



Government of India

R F D

(Results-Framework Document)
for

Local Audit Deptt.

(2013-2014)

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 frame the annual/quarterwise programmes for conduct of audit of various institutions under the auditorial jurisdiction of the department and to ensure that audit of client institutions is conducted by the audit staff as per approved programme.
- 2 To assess the audit needs of client institutions.
- 3 To fix/ prescribe the quantum of audit checks for pre/post and to fix norms for time allotment for conducting the audit of the various institutions.
- 4 To frame guidelines for month selection criteria for detailed checks in the audit.
- 5 To fix norms for time allotment for conducting the audit
- 6 To fix rates of charging of audit fees.
- 7 To scrutinize and report audit findings, conclusions and recommendations in the audit notes of various client institutions.
- 8 To ensure prompt and proper follow up actions by client institutions on audit reports.

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	04/03/2014	11/03/2014	18/03/2014	25/03/2014	31/03/2014
		[1.2] Timely conduct of audit as per approved plan	[1.2.1] Adherence to current year's Audit Plan	%	16.00	100	90	80	70	60
[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	180	170	160	150	140
			[2.1.2] Audit reports issued within prescribed time limit of six months	%	10.00	100	90	80	70	60
[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	180	170	160	150	140
			[3.1.2] Circulation of review notes on progress of compliance of audit reports	Date	6.00	15/03/2014	18/03/2014	22/03/2014	27/03/2014	31/03/2014
[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	100	90	80	70	60
[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	20	18	16	14	12

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%
* Efficient Functioning of the RFD System	5.00	Timely submission of Draft for Approval	On-time submission	Date	2.0	31/05/2013	05/06/2013	12/06/2013	15/06/2013	--
		Timely submission of Results	On-time submission	Date	2.0	15/05/2014	22/05/2014	29/05/2014	07/06/2014	--
		Finalize a Strategic Plan	Finalize the Strategic Plan for next 5 years	Date	1.0	30/06/2013	31/07/2013	31/08/2013	30/09/2013	--
* Improving Internal Efficiency / responsiveness /service delivery of Department	5.00	Develop RFDs for all Subordinate Offices	Percentage of RCs covered	%	1.0	100	75	50	25	--
		Implementation of Sevottam	Percentage of cases disposed off in time	%	2.0	100	90	80	70	--
		Redress of public Grievancies(E. Samadhan)	1. Create a compliant system to implement, monitor and review Citizen's / Client's Charter	Date	2.0	31/05/2013	30/06/2013	31/07/2013	31/08/2013	--
* Annual Plan Performance	3.00	Submission of qty. Plan Expenditure Report	No of Reports submitted on time (By 10th of August, November, Febuary and May)	No	3.0	4	3	2	1	--
* Performance of Flagship Programmes, ACA and EAPs	3.00	Submission of monthly progress report of Flagship Programmes/ACA releases/ Expen. & reimbursement of EAPs (if any)	No of reports submitted on time (by 10th of next month)	No	3.0	12	11	10	8	--
* Twenty Point Programme	2.00	Submission of monthly progress report	No of reports submitted on time (By 10th of next month)	No	2.0	12	11	10	8	--
* Budget Assurances	2.00		No of reports submitted on time (By 10th of next month)	No	2.0	12	11	10	8	--

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 11/12	Actual Value for FY 12/13	Target Value for FY 13/14	Projected Value for FY 14/15	Projected Value for FY 15/16
[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	174	198	180	170	160
		[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	180	170	160
		[3.1.2] Circulation of review notes on progress of compliance of audit reports	Date	--	08/03/2013	18/03/2014	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	20	20	20

