



GOVERNMENT OF KERALA

Abstract

Local Self Government Department - Kerala Local Government Service Delivery Project (KLGSDP) - Manuals on Performance Audit and Asset Management in Local Self Government Institutions in Kerala - Approved - Orders issued.

LOCAL SELF GOVERNMENT (DA) DEPARTMENT

G.O.(Rt)No.166/2017/LSGD.

Dated, Thiruvananthapuram, 20.01.2017.

Read :- (1) G.O(Rt) No.1652/15/LSGD dated 01.06.2015
(2) G.O(Rt) No.2420/16/LSGD dated 11.08.2016.
(3) Letter No. 49/2015/KLGSDP dated 17/12/2016 received from the Project Director, KLGSDP.

ORDER

As per Government Order read as 1st and 2nd paper above, a Manual Vetting Committee and a Sub Committee were constituted for vetting and quality assurance of various manuals prepared under Kerala Local Government Service Delivery Project (KLGSDP). Three sittings of the Sub Committee were held for vetting the manuals. After a detailed deliberations on Manual, the Committee decided to approve the Manual for Asset Management in Local Self Government Institutions of Kerala and Manual for Performance Audit in Local Self Government Institutions Kerala and forwarded to Government for apex approval.

2) Government have examined the matter in detail and are pleased to approve the manual prepared by Kerala Institute for Local Administration (KILA) under Kerala Local Government Service Delivery Project (KLGSDP) on Asset Management and Performance Audit in Local Self Government Institutions of Kerala.

By Order of the Governor
A.K.MOHANA KUMAR
Joint Secretary to Government

To

The Project Director, KLGSDP.
The Director of Panchayats, Thiruvananthapuram.
The Director, Urban Affairs Department, Thiruvananthapuram.
The Director, KILA, Thrissur.
The Director, Local Fund Audit, Thiruvananthapuram.
The State Performance Audit Officer (SPA0)
The Secretaries, All Districts Panchayats.(Through Director of Panchayats)
The Executive Director, IKM, Thiruvananthapuram,
Office Copy/Stock File

Copy to :-

Private Secretary to M(LSG&WM)
Personal Secretary to Principal Secretary, LSGD.
Personal Secretary to Special Secretary, LSGD.

Forwarded/By order,


Section Officer.



Government of Kerala

Manual for Performance Audit in Local Self Government Institutions in Kerala

(Prepared by KILA under KLGSDP)

Printed and Published by:



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January 2017

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ACRONYMS

ADC	- Assistant Development Commissioner
ADP	- Assistant Director of Panchayat
AP	- Action Plan
APAP	- Annual Performance Audit Plan
AS	- Assistant Secretary
ATR	- Action Taken Report
BP	- Block Panchayat
DCB	- Demand Collection Balance
DLSR	- District Level Status Report
DP	- District Panchayat
HC	- Head Clerk
ILGS	- Institution of Local Governments
JS	- Junior Superintendent
KILA	- Kerala Institute of Local Administration
LSGD	- Local Self Government Department
LSGI	- Local Self Government Institution
PAA	- Performance Audit Authority
PAO	- Performance Audit Officer
PAS	- Performance Audit Supervisor
PAT	- Performance Audit Team
PAU	- Performance Audit Unit
PAS	- Performance Audit Supervisor
PASS	- Performance Appraisal Score Sheet
PAW	- Performance Audit Wing
PEAS	- Performance Evaluation and Appraisal sheet
QC	- Quality Circle
RAR	- Routine Audit Report
RTI	- Right To Information
SAR	- Special Audit Report
SPAA	- State Performance Audit Authority
SPAO	- State Performance Audit Officer
SLSR	- State Level Status Report
ULB	- Urban Local Body

Introduction

1.1 Background

73rd amendment of the Constitution of India and subsequent enactment of Kerala Panchayat Raj Act 1994 (herein after called Act) brought landmark changes in the functioning of Grama Panchayats in Kerala. Funds, Functions and Functionaries were transferred to Grama Panchayats in an unprecedented way, to equip them to function as third tier of Government. Since the transfer of funds, function and functionaries were made through a “bing bang approach” it was felt that a mechanism should be in place to guide and handhold the Grama Panchayats in their new role. To achieve this objective, The Kerala Panchayat Raj (Manner of Inspection and Audit System) Rules 1997, was passed as authorized by Section 188 of the Kerala Panchayat Raj Act and State Performance Audit Authority was constituted under these rules.

1.2 Objectives of Performance Audit

The performance Audit is an internal Audit Process for the strengthening of the functioning of the Grama Panchayats. Its objective is to evaluate the functioning of the Panchayat and to see whether the developmental and welfare functions vested in the Panchayat and the financial and controlling powers entrusted to the Panchayat are being executed effectively, efficiently and in accordance with directions in Acts, Rules and Orders. Performance Audit has to give timely directions to rectify the defects, if any, in a time bound manner.

- i. Performance Audit is an independent entity, assessing the performance of the Grama Panchayats, keeping in view of 5E principle viz. Equity, Economy, Efficiency, Effectiveness and Environment friendliness (**Box 1.1**).
- ii. Performance Audit is the process of scaffolding with the aim of further improvement.

- iii. Performance Audit of Grama Panchayat is the process of assessing the performance with relation to the desired level and supporting to enhance the performance.
- iv. Performance Audit is a data-based appraisal, with analytical evaluation.
- v. Performance Audit ensures compliance with the statutes and executive orders.
- vi. Performance Audit guide the Panchayats in the correction of their mistakes and ensures by close watching that such mistakes are not repeated.
- vii. The focus of Performance Audit is given in **Box 1.2**.

Box 1.1: 5 E's of Performance

Equity	Ensuring the adherence of policies to ensure equity in plan implementation and delivery of service. Ensure the devotion of priority in beneficiary selection, grievance redressal.
Economy	Keeping costs minimum. It requires that the resources used by the audited entity for its activities shall be made available in due time, in appropriate quantity and quality and at the best price.
Efficiency	Optimum utilization of the available resources. It is concerned with the best relationship between resources utilized, conditions given, and results achieved, in terms of quality and timing of outputs and/ or achievements.
Effectiveness	Attaining the objectives in time. It is concerned with attaining the intended results.
Environment Freindliness	Environment friendliness. It is concerned with ensuring environmentally sustainable outcomes. It is measured on the basis of output and outcomes.

Box 1.2: Basic Concerns in Performance Audit

- Ensure that the right things have been done at mandated right time
- Identify the causes for variations, if any of expected levels and suggest measures for rectification and improvement.
- Ensure that there is continuous improvement of the system.
- Check whether mandatory pre-requisites for the functioning of the establishment are made like assignment of duties and responsibilities to staff with due concern for proportionate shouldering of work load.
- Check whether there is an internal monitoring system and whether it is effective to ensure compliance of assigned tasks to its functionaries.
- Ensure the flawless functioning of the administrative system in the Grama Panchayat Office.
- Rate the LSGIs according to the effectiveness of performance, legal compliance and efficiency of human resources
- Provide hand hold support to improve performance and more concerns for least performing LSGIs

1.3 Approach of Performance Audit

The approach of Performance Audit shall be:

- i. Develop performance indicators for Grama Panchayat.
- ii. To identify gaps in performance and to facilitate rectification measures immediately.
- iii. Friendly in nature, and not be of any faultfinding attitude on the part of the Auditors.
- iv. To help the Panchayats to achieve its objectives by acting as a friend, guide, facilitator, trainer, and adviser.
- v. To secure the confidence of the staff of the Grama Panchayats as a helping guide.
- vi. To conduct discussions with officials, elected representatives regarding performance gaps, and shall advise and provide shouldering support for rectifying defects.
- vii. To provide solutions on fingertip as much as possible

1.4 Scope of Performance Audit

Performance Audit of Grama Panchayats involves systematic evaluation of its functioning, Scrutiny of Accounts, Records, Proceedings, Assessment, Demand and Collection of Tax and Non Tax Revenues, the projects implemented by the Panchayats and all the process involved in the formulation, execution and monitoring of the projects with a view to ensure the 5E of principle, namely Equity, Economy, Efficiency, Effectiveness and Environment Friendliness (Box 1.1). The Scope of Performance Audit extends to the functioning of all the Institutions under the administrative control of the Grama Panchayats.

Performance Audit shall cover all the aspects of the management process including Planning, Organising, Executing, Supervising, and the Outputs and the Outcome. Other than the monthly routine checks, the Performance Audit shall conduct Special Audit and Reviews on themes in selected intervals in the four core areas mentioned. Some examples for themes under each core area is listed below.

i. Public Administration

- a. Conduct of meetings of Panchayat, Steering Committee, Standing Committee, Institutions Management Committee, Functional Committee, Staff and Quality Circle.
- b. Conduct of Grama Sabhas, Oorukoottams, and similar Special Sabhas.
- c. Functioning of Total Quality Management, ISO Certification
- d. Office Administration, including establishment
- e. Submission of Administration Report
- f. Issue of Office Orders, Proceedings, Circulars, etc.
- g. Follow up on Audit Reports
- h. Mechanism on RTI
- i. Civil suits and other legal proceedings

- j. Record Management
- k. Computerisation, e- Governance and maintenance of website

ii. Planning and Finance Management

- a. Asset Management
- b. Distress Relief Fund
- c. Expenditure authorisation
- d. Transparency of financial transactions
- e. Office collection, Keeping cash in Chest and its remittance
- f. Loans availed and its repayments
- g. Own Source Revenue mobilisation
- h. Steps taken for collection of 100% tax and DCB statements
- i. Shopping Complexes and Markets
- j. Annual plan formulation and implementation
- k. Plan progress-Implementing Officer wise and sector wise
- l. Beneficiary selection
- m. Monthly Audit by Finance Standing Committee

iii. Sponsored Schemes and Public works

- a. Social security pension and Unemployment allowance - Disposal of applications and disbursement of Pension/Unemployment allowance
- b. MGNREGS
- c. Procurements
- d. Public works-Tender proceedings and Beneficiary Committee works
- e. Implementation of various Schemes- Centrally Sponsored and State Sponsored

iv. Service delivery and Good Governance

- a. Discharge of duties related to mandatory functions
- b. Maintenance of Street Lights and Street Taps
- c. Civil registration
- d. Marriage registration
- e. Building permits
- f. D&O License
- g. Slaughter houses
- h. Burial grounds
- i. Health and sanitation

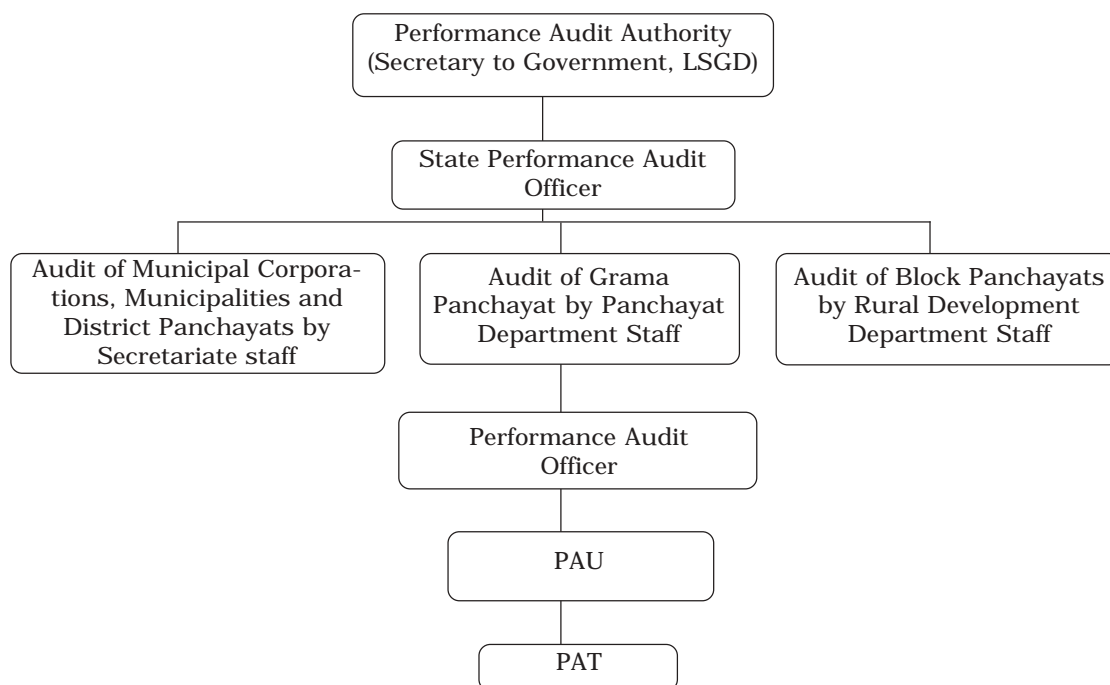
- j. Institutions of Panchayat
- k. Kudumbashree
- l. While conducting the monthly Performance Audit the Performance Audit Team shall focus interalia on the principles given in box 1.2

1.5 Performance Audit System

1.5.1 Organogram

The organogram of the Performance Audit System of LSGIs in Kerala is given in Chart 1.1.

Chart 1.1 Organogram of Performance Audit System



1.5.2 Role of Officials

1.5.2.1 Performance Audit Authority (PAA)

- i. The Secretary to Government in the Local Self Government Department (LSGD) is designated as the Performance Audit Authority (PAA).
- ii. The PAA shall oversee the functioning of the Performance Audit Wing (PAW) in the State and ensures timely completion of all activities entrusted to it.
- iii. The PAA shall prepare an annual report to the Government on all relevant aspects of Performance Audit including Revenue of LSGIs by way of taxes and fees, financial liabilities, replicable models for LSGIs and suggestions for modification of Performance Audit.
- iv. The PAA shall publish the State Level Status Report (SLSR) on Performance Audit, every year.

1.5.2.2 State Performance Audit Officer (SPA0)

- i. The SPA0 shall directly monitor and guide the Audit teams of Urban Local Bodies and DPs, Audit teams of BPs and Performance Audit Officers (PAO) of GP's.
- ii. SPA0 shall prepare and submit a State Level Status Report (SLSR) to PAA

1.5.2.3 Performance Audit Officer (PAO)

- i. The Assistant Director of Panchayats (ADP) shall be the PAO of Grama Panchayats.
- ii. The Assistant Development Commissioner (ADC) shall be the PAO of the Block Panchayat
- iii. The Regional Performance Audit Officer shall be the PAO of District Panchayat
- iv. Regional Joint Director shall be the (PAO) of ULBs
- v. PAO shall steer the overall co-ordination of PAUs within the district.
- vi. PAO shall prepare Annual Performance Audit Plan (APAP) (**Annexure 3.1.**) for the District/Region/State. PAO shall be responsible for publication of Special Audit Reports and Performance Scores of Grama Panchayat, Block Panchayats, DPs.
- vii. PAO shall conduct inspection of offices during the time of audit. In such visits, action points noted in Routine Audit Reports (RAR) and follow up action on them will be looked into.
- viii. PAO shall report to DDP/Development Commissioner/ LSGD Secretary in deserving cases, proposing action against employees who are found to be at grave fault in discharging their duties.

1.5.2.4 Performance Audit Unit (PAU)

- i. The Performance Audit Unit (PAU) is comprised of Performance Audit Supervisor and supportive staff.
- ii. PAU shall act as the immediate guide for the elected representatives and employees of the Panchayats in discharging their duties and responsibilities in a synergic manner for local development and social justice.
- iii. PAU shall maintain a directory of staff in Panchayat and offices coming under their jurisdiction.
- iv. PAU shall maintain and update basic data of LSGIs, and score of Performance on the basis of indicators.

1.5.2.5 Performance Audit Team (PAT)

- i. Each PAU shall form different Teams - named Performance Audit Teams (PATs), under Performance Audit Supervisor.
- ii. A Junior Superintendent shall head the PAT.
- iii. The PAT shall perform the tasks of routine audits and Special Audits and preparation of Routine Audit Reports (RAR) Special Audit Reports (SAR), conduct of field level enquiries connected with performance Audit and timely completion of other duties entrusted by the Performance Audit Supervisor.

- iv. PAT shall have the duty to give to each Panchayat in due time necessary guidelines to perform administrative matters in accordance with the procedure, to give directions to the Panchayats to rectify the defects by inspecting records, accounts, financial transactions, and to propose the remedial actions.
- v. PAT shall have the duty to give hand hold support for improving efficiency in public administration, finance management, planning, and service delivery.
- vi. PAT shall help the Panchayats in improving their performance indicators.

