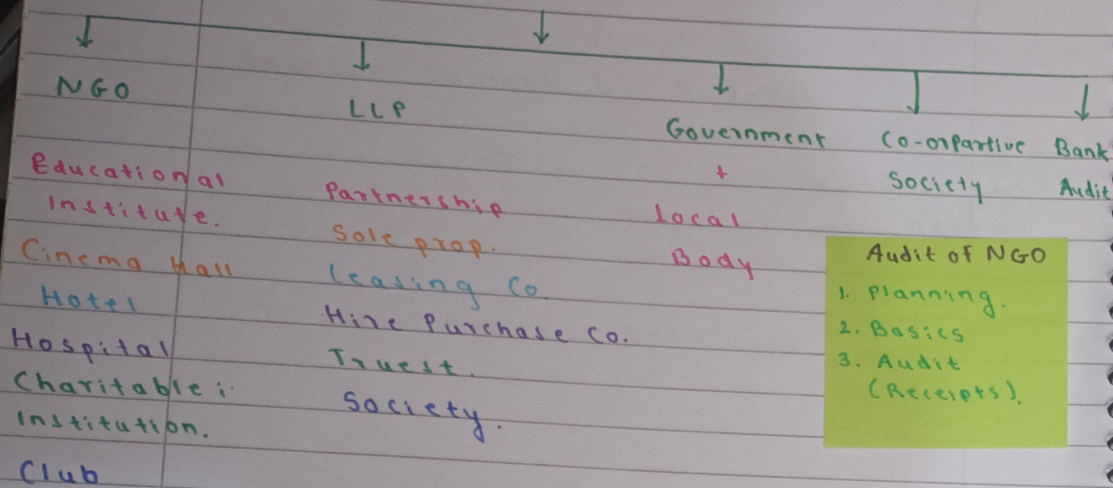


* Audit OF Different Type Of Entity. //



NGO = Planning.

1. Knowledge of NGO's work.
2. Review the legal form of an organisation.
3. Update the knowledge of all the laws applicable client.
4. Obtained and examine the fundamental Documents (MOA, AOA, trust deed).
5. Examine minutes of meeting of Board.
6. Review the previous Audit Report.
7. Setting the materiality level.
8. Study the accounting system. ICAI.
9. Establish the engagement team
10. Involvement of Expert, Joint Auditor, Internal Auditor.

* Receipts

1) Membership Fee

- a) Examine Counterfoil of receipts issued to members
- b) Reconcile counterfoil = Cashbook / P.B.
- c) Ensure = Classification of members fees.

2) Subscriptions.

- A) Examine the Subscription Register.
- b) Obtain the rate of Subscription
- c) Reconcile Subscription received disclosed in BOA with magazine / Journals.

3) Donation / Grants.

- A) Examine the donor's letter / Sanction letter
- B) Ensure that = money = applied toward special purpose?
- P) Foreign Donation = FIC Bank A/c = FCRA, 2010.

4) Income from Investment.

- A) Obtain list of Investments
- B) Recalculate the Interest on FD
- c) Ensure = Inv sold = ex - dividend
Inv Purchased = cum - dividend.

5) Fund Raising Programme.

- A) Verify the details of Internal Control System
- B) Ascertain the list of Person responsible for collection of Funds and mode of Receipt.
- c) Ensure that Collection are deposited to Bank and Computed daily.

Expenditure

- 1) Establishment Expense
 - a) PF, CSI = deposit with Auditor.
 - b) other administrative charge (travelling)
- 2) Project Expense.
 - a) Examine the contract.
 - b) TDS is deducted & return filled with Authorities.
 - c) Examine the contrib. from Donor.

Assets

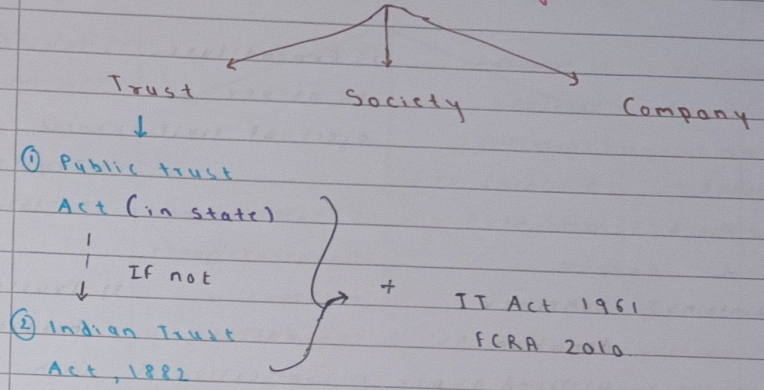
- 1) Fixed Asset :-
 - a) Depreciation charged?
 - b) Immovable property = title deed.
 - c) Acquired / transfer = Authorisation?
- 2) Investment.
 - a) Inspects physically the the scrips
 - b) Examine investment reg.
 - c) New / sold = Authorised?
- 3) Cash in Hand
 - a) PV and tally with BOA
 - b) All item of cash (m.p.)
 - c) Bank Balance
- 4) Examine BOB = unadjusted
Examine Bank statement

Liability.

