Audit Online

Facilitating Audit in Panchayati Raj Institutions

https://auditonline.gov.in

XV FC Recommendations for 2020-21

1. Provision of grants to all tiers of Panchayats

2. Provision of grants to Fifth and Sixth Schedule areas

3. Tied grants in critical sectors of sanitation and drinking water – *National priorities provided impetus*

4. Total award of Rs. 60,750 crores for RLBs

XV FC requisites

Critical Reform Agenda –
Availability of accounts online, both before and after audit of every local bodies

Accounts to be generated online by each Rural Local Body
(i.e. PRIs, Fifth & Sixth Schedule Areas)

Availability of audited accounts Online

Action Taken

- PRIASoft – PFMS Interface (PPI) already in place.
- Subsumed under the recently launched eGramSwaraj

Action Taken

- AuditOnline rolled out for carrying out online audit of accounts.
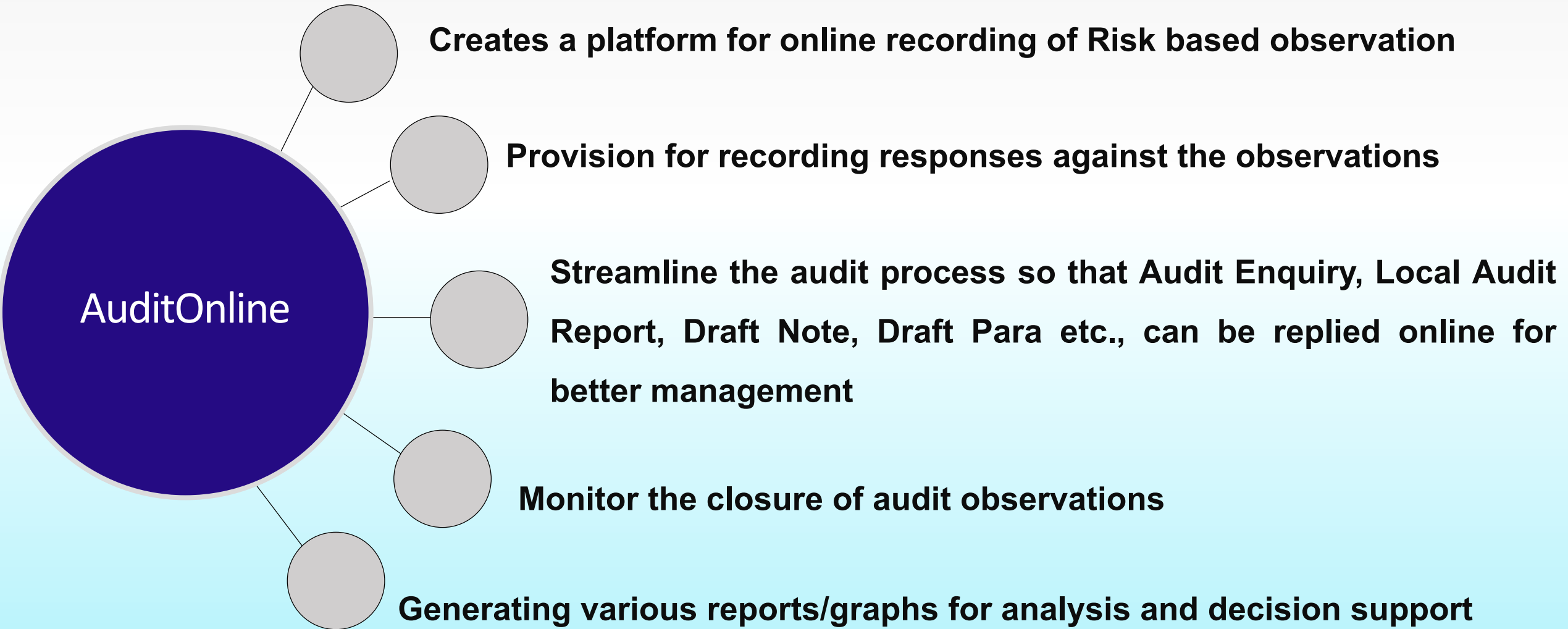
AuditOnline

- Launched by Secretary, MoPR on 15th April 2020

- Facilitates internal & external audit of PRIs

- Online training & hand-holding sessions conducted (22)

- **Key activities:** Registration of Auditors, Auditees, preparation of Audit plans etc.

- On pilot basis for 2019-20 in 20% GPs in each State, UP to carry out audit of 100% GPs

- On 100% basis from 2020-21

- Audit process to be completed by December

AuditOnline developed as per XV Finance Commission recommendation reg timely availability of audited accounts

Salient features of AuditOnline

AuditOnline

Creates a platform for online recording of Risk based observation

Provision for recording responses against the observations

Streamline the audit process so that Audit Enquiry, Local Audit Report, Draft Note, Draft Para etc., can be replied online for better management

Monitor the closure of audit observations

Generating various reports/graphs for analysis and decision support

AuditOnline is a configurable application to cater to State specific Audit processes followed

Panchayati Raj

State Department Hierarchy

State Audit Dept -> Auditor

1. Himachal Pradesh
2. Jharkhand
3. Bihar
4. Manipur
5. Goa
6. Haryana
7. Sikkim
8. Tripura
9. Uttarakhand

State Audit Dept -> District -> Auditor

1. Telangana
2. Andhra Pradesh
3. Assam
4. Uttarakhand
5. Arunachal Pradesh
6. Gujarat
7. Karnataka
8. Maharashtra
9. Odisha
10. Tamil Nadu
11. West Bengal