Functioning of Performance Audit Unit

2.1 Structure and Tasks

- i. The Performance Audit Unit comprises of a Performance Audit Supervisor (PAS) and supportive staff.
- ii. The PAS shall:
 - a. Issue office orders by assigning duties to the members of the unit for conducting audit in Grama Panchayat and for field enquiries related with performance audit.
 - b. Assign duties to them, when any particular tasks, related with performance audit are entrusted by higher authorities to the Unit.
 - c. Form two or more Performance Audit Teams (PATs), consisting of two or more members from the Unit; with the approval of Performance Audit Officer (PAO).
 - d. Group the Panchayats, coming under the jurisdiction of the Unit into two or more regions equal to the number of PATs and the PATs shall be given audit charge of the regions.
 - e. Obtain approval of the PAO for such grouping and change the region allotted to each PAT, once in 6 months.
 - f. Ensure equitable distribution of works to the team members, as far as possible.
 - g. Change the subjects assigned to the PAT members for audit, once in six months so as to enable each member to have expertise in all subjects.
 - h. Conduct enquiries on subjects related to Performance audit as directed by higher authorities, when they visit the Panchayat for audit.

- i. Visit the Panchayat under his jurisdiction mandatorily, once in a month. On such days of visit, the audit enquiry notes issued by the PAT will be authenticated by Performance Audit Supervisor.
- iii. The PAT shall visit the Panchayat Office on the prescribed date, as per the monthly audit schedule before 10.00am.
- iv. All PAT visiting the Panchayat shall sign in the Inspection Register maintained at the Panchayat Office.
- v. The PAU members shall submit Tour Diary for the month to the PAO, before 3rd working day of the succeeding month.
- vi. Those appointed to the PAUs shall continue in their unit for a minimum period of 3 years.
- vii. Personnel in PAUs shall not be given additional charges in Panchayats, unless otherwise on contingencies. Such charge arrangements shall be made by the Panchayat Director/ DDPs in consultation with the SPAO.

2.2. Criteria for Posting of Staff in PAU

[A] The following criteria shall be applied by the Panchayat Director while posting personnel to the PAU.

- i. proficient and experienced in local governance.
- ii. successful completion of trainings from Kerala Institute of Local Administration (KILA) on Performance Audit, Training Skills and Softwares in GPs. KILA shall submit to the Director of Panchayat the list of personnel, who have successfully completed the trainings to enable the Panchayat Director/DDP to appoint competent personnel.
- iii. dedication with high integrity and commitment to service and with good academic qualifications.
- iv. creativity and innovations.

[B] The following personnel shall be disqualified for working in PAU.

Any personnel who are subject to pending disciplinary action from the Department or Judiciary are not eligible to be posted in PAU.

2.3. Office Amenities

- i. The Head Quarters of each PAU shall be set up in a convenient place accessible to the members, as decided by PAO in consultation with SPAO.
- ii. PAU shall be provided with separate office and amenities.
- iii. The reporting procedure of the PAU with the higher offices and Grama Panchayats will be preferably online, using the e-mail facilities and software supported, wherever possible.
- iv. The specimen for the registers that shall be kept in PAU is given in **Annexure 2.1**.

- v. To ensure proper monitoring of entrusted activities following registers shall also be maintained at PAU level.
- a. Audit Schedule Register**

The register shall be maintained as per Annual Performance Audit Plan (APAP), with regular updation of entries regarding any change in date of Audit, sending reports etc. (See **Annexure 2.2**)
 - b. Inspection Register**

It shall be maintained in the office to record notings of visiting higher level officers like Performance Audit Officer, Deputy Director Panchayat etc. (See **Annexure 2.3**)
 - c. E-Mail Register**

Details of E-mails received shall be recorded in the register. (See **Annexure 2.4**)
 - d. Register for Audit Monitoring (AG Audit)**

This register shall be maintained to monitor follow up action on pending audit reports of AG in Grama Panchayat covering under the jurisdiction of the PAU. A group of pages will be set apart for each Grama Panchayat. In the bi-monthly audit monitoring meetings, after review, the register shall be updated and make the entries. Sufficient number of pages shall be used to make entries of Audit reports, to ensure its subsequent monitoring. (See **Annexure 2.5**)
 - e. Register for Audit Monitoring (KSAD Audit)**

This register shall be maintained to monitor follow up action on pending audit reports of KSAD in Grama Panchayat covering under the jurisdiction of the PAU. A group of pages shall be set apart for each Grama Panchayat. In the bi-monthly audit monitoring meetings, after review, the register shall be updated and make the entries. Sufficient number of pages shall be used to make entries of Audit reports, to ensure its subsequent monitoring. (See **Annexure 2.6**)
 - f. Performance Audit Review Register**

After each performance audit in Grama Panchayat, entries shall be made in this register to get status of score and action points. (See **Annexure 2.7**)
- vi. The upkeep and maintenance of documents and records in PAUs shall be ensured by the PAO by periodical inspection of Unit Offices.

Types of Performance Auditing and Procedures

3.1 Annual Performance Audit Plan (APAP)

- i. The PAO and PAS shall sit together at District Level and prepare the PAU level APAP, before February 20th of every year.
- ii. The programme comprises schedules for monthly audits and periodic special audit.
- iii. When special audit is conducted, the schedule will be relaxed in such a way as to cover checking of important areas usually covered under routine audit.
- iv. For every financial year, PAO shall prepare an Annual Performance Audit plan (APAP) for the district, before March 5th of the preceding financial year. (The format for APAP is given in **Annexure 3.1**). The APAP prepared by the PAO shall be submitted to SPAO with in one week of its preparation.
- v. The PAO shall circulate the APAP of the district to all LSGIs, PAUs, and Offices of DDPs. It shall be a reference tool for all concerned, when their other activities are planned.
- vi. Changes if any shall be made in APAP only in contingencies and shall be intimated to all concerned in due course.
- vii. The Performance Audit of LSGIs can be conducted as below:
 - (i) Routine Audit on monthly basis
 - (ii) Special Audit on periodic basis

3.2. Routine Audit

- i. In every half year four months shall be allotted for Routine Audit using Performance

Evaluation and Appraisal (PEAS). PEAS shall be updated periodically incorporating subjects of relevance appropriate to the times. It is a software based online data entry tool with login facility for all stake holders. The specimen format for PEAS is given in **Annexure 3.2**.

- ii. Updation of the periodical activities in PEAS is given in **Box 3.1**.
- iii. During the Routine Audit, routine activities of the Panchayat shall be verified by PAT with the help of scores given in the PEAS.
- iv. The total scores obtained in each functional area in the PEAS, gives the status of the facility/object in terms of 5E principles (mentioned in Chapter 1). This will be indicative of performance level in that particular area.
- v. A consolidated score sheet shall be prepared with the help of PEAS along with other details of the office which shall form the Routine Audit Report (RAR). The format for RAR is given in **Annexure 3.3**.

3.3 Special Audit

- i. Special Audit shall be done by PAT for 2 months in every half year.
- ii. Each appraisal shall be based on a specific theme with scores and the evaluation criteria shall be fixed based on it.
- iii. The PAT shall check the efficient functioning of Total Quality Management in the Panchayat Office (**Box 3.2**).
- iv. There are 4 core areas envisaged for Special Audit (see para 1.4 of Chapter 1).
- v. These four core areas are:
 - a. Public administration
 - b. Planning and financial management
 - c. Sponsored Schemes and Public works
 - d. Service Delivery and good governance.
- vi. SPAO shall select one theme from a core area and give direction to evaluate by using a predefined tool known as Performance Appraisal Score Sheet (PASS). PASS is a software based on line data entry tool with login facility for all stakeholders Specimen PASS format for evaluation for three themes are given as **Annexure 3.4**.
- vii. SPAO can even select a theme besides themes based on the priority/need and evaluate by fixing a specific period.
- viii. A specimen of consolidated scores of one theme i.e. Public Administration is given in the **Annexure 3.5**, which shall constitute a format for Special Audit Report (SAR).
- ix. The Special Audit Report (SAR) on Performance Audit shall be an appraisal report stating the performance of the LSGI on a theme for the concerned period.

- x. After the Special Audit the PAS/PAT leader shall present the score sheet and evaluation report before the joint sitting of steering committee and staff of Panchayat.
- xi. Any suggestions received as feedback from the Panchayat functionaries will be given due consideration and it will be incorporated in report in relevant areas.
- xii. KILA shall impart training to the Special Team, constituted by the SPAO for conduct of Special Audit on methodologies to be adopted for the conduct of such audits.

Box 3.1: Updation of PEAS-Periodical Activities

The Panchayat has to carry out many activities, through the services of various functionaries. The result of the activities depends on the performance of the functionaries involved in the tasks. These functionaries comprise staff of different cadres and institutional mechanism. In such a complex atmosphere of a Panchayat Office, where people directly contact with office, the targets and goals can be achieved only if the functions performed efficiently and effectively. In view of this, the activities in Panchayat Office can be broadly classified as below.

1. Daily Activities

It involves opening of office, cleaning, punctuality in the functioning of front office and main office, office business activities, service delivery, collection of money and its remittance, closing accounting transactions etc.

2. Weekly/Monthly Activities

It involves activities of plan formulation and implementation, conduct of review meetings,, sending monthly reports, Delivery of services for which time limits are fixed, monthly account closing transactions, filing of returns, analysing citizen feedback, etc.

3. Quarterly Activities

Activities like conduct of Grama Sabhas (including conduct of Orukoottams and special Sabhas), filing of IT Return, Performance Audit etc are carried out in a quarterly basis.

4. Half year Transactions

Activities like collection of Profession tax, Property tax, Remittance of Government dues like Library Cess, etc. are carried out on half yearly basis.

5. Annual Transactions

It involves closing of accounts, preparation of Budget, preparation and submission of Annual Financial Statements, preparation of Annual Plan, preparation of Administration Report, conduct of Local Fund Audit, etc.

6. Quinquennial Transactions

Preparation of Five year plan, Revision of Property Tax, delimitation, conduct of General Election, etc.

These activities can be effectively carried out only if there are fixed assignments to each staff/functionary by office orders and Panchayat resolutions. A system may also be developed to close internal monitoring.

Box: 3.2 Existence of TQM in GP

- a. The measures taken to make people centered governance (effectiveness of gramasabha, citizen feedback)
- b. Leadership (involvement of all leaders viz. President, Steering Committee members, Secretary, Heads of Institutions of Panchayats, JS/HC, in planning, implementation and monitoring process)
- c. Participation of all stake holders – officials, elected representatives and public (effectiveness of quality circle, gramasabha participation, ayalsabha, ward development committee, working group, social audit, management committees and institutional committees).
- d. Process orientation – the process involved from receipts of application to delivery of services (in each activity is performing without any errors or any delay). The PAT shall verify the renewal process of citizen charter. It also verify that whether the renewal is made on the basis of citizen survey to measure the aspirations of citizens in the Panchayat.
- e. System orientation – all Standing Committees, institutions of Panchayat, employees, planning mechanism, implementation and grievance redressal mechanism shall work together for the attainment of common goal. So check the existence of vision, mission and quality objectives, also its awareness to employees and elected representatives.
- f. Continuous Improvement – the scope for continuous improvement through continuous training for improving the skills of the employees, improved infrastructure facilities and conducive work environment and above that of continuous monitoring).
- g. Factual approach to decision making – the decisions shall be based on the facts. So the decisions recorded in the minutes of committees shall be supported by data. The notes of officials shall also be based on data. So the PAT shall observe the availability of up-to-date data and the system designed for such updation.
- h. Mutually Beneficial Relationship - mutual trust and mutual respect between the elected representatives and officials, respect between different sections, different institutions are the crux. So the PAT shall verify the attitude of different officials, and opinion of officials about their elected representatives and fellow officials, and the team work that is going on in the panchayat..
- i. All these are pinpointed in the format 3.5. The PAT shall verify the effectiveness of these TQM principles. The audit team shall consider these principles during the audit of four themes.

Routine Audit

4.1 Before Audit

- i. The PAT leader shall contact the President and the Secretary in advance and shall formally inform them about the conduct of audit.
- ii. The Secretary shall make suitable seating arrangements for the visiting team to conduct the audit.
- iii. If PEAS in online software mode available, then the concerned officials in the Panchayat shall enter the data in PEAS.
- iv. The HC/JS will ensure furnishing of all required documents for audit to the PAT, as per the PEAS/Audit Requisition.

4.2 During Audit

- i. As a first step of audit, Rectification Report on RAR (**Annexure 8.1**) shall be verified with relevant records.
- ii. The PAT leader shall enter remarks in Rectification report on action points of previous RAR.
- iii. The PAT leader/PAS shall drop the action points, on which required action has been completed and enter details of that in the concerned part of RAR.
- iv. The PAT shall check the cash kept in cash chest and verify that with cash book and should bring any discrepancy in it to the notice of the PAS and PAO.
- v. If PEAS is not available in online software mode, then the PAT should use manual forms and the details should be entered by PAT. The PAT should verify PEAS with relevant documents, register, records etc.

- vi. Records if any, not received for audit will be brought to the notice of the Secretary by audit note. If the records are not received even after audit note, the PAT should direct the custodian officer to submit written explanation with remarks of HC/JS and Secretary. The fact shall be recorded in the RAR, with name and designation of such employees.
- vii. If it is found that any employee is willfully avoiding submission of records required for audit, then such cases shall be viewed very seriously and the PAS/PAT leader shall take up the matter with PAO for proposing disciplinary action against such employees.
- viii. The Implementing Officers shall furnish required documents for audit. Their presence shall be required, only in cases where such presence is unavoidable for audit.
- ix. The PAT shall conduct field inspection at public work sites. They shall visit individual and group beneficiaries who were supplied with assistance from Panchayat. During routine audits, one Local Government Institution shall be visited by the PAT. They shall enter critical comments in the report on such visits. [Necessary conveyance for the PAT shall be provided by the Panchayat].
- x. The PAT shall impart On the Job Training (OJT) by suitable interventional mechanism to the concerned functionaries so as to rectify the defects. PAT shall also identify the performance gaps that can be filled through trainings and it shall be included in the Routine Audit Report (RAR)

4.3 After Audit

- i. In all possible cases, audit enquiry notes may be given to correct the mistakes then and there itself with the guidance of PAT and to get remarks of concerned employees/Secretary. The PAT shall hold discussions with concerned employees to convince them about the defects and to offer rectification measures.
- ii. After verification of records and field visits, the PAT shall make suitable entries in PEAS. On completion of entries, RAR containing data, Score Sheet and Action Points shall be auto generated.
- iii. During the months of May, August, November, February, a meeting of the Steering Committee members and the staff of the Panchayat shall be convened by PAS under the chairmanship of the President. The PAT leader/PAS shall present audit findings of the previous months routine audit in the meeting. The proceedings of the meeting shall be recorded in the minutes book. PAS/PAT leader can conduct this meeting during the time of scheduled audit.

Special Audit

5

5.1. Selection of Themes

In addition to the routine audit, the Performance audit wing shall also conduct theme based special audits. The routine audit covers all activities and transactions of the LSGIs, but the thematic audit shall be on sample basis and concentrate on one or two areas of the LSGI. The theme based special audit on subjects, shall focus on the functions and activities of the Panchayats. The core areas are

- i. Public administration
- ii. Planning and financial management
- iii. Sponsored Schemes and Public works and
- iv. Service Delivery and good governance as listed in chapter 1. Para 4.

The Subjects for such Audit will be relevant to the immediate need of the times and it will be fixed by the State Performance Audit Officer. Such Audit will be conducted twice in a financial year taking two months in each case .The period prescribed will cover time required for training ,preparation of tools, conduct of audit and preparation of its report. The first special audit will be conducted during the months of August and September and the second one during the months of February and March of every financial year. The Following procedure will be adopted for the conduct of Audit.

- a. The SPAO shall
 - i. Select the theme for August-September and February-March special audits.
 - ii. Constitute a special team at state level from among the Performance Audit Wing staff to finalise the modalities and develop PASS ie, the tool used for

Special Audit.

- iii. The selection of team shall be made at least two months before the special audit, so as to enable them to develop tool for the audit
 - iv. Ask the team to suggest a group of sub themes to be taken up for ensuing special Audit. The selection of such themes will be based on need assessment, depending on the findings of the routine audits on the functions and activities of the Panchayat.
 - v. Select sub themes and from the proposed sub themes, which are relevant and requires immediate intervention by considering the availability of resources. The intention of such an audit is to conduct in depth analysis on the concerned area.
- b. The team shall set objectives, criteria and prepare PASS for the theme for audit.
 - c. The tool shall
 - i. be capable of ranking the LSGIs on PAU, District and State wise.
 - ii. be capable of assessing the process of function/activity, its present status, data for suggesting to perform the activity/function more effectively and in a useful manner to the public, in the context of changing needs of the times will be given importance.
 - iii. Have space for collecting opinion from various circles including staff of Panchayat, elected members and public.

