

खुशवंत सिंह सेठी  
संयुक्त सचिव  
K.S. SETHI  
Joint Secretary



पंचायती राज मंत्रालय  
भारत सरकार  
11वीं मंजिल, जीवन प्रकाश बिल्डिंग,  
25, के.जी. मार्ग, नई दिल्ली-110001  
MINISTRY OF PANCHAYATI RAJ  
GOVERNMENT OF INDIA  
11<sup>th</sup> Floor, Jeevan Prakash Building  
25, K.G. Marg, New Delhi-110001

D.O.No. R-16012/1/2020-FD

2<sup>nd</sup> December, 2021

Dear *Madam/Sir,*

The Ministry of Panchayati Raj has been monitoring utilisation of Central Finance Commissions' grants to ensure transparency in the activities of Rural Local Bodies (RLBs) across the country and optimal utilization of funds by them. Towards this end, the Ministry had launched AuditOnline in April, 2020 to facilitate online audit of accounts of all the RLBs coupled with a sound financial management system. Further, the O/o C&AG has been providing technical guidance and support to the RLBs regarding maintenance of accounts and their audits.

2. The O/o C&AG has released the "Guidelines for Financial Audit of Panchayati Raj Institutions" on 17<sup>th</sup> November 2021. These guidelines further strengthen and enhance the audit mechanisms at the grassroots level and seek to bring about clarity to Financial / Certification Audit process. These guidelines also provide for various modalities and checklists for carrying out financial audit of the RLBs. The O/o C&AG has also prescribed the format of Audit Certificate with the appended report comprising of categorization of observations, which shall be incorporated in the AuditOnline Application. These guidelines, both in Hindi & in English, are enclosed for facility of your reference.

3. These guidelines are comprehensive in nature, covering all aspects pertaining to the various reports available in eGramSwaraj. I hope these guidelines would help in assessing the RLBs' performance and bring clarity in expenditure/utilisation of Grants by RLBs provisioned to them under the Central Finance Commission. Further, these guidelines in conjunction with the accounting module of eGramSwaraj would facilitate a sound financial management and decision support system across the RLBs. Hence, the Guidelines may be thoroughly gone through by all concerned in the State for information and timely requisite actions on their part.

With warm regards,

Yours sincerely

*(K.S. Sethi)* 02/12/2021

Encl: As Above

- i) Principal Secretary / Secretary (Panchayati Raj Department), All 28 XV FC States
- ii) Directorate of Local Fund Audit, State Finance Department, All 28 XV FC States