

A Research Project
on
Regularity Environment relating to Audit
and Accounts of PRIs in States

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PREFACE

Regional Training Institute, Kolkata was declared as Knowledge Centre for Local Bodies Audit in August 2012. In pursuit of excellence in our assigned areas of Knowledge Centre, this institute is mandated to plan and facilitate different kinds of capacity building and knowledge sharing initiatives which include, among other things, the functions like organizing seminar, training, workshop, conducting research project and preparing structured training modules, audit check list, reading materials, case studies etc.

We all know that two main constituents of Local Bodies, viz., Urban Local Bodies and Panchayats figure in the State list in the constitution. It empowers the state Governments to enact their own Act to run the local self governments. This federal framework has given rise to a lot of varieties in the regularity environment as far as audit and accounts of local bodies are concerned. The main objective of the research project on **'Regularity Environment relating to Audit and Accounts of PRIs in States'** is to capture these varieties, and to get an 'at-a-glance' picture of the same. This project will, hopefully, apart from bringing together the varieties of environment on a single canvass, facilitate the process of understanding the evolution of auditing and accounting environment of PRIs in all states and union territory in India.

I hope that the readers would benefit from this. The suggestion, if any, are welcome and would help us in future.

RTI, Kolkata

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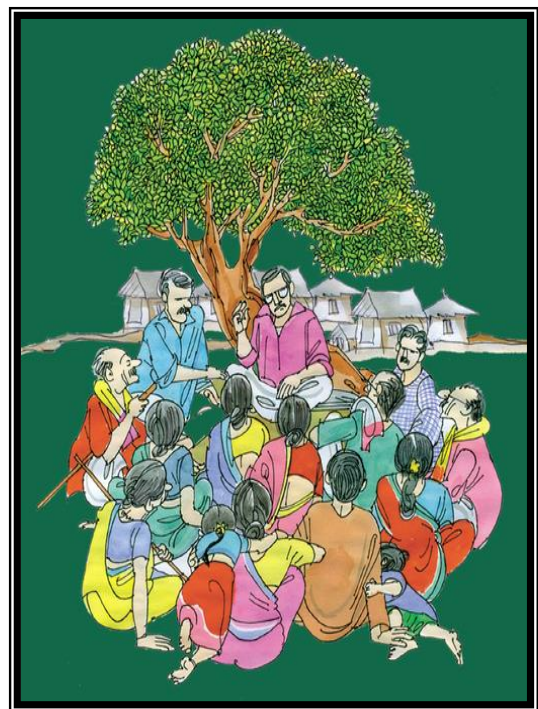
Regularity Environment relating to Audit and Accounts of PRIs in States

Panchayati Raj – A Historical Perspective

The word panchayat, being derived from the word **pancha panchasvanusthitah**, has references to the existence of Grama Sanghas or rural communities. The institution of Panchayati Raj is as old as Indian civilization itself. It has been in existence since ancient periods, having an effective control over civil and judicial matters in the village community. The Rigveda, Manusamhita, Dharmashastras, Upanishads, Jatakas and others, refer extensively to local administration, i.e. the panchayat system of administration. In the Manusmriti and Shantiparva of Mahabharata, there are many references to the existence of Grama Sanghas or village councils.

The earliest reference to panchayat is derived from the word **Pancha**, that refers to an institution of the five (pancha panchasvanusthitah) found in the Shanti-Parva of Mahabharata, pancha and panchavanustitah are semantically close to panchayat. A description of these village councils are also found in **Arthashastra** of Kautilya who lived in 400 B.C.

Self-governing village communities characterized by agrarian economies existed in India from the earliest times. It is mentioned in Rigveda that dates from approximately 200 B.C. The village was the basic unit of administration in the Vedic period. The most remarkable feature of the early Vedic polity consisted in the institution of popular assemblies of which two namely '**Sabha**', and the '**Samiti**' deserve special



mention. A Samiti was the Vedic Folk Assembly that in some cases enjoyed the right of electing a king while the Sabha exercised some judicial functions.

In the Mauryan period, the village was the basic unit of administration. Villagers used to organize works of public utility and recreation, settle disputes, and act as trustees for the property of minors. But, they had not yet evolved regular councils. The village council appeared to have evolved into regular bodies in the Gupta period. They were known as **Panchamandalas** in central India and **Gramajanapadas** in Bihar. These bodies negotiated with the government for concessions and settlement of disputes. The inscription of Chola dynasty in the southern part of the country shows the construction and functions of the village assembly and their executive committees. The village administrations were performed by the elected representatives forming village council.

During the medieval and Mughal periods, village bodies were the pivot of administration. In this period, each village had its own panchayat of elders. It was autonomous in its own sphere and exercised powers of local taxation, administrative control, justice and punishment. The Mughals introduced elaborate administrative machinery with a hierarchy of officials, particularly in the field of revenue. The Mughal local administrative system lasted over centuries. It was with the collapse of the Mughal strong hold, the British established their hegemony in India.