- 1) Corpus Fund :-
 - a) Examine Contribution with letter of Donor.
 - b) Interest → checked with Inv. Register.
- 2) Loans.
 - a) Loans Agreement
 - b) Counterfoils of Receipt
- 3) Project Balance
Expend as per req of donor.
- 4) Ear Marked fund
 - a) Donor Requirement
 - b) Example - Rule and Regulation of NGO

Trust.

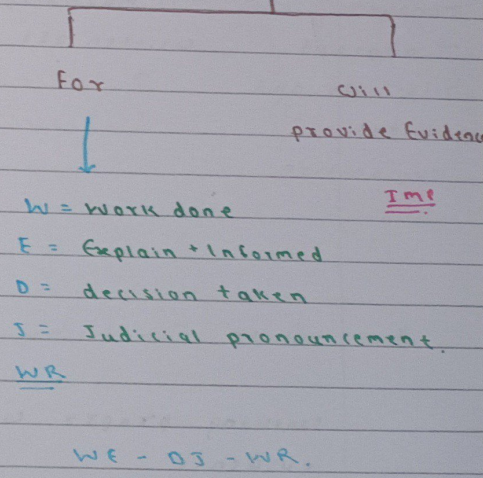
Trust Charitable Org.



BOA

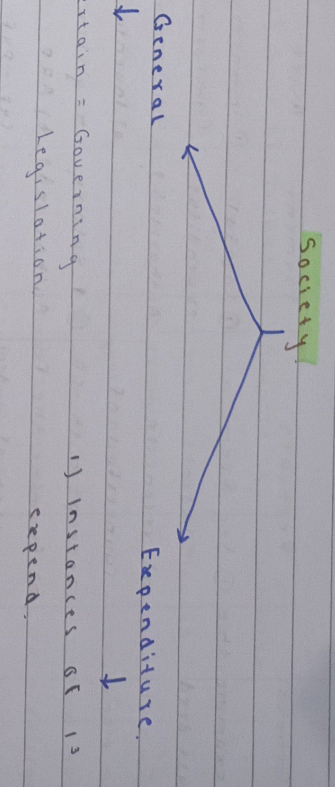
- ① Ledger
- ② Journal
- ③ Cash Bank
- ④ Copies of Bills = machine numbered or otherwise serially numbered
Copy or Counterfoils = " issued by trust.
- ⑤ Original Bills (whether received / issued by trust)
- ⑥ Any other book that is required to present T&F view of scale of affairs

Working Papers.



Grants	Receipts	Expenditure	Assets
1) Maximum or minimum no of trustees → maintained? 2) Meeting held? 3) Minutes → maintains? 4) All irregularly maintained? 5) Records, Book, vouchers → produced before AY.	1) Whether receipts correctly disposed and accounted 2) Amount is it must be written off 3) Whether donation is utilized as per the purpose.	1) Expenditure is as per object of trust 2) Instances of irregular, irregular, irregular expenditure. ex tax benefits of trustee.	1) Trustee → int in investment 2) Trustee → Debtor for? 3) Trustee → holding cash Cash - Tally - BOR
6) Whether trustee manager → appeared before AR and explanation provided.		4) Examine regularly of property (movable/immovable) discrepancy reported in AY AIR - Rectified)	5) Investment → Contrary to provision of Act.

* While Conducting Trust of Audit Auditor shall maintain working paper which shall provide proper evidence



- 1) Registered = FCRA 2010 → to receive donation
- 2) Registered = 17A 1961 → to gain exemption
- 3) Understand = ICS
- 4) Examine = Accounting Policies
- 5) Understand = ICS
- 6) Examine = Accounting Policies

7) Inquiry by registrar = Implication of Audit report

Audit of An Educational Institution

General	Receipts	Payment	Asset	Liability
<p>Examining the</p> <p>Mass deed</p> <p>Examined</p> <p>had many</p> <p>loan are</p> <p>applicable on</p> <p>Institution</p> <p>Read the</p> <p>minutes of</p> <p>meeting of</p> <p>Board</p> <p>management</p> <p>Governing</p> <p>Body</p>	<p>① Fee from Students</p> <p>a) reconcile</p> <p>counterfoil of</p> <p>receipt with CB</p> <p>b) Examine the fee register of student</p> <p>c) Discounts on fee</p> <p>Consession %s</p> <p>Authorized</p> <p>d) Ensure that admission fee is signed by head of institution</p> <p>e) whether the time imparted are record or omitted?</p> <p>f) if irrecoverable (long time old) written off by authorized person</p> <p>g) Hotels are recovered by student</p> <p>h) Admission fee is returnable is it treated as liability</p>	<p>① Capital expenditure Authorized?</p> <p>② Salary Authorized?</p> <p>③ Pf deducted properly deposited</p> <p>i) Purchased = Authorized?</p> <p>ii) Heavy Exp</p> <p>iii) Examine investment by mem, committee endorsement fund for utilized</p> <p>iv) Donation 3) Heavy arrears of fees</p> <p>Other receipts:-</p> <p>1) Examine total income</p> <p>2) Govt grants :- examine sanction letter and utilized for same purpose</p> <p>3) Income from investment :- examine investment + computation</p>	<p>① Inventory (Uniform, Stationery)</p> <p>a) Inventory register</p> <p>b) ARB</p> <p>CFE - BYE</p> <p>i) Purchased = Authorized?</p>	<p>① Caution Money</p> <p>Returnable refundable</p> <p>treated</p> <p>as a liability</p>

