



One Day Consultation meeting with States on Online Audit and release procedure to RLBs By Secretary, MoPR, GoI

Date: 10-03-2023, Time: 9:30 AM to 4:30 PM

Venue: Conference Hall No.2, 2nd Floor, Dr. Ambedkar International Centre, New Delhi



**Department of Panchayat Raj & Rural Development
Government of Andhra Pradesh**

I. Allocation/Receipt /Utilization of grants under the Fifteen finance Commission (FC XV) for period 2020-21, 2021-2022, 2022-23

Year	Untied Grants (Rs.Crore)			Tied Grants (Rs. Crore)		
	Allocation	Receipt	Utilization	Allocation	Receipt	Utilization
2020-21	1312.50	1312.50	1180.60	1312.50	1312.50	1104.64
2021-22	775.60	767.14	707.38	1163.40	1150.71	978.54
2022-23	804.00	Not yet released	-	1206.00	Not yet released	-
Total	2892.10	2079.64	1887.98	3681.90	2463.21	2083.18

II. Assets Generated out of XV FC Grants during 2020-2023

[In Rupees]

Type of Assets Created out of Untied Grants			Type of Assets Created out of Tied Grants			Whether Geo-Tagged in eGram Swaraj
Category	No/ Units	Value	Category	No/ Units	Value	
Computers & Maintenance	6802	64269056	Computers & Maintenance	302	8193947	
Drinking Water Provision (Maintenance of CPWS Schemes)	18002	3652234732	Drinking Water Provision (Maintenance of CPWS Schemes)	26043	4482713555	Yes
Drinking Water Supply Structure	18460	281161763	Drinking Water Supply Structure	12506	653173318	Yes
Office Equipment	4397	123495589	Office equipment	3088	39756384	
Others	21462	2888420532	Others	20319	2872243132	
Streetlights maintenance	48506	887692166	Streetlights maintenance	18914	358348588	
Buildings	578	252968927	Buildings	116	28888197	
Burial Ground	1692	73167058	Burial Ground	1050	15667074	
Compound Wall	358	64294826	Compound Wall	115	17844749	
Roads,Culverts,Bridges	13827	3363394233	Culvert/Culvert Footpath and other constructions	3941	1195274487	
Culvert/Culvert Footpath and other constructions	1294	186126972	Sanitation & Sewerage Facilities	380	1459892165	
Computers & Maintenance	6802	64269056	Computers & Maintenance	302	8193947	

Assets Generated out of XV FC Grants during 2020-2023

[In Rupees]

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Category	No/ Units	Value	Category	No/ Units	Value	
Sanitation & Sewerage Facilities	126	446803123	Road & Side Drains	426	123577971	
Road & Side Drains	734	173520927	Health Centers	27	3616472	
Health Centers	32	13240958	Community Hall	48	9217440	
Community Hall	188	61594872	Electrification	3757	688973179	
Electrification	4499	378166926	Anganwadi Bhavan	120	4307077	
Anganwadi Bhavan	120	23205497	Water Purifier Plant	76	11203557	
Water Purifier Plant	26	4195642	Water Tank	208	18039159	
Water Tank	110	27024803	Borewell Spare Parts	68	13401418	
Borewell Spare Parts	25	10163194	Education	22	2242905	
Education	672	18902511	Hosehold Sanitation	16102	656789048	
Hosehold Sanitation	9265	603920054	Library Building	14	2800000	
Gravel Road	12	4470000	Liquid Waste Management	340	261848170	
Veterinary	1	185610	Market Yards	15	1319051	

Assets Generated out of XV FC Grants during 2020-2023

[In Rupees]