The British came to India as traders. The primary focus of the British Raj was much to do with trade and little to do with governance and development. Even though the British government did not have interest in the village autonomy, they were forced to do so in order to continue their rule in India and, moreover, to meet financial necessities. The Indian rural republic had flourished till the advent of British. It received a set back during the British rule. Self contained village communities and their panchayats ceased to get substance. They were replaced by formally constituted institutions of village administration. In the highly centralized system of British rule, village autonomy seems to have lost.

The task of strengthening panchayati raj system fell on the Indian government formed after independence. It was clear that India, a country of villages, had to strengthen village panchayats to strengthen democracy. Mahatma Gandhi who strongly believed in *Grama*

Swaraj pleaded for the transfer of power to the rural masses. According to him, the villages should govern themselves through elected panchayats to become self sufficient.

During the drafting of the Constitution of India, Panchayati Raj Institutions were placed in the non-justiciable part of the Constitution, the Directive Principles of State Policy, as Article 40. The Article read 'the State shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government'. However, no worthwhile legislation was enacted either at the national or state level to implement it. In the four decades, since the adoption of the Constitution, panchayat raj institutions have travelled from the non-justiciable part of the Constitution to one where, through a separate amendment, a whole new status has been added to their history.

Panchayat raj had to go through various stages. The First Five Year Plan failed to bring about active participation and involvement of the people in the Plan processes, which included Plan formulation, implementation and monitoring. The Second Five Year Plan failed to accomplish decentralization satisfactorily. Hence, committees were constituted by various authorities to advise the Centre on different aspects of decentralization.

Balwantrai Mehta Committee was the first Committee set up in 1957 to look into the problems of democratic decentralization in independent India. The Committee was asked to report on community development projects. The Committee made far reaching recommendations in the direction of democratic decentralization and rural reconstruction. It pointed out that the community development programme was not successful because it failed to evoke local initiative and that in the absence of local initiative and local interest, development would not be possible. The recommendations of Balwantrai Mehta Committee were implemented by many states in the country. Till the mid sixties, Panchayati Raj system flourished in India. But there was decline in Panchayati Raj Institutions after the mid sixties mainly because of centralized tendencies of functioning all over the country.

In this backdrop in 1977, the Janata government appointed a Committee with Ashok Mehta as chairman and was entrusted with the task of enquiring into the causes responsible for the poor performance of Panchayati Raj Institutions. It was also asked to suggest measures to strengthen Panchayati Raj Institutions. The committee suggested two tier system of Panchayati

Raj consisting of Zilla Parishads at the district level and Mandal Panchayats at the grass root level as against three tier system suggested by the Balwantrai Mehta Committee. The committee recommended constitutional protection to the Panchayati Raj Institutions and further decentralization of power at all levels. Due to the fall of the Janata government, the Ashok Mehta Committee recommendations were not implemented. Both the Committees overlooked the importance of panchayats as units of self government.



During 1980's, two important Committees were appointed to look into local governments- GVK Rao Committee in 1985 and Dr. L.M. Singhvi Committee in 1986. The GVK Rao committee recommended the revival of Panchayati Raj Institutions in a way so greater responsibility of planning, implementation, and monitoring of rural development programmes could be assigned to them. L.M. Singhvi Committee recommended that the Panchayati Raj Institutions should be constitutionally recognized and protected. New chapter in the constitution should be provided to define their powers and functions and free and fair election to be conducted through the election commission. The Committee recommended for appointment of finance commission and all the rural development programmes are to be entrusted to the Panchayati Raj Institutions by amending schedule VII of the constitution.

Following these circumstances, the 73rd Amendment Act is an attempt to restructure the Panchayati Raj to reach the grassroots level. The bill for the first time gave constitutional status to Panchayati Raj institutions and it became mandatory on all state governments (except Jammu & Kashmir, Mizoram, Nagaland & Meghalaya) to implement it. The Panchayats (Extension to the schedule areas) Act, 1996 extends the 73rd Amendment: to the fifth schedule

areas. Three states viz. Mizoram, Nagaland and Meghalaya, which are covered by the sixth schedule, are exempted from the purview of the 73rd Amendment. This Amendment brought about uniformity in structure, composition, powers and functions of panchayats. It gave impetus to Panchayati Raj to promote social and economic development and improvement in living condition of rural India. It was passed in 1992 as the 73rd Amendment Act 1992 and came into force on 24th April 1993. Its main features are as follows.

