



GOVERNMENT OF KERALA

No.99/AA1/2017/LSGD

Local Self Government (AA) Department  
Thiruvananthapuram, Dated, 07.10.2017

CIRCULAR

Sub:- LSGD-Performance Audit-Check list for Internal Audit of  
PRIs- as part of projects undertaken by KLGSDP with the  
assistance of World Bank Internal Audit of the project second  
Half of 2016-17 and first half of 2017-18 - Reg

The internal Audit of the projects and programmes under the Kerala Local Government Service Delivery Project is entrusted with the State Performance Audit Officer, Local Self Government Department.. The completion of such an Internal Audit is a necessary component for the projects to be undertaken by KLGSDP under World Bank assistance. Internal Audit of the projects undertaken by Grama Panchayats and Municipalities under KLGSDP has to be conducted for the second Half of 2016-17 and first half of 2017-18. Therefore, all Performance Audit Teams are hereby instructed to complete the internal audit in Grama Panchayats and Municipalities in which projects under KLGSDP has been taken up during the second Half of 2016-17 and first half of 2017-18. The result of audit obtained as per the check-list annexed to this circular should be consolidated in Performance Audit Unit/Regional level as per the proforma in Annexure II.

All Assistant Directors of Panchayat(PA) and Regional Joint Directors of Urban Affairs are entrusted with the work of compilation and consolidation of data as per the check-list and proforma annexed to this circular and to submit the consolidated report as above, on or before 15.11.2017. Necessary training will be imparted by KILA on 19.10.2017. The required Officers may attend the same

Minimol Abraham  
State Performance Audit Officer

To

The Director, Panchayat Department, Thiruvananthapuram  
The Project Director, KLGSDP, Thiruvananthapuram  
The Executive Director, KILA, Mulamkunnathukavu, Thrissur  
All Regional Joint Directors of Urban Affairs Department  
The Executive Chairman & Director of Information Kerala Mission,  
Thiruvananthapuram (for uploading the Circular in the official web site of LSGD)  
All Deputy Directors of Panchayat(Through DP)  
All Assistant Directors of Panchayat(PA)  
All Performance Audit Supervisors (Through ADP(PA))  
Stock File/Office Copy

Forwarded/By Order

  
Section Officer

**Checklist for internal audit of Performance Grant to Gram Panchayats (Gps) and Municipalities  
under the Kerala Local Governance and Service Delivery Project (KLGS DP) for the year 2011-12**

Name of the Municipality/GP \_\_\_\_\_

---Block \_\_\_\_\_

Date of Audit \_\_\_\_\_

Name of Chairperson/President \_\_\_\_\_

Name of Financial Controller/AO \_\_\_\_\_

Name of Secretary \_\_\_\_\_

Sl. No.	Activity	CODE	Check points	Yes/No	Remarks
1	Planning	P1	Is there a detailed list of projects included financed fully or partly with KLGS DP Performance Grants?		
		P2	Whether the projects undertaken with Performance Grants comply (i.e. Are eligible) in accordance with GO(Rt) 1731/2011/LSGD dated 20.07.2011 and GO(Rt) 2668/2011/LSGD dated 15.11.2011 ? If any activity is not eligible, please provide complete details including name of the activity, estimated cost, Expenditure incurred and reasons for ineligibility.		
		P3	Whether the activities were selected in accordance with the decentralized planning Process prescribed by the Government vide G.O. dated _____ ?		
		P4	Whether the DLTAG and DPC approvals have been obtained for projects undertaken With Performance Grants? If no, provide particulars of the project, including name, Cost, expenditure incurred etc.		
		P5	Whether original documents (approved estimates, drawings etc.) pertaining to each Activity have been properly filed?		
2	Financial Management	F1	Has the GP/Municipality received the Performance Grant in the Public Account No- Municipalities-8448-00-102-92-(02) MFA V Gps-8448-00-109-91-(03) VPFA V If yes, please mention the amount and the date of receipt in Remarks		
		F2	Has the GP/Municipality accounted the Performance Grant in its books and under Correct head?		
		F3	Has the GP/Municipality has migrated to Saankhya? If Yes, since when? Does your audit indicate if accounting is complete and up to date?		
		F4	In case the GP/Municipality has migrated on-line, are they still maintaining manual Books/records?		
		F5	Have the above accounts heads been correctly recorded in Saankhya or manual Accounts(as applicable)		
		F6	Have the withdrawals been correctly accounted in the above Public Account and Recorded in Saankhya or manual accounts (as applicable) under correct head?		
		F7	Does the GP/Municipality follow double entry system of accounting since 01.04.2011?		

