



कर्मचारी भविष्य निधि संगठन
Employees Provident Fund Organisation
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)



(MINISTRY OF LABOUR & EMPLOYMENT, GOVERNMENT OF INDIA)

मुख्य कार्यालय/Head Office

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Through Web-circulation and E-Office

No. Audit/Modifications in Audit Manual/505325 /2024-25/04 Date: 03/01/2025

To,

All Addl. CPFC (HQ) (Zones)/Director (PDUNASS)

Addl. CPFC (Zones)

All RPFCS/OIC-in-charge of Region

Dy. Director/Asst. Director (Internal Audit Parties)

CIRCULAR

Subject: Modifications in the Audit Manual-reg.

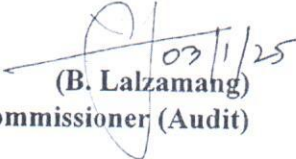
The Competent Authority has approved the following changes/modifications in the Audit Manual:

Modifications in the Audit Manual

Sl. No.	Existing Provision(s)	Revised Provisions of Audit Manual
1	FA & CAO is the Chairperson of the Apex HQ Audit Committee (Committee-A).	<i>Committee-A shall consist of the following:</i> <ul style="list-style-type: none">• Chairperson: CPFC• Member: FA & CAO• Member: ACC (HQ) (Audit)
2	NIL	<i>The following provision is inserted in Chapter-03 of the Audit Manual:</i> <i>"The Internal Audit Team of MoLE may be deputed by the Ministry to assess the utilisation of Grant in Aid vis-à-vis the purpose of grant."</i>
3	Regarding the periodicity of audit, audits are typically conducted annually.	<ul style="list-style-type: none">• The following para is inserted in Chapter-03: <i>"Audit of an office shall be conducted on an annual basis. In the event that an audit cannot be performed within a given year due to any administrative reason, the audit for that period will be incorporated into the audit calendar of the subsequent year."</i>

4	<p>Performance audit is defined under para 1.3 (types of audits) as below: <i>"A comprehensive review of projects, programs and organizations to gauge their achievement of goals, resource efficiency and effectiveness."</i></p>	<p><i>A separate Chapter on the scope, conduct and process of replying to Performance Audit is added. The said chapter on Performance Audit is attached herewith as <u>Annexure-A</u>.</i></p>
5	<p>As per Audit Manual, the time taken for and quality of resolution of grievances lodged are being audited.</p>	<p><i>A more detailed provisions for audit of Grievance Redressal System is added to Sl. No.46 of the Core Area for Field Offices in Annexure-IX of the Audit Manual which is attached herewith as <u>Annexure-B</u>.</i></p>

The above-mentioned modifications shall come into force with immediate effect.


 (B. Lalzamang)
 Addl. Central P. F. Commissioner (Audit)

Copy to:

1. PS to CPFC
2. PS to FA & CAO
3. All Addl. CPFC (HQ) / Addl. CPFC, Head Office
4. Hindi Section: for Hindi version.

Annexure-A**Chapter: Performance Audit in EPFO by CAG****1. Introduction**

Performance Audit acts as a vital tool for EPFO to enhance its operational efficiency and effectiveness. It provides:

- **Operational Insights:** Identifies inefficiencies and opportunities for optimization in service delivery and fund management.
- **Accountability and Transparency:** Ensures adherence to statutory and organisational standards, fostering trust among stakeholders.
- **Systemic Improvements:** Helps in identifying gaps in processes, policies, and systems and recommends actionable measures for long-term improvement.
- **Stakeholder Confidence:** Enhances the confidence of members, employers, and policymakers in EPFO's operations.

This chapter serves as a guide to understanding and managing the process of Performance Audit within EPFO, reinforcing its commitment to excellence and transparency.

2. Scope of Performance Audit in EPFO

The Performance Audit of the Employees' Provident Fund Organisation (EPFO) is conducted by the Comptroller and Auditor General (CAG) of India to evaluate the Organisation's operations to ensure they align with the principles of economy, efficiency, and effectiveness. The audit aims to:

□ Assess whether EPFO's Schemes, processes, and initiatives achieve their intended goals efficiently and effectively.

- Identify areas of improvement to enhance service delivery to members and stakeholders.
- Ensure compliance with statutory provisions, organisational objectives, and operational transparency.