State Audit Dept -> Division/Region -> Auditor

1. Punjab
2. Chhattisgarh
3. Uttar Pradesh
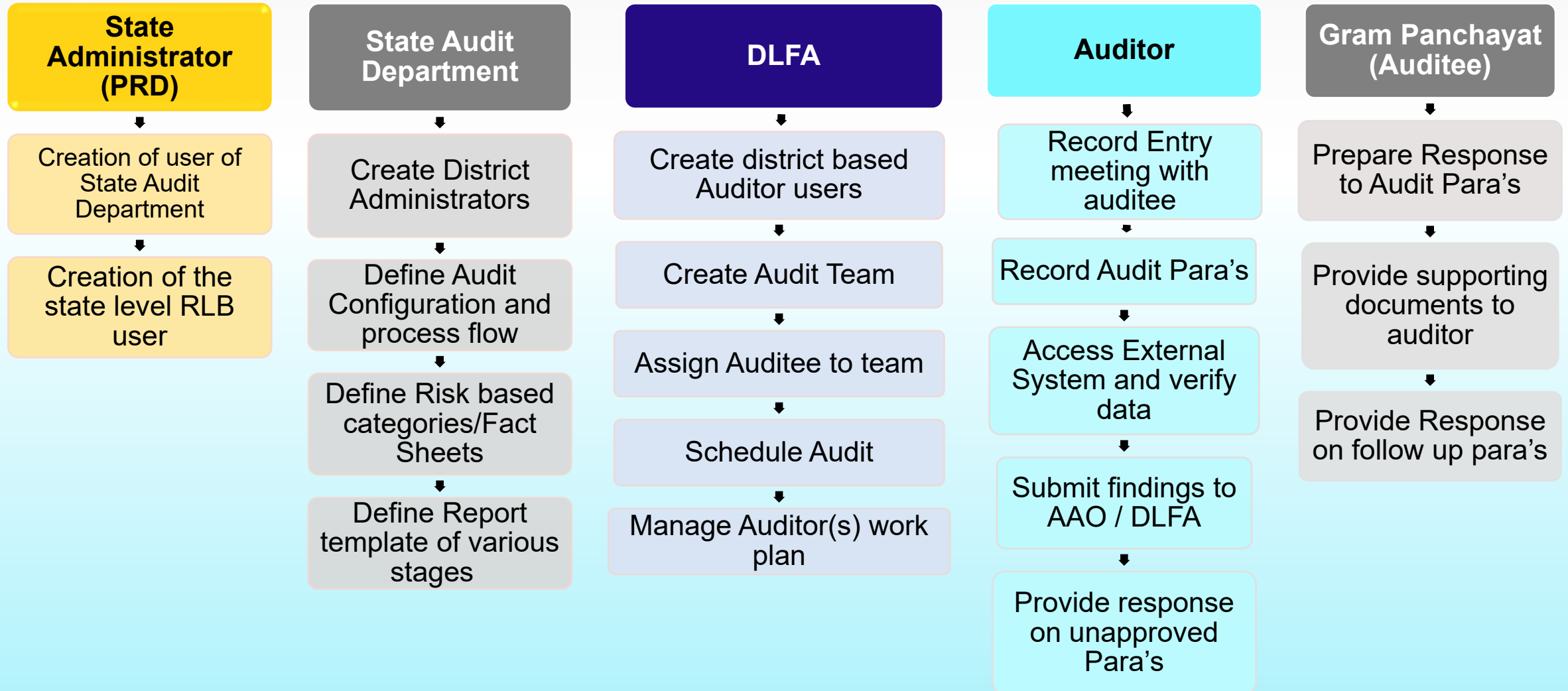4. Rajasthan
5. Jammu & Kashmir
6. Madhya Pradesh

