

**DIRECTORATE OF LOCAL FUND AUDIT, ODISHA,
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Date.....05.09.14.....

From

Sri D.K. Parida,
Deputy Director,
Local Fund Audit, Odisha.

To

All District Audit Officers,
Local Fund Audit, Odisha.


Sub: Focus Areas for audit of the accounts of PRIs, ULBs and other bigger auditee institutions during 2014-15.

Madam/Sir,

In inviting a reference to the captioned subject, I am to say that although irregularities regarding maintenance of records, bank reconciliation, remittance of govt. dues, idle fund of defunct schemes, irregular appointments etc. are noticed in most of the institutions, the same are sporadically reported in some of the Audit reports as a result of which it is not possible to highlight the said irregularities in the Annual Report. Hence some of the most common possible irregularities have been identified and enclosed for guidance which are to be focussed upon while conducting audit and reported in the Audit Report in separate paragraphs/sub-paragraphs.

You are requested to circulate the same among the audit personnel auditing the accounts of various institutions and instruct them to focus on the areas suggested in the enclosed list and include separate paragraphs on the said points in the Audit Reports.

Yours faithfully,


04.09.14
Deputy Director

Focus Areas for audit during Annual Audit Programme, 2014-15

A. Focus areas in respect of Panchayat Samities:

1. Non-maintenance of prescribed records and registers which are essential parts of accounts. The records which are ought to be maintained but not maintained should be listed out and consequences of such non-maintenance or haphazard maintenance should be commented upon.
2. Non-reconciliation of bank accounts. All bank accounts which have not been reconciled by the local authority at the end of the financial year must be listed out.
3. Retention of heavy cash in hand in violation of prescribed limit.
4. Non-remittance of Govt. dues.
5. Non-maintenance of Annual account of Receipt & Expenditure.
6. Idle fund in respect of closed or defunct schemes.
7. Interest accrued in schemes not utilised or refunded to the funding agency as per the guidelines.
8. Diversion of fund. Amount of fund diverted and the scheme from which & the scheme to which fund is diverted, is to be ascertained.
9. Non-preparation of Annual Budget, a violation of statutory provision.
10. Lack of monitoring & control by the supervising authorities and its consequence.

B. Focus areas in respect of ULBs:

1. Non-maintenance of Statutory Records & Registers.
2. Non-maintenance/incomplete or haphazard maintenance of DCB Register.
3. Non-maintenance of Assets register.
4. Non-assessment of Holding Tax for years together causing loss of revenue.
5. Non-revision of Rent and tariff.
6. Irregular appointments in violation of Govt. provisions.
7. Misappropriation of fund through payment against bogus appointments.
8. Non-adjustment of Advances for years together & non-classification of Advance leading to non-realisation.

C. Focus areas in respect of Grama Panchayats:

1. Non-maintenance of prescribed registers.
2. Diversion of Fund. Both, the scheme from which and to which the fund is diverted is to be ascertained.
3. Management of public property by the G.P.s is to be reviewed and findings to be reported.
4. Mis-utilisation of Govt. Grant (K.L. Grant & Sairat) on establishment expenditure such as payment of wages/salary to peons and watchman, purchase of contingent items etc.
5. Non-collection of arrear dues of auction sale: non-maintenance of DC B Register
6. Non-verification of monthly G.P. accounts by the G.P.E.O (Rule 158 of the OGP Rules, 1968)
7. Non-preparation of Annual Report & Annual Budget.
8. Irregularities in PDS account in the GPs concerned

D. Focus areas in respect of Zilla Parishads:

1. Utilisation of K.L. grant & Cess grant in violation of guidelines.
2. Failure in monitoring & supervision of programmes on poverty alleviation schemes directly implemented by G.P.s and P.S.s.
3. Examination and approval of budget estimates of Panchayat Samities by the Z.P.s.

E. Focus areas in respect of Universities:

1. Expenditure in deviation from approved budget.
2. Non-production of Examination account on the plea of confidentiality.
3. Irregular appointments without Govt. sanction.
4. Non-maintenance of prescribed registers and records.
5. Non-maintenance of Advance Register.