

R-16012/1/2020-FD
Government of India
Ministry of Panchayati Raj
(FD Division)

11th Floor, Jeevan Prakash Building
25 KG Marg
New Delhi - 110001

Date: 23.11.2021

To

The Secretary-cum-Director
Rural Development and Panchayats
Punjab, Mohali

Subject: Permission regarding engagement of Chartered Accountants empanelled with C&AG of India to conduct audit of Rural Local Bodies (RLBs)

Dear Sir,

This is in reference to your letter No. 7/7/2020/EA/AIU/8042 dated 18th November 2021 regarding engagement of Chartered Accountants (CAs) empanelled with the O/o C&AG to conduct audit of Rural Local Bodies. As per the Operational Guidelines for Implementation of XV Finance Commission recommendations dated 14th July 2021, in order for the States to be eligible for release of grants, RLBs have to mandatorily prepare and make available online the audited accounts. Accordingly, States have been asked to carry out audit of 100% PRIs for the audit period 2020-21.

Taking cognisance of your issue related to shortage of staff for conducting audit, it is submitted that per the XV FC Report for 2021-26, the Commission has acknowledged that certain States viz. Chhattisgarh, Madhya Pradesh, Rajasthan, and Sikkim have involved external agents like Chartered Accountants for audit and certification of accounts. The XV FC has also averred that this is an encouraging practice that requires concentrated efforts. Furthermore, during the National Conference on AuditOnline and Social Audit held on 22nd June 2021; it was also submitted by the Dy. CAG, O/o CAG that the Local Fund Audit units may explore the option of carrying out audit through Chartered Accountants.

It is also been informed by C&AG to this Ministry that a list of C&AG empanelled CA firms is available in the public domain on the website of O/o C&AG, wherein information on Station wise list of empanelled CA firms is provided (care.cag.gov.in/policy/EmpStat.aspx). It is, therefore, requested to go through the list and accordingly appoint required number of C&AG empanelled CA firms for timely auditing of accounts of Gram Panchayats of Punjab.

Yours faithfully,



(Vijay Kumar)

Deputy Secretary to Government of India

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