Configuration of State Audit Process

- Pre-requisite information (V Formats) were sought for the purpose of configuring State wise audit process
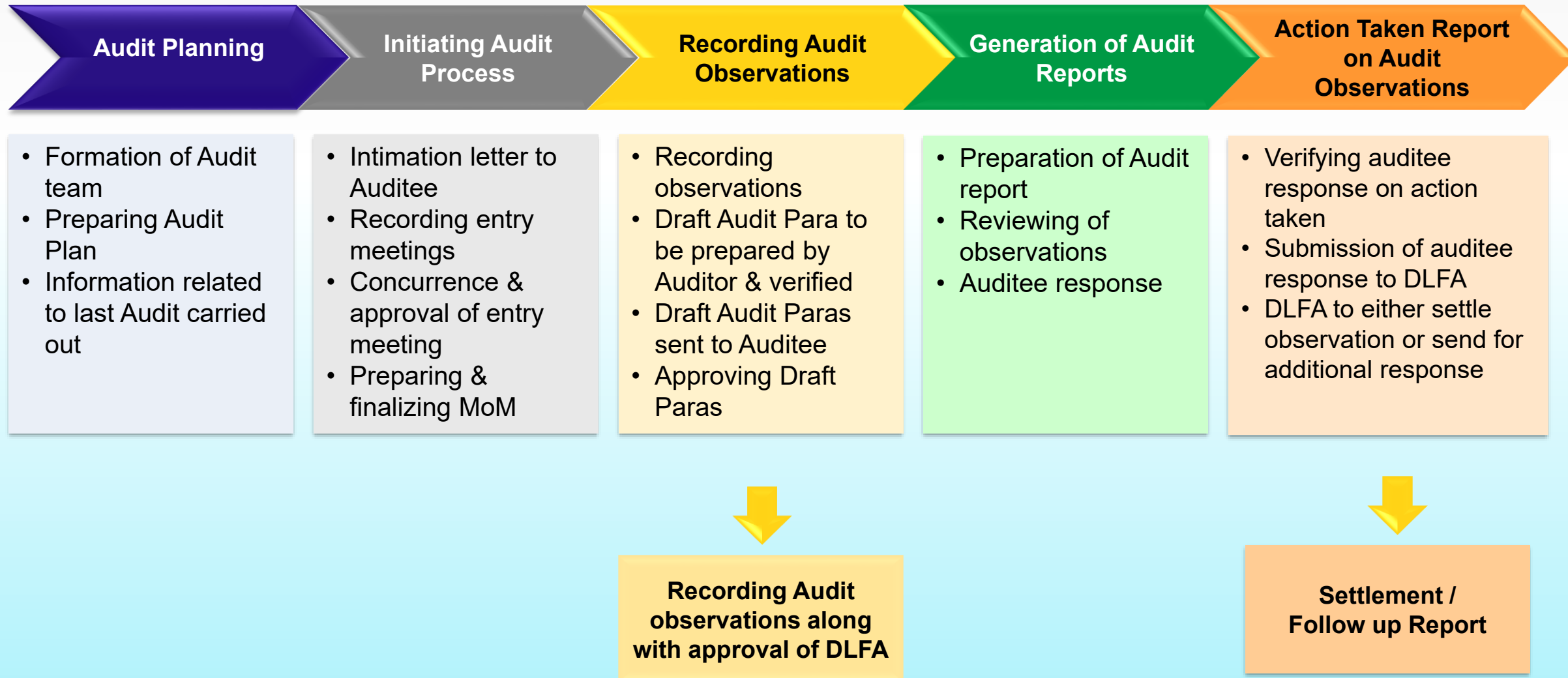
- **Configuration of 22 States completed**

