



D.O No. R-16012/1/2020 - FD

23<sup>rd</sup> December, 2021

Dear

May kindly refer to the DO letter of even no. dated 14<sup>th</sup> July 2021 wherein States were informed that audit of both 14<sup>th</sup> Finance Commission and XV Finance Commission accounts would have to be audited for the audit period 2020-21 (**Annexure I**). As per the operational guidelines by Ministry of Finance; States were to ensure mandatory audit of at least 25% Gram Panchayats for the audit period 2019-20. In this regard, it is a pleasure to note that all the States, *with the exception of Arunachal Pradesh, Haryana (23%) and West Bengal (23%)* have achieved the target of 25% audits with the State of Telangana being the National Lead State to first achieve the target.

Moreover, under the XV Finance Commission, since the XV Finance Commission grants for the period 2020-21 were also provided to the remaining tiers of Panchayats i.e., Zila Panchayats and Block Panchayats as well the Traditional Local Bodies (TLBs) under the Sixth Schedule Areas; auditing their accounts also becomes essential. In this regard, the States were communicated to carry out audit of accounts for all the Panchayati Raj Institutions (PRIs, i.e., 100% of ZPs, BPs, GPs and TLBs). For the same; the States were asked to provide pre-requisite formats for configuring the audit process. The configuration for majority of the States has been done and as per the information available with this Ministry, certain States are yet to share their configuration. The current status may be seen at **Annexure II**. The configuration by the States with "awaited" status may be submitted immediately.

As the National Lead State, Telangana has completed the audit for 100% GPs for the audit period 2020-21 and is in the process of completing audits for ZPs and BPs; followed by other States – Tamil Nadu (72% GPs), Andhra Pradesh (60% GPs), Odisha (59% GPs), and Karnataka (27% GPs) etc. However, it is observed that the audit activities for the PRIs for other States are yet to commence. The detailed State-wise status for the period 2020-21 may be seen at **Annexure III**.

It is therefore requested to direct the concerned officials to expedite the activities under AuditOnline to achieve 100% target for the audit period 2020-21.

With warm regards,


Yours Sincerely,  
Sd/-  
(K.S. Sethi)

Addl. Chief Secretaries/Principal Secretaries/Secretaries.  
State Panchayati Raj Departments, (All 28 XV FC States)

**Copy to:**

- i. Principal Secretaries/Secretaries of State Finance Departments, (All the 28 XV FC States)
- ii. Director, Local Fund Audits, State Finance Departments (All the 28 XV FC States)

Yours Sincerely,

  
(K.S. Sethi) 23/12/2021



**D.O.No. R-16012/1/2020-FD**

**14<sup>th</sup> July 2021**

Dear *Madam/Sir,*

The Audit Online application was launched on 15<sup>th</sup> April 2020 by the Secretary, Ministry of Panchayati Raj during a VC with all the States with the aim of facilitating online audit of accounts of all the Panchayati Raj Institutions (PRIs) thereby not only enhancing accountability and transparency but also strengthening the credibility of the PRIs and ensuring a sound financial management system. The States were asked to initiate audit for 20% GPs using AuditOnline, particularly for the accounts of 14<sup>th</sup> Finance Commission for the year 2019-20.

2. During the Conference/Review meeting on AuditOnline and Social Audit held on 22<sup>nd</sup> June 2021; it was submitted that for the next phase of AuditOnline i.e. for the audit period 2020-21, accounts of both 14<sup>th</sup> Finance Commission (FC) and XV FC accounts would have to be audited. Moreover, since the XV Finance Commission grants for the period 2020-21 were also provided to the remaining tiers of Panchayats i.e. [Zilla Panchayat (ZP) & Block Panchayat (BP)]; auditing their accounts also becomes essential. Hence, it is requested to carry out audit of accounts for all the Panchayati Raj Institutions (i.e. 100% of ZPs, BPs & GPs) for the expenditures incurred under the 14<sup>th</sup> FC and XV FC during the year 2020-21.

3. Since, the audits for ZPs and BPs would be initiated for the first time; it is imperative to configure the audit process flows followed at these two levels. In this regard, certain pre-requisite information is required from the State, similar to what was given for configuring at the GP level; the details are placed at Annexure I along with the respective formats for ease of reference. The said information in the given formats may be provided to the Ministry in one week's time from the date of issue of this letter, so that the application can be customized at ZP and BP level based on the format provided by you.

4. It is therefore requested to direct the concerned officials to expedite the required activities under AuditOnline for completing the Audit process to achieve 100% target for the audit period 2020-21.

With warm regards,

Yours Sincerely

*(K.S. Sethi) 14/07/2021*

Principal Secretaries/Secretaries of State Panchayati Raj Departments,  
(All the 28 XV FC States).