- The Gram Sabha or village assembly as a deliberative body for decentralized governance has been envisaged as the foundation of the Panchayati Raj System.
- A uniform three-tier structure of panchayats at village (Gram Panchayat — GP), intermediate or block (Panchayat Samiti — PS) and district (Zilla Parishad — ZP) levels.
- All the seats in a panchayat at every level are to be filled by elections from respective territorial constituencies.
- Not less than one-third of the total seats for membership as well as office of chairpersons of each tier has to be reserved for women.
- Reservation for weaker castes and tribes (SCs and STs) has to be provided at all levels in proportion to their population in the panchayats.
- To supervise, direct and control the regular and smooth elections to panchayats, a State Election Commission has to be constituted in every State and UT.
- The Act has ensured constitution of a State Finance Commission in every State/UT, for every five years, to suggest measures to strengthen finances of panchayati raj institutions.
- To promote bottom-up-planning, the District Planning Committee (DPC) in every district has been accorded constitutional status.
- An indicative list of 29 items has been given in Eleventh Schedule of the Constitution. Panchayats are expected to play an effective role in planning and implementation of works related to these 29 items.

Enactment of PRI Act

By 1959, all the states had passed panchayat acts and by mid 1960s panchayat had reached all parts of the country. Those were the promising days of panchayat raj institution in India. In 1978, Ashok Mehta Committee seeks to make panchayats an organic, integral part of our democratic process. The panchayati raj institution which came into being in certain states after the Ashok Mehta Committee's recommendation could be considered the second generation panchayat. The second generation of panchayat raj can be said to have started when the West Bengal Government took the initiative in 1978 to give a new life to its panchayat on the lines of Ashok Mehta Committee's recommendation. West Bengal, Karnataka, Andhra Pradesh and Jammu & Kashmir either revised their existing panchayat acts or passed new acts, accepting in theory the said report. The most important thrust of the second phase was the emergence of panchayat from a development organisation at the local level into a political institution. Hence, the 73rd Constitutional Amendment Act (193) was enacted for the creation of the New Panchayati Raj System (NPRS). It was implemented by the States through the conformity legislation in 1994, which aimed at institutionalizing inclusive governance for inclusive development.



Arrangements for maintenance of accounts and its audit

Under Articles 243 J and Z of the Constitution, the legislature of a State may, by law, make provisions with respect to the maintenance of accounts and the auditing of such accounts

of panchayati raj institutions and urban local bodies. The local fund auditor, who is generally an officer of the State Government, is responsible for audit of panchayati raj institutions and urban local bodies. The Comptroller and Auditor General may undertake the audit of panchayati raj institutions and urban local bodies under Section 14 of the C&AG (DPC) Act where such bodies substantially financed by grants or loans from the Consolidated Fund of India or of any State or Union Territory having a legislative assembly are auditable under the provisions of the Act. The Regulations on Audit and Account came into existence in the year 2007 under section 23 of C&AG (DPC) Act. The Regulations, to the extent relevant, shall also apply incases where audit of panchayati raj institutions and urban local bodies is entrusted to the Comptroller and Auditor General under Section 20 of the Act. The functions of Technical Guidance and supervision (TGS) to audit of panchayati raj institutions and urban local bodies have been entrusted to the Comptroller and Auditor General under Section 20(1) of the Act in many States. The salient features of the collaborative arrangement between the Comptroller and Auditor General and the local fund auditor under technical guidance and supervision as incorporated in various Government orders of State Governments are as follows:

1. The local fund auditor will prepare by the end of March every year an annual audit plan for audit of panchayati raj institutions and urban local bodies in the next financial year and forward it to the Accountant General (Audit) of the State
2. The audit methodology and procedures for audit of panchayati raj institutions and urban local bodies by the local fund auditor will be as per various Acts and statutes enacted by the State Government and guidelines prescribed by the Comptroller and Auditor General.
3. The copies of inspection reports in respect of selected local bodies shall be forwarded by the local fund auditor to the Accountant General (Audit) for advice on system improvements and the Accountant General (Audit) shall review the same with a view to make suggestions for improvement of existing systems being followed by the local fund audit department. The Accountant General (Audit) will also monitor the quality of the inspection reports issued by the local fund auditor by scrutinizing such inspection reports.
4. The local fund auditor will furnish returns in such format as may be prescribed by the Comptroller and Auditor General for advice and monitoring.

5. The Accountant General (Audit) would conduct test check of some of panchayati raj institutions and urban local bodies in order to provide technical guidance. The report of the test check would be sent to the local fund auditor for pursuance of action to be taken by panchayati raj institutions and urban local bodies. The local fund auditor will pursue the compliance of such paragraphs in the inspection reports of the Accountant General (Audit) in the same manner as if these are his own reports.
6. Irrespective of the money value of the objections, any serious irregularities such as system deficiencies, serious violation of rules and fraud noticed by local fund auditor will be intimated to the Accountant General (Audit).
7. The local fund auditor shall develop, in consultation with Accountant General (Audit), a system of internal control in his organisation.
8. The Accountant General (Audit) shall also undertake training and capacity building of the local fund audit staff.