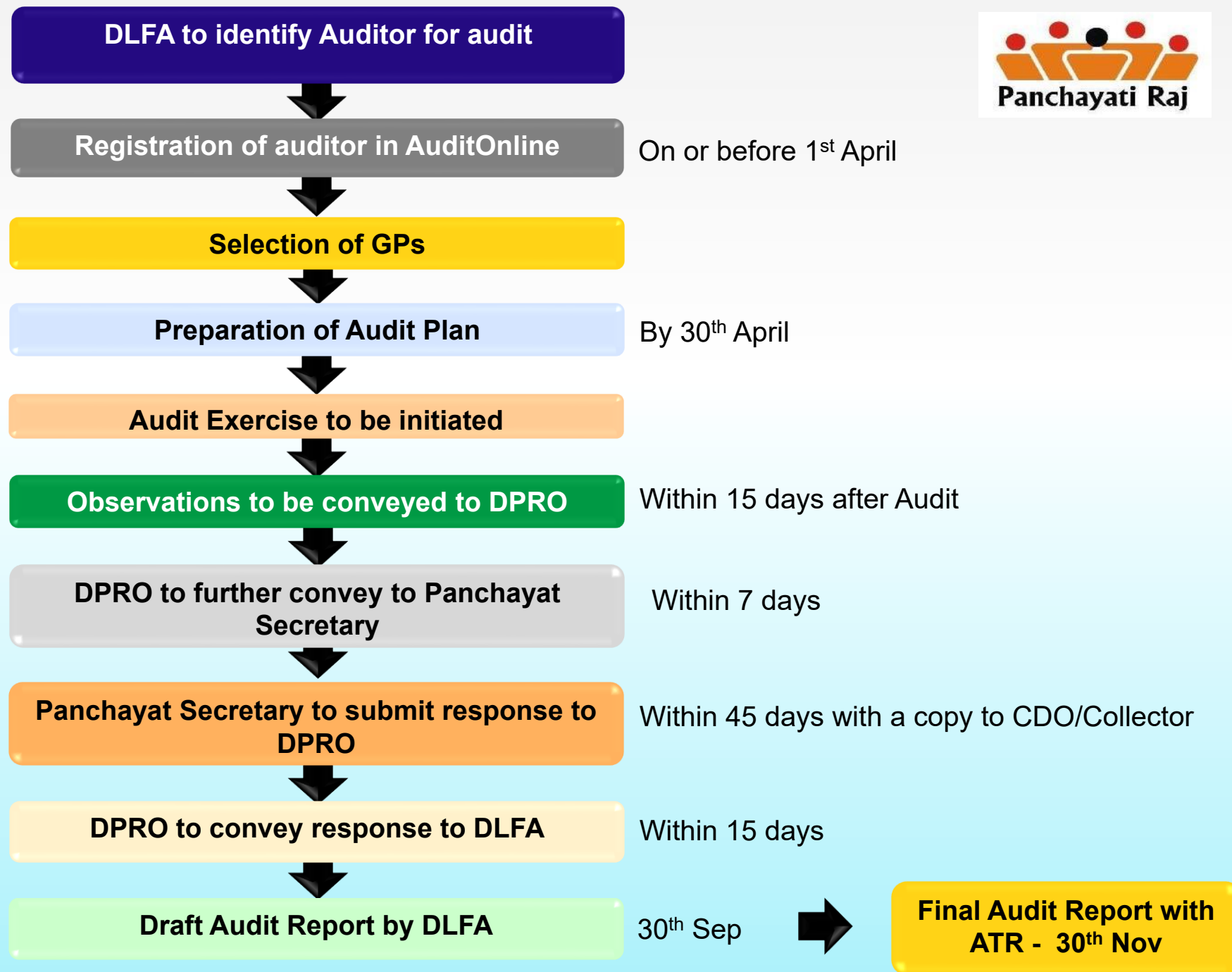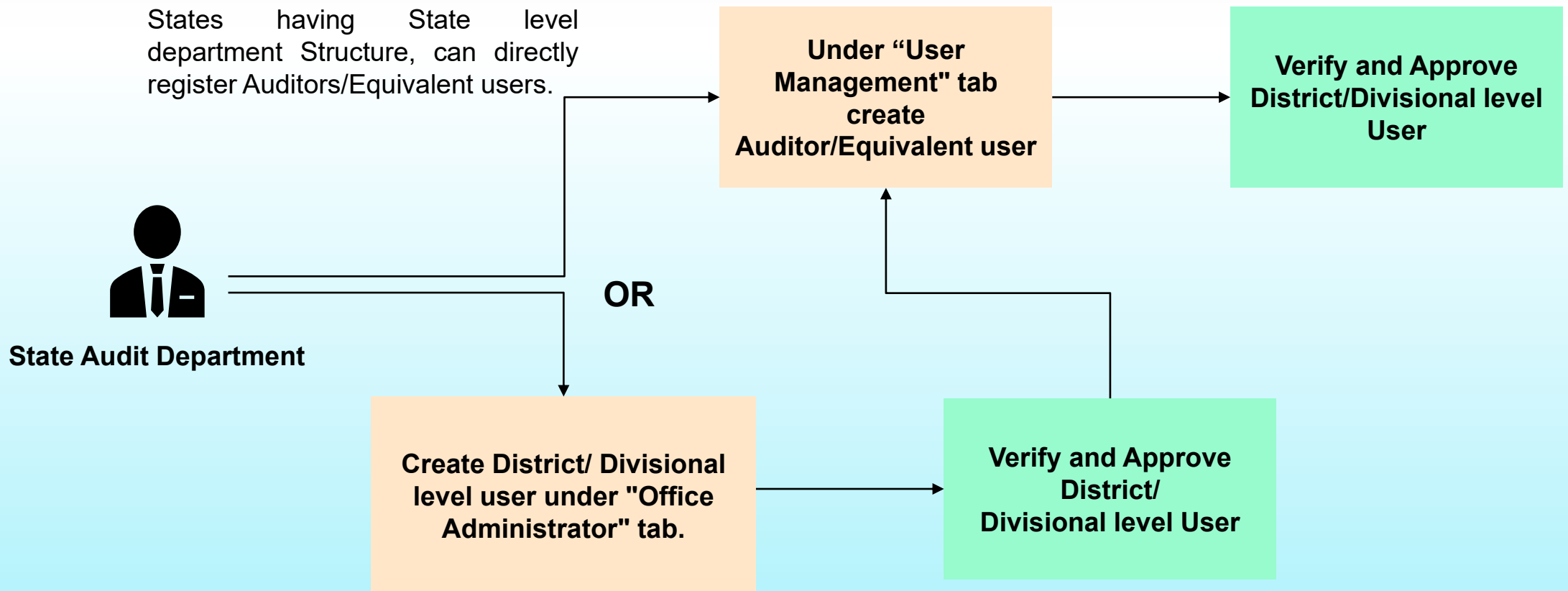| Format	Description
Format I	Information related to Audit Department name & hierarchy followed
Format II	Hierarchy of Local Audit Department for Auditors, Auditees, office name etc.
Format III	Master data of officials
Format IV	Audit process flow and mapping (e.g. recording intimation letter, recording observation, preparing draft Audit Paras, responding to draft Audit Paras etc)
Format V	Risk based Categories and Sub-Categories of Audit Observations, Fact Sheet, Audit Report template etc.

