

**PROCEEDINGS OF THE ANNUAL REVIEW MEETING
OF DISTRICT AUDIT OFFICERS, LFA, HELD IN THE CONFERENCE HALL OF
MADHUSUDAN DAS REGIONAL ACADEMY OF FINANCIAL MANAGEMENT,
BHUBANESWAR ON 29.7.2015 at 11 A.M.**

The Annual Conference of District Audit Officers, Local Fund Audit for the year 2014-15 was held in the Conference Hall of Madhusudan Das Regional Academy of Financial Management, Bhubaneswar on 29.7.2015 at 11A.M. under the Chairmanship of Sri Ajay Kumar Das, Director, Local Fund Audit, Odisha, Bhubaneswar. The Conference was inaugurated by Sri Pradip Kumar Amat, Hon'ble Minister, Finance & Public Enterprises, Additional Chief Secretary, Finance Sri R. Balakrishnan as guest of Honour, Special Secretary Sri Biraj Kumar Das and Director, MDRAFM attended as the distinguished guest on this occasion. The List of Officers who attended the Conference is given at Annexure –A.

At the outset, Assistant Director, Smt. Ashima Patnaik introduced the guests who were presented with flower bouquets. The Director, LFA welcomed the dignitaries, all District Audit Officers and other functionaries present on the occasion. In his introductory speech, the Director briefed about the LFA organisation, its functioning, audit coverage vis-a-vis annual target and other significant achievements made during the year 2014-15 in spite of shortage of Staff in the organisation. He spoke about the creation of three new District Audit Offices in Jagatsinghpur, Boudh and Nuapada during the year 2014-15 which became operational from May, 2015 for better monitoring and supervision of audit work. He also stated that in the face of shortage of auditors the organisation has undertaken the task of clearance of the backlog in audit through outsourcing. In this initiative, the Chartered Accountant Firms have been successfully engaged for audit of the accounts of Aided Colleges and IPAI auditors have been engaged for audit of the arrear accounts of Gram Panchayats. With a view to achieving better coverage of the arrear accounts of the institutions pending for audit by the Local Fund Organisation, the Director, also put forth a proposal before the Hon'ble Minister & Special Secretary for engagement of retired Local Fund Audit personnel. After automation towards E-Governance through ALFA, the Local Fund Audit organisation has become self sufficient in working through on line but due to lack of infrastructure like Laptop, Dongles etc the coverage of

audit is hampered to some extent. As such the Director requested Hon'ble Minister to consider the matter and to enable the organisation to become self-sufficient by supplying Laptops & other related accessories to the Audit Personnel.

Assistant Director Smt Ashima Patnaik made a power point presentation on organisation structure, staff position, different activities & achievement of the LFA Organisation during the year 2014-15 and the work plan for the year 2015-16 along with the target of audit coverage planned for the current year.

Smt Minati Sahoo, Technical Director, NIC & I/C ALFA made a presentation on the different modules developed by ALFA team on different activities of the organisation along with proposed modules for future expansion of the ALFA software.

Special Secretary, Finance, in his address, said that the achievement of the Local Fund Organisation during the year 2014-15 is very impressive. He expressed his opinion that during audit, Auditor should not get stuck to the records alone, rather he should also apply his observations to the practical utility of various schemes and programmes in the present scenario. Audit should not be hypothetical; it should keep track of reality. He stressed on the need for conducting thematic/performance audit, selecting of themes of public interest on priority basis. He advised the Director to choose some themes which can be carried out on wider basis. He assured that Finance Department has decided to provide laptops to the Audit Personnel.

Hon'ble Minister, Finance & Public Enterprises in his address stated that the State has certain social obligations to fulfil and to perform a series of welfare activities like poverty alleviation, health care, sanitation, education, housing, supply of drinking water, agriculture and improvement of rural connectivity roads etc.. In the context of phenomenal increase in the flow of funds from both State & Central Government towards PRIs, the responsibility of Local Fund Audit organisation has enlarged. Now DLFA is a mammoth organisation having 26 Audit Offices all over the state to shoulder this responsibility. He admitted that the LFA organisation has some structural shortcomings along with professional hazards. He advised that we have to overcome all the obstacles by tact and persuasion. He advised the Director to compile the Annual Report for 2014-15 which is to be laid before Assembly with due accuracy and precision. He was aware that logistic support like supply

of laptop, dongle etc to audit party is essential for effective reporting under ALFA and assured that these issues are being taken up for active consideration very soon. He impressed upon the Auditors that through their sincere and dedicated work, they should minimise the trend of corruption, indiscipline & extravagance. Lastly he advised that the role of Audit should be so transparent that the Common People should not think that Audit is hostile rather they should have the impression that audit is hospitable to administration and indispensable part of "Good Governance".