## Annexure

### Pre-requisites to go onto Go-live phase (for ZPs and BPs)

1. States to provide Department name (i.e. name of the Audit Department) and the hierarchy followed in the Department (This is a one-time activity that needs to be configured in the Local Government directory for uniformity in code pattern) – **Format I.**
2. States to provide hierarchy data from the auditor department for all designations of Auditor and Auditee, office name etc. – **Format II.**
3. Information pertaining to the officials. The email ID of this official shall be used to login as State Audit Department – **Format III.**
4. The finalized process flow for Audit followed in the State depicting the movement of task from one person to another and inter/intra offices. The flow should be a sequential one. This flow shall be configured as it is in AuditOnline. Therefore, it is requested to provide the exact process – **Format IV.**
5. Risk based Categories and sub-categories of Audit Observations, **Fact sheet<sup>1</sup>** and **Case sheet<sup>2</sup>** form fields for the department – **Format V.**
6. Template of the audit report and the phases where the report would get generated. After recording all the observations, and approval from the competent authority, a report would get generated that will go to the auditee and auditee can view and provide the responses accordingly.

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<sup>1</sup> **Fact Sheet:** This includes certain parameters/fields on which details are recorded against each category and sub-category. Against each category and sub-category, only one fact sheet can be recorded.

<sup>2</sup> **Case Sheet:** This includes certain basic details on which Auditor records the defaulter's information before recording the observations. Case sheet will only be single for each department.

## Type of Formats

(Values shown in the tables are indicative only, States are to fill in with proper details)

### Format I: Department Levels

Sr. no.	Department Name	Department Level	Name of Office at each level
1	XXXX	XXXX	XXXX

### Format II: Designations at each level

#	Department Name	Department Level	Office Name		Designations that exists at this Office
1				1	
2				2	
3				3	
..				..	
..				..	
..				..	
..				..	

### Format III: Master Data of official

#	Department Name	Office Name	Office Level	Name	Designation	Date of Joining	Mobile	Email
1						dd-mm-yyyy	98XXXXXXXX	XXXXXX@gov.in

### Format IV: Audit Process Flow & Mapping (for indicative purpose only)

#	Task Name (Audit Process Step)	From Task (With Designations)	To Task (With Designations)
1			
2			
3			

**Format V: Categories & Sub-Categories of Audit Observations (Indicative only)**

SNO	Category	Sub Category
1		
2		
3		

**Format V.1: Fact Sheet**

Sr. No.	Category Name	Subcategory Name	Fact Sheet Name	Fact Sheet Field Label	Type of Input field
1					

**Format V.2: Template for Audit Report**

S.NO	Task Name	Required
1		
2		
3		
4		
5		
6		

**Annexure II: Status on audit configuration (pre-requisites)**

<b>Sr. No.</b>	<b>State Name</b>	<b>Pre-requisite Status</b>
1.	Andhra Pradesh	Done
2.	Arunachal Pradesh	Awaited
3.	Assam	Done
4.	Bihar	Done
5.	Chhattisgarh	Done
6.	Goa	Awaited
7.	Gujarat	Done
8.	Haryana	Done
9.	Himachal Pradesh	Done
10.	Jharkhand	Awaited
11.	Karnataka	Awaited
12.	Kerala	Done
13.	Madhya Pradesh	Awaited
14.	Maharashtra	Awaited
15.	Manipur	Done
16.	Odisha	Done
17.	Punjab	Done
18.	Rajasthan	Awaited
19.	Sikkim	Done
20.	Tamil Nadu	Awaited
21.	Telangana	Done
22.	Tripura	Done
23.	Uttarakhand	Awaited
24.	Uttar Pradesh	Awaited
25.	West Bengal	Awaited