Key Stakeholders

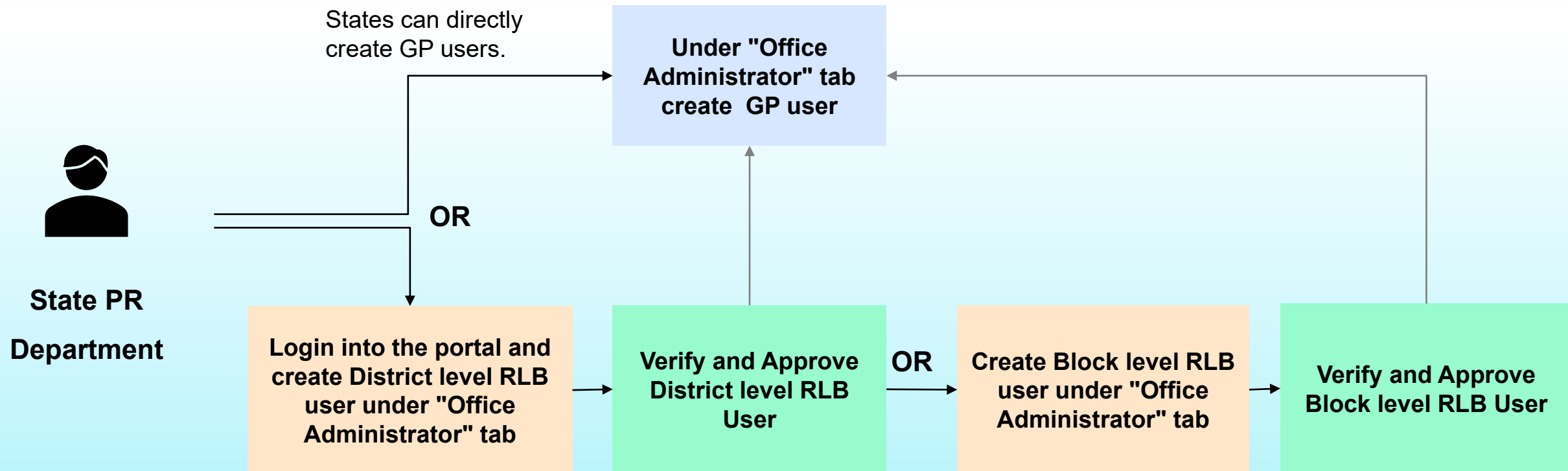| State Administrator (PRD)	State Audit Department	DLFA	Auditor	Gram Panchayat (Auditee)
Creation of user of State Audit Department	Create District Administrators	Create district based Auditor users	Record Entry meeting with auditee	Prepare Response to Audit Para's
Creation of the state level RLB user	Define Audit Configuration and process flow	Create Audit Team	Record Audit Para's	Provide supporting documents to auditor
	Define Risk based categories/Fact Sheets	Assign Auditee to team	Access External System and verify data	Provide Response on follow up para's
	Define Report template of various stages	Schedule Audit	Submit findings to AAO / DLFA	
		Manage Auditor(s) work plan	Provide response on unapproved Para's	

Stages of AuditOnline

Audit Planning	Initiating Audit Process	Recording Audit Observations	Generation of Audit Reports	Action Taken Report on Audit Observations
• Formation of Audit team • Preparing Audit Plan • Information related to last Audit carried out	• Intimation letter to Auditee • Recording entry meetings • Concurrence & approval of entry meeting • Preparing & finalizing MoM	• Recording observations • Draft Audit Para to be prepared by Auditor & verified • Draft Audit Paras sent to Auditee • Approving Draft Paras	• Preparation of Audit report • Reviewing of observations • Auditee response	• Verifying auditee response on action taken • Submission of auditee response to DLFA • DLFA to either settle observation or send for additional response

