



Government of Himachal Pradesh

R F D

(Results-Framework Document)
for

Local Audit Deptt.

(2014-2015)

Section 1: Vision, Mission, Objectives and Functions

Vision

To ensure good financial discipline in the functioning of Local Funds of the State

Mission

To exercise financial check over income & expenditure of Local Fund Institutions and to ensure that all the grants received by them from State/Central Government and other agencies are duly brought into their account and all such grants are spent as per terms and conditions of the sanctioning authorities

Objectives

- 1 Timely audit of institutions
- 2 Reporting audit findings, conclusions and recommendations to client institutions
- 3 Pursue follow up actions on the Audit Reports
- 4 Analyze the Audit Reports to advise Govt. about adequacy of attention to income generation and economy in expenditure
- 5 Capacity development including training of audit staff

Functions

- 1 To ensure that all the Acts and Rules are being administered efficiently by the Local Fund Institutions and to take effective measures to minimize chances of irregularities in these institutions
- 2 To conduct critical scrutiny of books of accounts, documents and vouchers etc. of Local Fund Institutions to ascertain that the results shown in their financial statements are truly determined
- 3 Regular monitoring of filed units by senior officers for achieving expected targets
- 4 To train and mobilize the departmental staff to enable them to be conversant fully with all the methods and systems of audit so as perform the role of auditor in a technical manner with in the framework of rules, regulations and procedure
- 5 To prepare Annual Report of the working of the department

Section 2: Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
[1] Timely audit of institutions	20.00	[1.1] Finalise audit plan for the next year	[1.1.1] Issue of Audit Plan	Date	4.00	--	--	--	--	--
		[1.2] Timely conduct of audit as per approved plan	[1.2.1] Adherence to current year's Audit Plan	%	16.00	--	--	--	--	--
[2] Reporting audit findings, conclusions and recommendations to client institutions	20.00	[2.1] Timely issue of Audit Reports	[2.1.1] Audit Reports issued	Numbers	10.00	--	--	--	--	--
			[2.1.2] Audit reports issued within prescribed time limit of six months	%	10.00	--	--	--	--	--
[3] Pursue follow up actions on the Audit Reports	16.00	[3.1] Secure quarterly ATRs and to verify compliance	[3.1.1] Timely receipt of quarterly ATRs from client institutions	Number	10.00	--	--	--	--	--
			[3.1.2] Circulation of review notes on progress of compliance of audit reports	Date	6.00	--	--	--	--	--
[4] Analyze the Audit Reports to advise Govt. about adequacy of attention to income generation and economy in expenditure	12.00	[4.1] Submission of consolidated review reports of various Local Fund Institutions to their respective Administrative Departments covering all major aspects	[4.1.1] Timely issue of consolidated review reports to the Administrative Department within seven months of the close of financial year	%	12.00	--	--	--	--	--
[5] Capacity development including training of audit staff	12.00	[5.1] Arranging training of audit staff	[5.1.1] Audit staff trained	Numbers	12.00	--	--	--	--	--

Section 2: Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
* Annual Plan Performance	4.00	Submission of Quarterly Plan Expenditure Report	No. of Reports Submitted on time (by 10th of August, 10th November, 10th of February & 10th May)	Numbers	2.0	4	3	2	1	--
		Submission of Monthly Progress Report of Flagship Programmes	No. of Reports Submitted on time (by 10th of Next Month).	Numbers	2.0	12	11	10	8	--
* Twenty Point Programme	3.00	Submission of Monthly Progress Report	No. of Reports Submitted on time (by 20th of Next Month).	Number	3.0	12	11	10	8	--
* Budget Assurances	3.00		No. of Reports Submitted on time (by 10th of Next Month).	Number	3.0	12	11	10	8	--
* Efficient Functioning of the RFD System	10.00	Timely Submission of Draft RFDs	On Time Submission	Date	4.0	30/04/2014	10/05/2014	20/05/2014	31/05/2014	--
		Timely Submission of Final RFD	On Time Submission	Date	3.0	30/08/2014	10/09/2014	20/09/2014	30/09/2014	--
		Timely Submission of Results	On Time Submission	Date	2.0	15/04/2015	20/04/2015	25/04/2015	30/04/2015	--
		Finalize a strategic Plan	Finalize the Strategic Plan for next Five Years	Date	1.0	30/06/2014	31/07/2014	31/08/2014	30/09/2014	--