Cinema Hall

General	Receipt	Payment	Asset	Liabi.
<p>Same</p> <p>4 point</p> <p>at general</p> <p>from</p> <p>edu inst</p>	<p>i) Sale of ticket.</p> <p>A) Internal control</p> <p>i) entry is through printed ticket</p> <p>ii) Custody is with responsible official</p> <p>iii) Separate sheets for each show.</p> <p>iv) Separate Separate Services: Advance booking numbered & bound.</p> <p>2) Other.</p> <p>i) fee passes - Authorisation of</p> <p>2) Examine statement of ticket.</p> <p>3) Entertainment ticket collected</p> <p>* whether return are filed.</p> <p>2) From Restaurant</p> <p>Check the bills</p> <p>3) From Ads.</p> <p>a) agreements examination</p> <p>b) examine the rates.</p>	<p>i) Advance is given to film distributor</p> <p>a) examine agreement</p> <p>b) Payment food and receivable</p> <p>c) irrecoverable</p> <p>d) provision shall be made already run -> It should be adjusted.</p> <p>not treated as advance</p> <p>1) F.O Bill</p> <p>2) Heavy Exp - Authorized</p> <p>3) Repair & maintenance - not be Capitalised</p>	<p>i) Whether depreciation is charged?</p>	<p>X</p>

Hotel

Internal Control	Receipts	Payments	Asset
1) ICS - Responsibility of mgmt	1) From Rooms Sales	1) minor renovation / decoration - Revenue	1) Inventories a) Form of food & Beverage b) movements - Documented
2) Due to transient nature of client record Ar, has to rely on Internal Evidence.	A) Examine guest register to ensure correct no of guest all charged	2) Major alteration / addition - Capitalised	c) Area = large inventory is stored 1) Key - dept mgmt 2) Key - only to trusted personal 3) Unauthorised access - not allowed
IC is weak = Serious problem	2) Examine daily occup. report and reconcile bill GR & bills.	3) Taxes collected - properly deposited to Authorities.	d) Valuation - 1) Valuer appointed by hotel 2) Valuer must be independent - reasonable 3) Ar should attend the physical verification of inventory (counting)
3) Hotel prepare (daily, weekly month) Audit should obtain and examine it.	3) Fe accepted compliance of FEMA.		
	4) Booking through travel agent expense:- a) compliance of is properly complied b) money is recovered within credit period		

5) Diff between Std tariff and Tariff charged. Authorisation.

Hospital

Receipts	Expense	Asset
1) From Patient a) Examine the patient bill with patent register b) reconcile the receipt counter bill with the Cash Book. c) Ensure the attendance record.	1) ARB Compare At with Budgeted fig in case of SW inform mgmt. 2) Heavy and capital expenditure Authorized by trustee or management committee	1) Inventory a) pv of inventory b) compare it with stock register.
2) From Donation Applied for the specific purpose.		2) Investment Inspect the Bond, Shares, -cars physically
		3) PPE depreciation charged property.

CLUB Audit

Receipts

↓

↓

↓

↓

↓

1) Subscriptions

a) Examine the counterfoil of receipts and reconcile % with Register of member and cash book.

b) Arrais of Subscription of P.Y.

c) Arrar of cy Ensure proper steps for recovery

irrecoverable = should be stated in Auditor Report

2) Membership fees

a) Counterfoil of Receipts

b) Examine registers of member

3) Sale of food item

Cigar, wines, etc

whether GP has exp & arid an normal rate.

Payment

① Vouch purchase of food item sports items etc.

② Inventory verification

a) Physical

b) Valuation of Inventory

c) Examine the Inventory register.

③ Investment

a) Inspect the scrips certificate

b) Valued properly

c) Safe custody.

Asset

General

Receipt

Expenditure

1) Examine trust deed

2) Study the constitution

3) Ascertain the law under which C.O. has been set up

4) Examine the system of internal check

5) Properly credited in the A/c.

1) Examine

a) Receipt book - custody with responsible official

b) Examine counterfoil of receipts & reconcile with cashbook

c) Obtain list of all subs. received and reconcile with BOA

d) Money rec. in flag days, examine its and ensure whether money is collected accounted & credited.

e) Compare subs recd with the fig. published in magazine

f) Obtain all receipt book.