Recording Audit observations along with approval of DLFA

Settlement / Follow up Report

Indicative Timelines & Flow Chart

```
┌─────────────────────────────────────────┐
│      DLFA to identify Auditor for audit   │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│    Registration of auditor in AuditOnline │   On or before 1st April
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│              Selection of GPs             │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│         Preparation of Audit Plan         │   By 30th April
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│       Audit Exercise to be initiated      │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│    Observations to be conveyed to DPRO    │   Within 15 days after Audit
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│   DPRO to further convey to Panchayat     │   Within 7 days
│              Secretary                    │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│  Panchayat Secretary to submit response to│   Within 45 days with a copy to CDO/Collector
│                 DPRO                      │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│     DPRO to convey response to DLFA       │   Within 15 days
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐      ┌──────────────────────────┐
│      Draft Audit Report by DLFA           │  →   │  Final Audit Report with │
└─────────────────────────────────────────┘      │    ATR - 30th Nov        │
        30th Sep                                   └──────────────────────────┘
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Registration of Auditors

States having State level department Structure, can directly register Auditors/Equivalent users.

State Audit Department

OR

Under "User Management" tab create Auditor/Equivalent user

Verify and Approve District/Divisional level User

Create District/ Divisional level user under "Office Administrator" tab.

Verify and Approve District/ Divisional level User
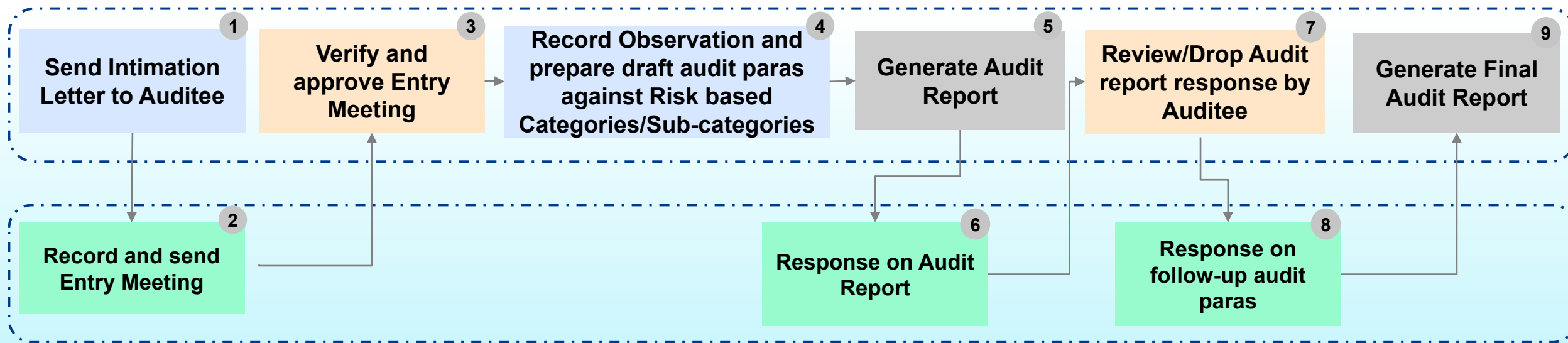
Benefits of AuditOnline

Improves efficiency, transparency & accountability in audit process

Strengthens Financial Management & improved credibility image of GPs

Transition from paper based to computer based system

Timely availability of Audited accounts (XV FC requisite)

AuditOnline Status

94%
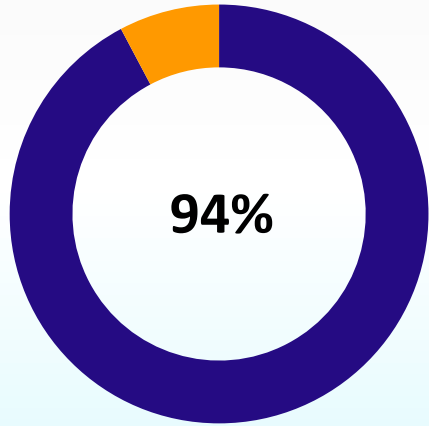
GPs with year book closed for 2019-20

2,794 Auditors registered across 19 States
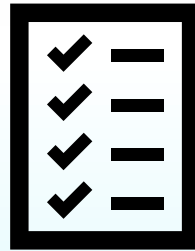
6,469 GPs with Audit Plans

1,04,396 observations recorded

28,914 auditees registered

5,728 Audit Reports generated

AuditOnline to further strengthen financial management leading to enhanced accountability & transparency

Handholding & Support

- Several online training sessions (22) to the States provided

- Continuous Technical support to the State PR Dept, State Audit Dept.