5.2. Methodology of Audit

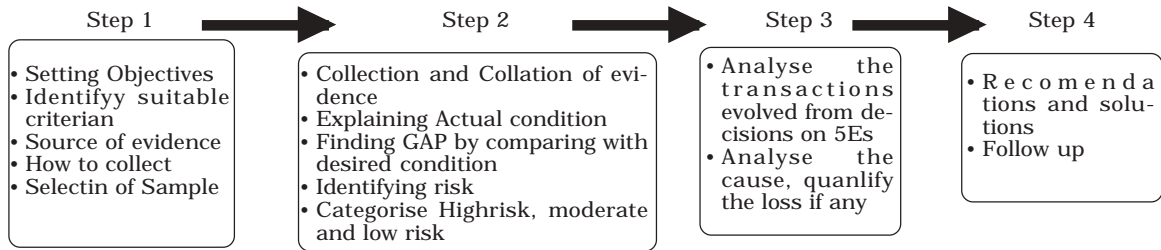
After selection of the theme for the audit, the objectives of the audit shall be defined. The spirit of the statutory provisions related to the theme and its intended results shall be the focal point of audit. The theme shall be subdivided into its components and tools for analysis of each such factor will be developed. The tools shall include data collection, verification of records, gathering opinion, field verification etc. The parameters for audit shall be prepared on the said lines and formats for conduct of audit shall be developed. The audit report shall be prepared as a summative one comprising the data, the analysis report and the score sheet. Score sheets shall contain well defined score points for objective evaluation.

5.3. Training

KILA shall impart training on methodologies to be adopted for the conduct of such audits. The team shall develop tools for conduct of Audit in line with the general guidelines prescribed in the table given below. After finalisation of the methodology all Performance Audit Team members shall be imparted training. Such audits shall be conducted, using softwares, so as to ensure timely reporting and preparation of score sheets.

After each such special Audit the SPAO shall make a self-assessment on the utility of the tools and methodology adopted for the special audit. SPAO shall give due consideration to the findings, when the frame work for subsequent special audits are prepared, to make the audit more effective.

Chart: 5.1. Process of Special Audit



5.4. During the Special Audit

- a. The team shall be given training about the objectives, criteria of audit to familiarize with the tools of audit.
- b. During the audit, sample selection shall be adopted according to the availability of time. It shall be on random basis; say all the transactions of last month or selected six days transactions of last four months according to the instruction of the PAS. State wise directions shall not be given in the case of sampling. This shall be different to different PATs.
- c. Wherever required, field visits also can be conducted as part of the audit.
- d. The audit shall try to find the gaps existing in the area with reference to the objectives and achievements .The factors affecting the sector like manpower requirements, awareness, technical formalities, management, relevance to the times, policy, training requirements, skills, guidance etc will be thoroughly verified. The audit shall identify such gaps and suggest ways to overcome the same to attain set goals.

5.5. Reporting

- i. After audit, the PAS/PAT leader present the score sheet to the Steering Committee Members and officials of Panchayats.
- ii. The report shall be consolidated on score basis, so as to group the panchayats at PAU, district and state levels in the order of their performance level, at the specific area selected for audit. The scores and analysis report shall be the indicators, for all stakeholders, to have a self-assessment and to change their strategy and methods to achieve set objectives .
- iii. The PAS shall submit Unit level consolidated Special Audit Report to PAO.
- iv. The PAO shall submit district level consolidated Special Audit Report to SPAO and he in turn will prepare State Level Consolidated Report of Grama Panchayats.
- v. The PAA shall be responsible for submitting the State level consolidated Special Audit Report to Government. It will be considered by Government to review the policies in the concerned areas and for issuing further directions.
- vi. The PAA shall be responsible for the publication of report at the state level after the approval by the government.

Follow Up Action on Performance Audit Reports

6.1. Follow up action on RAR and SAR

- i. The Performance Audit Report (PAR) of a routine audit is known as Routine Audit Report (RAR) and that of a special audit is known as Special Audit Report (SAR)
- ii. Follow up action of the RAR/SAR shall be part of the audit process as it is an important tool to strengthen the administrative system of the Panchayat and its performance enhancement.
- iii. It shall be done by those functionaries who are entrusted by the Secretary through Office Order.
- iv. The time frame for follow up action on SAR and RAR shall be adopted as given in **Box 6.1**.
- v. Performance Audit Team (PAT) should ensure that pending action points in previous RAR shall be brought forward to the current RAR as the case may be.
- vi. When any action point in RAR is pending over 6 months, it shall be included as a separate paragraph in the District Level Status Report (DLSR). In deserving cases, the names of officials/functionaries responsible for such inaction causing inclusion of paragraphs in DLSR shall be referred to the appropriate disciplinary authority by the PAO for further action.

Box 6.1: RAR &SAR- Time Frame on follow up action

Action	Process	Time frame
Receipt of audit intimation	Taking print out, registration, bringing to the notice of concerned in office, sending copy to heads of ILGs	2 days
Reply to local audit enquiry notes.	Registration, handing over to concerned section, rectification of defects in possible cases and reply/giving time frame in reply for rectification	On the date of Audit
Action point in RAR-Handing Over	Registration, photo copying, handing over to concerned section in office/heads of ILGs, making entries in register	2 days
Follow up on Action point in RAR	Takes follow up action at appropriate level to rectify defects and reply is furnished to Secretary	7 days
Presenting RAR in PanchayatCommittee	RAR is placed with replies of all concerned by secretary in every monthly meeting of the Panchayat as a regular agenda item.	15 days
Furnishing reply to PAS	The Secretary consolidates the replies and report is submitted to PAS with copy of Panchayat resolution.The HC/JS supervises the process done by clerks.	3 days
Receipt of SAR	Registration, bringing to the notice of concerned in office, taking copies /extracts ,sending copy to heads of ILGs/ extracts to section in office, making entries in register	2 days
Action on Audit Paras	Rectification of defects and reply by concerned sections in office/ILGs	15 days
submission of SAR to the Panchayat Committee	Entry in agenda register, inclusion in meeting notice, preparation of agenda notes	15 days
Furnishing reply to PAO	Consolidation of replies by secretary and its submission	7 days
Verification of report by PAO	The PAO verifies the report, and after inspection, if any required intimates dropping of paras to the Panchayat.	30 days

6.2. General Course of Action on Performance Audit Reports (PAR)

- i. The President shall hand over the PAR, on receipt of it, to the Secretary.
- ii. The Secretary shall ensure its registration and handing over the PAR to the HC/ Junior Superintendent.
- iii. The HC/JS shall ensure proper filing and follow up action on it by communication of relevant parts of the reports to concerned sections and Implementing Officers for timely rectification and report. HC/JS shall ensure regular follow up on the report.
- iv. It is desirable to keep separate files for each PAR.

Step1- Audit schedule is received in Panchayat Office by e mail. Its print out is taken and file number is given, say A4 100/14. The message is conveyed to all the staff and Implementing Officers.

Step2 - When an audit enquiry note is received during the time of audit requesting clarification, say it is numbered 654/14, it is clubbed with file No A4 100/14 and follow up action is taken.

Step3 - SAR of the above audit is received and say, Number 987/14 is given, it is clubbed with No A4 100/14. The original file A4 100/14 will have all subsequent communications on the subject clubbed with it.

- v. Agenda notes on PAR shall be prepared and included as an agenda item by the Secretary in the next Panchayat meeting. The Secretary shall also make arrangements for sending the report to Implementing Officers.
- vi. The Section Clerk dealing with Performance Audit, being the custodian of the file, shall take extract of paragraphs on which remedial measures are to be taken and the same shall be handed over to the concerned Section Clerks in office for follow up and report vide UO notes authenticated by HC/JS. The Section Clerk shall also ensure sending of relevant extracts of the report to Implementing Officers vide UO notes authenticated by the Secretary.
- vii. The receiving Section Clerk shall attach it with audit enquiry notes earlier received or with the file already dealing with the subject. In inevitable cases, a new file shall be opened to take follow up action can be opened. The Section Clerk dealing with Performance Audit shall maintain separate registers for each theme.
- viii. In the register, the audit Section Clerk shall note file numbers of concerned audit paragraphs/Serial Nos. on which follow up action is taken.
- ix. Concerned term ie RAR/SAR/DLSR can be suffixed to the file number. Say, if the above case is related with RAR for March2014, the file No will be A4.100/2014/3/RAR.
- x. If the first action point in RAR for finance managment deals with excess payment made to the contractor for a public work made by the Assistant Engineer, the extract of the paragraph shall be endorsed to Section Clerk; say, A2 dealing with plan implementation. She/He shall register the endorsement as file No A2.100/

2014/3/RAR 1. She/He shall monitor the follow up action taken by the Assistant Engineer.

- xi. At the Panchayat level audit monitoring committee meeting, A2 section shall report follow up action taken, after obtaining report in the matter from Assistant Engineer, who might already have been in possession of the full content of the report furnished by the Secretary.
- xii. If the second action point in RAR is regarding short levy of property tax, the extract shall be given to the Section Clerk; say, A3, dealing with property tax. S/He shall open a new file with No A3.100/14/3/RAR 2 and shall follow up the matter in liaison with the Clerk dealing with taxation and numbering of the concerned ward. A3 section shall be liable to report before the audit monitoring committee about the follow up action. As part of follow up action, if a notice is to be issued and thereafter revised tax and further steps taken for its realization, all such process shall be taken up at the level of A3 section, following the office manual procedure.
- xiii. In a similar way action shall be continued on all pending Audit Paras.

Monitoring for Performance Enhancement

The performance audit mechanism is intended for enhancing the efficiency and effectiveness of Local Governments. Hence periodic monitoring of performance audit mechanism is inevitable. This periodic meeting would also enhance the capability of the performance audit wing towards the attainment of the objective.

7.1. Conduct of Monthly Meetings

- i. One full day review meeting of Supervisory Officers viz. Assistant Secretaries, Junior Superintendents and Head Clerks of Panchayats, coming under the jurisdiction of the Performance Audit Unit shall be conducted by the PAS on or before the last working day of every month.
- ii. In the monthly meetings, thorough review on various activities of the Panchayats shall be made by the PAS.
- iii. Thrust of the monthly meetings shall be on analysis of the performance gaps of Panchayats, rather than collection of periodical reports.
- iv. It shall be a forum for comparison of performance of Panchayats at unit level. The participants shall have to explain reasons for weak performance in applicable cases and representatives of the best Panchayats shall share their strategies for the benefit of other participants.
- v. Afternoon sessions of the monthly meetings shall be utilized for trainings. Each month, training on one subject shall be conducted. One of the supervisory officers among the participants shall be entrusted with the task of presenting the subject. Every supervisory officer shall be required to present subjects on rotation basis. Subjects and presenters shall be selected in advance by the PAS. Discussions and doubts clearance shall be arranged in a participatory manner.

- vi. The PAS shall prepare the minutes of the meeting incorporating data and suggestions for further course of action. It shall be communicated to the Panchayats within a week by e-mail.

7.2. Conduct of Bi-Monthly meetings on Audit Monitoring

- i. Bi monthly meetings shall be held at PAU level to review progress on follow up action on various pending audit reports.
- ii. Priority shall be given for pending audit paragraphs included in the consolidated audit reports of the Accountant General and the Kerala State Audit Department.
- iii. The PAT shall guide the Panchayats in disposal of pending paragraphs by regular monitoring and prescribing the further course of action on such paragraphs. The Section Clerk dealing with audit reports and the Supervisory Officer shall attend such meetings.
- iv. In such meetings audit paragraphs pending over two years shall be taken up in respect of each Panchayat. The participants shall be given fixed period of time for interaction and the PATs shall review the action on audit reports. So audit reports of two Panchayats can be taken up at a time by two PATs. The PAS shall monitor such meetings.
- v. The meeting shall review Action Taken Report on previous meeting's suggestions, in addition to the adoption of one or two other audit reports.
- vi. The progress shall be monitored through registers as per **Annexures 2.5 and 2.6**
- vii. The PAS shall maintain separate minutes book for such meetings. PAS shall furnish a report to the PAO on the progress of audit monitoring in the format given in **Annexure 7.1.**

7.3. Conduct of Quarterly Review meetings on Annual Plan Implementation

- i. Once in every quarter, a special meeting shall be convened to review the progress of Annual Plan implementation. Such meetings shall be convened preferably during the months of May, August, November and February along with the meeting to review audit reports findings. PAS shall conduct the meeting along with audit.
- ii. The President shall call the meeting of all Implementing Officers and Standing Committee Chairpersons and chair the meeting.
- iii. The PAS shall review the progress of plan implementation.
- iv. The Implementing Officers shall attend the meeting with details of projects being taken up by them. The hurdles, if any, for the execution of the projects shall be discussed and reviewed.
- v. Details of such quarterly review meeting shall be incorporated in the concerned RAR.
- vi. The PAS shall report matters, if any to be sorted out at District Level, to the PAO. The PAO in turn shall take up the matter with District Planning Officer for further action.

7.4. Conduct of Unit Level Quality Circle (QC) Meetings

- i. Every month, Quality Circle (QC) meetings of peer groups shall be arranged at PAU level, for the staff of the Panchayats, coming under the jurisdiction of the Unit.
- ii. The Section Clerks dealing with similar subjects in Panchayats shall be called to attend the meeting. Establishment, Annual Plan Implementation, Licences & Permits, Civil Registration, Social Security Pension, Revenue Recovery proceedings etc. can be included in the meeting.
- iii. Common recurring defects, noted in concerned subject during Performance Audit, shall be discussed in the meeting. Measures for rectification of such defects and its future avoidance shall be given priority in the meeting.
- iv. The participants shall be required to bring status report of the concerned subject in their Panchayat. It shall be done, preferably using a checklist.
- v. The approach of PAU in the meeting shall be friendly. Better interpersonal relation between the participants shall be encouraged.
- vi. Best practices in the subject shall be presented by the participants of the concerned Panchayats.
- vii. It shall be the forum for clearing doubts on concerned subject. It shall provide knowledge to new entrants in service in their area of work, with the support of senior participants and PAU members.
- viii. It is desirable to have such meetings arranged in Panchayat offices, where replicable practices are adopted in the concerned subject. Hence the Clerks get exposure to learn best practices by such meetings.
- ix. After the meeting, targets for performance improvement in the concerned subject, with time limit shall be given to the attending staff. They shall be required to rectify the defects noted in their Panchayats.
- x. Result of such targets assigned shall be reviewed in the subsequent monthly audits.
- xi. The monthly activities of a PAU is summarised in **Table 7.1**.

Table 7.1: PAU - Summary of Quarterly Activities

Activity	Responsibility	Required days	Remarks	Cumulative working days
Monthly Audit in LSGIs	PAT comprising 1 Junior Superintendent and Senior Clerk/clerks	two working days in a Panchayat. In Panchayats where there is heavy workload, 2 working days can be taken for checking	14 working days can be utilised by a team in a month to cover 7 Panchayats at an average. Performance Audit Supervisor shall visit all Panchayats in the unit once in a month. PAS will review the conduct of routine audit by PAT and follow up on action points during such visits.	14
Meeting of AS/JS/HC	PAS	1 working day-preferably last working day of the month.	While the meeting is in progress, draft minutes also shall be prepared with the assistance of the team members so as to ensure its forwarding to the Panchayats in 2 days on completion of the meeting.	15
Peer group meeting	PAS	1 working day		16
Meeting convened by PAO	PAO	1 working day		17
Office duty	PAU	4 working days/balance working days in the month after other activities		21
Field enquiries	Field enquiries shall be conducted during the visit of PAT at the Panchayat for monthly Audit.PAS shall accompany the team depending on the gravity of the subjects of such enquiries.	3 working days		-
Audit Monitoring Meeting	PAS	1 working day	Held bi-monthly	22

Reporting

8.1 Reporting: Periodicity and Levels

Reporting on performance Audit shall be done at Grama Panchayat, District and State levels. It shall be done monthly and at periods determined on the basis of exigencies.

8.1.1 Routine Audit Report (RAR)

- i. The Routine Audit Report (RAR) shall be a comprehensive one incorporating data, scores collected by Panchayat on PEAS and Action Points.
- ii. The action points will be listed in consecutive serial numbers.
- iii. The format for RAR is given in **Annexure 3.3**
- iv. The RAR will be prepared by the PAT during routine audits and it shall be handed over to the Secretary through the President soon on completion of monthly audit.
- v. RAR shall be included as an agenda in monthly Panchayat meetings.
- vi. The Secretary shall submit Rectification Report on RAR and a copy of Panchayat Resolution on it, at the time of conduct of next Routine Audit in the office to the PAS. The format for Rectification Report is given in **Annexure 8.1**.
- vii. Follow up action on any Action Points included in the RAR pending over 6 months of its receipt in office shall be specially monitored by the PAS. PAS shall propose disciplinary action against employees, responsible for such inaction to appropriate authority, through PAO.

- viii. The Secretary shall take steps for presenting of the RAR with the Rectification Report on RAR in the ensuing Grama Sabha.

8.1.2. Special Audit Report (SAR)

- i. SAR shall be prepared by the PAS and submitted to the PAO; as per the schedule fixed by the SPAO.
- ii. The PAO, after necessary corrections, shall forward the SAR, within 15 days of its receipt, to the concerned Panchayat Secretary through the President.
- iii. The SAR shall be presented in the next Panchayat meeting, convened after its receipt in office, including it as a separate agenda item.
- iv. The Secretary shall submit Rectification Report on SAR and a copy of the Panchayat Resolution on it to the PAO, within one month of receipt of the SAR in the office. The format for Rectification Report is given in **Annexure 8.2**.
- v. Follow up action on any paras included in the SAR pending over 6 months of its receipt in office shall be specially monitored by the PAO. PAO shall propose disciplinary action against employees responsible for such pendency to appropriate authority.
- vi. The Panchayat Secretary shall take steps for placing the SAR with the Rectification Report on SAR in the ensuing Grama Sabha.