The Objective of the Research Project

We all know that two main constituents of Local Bodies, viz., Urban Local Bodies and Panchayats figure in the State list in the constitution. It empowers the state Governments to enact their own Act to run the local self governments. This federal framework has given rise to a lot of varieties in the regularity environment as far as audit and accounts of local bodies are concerned. The main objective of the research project is to capture these varieties and to get an 'at-a-glance' picture of the same. This project will, hopefully, apart from bringing together the varieties of environment on a single canvass, facilitate the process of understanding the evolution of auditing and accounting environment of PRIs in all states in India.

Accounting Environment of PRIs in different States and Union Territory

Maintenance and basis of Accounting:

We know that government accounts are maintained mainly on cash basis of accounting and, barring very few countries, this is uniformly followed across the world. The same trend is also noticed in the panchayati raj institutions of our countries where 25 States in India and two union territories maintain their accounts on **cash basis of accounting system**. There are, however, three States, namely, Chhattisgarh, Kerala and Goa who follow accrual basis of accounting system. In Karnataka, the accrual basis of accounting system is followed at GP level only. It is obviously a significant development that accrual basis of accounting could be introduced at least at one tier of government in few number of states. It is further observed that only cash books are maintained and no annual accounts are prepared in any tier in Punjab.

As majority of states still maintain their accounts on cash basis, the entire gamut of financial position and performance of PRIs in the form of asset & liabilities, loans, debtors and creditors, receivable & payable, surplus or deficits do not figure in their annual accounts and, thus, the basic purpose of preparing annual accounts gets compromised to a great extent.

Computerization of accounting system:

Many states have made many significant efforts in **computerization of accounting system** at Panchayati raj institutions. It was noticed that six states (Assam, Andhra Pradesh, Chhattisgarh, Uttar Pradesh, Maharashtra and Tripura) maintain their accounts fully on computerized system while seven States (Karnataka, Himachal Pradesh, Jharkhand, Uttarakhand, Odisha, Bihar and West Bengal) maintain the accounts partly in computerized environment. The remaining States and UTs are yet to introduce the computerization in PRIs. The thirteen States, who have introduced computerization either fully or partly, are all but two using PRIASOFT soft ware. Two states, which are not using PRIASOFT software, use the softwares namely 'Panchatantra' in Karnataka and 'IFMAS' & 'GPMS' in West Bengal.

Auditing Environment of PRIs in different States and Union Territory

Responsibility of States and C&AG in auditing PRI sectors:

The audit arrangement of Panchayati Raj Institutions varies widely across the states. In majority of states, the primary audit of accounts of PRIs is done by the Local Fund Auditors, the officers of respective state governments. In those states, C&AG is entrusted with the responsibility of providing only the Technical Guidance and Supervision support. Few states are, however, there where C&AG have been acting as a sole auditor for Local Bodies for many years for historical reasons.

In the states of **Bihar** and **West Bengal**, the Examiner of Local Fund Accounts, who is an officer of the Comptroller and Auditor General (C&AG), is responsible for the audit of accounts of panchayati raj institutions and urban local bodies. In **Karnataka**, CAG is the sole auditor of first two tiers (Zila Parishad and Taluk Panchayat), whereas Controller, State Accounts Department is responsible for the audit of accounts of third tier (Gram Panchayat). In that regard, CAG provides the Technical Guidance and Supervision Support for GP audit. There are few states like **Goa, Sikkim & Manipur**, where panchayati raj institutions have two tiers (Zila Parishad & Village Panchayat) instead of three. In **Goa**, CAG is responsible for audit of accounts of Zilla Parishad, whereas Director of Accounts, Goa conducts the audit of accounts of Village Panchayat and CAG has the responsibility of providing TG&S for the same.

In other States and UTs, the local fund auditor, an officer of the State Government, is primarily responsible for audit of panchayati raj institutions. But certain differences exist in few states at the level of implementation and they are illustrated below:

- a. In the State of **Arunachal Pradesh**, PRIs are subjected to audit by Local Audit of the Directorate of Audit and Pensions as an Internal control measure and there is no specific separate order for PRIs. The state government approved (Nov 2009) the Technical Guidance and Supervision to PRIs and also entrusted its audit to the C&AG of India through an Executive order. The formal notification for this purpose has not yet been issued. Hence, audit is conducted by C&AG under sec 14 of CAG's (DPC) Act, 1971.