- Standard Operating Procedure (SOP) developed for AuditOnline

- Tutorial videos for the various modules have been prepared (both in English and Hindi)

  - State Audit Department Login - English: <u>Click here</u>

  - State Audit Department Login – Hindi: <u>Click here</u>

  - District Admin Login – English: <u>Click here</u>

  - District Admin Login – Hindi: <u>Click here</u>
    Auditor Login: <u>Click here</u>

  - Auditee Login: <u>Click here</u>

Standard Operating Procedure for AuditOnline

<u>https://www.panchayat.gov.in/</u>
<u>https://auditonline.gov.in/</u> (under supporting docs)

Telangana – Best performing State

- Lead State in overall performance / compliance in AuditOnline

- Administrative approach adopted for roll-out and implementation - *Formation of core team, technical team, capacity building, identification of GPs etc.*

State's achievement so far

- State has completed **Audit in 25% GPs (3,225)** vis-à-vis target of 20% GPs

- **341 Auditors** registered

- **3,344 Auditees (GPs)** registered

- **3,250 Audit Reports** generated

- **36,162** Audit observations recorded

Other States to emulate Telangana approach for roll-out and implementing AuditOnline

AuditOnline Dashboard

AUDIT ONLINE DASHBOARD

No. of GPs with Year Book Closed	No. of Registered Auditors	No. of Registered Auditees	No. of GPs with Audit Plans	No. of Observations Recorded	No. of Audit Reports Generated
211314	2631	28230	6398	101837	5447

No. of Registered Auditors
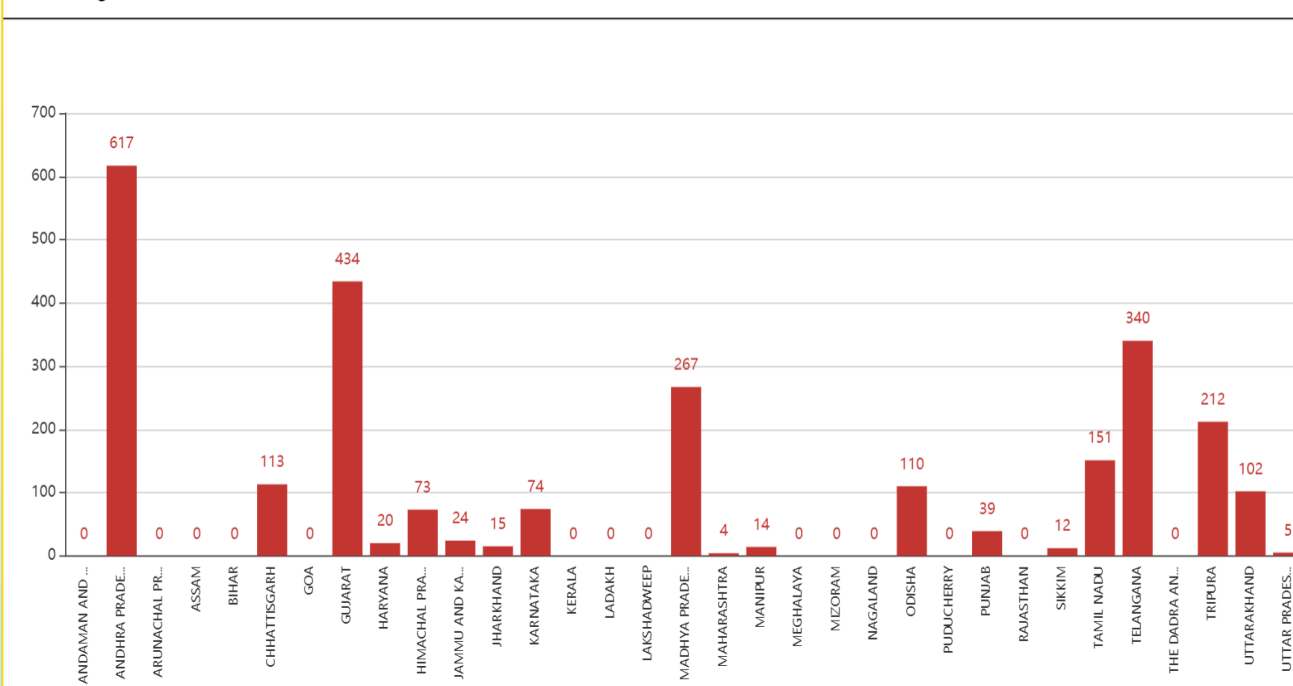
No. of Registered Auditees
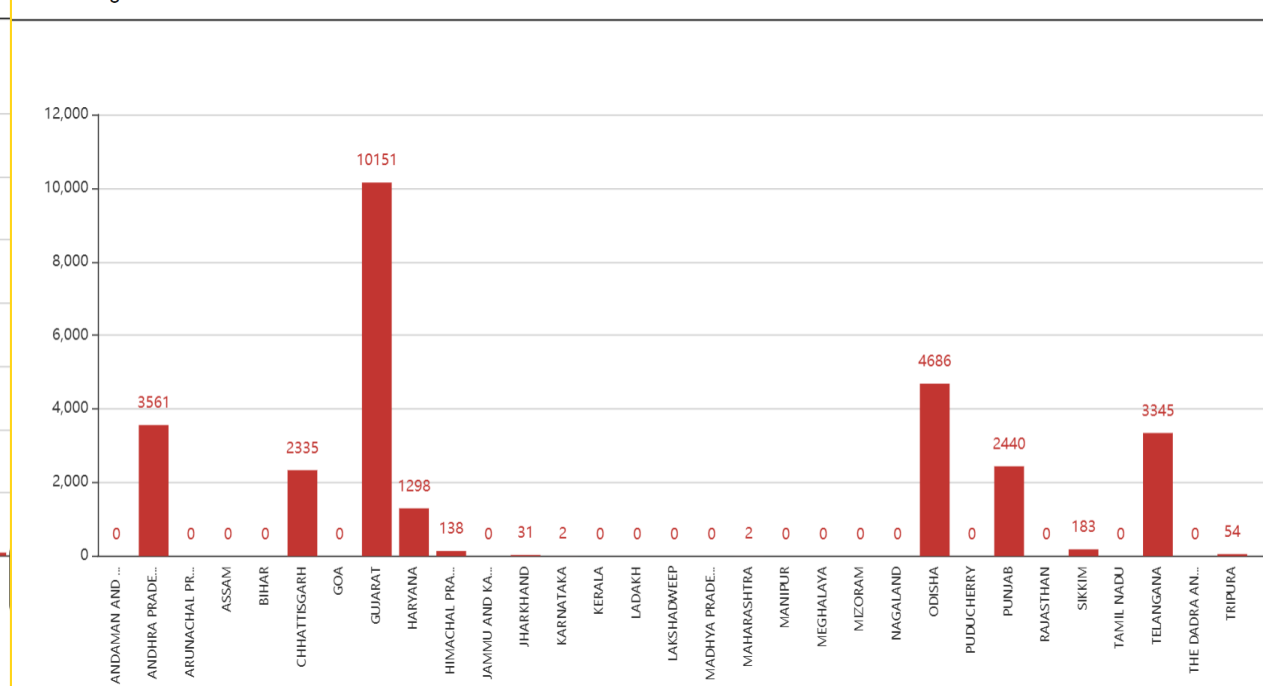
AuditOnline Dashboard

Category

- 01 - Variation in Accounts Figures
- 02 - Excess Utilization of Grant
- 03 - Diversion of Grant or Fund
- 04 - Non Utilization of Grants before lapsable date
- 05 - Misutilization of Grants or Funds
- 07 - Non collection of dues
- 08 - Advances pending adjustment
- 09 - Violation of Rules
- 10 - Non remittance of deductions recoveries
- 11- Non Production of Records
- 12 - Misappropriations and Funds
- 13 - Excess Payments
- 14 - Wasteful Expenditure
- 15 - Cases of Unaccounted Cash or Stores
- 16 - Pendency of Utilization Certificates
- 17 - Surcharge Certificates Recovery Pending
- 18 - Others

No. of GPs with Year Book Closed

National level

GPs with Year Book Closed

THANK YOU

Audit Planning

Record Entry Meeting
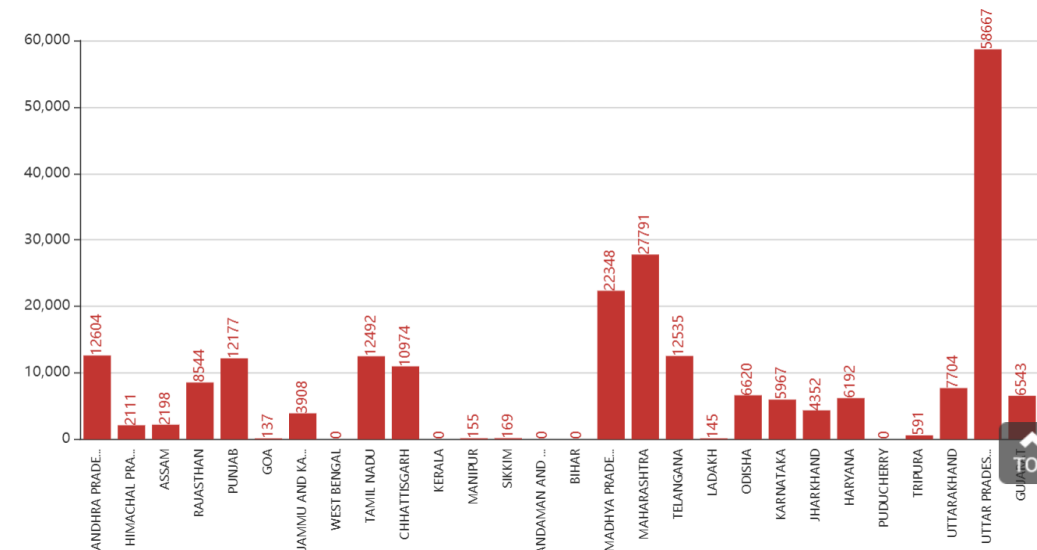
Add Last Audit Schedule

Configuration Name *	State Audit Department|DISTRICT-Village Panchayat ▼
Nature Of Audit *	Scheme ▼
Entity Name *	Gram Panchayat ▼
Zilla Parishad *	AMROHA ▼
Mandal Panchayat *	AMROHA ▼
Grama Panchayat *	Bans Kheri ▼

🖫 Get Data   ⭕ Clear   ⊗ Close

Last Audited Details Added

Show 10 ▼ entries   Search: [   ]

S.No.	Auditee Name	Label.ComponentName	Last Audit Schedule		
			Last Audit Record Available?	Audit Period	Uploaded Files