8.1.3. District Level Status Reports (DLSR)

- i. The PAO shall prepare District Level Status Reports (DLSR) quarterly on performance of LSGIs based on the RAR & SAR.
- ii. DLSR shall be a data based one with scores earned by LSGIs in various sectors. The format of DLSR is given in **Annexure 8.3**.
- iii. It shall give every LSGI a chance to compare their position with regard to other Panchayats in the District. It shall also help them to assess their strengths and weaknesses.
- iv. The PAO shall submit the DLSR to the SPAO on or before 31st of July, October, January and 30th of April.
- v. The PAO shall present the quarterly DLSRs during the first weeks of August, November, February and May every year, in a joint sitting of the Presidents and Secretaries of all GPs of the district, preferably using Power Point presentation. The Deputy Director of Panchayat (DDP) will attend the meeting. Copies of the report shall be distributed to the Participants. A discussion also shall be arranged on the report. It shall be given to the local newspapers and TV channels for publication.

- vi. After Special Audits, the PAO will consolidate the data and scores at district level and it will also be presented as mentioned in pre para.

8.1.4. State Level Status Report (SLSR)

- i. Every year during October, the PAA shall publish a State Level Status Report (SLSR) on Performance Audit for the preceding financial year. The format of SLSR is given in **Annexure 8.4**
- ii. The SPAO will submit the SLSR to the State Performance Audit Authority before 31st October.
- iii. SLSR shall be a data based one, incorporating details of reports published and, review meetings held at PAU, District, and state levels by PAS, PAOs, and SPAO. Notable achievements, misappropriations detected, and disciplinary action taken on the findings of the performance audit shall be included in the Report. For this, required details shall be furnished to the SPAO by the ADPs, DDPs, and Panchayat Director in the prescribed format as in **Annexure 8.5**.

8.2. Internal Monitoring

Review meetings at following levels shall be convened to ensure internal monitoring of Performance Audit Wing (PAW). This would also smoothen the reporting process.

8.2.1. District Level Meetings

- i. Every month, the PAO shall convene a meeting of the members of the PAUs in the district.
- ii. In the monthly meeting, the PAS shall present a report on the activities carried out by the PATs under him during the preceding month.
- iii. The meeting shall identify key areas requiring specific attention of the PATs at Panchayats relevant to the times. An action plan for effective intervention of PATs in such areas will be chalked out. It shall include On the Job Training, peer-group meetings, Scaffolding, etc. by the PAT; suggestions for trainings to be conducted by Academic Institutions like KILA; suggestions for policy interventions, etc.
- iv. There shall be critical evaluation of the follow up action taken, based on previous review meetings.
- v. The PAO shall prepare the minutes of the meeting, and send it to the SPAO, PAS, and concerned authorities/institutions.

8.2.2. State Level /Regional Level Meetings

- i. The SPAO shall convene quarterly review meetings of PAS and PAOs at State Level/ Regional Level (comprising a few districts conveniently) during the months of July, October, January, and April.

- ii. It shall be the forum for the SPAO to critically review the activities of the PAW for the preceding quarter.
- iii. The PAO shall present a report on the activities carried out by the PAUs, during the preceding Quarter.
- iv. In the changing sphere of activities at the Local Governance, this forum shall make assessment of the role of PAW and shall formulate action plan to equip PAW with the changing needs of the times.
- v. The PAO shall prepare minutes of the meeting and submit it, along with proposals on any points requiring intervention from Government, to Performance Audit Authority.
- vi. The PAA shall take up the proposals with Government for necessary action.

Fixation of Liability

1. The Secretaries and Implementing Officers of Grama Panchayats incur expenditure to the tune of crores of rupees every year, as part of implementation of various schemes and projects.
2. The Secretaries levy and collect taxes and fees by following guidelines issued by the Government from time to time.
3. There are cases wherein the expenditure incurred is held under objection /disallowance for violating prescribed norms. In such cases personal liability shall have to be fixed.
4. There may come instances of omission /short realisation of revenue in collection of taxes and fees. In such cases also personal liability may have to be fixed against responsible employees for loss of revenue to the Panchayat.
5. While fixing the personal liability following norms will be adopted.
 - i. The Secretary or the Implementing Officer incur expenditure or levy and collect revenue to Panchayat by way of tax and fees in their official capacity. All such processes are collective activities, involving various cadres of officials and Elected Representatives. The lapses, from the part of such functionaries resulting in loss of public funds shall have to be dealt with as a joint liability.
 - ii. The Secretary is bound to give advice to the Panchayat in decision making. The Secretary and the Implementing Officers are advised by their subordinates through their notings in files.
 - iii. When a case for fixation of liability comes, the concerned files shall be examined to see whether the advisory duty was genuinely performed by the functionaries at appropriate levels. Factors like wrong advice, omission to offer

- advice, and overruling of the advice may result in decisions, leading to loss of funds.
- iv. All Tapals received in the Panchayat Office are to be processed as per the guidelines prescribed in Panchayat Office Management Manual.
 - v. The HC/JS is bound to exercise proper supervision in timely processing of files by subordinate clerks.
 - vi. Tapals received in Panchayat Office may remain unattended owing to negligence of designated clerks and supervisors resulting in serious consequences including loss of funds.
 - vii. In all such cases requiring of Liability Fixation, following questions shall be addressed with reference to the files and other records available for verification.
 - a) Whether there is an office order issued by the Secretary assigning duties to the Section Clerks?
 - b) Whether personal registers were maintained by the Clerk dealing with the subject?
 - c) Whether the personal registers were periodically inspected by the Supervisory Officers?
 - d) Whether charge was properly handed over based on the office order and supervisory officer exercised his supervision in the matter?
 - e) Whether there is a file containing note file and correspondence file in the matter?
 - f) Whether the section clerks and supervisory officers have made file noting?
 - g) Whether the noting was made with reference to the statutes and guidelines in the subject?
 - h) Whether Secretary has given his advice to the President/Panchayat in taking decision?
 - i) Whether decision was taken by the authority overriding the advice at lower level?
 - viii. By judicious application of the mind, all files and records available shall be examined. If no files are produced/available, Office Orders, Personal Registers, running note files and charge hand over registers shall be examined. Written notice shall be given to the affected parties, giving 30 days' time, to show their cause as to why liability should not be fixed against them. They shall also be given chance for personal hearing, if they so require, and for production of records, if any, to defend their cause. It shall be ensured that natural justice is not denied to concerned parties. Their replies and findings in the hearing all shall be judiciously scrutinised to arrive at a decision.
 - ix. The administrative department shall work out liability on summary conclusion as arrived at, by the above process.

Annexures

Annexure 2.1
Registers to be maintained
(See Para 2.3.iv)

- i. Attendance register
- ii. Office Order book
- iii. Minutes Book of staff meetings
- iv. Cash book
- v. Cheques and Drafts register
- vi. Cheque issue register
- vii. Audit Schedule register (Annexure 2.2)
- viii. Stock register
- ix. Distribution register
- x. Register of Pay Bills countersigned- (Annexure 2 Form of KFC 51B)
- xi. Register of TA Bills countersigned
- xii. Inspection register (Annexure 2.3)
- xiii. Despatch cum Stamp account register
- xiv. E-mail register (Annexure 2.4)
- xv. Register for Audit Monitoring of Grama Panchayats (Annexure 2.5 & 2.6)
- xvi. Performance Audit Review register (Annexure 2.7)
- xvii. Minutes book of Entry and Exit meetings
- xviii. Minutes book of monthly meeting of Supervisory Officers
- xix. Minutes book of peer group meetings
- xx. Personal registers
- xxi. Movement register

Note:- Register for which, formats are newly prescribed are annexed. Other registers shall be maintained in formats, which are already in use.

Annexure 2.2

Audit Schedule Register

(See Para 2.3.v.a)

Month and Year-

PAT 1-Name and Designation

1.

2.

PAT 2-Name and Designation

1.

2.

PAT 3-Name and Designation

1.

2.

Scheduled Date of Audit as per APAP	Team	Name of the Panchayat	Date of Conduct of Audit	Period Covered under Audit	Date of Sending of RAR/SAR	Ref No of RAR/SAR

Annexure 2.3
Inspection Register
(See Para 2.3.v.b)

Date of inspection	Time	Name & Designation of Officer	Remarks	Signature

Annexure 2.4

E-Mail Register

(See Para 2.3.v.c)

Date	Ref No., Date and Time of e-mail	From Whom Received	Whether Print Taken or not	File No. in Office	Remarks

Annexure 2.5

**Register for Audit Monitoring on Pending Reports in Grama Panchayats
- AG Audit**

(See Para 2.3.v.d)

Audit Period :
 Date of conduct of Audit :
 Date of receipt of Audit report in the Office :
 Audit report No and Date :
 File No. :
 Date of placing of the report in the Panchayat Committee:
 Total No. of Audit paras :
 Total amount objected as per Audit Report :
 Total amount disallowed as per Audit Report :
 Date of submission of First Reply :

Date of Audit meeting	Total No. of Pending Paras	No. of Paras on which guidance for Follow up action given	Date of submission of further report by Panchayat	No. and Date of further Communication Received	Total No. of paras Dropped, and concerned para Nos.	Total No. of pending Paras

Annexure 2.6

Register for Audit Monitoring on Pending Reports in Grama Panchayats

KSAD Audit

(See Para 2.3.v.e)

Audit period :
 Date of conduct of Audit :
 Date of receipt of Audit report in the Office :
 Audit report No and Date :
 File No. :
 Date of placing of report in the Panchayat Committee :
 Total No. of Audit Paras :
 Total amount objected as per Audit report :
 Total amount disallowed as per Audit report :
 Date of submission of First Reply :

Date of Audit meeting	Total No. of pending paras	No. of Paras on which guidance for Follow up action given	Date of submission of further report by Panchayat	No. and Date of Further Communication received	Total No. of Paras Dropped, and concerned para Nos.	Total No. of pending paras

Annexure 2.7

Performance Audit Review Register

(See Para 2.3.v.f)

Name of Grama Panchayat.....

Month covered under Audit	Date of Audit	Date of Report	No. of Action Points			Total Score	Date of reply received	No. of points on which action taken	No. of action points dropped	No. of pending action points
			OB	Current	Total					

Appendix 3.1:
Annual Performance Audit Plan (APAP)
 (See Para 3.1.iv)

Date	Activities							Changes
	PAU1			PAU2			PAO	
	PAT1	PAT2	PAS	PAT1	PAT2	PAS		

*The last column will be marked if any changes of date, venue etc comes in due course.

APAP shall include tentative dates for the following various activities proposed to be undertake by the PAO/PAS/PAT

- a. Monthly meeting of PAU members by PAO.
- b. Monthly visits in Grama Panchayat Offices by PATs for audit.
- c. Meeting of Supervisory Officers of Grama Panchayats at PAU level
- d. Monthly Quality Circle (MQC) meeting of peer groups at unit level
- e. Audit monitoring meetings
- f. Activities at PAU office
- g. Field enquiries
- h. Inspection of PAOs at unit offices

Annexure 3.2

Performance Evaluation and Appraisal Sheet (PEAS)
(See Para 3.2.i)

..... Grama Panchayat

Performance Evaluation and Appraisal Sheet (PEAS)

For the month of20.....

Score Criteria

- 1 Score may be given to the evaluation points @1 score for each point. If (-1) is given as score it indicates areas where serious attention is required.
2. Such points will be listed separately. (-) score is not added arithmetically with positive integers, but number of (-) scores indicate weakness of the system
- 3 Maximum score and minimum score is shown in score column
- 4 In criteria portion, factors which are to be considered for giving a score is given, separated by a bar

1. Receipts		
Evaluation point	Score	Assessment Criteria
whether Receipt counter foils are properly kept, serially binded	2-0	serially arranged/ binded
Whether Stock register of Sankya receipts is well maintained	3-0	prescribed format/initialled by supervisor/ on physical verification found correct
whether Stock register of manual receipts is well maintained	3-0	prescribed format/initialled by supervisor/ on physical verification found correct
Whether cancelled receipts are kept duly signed by Secretary	2-0	serially kept/Initialled by Secretary
Whether Sankya day book print taken from cashier login is kept with entries of remittance to bank made and initialled by Cashier Accountant , JS and Secretary	6-0	all prints kept/taken from cashier login/ initialled by cashier/Initialled by accountant/Initialled by JS/Initialled by Secretary
Whether Sankya day book print taken from cashier login is kept with entries of remittance to bank made and initialled by Cashier Accountant , JS and Secretary	6-0	all prints kept/taken from cashier login/ initialled by cashier/Initialled by Accountant/Initialled by JS/Initialled by Secretary
Whether cheques/drafts received are entered in Sankya	1-0	all entered
Whether cheques & drafts received have been presented for collection	1-0	all presented
Whether all allotments have been properly recorded under Sankya	1-0	all entered

Are there so many cancelled receipts due to printer fault, and other lapses	1/-1	Critically review. If no such a thing happens give score 1. otherwise give score (-1) find reason for it and suggest remedial measures.
Whether collection is remitted on the same day it self	1-0	same day after 3 'o clock remitted
Whether there is any delay in cash remittance	1/-1	If no delay i.e., remitted on same day or next working day give score as 1. If delayed score is (-1)
Whether there is any short remittance in cash	1/-1	If no shortage give score as 1.If short remittance give score as (-1)
Total score	23	

2. Payments

Evaluation point	Score	Assessment Criteria
whether vouchers are kept binded1-0bindedWhether all vouchers produced for audit	1/-1	If all produced give 1,Otherwise give (-1)
whether all payments are authorised by President	1-0	all authorised
whether payment order no is noted in all vouchers	1-0	payment order noted
Whether all payments have been entered in sankya	1-0	all entered
Whether vouchers are accompanied by sub vouchers	1-0	all accompanied
Whether all bills attached to vouchers are cancelled	1-0	all cancelled
Total	7	

3. Accounts

Evaluation point	Score	Assessment Criteria
Whether cash book is maintained with entries made up-to-date under Sankya	1-0	made up-to-date
Whether Sankya print out of cash book signed by Secretary and accountant is available up to date	2-0	signed by accountant/signed by secretary
Whether Accountant is capable of carrying out all transactions under Sankya without external help	1-0	if can be performed give score 1
Whether reconciliation of all accounts have been done up to the previous month	1/-1	If done give score 1,If any account pending give (-1)
Whether Secretary is using all approval transactions using password	1/-1	if done give 1,if not give(-1)

Whether there is an internal system for verification of collection of money and ensuring its timely remittance every day	2-0	checked by js/checked by secretary-initialled in day book print out
Whether there is proper office order assigning duties to cashier	1/-1	If yes give 1,If not give(-1)
Whether keys of cash chest are properly kept based on Office orders, by competent custodians	2/-1	If double lock keys kept by separate officials give score2,If by 1 person or if no office order give score(-1)
Whether the Accountant has received sufficient training under Sankya	1-0	If received give 1
Whether there are accounts kept with money lying over a long period without transactions	1/-1	If no such accounts give score 1,If accounts are lying without transactions over 1 year give score (-1)
Total	14	

4. Property Tax		
Evaluation point	Score	Assessment Criteria
Whether DCB statement has been prepared for the current year using Sanchaya software	1-0	If prepared give score 1
Whether office orders have been issued assigning targets to clerks for 100% collection	1/-1	If issued office orders give score 1,otherwise (-1)
Whether there is a monitoring mechanism to ensure proper activities for collection of revenue	3-0	monitored by JS/Monitored at staff meeting/ Monitored by Finance SC
Whether 100% collection has been achieved for previous year	10-0	give Score10 for 100%,Score 9 for 90 to 99% etc-based on collection percentage give score
Whether there is a mechanism for field verification and assessment of buildings which have been renovated and evading tax	score not limited	If by field inspection such cases are detected by clerks give score of 1 to each such case
Whether E-payment facility has been arranged	1-0	If arranged give score 1
Whether any dues are pending from Govt /departmental buildings	1-0	If not pending give score 1
Whether higher rate of tax is levied from unauthorised buildings	1-0	If levied or if no such unauthorised buildings give score 1,otherwise 0
Whether steps have been taken for collection of arrears	1-0	If no arrears or effective steps taken give score 1 otherwise 0
Total	9+ earned score in sl no5	