- b. In **Jharkhand**, in terms of Para 149 of Regulations on Audit and Accounts, 2007, the Examiner of Local Fund Accounts is responsible for audit of accounts of PRIs. The state government, however, went into TGS arrangement from October 2011. The DLFA has not yet been appointed and, hence, all the parameters attached to audit under TGS arrangement are not being followed at present.
- c. In the State of **Jammu & Kashmir**, TGS has been entrusted to C&AG in October, 2012 but no audit has yet been undertaken.
- d. In **Rajasthan**, the PRIs are not being audited under TGS. C&AG conducts audit under section 14 of C&AG (DPC) Act and under section 75 (4) of Rajasthan PR Act, 1994 amended in March 2011. The said state act states that Director, Local Fund Audit shall audit all accounts kept and maintained by PRIs provided the C&AG may also carry out a audit of such accounts and such audit report shall be laid before the state legislature by the state government.
- b. In **Pondicherry** too, the audit is conducted under sec 14 of DPC Act by the C&AG as there is no specific order for entrustment of TGS to C&AG.

Certification of Annual Financial Statement

The certification of financial statement of PRIs remains outside the purview of audit in many states. This is equally applicable for the states where C&AG act as a sole auditor.

- a. In **West Bengal**, certification of accounts is done only in respect of Gram Panchayat although C&AG is the sole auditor for all tiers.
- b. In **Bihar**, no certification of accounts is done at all levels of PRIs.
- c. In **Karnataka**, certification of accounts is carried out both in respect of Zilla Parishad and Taluk Panchayat where C&AG is the sole auditor for those two tiers.
- d. In **Goa**, certification of accounts is done in respect of Zilla Parishad as C&AG is the sole auditor of this tier only.

In the states like Maharashtra and Kerala, certification audit of financial statement is conducted by Director of Local Fund Auditors.

Frequency of Audit undertaken

According to C&AG's prescribed norms the **frequency of audit** in respect of Technical Guidance and supervision support in different tiers are as follows:

Unit	Periodicity
ZP(1 st tier)	Annual
PS(2 nd tier) a) 30 to 50 lakh b) 50 lakh to 1 crore c) More than 1 crore	Triennial Biennial Annual
GP(3 rd tier)	Once in 5 years

The field offices under C&AG follow the norms relating to **frequency of audit** uniformly (annual) in respect of 1st tier (ZP), but in respect of other two tiers the norms fixed are not complied with. The frequency of audit in respect of 2nd tier and 3rd tier varies from annual to quinquennial depending upon the resources available with respective field offices. The exception is Andhra Pradesh where C&AG's norms are followed in letter and spirit. The overall position is detailed below:

Frequency of Audit undertaken in 2nd tier

Annual	Biennial	Triennial	Triennial/ Biennial	Once in 5 year	Not fixed
Karnataka, Gujrat, Odisha, Rajasthan, Tripura, Maharashtra (NGP),	Punjab, Assam, W.B., Maharashtra (Mumbai), Andaman	H.P., Jharkhand Uttarakhand, Kerala	M.P. Bihar,, U.P.	Haryana	Tamil Nadu, Puduchery, Chattisgarh, J&K.

Frequency of Audit undertaken in 3rd tier

Annual	Biennial	Triennial	Triennial/ Biennial	Once in 5 year	Not fixed	Others
West Bengal	Punjab, Sikkim, Tripura.	Kerala, Karnatka, Jharkhand , Manipur	-	Andaman, Maharashtra, Bihar, Goa, Assam, Gujrat , H.P., Punjab, Uttarakhand, Odisha, Rajasthan, Tamil Nadu. M.P., U.P.(more than 5 years)	Chattisgarh, J&K, Tamil Nadu, Puduchery	Haryana (40%)

Type of Audit Conducted:

C&AG mainly undertake the Compliance and Performance Audit in almost all the States and UTs where TGS responsibility has been entrusted to C&AG. The Certification Audit is conducted in some States (details mentioned above) where C&AG is the sole auditor.

Language of Inspection report issued:

There are wide variations in case of languages of inspection reports issued by the C&AG after conducting the audit.

- In the State of **Kerala**, the language of inspection reports is only in local language at all tiers.
- In four States (**Maharashtra, West Bengal, Himachal Pradesh and Andhra Pradesh**), the inspection reports of 3rd tier (GP) are issued in local language and for other tiers they are in English. In **Jharkhand**, reports of 1st tier (ZP) are issued in English and in other tiers in Hindi.
- In **Chatisgarh**, the reports are issued either in English or in Hindi and in **Andaman & Nicobar Island** the same are issued both in English & Hindi.
- In **twelve States** and in **Pondicherry** the reports are issued only in English and in the remaining **six States (Haryana, U.P, Uttarakhand, Rajasthan, M.P, and Bihar)** the same are issued in Hindi.

Composition of Party & Duration of Inspection

According to C&AG's prescribed norms, the composition of party & duration of inspection in different tiers are as follows:

Unit	Composition
ZP	1AO +2AAO+1Ar
PS	1AAO+1Ar
GP	2 or 1 Auditor

Unit	Duration
ZP (annual)	
Up to 20 Crore	10 days
20 to 40 crore	20 days
More than 40 crore	30 days
MPDO (Panchayat Samity)	7 days
GP	5/6 days.