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 12/13	Actual Value for FY 13/14	Target Value for FY 14/15	Projected Value for FY 15/16	Projected Value for FY 16/17
[1] Timely audit of institutions	[1.1] Finalise audit plan for the next year	[1.1.1] Issue of Audit Plan	Date	11/03/2013	11/03/2014	11/03/2015	11/03/2016	--
	[1.2] Timely conduct of audit as per approved plan	[1.2.1] Adherence to current year's Audit Plan	%	100	100	100	100	--
[2] Reporting audit findings, conclusions and recommendations to client institutions	[2.1] Timely issue of Audit Reports	[2.1.1] Audit Reports issued	Numbers	198	255	225	225	--
		[2.1.2] Audit reports issued within prescribed time limit of six months	%	163	100	100	100	--
[3] Pursue follow up actions on the Audit Reports	[3.1] Secure quarterly ATRs and to verify compliance	[3.1.1] Timely receipt of quarterly ATRs from client institutions	Number	40	64	225	225	--
		[3.1.2] Circulation of review notes on progress of compliance of audit reports	Date	08/03/2013	23/03/2014	18/03/2015	18/03/2016	--
[4] Analyze the Audit Reports to advise Govt. about adequacy of attention to income generation and economy in expenditure	[4.1] Submission of consolidated review reports of various Local Fund Institutions to their respective Administrative Departments covering all major aspects	[4.1.1] Timely issue of consolidated review reports to the Administrative Department within seven months of the close of financial year	%	100	100	100	100	--
[5] Capacity development including training of audit staff	[5.1] Arranging training of audit staff	[5.1.1] Audit staff trained	Numbers	30	39	30	30	--

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 12/13	Actual Value for FY 13/14	Target Value for FY 14/15	Projected Value for FY 15/16	Projected Value for FY 16/17
* Annual Plan Performace	Submission of Quarterly Plan Expenditure Report	No. of Reports Submitted on time(by 10th of August, 10th November, 10th of Febuary & 10th May)	Numbers	--	--	3	--	--
	Submission of Monthly Progress Report of Flagship Programmes	No. of Reports Submitted on time (by 10th of Next Month).	Numbers	--	--	11	--	--
* Twenty Point Programme	Submission of Monthly Progress Report	No. of Reports Submitted on time (by 20th of Next Month).	Number	--	--	11	--	--
* Budget Assurances		No. of Reports Submitted on time (by 10th of Next Month).	Number	--	--	11	--	--
* Efficient Functioning of the RFD System	Timely Submission of Draft RFDs	On Time Submission	Date	--	--	10/05/2014	--	--
	Timely Submission of Final RFD	On Time Submission	Date	--	--	10/09/2014	--	--
	Timely Submission of Results	On Time Submission	Date	--	--	20/04/2015	--	--
	Finalize a strategic Plan	Finalize the Strategic Plan for next Five Years	Date	--	--	31/07/2014	--	--

* Mandatory Objective(s)

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**Section 4:
Acronym**

Sl.No	Acronym	Description
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Section 4: Description and Definition of Success Indicators and Proposed Measurement Methodology

Sl.No	Success indicator	Description	Definition	Measurement	General Comments
1	[1.1.1] Issue of Audit Plan	Audit plan is finalized in advance every year indicating therein the list of institutions alongwith the period of audit of each institution, the audit of which is to be conducted by the audit parties of the department during the ensuing year.	Audit plan is a plan which is based on the priorities worked out on the basis of pending and due audits of various Local Fund Institutions and it depends upon the actual resources i.e. man power available with the department.	Audit plan is measured in numbers i.e. the number of institutions to be audited by the department during the ensuing year.	Audit Plan not only helps the audit parties of the department for conducting the audit of various institutions in a prompt and phased manner but it also helps the senior officers of the department to monitor the progress of audit parties at regular interval.
2	[1.2.1] Adherence to current year's Audit Plan	The approved audit plan is to be adhered to by the audit parties by way of conducting the audit of various institutions in a timely and phased manner. The Local Audit Department has fixed targets of 225 institutions per year for conducting the audit in the years 2014-15 and 2015-16.	Adherence to current year's audit plan means the number of units audited by the department during the current year as per approved audit plan.	Adherence to the Audit Plan i.e. conducting the audit of various institutions is measured in numbers viz. the number of institutions audited by the department during the ensuing year against the targets fixed for the said year.	The progress achieved regarding adhering to the current year Audit Plan is monitored by the senior officers of the department at regular interval by way of scrutinizing the progress reports of field audit parties which are submitted by them to the Headquarter Office on weekly basis. If at any stage it is found that the field audit parties are lacking behind in achieving the fixed targets then apart from issuing instructions to the field audit parties by the Headquarter Office, on the spot inspections of field units are also conducted by senior officers

