



Review Meeting / Virtual Conference on AuditOnline and Social Audit

22nd June 2021



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XV Finance Commission Recommendations



Figs in Rs. crore

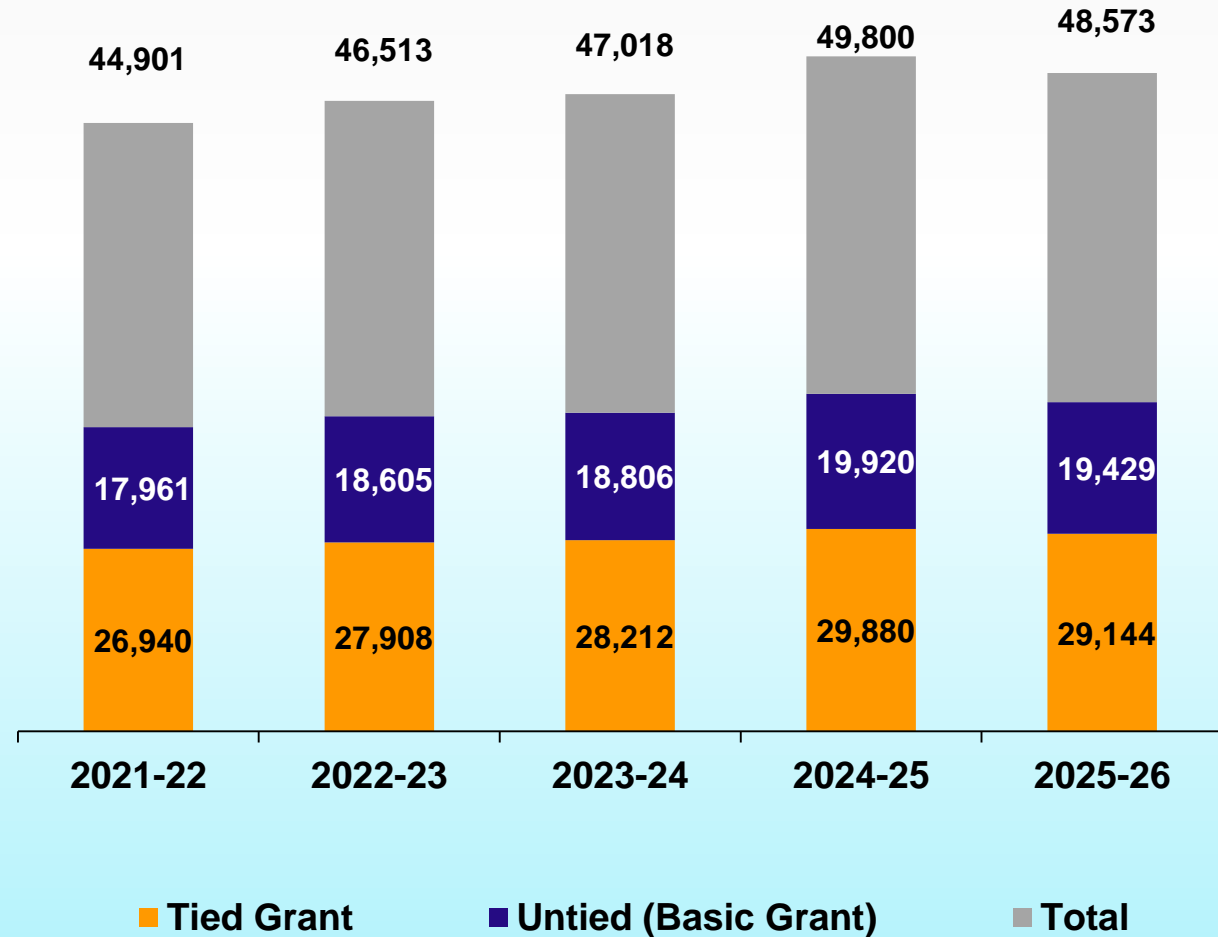
- **Total allocation to RLBs: Rs. 2,36,805**

crores

- **60% Tied Grants** for – drinking water supply, rainwater harvesting & sanitation
- **40% Untied Grants** for felt needs (29 subjects)

- XV FC grants to all three tiers of Panchayats & Traditional bodies

- Additional **Rs. 70,051** crores as health grants for ULBs and RLBs





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AuditOnline



XV FC 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

Availability of audited accounts Online

Action Taken

- Accounting module of eGramSwaraj (eGS)
- eGS-PFMS Interface for real time payments