2) Rental income

a) Examine tenancy agreement

2) Examine counterfoil of receipt with cashbook

3) Income from investment

a) Check col of int. dividend received

b) Obtain list of investment and compute with dividend and ensure that it investment purchased taxcum

4) Income Tax Refund

a) Vouch the correspondence from 110

b) Verify the calculation

5) Donation and grant

a) Examine donor letter, Receipt

b) Obtain a certificate from Statist. total donation

6) Special function

a) Examine Receipts

b) Cash book, Bank Statement

c) Proper accounting of receipts

1) Examine Cash & Bank payment

2) expenditure from grant. Proportion is with in object of C.O. not for benefit of Telor.

3) expenditure in the purpose for which it was raised

4) PV of movable property inspect the securities, title deed

Inspect Inventory

Charitable Institute

1) Examine the counterfoil of receipts and reconcile % with Register of member and cash book.

2) Arrais of Subscription of P.Y.

3) Arrar of cy Ensure proper steps for recovery

irrecoverable = should be stated in Auditor Report

4) Examine the scrips certificate

5) Valued properly

6) Safe custody.

7) Examine the constitution

8) Ascertain the law under which C.O. has been set up

9) Examine the system of internal check

10) Properly credited in the A/c.

11) Examine Receipt book - custody with responsible official

12) Examine counterfoil of receipts & reconcile with cashbook

13) Obtain list of all subs. received and reconcile with BOA

14) Money rec. in flag days, examine its and ensure whether money is collected accounted & credited.

15) Compare subs recd with the fig. published in magazine

16) Obtain all receipt book.

17) Examine tenancy agreement

18) Examine counterfoil of receipt with cashbook

19) Income from investment

20) Check col of int. dividend received

21) Obtain list of investment and compute with dividend and ensure that it investment purchased taxcum

22) Income Tax Refund

23) Vouch the correspondence from 110

24) Verify the calculation

25) Donation and grant

26) Examine donor letter, Receipt

27) Obtain a certificate from Statist. total donation

28) Special function

29) Examine Receipts

30) Cash book, Bank Statement

31) Proper accounting of receipts

32) Examine Cash & Bank payment

33) expenditure from grant. Proportion is with in object of C.O. not for benefit of Telor.

34) expenditure in the purpose for which it was raised

35) PV of movable property inspect the securities, title deed

36) Inspect Inventory

NGO = Basics

NGO

Society

Company

Trust

Immovable property > ₹100

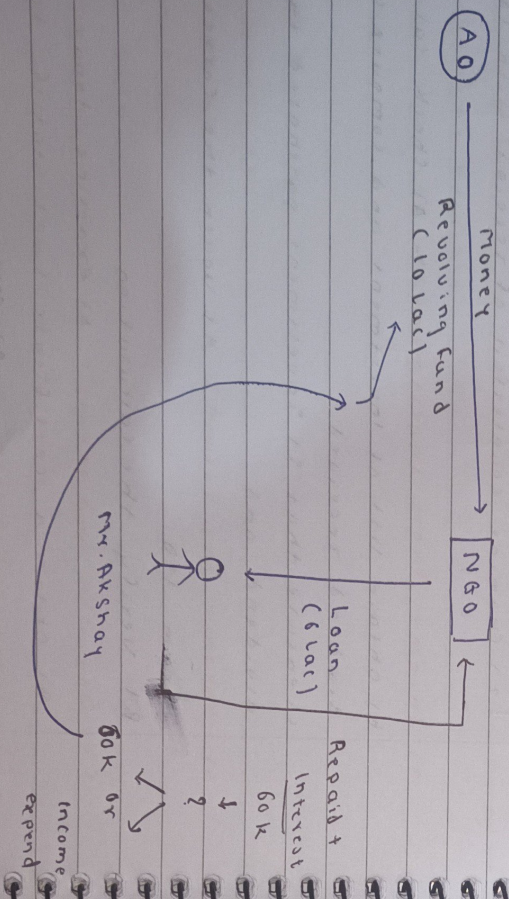
Companies Act, 2013 (Section 8)

Registered :-

Section 128 :-

- ① Trust Act
- ② ITA, 1961
- ③ FCRA, 2010

bank → Annual Report



① Donation & Grants :- 1) Promoter's Contribution :-

Capital Receipt and disclosed as

2) ↓ Liability

Corpus Contribution ↓ Contribution towards revolving fund.

Contribution made towards Capital or corpus of NGO

↓

Donor should specifically state it.

NGO will rotate the amount by giving temporary loan from fund to other NGO/Beneficiary and then recover the loans

So as to give temporary loans again.

↓ Interest on loan.

a) credited to Income & Exp Account.

b) Added to the revolving fund.

3) D & Cr = For acquisition or construction of fixed asset.