It is noticed that **composition of party** and **duration of inspection** varied widely in different states & UT and in different tiers as per availability of man-powers in respective field offices of C&AG. Therefore, the norms fixed are hardly followed.

Submission of Audit Report to the State Legislative Assembly:

There are provisions in all the States for submission of the Audit Reports in the State Legislative Assembly and in most of the States the same are now being submitted. But, in the states of **Odisha, Uttarakhand and Himachal Pradesh** the Audit Reports have not yet been submitted to the State Legislative Assemblies. No separate Audit Report is prepared for Local Bodies in **Pondicherry**. ATIR has not been prepared in **Arunachal Pradesh till now**.

A comparative statement showing regularity environment of audit and accounts of PRIs is depicted in **Annexure**.

Conclusion

An effort was made through this research project to capture the prevailing varieties in the regularity environment as far as audit and accounts of Panchayati Raj Institutions are concerned and to get an 'at-a-glance' picture of the same on the basis of information received from the different field offices. After Constitutional amendments in 1992, a sea change has taken place in the functions of local bodies. The Fund flow towards PRIs has increased manifold over the years. All these necessitated a greater level of accountability and transparency in panchayati raj institutions. We know that Audit is considered one of the main tools for ensuring accountability and transparency in public sector. This has put up a great challenge before the audit and there is no doubt that the existing regularity environment of audit and accounts needs to be strengthened and revamped to do justice to the challenges being faced by audit.

ANNEXURE

ANNEXURE

Comparative statement showing regularity environment of Audit and Accounts of Panchayat Raj Institutions

Sl. No.	State	System of maintenance of Accounts, Cash basis/ Accrual basis	Whether accounts maintained on Computerised system	Name of the Accounting software adopted	Whether budget and accounts exist online	Which authority conducts audit	Whether CAG is entrusted as sole auditor, or, if so for which portion	Whether CAG is providing Technical Guidance Support	Percentage of audit adopted for GP/VP, PS/BP/TP/ KP/JP, ZP/DP annually.	Composition of audit team	Frequency of audit	Duration of Inspection	Kind of audit adopted	Language of issue of Inspection Report	Whether Certification audit is done by CAG	Whether provisions exist for submitting Audit Report to State Legislative Assembly/State PAC/Any other body
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Kerala	Accrual	At implementing stage	Saankhya Software	Initial stage	DLFA	No	YES	GP-4.49%, BP-6.5%, DP-14.28%	1 SAO + 2 AAO	GP-Triannual, BP-Triannual, DP-Annual	GP-12, BP-7, DP-20 days	Compliance Audit, Performance Audit, Thematic Audit & Suppl. Audit.	Local (Malayalam)	No	Yes
2	Assam	Cash	Ongoing	PRIASoft	Ongoing	DLFA	No	YES	2.1%, 11%, 40%	1 or 2 AAO, 2 or 1 Ar., & 1 AO	GP-Once in 5 years, AP-Bi-annual, ZP-Annual	District Centric Audit consisting of 1 ZP, 2 Aps & 4 GPs conducted during 30-35 days	Performance Audit, Thematic Audit, Compliance Audit	English	No	Yes

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
3	Arunachal Pradesh	Cash	No	NIL	No	Not yet appointed	No	Notification not yet issued	TGS not yet entrusted formally. Only compliance audit of few PRIs conducted.	Not furnished	Not furnished	Not furnished	Compliance Audit	English	No	Since no ATIR has been prepared
4	Andhra Pradesh	Cash	Both manual & computerised system exist	PRIASoft	No	Director, State Audit	No	YES	5%, 20%, 50% (upto 2010-11)	1 SAO, 2 AAO & 1 Ar.	As per CAG's norms.	5/6 days, 7 days, 10-30 days.	Compliance, Performance and Theme based Audit.	GP-Local (Telugu), Others-English	No	Yes
5	Chattisgarh	Accrual	Ongoing	PRIASoft	No (On trial)	DLFA	No	YES	0.7%, 8%, 37% (Jany to June'13)	Not yet framed	Not yet framed	Not yet framed	Compliance Audit only	Either in English or in Hindi	No	Yes

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
6	Karnataka	ZP & Taluk Panchayat-Cash, GP-Accrual	Only GP-partly	Panchatrantra Software	No	ZP & TP by CAG, GP-conducted by State Accounts Deptt.	For ZP & TP under Sec.19 (3) DPC Act.	YES for GP.	ZP, TP-100% (for certification audit). Compliance Audit-according to Manpower. GP-Test Check	1 AO+1 AAO+1 Ar for ZP & TP, 1 AAO+1 Ar or 2 Ars.for GP	GP-Triannual, TP & ZP-Annual	GP-3, TP & ZP-16 days.	Compliance Audit & Certification Audit	English	Yes (ZP & TP only)	Yes
7	Gujrat	Cash	No	Integration of Gujrat Rural Accounting Management Software with PRIA Soft under process	No	DLFA	No	YES	2%, 15%, 35%	1 AO+1 AAO+2 Ars.	GP-Once in 5 years, TP & DP-Annual	GP-1 day, TP-10 days, DP-30 days	Test check Audit	English	No	Yes