Type of Assets Created out of Untied Grants			Type of Assets Created out of Tied Grants			Whether Geo-Tagged in eGram Swaraj
Category	No/ Units	Value	Category	No/ Units	Value	
Cattle Tub	4	1214097	Nadip Pit	2	228000	
Clap Mitra Wages	890	87367980	Panchayat Bhavan	31	17140091	
Construction of Sheds	953	50551789	Panchayat Trees Planitation	274	25324960	
Grey Water Management	140	21725595	Plant Machinery	129	32117652	
Library Buildings	19	4302229	Rythu Bharosa Kendra	2	5268036	
Market Yards	15	1281396	Solid Wastemanagement	2273	2033609750	
Panchayat Bhavan	204	26827451	Veterinary Centres	1	434270	
Panchayat Trees & Planitation	1960	24584718	Gray Water Management	101	9181748	
			Construction of Sheds	1099	54166873	
			Cattle Tub	31	6319405	
TOTAL	155373	13820475226	TOTAL	111940	15113121828	

III. The reporting system existing in the State to monitor the utilization of FC XV funds

- Data entry is being made in PFMS - eGramswaraj Application and State Government Apps

IV. Audit of Panchayats' Annual Accounts

FY of Annual Accounts Audited	Total No. of RLBs in the State				No. of RLBs audited online		No. of RLBs audited offline		Remarks
	Gram Panchayats	Block Panchayats (MPP)	District Panchayat (ZP)	Total	By local fund auditors	By empanelled CAs	By local fund auditors	By empanelled CAs	
2019-20	13065	660	13	13738	4099	0	0	0	4829 reports have been published as on 7/3/2023
2020-21	13371	660	13	14044	14044	0	0	0	
2021-22	13371	660	13	14044	14044	0	0	0	

V. Existing capacity of Local Fund Audit Department in the State

Designation	Sanctioned Strength	In Position	Efforts made to Strengthen the Auding Units
Director	01	00	<ul style="list-style-type: none"> • Trainings in audit matters pertaining to RLBs as well as ULBs were conducted as a part of comprehensive measures to strengthen capacity building • Every assistant audit officer in the state have been provided with Laptop and all offices are proposed to be equipped with printers, scanners and other logistical support. • Establishment of state of the art training facility for both PR & State Audit Department is envisaged.
Additional Director	01	01	
Joint Director	02	02	
Deputy Director	22	22	
Audit Officer	48	35	
Assistant Audit Officer	193	183	
Senior Auditor	684	608	
Junior Auditor	230	160	
Total	1181	1011	

VI. Strategy of the State in getting 100% audit of RLBs to meet the condition for the year 2023-24

- State of Andhra Pradesh is geared up to reach 100% audit of RLBs for the year 2021-22 and at halfway distance as of now and will be complete the process by end of April 2023.
- All the RLBs in the state are assigned except Block Panchayats and District Panchayats and audit of the same is in good progress.
- All the audit staff right from the Junior Auditor to District Audit Officer are well acquainted with the Audit Online portal and refresher training to make them familiar with the new changes in the portal are scheduled for planning.
- A state level coordination committee with senior officers from both the departments will be formed to monitor the issues raised in implementation of the Audit Online program and for speedy redress of the same with better coordination both in technical and administrative fronts.
- Audit Action plan for the year 2023-24 will be reoriented to meet the condition of 100% audit in Audit Online as the issues relating to bifurcation will be solved during the current year itself.

VII.Strategy to strengthen Audit Infrastructure

- Provision of Laptops and other logistical support for each auditor in the state.
- Provision for equipping District and Zonal Audit Offices with seamless internet facility and other logistical support such as scanners and printers, biometric devices, video conferencing facility etc.,
- Establishment of state of the art training facility for both Panchayat Raj department personnel as well as State Audit Department .