Additional Chief Secretary, Finance expressed his enthusiasm to view the proposed future expansion of ALFA. He appreciated the new system of audit under computer environment. He assured to look into the vacancy position and need of technical equipment and capacity building. He stressed on the need for effective monitoring to ensure quality & efficiency in auditing and reporting by the out-sourcing agencies like CA Firm Auditors and IPAI Auditors. For this there is a need to review the quality of audit reports generated by them. He stated that the dimension of audit is now subject to change and transformation. As per the 14th Finance Commission & 4th Finance Commission of State, Gram Panchayats will be empowered with huge flow of Government Funds and a lot of activities are to be under taken by GPs. In this context Audit of function & purpose is important than figures. Auditing should not be mechanical rather it should be methodical. He stated that purpose of Audit should be audit of Purpose. Audit should be Operational, Functional so that feedback from audit observations will help in improvement of administrative system. Audit is also desired to be a feedback mechanism for administration. He expected audit to be not only an appraisal of today rather a guide for a better tomorrow.

In the felicitation ceremony, the District Audi Officer, LFA ,Bargarh was felicitated by Hon'ble Minister for the best performing District during the programme year 2014-15 in terms of audit activities and implementation of ALFA. She was presented with a shield and a certificate of merit.

The first session ended with vote of thanks by Sri Niranjana Mishra, Joint Director.

Second Session:

The second session was started with introductory speech by Sri B.B.Panigrahi, Deputy Director who outlined some important points to improve the system & procedures of audit instead of performing audit in a mechanical manner. He opined that the quality of audit reports should be enriched with proper and logical observations. As the District Audit Officer is the link between the grass root level of Audit and the apex i.e., the Directorate of LFA, he plays a pivotal role to motivate the Audit Personnel to excel in their jobs.

The overall performance of the District Audit Officers in different activities for the programme year 2014-15 was reviewed by the Director. The percentage of performance of 15 DAOS are above the state average percentage and 8 DAOs are lagging behind. The Director expressed his displeasure on the poor performance of the DAOs Balasore, Bolangir, Cuttack, Gajapati, Koraput, Puri, Phulbani & Sundargarh who were below the total state average percentage of achievement for the programme year 2014-15. The reasons attributed by the concerned DAOs regarding shortfall were not convincing. The DAO Balasore, Bolangir, Cuttack, Gajapati, Koraput, Puri, Phulbani & Sundargarh assured to achieve 90% coverage in the current programme year 2015-16.

The DAO Bargarh informed that IPAI Auditors have submitted some offline reports for the year 2013-14 after a gap of 1 year and sought the advice of the Director regarding their approval. The Director instructed to review and approve those reports.

DAO Bhadrak expressed his displeasure on non production of records by the Gram panchayats, haphazard reports submitted by IPAI Auditors & delay in submission of audit reports by them. In this context the Director instructed all DAOs, to invite the C.A. Firms & IPAI Auditors to the monthly review meeting for review of their progress. DAOs shall be accountable for account review programme of aided colleges as well as audit of GPs by IPAI Auditors.

The Director also expressed his concern over the matter of pendency of 37 GP audit reports relating to AAP, 2014-15 in Mayurbhanj District and

instructed all the DAOs that such type of problem should not be repeated in future.

He advised all DAOs to take timely follow up action during the current programme year to avoid delayed submission of Audit report.

The Director stressed upon proper utilisation of the services of the Audit Superintendents. On reviewing the performance of Audit Superintendents, he instructed all DAOs to come to the next review meeting to be held in August with the detailed target and performance of the individual Audit Superintendent for a review at the Directorate.

All DAOs were instructed to take up surcharge action in respect of the audit reports those were sent from the Directorate during the month of September, 2013.

All DAOs were instructed to review the reports in the light of guidelines issued. The Director intends to review two Panchayat Samiti audit reports of each district during 2015-16.

He concluded his review with the suggestion to improve the standards in all sectors i.e. audit, review and approval of audit reports etc. and instructed DAOs to initiate appropriate action on unruly Audit personnel and to draw proceedings if required and report to the Directorate. In case of delay in submission of reports by the Auditors, DAOs are also equally responsible for lack of monitoring. The approval of report should not be kept at the fag end of the completion period and then returned to the Auditor. DAOs should ensure submission of DAR in time and take up review & approval in due time to avoid rush of review & approval in the last month.

Audit Superintendent Sri Bharat Chandra Dash made a power point presentation on the discrepancies noticed in the information submitted by the DAOs for preparation of the Annual Report for the year 2014-15. All DAOs were instructed to be cautious and avoid repeating those mistakes while compiling information for the annual report in future.

Finally, the conference concluded with vote of thanks by Sri Gati Krushna Satapathy, Deputy Director to the Chair and all Officers present.