**Checklist for internal audit of Performance Grant to Gram Panchayats (Gps) and Municipalities  
under the Kerala Local Governance and Service Delivery Project (KLGSDP) for the year 2011**

Name of the Municipality/GP \_\_\_\_\_ Block \_\_\_\_\_ Date of Audit \_\_\_\_\_  
 Name of Chairperson/President \_\_\_\_\_ Name of Financial Controller/AO \_\_\_\_\_  
 Name of Secretary \_\_\_\_\_

Sl. No.	Activity	CODE	Check points	Yes/No	Remarks
1	Planning	P1	Is there a detailed list of projects included financed fully or partly with KLGSD P Performance Grants?		
		P2	Whether the projects undertaken with Performance Grants comply (i.e. Are eligible) in accordance with GO(Rt) 1731/2011/LSGD dated 20.07.2011 and GO(Rt) 2668/2011/LSGD dated 15.11.2011 ? If any activity is not eligible, please provide complete details including name of the activity, estimated cost, Expenditure incurred and reasons for ineligibility.		
		P3	Whether the activities were selected in accordance with the decentralized planning Process prescribed by the Government vide G.O. dated _____ ?		
		P4	Whether the DLTAG and DPC approvals have been obtained for projects undertaken With Performance Grants? If no, provide particulars of the project, including name, Cost, expenditure incurred etc.		
		P5	Whether original documents (approved estimates, drawings etc.) pertaining to each Activity have been properly filed?		
2	Financial Management	F1	Has the GP/Municipality received the Performance Grant in the Public Account No- Municipalities-8448-00-102-92-(02) MFA V Gps-8448-00-109-91-(03) VPFA V If yes, please mention the amount and the date of receipt in Remarks		
		F2	Has the GP/Municipality accounted the Performance Grant in its books and under Correct head?		
		F3	Has the GP/Municipality has migrated to Saankhya? If Yes, since when? Does your audit indicate if accounting is complete and up to date?		
		F4	In case the GP/Municipality has migrated on-line, are they still maintaining manual Books/records?		
		F5	Have the above accounts heads been correctly recorded in Saankhya or manual Accounts(as applicable)		
		F6	Have the withdrawals been correctly accounted in the above Public Account and Recorded in Saankhya or manual accounts (as applicable) under correct head?		
		F7	Does the GP/Municipality follow double entry system of accounting since 01.04.2011?		

12	FINANCIAL Management	F8	Whether any advance given from Performance Grant remains unsettled at the end Of the financial year? If yes, please provide details		
13		F9	Whether bank reconciliations have been carried out on a monthly basis ? Please Attach a copy signed by the auditee		
14		F10	Have necessary supporting documents and records been kept in respect of all Expenditure from the Performance Grant and clear linkages exist between these Documents/records and accounts book?		
15		F11	In case of works, have contracts been executed with the contractors and running bills/measurement book been adequately maintained, prepared, checked and Approved?		
16		F12	In case of goods, have work orders been issued, invoices are available and duly Approved and cancelled after payments? Is there a system of verification of the Invoices with the work orders?		
17		F13	Have all the payments been made through banking channels? Have cases of payments in cash of significant amount been reported ? Have there been any inordinate delays in paying the contractors/vendors after submission of the bills? If yes, please provide the reasons for the delays.		
18		F14	Whether adequate asset records, including cost, identification and location have been Maintained regarding the assets created and assets acquired by the project? Is the GP/Municipality submitting quarterly progress reports in a timely manner?		
19		F15	Are these reports prepared correctly and the information is in accordance with the books and records? Does the quarterly progress report due on at the end of the financial year submitted before 10th April? If no give the date of submission. Please attach a copy of the latest report and indicate the unspent PG as at March 31, 2012		
20	Statutory Audit	S1	What is the status of audit by the LFAD? Does the audit report point to any material weakness or raises any accountability issues? If yes, please provide details. Please review the adequacy of compliance with the audit observations.		