4) D & Cr = Receive contribution in kind

land, Building, Vehicles, office equipment, food items, clothes, books etc.

Limited Liability P.

Audit of LLP (Audit)

Books of Accounts of Preservation of Books of Accounts

Records of 2 fys. 1. By a CA

2. Appointment:- a) By designated partner if not by partner

Receipt and Payment Asset and Liability As Partner

1) 1st Ar = Before end of fy

2) Statement of Ar & Solvency a) prepared within 6 months from end of fy.

3) Exemption a) Contribution less than 25 lacs b) Turnover less than 40 lacs.

6 months 60 days 30 days

Annual Returns (prepare) Form no. 11

SOBs Filing of SOBs Form - 8

1. Obtain Appointment letter from LLP.

a. he signed by partner
b. must state the scope of Audit

2. Examine the minutes Books of Meeting to ensure the resolution passed.

3. Examine the LLP Agreement as same in partnership

4. Auditor's Report shall state.

a) Records are available

b) He was able to obtain information and explanation

c) Whether any reservation is imposed.

Partnership.

Benefits

1) For Lenders :- Bank / FI will rely on audited accounts for ensuring reliability & credit worthiness

2) For Dormant Person :- Audit is an effective process against undue advantage by Active partners.

3) **Whistle** Admitting a partner Audited accounts will help in negotiations.

For Retiring Partner (R):-

Audited accounts serves as per available ~~great~~ evidence while settling the Accounts in case of Retiring partner's death of partner.

Resolution of disputes :- dispute will be mitigated if Accounts are Audited.

Examine the partnership Agreement.

- 1) Name of firm
- 2) Name of Partner
- 3) Details of Partner
- 4) Nature of Partner
- 5) Principle place of B.
- 6) Interest on Advances
- 7) Int on Capital
- 8) Int on Drawing
- 9) Salary and Remuneration
- 10) Profit sharing Ratio.

Audit of Partnership firm. (Procedures)

1. Appointment letter - check
2. Minutes Book - check
3. Ensure that profit is distributed in PR agreed.
4. Ensure that business of partnership is authorised under partnership deed
5. Ensure that B.O.A are reasonable and as per the business
6. Ensure whether provision for Taxation is made before distribution of profits.
7. Ensure that the interest of partner is not prejudicially affected in violation of partnership Act / Agreement.

Sole Proprietor.

1. Audit of SP is not mandatory
2. Appointment is made by Sole Trader
3. Auditor should request for appointment letter in writing shall be
 - a) Signed by Sole trader
 - b) State scope of Audit
 - c) State the limitation imposed
5. In the case of change of Auditor communicate with previous Auditor.

Hire Purchase.

1. HP Agreement - written and signed.
2. Examine HP Agreement.
 - a. HP Price
 - b. Cash Price
 - c. Date of Comm of Agreement
 - d. HV and hirer = details, Asset - details.
 - e. Installment, Int due date,
3. Ensure that installment are regularly recd.

1. Examine the object of leasing Company that whether it can lease Asset

2. Ensure client has done credit analysis of lessee.

3. Examine the Invoice generated by lessor

4. Ensure compliance of AS-19.

5. Ensure that Asset is insured by examining insurance policy

6. Examine the BR authority director to form lease agreement

7. Examine lease proposal form submitted by lessee

8. Examine the acceptance letter provided by lessor on receipt of Asset.

9. Examine the lease Agreement

a) Description of hr, lr, Equipment

b) Amount, tenure, due date

c) Sub-let is not allowed

d) whether lessee can retain the Asset.

POD.

OPERATION LEASE

FIRMWARE L.

Lease shall return the Asset on expiry of L.P.

Can Retain at the end of L.P.

Types of Agreement.

Rent Agreement.

Loan Agreement.

Ex.

Computer, Laptop.

Building, Land

Period

< 75% of useful life of asset.

Equal or more than useful life of Asset.

Wear & tear.

Lessor bear insurance, repair & maintenance.

Lessee bear insurance, R&M.

Income

Lease Rental is treated as expense.

Int on loan + Depreciation

POD.

NO effect on BIS.

Asset will appear in BIS.

Income

Lease rental is treated as expense.

Int on loan and Depn is charge to income statement

Ownership

Ownership lies with the lessor.

Ownership is titled to lease at end of L.P.

Definition of municipality

Unit of local self government in an urban area.

Administration of a locality - A village, town, city, or any area smaller than state.

by a body representing the local inhabitants

raising a part of revenue from local taxation and spend on local services.

Grants.

General Purpose Grant

Specific Purpose Grants

Satutory and Compensatory G.

Substantially bridge the Gap.

These grants for certain services for performance of certain tasks

Between needs and resources of local bodies.

as compensation on account of revenue on taxing over tax by Gov.

Income

1. Property Tax
2. Vehicle Tax
3. Tax on Animal
4. Tax on Boat
5. Professional Tax
6. Show - Tax

Expenditure

1. Public Health
2. Education
3. Public Safety
4. Public Works
5. General Admin. OH.
6. Interest on loan

Local Body.

