

**Ministry of Panchayati Raj
Fiscal Devolution Division**

No. R-16012/1/2020-FD-Part (1)

Dated: 10th January 2022

**Record of Proceedings of VC meeting held on 7th January 2022 with States on
AuditOnline**

A VC meeting was held under the chairmanship of Shri K. S. Sethi, Joint Secretary, MoPR with States on 7th January 2022 to discuss the progress/achievement made with regards to audit of accounts of the Rural Local Bodies through AuditOnline. The list of participants may be seen at Annexure I.

2. At the outset of the meeting, the chair submitted that the AuditOnline was rolled out on 15th April 2020 in line with the recommendations of the XV Finance Commission of having audited accounts made available in the public domain. He further appreciated the efforts made by the States in implementing AuditOnline in true spirit as almost all the States achieved the target of auditing at least 25% Gram Panchayat accounts for the audit period 2019-20, particularly, National Lead State Telangana for being the first State to achieve the target. He further averred that the States now have to ensure audit of 100% Panchayat accounts (for both 14th Finance Commission & XV Finance Commission) across the tiers (i.e., ZPs, BPs and GPs) in order to be eligible for the next release of grants. In this regard, a communication was already sent to all the States vide DO letter dated 14th July 2021 wherein information with respect to pre-requisites for ZPs and BPs were sought. Information from five States are still pending – Arunachal Pradesh, Goa, Jharkhand, Uttarakhand and West Bengal. He urged these States to expedite and submit the pre-requisites at the earliest for the purpose of configuration.

3. The Status for Audit (as on 07.01.2022) of GPs for the Audit Period 2019-20 is mentioned below for information:

No. of GPs with Audit Plans	1,28,291
No. of GPs with Audit Reports	98,871

4. During the meeting the States were also requested to volunteer to assist in achieving the target of 1 lakh Audit Reports for the audit period 2019-20. Many States voluntarily agreed to achieve this target. The audit reports target set for States during the VC are given as under:

State	Target for Audit Report
Andhra Pradesh	200
Bihar	200
Karnataka	200
Maharashtra	150
Odisha	200
Rajasthan	300

State	Target for Audit Report
Tamil Nadu	1,400
Uttar Pradesh	1,000
Total	3,650

5. The Chair also acknowledged the fact that several States are facing issues with respect to shortage of manpower for carrying out the audit activities, especially with the target for 2020-21 set at 100%. In this regard, the Chair submitted to the States that as per the information provided by the O/o CAG; there exists a list of CAG empanelled CA firms that is available in the public domain, wherein Station-wise details are available. The link for the same is provided herein for ease of reference ([CAG Empanelled CA Firms](#)). The States were therefore requested to go through the link and explore the option of carrying out audit through CAG empanelled firms for timely auditing of Panchayat accounts. Certain State(s) also enquired if services of private firms other than CAG empanelled firms can be utilized. In this regard it was submitted that for the purpose of carrying out audit; services of only CAG empanelled CA firms were to be utilized. However, should the need be; the State may approach their corresponding State AG for seeking permission for the same.

6. Certain States viz. Odisha and Rajasthan had submitted that they had sent representations for integrating their State specific application with that of AuditOnline. In this regard, it was submitted by the Chair that in line with the Operational Guidelines issued by M/o Finance dated 14th July 2021; all the Panchayat accounts have to be audited through AuditOnline. Therefore, States are to carry out audit of Panchayat accounts through AuditOnline only. Moreover, this will also ensure uniform access of the Audit Reports to all the Stakeholders viz. XV Finance Commission, Dept. of Expenditure, M/o Finance etc and will also ensure uniformity for the purpose of consolidation of reports.

7. The meeting ended with a vote of thanks to the chair.

Annexure I – Participant list

Sr. No.	States	Participation
1	Andhra Pradesh	Representatives from PRD and DLFA
2	Arunachal Pradesh	Absent
3	Assam	Representatives from DLFA
4	Bihar	Representatives from DLFA
5	Chhattisgarh	Representatives from PRD and DLFA
6	Goa	Absent
7	Gujarat	Representatives from PRD
8	Haryana	Representatives from DLFA
9	Himachal Pradesh	Absent
10	Jharkhand	Representatives from PRD
11	Karnataka	Representatives from DLFA
12	Kerala	Representatives from DLFA
13	Madhya Pradesh	Representatives from DLFA
14	Maharashtra	Representatives from DLFA
15	Manipur	Representatives from DLFA
16	Meghalaya	Absent
17	Mizoram	Representatives from DLFA
18	Nagaland	Absent
19	Odisha	Representatives from PRD and DLFA
20	Punjab	Representatives from PRD and DLFA
21	Rajasthan	Representatives from PRD
22	Sikkim	Absent
23	Tamil Nadu	Representatives from PRD
24	Telangana	Representatives from DLFA
25	Tripura	Representatives from DLFA
26	Uttarakhand	Absent
27	Uttar Pradesh	Representatives from DLFA
28	West Bengal	Absent