



Government of India

**DIRECTORATE GENERAL OF AUDIT  
CUSTOMS, SERVICE TAX & CENTRAL EXCISE**

**C.R. BUILDING, I.P. ESTATE**

**NEW DELHI -110109**

**Ph. 011 - 23370075**

**Email : dg.audit-cbec@nic.in**

F. No. 381/40/2015 | 2895 to 2901

Dated : / 01/2017

To

The Additional Director General  
Zonal Unit (All)

Madam / Sir

**Subject: Amendment in the QAR Manual 2016 - regarding**

\*\*\*\*\*

Kind attention is drawn to the recently circulated new QAR Manual 2016. It has been pointed out that in Part II of the manual the format pertaining to Selection of Units for audit is missing.

The manual has been reviewed and it is noticed that there is a Quality Element for Selection of unit for audit, whereas the related format in Annexure 5.1 in Part II is not provided due to an oversight.

A new format in Annexure 5.1, for Selection of units for Audit has been prepared and it should be numbered as Sr. No. 1 in Part II under Functions and the existing Sr. No. 1 (Preliminary / Desk Review) should be renumbered as Sr. No. 2. All other Sr. Nos. remain the same. The said new format for Selection of Units for Audit is attached. The reference to footnote (a) under the function Preliminary / Desk Review at Sr. No.1 is not required and may be ignored.

Further after Part II, Part IV appears and there is no Part III. The existing Part IV, V and VI should be renumbered as Part III, IV and V respectively.

Yours faithfully

*Usha* 5.1.2017.  
(V. Usha)

Additional Director General

Encl: as above

*File  
issued  
Am  
Tena*

### 1. Selection of units for audit

S. No.	Procedures	Yes	No
1.	Whether list of all registered Central Excise assessees and Service Taxpayers and EOUs maintained as on 30 <sup>th</sup> June of the preceding financial year?		
2.	Whether the annual list of units to be audited alongwith their risk scores received from DG (Audit) and after receipt whether category -wise separate lists for Large, Medium and Small segregated?		
3.	Out of the list of assessees received from DG (Audit), whether quarterly schedule of audits prepared?		
4.	Whether the schedule of audits to be carried is made as per the risk scores provided by DG (Audit)?		
5.	Whether local risk parameters were applied for selection of taxpayers for audit and the list rearranged accordingly?		
6.	Whether reasons for deviations from the list provided by DG (Audit) recorded in the file?		
7.	Whether profile of each auditor deployed for audit the Commissionerate maintained?		
8.	Whether audit groups prepared as per guidelines in Board's Circular No. 995/02/2015 - CX dated 27.02.2015?		
9.	Whether units appearing in quarterly schedule allotted to audit teams by matching the size and complexity with the experience and skill level of audit party?		