Objectives

1. Reporting on Fairness on Compliance & presentation of f.s.

Audit Procedure

- ① Bigger municipal corporation :- **Audit by External Ac.**

2. Reporting on Strength & weakness of financial control

Other municipal Corporation :-

3. Reporting on adherence to law.

3. Reporting on whether value is real.

5. Detection and prevention of error, fraud, & misuse of Resource.

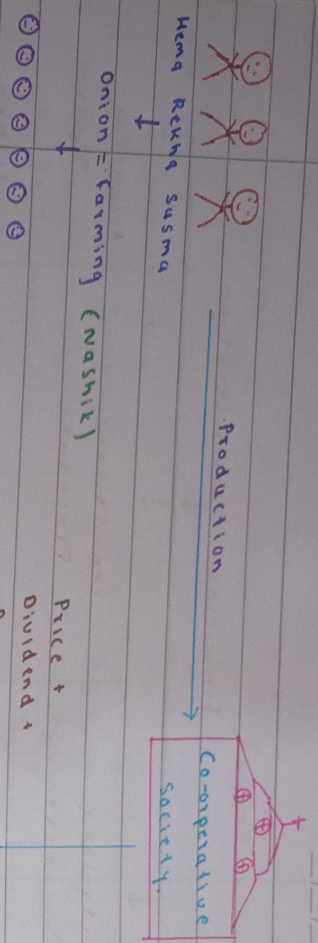
Financial Administration.

Budgetary Procedure

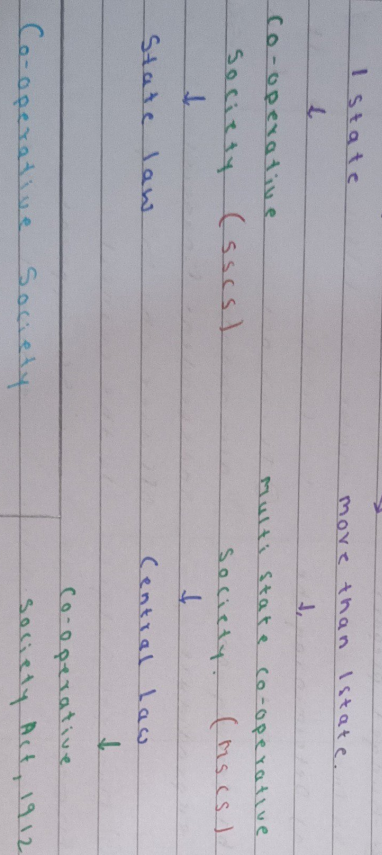
Expenditure Procedure

Accounting System

<p>① Objective is to ensure that exp. is made as per R.R., sanctioned & authorised.</p> <p>② Budget prepared is for</p> <p>a) Determining the tax rate</p> <p>b) setting on expenditure.</p> <p>③ Municipal Budget format differs from state to state differ from municipality to municipality</p> <p>④ Generally no segregation between Capital & Revenue Capital expenditure item</p> <p>⑤ No. of special funds & special budgets</p>	<p>① There must be clear demarcation between legislature and executive</p> <p>② Integration of leg & ex power in municipal body makes it difficult to function</p> <p>③ It can not accommodate independent financial officer who is responsible to the council.</p> <p>④ It does not form proper system.</p>	<p>1. Nether simple or not Comprehensive</p> <p>2. Inadequate info source of info</p>
---	--	---



Co-operative Society.



Change against Profit =
max 10% =

- (-) Reserve fund $\times \times$
- (-) Education fund $\times \times$
- (-) Charitable fund $\times \times$

Bonus dividend as member

Books of A/c.

Single State C.S. (Maharashtra C.S.)
Book of A/c shall prepare a.r.t.
↓
Multi State C. Society.
Co-op Society shall prepare B.O.A a.r.t.

- a) Same
- b) ← ← ←
- c) ←

a) money recd & expended
b) by sale and purchase
c) Asset and liabilities
d) particular relating to utilization of material, labour other item of cost
(M.I.C.S. engaged in prodn)

*** Summarised Noting:**

1. As working Capital
2. for public purpose which promote object of society
3. Investment.
 - a) Central / State Co-op Bank
 - b) Any other Co-op Bank (with approval of ROC)
 - c) Share, Bond, Debt of Society with limited liability.
 - d) Trust securities
 - e) Any other securities permitted by Govt Central loan to member / Society → with approval of ROC (max shareholding → 20% or ₹1000/-)

- 1) Debt → classify :- 6m to 5y, more than 5.
- 2) Bad Debt written off :- authority of Ar or managing committee.
- 3) fixed Asset :- call → depreciation.
- 4) Investment exp → it must be capitalised.
- 5) Current Asset → cost INRU → lower
- 6) Contingent liab → disclose in footnote
- 7) on completion of audit :- Ar will provide a class * stay to co-operative society and ROCs can file an appeal with ROC and ROCs can direct for review.