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
8	Haryana	Cash	No	NIL	No	DLFA	No	YES	2.5%, 20%, 20%	1 AO + 1AAO + 1 Ar. for ZP, 1 AAO+ 1 Ar. For PS & GP	40% for GP, Once in five years for PS & ZP, as per availabl e man days.	GP-2 days, PS-2 days, ZP-3 days.	Compli ance and Perform ance Audit	Hindi	No	Yes
9	Himachal Pradesh	Cash	Partly	PRIASo ft	No	Director, Panchayat Raj	No	YES	150-300 (GP), 1/3%, 100%	1 AO + 1AAO + 1Ar for ZP, 1 AAO+ 1 Sr.Ar+ 25% Supervi sion of AO for PS & 2 Ars. For GP.	GP- Once in 5 years, PS- Triannu al, ZP- Annual	GP- 2days, PS-4- 6 days, ZP-5-6 days	Compli ance & Perform ance Audit	ZP & PS- English , GP- Hindi	No	ATIR not yet submitted

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
10	Jharkhand	Cash	Partly	PRIASoft	No	To be conducted by DLFA, but due to non creation of DLFA detailed audit not conducted by DLFA.	No	YES, in a few PRIs	TGS entrusted in Oct, 2011, few PRIs conducted in 2012-13	1 AO + 1 AAO + 2 Ars.	GP & PS-Triannual, ZP-Annual	GP- 1 day, PS- 2 days, ZP- 17-19 days	Compliance, Performance & Thematic Audit	ZP- English, PS & GP-Hindi	No	Yes
11	Jammu & Kashmir	MAS prescribed by CAG adopted but not implemented	Information not furnished	Information not furnished	Information not furnished	DLFA/Pension, Examiner/CAO-Local Fund Audit & Pension, Chartered Accountant	No	YES on 1.10.12, no audit undertaken.	TGS entrusted in Oct, 2012. No audit undertaken.	Does not arise	Does not arise	Does not arise	Does not arise			
12	Punjab	Maintained Cash Book only. Annual Accounts not prepared in any tier.	No	No	No	Examiner, LF Accounts.	No	YES	14%, 4%, 5%	1 AO + 1 or 2 AAO + 1 Ar.	GP- Once in five years, PS- Bi annual, ZP- Annual	1 PS along with 10 GPs- 10 days, ZP-3-5 days.	Compliance Audit	English	No	Yes

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
13	U.P	Cash, GP's Account maintained at Kshetra Panchayat	Ongoing	PRIASoft	No	Chief Audit Officer, Co-operative Society & Panchayat	No	YES	1.32%, 16.88%, 88.8% (13-14)	1 AAO + 1 Ar for GP, 1 AAO + 1 Ar + 25% Supervision of AO for KP, 1 AAO + 1 Ar for ZP	GP- More than 5 years, KP- 2 to 3 years, ZP- Annual	GP- 2 days, KP- 5 days, ZP- 7 days.	Compliance and Performance Audit	Hindi	Restricted to Expenditure	Yes
14	Uttarkhand	Cash	Partly, GP, Kshetra Panchayat manually, ZP- manually & Computer	PRIASoft	No	Directorate of Audit	No	YES	Only 30 units of PRIs audited in 2012-13	1 Ar for GP, 1 AAO + 1 Ar. + 25% supervision of AO for KP, 1 AAO + 2 AAO + 1 Ar. For ZP.	GP- Once in 5 years, KP- Triannual, ZP- Annual	GP- 1 days, KP- 7 days, ZP- 10 days.	Compliance, Thematic & Performance Audit	Hindi	No	Yes, but not yet submitted
15	Orissa	Cash	Partly	Panchayat Accounting & Monitoring Information System	Yes	DLFA	No	YES	GP-20%, PS, ZP- 100%	2 Sr. Ars. for GP, 1 SAO+ 2 AAO+ 1 Sr. Ar. for PS & ZP.	GP- Once in 5 years, PS & ZP- Annual	GP- 2 days, PS- 10 days, ZP- 4 days.	Compliance Audit, Thematic, Performance & System Audit.	English	No	No ATIR has been laid to SLA.
16	Rajasthan	Cash	No	PRIASoft in process	No	DLFA	No	CAG conducts u/s 14 DPC Act.	Not conducted audit under TGS	1 SAO + 2/1 AAO + 2 Sr. Ars.	Same	2 days for 3 GPs, PS- 7 days, ZP- 20 days.	Compliance & Performance Audit	Hindi	No	Yes