5. Public works		
Evaluation point	Score	Assessment Criteria
Whether files of public works are kept with all relevant papers	5-0	note file/correspondence file/tagged and labelled/page numbered/all relevant papers filed
Whether all formalities related with issue of tender notice have been complied with	5-0	sufficient time/newspaper of sufficient circulation/window advertisement/published in website/all relevant details given
Whether all formalities related acceptance of tender have been complied with	4-0	presence of all concerned for tender/signed in register/recorded noting in tender form/all required entries made in tender register
Whether all formalities related to beneficiary committee formation has been complied with	5-0	convened by Implementing Officer/Proof of notice given for wide publicity/Committee formed of required structure with due representation to women, SC /ST etc. /minutes prepared/ Committee approved by Panchayat Committee
Whether work files of beneficiary committees contain minutes, accounts statement, muster roll, sub voucher etc.	5-0	minutes/accounts statement/muster roll/sub voucher/accounts passed by committee
Whether agreement register and agreements are properly maintained	8-0	In stamp paper of required value/in prescribed form/with all entries made /with all attachments/signed by both parties/signed by witness/with agreement No/register with entries made and signed by AE
Whether M book is properly recorded and kept with file	3-0	Measured and check measured/measurements accepted by contractor/memo of payment recorded
Whether cash book is well maintained	3-0	In prescribed form/written up to date/authentic
Whether Govt dues have been remitted returns timely submitted	3-0	VAT/IT/CWWF/GST
Whether there exists link between the project prepared and sanctioned estimate	1-0	no disparity between project and estimate
No of works not started and reasons for it	1-0	If all started give score 1, otherwise give 0
Whether all revision of estimates have been justified with proper sanctions	1-0	If sanctions available give score 1, otherwise 0
Whether Grama Sabha suggestions are there for such revision	1-0	If suggestions are available give score 1
Whether Asset register is maintained up-to-date	1-0	if up-to-date give score 1
Whether TS obtained for all works executed/started implementation	1-0	If TS obtained give score 1
Whether Petty works have been done as per the guidelines and the execution of the same justified	1-0	If justified give score 1

Whether tender was competitive and tender below have been reckoned with in payment	1-0	Critically review and give score
Whether Departmental supply of materials have been made and the value of same adjusted in payment	1/-1	If supplied and adjusted give score 1. If not supplied gave score 1, If supplied and not adjusted give score (-1)
Whether FS issued for all public works	1-0	If issued give score 1
Whether required EMD and FD has been collected at tender	1-0	If collected give score 1
Whether approval of Panchayat obtained for tender, before execution	1/-1	If approval obtained give score 1
whether Lowest tenderer was awarded work and justification recorded for deviations if any made	1-0	If lowest tender accepted give score 1/If justified in awarding at higher rate give score
Whether all required conditions have been made in the agreement	1-0	Critically review and give score
Total	55	

6. Office Administration

Evaluation point	Score	Assessment Criteria
Whether all required office amenities are available to the staff in office	4	Stationery/locked almirah/computer/table and chair
Whether proper record room is available in office	1-0	If available score 1
Whether there is a system of closing files and handing over of disposals to record section	1-0	If handed over give 1
Whether there are comprehensive office orders issued	1/-1	If issued give ,If not give-1
Whether there is Compliance of office orders issued	1/0	Verify the office order and and process if complied with give 1
Whether there is proper file system in office	7-0	Note file/correspondence file/page numbered/notings with dated initials/seals affixed/ routed through supervisor/relevant statutes noted in files
Whether staff meetings are conducted in office and whether it is effective	4-0	monthly conducted/minutes recorded/of-office functioning reviewed/Supervisor presenting assessment report
Whether personal registers are maintained by staff and its periodical inspection conducted by Supervisory Officers	4-0	maintained/entries updated/all relevant columns entered/Inspected by supervisors
Whether there is proper handing over of charge and its supervision at the time of transfer of employees	3-0/-1	files and records listed/duly signed by both parties/countersigned by supervisor(If not handed over give score(-1)

Whether Office and surrounding have been kept clean	3-0	properly cleaned/no records openly kept/all well arranged and neat
Whether toilets in office is maintained well and sufficient supply of water is ensured	4-0	well cleaned/no bad odours/properly locked/with sufficient water
Total	33	

7. Health & Education Standing Committee		
Evaluation point	Score	Assessment Criteria
Whether meetings are convened monthly	1/-1	If convened score 1, if gap of more than one month give score as (-1)
What is the participation of members	10-0	100% attendance give score 10, If 90 % give score 9, if adjourned without quorum give score 0
Whether meeting notice properly issued, containing specific agendas	4-0	meeting notice with date/with number/contain specific agendas/served to all members
Whether attendance register is maintained showing attending time of participants	1-0	Recorded
Whether meeting notice and ,decisions have been published in the website	2-0	notice published/decisions published
Whether minutes have been recorded and duly authenticated	1-0	recorded
Whether Sakarma software has been made use of in meeting management	1-0	soft ware is used
Whether Health & Education Standing Committee make assessment of plan implementation related to -Heath and education	3-0	Implementing officers are present in meeting/ health sector projects reviewed/education sector projects reviewed
Implementation of model projects in of health and education sectors.	5	Critically review and give score with justification after field visit
Total	28	

8. Welfare Standing Committee		
Evaluation point	Score	Assessment Criteria
Whether the meetings are convened monthly	1/-1	If convened score 1, if gap of more than one month give score as (-1)
What is the participation of members	10-0	100% attendance give score 10, If 90 % give score 9, if adjourned without quorum give score 0
Whether the meeting notice issued properly containing specific agendas	4-0	meeting notice with date/with number/ contain specific agendas/served to all members
Whether the attendance register is maintained showing attending time of participants	1-0	Recorded

Whether the meeting notice and ,decisions have been published in the website	2-0	notice published/decisions published
Whether minutes have been recorded and duly authenticated	1-0	recorded
Whether Sakarma software has been made use of in meeting management	1-0	soft ware is used
Whether Welfare Standing Committee make assessment of plan implementation related to -SC/ST, women and children, poverty alleviation	5-0	Implementing officers are present in meeting/ SC sector projects reviewed/ST sector projects reviewed/Women and children sector projects reviewed/social security projects reviewed
Whether welfare standing committee take care of timely disposal of social security pension applications	5-0	give one score each if no applications are pending above statutory periods in respect of-Old Age Pension/Widow Pension/Pension for differentially abled/Pension for unmarried women above 50 years/Agriculture labour pension
Implementation of model projects in the sector	5	Critically review and give score with justification after field visit
Total	35	

9. Development Standing Committee

Evaluation point	Score	Assessment Criteria
Whether the meetings are convened monthly	1/-1	If convened score 1,if gap of more than one month give score as (-1)
What is the participation of members	10-0	100% attendance give score 10,If 90 % give score 9,if adjourned without quorum give score 0
Whether notice of the meeting is issued properly containing specific agendas	4-0	meeting notice with date/with number/ contain specific agendas/served to all members
Whether attendance register is maintained showing attending time of participants	1-0	Recorded
Whether notice of the meeting is and decisions have been published in the website	2-0	notice published/decisions published
Whether minutes have been recorded and duly authenticated	1-0	recorded and authenticated
Whether the Sakarma software has been made use of in meeting management	1-0	soft ware is used
Whether Development Standing Committee make assessment of plan implementation	4-0	Implementing officers are present in meeting/production sector projects reviewed/ Public works sector projects reviewed/ Building regulation activities reviewed
Implementation of model projects in the sector	5 (53)	Critically review and give score with justification after field visit
Total	29	

10.Finance Standing Committee		
Evaluation point	Score	Assessment Criteria
Whether the meetings are convened monthly	1/-1	If convened score 1,if gap of more than one month give score as (-1)
What is the participation of members	10-0	100% attendance give score 10,If 90 % give score 9,if adjourned without quorum give score 0
Whether notice of the meeting is issued properly containing specific agendas	4-0	meeting notice with date/with number/contain specific agendas/served to all members
Whether attendance register is maintained showing attending time of participants	1-0	maintained showing time
Whether notice of the meeting is and decisions have been published in the website	1-0	notice published/decisions published
Whether minutes have been recorded and duly authenticated	1-0	recorded and authenticated
Whether Sakarma software has been made use of in meeting management	1-0	soft ware is used
Whether finance standing committee make assessment of Revenue collection	5-0	Collection of Property tax/Profession tax/ Advertisement Tax/Entertainment Tax reviewed
Whether Finance Standing Committee make assessment of public administration in office	1-0	Critically review and check effectiveness and give score 1 if done
Whether Finance Standing Committee make assessment of Front office functioning	1-0	Critically review and check effectiveness and give score 1 if done
Whether Finance Standing Committee make assessment of Front office functioning	1-0	Critically review and check effectiveness and give score 1 if done
Whether Finance Standing Committee monitor follow up action on pending audit objections	1-0	Critically review and check effectiveness and give score 1 if done
Whether Finance Standing Committee check the vouchers of previous months in the meetings	1-0	check whether such a thing has been recorded in the vouchers
Implementation of model projects in the sector of Good governance	5	Critically review and give score with justification
Total	33	

11. Panchayat Meetings		
Evaluation point	Score	Assessment Criteria
Whether the meetings are convened monthly	2-0/-1	monthly convened-give score 1 for each meeting, maximum score 2 if two meetings are conducted -If not conducted over a month give score as(-1)
What is the participation of members	10	If 100 % give score 10,Give score depending on percentage
Whether the agenda notes are served to the participants	1-0	Agenda notes given
Whether meeting notice issued containing specific agendas	4-0	meeting notice with date/with number/contain specific agendas/served to all members
Whether attendance register is maintained showing attending time of participants	1-0	maintained showing time
Whether decision register is maintained	1-0	maintained
Whether meeting notice ,decisions and minutes have been published in the website	3-0	meeting notice/decisions / minutes -published (check website)
Whether decisions have been handed over to the members and acknowledgement obtained	1-0	handed over
Whether minutes have been recorded properly and duly authenticated	1-0	recorded and authenticated
Is there proper follow up on decisions of the Panchayat	5-0	Review critically and give score
Whether agenda notes are prepared by sections quoting relevant file nos and standing committee decisions	4-0	prepared by sections/verified by supervisor/approved by Secretary/file numbers shown/
Whether Sakarma software has been made use of in meeting management	1-0	Sakarma software is used
Total	34	

12. Profession Tax		
Evaluation point	Score	Assessment Criteria
Whether an institution register showing all institutions which are liable for payment of profession tax is maintained	1/-1	If register is maintained give score 1,otherwise (-1)
Is there a mechanism for updating of status of such institutions	2-0	Office order issued/every half year list is updated with field enquiry reports
Is there ward wise list of such institutions	1-0	If ward wise listed give score 1
Is there a demand fixed for payment of Institutional profession tax	1-0	If fixed give score 1
Whether the assessment of tax is as per the guidelines in rules	1-0	If as per rules give score 1

Whether professionals have been assessed of profession tax	1-0	If assessed give score 1
Whether registers have been maintained with postings	1-0	If maintained give score 1
Total	8	

13. Advertisement Tax

Evaluation point	Score	Assessment Criteria
Whether there is Bye-law passed by Panchayat for collection of Advertisement tax	1-0	Bye law has been passed
Whether tax is levied at approved rates	1-0	Levied at approved rates
Whether Auction proceedings have been taken for collection of tax	1/-1	If taken give score 1,if not give score(-1)
Whether any arrears are pending for collection	1-0	If not pending give score 1
Whether action is being taken against unauthorised advertisements	1-0	If taken give score 1
Whether Demand register is maintained	1-0	If maintained give score 1
Total	6	

14. Entertainment Tax

Evaluation point	Score	Assessment Criteria
Whether panchayat has passed bye law for collection of Entertainment Tax	1-0	Give score 1 if bye law passed
Whether entertainment tax is collected at approved rate	1-0	Give score 1 if at approved rate
Whether the DCR is recived promptly	1/-1	Give score 1 if received promptly,otherwise give score -1
Whether the Ticket seal register is properly maintained	1/-1	Give score 1 if received promptly,otherwise give score -1
Whether there are any arrears due to be collected	1-0	Give score 1 if no arrears are due
Total	5	

15. Procurment

Evaluation point	Score	Assessment Criteria
Whether the procurement manual procedures have been followed up in procurements	1/-1	if procedures followed up give score 1,if not give score(-1)
Whether the procured materials have been entered in stock register	1-0	Score 1 if entered in stock register
Whether Procurement Committee has been formed	1-0	Score 1 if procurement committee formed

Whether Social Audit Committee has been formed	1-0	Score 1 if Social Audit Committee formed
Whether required Time span has been given between publication of tender notice and tender	1-0	Score 1 if Time span given
Whether Tender process has been properly complied with	1-0	Score 1 if Tender process complied with
Whether required EMD has been collected	1-0	Score 1 if Required EMD collected
Whether required security deposit has been collected	1-0	Score 1 if Required SD collected
Whether supply order has been properly issued	1-0	Score 1 if Supply order issued
Whether all present at the time of tender has signed the register	1-0	Score 1 if All signed
Total	10	

16.Establishment		
Evaluation point	Score	Assessment Criteria
Whether there is proper maintenance of Attendance register	1-0	Score 1 if Maintained
Whether there is proper maintenance of Movement register	1-0	Score 1 if Maintained
Whether there is proper maintenance of Casual leave register	1-0	Score 1 if Maintained
Whether recoveries /Govt dues are paid in time	8/-1	SLI/GIS/PF/LIC/Pension contribution/Contributory pension contribution/IT/Other recoveries- If all duly remitted in time give score @ 1 each, if not remitted give (-1)
Annual property statement of employees has been submitted	1-0	Score 1 if submitted
Is there any staff whose probation declaration is pending over the due period	1/-1	If not pending give 1,if pending give (-1)
Is there any LC/NLC pending of staff who has retired from service	1/-1	If not pending give 1,if pending give (-1)
Are Service registers of all staff personnel well maintained	1-0	If maintained give 1
Whether incumbency register of staff in office is maintained	1/-1	If maintained give 1,If not give (-1)
Whether incumbency register of transferred institutions is maintained	1/-1	If maintained give 1,If not give (-1)
Total	17	

17.D&O Licence		
Evaluation point	Score	Assessment Criteria
Whether there is a system of field verification to identify institutions working without licence	2/-1	office order/periodical inspection and reporting by clerks-If no such things give (-1)
Whether action is being taken against institutions working without licence	1/-1	If attached give score 1 otherwise (-1)
Whether D&O licence files are kept with required NOC'S from other agencies	1/-1	If kept give score 1 otherwise (-1)
Whether timely disposal of applications is being made	1-0	If disposed give score 1,If not give 0
Whether traders list register is maintained	1-0	If maintained give 1
Whether D&O Licence register is properly maintained	1/-1	If maintained give 1,If not give -1
Whether D&O licence Office copy is maintained	1/0	If maintained give 1
Whether conditions specific to trades/activities are being entered in Licence	1/0	If entered give score 1
Total	10	

18. Building Permits		
Evaluation point	Score	Assessment Criteria
Whether Building permit application register is properly maintained	3/-1	applications entered in chronological order/In all relevant columns entries made/Initialled by secretary-give score 1 each to the point and if any point misses give (-1) score also
Whether Building permit applications are pending above the prescribed period	1/-1	If not give 1,If pending above 30 days give score (-1)
Whether permits are issued strictly as per the applications received on chronological order	1-0	If issued on chronological order give score 1
Whether file noting and field verification reports reveal due process of applications	1-0	If revealed give score 1
Whether action is being taken against unauthorised buildings	1-0	If action is taken give score 1
Whether Sanketham software is made use of in office	1-0	if made use OG give score 1
Total	8	

19. Marriage Registration		
Evaluation point	Score	Assessment Criteria
Whether marriage registrations are timely carried out on getting applications	1/-1	If carried out give score 1
Whether registers of marriage registrations well maintained	1/-1	If maintained give score 1
Whether files connected with correction procedures are well maintained	1-0	If maintained give score 1
Whether reporting forms of registrations are properly maintained	1-0	If maintained give score 1
Whether data has been uploaded to web	1-0	If uploaded give score 1
Total	5	

20. Civil Registration		
Evaluation point	Score	Assessment Criteria
Whether birth registrations are timely carried out	1/0	if carried out give score 1
Whether registers of birth registrations well maintained	1/-1	if well maintained give score 1, otherwise give score -1
Whether files connected with correction procedures are well maintained	1/0	if well maintained give score 1
Whether data has been uploaded to web	1/0	if uploaded give score 1
Whether death registrations are timely carried out	1/0	if carried out give score 1
Whether registers of death registrations well maintained	1/-1	if well maintained give score 1, otherwise give score -1
Whether files connected with correction procedures are well maintained	1/0	if well maintained give score 1
Whether data has been uploaded to web	1/0	if uploaded give score 1
Total	8	

21. Sanitation		
Evaluation point	Score	Assessment Criteria
Whether Panchayat has land for disposal of wastes	1/-1	If available give score 1, if not give score (-1)
Whether Panchayat has solid waste processing plant for disposal of solid wastes	1/0	If available give score 1
Whether Panchayat has taken any action against those violating the provisions as per section 219 of KPA 1994 rules	score not limited/0	give 1 score each to such number of actions taken