Auditor.

↓
 Single state
 ↓
 M.S.C. Society.
 ↓
Next Page
 a) CA B) Diploma Holder in Corporate Acc.
 c) worked as auditor in govt corp. Dept.

1) Qualification :-

- 1) CA B) Diploma Holder in Corporate Acc.
- 2) Appointed by :- ROCs
- 3) Report to :- ROCs
- 4) fees :- paid by Society

5) ~~As~~ Right to access :- BOA, Securities, Vouchers, officials shall provide it.

- ① Qualification :- CA
- ② Disqualification :- ① Body Corporate
② Officer / employee
③ Employee / member of officer / emp
④ Guarantee / Security > 100000/-
- ③ Appointment :-
A) 1st Ar → at Board Meeting (within one month from regn.)
B) Subsequent Ar → At GM every year.
④ Inquiry :- same as 143 (1) of CA, 2013
⑤ Right to access :- BOA, Securities, Vouchers, officials, shall provide it.

Audit Report.

Content of Report	Schedule to report	Report to BoC	Produce.
① P&L = Present true & fair view	① CT = Contrary translation	1) personal Profitability	1) Ar will prepare DAR.
2) BLS = Present true & fair view	2) AB = Bad debt / doubtful	2) Fraud	2) Ar will ask sec to call meeting of MC.
3) BOA = Proper	3) Mt = Irregular expenditure	3) Mis-management	3) At Meeting DAR will be discussed
4) BLS = P&L = in agreement with BOA	4) UA = undisclosed Amount	4) Reserves	4) Then, final report will be prepared
5) Account = contain all the information	5) sm = Specified matter by requirer	5) Disprop. Advance to interest	
6) Ar has obtained all the information & explanation.			

Special Audit



- 1) Ordered by C/S
- 2) If C/S holds 5% of Capital
- 3) Ground
A) Financial position -
endanger its solvency
B) Causing serious injury
to the trade

C) Not acting as per
Co-operative principles

- 1) B = Benefits to members
- 2) O = Objective are achieved
- 3) S = Selling Price = can be
reduced
- 4) M = Middleman Commission
= avoided
- 5) E = Economical Purchase
- 6) N = No wastage of fund.

4) No action taken by C/S
within 4 months,
will submit report to C/S.

5) By Main Act ICA

6) Fee by Co-op Society

Inquiry



- 1) Ordered by Central regulator
- 2) Who will conduct:-
Central regulator
Authorised person
- 3) Notice (prior) of
15 days
- 4) After inquiry, report
within 3 months.
- 6) Registrar power:-
a) Summon to person
having custody of BOA
b) Summon to person having
knowledge of Affairs
c) May examine on
d) Can access BOA, Records
e) Can call officer to
call C/S (7 days notice)

It has full Ref can
call the C/S.

Government Audit

Union → Prepare Accounts → format as Prescribed by President of India. (in Constitution with Centre of India) of CFI

State → Prepare Accounts → will audit the Account

UT → Prepare Account

Public Account Committee (PAC)

Comptroller and Auditor
General of India (CAG)

will compile the Accounts. Submit the compiled A/c to president

will audit the Account. Will submit the Audited Accounts to president of India

will audit the Account. Will submit the Audited Accounts to governor of the State

will audit the Account. Will submit the Audited Accounts to administrator

will be laid down in the Parliament

will be laid down in state legislature

will be laid down in Parliament.

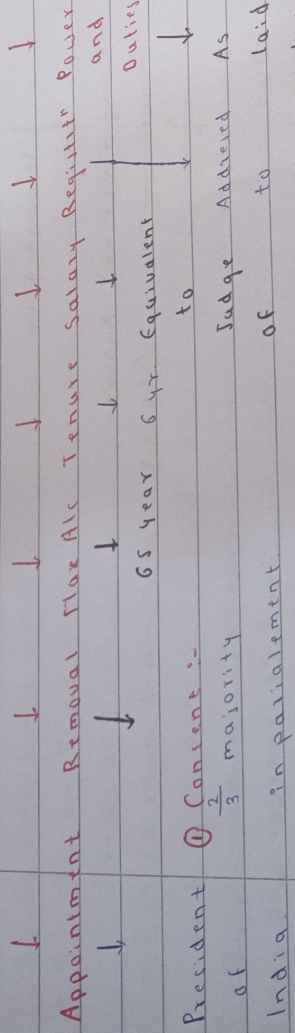
C & AG of India.

It follows Institutional mechanism :- Audit by Indian Audit & Account Department.

- 1) Auditor :- Primary check
- 2) Supervisor :- ~~Final~~ Test Check
- 3) Group :- Direction & Leader Control.

Extent of checking by C & AG - cannot be questioned.

C & AG.