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
17	Sikkim (Two tier)	Cash	No	NIL	No	DLFA	No	YES	No information	1 AO + 1 AAO + 1 Ar.	GP-Biannual, ZP-Annual	GP-2 days, ZP-8 days	Compliance audit.	English	No	Yes
18	Tripura	Cash	Yes	PRIASoft	No	DLFA	No	YES	30%, 47%, 75%	1 Ar for GP, 1 AO + 1 AAO + 2 Ars for PS & ZP..	GP-Bi-annual, PS & ZP-Annual	GP- 2 days, PS- 7 days, ZP- 7 days.	Compliance Audit only	English	No	Yes
19	Tamil Nadu	Cash	No	NIL	No	DLFA	No	YES	VP-Nil, 28%, 13%	1 AO + 1 AAO + 1 Ar.	Not fixed	Minimum days-7	Compliance Audit only, test check only	English	No	Yes
20	M.P.	Cash	No	NIL	No	DLFA	No	YES	2%, 37%, 66%	1 Ar. For GP, 1 AAO + 1 Ar for JP, 1 AO + 2 AAO + 1 Ar for ZP.	GP- Once in 5 years, PS-Tri/Biannual; ZP-Annual.	No fixed duration due to shortage of staff	Compliance & Performance Audit	Hindi	No	Yes

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
21 A	Mahastra (NGP)	Cash	Uploade d in PRIA soft	PRIASoft	Yes	DLFA	No	YES	No information	2 Ars for GP, 1 AAO + 1 Ar for PS, 1 AAO + 1 Ar. for ZP.	GP- Once in 5 years, PS & ZP- Annual	GP- 2 days, PS-7 days, ZP-10-20 days.	Compliance & Performance Audit	Gp- Marathi , ZP & PS- English	No	Yes
21 B	Maharast ra (Mumbai)	Cash	Uploade d in PRIA soft	PRIASoft	Yes	DLFA	No	YES	1.39%, 11.53%, 57.14%	2 Ars for GP, 1 AAO + 1 Ar for PS, 1 AAO + 1 Ar. for ZP.	GP- Once in 5 years, PS- Biannual, ZP- Annual	GP- 3 days, PS- 6 days, ZP-35 days.	Compliance & Grants-in-aid & Performance Audit	English	No	Yes
22	Manipur (Two tier)	Cash	No	NIL	No	DLFA	No	Entrusted TGS in Feb/12 . But yet to provide TGS to primary External Auditor of PRIs	GP-16%, ZP-25%	1 SAO/A O + 1 AAO + 2 Sr. Ars.	GP-Tri annual, ZP- Annual	GP- 2/3 days, ZP- 15 days.	Compliance Audit	English	No	Yes

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
23	Bihar	Cash	Partly	PRIASoft	No	ELA/CAG	Yes	Does not arise	<10%, 30-50%, 80-100%	1 AAO + 1 Ar for GP, 1 AAO + 1 Ar + 50% supervision of AO for PS, 2 AAOs + 1 AO for ZP.	GP- Once in 5 years, PS- Tri/Biannual; ZP- Annual.	GP-2 days, PS- 8 days, ZP- 10 days.	Compliance & Performance Audit	Hindi	No	Yes
24	West Bengal	Cash(double entry)	ZP, PS-fully, GP-Partly	IFMAS at ZP & PS level, GPMS at GP level	No	ELA/CAG	Yes	Does not arise	100%, 100%, 100%	1 AAO + 1 Sr. Ar. Or 2 Sr. Ars. for GP, 1 SAO/AO + 1 AAO + 1 Sr. Ar. For PS & ZP.	GP- Annual, PS- Biannual, ZP- Annual	GP- 2/3 days, PS- 8-10 days, ZP- 26 days.	Audit on Accounts & Compliances	ZP & PS- English, GP- Local (Bengali)	Only GP	Yes
25	Goa (Two tier)	Accrual	No	NIL	No	Director of Accounts	CAG sole auditor in ZP only	TGS in Village Panchayat	VP-20%, ZP-100%	1 AO + 1 AAO + 1 Sr. Ar.	VP- Once in five years, ZP- Annual	VP- 2 days, ZP 1-days.	Compliance & Certification Audit	English	ZP only	Yes

Union Territories

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
26	Andaman	Cash	No	NIL	No	DLFA	No	YES	Not yet fixed	1 SAO + 1 AAO + 1 Ar.	GP- Once in 5 years, PS- Biannual, ZP- Annual	GP - 5 days, PS - 10 days, ZP- 20 days.	Not mentioned	In English & Hindi	No	Not clearly mentioned
27	Puducherry	Cash	No	NIL	No	Ex. of LF	No	Under 14 of DPC	Not mentioned	Varies as per availability of manpower, generally 2 AAOs + 1 Sr. Ar + 1 AO.	Not fixed	Minimum 5 days	Test Check	English	No	No separate report for Local Body.