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Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 11/12	Actual Value for FY 12/13	Target Value for FY 13/14	Projected Value for FY 14/15	Projected Value for FY 15/16
* Efficient Functioning of the RFD System	Timely submission of Draft for Approval	On-time submission	Date	--	--	05/06/2013	--	--
	Timely submission of Results	On-time submission	Date	--	--	22/05/2014	--	--
	Finalize a Strategic Plan	Finalize the Strategic Plan for next 5 years	Date	--	--	31/07/2013	--	--
* Improving Internal Efficiency / responsiveness /service delivery of Department	Develop RFDs for all Subordinate Offices	Percentage of RCs covered	%	--	--	75	--	--
	Implementation of Sevottam	Percentage of cases disposed off in time	%	--	--	90	--	--
	Redress of public Grievancies(E. Samadhan)	1. Create a compliant system to implement, monitor and review Citizen's / Client's Charter	Date	--	--	30/06/2013	--	--
* Annual Plan Performance	Submission of qtl. Plan Expenditure Report	No of Reports submitted on time (By 10th of August, November, February and May)	No	--	--	3	--	--
* Performance of Flagship Programmes, ACA and EAPs	Submission of monthly progress report of Flagship Programmes/ACA releases/ Expen. & reimbursement of EAPs (if any)	No of reports submitted on time (by 10th of next month)	No	--	--	11	--	--
* Twenty Point Programme	Submission of monthly progress report	No of reports submitted on time (By 10th of next month)	No	--	--	11	--	--
* Budget Assurances		No of reports submitted on time (By 10th of next month)	No	--	--	11	--	--

* 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 180, 170 and 160 institutions for conducting the audit for the years 2013-14, 2014-15 and 2015-16 respectively.	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

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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 180, 170 and 160 institutions for conducting the audit for the years 2013-14, 2014-15 and 2015-16 respectively.	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.	officers 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	Prescribed time limit of six months means the issue of audit reports by the Headquarter Office to the client institutions within six months from	Audit Reports issued within the prescribed time limit of six months are measured in numbers i.e. the number of audit reports issued by	While vetting the audit reports in the Headquarter office, some times these audit reports have to be referred back to the field

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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	by senior officers in the Headquarter Office.	the date of conclusion of audit of the concerned institution under post audit system and rendering of complete accounts by concerned institution under pre-audit system.	the department within the prescribed time limit of six months during the year.	units for seeking necessary clarifications on various 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	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 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

Section 4: Description and Definition of Success Indicators and Proposed Measurement Methodology

Sl.No	Success indicator	Description	Definition	Measurement	General Comments
6	[3.1.2] Circulation of review notes on progress of compliance of audit reports	the compliance reported in their Action Taken Reports.	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.	the Headquarter Office and then on the basis of action 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	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.

Section 4: Description and Definition of Success Indicators and Proposed Measurement Methodology

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	the Local Fund Institutions. These reports are prepared 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 2013-14 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 4:
Description and Definition of Success Indicators and Proposed Measurement Methodology

Sl.No	Success indicator	Description	Definition	Measurement	General Comments
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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	[1.2.1] Adherence to current year's Audit Plan [3.1.1] Timely receipt of quarterly ATRs from client institutions	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. 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.	Requisite record is required to see the authenticity of various vouchers for conduct of audit. 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.	All the relevant record pertaining to the period under audit is required from Local Fund Institutions. All the audit observations needs to be addressed by the Local Fund Institutions.	It will adversely effect the prompt and efficient conduct of audit. It will have an adverse bearing upon the financial health and state of affairs of the concerned institutions.

**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 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
1 Improvement in Financial administration of Local Fund Institutions of the state by ensuring that the policies /guidelines and rules/regulations of the Government are implemented/ followed in the said institutions. For this purpose, consolidated review reports are issued to the concerned Administrative Departments of major Local Fund Institutions every year highlighting therein the major findings of audit and these reports also contain the advice of audit for taking corrective measures at the level of Administrative Departments and concerned Local Fund Institutions. This department has fixed a target of issuing 10 consolidated review reports to the Administrative	All Local Fund Institutions of the state are jointly responsible for achievement of above outcome because they are the custodian of the Local Funds and the record relating thereto. Besides the intervention of Administrative Departments of the concerned Local Fund Institutions is also very crucial to ensure taking of effective action by the Local Fund Institutions on the observations of audit. The overall outcome/impact of the performance of this department is, therefore, dependent upon the support and co-operation of client institutions and their respective Administrative Departments.	Timely issue of Consolidated Review Reports to the Administrative Department within 7 months of the close of financial year	Number		10	10	10	10

**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 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Departments of major Local Fund Institutions for the year 2013-14 and onwards.								