

## Prologue

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I am pleased to release the Performance Auditing Guidelines applicable to the IA&AD.

These guidelines clearly distinguish between performance audits and financial audits. They have been formulated keeping in mind international best practices, including those in the 5<sup>th</sup> ASOSAI research project and the exposure draft of INTOSAI implementation guidelines for performance audit. We have revised our Auditing Standards in 2002 and these are now consistent with contemporary best practice standards, in particular with the INTOSAI Auditing Standards. Release of these guidelines is another step in the direction of our endeavour for continuous review of the standards, principles and procedures in consonance with the best practices adopted by other SAIs and those promoted by INTOSAI and ASOSAI.

These guidelines contain comprehensive implementation standards in relation to performance audit within IA&AD and will replace all existing instructions, in so far as they relate to the principles and procedures of performance audit. The salient features of the performance audits undertaken within IA&AD will consist, among others, of strategic planning in pursuit of realisation of the strategic goals and objectives, risk-based planning and selection of subjects and attainment of the ultimate objective of value-addition to the public sector programmes. Supplementary publications on technical matters in relation to performance audit will be issued from time to time.

These guidelines *inter alia* provide for a very high degree of interaction with the auditees. Close interaction with auditees is essential for realising value addition to the public sector programmes through performance audits. The guidelines also aim at strengthening the quality assurance systems and procedures considerably.

While these guidelines will be brought into force immediately, Accountants General and Principal Directors conducting performance audits may send any feedback to improve the guidelines. It is essential that to keep these guidelines current, they will have to be reviewed periodically.

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