Action Taken

- AuditOnline rolled out for States for online audit of accounts on **15th April 2020**

Salient Features

- Configurable application to cater to State specific Audit processes followed
- Platform for online recording of Risk based observation
- Facilitates internal & external audit of PRIs
- Integrated with external accounting system/ MIS for retrieving account information
- MIS Reports & dashboard for effective Monitoring

Benefits

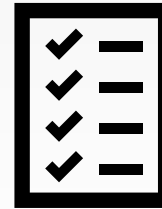
- Improved efficiency, transparency & accountability
- Strengthened Financial Management & improved credibility image of PRIs
- Transition from paper based to computer based system
- Timely availability of Audited accounts (XV FC requisite)

O/o CAG also onboard to support audit process carried out in the field



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AuditOnline Status



1,01,519 GPs with Audit Plans



48,272 Audit reports generated



6,993 Auditors registered across 26 States



2,14,711 Auditees registered



6,44,131 Audit observations recorded



Way Forward – AuditOnline



- **Audit of 100% PRIs (including ZPs, BPs) for the audit period 2020-21**
- **Online audits of both 14th FC and XV FC accounts**
- **Online Audit of TLBs under Sixth Schedule Areas for XV FC accounts**
- Introducing SMS based functionality
- Deployment of E-sign/ Digital Signature based functionality
- Email base notification functionality for the purpose of Follow-Up on each tasks
- Reminder/Alert functionality to assist the users in Audit Process example
- Provision to add Para-banks for risk-based observations
- **Audit for 2019-20 accounts to be completed by 31st July 2021; Audit for 2020-21 accounts to be completed by 31st October 2021**

Developments as suggested by States have been majorly incorporated



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Social Audit



- Audit conducted by the people who are beneficiaries of a scheme
 - *Verifies the field realities with data in official documents and utilising public platforms for deliberations*
 - *Promotes effective utilisation of XV FC grants by PRIs/TLBs*
- Audit process goes beyond financial accounting, to examine the difference brought to people's lives
- Establishes a community based participatory monitoring system in GPs

OBJECTIVES

- Ensure public accountability and effective utilisation of FC grants by PRIs/TLBs

- Promote community based participatory monitoring system

- Facilitate utilisation of collaborative platforms such as Gram Sabha and Public Hearings (Jan Sunwai) for grievance redressal

- Facilitate Capacity building of primary stakeholders involved in utilisation of XV FC grants

- Fostering a responsive and efficient grievance redressal system



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Roles & Responsibilities of Stakeholders



Stakeholder



MoPR, Gol

- Necessary support for social audit
- Development of social audit MIS for uploading findings & dashboard
- CB & T of Resource Person
- Financial & Administrative support to NIRD&PR, SIRD&PR, SAUs



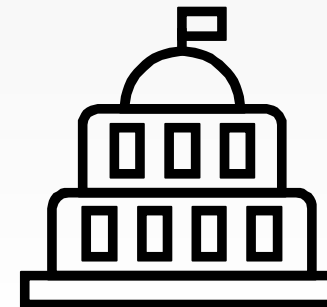
State Government (PRD, Fin. Dept.)

- Ensuring conduct of Social audit at least once in three years
- Framing of appropriate rules for fixing accountability
- Formulation of rules on actions to be taken
- Setting up State/ District vigilance cells
- Monthly review to be conducted on findings



Elected Members

- Self awareness on XV FC grants & operational guidelines
- Participation & supervising GPDP, sectoral plans etc
- Review utilization of XV FC grants
- Monitor implementation of works / services
- Mobilizing rural community to actively participate in Gram Sabhas



Panchayat Office Holders

- Facilitation of providing requisite documents prior to start of Social Audit
- Necessary directions for cooperating with the Social Audit teams for a smooth process
- Ensuring disclosure of information regarding utilization of XV FC grants
- Participate in Gram Sabha & public hearings
- Ensuring corrective actions & submission of ATR

Role & Responsibilities

Must haves for quality Social Audit

1

Quality Assurance & Control

- Quality control procedures to be framed by SAUs
- SAU Director to develop & maintain quality assurance & improvement initiatives

2

Effective Monitoring

- Developing internal monitoring mechanism by SAUs
- Conducting & capturing findings of Social Audit in MIS

3

Assessment

- Periodic internal & external assessments of social audit
- Capacity Building & Training of Resource Persons for facilitating social audit

4

Test Audit

- SAUs to conduct test audits in order to check the efficacy of Social Audit and whether due processes are being adhered to



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THANK YOU