PROCUREMENT

S.No	ACTIVITY	CODE	CHECK POINTS	Yes/No	Remarks/ Findings
1	PROCUREMENT	PR1	Whether the different committees as required by the new Procurement Manual, are Established in the LSGI and the same are involved in the Procurement Process		
2		PR2	Whether the transparency requirements as per the new Procurement Manual have Been met in all procurement using Performance Grant		

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Sheet1

**FORM A**

(For filling up Part A of the KLGSDP Internal Audit Data for the )

Name of District ..... Name of PA Unit.....  
 Contact No. .... E-mail ID.....

Name of Unit	Number of PRIs		PLANNING					FINANCIAL MANAGEMENT														
			P1	P2	P3	P4	P5	F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11	F12	F13	F14	F15
		YES																				
		NO																				

	Stat Audit	Procurement		ASPECTS																
		Pr1	Pr2	A1	A2	A3	A4	A5	A6	A7	A8	A9	A10	A11	A12	A13	A14	A15	A16	A17
YES																				
NO																				

Name and Signature of the reporting Officer  
 Date

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Sheet 1

## Post-award Check-list for procurement of Works/Goods

(To be filled up separately for each reviewed contract. Minimum of 5 contracts or 10% of contracts shall be reviewed)

Contract for (Description of items procured and Quantity):		
Contract No. And Date:	Contract Amount	
Contractor/Supplier's name and Address:		
Procurement method:		

SIN.	ACTIVITY	CODE	Aspects		
			CHECK POINT	YES/NO	Remarks/ Findings
3	ASPECTS	A1	Whether advertisement/Solicitation letter issued to firms and the number of firms to whom sent?		
4		A2	Time allowed for submission of quotations?		
5		A3	Number of quotations received?		
6		A4	Verification (not evaluation) of existence of the quotations: (Names of firms who gave quotations. Check whether phone numbers/addresses of bidders are different and any indicators whether the quotations are fabricated Or the firms have colluded with each other)		
7		A5	Quotation evaluation report and date? Comments if any?		
8		A6	Whether any prize preference was given?		
9		A7	Justification, if any, if the contract /purchase order was not awarded to lowest bidder		
10		A8	Was DGS&D Rate Contract used?		
11		A9	Whether cost estimate prepared?		
12		A10	Whether the state rate contracts used?		
13		A11	Were the rates negotiated?		
14		A12	Whether signed Contract/Purchase order document is filed?		
15		A13	Whether Delivery receipts or store receipt or similar instrument of goods/completion certificate of works is filed?		
16		A14	Actual completion date?		
17		A15	Whether payments have been timely?		
18		A16	Whether there is any indicator of splitting of purchases?		
19		A17	Whether the contract complies with agreed provisions?		
20			Specific observations on specification, procedure, missing information/documentation, contract management/execution, Delays, participation, bid evaluation etc.		

## FORM B

(For Filing up Part B of the KLGSDP internal Audit Data for the First Half of FY 2014-15)

Name of the District.....Name of the Unit.....

Contact No.....E-mail Id.....

Sl No.	Name of the PRI	Audit Finding	Action Taken

Name and Signature of the reporting Officer.....

Date.....