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Sl.No	Success indicator	Description	Definition	Measurement	General Comments
2	[1.2.1] Adherence to current year's Audit Plan	The approved audit plan is to be adhered to by the audit parties by way of conducting the audit of various institutions in a timely and phased manner. The Local Audit Department has fixed targets of 225 institutions per year for conducting the audit in the years 2014-15 and 2015-16.	Adherence to current year's audit plan means the number of units audited by the department during the current year as per approved audit plan.	Adherence to the Audit Plan i.e. conducting the audit of various institutions is measured in numbers viz. the number of institutions audited by the department during the ensuing year against the targets fixed for the said year.	of the department.
3	[2.1.1] Audit Reports issued	Audit report contains observations of the audit which are drawn in the shape of audit paras and usually contain observations on short realizations, overpayment, systematic flaws, loopholes and misappropriations etc. Suggestive measures are also given by the audit in the report for taking corrective actions by the client institutions.	Audit Report is a commentary over the financial transactions of the client institution and it contains observations regarding irregularities noticed during the course of audit.	The audit report are measured in numbers i.e. the number of audit reports issued by the department to the concerned institutions whose audit is conducted by the department.	On conclusion of audit of each institution, the audit reports are drafted and submitted to the Headquarter Office by the field staff. These audit reports are then vetted/scrutinized in the Headquarter Office by the senior officers and thereafter the same are issued to the concerned institutions for taking further necessary action on each observation of audit.
4	[2.1.2] Audit reports issued within prescribed time limit of six months	To ensure timely issue of audit reports to the client institutions, the department has fixed time frame for submitting the audit reports by field audit parties and for vetting/scrutiny of the same by senior officers in the	Prescribed time limit of six months means the issue of audit reports by the Headquarter Office to the client institutions within six months from the date of conclusion of	Audit Reports issued within the prescribed time limit of six months are measured in numbers i.e. the number of audit reports issued by the department within the prescribed time limit of six	While vetting the audit reports in the Headquarter office, some times these audit reports have to be referred back to the field units for seeking necessary clarifications on various

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Sl.No	Success indicator	Description	Definition	Measurement	General Comments
4	[2.1.2] Audit reports issued within prescribed time limit of six months	Headquarter Office.	audit of the concerned institution under post audit system and rendering of complete accounts by concerned institution under pre-audit system.	months during the year.	points related to serious audit paras and other financial aspects of the audit reports, as such, the prescribed time limit of 6 months has been fixed by the department for issuing the audit report after conclusion of audit each institution.
5	[3.1.1] Timely receipt of quarterly ATRs from client institutions	After issue of audit reports to the client institutions from the Headquarter Office, the ATRs (Action Taken Reports)/compliance reports/annotated replies are obtained from them. Regular follow up actions are also taken at the Headquarter Office level to ensure timely receipt of ATRs/ compliance reports from the client institutions.	Action Taken Report is a report received from the client institutions in the shape of annotated replies indicating therein the action taken and compliance made by them on the observations recorded in the audit report	The Action Taken Reports(ATRs) are measured in numbers i.e. the total number of compliance reports/annotated replies received by the department from the client institutions.	If Action taken Reports (ATRs) are not received by the department within the prescribed period then reminders are issued by the department from time to time to the concerned institutions.
6	[3.1.2] Circulation of review notes on progress of compliance of audit reports	Review notes are prepared by the Local Audit Department after taking into account the Action Taken Reports (ATRs)/ compliance reports/annotated replies of the client institutions and indicate the further action to be by them over and above the compliance reported in their Action Taken Reports.	Review notes are the notes indicating therein the further action required to be taken by the client institutions on each observation of audit as recorded in the audit report over and above the compliance reported in the ATRs.	The Review notes are measured in numbers i.e. the total number of Review notes issued by the department to the concerned to the client institutions.	After receipt of ATRs/compliance reports/annotated replies of various audit reports from the client institutions, the same are scrutinized by the senior officers of the department in the Headquarter Office and then on the basis of action