VIII. Name of appropriate forums/levels where action taken report (ATR) on the audit observations is to be placed in terms of the audit rule of the State

- Sec.7 and Sec.8 of the AP State Audit Act, 1989 deals with the preparation and submission of audit report for local bodies.
- According to Sec.9(1) of the AP State Audit Act, 1989, on receipt of the audit report under section 8 the **Chief Executive Officer shall remedy any defect or irregularity which may have been pointed out in the report** and shall place the audit report, together with statement of action taken or proposed to be taken thereon and an explanation in regard thereto **before a meeting of the concerned local authority or other authority specially convened for the purpose within a period of two months from the date of receipt of the audit report.**

IX. Suggestion in respect of time schedule to be followed for follow up actions on Audit observations at appropriate forums/levels prior to their laying in the Assembly/Gram Sabha in terms of the audit rule of the State

- As per the section 5(1) of A.P. State Audit Rules,2000, every Chief Executive Officer shall prepare an Annual Account in the form prescribed. As per the section 5(2) of A.P. State Audit Rules,2000, a copy of the Annual Account referred to in sub-rule (1) shall be sent within the time specified, under the respective Acts or Rules or Statutes and where a time limit is not specified in respect of any Local Authority, or other authority **it shall be submitted by 31st of May of the succeeding Financial year.**
- As per the section 8(1) of A.P. State Audit Rules,2000, on receipt of the audit report the Chief Executive Officer concerned shall submit, **a report within a period of two months from the date of receipt of the audit report** rectifying all the defects pointed out in the report and **within four months from the date of receipt of Special letter** mentioned in sub-rule (9) of Rule-7, a report of having rectified the defects pointed out in the said audit report and in the Special letter, to the officer who issued the Audit Report and the Special letter.

X. Suggestion in respect of Action Taken Module proposed to be incorporated/other aspects towards strengthening MoPR Audit Online application

- According to Sec.9(2) of the AP State Audit Act, 1989, On receipt of such intimation or explanation, the Director may, in respect of all or any of the matters referred to in his report:-
 - a) accept the explanation given by the Chief Executive Officer, i.e., the objection raised is settled and all those objections are included in **Settlement Report**
 - b) direct that the matter be further investigated at the next audit or any earlier date. i.e., Follow up is required for settlement of these audit objections and included in **Follow Up Report**
 - c) hold that the defects of irregularities pointed out in the audit report or any of them have not been removed or remedied.i.e., the objections are of serious nature and needs to be included in the **Audit Report**
- Hence the ATR contains three distinct reports as mentioned above
 - i. Settlement Report
 - ii. Follow Up Report
 - iii. Audit Report

Suggestion in respect of Action Taken Module proposed to be incorporated/other aspects towards strengthening MoPR Audit Online application

- As per Sec.10.(1) of AP State Audit Act,1989 The Director may disallow any item of expenditure incurred contrary to law and surcharge the same on the person incurring or authorizing the incurring of such expenditure.
- Provision for issue special letter in audit online portal itself would be of great step forward in making ATR process more effective.
- Provision for raise surcharge certificate automatically in the portal after upload of verification report of special letter by the designated Audit team for the purpose of download and issue the same to person responsible is required to complete the total ATR process

XI. Suggestions on enforcing compliance on audit paras by RLBs like linking to further fund flow to the Panchayats etc.

- Compliance of audit paras might be linked to the further fund flow.
- Ranking of RLBs based on settlement of audit objections may be given.
- Innovative methods in accounting and audit shall be circulated annually to the respective stakeholders in order to reinvent the process of accounting and audit.

XII. Status of election to the RLBs in the State

Tier of RLB	Details of latest due elections		Remarks/Reasons for non-conduct of elections
	Month/Year in which elections due	Month Year in which elections were actually conducted	
Gram Panchayats	01-08-2018	03-04-2021	Due to Court case on BC reservations & COVID effect
Block Panchayats	03-07-2019	24-09-2021	Due to Court case on BC reservations & COVID effect
District Panchayats	04-07-2019	25-09-2021	Due to Court case on BC reservations & COVID effect

XIII. Present Status of latest SFC in the State including strategy and preparedness to lay the explanatory memorandum on its report in the State Legislature before March, 2024 as required

- His excellency Governor of Andhra Pradesh approved the file for constitution of 5th State Finance Commission. Due to model code of conduct, the Election Commission has also issued NOC for appointment of Chairman, Members and Member Secretary of 5th State Finance Commission. Accordingly, the file is under process.



Thank you