GOVERNMENT OF KERALA

Abstract

Electronics & Information Technology Department – Digitization of Audit Process – Plan of action - Approved – Orders issued.

ELECTRONICS & INFORMATION TECHNOLOGY (IT CELL) DEPARTMENT

G.O.(Rt)No.112/2023/ITD   Dated,Thiruvananthapuram, 27-05-2023

Read:- 1) Minutes of the meeting held by the Chief Secretary on 23.06.2022.
2)G.O(Rt).No.109/2023/ITD, Dated 26/05/2023

ORDER

The auditing of State Organizations in India is crucial to ensure accountability, transparency and efficient use of public funds. The process involves a multi-step approach that includes raising requirements, submission of documents by the auditee, assessment and scrutiny of details, preparation of preliminary observations, seeking further documents and explanations, finalization of audit observations, and replies to the audit observations by the auditee. The audit processes followed by the Principal Accountant General and the Kerala State Audit Department for the Local Self Government Department (LSGD), Co-operatives etc. are as follows:

Audit Done by Principal Accountant General

The Principal Accountant General uses a separate application, which is an enterprise solution for its internal operations of auditing. The audit process starts with raising requirements by the auditor, followed by the submission of documents by the auditee, assessment and scrutiny of details, preparation of preliminary observations, seeking further documents and explanations, finalization of audit observations, and replies to the audit observations by the auditee. Presently, the entire communication between the auditor and the auditee is physical in nature, and mere access to e-office files may not be sufficient to conduct the online audit process.

Audit Done by Kerala State Audit Department for LSGIs, Co-operatives etc.

The Kerala State Audit Department uses the Audit Information Management System (AIMS) for conducting the audit of all Local Self Government Institutions, Co-operatives etc. AIMS is already integrated with the Audit Online Module of National

Informatics Centre (NIC) at the Central level. The functionality of AIMS includes financial audit, compliance audit, and post-audit assessment. The Ministry of Panchayati Raj (MoPR), Government of India developed the Audit Online system for ensuring a transparent audit process for all Local Self Government Institutions (LSGIs). Audit Online facilitates the financial audit of accounts at all three levels of Panchayats, viz. District, Block and Village Panchayats, Urban Local Bodies (ULB), and Line Departments by auditors (State AG/LFA). The MoPR exempted the State of Kerala from implementing Audit Online for LSGI audits (GP / DP / BP) on the condition that audited data should be integrated with the APIs of Audit Online for releasing the Central Finance Commission (CFC) grant to the State.

In the light of the above, Government are pleased to approve the following Plan of Action for digitalizing the Audit process in the State:

1. The Audit Online Module developed by NIC shall be customized and the same shall be used by both Principal Accountant General and Government Departments.
2. The office of Principal Accountant General to provide support for onboarding and linking its internal software with the Audit Online module, once the State Departments are onboarded.
3. KSITM shall be onboarded as a pilot agency on the NIC's Audit Online module as an auditee.
4. KSITM in consultation with Principal Accountant General shall take steps to digitalize audit processes, and to customize the e-Office application with NIC for ensuring requisite information for the auditor to ensure a transparent and efficient audit process.
5. On successful completion of trial, the Finance Department shall be designated as nodal department for coordinating with various department for onboarding as an auditee agency. The Government Orders read above is hereby cancelled

(By order of the Governor)
DR V P JOY
CHIEF SECRETARY

To:
The Principal Accountant General (A &E) Kerala, Thiruvananthapuram
The Principal Accountant General (Audit) Kerala, Thiruvananthapuram
All Departments in Secretariat
All Heads of the Line Departments
The Director, Kerala State IT Mission, Thiruvananthapuram
The State Informatics Officer, National Informatics Centre, Thiruvananthapuram
The Web and New Media, Information & Public Relations Department
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Section Officer