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No. 10202 /DLFA,
DLFA(Prog)-XIV-Aud-13/2012

Date 27-08-14

To

All District Audit Officers,
Local Fund Audit, Odisha.

Sub: Guidelines on conduct of thematic audit on "Physical Verification of Construction of IAY Houses" and reporting.

Madam/Sir,

On review of the thematic audit reports of AAP, 2013-14 for compilation of Thematic Audit Report for the Annual Report, 2013-14, it was noticed that there is no uniformity in the contents of the audit reports of different districts. Some critical information essential for compilation of thematic audit report for Annual Report have not been furnished in some of the thematic audit reports approved during AAP, 2013-14.

In order to facilitate uniformity in reporting of thematic audit in different district offices, guidelines are hereby issued for conduct of audit on the theme, "Physical Verification of Construction of IAY Houses" and drafting of the report and enclosed herewith. You are requested to circulate the same among the auditors and ensure adherence to the same before approving the report.

Enclosure: As above.

Yours faithfully,


26.08.14
Deputy Director

Guideline for thematic audit on "Physical Verification of Construction of IAY Houses"

1. While taking up thematic audit of P.S. for 2013-14 on "Physical Verification of Construction of IAY Houses" , cash book and relevant records for the last three years, i.e., 2011-12, 2012-13 and 2013-14 should be examined and findings in respect of the said three years is to be reported.
2. The Audit report should contain the following broad paragraphs.
 - i) Introduction
 - ii) Executive Summary
 - iii) Scope
 - iv) Audit Objective
 - v) Audit Criteria
 - vi) Audit Findings
 - vii) Conclusion
 - viii) Recommendation
3. The Paragraph on Audit Findings should contain the following mandatory information. But numbering of the paragraphs/sub-paragraphs may not be necessarily as under. For each type of irregularity detected and reported, reasons for occurrence of such irregularity should be ascertained and recorded in the para.

A) Financial Position

i) Receipt and Payment position of IAY Cash Book for last 3 years is to be furnished in the tabular format given below; low % of utilization is to be commented upon.

Year	O.B	Receipt	Total	Expenditure	C.B	% of utilization
2011-12						
2012-13						
2013-14						

Analysis of C.B., i.e., in terms of Bank, P.L. Account, Advance and Cash in hand is to be given.

ii) Reconciliation of Bank Statements with reference to IAY Cash Book should be commented upon in the following manner:-

a) Closing Balance as on 31.03.2014(as per IAY Cash Book):

b) Closing Balance as on 31.03.2014(as per IAY Bank Pass Book):

c) Difference:.....

(Difference to be reconciled)

(iii) Receipt and utilisation of fund under IAY

Scrutiny of cash books and Bank Draft Register will through light on receipt and utilisation of fund under IAY scheme. Reasons for low % of utilization is to be ascertained and commented upon.

Year	OB	Receipt	Total fund available	Expenditure	CB as on 31 March as per cash book	Percentage of Expenditure
2011-12						
2012-13						
2013-14						

iii) Diversion of funds from IAY scheme, if any, may be commented.(Year wise diversion figure to be given)

Sl no	Vr no/date	Amount diverted	Name of the Schemes into which amount diverted from IAY
1	2	3	4

The reason of diversion may be reflected in the report.

iv) Submission of U.C./Pending position of U.C, should be furnished.

The position of U.C may be furnished in the following manners:-

- U.C pending at the beginning of the year:.....
- U.C due i.e. IAY grants received during the year:.....
- Total:.....
- U.C. submitted during the year:.....
- U.C. pending for submission:.....

The reason of non-submission of U.C, huge pendency of U.C, Year-wise break-up of pending U.C is to be furnished.

v) Examine whether IAY funds received in the PS is kept in a separate Bank Account? (para-4.7 of IAY Guidelines, Grants Register, IAY Cash Book, Bank Pass Book)

vi) Examine whether interest accrued thereon in the IAY account has been returned to the DRDA to consider as a part of IAY resources. (Para-4.8 of IAY Guidelines, IAY Cash Book, Bank Pass Book).

Opening Balance of the interest accrued thereon in the IAY Pass Book:-.....
 Interest accrued during the year under audit:-.....
 Total:-.....
 Interest amount refunded to the PD, DRDA during the year:-.....
 Interest amount retained at the PS level as on 31.03.2014:-.....

B) Achievement vis-a-vis Annual Target in physical terms fixed by the DRDA relating to different categories may be commented.

Name of the GPs	Targets				IAY units allotted(Work orders issued)				IAY units actually completed			
	S C	S T	Minority	General	S C	S T	Minority	General	S C	S T	Minority	General
1	2	3	4	5	6	7	8	9	10	11	12	13
2011-12												
2012-13												
2013-14												

If target is exceeded in case of a particular category then this should be commented upon. Similarly, low percentage of completion of IAY houses should be incorporated in the audit report with reasons.

