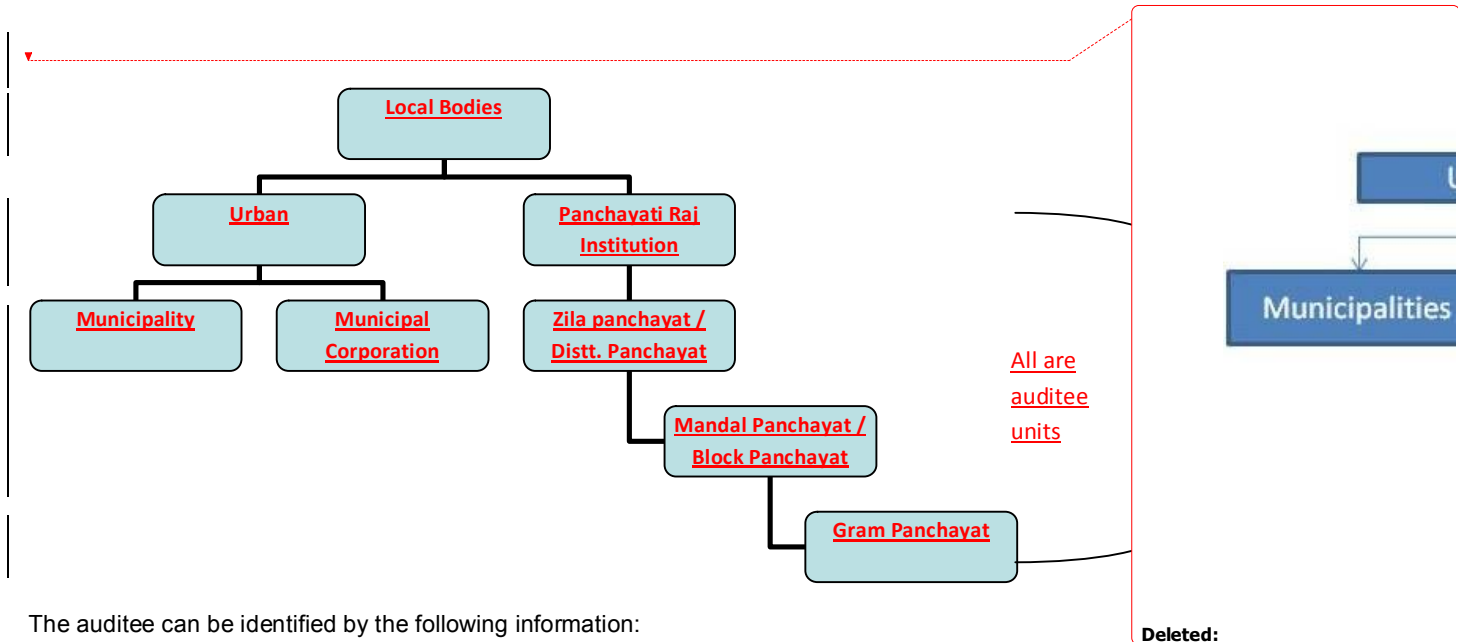
The auditee can be identified by the following information:

- Type of Unit

- Designation

- Unit Name

5.11.2   Auditor

The Auditor hierarchy and organization in Central wing is same as described in the common section above.

5.11.3   Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at which they are stationed.

5.11.4 Inspection Report

The IR information to be captured is same as described in the common section above.

Unique IR number will be generated for each IR when the IR is entered first time in the system, may be at BO as Draft IR or at GO as Final IR.
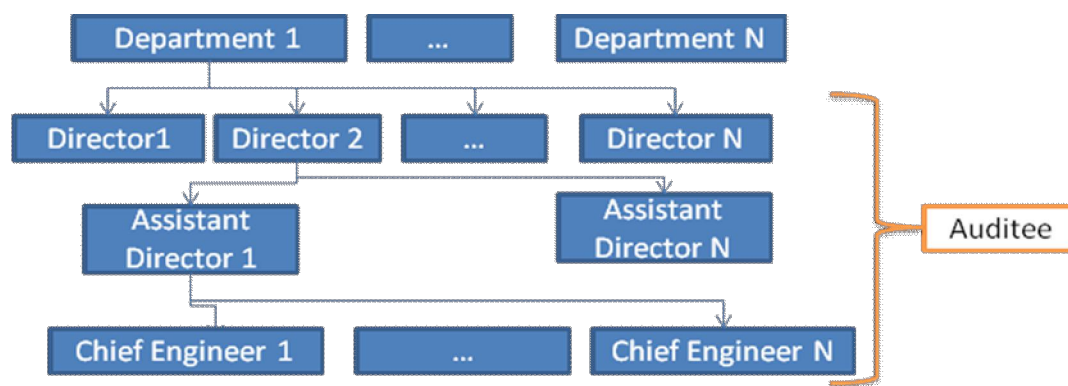
5.12 Wing: Civil States

Civil States wing audits the various civil departments across various states. It is also called Report States wing.

This section lists out the basic understanding about the Civil States Wing and any variations in information or process it may have from the common details listed out above in common section.

5.12.1 Auditee

For Civil States, various designations in state departments are audited. The last unit audited is the DDO (Drawing and Disbursing Officer).

e.g. auditee can be classified by the following hierarchy:

There is one to many relationships from top to bottom. A unique Auditee can be generated by using all these columns.