Whether action has been taken for controlling use of plastic carry bags	3/0	micrometer purchased/periodical inspections conducted/imposed fine
Is there any system for segregation of bio decomposable waste and its proper processing	1/0	If there is a system give score 1
Is there any plastic recycling unit functioning in the Panchayat	1/0	If yes give 1
Total	7+	

22.Shopping Complex		
Evaluation point	Score	Assessment Criteria
Whether all rooms under the disposal of the Panchayat in shopping complex /markets have been rented out	1/0	if rented out give score 1
Whether action has been taken for renting out of any building remaining un occupied/not rented out	1/0	If action taken give score 1
Whether agreements have been properly executed	4/0	in stamp paper of prescribed value/in prescribed format/duly signed by both parties/entered in agreement register
Whether it is ensured that there are no arrears pending in respect of the rent due	1/0	If no arrears give score 1
Total	7	

23.Grama Sabhas		
Evaluation point	Score	Assessment Criteria
Whether Grama Sabha meetings are convened once in 3 months	1/-1	If conducted give score 1
Whether there is good participation in Grama Sabhas	1-10	If 10% participation give score as 1,if 20% participation give score as 2
Whether minutes have been properly recorded, closed and authenticated	1/0	If done give score 1
Whether co-ordinators appointed are suitable	1/0	If clerical and similar staff are appointed give score 1
Whether sufficient publicity was given for conduct of the Grama Sabhas	3/0	Posters/notices/Announcements
Whether beneficiaries were selected fixing eligible criteria	1/0	If yes give 1
Whether beneficiaries were selected fixing suitable priority criteria	1/0	If yes give 1
whether plan formulation Grama Sabhas are conducted as per the fixed procedures	1/0	If yes give 1

Whether any Grama Sabhas were conducted without sufficient quorum	1/-1	If conducted give score (-1),if not give score 1
Whether priority beneficiary list is recorded properly in the minutes	2-0	In the order of marks obtained/with name, house name and place entered
Total	13	

24.Oorukkoottams		
Evaluation point	Score	Assessment Criteria
Whether Oorukkoottam meetings are convened once in three months	1/-1	If yes give 1 otherwise give (-1)
Whether minutes have been properly recorded, closed and authenticated	1/0	If yes give 1
Whether sufficient publicity was given for the conduct of Oorukkoottams	1/0	If yes give 1
Whether beneficiaries were selected fixing eligibility criteria	1/0	If yes give 1
Whether beneficiaries were selected fixing suitable priority criteria	1/0	If yes give 1
whether plan formulation Oorukkoottams are conducted as per the fixed procedures	1/0	If yes give 1
Whether beneficiaries were selected fixing suitable priority criteria	1/0	If yes give 1
Whether Oorukkoottams are chaired by Oorumoopans	1/0	If yes give 1
Total	8	

25. Annual Plan		
Evaluation point	Score	Assessment Criteria
Whether working groups have been formed as per the guidelines	2-0	list submitted by convenors/approved by Panchayat
Whether functioning of the Working Groups are up to the desired level	2-0	Minutes properly recorded/roles assigned is carried out
Whether the status report prepared reveals the status of the sector with sufficient data	2-0	Supported by data/ contains analysis
Whether proper stake holder meetings have been convened	1-0	Minutes properly recorded
Whether Vikasana Seminar meetings were held effectively	2-0	Good participation/suggestions are received as per records
Whether draft plan document was distributed at the Vikasana Seminar	1-0	If distributed give score 1
Whether timely approval of DPC obtained for annual plan	1-0	If obtained give score 1

Whether monthly review meetings of Implementing officers are held	2-0	monthly held/minutes prepared
Whether beneficiary list has been timely handed over	2-0	timely handed over/Panchayat level list handed over
Whether projects taken up are those coming under the functions of the Panchayat	1-0	comes under the functions of the Panchayat
Whether rates of subsidy provided is within the approved rates	1-0	Rate are within the approved rates
Whether financial achievement is up to the desired level	1-0	achievement is commendable
Total	18	

26.Social security schemes		
Evaluation point	Score	Assessment Criteria
Whether pension applications are timely processed and disposed of	1/-1	If no applications pending above the statutory period give score as 1 other wise give score as -1
Whether pension data base is updated monthly after proper verification	2-0	Verification report collected by various sources/Monthly updated
Whether pension application files contain all required documents	3-0	Application/connected documents/field enquiry report
Total	6	

27.Panchayat Distress relief fund		
Evaluation point	Score	Assessment Criteria
Whether Panchayat is maintaining a distress relief fund as per rules	1/-1	
Whether accounting of the fund is proper	4-0	Stock book of receipts/Collection duty entrusted by office order/joint account opened/Monthly reconciliation done
Whether sub committe meetings are held regularly	2-0	Stock book of receipts/Collection duty entrusted by office order/joint account opened/Monthly reconciliation done
Whether operation of the fund is helpful to the needy	1/0	Assess quantum of fund collected and how many were benefitted by it
Whether there is transparency in the operation of the fund	3/0	Publication in notice board/pesenting befoe panchayat committee/presenting the list of beneficiaries before Grama sabha
Total	11	

28.e-Governance		
Evaluation point	Score	Assessment Criteria
Whether Panchayat has a project to secure ISO certification,if not already secured	1/0	Has a project/already secured-give score 1 otherwise give (-1)
Whether sustained efforts are being taken to secure ISO certification	1/0	Check file,verify steps taken and give score
In ISO certified Panchayats whether the required standards are maintained	1/0	If maintained give score as 1
Whether the Panchayat is utilising the softwares developed by IKM		Score may given @ 1 score persoftware
Name of the soft ware	Whether used or not	If not used reason for it
Any commendable achievement in the field of E-Governance	5	Give score after critical evaluation
Total	8+	

29.Audit		
Evaluation point	Score	Assessment Criteria
Whether audit reports are processed as separate files	1/0	processed as separate files
Whether Audit monitoring committees are convened monthly to review action on audit reports	3/0	monthly convened/minutes recorded/effective action taken to clear pending audit objections
Whether extracts of Audit reports have been sent to all concerned staff personnel	1/0	If sent give score 1
Total	5	

30.MGNREGS		
Evaluation point	Score	Assessment Criteria
Whether Panchayat has an approved shelf of Projects	1-0	Score if there is approved shelf of projects
Whether Panchayat is able to provide jobs to all applicants	1-0	Score 1 if all applied workers are given jobs
Whether payment of wages are made to the workers within the stipulated time	1/-1	If payments are made within the time give score as 1,otherwise give score as -1
Whether sanctioned estimates, M books, Muster rolls and photos are kept in concerned project files	4-0	sanctioned estimates/M books/Muster rolls/ and photos are kept
Whether Social Audit reports have been prepared	1-0	If prepared give score as 1

In material works whether the procurement of materials have been done as per fixed norms	1-0	If norms were followed give score as 1
Total	9	

Annexure 3.3:
Routine Audit Report (RAR)
 [See para : 3.2 (v), 8.1.1.iii]

Routine Audit Report (RAR) ofGrama Panchayat for the month of.....20.....
 Prepared by Performance Audit Team, Performance Audit Unit.....District
 Ref No.: _____ Date: _____

Dates on which Monthly audit conducted

1. Name and designation of auditors

Name	Designation

2.Names of Office bearers

Designation	Name and address	Mobile No.	Date from which holding charge
President			
Vice president			
Chairman-Development Standing committee			
Chairman-Welfare Standing Committee			
Chairman-Health and Education Standing Committee			

3. Details of Implementing Officers

Designation	Name and address	Mobile No.	Date from which holding charge

4.Details of Employees working in office

Designation	No. of Sanctioned post	Name and address	Mobile No.	Section Code	Date from which working in office	Date from which taken charge of section
Secretary						
Asst Secretary						
Junior Superintendent						
Head Clerk						
Accountant						
Senior Clerk						
Clerk						
Office Attendant						
Driver						
Full Time Librarian						
Full Time Sweeper						
Part Time Librarian						
Part Time Sweeper						
Nursery Teacher						

5. Details of duties and responsibilities as per office order

Sl No.	Subject	Section Code
1.	Panchayat meetings	
2.	Finance Standing Committee meetings	
3.	Development Standing Committee meetings	
4.	Welfare Standing Committee meetings	
5.	Health & Education Standing Committee meetings	
6.	Grama sabhas	
7.	Oorukoottams	
8.	Front Office	
9.	Administration Report	
10.	Establishment	
11.	Staff meetings	
12.	Panchayat Election	
13.	Asset management	
14.	Audit	
15.	RTI applications	
16.	Civil suits and other legal proceedings	
17.	Record Keeping	
18.	Maintenance of Panchayat Vehicles	
19.	Computerization , E Governance and maintenance of website	
20.	Right to service	
21.	ISO certification and follow up action	
22.	Social security pensions	
23.	Unemployment allowance	
24.	Distress Relief Fund	
25.	Maintenance of Street Lights	
26.	Street Taps	
27.	MGNREGS	
28.	Civil Registration	
29.	Marriage Registration	
30.	Building permits	

31.	D&O License	
32.	Slaughter houses	
33.	Burial grounds	
34.	Health and sanitation	
35.	Budget	
36.	Accounts	
37.	Cash book	
38.	Annual Financial Statement	
39.	Payments	
40.	Office Collection	
41.	Property Tax	
42.	Profession Tax	
43.	Entertainment Tax	
44.	Advertisement Tax	
45.	Shopping Complexes	
46.	Markets	
47.	Bus stand/parking places/halting places	
48.	Annual plan formulation and implementation	
49.	Centrally Sponsored Schemes	
50.	State Sponsored Schemes	
51.	Transferred Institutions	
52.	Kudumbashree	

6. Findings from the Quarterly Review Meeting on Annual Plan implementation

7. Consolidated PEAS

Sl No.	Areas	Score
1	Receipts	
2	Payments	
3	Accounts	
4	Property Tax	
5	Public works	
6	Office Administration	
7	Health & Education Standing Committee	
8	Welfare Standing Committee	
9	Development Standing Committee	
10	Finance Standing Committee	
11	Panchayat Meetings	
12	Profession Tax	
13	Advertisement Tax	
14	Entertainment Tax	
15	Procurement	
16	Establishment	
17	D&O Licence	
18	Building Permits	
19	Marriage Registration	
20	Civil Registration	
21	Sanitation	
22	Shopping Complex	
23	Grama sabhas	
24	Oorukoottams	
25	Annual Plan	
26	Social Security Schemes	
27	Panchayat Distress Relief Fund	
28	e-Governance	
29	Audit	
30	MGNREGS	
TOTAL		

8. Details of dropped Action Points

Sl No.	Action Point No.	Month and year in which Action Point originated	Action Taken	Remarks

9. Action Points

Sl. No.	Action Point No.	Month and year in which Action Point originated	Action Point	Remarks

Name and Signature of the PAS/PAT Leader

Annexure 3.4

Performance Appraisal Score sheet (PASS)

(See Para 3.3.vi)

Theme 1. Public Administration

..... Grama Panchayat								
<i>Performance Appraisal Score Sheet (PASS) -Public Administration- 1</i>								
<i>For the Period from.....to.....</i>								
<i>Give Marks from 5 to 1on the basis of economy/efficiency/effectiveness of the activity, if not exists give zero</i>								
PANCHAYAT MEETING								
	Suggestive criteria	5	4	3	2	1	0	Remarks & Recommendations
1. Organised meeting	<i>Completeness of agenda register and Notice book</i>							
	<i>Inclusion of question and resolutions</i>							
	<i>No deviation from agenda</i>							
	<i>Sequencing and Organisation of agenda items</i>							
	<i>Agenda note along with notice</i>							
2. Participation	<i>All members present</i>							
	<i>Implementing Officers</i>							
	<i>Visitors allowed and attendance</i>							
	<i>Public notice regarding meeting</i>							
	<i>Provision for accepting public opinion and proposals before and after finalization of agenda items</i>							
3. Records	<i>Completeness of Decision register</i>							
	<i>Closing of minutes and sending of copies to the designated</i>							
	<i>Recording of secretaries opinion in minutes</i>							
	<i>Distribution of decision copies to members</i>							
	<i>Detailed recording of members opinion and interpellations and rulings by the chair</i>							

4. Transparency	<i>Publication of decision register and minutes in notice board and website (last meeting)</i>							
	<i>Publication of annual meeting calendar in Meeting Plan Board and web site</i>							
	<i>Proper intimation of decisions to the concerned/affected</i>							
	<i>Proactive disclosure (distribution of minutes to library, grama kerndra etc)</i>							
	<i>Reporting of decisions to the grama sabha</i>							
5. Effectiveness	<i>Proper orders for implementation of decisions</i>							
	<i>Follow up and Insisting on Action taken report from the concerned</i>							
	<i>Reporting of Standing Committee recommendations and decisions</i>							
	<i>Internal control mechanism -agenda item discussion of matters arising from minutes.</i>							
	<i>Clarity regarding responsibility for implementation and proper communication</i>							
STEERING COMMITTEE								
	Suggestive criteria	5	4	3	2	1	0	Remarks & Recommendations
1. Organised meeting	<i>Convened sufficiently earlier before the Panchayat Meeting</i>							
	<i>Completeness of agenda register and Notice book</i>							
	<i>No deviation from agenda</i>							
	<i>Sequencing and organisation of agenda items</i>							
	<i>Agenda note along with notice</i>							
2. Participation	<i>Overall review of Monitoring activities of implementation projects</i>							
	<i>Review of reports from the Standing committees</i>							
	<i>Review of complaints and redressal measures taken and considering appeals</i>							
	<i>Reconciliation/ convergence of recommendations and proposals made by the standing committees</i>							
	<i>Coordination of Standing Committee activities</i>							

3. Records	<i>Completeness of proposal/Decision register</i>							
	<i>Closing of Minutes</i>							
	<i>Recording of Secretaries opinion in minutes</i>							
	<i>Distribution of decision copies to members</i>							
	<i>Detailed recording of members opinion and interpellations and rulings by the chair</i>							
4. Transparency	<i>All members and officers present</i>							
	<i>Follow up and assurance on decision taken report from the Panchayat on the previous proposals</i>							
	<i>Monitoring and reporting of the progress from the Standing Committees</i>							
	<i>Report from the subsidiary meeting</i>							
	<i>Clarity regarding responsibility for implementation and proper communication</i>							
FINANCE STANDING COMMITTEE								
	Suggestive criteria	5	4	3	2	1	0	Remarks & Recommendations
1. Organised meeting	<i>Convened sufficiently earlier before the Panchayat Meeting</i>							
	<i>Completeness of agenda register and Notice book</i>							
	<i>No deviation from agenda</i>							
	<i>Sequencing and organisation of agenda items</i>							
	<i>Agenda note along with notice</i>							
2. Functional and Institutional management	<i>Monitoring of the progress of implementation of concerned project</i>							
	<i>Review of reports from the respective institutional management committees</i>							
	<i>Review of complaints and redressal measures in connection with institutions and functionaries concerned.</i>							
	<i>Review of Service delivery status of the institutions and functionaries</i>							
	<i>Review of the status of infrastructure facilities and assets</i>							

3. Records	<i>Completeness of proposal/Decision register</i>								
	<i>Closing of minutes and sending of copies to the designated</i>								
	<i>Recording of Secretaries opinion in Minutes</i>								
	<i>Distribution of decision copies to members</i>								
	<i>Detailed recording of members opinion and interpellations and rulings by the chair</i>								
4. Effectiveness	<i>All members and officers present</i>								
	<i>Follow up and assurance on decision taken report from the Panchayat on the previous proposals</i>								
	<i>Monitoring and reporting of the progress from the officers</i>								
	<i>Report from the subsidiary meeting</i>								
	<i>Clarity regarding responsibility for implementation and proper communication</i>								
5. Specific Responsibility	<i>Verification and approval of monthly financial statement (Monthly audit)</i>								
	<i>Review of revenue collection</i>								
	<i>Review of front office function and citizen charter compliance</i>								
	<i>Followup action on pending audit report/remarks</i>								
	<i>Analysis of citizen feedback and complaint redressal</i>								
DEVELOPMENT STANDING COMMITTEE									
	Suggestive criteria	5	4	3	2	1	0	Remarks & Recommendations	
1. Organised meeting	<i>Convened sufficiently earlier before the Panchayat Meeting</i>								
	<i>Completeness of agenda register and Notice book</i>								
	<i>No deviation from agenda</i>								
	<i>Sequencing and organisation of agenda items</i>								
	<i>Agenda note along with notice</i>								

