



KARNATAKA

ALLOCATION / RECEIPT / UTILISATION OF GRANTS UNDER THE FIFTEEN FINANCE COMMISSION (FC XV) FOR PERIOD 2020-21, 2021-22, 2022-23

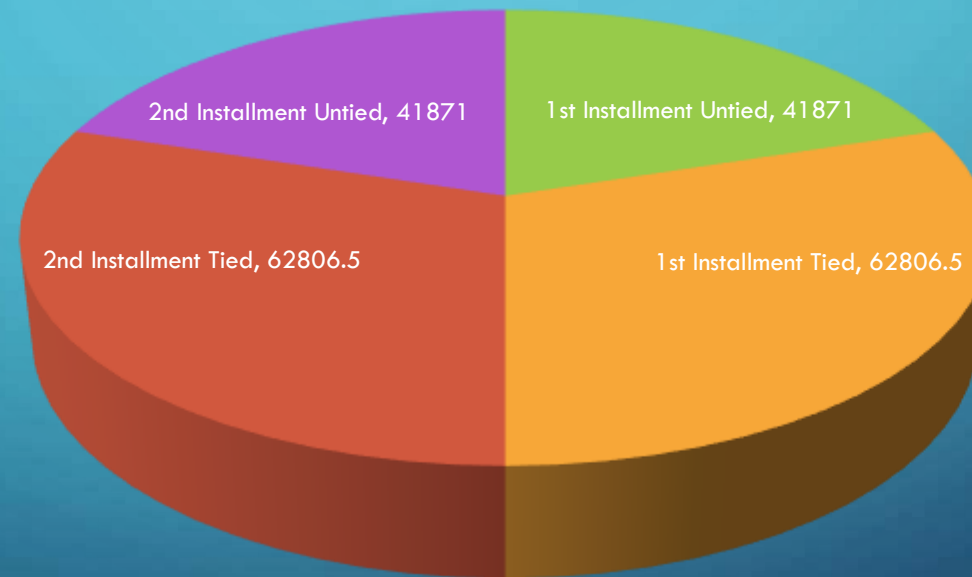
Year	Untied Grants (Rs. Crore)			Tied Grants (Rs. Crore)		
	Allocation	Receipt	Utilisation	Allocation	Receipt	Utilisation
2020-21	1608.5	1608.5	495.14	1608.5	1608.5	447.11
2021-22	950.8	950.8	1051.47	1426.2	1426.2	1169.22
2022-23	985.2	837.42	861.89	1477.8	1256.13	1169.84
Total	3544.5	3396.72	2408.5	4512.5	4290.83	2786.17

The Reporting System existing in the State to monitor the utilisation of XV FC funds.

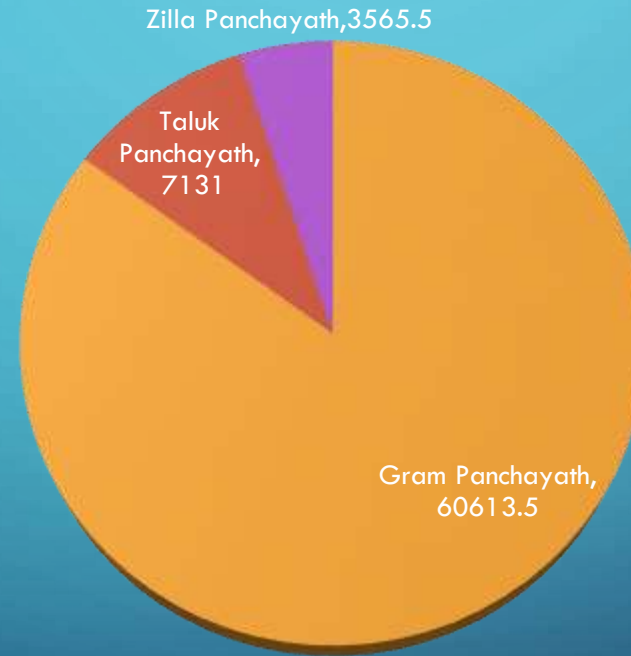
- E Gram Swaraj Application of Ministry of Panchayat Raj

Grants released to Gram Panchayats under the 15th Finance Commission for the year 2022-23

(Rs.in lakhs)



Grants for the year 2021-22 released in 2022-23 under the 15th Finance Commission released to Village, Taluk and Zilla Panchayats.



Rs.(In lakhs)

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STATUS OF ELECTION OF RLB'S

Election for the RLB's are to be conducted
during 2023-24

KARNATAKA STATE AUDIT AND ACCOUNTS DEPARTMENT (KSAAD)

- **Background**

- KSAAD is the statutory auditor for local bodies - Grama Panchayats, Municipal Corporations, Town Municipal Councils, Town Panchayats and other institutions in the State i.e., Universities, Command Area Development Authorities, Urban Development Authorities and Muzarai Institutions, etc.
- Total No of Institutions to be audited by KSA&AD in the FY 2022-23 are 7059 (Urban Local Bodies-314, GP's-5957, Development & Planning Authorities-93, Muzarai Institutions-340 & Other Institutions-355.

MANDATE FOR GP AUDIT:

Section 246(1) of THE KARNATAKA GRAM SWARAJ AND PANCHAYAT RAJ ACT, 1993 – “the **accounts of every Gram Panchayat shall be audited each year** by such officer as may be authorized by the **Controller of State Accounts**”.