The focus of the audit is on areas where significant value can be added to improve the management and outcomes of EPFO's services.

3. Conduct of Performance Audit

The performance audit of EPFO involves a structured and strategic approach, which includes the following stages:

- a) **Planning:** □ The audit topics are selected based on their significance to EPFO's operations, including fund management, compliance, grievance redressal mechanisms, and efficiency of service delivery.

- An audit plan is prepared, outlining the objectives, criteria, scope, methodology, and timelines.

b) **Pre-Audit Activities:** □ Relevant data, policies, and procedural documents are reviewed.

- Meetings with key EPFO officials are conducted to gather insights into operational processes and challenges.
- Preliminary identification of risk areas and key focus points is carried out. c)

Fieldwork: □ Field audits involve collecting data through record reviews, interviews, questionnaires, and on-site verification.

- The audit focuses on key aspects such as fund utilization, member satisfaction, efficiency in claims processing, and compliance with legal and regulatory standards.
- Technology and data analytics tools are often utilized for detailed analysis of trends and patterns.

d) **Reporting:**

- Findings are compiled into a structured draft report, which includes observations, root causes, and actionable recommendations.
- EPFO is provided an opportunity to review the draft report and submit its responses, including corrective measures initiated or planned.

e) **Final Report:**

- After considering EPFO's feedback, the CAG finalizes the Audit Report and submits it for further action and monitoring.

4. Process of Responding to Performance Audit

EPFO plays a critical role in the performance audit process, ensuring a constructive and cooperative engagement with the CAG. The key steps include:

a) **Coordination:** □ EPFO designates Nodal Officers to act as points of contact with the audit team, ensuring smooth coordination and timely provision of records, data, and access.

b) **Engagement During Audit:**

Annexure-BAudit of Grievance Redressal System in EPFO:1. Receipt of grievances in Regional office: -

- Checking whether the grievances received in offline mode are being registered on online grievance portal.
 - Checking the Status of NIDHI AAPKE NIKAT grievances.
 - Checking the status of grievances received through Email ID of the Regional offices.
 - Checking status of the grievances registered through PRO Phone line.
 - Checking whether the PRO has suitable Manpower as per MAP Part-1 chapter 15/15.6.
 - Social Media grievances:-
 - Checking the status of the Social media grievances received and resolution done.
 - Sample test for quality resolution of Social media grievances.
2. To check the average disposal days in CPGRAM and EPFIGMS Portal for the audit period for the office. It gives an idea about the average time taken and can be compared with the existing national average and also with the Ministry's and DPG's guidelines on disposal of public grievances.
3. To check the Appeal percentage in CPGRAMS to understand the quality of grievances and compare it with the national average. A low appeal percentage signifies better quality of replies of grievances and higher customer satisfaction. Appeal percentage is calculated as no. of appeal filed/total grievance registered on CPGRAMS. This aspect may be reviewed by the Audit team.
4. To check the feedback provided on CPGRAM and EPFIGMS Portal after resolution of grievances. These give a fair idea about the quality of disposal and customer satisfaction.

- Regular meetings with the audit team are conducted to clarify processes, explain operational challenges, and provide necessary details.
 - Transparency in sharing information and addressing audit queries is maintained throughout the audit process.
- c) **Review of Draft Report:**
- EPFO reviews the draft findings shared by the CAG to ensure factual accuracy and provide clarifications or justifications where required.
 - Differences, if any, are discussed with the audit team, and any factual inaccuracies are corrected before the finalization of the report.
- d) **Action on Recommendations:** □ EPFO to address the recommendations in the audit report, focusing on systemic improvements, policy adjustments, and operational changes.
- The implementation of these recommendations is to be monitored internally to ensure sustained improvements.
- e) **Follow-Up:**
- EPFO to actively participate in follow-up audits to demonstrate compliance with the recommendations and highlight the impact of corrective actions taken.

Performance Audit conducted by the CAG are essential for EPFO to assess its alignment with statutory objectives, improve operational processes, and deliver better outcomes for its stakeholders. Through effective collaboration during audits and prompt action on recommendations, EPFO ensures accountability and strives for continuous improvement in its service delivery.

5. The Audit team can check whether the Regional Offices have done Root cause analysis of the various categories of grievances received in that particular office and the steps taken by concerned office for reduction in receipt of grievances at local office level.