**Annexure III: Status on audit configuration**

Sr. No.	States	Auditors Registered	District Panchayat							Block Panchayat							Gram Panchayat							
			Total No. of DP	Auditees Registered		DPs with Audit Plans		Audit Reports Generated		Total No. of BP	Auditees Registered		BPs with Audit Plans		Audit Reports Generated		Total No. of GP	Auditees Registered		GPs with Audit Plans		Audit Reports Generated		
			No.	No.	%	No.	%	No.	%	No.	No.	%	No.	%	No.	%	No.	No.	%	No.	%	No.	%	
1	Andhra Pradesh	672	13	-	0%	1	8%	-	0%	660	464	70%	383	58%	31	5%	13,371	12,783	96%	13,043	98%	8,002	60%	
2	Arunachal Pradesh	52	25	-	0%	-	0%	-	0%	-	-	-	-	-	-	-	2,108	89	4%	31	1%	-	0%	
3	Assam	131	26	-	0%	-	0%	-	0%	192	1	1%	-	0%	-	0%	2,197	2,150	98%	2,031	92%	-	0%	
4	Bihar	70	38	38	100%	-	0%	-	0%	534	528	99%	66	12%	-	0%	8,177	8,177	100%	-	0%	-	0%	
5	Chhattisgarh	149	27	-	0%	-	0%	-	0%	146	-	0%	-	0%	-	0%	11,658	4,051	35%	2	0%	1	0%	
6	Goa	13	2	-	0%	-	0%	-	0%	-	-	-	-	-	-	-	191	49	26%	-	0%	-	0%	
7	Gujarat	490	33	-	0%	-	0%	-	0%	248	-	0%	-	0%	-	0%	14,257	12,397	87%	1,132	8%	230	2%	
8	Haryana	31	22	-	0%	-	0%	-	0%	142	-	0%	-	0%	-	0%	6,233	6,217	100%	-	0%	-	0%	
9	Himachal Pradesh	88	12	-	0%	-	0%	-	0%	81	-	0%	-	0%	-	0%	3,615	3,226	89%	1,044	29%	790	22%	
10	Jammu & Kashmir	35	20	-	0%	-	0%	-	0%	275	-	0%	-	0%	-	0%	4,290	2,762	64%	2,565	60%	534	12%	
11	Jharkhand	62	24	-	0%	-	0%	-	0%	263	-	0%	-	0%	-	0%	4,351	4,351	100%	150	3%	-	0%	
12	Karnataka	415	30	-	0%	-	0%	-	0%	230	-	0%	-	0%	-	0%	5,973	5,973	100%	4,146	69%	1,633	27%	
13	Kerala	469	14	-	0%	-	0%	-	0%	152	-	0%	-	0%	-	0%	941	941	100%	466	50%	227	24%	
14	Madhya Pradesh	397	51	-	0%	-	0%	-	0%	313	-	0%	-	0%	-	0%	22,811	22,768	100%	1,957	9%	64	0%	
15	Maharashtra	756	34	1	3%	-	0%	-	0%	351	-	0%	-	0%	-	0%	27,907	27,649	99%	497	2%	-	0%	
16	Manipur	16	6	-	0%	-	0%	-	0%	-	-	-	-	-	-	-	161	71	44%	-	0%	-	0%	

Sr. No.	States	Auditors Registered	District Panchayat							Block Panchayat							Gram Panchayat							
			Total No. of DP	Auditees Registered		DPs with Audit Plans		Audit Reports Generated		Total No. of BP	Auditees Registered		BPs with Audit Plans		Audit Reports Generated		Total No. of GP	Auditees Registered		GPs with Audit Plans		Audit Reports Generated		
			No.	No.	%	No.	%	No.	%	No.	No.	%	No.	%	No.	%	No.	No.	%	No.	%	No.	%	
17	Meghalaya	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Mizoram	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	834	-	0%	-	0%	-	0%	
19	Nagaland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Odisha	406	30	21	70%	23	77%	16	53%	314	212	68%	219	70%	123	39%	6,798	6,779	100%	6,466	95%	3,995	59%	
21	Punjab	45	22	-	0%	-	0%	-	0%	151	-	0%	-	0%	-	0%	13,263	13,088	99%	1,802	14%	452	3%	
22	Rajasthan	352	33	-	0%	-	0%	-	0%	352	37	11%	-	0%	-	0%	11,341	11,337	100%	5,706	50%	2,232	20%	
23	Sikkim	13	4	4	100%	-	0%	-	0%	-	-	-	-	-	-	-	185	184	99%	98	53%	1	1%	
24	Tamil Nadu	736	36	1	3%	-	0%	-	0%	388	-	0%	-	0%	-	0%	12,525	12,484	100%	10,115	81%	9,334	75%	
25	Telangana	341	32	32	100%	32	100%	-	0%	540	540	100%	540	100%	376	70%	12,775	12,775	100%	12,770	100%	12,769	100%	
26	Tripura	227	9	8	89%	-	0%	-	0%	75	-	0%	-	0%	-	0%	1,178	591	50%	137	12%	85	7%	
27	Uttar Pradesh	951	75	-	0%	-	0%	-	0%	826	-	0%	-	0%	-	0%	58,981	58,885	100%	39,698	67%	617	1%	
28	Uttarakhand	132	13	-	0%	-	0%	-	0%	95	-	0%	-	0%	-	0%	7,807	7,606	97%	-	0%	-	0%	
29	West Bengal	142	22	-	0%	-	0%	-	0%	344	-	0%	-	0%	-	0%	3,340	2,464	74%	60	2%	-	0%	
	<b>Grand Total</b>	<b>7,197</b>	<b>653</b>	<b>105</b>	<b>16%</b>	<b>56</b>	<b>9%</b>	<b>16</b>	<b>2%</b>	<b>6,672</b>	<b>1,782</b>	<b>27%</b>	<b>1,208</b>	<b>18%</b>	<b>530</b>	<b>8%</b>	<b>2,57,268</b>	<b>2,39,847</b>	<b>93%</b>	<b>1,03,916</b>	<b>40%</b>	<b>40,966</b>	<b>16%</b>	