Points of objection:

1. Maintenance of Permanent Wait List:

- i) Examine whether two Permanent Wait Lists one for SC/ST & another for General have been prepared or not.
- ii) Examine whether allotment of IAY houses made serially from the Permanent Wait List without verifying eligibility on the date of allotment or ineligible beneficiaries at later date excluded from the list on the recommendation of a committee constituted at PS level. (Permanent Wait List, Committee recommendation report, Case record).

2. Allotment of IAY houses to Non-BPL holders:

The irregularities noticed is to be furnished in the following format.

(BPL/ID no. of the beneficiary to be checked with ref. to BPL list of 1997/ID list of 2002, IAY case records).

Sl. No.	Name of the beneficiary with address	Case Record no and name of the GP	Target Year	BPL no/I.D no exhibited in the case record	Vr. No	Amount paid to the beneficiary
1	2	3	4	5	6	7

4. Allotment of IAY houses to the beneficiaries outside permanent waitlist. (the name of the beneficiary is to be checked with ref. to the permanent wait list and BPL/ID list).

The discrepancy, if any noticed should be reported in the following formats:-

Sl. No.	Name of the beneficiary with address	Case Record no and name of the GP	Target Year	Sl. no of permanent wait list exhibited in the case record	Vr. No	Amount paid to the beneficiary
1	2	3	4	5	6	7

4. Allotment of more than one IAY house in one BPL ID (IAY case records, BPL/ ID no. to be checked from BPL list of 1997/ID list of 2002).

The irregularities required to be incorporated in the report as per following pro forma:

Sl no	BPL no./ID no.	Name of the 1 st beneficiary	Ref. to Case record no./target year	Amount paid		Name of the 2 nd beneficiary	Ref. to Case record no./target year	Amount paid		Amount paid relating to fake BPL no./ID no.
				Vr. No	Amount			Vr. No	Amount	
1	2	3	4	5	6	7	8	9	10	11

5. In-admissible payment made to the beneficiaries without construction of IAY houses on the false verification certificate of the field officials (joint verification to field & IAY case records).

Sl no	Name of the G.P.	Name of the beneficiary	Case record no with target year	Amount paid	
				Vr no	Amount
1	2		3	4	5

6. In-admissible payment made to the beneficiaries for partly constructed houses on the false verification certificate of the field officials ((joint verification to field & IAY case records).

Sl no	Name of the G.P.	Name of the beneficiary	Case record no with target year	Amount paid	
				Vr no	Amount
1		2	3	4	5

7. Examine whether instalments have been released on a staggered basis as per guidelines or paid lump sum one time to the beneficiaries.(Para-4-10of IAY Guidelines)

8. Examine whether the beneficiaries have been paid through their Bank accounts/cheques/cash. If the beneficiary is paid other than through the Bank accounts, same should be reflected in the report.

9. Examine whether the build-up area is 20sqm. (Para-5.3 IAY Guidelines, joint verification to field & IAY case records)

10. Examine whether the IAY house is allotted in favour of male beneficiary instead of Female member of the family.(Para -2.4 of IAY Guidelines, IAY case records) Give the list of deviations from the guideline.

11. Examine whether display board with Indian Rural Housing Logo, year of construction, name of the beneficiary etc. is fixed in each unit of IAY house. (Para-5.3 of IAY Guidelines, joint verification to field & IAY case records)

12. Examine whether contractors/Departmental construction have been allowed for construction of IAY houses.

13. Examine whether there was any interference of local MLA/MP, MLA/MP representatives or any political person in selection of IAY beneficiaries ignoring the Gram Sabha. (para-2.1 of IAY Guidelines).
14. Examine whether free electricity connection is provided to the IAY houses.(para-3.2 of IAY Guidelines).
15. Examine whether IAY houses have been provided with Sanitary Latrine & Smokeless Chullha. (para-3.2 of IAY Guidelines).
16. List out the no. of IAY units completed or remained incomplete beyond 2 years from the date of issue of work order, incorporate the reason of delay in completion of IAY units.(para-5.10 of IAY Guidelines, works register, case record etc.)
17. Examine whether construction of IAY houses have been inspected by the authority of PS/Dist./State level?(para-6.1 of IAY Guidelines).
18. Examine whether landless BPL beneficiaries have been supplied Govt. land for construction of IAY houses.
19. Examine the mechanism adopted to ensure that the selected beneficiary household was not previously given assistance under IAY or any other State Rural Housing Schemes. Examine whether the implementing agencies have maintained complete inventory of houses constructed under the IAY giving details of the date of commencement and the date of completion of construction of dwelling unit, name of the village & Block in which the house is located, occupation and category of beneficiary. (Para-5.9 of IAY Guidelines, IAY Data Base, AWAS SOFT, IAY Asset Register).
20. Examine whether effort has been made for convergence of IAY scheme with other flagship programmes or not and comment on the findings.
20. **Any other important matter/objection** detected in audit should be reported with relevant information.