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Sl.No	Success indicator	Description	Definition	Measurement	General Comments
6	[3.1.2] Circulation of review notes on progress of compliance of audit reports	Review notes are prepared by the Local Audit Department after taking into account the Action Taken Reports (ATRs)' compliance reports/annotated replies of the client institutions and indicate the further action to be by them over and above the compliance reported in their Action Taken Reports.	Review notes are the notes indicating therein the further action required to be taken by the client institutions on each observation of audit as recorded in the audit report over and above the compliance reported in the ATRs.	The Review notes are measured in numbers i.e. the total number of Review notes issued by the department to the concerned to the client institutions.	taken/compliance reported by the client institutions on each observation of the audit, Review notes are prepared and submitted to the concerned client institution for taking further necessary action on those observations of the audit on which the client institution has either not taken any action so far or has taken only a partial action and warrant for taking of further necessary action by the client institutions for final settlement of audit observations.
7	[4.1.1] Timely issue of consolidated review reports to the Administrative Department within seven months of the close of financial year	Consolidated review reports are prepared Administrative Departments wise by this department on the basis of audit reports of major Local Fund Institutions which are working under the respective Administrative Department. These consolidated review reports contain observations on all major aspects on the financial administration/ performance of the Local Fund Institutions. These reports are prepared	Consolidated review reports are the reports which indicate Administrative Department wise major audit observations of various Local Fund Institutions.	It is measured in numbers i.e. the number of consolidated review reports issued by the department to the concerned Administrative Department every year.	The main purpose of issuing the consolidated review reports is to bring the serious irregularities of various Local Fund Institutions to the notice of their respective Administrative Department and for ensuring effective action to be taken at their level.

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Sl.No	Success indicator	Description	Definition	Measurement	General Comments
7	[4.1.1] Timely issue of consolidated review reports to the Administrative Department within seven months of the close of financial year	every year on the basis of audit reports of the concerned Local Fund Institutions pertaining to the previous year and are issued to the concerned Administrative Department within seven months of the close of Financial Year. This department has fixed a target of issuing 10 consolidated review reports to various Administrative Departments for the years 2014-15 and onwards.	Consolidated review reports are the reports which indicate Administrative Department wise major audit observations of various Local Fund Institutions.	It is measured in numbers i.e. the number of consolidated review reports issued by the department to the concerned Administrative Department every year.	The main purpose of issuing the consolidated review reports is to bring the serious irregularities of various Local Fund Institutions to the notice of their respective Administrative Department and for ensuring effective action to be taken at their level.
8	[5.1.1] Audit staff trained	Regular training is imparted to the audit staff for capacity building which is found helpful for conduct of audit. The purpose of training is to bridge the gap between job requirements and present competence of an employee.	Training is the process of enhancing the knowledge and skills of staff with an objective to improve their behavior and performance for doing a particular job.	Measurement of trained staff is based on numbers i.e. the number of Officers/Officials trained during the year.	This department has the mandate to conduct the audit of various institutions and to provide advice to the client institutions for the improvement of their financial administration. Therefore, it is inevitable to provide training to the staff of this department. It is an organized procedure by which audit staff gain knowledge and enhance their skill.

Section 5 :
Specific Performance Requirements from other Departments

Location Type	State	Organisation Type	Organisation Name	Relevant Success Indicator	What is your requirement from this organisation	Justification for this requirement	Please quantify your requirement from this Organisation	What happens if your requirement is not met.
State Government	HP	Local Fund Institution	Local Fund Institutions	<p>[1.2.1] Adherence to current year's Audit Plan</p> <p>[3.1.1] Timely receipt of quarterly ATRs from client institutions</p>	<p>The Local Fund Institutions whose audit is conducted by this department are required to provide requisite record and to deploy sufficient manpower for timely conduct of audit.</p> <p>After issue of audit reports to the concerned Local Fund Institutions, they are required to take action on the observations of audit and submit Action Taken Reports (ATRs) to this department well in time.</p>	<p>Requisite record is required to see the authenticity of various vouchers for conduct of audit.</p> <p>Actions are required to be taken by the concerned Local Fund Institutions on each observation of audit for recovery of losses etc. and for correct depiction of state of affairs in their books of accounts.</p>	<p>All the relevant record pertaining to the period under audit is required from Local Fund Institutions.</p> <p>All the audit observations needs to be addressed by the Local Fund Institutions.</p>	<p>It will adversely effect the prompt and efficient conduct of audit.</p> <p>It will have an adverse bearing upon the financial health and state of affairs of the concerned institutions.</p>

Section 6: Outcome/Impact of Department/Ministry

Outcome/Impact of Department/Ministry	Jointly responsible for influencing this outcome / impact with the following department (s) / ministry(ies)	Success Indicator	Unit	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
1 To improve financial administration of Local Fund Institutions	All Local Fund Institutions	Checking of income and expenditure of institutions under Pre-audit system in Resident Audit Schemes on hundred percent basis as per norms	No.of institutions			10	10	10
		Checking of income and expenditure of other institutions under Post audit system on random month selection basis as per fixed criteria	No.of institutions			225	225	225
		Issuance of utilization certificates enabling the client institutions to receive further grant-in-aid	No. of institutions			5	5	5
		Consolidated review notes issued to the Administrative Departments of Local Fund Institutions	No.of institutions			10	10	10