1	Bans Kheri	14FC DEEN DAYAL UPADHYAY GRAMIN JYOTI YOJANA (DDUGJY) INTERGTAED POWER DEVELOPMENT SCHEME (IPDS) NATIONAL ELECTRICITY FUND (NEF)	No	--	--

Showing 1 to 1 of 1 entries

Previous **1** Next

Record Entry Meeting

Office Name	Bans Kheri
Meeting Type	Entry Meeting ▼
Date Of Meeting	13/04/2020
Select Participant *	☑ Assistant Audit Officer - Srinivas Kumar ☑ District Local Fund Auditor - Narayana Shrivastava ☑ Junior Auditor - VV Rao Kumar ☑ Panchayat Secretary - ajit chaudhary ☐ Others
Attach Files	📎 ❶
Introduction	B I U ... Font ... Size ... A ▾ A ▾ test

Audit Planning

Record Entry Meeting

Nature Of Audit	Scheme
Auditee Office	A.KONDURU
Period Being Audited	Apr 1, 2018 - Mar 31, 2019
Reporting Period	Jan 29, 2020 - Feb 10, 2020

Component * 14FC

Observation Type * Observation Only

Category * 02 - Excess Utilization of Grant

Sub Category * Expenditure incurred in excess of grant received

View External System

Audit Observation *

B I U

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1 ☑

Component : 14FC

Observation Type : Receipt

Category / Subcategory: 02 - Excess Utilization of Grant / Expenditure incurred in anticipation of sanction of grant in spite of non receipt of any amount

Record Observation and Prepare Draft Audit Paras (Subhash Mathur)   ⊙ Copy

During scrutiny of records and statement of delay payment of wages provided to the Audit, it was noticed that no payment was released on account of delayed payment of wages by any BDO/GP to eligible applicants. This is gross violation of MGNREGA scheme. Block wise details of the same is prepared on the basis of statement, are as under:-

Remarks *

B I U

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Accepted

body p

✔ Accept   ✗ Reject   🗑 Discard

Record observation & Draft Audit Para   **Verifying Draft Audit Para**   24

Screenshots – Audit Stages (3/3)

Response against Audit Report by Auditee   **Review on Follow-up observations by Auditee**

Features of AuditOnline (1/2)

- Defining and configuration the process flow for both Internal/External Audit

- Configurable workflow – (i) within Auditor Office, (ii) within Auditee Office & (iii) Between Auditor & Auditee

- Creation of Audit Team and defining Audit Schedule

- Categorize audit observations into categories/sub categories

- Dynamically create Forms:

- Recording details about a file/case (Case Record)

- Category/sub-category wise forms to record facts/parameters against each observation (Fact Sheets)

Features of AuditOnline (2/2)

- Recording observations, generate audit queries & submitting to Auditee for further action

- Maintaining trail records of all the communication (i) within Auditor Office, (ii) within Auditee Office & (iii) between Auditor & Auditee

- Configurable Report Templates/Formats for generating Local Audit Report /Draft Note / Draft Para / Draft Audit Para etc.