The Civil States wing will need to provide the exhaustive list of the Departments and Designations so that they can be pre-populated in the system. During data entry the user will then see a drop down list of these values and there will be a minimal chance of error.

Exhaustive List will be required for the following information:

- Departments – Name and Description

- Designations – Name and Description

- State

- Grants – Name and Description

- VLC Code of the Auditees

All the common details of the auditee as listed in the Common section above will be captured for auditee.

The designations across states are not uniform. One designation may be called by different names in different states.

5.12.2 Auditor

The Auditor hierarchy and organization in Civil States wing is same as described in the common section above.

5.12.3 Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at whom they are stationed.

5.12.4 Inspection Report

The IR information to be captured in Civil States wing is same as described in the common section above.

## 5.13 Wing: P&T

The P&T wing audits the various units under Department of Posts and Department of Telecommunications. This is a central wing.

This section lists out the basic understanding about the P&T wing and any variations in information or process it may have from the common details listed out above in common section.

5.13.1   Auditee

The P&T wing audits the various units under Department of Posts and Department of Telecommunications. The functioning of Department of Posts is different from Department of Telecommunications.
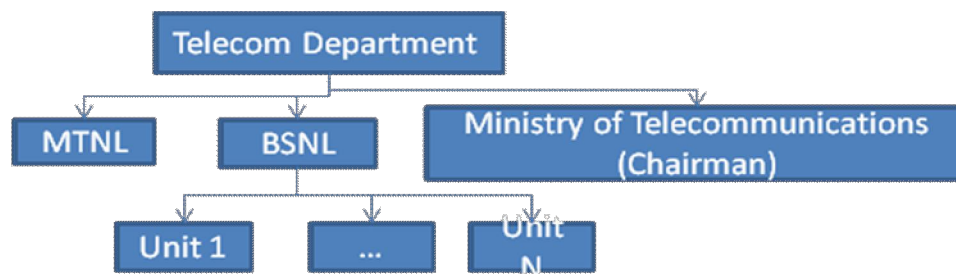
India Post - Organization Chart
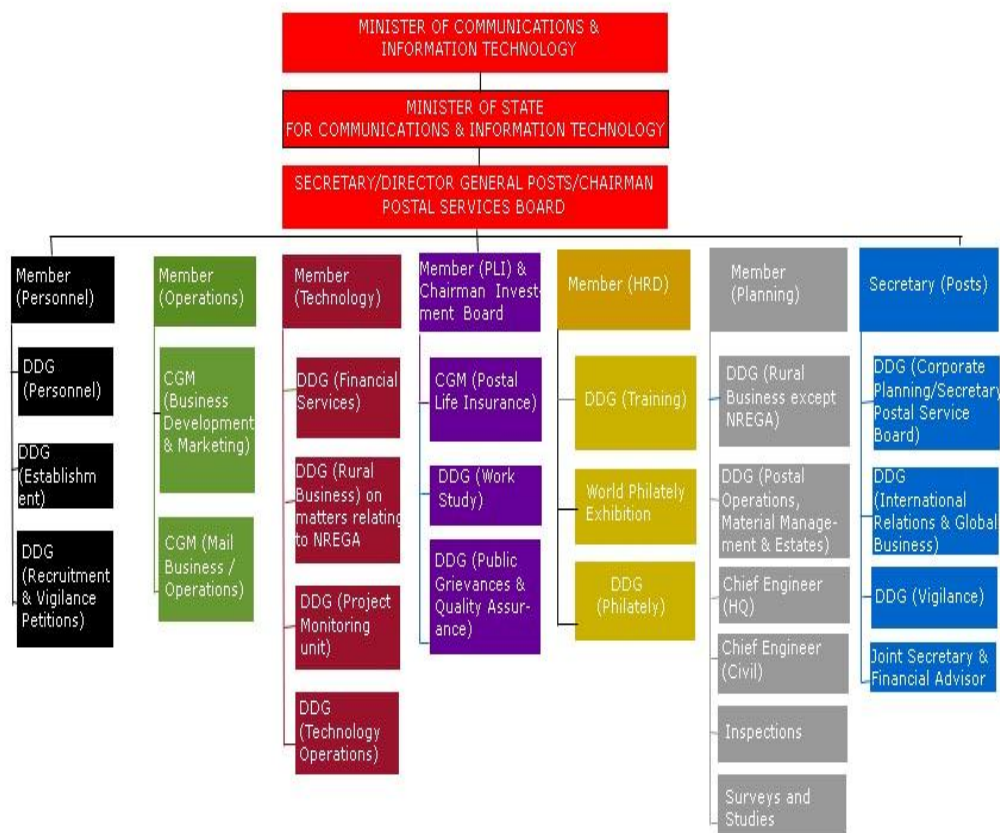
Note: Except the Minister, all other are audited by the P&T Wing of IAAD.

Exhaustive List will be required for the following information:

- Designations – Name and Description

All the common details of the auditee as listed in the Common section above will be captured for auditee.

5.13.2   Auditor

The Auditor hierarchy and organization in P&T wing is same as described in the common section above.

5.13.3   Audit Planning

When planning audits, the user will need to select the auditee, the audit party and also the type of audit to be conducted. For RAP, the RAP will always be mapped to the auditee at whom they are stationed.

5.13.4 Inspection Report

The IR information to be captured in P&T wing is same as described in the common section above.