Director 3/8/15

DIRECTORATE OF LOCAL FUND AUDIT, ODISHA,
TREASURY & ACCOUNTS BHAWAN, 2nd FLOOR,
UNIT-III, KHARVELA NAGAR, BHUBANESWAR

Memo NO.....7596/DLFA,
DLFA (Prog.)-XIV-Aud-81/15

Date...03.08.15.....

Copy forwarded to Private Secretary to Hon'ble Minister, Finance & Public Enterprises for kind information of the Hon'ble Minister, Finance & Public Enterprises.


Assistant Director

Memo NO.....7597/DLFA,

Date...03.08.15.....

Copy forwarded to Private Secretary to Additional Chief Secretary, Finance for kind information of Additional Chief Secretary, Finance .


Assistant Director

Memo NO.....7598/DLFA,

Date...03.08.15.....

Copy forwarded to P.A.to Special Secretary, Finance(LFA Branch) for kind information of Special Secretary, Finance(LFA Branch).


Assistant Director

Memo NO.....7599/DLFA,

Date...03.08.15.....

Copy forwarded to Audit Officer Bhubaneswar & All District Audit Officers, Local Fund Audit, Odisha for information and necessary action.


Assistant Director

Memo NO.....7600/DLFA,

Date...03.08.15.....


Copy forwarded to all Officers, DLFA/All Audit Superintendents /Establishment Section /Technical Director, ALFA/Programme Section and P.A to Director for information .


Assistant Director

Memo NO.....7601/DLFA

Date...03.08.15.....

Copy forwarded to the Joint Secretary to Govt. , Local Fund Audit Branch, Finance Department , Odisha for information .


Assistant Director

Annexure-'A'

List of Participants

- 1) Sri S.Kanungo,Joint Director,DLFA
- 2) Sri N. Mishra, Joint Director ,DLFA
- 3) Sri G.Nandi,Joint Secretary to Govt. ,LFA Branch,Finance Department
- 4) Sri B.B.Panigrahi, Deputy Directo,DLFA
- 5) Sri G.K. Satapathy,Deputy Director,DLFA
- 6) Sri A.K.Mohanty,Under Secretary,Finance Deptt.
- 7) Sri H.K. Mitra,Asstt. Director,DLFA
- 8) Smt. Ashima Patnaik,Asstt. Director,DLFA
- 9) Sri R.N. Sethy,Asstt. Director,DLFA
- 10) Sri B.N.Nayak, Asstt. Director,DLFA
- 11) Smt Minati Sahoo,TD,NIC
- 13)Sri Ajay Ku Nayak,DAO,Rayagada
- 14) Smt. Banita Sethi, AO(LFA),Bhubaneswar
- 15) Smt.Kananbala Nayak,DAO Balasore
- 16) Sri Dillip Ku. Chhatra,DAO,(LFA), Bolangir
- 17) Sri Mukti Ranjan Acharya,DAO, Cuttack
- 18) Sri Anama Charan Rout,DAO(LFA), Dhenkanal
- 19)Sri Sabyasachi Dash, DAO(LFA),Ganjam
- 20)Sri Nihar Ranjan Panda,DAO,Nawarangpur
- 21)Sri Prafulla Ku. Behera,DAO(LFA),Jajpur
- 22) Sri Subhasis Gharai, DAO(LFA),Mayurbhanj
- 23) Sri Naresh Kumar Babu, DAO(LFA),Phulbani
- 24) Smt Arundhati Jena,DAO(LFA),Puri
- 25) Sri P.S.Deota,DAO Jharsuguda
- 26)Sri P.K.Padhi,DAO,Keonjhar
- 27)Sri D.K.Panigrahi,DAO,Sundargarh
- 28)Sri P.C.Tripathy,DAO,Khurda
- 29)Sri B.N. Bhanjadeo,DAO,Bhadrak
- 30)Sri B.B.Rath,DAO Kalahandi
- 31) Sri Sarada Prasad Mallick,DAO Gajapati
- 32) Smt.Minati Pati,DAO Bargarh
- 33) Smt.Sabita Pradhan,DAOSambalpur
- 34) Sri Tapas Das,DAO Koraput
- 35) Smt Kananbala Nayak, DAO Angul
- 36) Sri Bharat Ch.Dash, Audit Supdtt. ,DLFA
- 37)Sri Ajay Kumar Jena, Audit Supdtt. ,DLFA
- 38) Sri Ajay Kumar Khuntia,Audit Supdtt. ,DLFA
- 39)Sri Prakash Ch.Nayak, Audit Supdtt. ,DLFA

- 40) Sri Dharmanda Sahoo, Audit Supdtt. ,DLFA
- 41) Smt. Keshabati Tudu , Audit Supdtt. ,DLFA