2. Functional and Institutional management	<i>Monitoring of the progress of implementation of concerned project</i>								
	<i>Review of reports from the respective institutional management committees</i>								
	<i>Review of complaints and redressal measures in connection with institutions and functionaries concerned.</i>								
	<i>Review of Service delivery status of the institutions and functionaries</i>								
	<i>Review of the status of infrastructure facilities and assets</i>								
3. Records	<i>Completeness of proposal/Decision register</i>								
	<i>Closing of minutes and sending of copies to the designated</i>								
	<i>Recording of Secretaries opinion in Minutes</i>								
	<i>Distribution of decision copies to members</i>								
	<i>Detailed recording of members opinion and interpellations and rulings by the chair</i>								
4. Effectiveness	<i>All members and officers present</i>								
	<i>Follow up and assurance on decision taken report from the Panchayat on the previous proposals</i>								
	<i>Monitoring and reporting of the progress from the officers</i>								
	<i>Report from the subsidiary meeting</i>								
	<i>Clarity regarding responsibility for implementation and proper communication</i>								
5. Specific Responsibility	<i>Preparation of planning calendar and monitoring of its compliance</i>								
	<i>Review of performance of Agriculture, animal husbandry, dairy, fishers etc</i>								
	<i>Review of performance of Public works</i>								
	<i>Review of performance of working committees and subcommittees</i>								
	<i>Effectiveness coordination efforts for organizing and conducting planning Grama Sabha, development seminar, working committees and plan subcommittees.</i>								

SOCIAL WELFARE STANDING COMMITTEE								
	Suggestive criteria	5	4	3	2	1	0	Remarks & Recommendations
1. Organised meeting	<i>Convened sufficiently earlier before the Panchayat Meeting</i>							
	<i>Completeness of agenda register and Notice book</i>							
	<i>No deviation from agenda</i>							
	<i>Sequencing and organisation of agenda items</i>							
	<i>Agenda note along with notice</i>							
2. Functional and Institutional management	<i>Monitoring of the progress of implementation of concerned project</i>							
	<i>Review of reports from the respective institutional management committees</i>							
	<i>Review of complaints and redressal measures in connection with institutions and functionaries concerned.</i>							
	<i>Review of Service delivery status of the institutions and functionaries</i>							
	<i>Review of the status of infrastructure facilities and assets</i>							
3. Records	<i>Completeness of proposal/Decision register</i>							
	<i>Closing of minutes and sending of copies to the designated</i>							
	<i>Recording of Secretaries opinion in Minutes</i>							
	<i>Distribution of decision copies to members</i>							
	<i>Detailed recording of members opinion and interpellations and rulings by the chair</i>							
4. Effectiveness	<i>All members and officers present</i>							
	<i>Follow up and assurance on decision taken report from the panchayat on the previous proposals</i>							
	<i>Monitoring and reporting of the progress from the officers</i>							
	<i>Report from the subsidiary meeting</i>							
	<i>Clarity regarding responsibility for implementation and proper communication</i>							

5. Specific Responsibility	<i>Review of child welfare schemes</i>								
	<i>Review of performance of anganwadies</i>								
	<i>Review the progress of approval of applications for pensions</i>								
	<i>Review of performance of working committees</i>								
	<i>Review the progress of component plans</i>								
HEALTH AND EDUCATION STANDING COMMITTEE									
	Suggestive criteria								Remarks & Recommendations
1. Organised meeting	<i>Convened sufficiently earlier before the Panchayat Meeting</i>								
	<i>Completeness of agenda register and Notice book</i>								
	<i>No deviation from agenda</i>	5	4	3	2	1	0		
	<i>Sequencing and organisation of agenda items</i>								
	<i>Agenda note along with notice</i>								
2. Functional and Institutional management	<i>Monitoring of the progress of implementation of concerned project</i>								
	<i>Review of reports from the respective institutional management committees</i>								
	<i>Review of complaints and redressal measures in connection with institutions and functionaries concerned.</i>								
	<i>Review of Service delivery status of the institutions and functionaries</i>								
	<i>Review of the status of infrastructure facilities and assets</i>								
3. Records	<i>Completeness of proposal/Decision register</i>								
	<i>Closing of minutes and sending of copies to the designated</i>								
	<i>Recording of Secretaries opinion in Minutes</i>								
	<i>Distribution of decision copies to members</i>								
	<i>Detailed recording of members opinion and interpellations and rulings by the chair</i>								

4. Effectiveness	<i>All members and officers present</i>							
	<i>Follow up and assurance on decision taken report from the Panchayat on the previous proposals</i>							
	<i>Monitoring and reporting of the progress from the officers</i>							
	<i>Report from the subsidiary meeting</i>							
	<i>Clarity regarding responsibility for implementation and proper communication</i>							
5. Specific Responsibility	<i>Review of wholesome environment</i>							
	<i>Review of performance of Education in panchayat</i>							
	<i>Review of performance of Health status</i>							
	<i>Review the status of permissions and licensing applications</i>							
	<i>Economy, efficiency and effectiveness of waste management activities</i>							
WELFARE STANDING COMMITTEE								
	Suggestive criteria	5	4	3	2	1	0	Remarks & Recommendations
1. Organised meeting	<i>Sequencing and organisation of meetings before and after the grama sabhas</i>							
	<i>Completeness of agenda register and Notice book</i>							
	<i>No deviation from agenda</i>							
	<i>Sequencing and organisation of agenda items</i>							
	<i>Agenda note along with notice</i>							
2. Data Management	<i>Collection, Compilations and updation of data</i>							
	<i>Sufficiency and comprehensiveness of data base</i>							
	<i>Utilization of available data</i>							
	<i>Objectiveness and fairness of situation analysis and status report</i>							
3. Records	<i>Completeness of working committee minutes</i>							
	<i>Draft Project proposals to grama sabha</i>							
	<i>Records of stake holder consultation</i>							

4. Effectiveness	<i>All members and officers present</i>							
	<i>Follow up and assurance on decision taken report from the panchayat on the previous proposals</i>							
	<i>Monitoring and reporting of the progress from the officers</i>							
	<i>Report from the subsidiary meeting</i>							
	<i>Clarity regarding responsibility for implementation and proper communication</i>							
5. Specific Responsibility	<i>Monitoring of the Progress of implementation of concerned project</i>							
	<i>Monitoring of procurement of goods and services</i>							
	<i>Monitoring of Public works</i>							
	<i>Monitoring of beneficiary committees</i>							
	<i>Monitoring of progress reporting</i>							
GRAMA SABHA								
	Suggestive criteria	5	4	3	2	1	0	Remarks & Recommendations
Organising	<i>Annual Meeting calendar and thematic subject wise sequencing of meeting (3Aii)</i>							
	<i>Responsibility Mapping for the functioning of Grama sabha and time from for the preparation of documents and reports to be presented before Grama sabha 3(b)</i>							
	<i>Availability of details such as agenda along with notice and documents to be presented (3(3))</i>							
	<i>Organised efforts to enable to GS to perform their duties and responsibilities by providing the required information</i>							
	<i>Arranging and enquiring the presence of all the responsible in the grama sabha</i>							
Records	<i>Grama sabha file with details of each meeting</i>							
	<i>Appropriateness of numbering and grouping of agenda, notice, reports and documents, attendance, minutes, minute books</i>							
	<i>Completeness of beneficiary list and its accuracy</i>							
	<i>Panchayat decisions regarding grama sabha</i>							
	<i>Action Taken Reports</i>							

Efficiency	<i>Efforts to make the members of grama/ ward sabha well informed</i>							
	<i>Agenda in notice and actual</i>							
	<i>Officials presented</i>							
	<i>Followup action on grama sabha decisions</i>							
	<i>Participation of members (if 10% of population 1 marks, 20% two marks, 30% three, 40% four and 50% and above 5 marks)</i>							
	<i>Composition of participation (male and female 40: 60 or 60: 40, - 5 marks, any deviation to 5 percent to any direction reduce one mark each)</i>							
	<i>Number of documents, reports/information supposed to be presented in grama/ward sabha as per the Act and actual in an year</i>							
Participation	<i>Sub committees and other subsidiary bodies</i>							
	<i>Convenient venue, timing and duration of meeting</i>							
	<i>Annual calendar and publication of grama /ward sabha meeting</i>							
	<i>Ensuring space and opportunities for all the stake holders and people groups</i>							
	<i>Special efforts to address equity issues to ensure inclusive participation</i>							
	<i>Innovative publicity and organizing arrangements for better participation</i>							
Transparency	<i>Prepublication of documents</i>							
	<i>Efforts to create awareness about the process movement of suggestions and proposals from grama sabha to LSGIs</i>							
	<i>Arrangements for publication of notice and documents in electronic media etc</i>							
	<i>Proactive disclosure of grama sabha proceedings and their further action procedures</i>							
	<i>Availability of documents and reports in grama/ ward Kendra, and public office</i>							

SOFTWARES AND EFFECTIVENESS OF ITS WORKING								
	Suggestive Criteria	5	4	3	2	1	0	Remarks & Recommendations
Infrastructure	<i>Availability of computer</i>							
	<i>Working condition of computers</i>							
	<i>Installed soft wares</i>							
	<i>Number of Fully operationalied softwares</i>							
	<i>Continuity and completeness of using of softwares</i>							
	<i>Extent and suitability of Networking</i>							
	<i>Number of employees using software</i>							
	<i>Availability of facilities like printer, scanner, copier etc</i>							
Human resource	<i>Availability of trained official to use the software</i>							
	<i>Trained in assigned responsibility related software</i>							
	<i>Knowledge and experience of the staff using software</i>							
	<i>Timeliness and use of reports generated</i>							
	<i>Extent of ensuring internal control - Using software only according to the hierarchy and assigned privileges associated with their position*</i>							

Theme 2: Planning and Financial management

..... Grama Panchayat								
Performance Appraisal Score Sheet (PASS) – Financial Management 1								
For the Period from.....to..... .								
Give Marks from 5 to 1 on the basis of economy/efficiency/effectiveness of the activity, if not exists give zero								
		5	4	3	2	1	0	Remarks & Recommendations
Efficiency of cash management	Regularity of counter collection remitted in bank on or before the next working day							
	Regularity of checking cash book balance and physical verification of cash by the supervisor							
	Regularity of signing the cashbook extract by the higher official							
	Effectiveness of internal check system for cash receipt							
	Effectiveness of the internal check system for payment of cash							
	Is there any unwanted accounts for the LSGI & the steps taken to close such accounts							
	Steps taken for early collection of OSRs							
	Is there the verification of avoiding over cash balance							
	If over cash balance, whether they invest the amount to generate income.							
	Whether the budget speech reflects the development vision of the GP							
	Appropriateness of Inclusive approach in budget							
	Follow up of due process in the preparation of budge							
	Extent of discussion with transferred intuitions heads and implementing officials							
	Expenditure are resemble with Budget figure							
	Sufficiency of Supplementary budget process							
Sufficiency of supportive documents in revision of budget								
Whether president has authorised all payments?								
Whether any advances paid to staff, members and advocates are pending adjustment?								

Account	<i>Whether all the accounting transactions are made in Saankhya?</i>								
	<i>Whether the printouts of cashbook and bank book taken daily and approved?</i>								
	<i>Whether necessary additions are done in accruals?</i>								
	<i>Whether necessary journal entries are given for grants?</i>								
	<i>Whether reconcillation of Bank/Treasury accounts made with the corresponding Bankbooks in Saankhya</i>								
	<i>Whether the contra entries are done properly?</i>								
	<i>Whether the printouts of cash/bank book reports are kept bound?</i>								
	<i>Whether all the payment vouchers are properly authenticated?</i>								
	<i>Whether the payment vouchers serialy numbered and kept bound?</i>								
	<i>Whether the cancelled receipts are kept properly?</i>								
	<i>Whether the number of cancelled receipts tally with the report in Saankhya?</i>								
	<i>Whether all the recoveries remitted in time?</i>								
	<i>Whether statutory returns filed properly?</i>								
	<i>Whether printouts of monthly financial statements submitted to the finance standing committee before 10 th of every month?</i>								
	<i>Whether all plan expenditures are recorded as per the uc given by the implementing officers?</i>								
	<i>Whether daily cash remittance to bank is ensured?</i>								
	<i>Whether agreements are executed on payment of advance to KWA and KSEB ?</i>								
	<i>Whether closing balance as per schedule b17 for the previous financial year end tallies with the figures in trial balance for the current financial year opening balance?</i>								
	<i>Whether office orders are issued for custodianship of cheque books?</i>								
	<i>Whether amounts drawn from treasury kept undisbursed refunded after 30 days?</i>								
<i>Whether effective steps have been taken for collection of arrears?</i>									

	<i>Whether sufficient receipt books/computer receipts are available in stock?</i>								
	<i>Whether stock register of Receipt books/Computer receipts are properly maintained?</i>								
	<i>Whether it is ensured that plan funds and B funds received/refunded have not been credited to own fund account?</i>								
	<i>Whether recoveries from salaries have been remitted to the concerned account in time?</i>								
	<i>Whether telephone/internet charges are justifiable?</i>								
	<i>Whether quantum of refreshment charges are justifiable?</i>								
	<i>Whether LPC of transferred staff kept with salary bill?</i>								
	<i>Whether TA has been paid at approved rate to staff and peoples representatives?</i>								
	<i>Whether sitting fee has been paid based on the attendance register?</i>								
	<i>Whether maintenance and electricity charges of Drinking water supply schemes transferred to beneficiary committees are born by the panchayat?</i>								
	<i>Whether register for payment of rent maintained?</i>								
Performance Audit	<i>Whether files are properly kept for previous audit reports?</i>								
	<i>Whether last audit report has been placed before panchayat committee?</i>								
	<i>Accuracy of corrective measures taken on the deviations reported</i>								
	<i>Relevancy of preventive measures taken to avoid expected deviations</i>								
	<i>Whether relevant paras of the report has been given to concerned implementing officers/section clerks?</i>								
	<i>whether reply has been furnished to the Audit Authority on last Audit?</i>								
	<i>Whether files are properly kept for previous audit reports?</i>								
	<i>Whether last audit report has been placed before panchayat committee?</i>								

Local Fund Audit Reprot	<i>Whether relevant paras of the report has been given to concerned implementing officers/section clerks?</i>								
	<i>whether reply has been furnished to the Audit Authority on last Audit?</i>								
AG Audit	<i>Whether files are properly kept for previous audit reports?</i>								
	<i>Whether last audit report has been placed before panchayat committee?</i>								
	<i>Whether relevant paras of the report has been given to concerned implementing officers/section clerks?</i>								
	<i>whether reply has been furnished to the Audit Authority on last Audit?</i>								
Property Tax	<i>Whether records of Assessment are properly maintained?</i>								
	<i>Whether library cess amount has been remitted to the Library Council upto and for the last half year?</i>								
	<i>Whether Form 6 is properly maintained in respect of assessment of revised property tax of buildings?</i>								
	<i>Whether register of Unauthorised buildings are maintained?</i>								
	<i>Whether property tax is levied in respect of unauthorised buildings at the approved rate?</i>								
	<i>Whether any steps have been taken for authorisation/demolition of unauthorised buildings?</i>								
	<i>Whether tax is levied and collected from buildings owned by Govt?</i>								
Profession Tax	<i>Whether register of institutions maintained?</i>								
	<i>Whether there is a system to update details of institutions/individuals liable to pay profession tax by field inspection?</i>								
	<i>Whether profession tax is collected from all traders and companies in the panchayat area?</i>								
Advertisement Tax	<i>Whether Bye-Law has been published for collection of Advertisement Tax?</i>								
	<i>Whether Tax is collected at the approved rate?</i>								
	<i>If collection of tax has been auctioned, whether there is agreement for it?</i>								

Entertainment Tax	<i>Whether it is ensured that there are no arrears for collection of Advertisement Tax?</i>							
	<i>Whether theatres are functioning with valid licence?</i>							
	<i>Whether theatres are submitting DCR properly?</i>							
	<i>Whether DCR is checked by entrusted officials?</i>							
	<i>Whether ticket sealed register is properly maintained?</i>							
	<i>Whether it is ensured that there are no arrears of entertainment tax due for collection?</i>							
Service Tax	<i>Whether service tax is collected from the conerned?</i>							
	<i>Whether it is ensured that there are no dues pending for collection?</i>							
	<i>Whether tax collected has been remitted to the concerned head of account?</i>							

Theme 3: Service Delivery and Good Governance

..... Grama Panchayat								
<i>Performance Appraisal Score Sheet (PASS) –Thematic – Service delivery & Good Governance</i>								
<i>For the Period from.....to..... .</i>								
<i>Give Marks from 5 to 1on the basis of economy/efficiency/effectiveness of the facility arranged, if not arranged give zero</i>								
FRONT OFFICE								
	Amenities for the Public	5	4	3	2	1	0	Remarks & Recommendations
Front office counter	<i>Possibility of Uninterrupted face to face to face interaction</i>							
	<i>Esthetics</i>							
	<i>Seating facility for first person in front of the counter</i>							
	<i>Usefulness of Ramp facility for physically challenged</i>							
	<i>Sufficiency of seating facility arranged</i>							
	<i>easiness, convenience and sufficiency in availability of application forms to public</i>							
	<i>Sufficiency of stationery (Pen, paper, gum, thread, stapler, single punch, pin, waste paper basket) to public</i>							
	<i>Availability and cleanliness of drinking water facility to public</i>							
	<i>Clean and safe Urinal and Toilet for ladies and gents</i>							
	<i>Working condition and suitability of token counter/token dispensing machine</i>							
	<i>Cleanliness and usefulness of Wash basin for public</i>							
	<i>Usability of First aid kit in Front office</i>							
	<i>Updated News papers, periodicals, leaflets etc to the public</i>							
	<i>Working condition of T.V for the public</i>							
	<i>Working and updated data availability of Touch Screen arrangements for file tracking</i>							
<i>Security of Feeding room for breast feeding mothers</i>								