246 (5) The auditor shall, within one month after the completion of audit, forward a copy of the audit report to the Grama Panchayat and to the Executive Officer

AUDIT OF PANCHAYATHS' ANNUAL ACCOUNTS

FY of Annual Accounts Audited	Total No of RLB's in the State	No of RLB's Audited online		No of RLB's Audited offline	
		By local fund auditors	By empanelled CAs	By local fund auditors	By empanelled CAs
2019-20	6021	1812	0	3723	0
2020-21	5973	5902	0	0	0
2021-22	5963	5661	0	0	0

EXISTING CAPACITY OF LOCAL FUND AUDIT DEPARTMENT IN THE STATE

Designation	Sanctioned Strength	In Position
Principal Director	1	1
Director	1	1
Joint Director	9	8
Sr. Deputy Director	20	10
Deputy Director	29	13
Audit Officers	72	62
Accounts Superintendents	29	23
Accounts Assistants	276	216
TOTAL	437	334

STRATEGY OF THE STATES IN GETTING 100% AUDIT OF RLBS TO MEET THE CONDITION FOR THE YEAR 2023-24

- **Completion of RLBS Audit by February 2024:** Instructions would be issued to all the Local Audit Circles to prepare the Annual Audit Plan accordingly.
- **Getting the Annual Accounts before start of the audit:** The Panchatantara 2.0 envisages completion of the year end process immediately after the end of the Financial Year, in coordination with RDPR the same would be provided to the Local Audit Circles.
- **District wise Nodal Officers:** The Chief Accounts Officers of the Zilla Panchayath would oversee that the records are presented on time to the Local Audit Circles.

STRATEGY TO STRENGTHEN AUDIT INFRASTRUCTURE

KSAAD:

- **Training Programs:** Continuous training to the Auditors of Local Audit Circle on the “Audit of GPs through Audit Online Portal”.
- **Providing a laptop to the audit team:** Procurement of requisite number of Laptops has been undertaken from FY 2022-23.

RDPR:

- **Training Programs:** Conducting trainings to the PDO’s on processes in Audit & Compliance procedures once ATR module is enabled.
- **Submission of Accounts:** Monitoring the BRS/Year End closure & preparation of accounts within the time. (As per Section 243 & 244 of KPR Act)

ACTION TAKEN ON THE AUDIT REPORT

- Rule 113 - Karnataka Panchayat Raj (Grama Panchayats Budgeting and Accounting) Rules, 2006 the Panchayath Development Officer after taking necessary actions as mentioned in the Audit Report, places the Audit Report and action taken there on within three months through the Audit Committee to the Grama Panchayat. Later Report submitted to the Executive Officer
- On receipt of such intimation or explanation, the Executive officer, in consultation with the auditor,-
 - (a) accepts the intimation or explanation given by the Grama Panchayat and order the withdrawal of the objection,
 - (b) directs the matter be reinvestigated at the next audit,
 - (c) directs that the defects or irregularities pointed out in the audit report or any of them shall be removed or remedied by the Grama Panchayat.

REQUIREMENTS IN THE AUDIT ONLINE PORTAL

Common Requirements:

- **Institutional Based Communication:** Reports are generated & Issued from Officer/Person to Officer/Person. Needs to be changed to Office to Office. (Ex: Local Audit Circle {District Office} to Panchayath Office or Vice versa)
- **Wrong count of GP's in Audit Online Portal:** GP's once merged/Upgraded to the next level should not reflect in the Audit Online Portal.
- **Assigning more than one role to the user** where the same user holds the charge of other offices (the role assigning task should be with Audit Department admin) & Similarly PR Department where the same PDO holds the charge of 2 panchayaths.

Requirements of KSAAD:

- **Reports Dashboard – District Admin:** Providing an option of downloading & viewing the Taluk & Grama Panchayat wise reports, observations with fact sheets, for consolidation & Downloading option of monthly audit schedules with audit team, auditee with scheduled dates & summary of Audit plans, no of observations recorded, no of audit reports generated (which are reflecting in Audit online portal) & status of the Grama Panchayath Audit from Audit Intimation stage onwards for supervision purpose.
- **Providing an option to recall the report** once it's issued only from the Audit Department admin ID. (Now only NIC has this option)
- **Creation of Regional User IDs** in Audit Department for reviewing the few selected panchayath's.

Requirements of RDPR:

- **Access to Taluk Panchayath EO's:** Creation of User at Taluk Panchayath level & providing an option to view & download the Audit Reports for the respective GP's.
- **Dashboard to Zilla Panchayath CEO's:** Proving an option to view & download the no. of Observations recorded, compliance given & observations pending for compliance District, Taluk & GP wise.

STATE FINANCE COMMISSION

- The first State Finance Commission was constituted in the year 1994 and the Period was from 1997-98 to 2001-02
- The SFC recommendation was to devolve 36% of NLGORR, out of which the share of RLBs – 30.60% and that of ULBs- 5.40%
- The Second State Finance Commission was constituted in the year 2000 and the period was from 2006-07 to 2010-11
- The SFC recommendation was to devolve 40% of NLGORR, out of which the share of RLBs - 32% and that of ULBs- 8%

STATE FINANCE COMMISSION

- The Third State Finance Commission was constituted in the year 2006 and the Period was from 2011-12 to 2015-16
- The SFC recommendation was to devolve 42% of NLNORR, out of which the share of RLBs - 32% and that of ULBs- 10%
- The Fourth State Finance Commission was constituted in Dec 2015 and the period was from 2018-19 to 2022-23
- The SFC recommendation was to devolve 36% of NLNORR, out of which the share of RLBs - 36% and that of ULBs- 12%

STATE FINANCE COMMISSION

- The allocation made during the period of 4th State Finance Commission is as below:

Details	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
% of Devolution to RLBs	32.50%	33.00%	34.00%	34.50%	36.00%	36.00%
Amount in Cr	40841	43433	43232	48552	50575	55529

- The period of 4th State Finance commission has been extended by one year - 2023-24 since it is the Election year
- The 5th State Finance Commission will be constituted and will be adopted for the FY 2024-25

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Thank you