- 1) Ground :-
 - a) proven misconduct / Abuse of Authority
- 2) Incapability

C & AG (Duties, Powers & Conditions of Service) Act, 1971.

Duties

- 1) To compile the Account C & AG will compile the Primary Accounts submitted by CG (Union), SG (State) administrators (UL) administrators (UL)
- 2) To submit the Accounts C & AG shall audit and submit the Account of :-
 - A) Union :- To president of India
 - B) State :- To Governor of State
 - C) UT :- To administrator.
- 3) To Audit the Complied Acc. C & AG will audit the.
 - a) Receipt.
 - b) Expenditure
 - c) Stores & stocks
 - d) Grants.
 - e) loans.
 - f) From

- 4) To inspect office of Accounts under control of the Union or State.
- 5) To require Accounts, Books, docs. to be sent to Specified places
- 6) To put question from the person in charge and can call information as he deems necessary
- 7) C & AG can dispense detailed checking and can perform limited check

Then the account of Union and UT shall be laid down in parliament and of State in state legislature

- 5) To appoint Auditor in case of Govt Co. as per (i) :- First Auditor shall be appointed within (ii) 60 day :- C & AG (iii) 30 day :- Board.

Type of Audit.

1. Audit of Expenditure
2. Audit of Receipt
3. Audit of store and stock.

Expenditure.

Audit of Rule and Orders. → C&A will ensure that there is sanction. (General / Special) → C&A will ensure that there is sanction that Govt P&P that exp. is incurred with regard to principle of yielding of financial property.

Audit of Provision of funds. → C&A will ensure that there is provision of funds and audit by Competent Authority. results.

Audit of Performance Audit. → C&A will ensure that there is performance audit. results.

Audit of Property Audit. → C&A will ensure that there is property audit. results.

Audit of Contingency Fund and Public Account. → C&A will ensure that there is contingency fund and public account.

* Audit of Sanction.

- 1) exp is sanctioned (613)
- 2) expenditure is sanctioned by ~~the~~ Authority is Competent to sanction it by Constitution | Law | Competent Authority.

* Audit against provision of funds.

- 1) Expend is incurred for the purpose for which grant has been provided
- 2) Expend does not exceed the appropriation made.

* Rule and Order.

- 1) Auditor should ensure that expenditure from public money.
- a) are not inconsistent with provision of Constitution
- b) are consistent with requirement of C&A
- c) do not conflict with Order of higher Authority
- d) If not approved by competent Authority, Issuance Authority has rule making power.

2) R&O falls under the following Categories:-

- a) R&O regularity the power to incur expenditure from CFI, CFS, CFOT.
- b) R&O regularity the withdrawal of money from Contingency fund and public Account of Govt
- c) R&O regularity the payment, allowance & pension of Govt Servant.

* Principles:-

- 1) Auditor will detect the cases of improper, available or ineffective expenditure even though it has incurred as per B.R.
- 2) Eg A Building is constructed for telephone exchange / school but is not used upto five year of completion is a case of avoidable expenditure.
- 3) As ~~regular~~ regular Audit cannot detect all the wasteful expenditure, there is need of propriety Audit.
- 4) Propriety Audit will secure high standard of public financial morality by looking into wisdom, faithfulness and economy of Ar.
- 5) While making expenditure from public money public officer shall act as a man of ordinary prudence would have acted with respect to his money
- 6) Expenditure should not be more than the occasion demands.
- 7) Authority sanctioning expenditure should not make it for its own advantage.
- 8) Public money shall not be utilised for benefit of a particular person or section of community unit.

- a) Amount of exp is insignificant.
- b) Claim for amount is enforceable in Court.
- c) Exp is as per recognised policy of custom
- d) Amount of allowance (travelling) to meet exp of particular type.

Performance Audit.

- 1) Meritly.
- 2) Types:-
Efficiency - ① Whether scheme / project are executed.
② Operation conducted economically
③ Whether they are yielding the resulting.
Economy - Ensure that Govt has acquired financial, human, physical resources in an economical manner.
Sanctioning Authority has observed economy.
Effectiveness:- Appraisal of Govt policies, program project has achieved the target objectives.

* Efficiency Cum Performance Audit.

Objective examination of financial & operational performance of Govt Dept to ensure economy & effectiveness.

1. Identification of Topics
2. Preliminary Study.
3. Planning
4. Execution of Audit
5. Reporting

Receipts.

1. Whether adequate regulation and procedure have been framed by Govt department / agency.
(proper collection, allocation of receipts).
2. Whether R & P are carried out.
3. Cause that is proper lcs for receipts.
(adequate checks - prompt detection and investigation of irregularity, loss of revenue, negligence in collection of Tax).

4) Review of system and procedure to ensure that lcs is working adequately.

5) In case of discrepancy in lcs, it shall be producer have be framed by Govt / agency. Reported

Store and Stock.

1. Same point (proper purchase, issue, custody of inventory)

2. Same.

3. Same. Proper lcs for store & stock.

4. Same

5. Same.