	<i>Utility of Help desk for online application filing, Photostat kiosk, coffee vending machine etc</i>								
Complaint Box	<i>Clarity of labels on complaint box- opening procedure, responsible persons, method of redressal etc.</i>								
	<i>Utility of complaint box (no of complaint received as compared to direct receipt)</i>								
	<i>Proactive disclosure of action taken on complaint received</i>								
	<i>Awareness of the Responsible officials about the procedures to open and redress the complaints received through the complaint box</i>								
Amenities	<i>Availability of chair, shelf, cash box and its suitability</i>								
	<i>Availability of stationery including computer related and its sufficiency</i>								
	<i>Utility and working of Intercom</i>								
	<i>Computer deployed with and connected to Main Office through local area network</i>								
	<i>Availability of the relevant software for the front office and having VPN/KSWAN connectivity</i>								
	<i>Availability of Copies of Acts, Rules and Government Orders related to the Panchayat.</i>								
	<i>Availability of Copies of updated Citizens charter</i>								
Responsibilities	<i>Completeness of Registration cum Distribution Register, Front Office Diary, Form issue Register, Message Book etc</i>								
	<i>Issuing Acknowledgement receipts for every application received</i>								
	<i>Updation. Clarity and comprehensiveness of Office order and work distribution chart.</i>								
	<i>A copy of Check list of various services available</i>								
	<i>Availability of updated Information diary with address and telephone numbers of all elected representatives, Officials and transferred institutions, Office Bearers of ADS/CDS, Health workers, Preraks, other committee members etc</i>								
	<i>Awareness of staff about front office duties</i>								
	<i>Effectiveness of monitoring by JS/HC</i>								

GOOD GOVERNANCE							
Good Governance	<i>Clarity and updation of Service delivery board</i>						
	<i>Status of attendance board updated and maintained</i>						
	<i>Clarity, aesthetics and placing of Board of notification on anticorruption</i>						
	<i>Clarity, aesthetics and placing of RTI board</i>						
	<i>Clarity, aesthetics and placing of RTS board</i>						
	<i>Board of public grievance</i>						
	<i>Clarity, aesthetics and placing of updated Citizen charter</i>						
	<i>Awareness of Responsible person in charge of record room</i>						
Record Room	<i>Neatness of Record Room</i>						
	<i>Appropriateness of indexing of records</i>						
	<i>Effectiveness of the System maintained for the records inflow and out flow.</i>						
	<i>Availability of records for the record room-M book, registers, files etc</i>						
	<i>Availability of documents - pervious citizen charters, plan document, development report, minutes, list of beneficiaries etc</i>						
	<i>Efficiency of arrangements for sustainability of record room</i>						
	<i>Destroying of time barred records and files</i>						
Meeting hall	<i>Adequacy of seating for President, Secretary, members, implementing officers and visitors</i>						
	<i>Arrangements inside the meeting hall, visibility and audibility</i>						
	<i>Cleanliness of the furniture, seats, and equipments in the meeting hall</i>						
	<i>Whether the meeting hall is equipped with computers, public address system, LCD projector with monitor and intercom?</i>						
	<i>Clarity and visibility of section boards displayed</i>						
	<i>Computerization of all sections</i>						
	<i>Suitability of uninterrupted power supply arranged</i>						
	<i>Availability and usage of ID cards by the staff</i>						

Main Office	<i>Working condition and usage of intercom by all sections</i>								
	<i>Utility of cash chest arranged</i>								
	<i>Cleanliness and aesthetics of main office</i>								
	<i>Fulltime supply of water is available in toilets?</i>								
	<i>Cleanliness and safety of toilets</i>								
Jagrathasamithi	<i>Functioning of ward level Jagrathasamithi-meeting held, actions suggested, reports submitted</i>								
	<i>Functioning of panchayat level Jagrathasamithi-meeting held, actions suggested, reports submitted</i>								
	<i>Performance of Jagrathasamithi related to objectives</i>								
OFFICE PROCEDURES									
Fact based decision support	<i>precedence of the case (files pending before higher authorities, court, judgment already available, etc</i>								
	<i>Quoting relevant sections of Act, rules and GOs</i>								
	<i>Clarity of Proposed decision</i>								
	<i>Pros and cons of proposed decision</i>								
	<i>Details of affected parties, areas, and their concern</i>								
Efficiency (Average time taken for files completion) (see note 1)	<i>Time taken for Ordinary file without enquiry</i>								
	<i>Time taken for Ordinary files with enquiry</i>								
	<i>Time taken for Emergency file without enquiry</i>								
	<i>Time taken for emergency files with enquiry</i>								
	<i>Time taken for files need panchayat decision (without enquiry)</i>								
	<i>Time taken for files need panchayat decision (with enquiry)</i>								
Certificates	<i>Time taken for certificate without enquiry - Birth</i>								
	<i>Time taken for Certificate with enquiry - Birth</i>								
	<i>Time taken for certificate without enquiry - Death</i>								
	<i>Time taken for Certificate with enquiry - Death</i>								
	<i>Time taken for certificate without enquiry - Marriage</i>								
	<i>Time taken for Certificate with enquiry - Marriage</i>								

Responsibility	<i>Completeness of personal registers</i>								
	<i>Monitoring and checking or PR by the supervisory officer</i>								
	<i>Acknowledgement of receipts of tappals and files</i>								
	<i>Numbering and keeping of files</i>								
Asset Mgt	<i>Availability of deeds and documents of assets</i>								
	<i>Safety of keeping deeds and other important documents</i>								
	<i>Maintenance of all warranty documents</i>								
MANDATORY FUNCTIONS									
Section : 1 PUBLIC HEALTH									
Sector general evaluation	<i>Administration of the functions through the Standing Committee, Functional/Working Committee/ Group and Functionary/s assigned with specific responsibility if any?</i>								
	<i>Occurrences of the subject matters in the Agenda of the Meetings if any? Ratio of Reactive and proactive decisions</i>								
	<i>Provided for periodical reports and reviews if any? Decisions upon the information and data available through the established reporting structures if any?</i>								
	<i>Grievance Redressal measures if any adopted and its efficiency and effectiveness?</i>								
	<i>Transparency and accountability measures if any adopted like public reporting /periodical reports to Gramasabha on the function?</i>								
Collection and disposal of solid waste and regulation of liquid waste disposal (6)	<i>Waste management plan based on reliable data about different types of waste produced per day at different sources like-households, nonresidential premises, public markets, commercial establishments, auditoriums, hotels, public places and streets, etc.</i>								
	<i>Waste management regulations with directions and prohibitions/ notice published</i>								
	<i>Efficiency and effectiveness of the administration in ensuring the duty of the owners of all premises /residents /citizens and the general public for complying the WM regulations/principles</i>								
	<i>Extent and adequacy of arrangements made as per Section 219A:-(a)-Cleaning the roads and removal of sweepings</i>								

		<i>-(b)-daily removal of filth and carcasses of animals from private premises</i>								
		<i>-©-removal and burial of unclaimed dead bodies</i>								
		<i>-(d)-removal of solid waste</i>								
		<i>-(e)-daily collection ,removal, transportation, disposal/processing of rubbish/solid waste</i>								
		<i>Budget provisions and actuals and their ratio to the totals</i>								
		<i>Sustainability of the waste management system</i>								
Maintenance of environmental hygiene(8)		<i>Availability of reliable data about the existence of potential factors that affect the local environmental hygiene</i>								
		<i>Efficiency and effectiveness of the Activities aimed at improving or maintaining the standard of basic environmental conditions affecting the well-being of people:</i>								
		<i>1) clean and safe water,</i>								
		<i>2) clean and safe air,</i>								
		<i>3) safe waste disposal,</i>								
		<i>4) protection of food from contaminants, and</i>								
		<i>5) adequate housing in clean and safe surroundings</i>								
		<i>Commitment to making sanitation and hygiene a reality in local settings by allocating sufficient resources to public and school for the above activities(Budget provisions and actuals and their ratio to the totals and to the population)</i>								
Vector Control(10)	Immunisationprogrammes(16) Prevention and control of diseases (17)	<i>Vector borne diseases (VBD) occurrence if any reported during the period. If yes:- Whether the cause-of-epidemic analysis was performed or not on the VBD?</i>								
		<i>-Vector borne diseases occurrence is often associated with changes in eco-systems, human behavior, and climate. Efficiency and Effectiveness of the vector control and preventive activities if any under taken in this regard?</i>								
		<i>The incidence of vaccine preventable diseases if any reported (It is the outcome measure that demonstratesthe effectiveness of an immunisation program in terms of control, elimination oreradication of a particular diseases)</i>								

	<i>Availability of immunisation data for children under the age of seven years. Produced if any reports on immunisation coverage and included in the agenda</i>								
CIVIC SERVICES									
Sector general evaluative	<i>Administration of the functions through the Standing Committee, Functional/Working Committee/ Group or subcommittee and a Functionary /official assigned with specific responsibility if any?</i>								
	<i>How clear are we about what we are trying to achieve? Occurrences of the subject matters in the Agenda of the Meetings if any? Ratio of Reactive and proactive decisions</i>								
	<i>Provided for periodical reports and reviews if any? Decisions upon the information and data available through the established reporting structures if any?</i>								
	<i>Grievance Redressal measures if any adopted and its efficiency and effectiveness?</i>								
	<i>Transparency and accountability measures if any adopted like public reporting /periodical reports to Gramasabha on the functions?</i>								
Storm Water Drainage (7)	<i>Investigative Monitoring Analysis of rainwater water drainage pollutant loads into the watersheds and water bodies and rivers.</i>								
	<i>Flooding and Drainage Control Flooding and Drainage Projects Implementation Best Management Practices</i>								
	<i>Erosion and Sediment Control Permitting and Compliance Implementation Operations and Maintenance</i>								
Management of public markets (9)	<i>Do we have maximum possible output from a given set of inputs: Building new public markets and leasing</i>								
	<i>Do we have distributed the available productive public resources amongst alternative uses so as to produce the optimal mix of output: renovating and maintaining an existing public market</i>								
	<i>Control and management of public markets within the area: efficiency economy and effectiveness</i>								
	<i>Levy and collection fees: accountability and transparency in ensuring economy and efficiency</i>								

Street lighting and its maintenance (15)	<i>How clear are we about what we are trying to achieve? Availability of reliable information and data base. Like classified number of street lights, energy consumption, maintenance and respective costs etc.</i>							
	<i>annual energy, maintenance and replacement cost increase/decrease for public lighting per person during the last five years; cost per light; ratio of Own Revenue and cost; Increase in Coverage of street lighting (% of Road KM) Analyses if any undertaken? It has to be the basis/reason for formulating a clear vision for improving effectiveness and energy efficiency in the sector, especially as the potential for savings is high (between 20% and 50% at some facilities) Policy/vision if any adopted in this direction</i>							
	<i>uptake of more efficient street lighting system and develop strategies to address any identified problems considering mandatory standards for lighting energy efficiency and related cost implications for local government.</i>							
	<i>5Es in the Management of street lighting mandate [Section 176B]; procurement plans and procedures adopted; accountability and transparency measures adopted [Section 3A(f)(p)]</i>							
Burial and burning grounds (18)	<i>If available, extent of property and specifications recorded in the Asset register and its accuracy</i>							
	<i>5 E s in the operation and maintenance of the Burial ground /budget provisions and actuals</i>							
	<i>Availability and functionality of the documented procedures prescribed for maintaining the Burial ground</i>							
Bathing and washing Chats (21)	<i>If available/relevant, extent of details and specifications recorded in the Asset register and its accuracy</i>							
	<i>5 E s in the operation and management of the budget provisions and actuals/outcomes</i>							
Public Toilet Facilities (25)	<i>How clear are we about what we are trying to achieve? Availability of reliable data and information for assessing the public utility service requirements and the costs and risks associated with</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>
	<i>Comprehensive policy and plans regarding public places /established public utility service standards</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>

	<i>Efficiency and effectiveness of the amenities planned / provided / maintained</i>							<i>Budget Accounts Reports</i>
	<i>How far sustainability of the facilities being ensured</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>
Provision for ferries (22)	<i>How clear are we about what we are trying to achieve? Availability of reliable data and information for assessing the ferryboat service requirements and the costs and risks associated with</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>
	<i>Comprehensive policy and plans regarding ferryboat service / alternatives</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>
	<i>How far sustainability of the ferryboat service facilities being ensured and evidence for the alternatives being enquired into and planned</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>
	<i>public ferry security standards are established and are at place and the extent of its effectiveness being adequately ensured</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>
Travellers waiting sheds (24)	<i>How clear are we about what we are trying to achieve? Availability of reliable data and information for assessing the Travellers Waiting Sheds requirements and the costs and risks associated with</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>
	<i>Comprehensive policy and plans regarding public places and well established public utility service standards in place</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>
	<i>5Es of the Travellers Waiting Sheds planned / constructed / maintained</i>							<i>Budget Accounts Reports</i>
	<i>How far sustainability of the Travellers Waiting Sheds facilities being ensured</i>							<i>Grama Sabha Minutes Working group minutes Status Report LSGI minutes</i>

Parking Spaces (23)	<i>How clear are we about what we are trying to achieve? Availability of reliable data and information for assessing the Parking Space requirements and the costs and risks associated with -</i>							
	<i>Comprehensive policy and plans regarding Parking Space / alternatives to one-size-fits-all approach to roadway design focused only on motor vehicle transportation like promoting public transport ,mobility hubs, cycle stands, motor car free townships, etc.</i>							
	<i>How far sustainability of the Parking Space being ensured and evidence for the accountability and transparency being enquired into and established</i>							
	<i>Parking Space standards are established and are at place and the extent of its effectiveness being adequately ensured</i>							
	<i>Efficiency and effectiveness of the Parking Spaces planned / provided / maintained</i>							

Annexure 3.5
Special Audit Report
(Consolidated Report of a Particular theme)
(See Para 3.3.viii)

1. PAU Level

		PAU:				
LSGI #		Score	Name of LSGI			
			1.....	2.....	3.....	4.....
Panchayat meeting	Organised Meeting	5				
	Participation	5				
	Records	5				
	Transparency	5				
	Effectiveness	5				
Steering committee	Organised Meeting	4				
	Participation	4				
	Records	4				
	Effectiveness	4				
Finance standing comit	Organised Meeting	5				
	Functional mgt	5				
	Records	5				
	Spl responsibility	5				
	Effectiveness	5				
Dev standing committee	Organised Meeting	5				
	Functional mgt	5				
	Records	5				
	Spl responsibility	5				
	Effectiveness	5				
Welfare standing comit	Organised Meeting	5				
	Functional mgt	5				
	Records	5				
	Spl responsibility	5				
	Effectiveness	5				
Hal. & Edn standing comit	Organised Meeting	5				
	Functional mgt	5				
	Records	5				
	Spl responsibility	5				
	Effectiveness	5				
Working committee	Data Meeting	5				
	Functional mgt	5				
	Records	5				
	Monitoring	5				
	Effectiveness	5				
Software Grama sabha	Organised Meeting	5				
	Participation	5				
	Records	5				
	Transparency	5				
	Efficiency	5				
Software Grama sabha	Infrastructure	4				
	Human resource	5				
	Total Score	200				
	Rank					

Annexure 7.1
Audit Monitoring-Report
 (See Para 7.2.vii)

Name of Performance Audit Unit:

Date of Conduct of Audit Monitoring meeting:

Name of panchayat	Audit report considered- AG/Local Fund	Audit Report Year	Total No. of pending paras	Total No. of paras on which guidance for follow up action given at the meeting	Total No. of paras dropped during last 2 months-Audit Report year and para No

Place :
Date :

Name and Signature of Performance Audit
Supervisor

Annexure 8.1

Rectification Report on RAR

(See Para 8.1.1.vi)

Rectification Report Submitted for the Routine Audit Report for the month of
in respect ofGrama Panchayat

Part 1

Date of conduct of Audit	
Date of Receipt of report in Office	
File No.	
Date of Communication of report /extract to Heads of Institutions	
Date of Communication of report/extract to concerned sections in Office	
Date of Panchayat Meeting in which the Report was considered	
Total Action Points in the Report	
No. of Points in which action Taken	

Part 2

Sl. No.	Action Point No.	Action point	Action Taken	Remarks	Remarks of PAT/PAS

Place :
Date :

Name and Signature of Grama Panchayat
Secretary

Annexure 8.2

Rectification Report on SAR

(See Para 8.1.2.vi)

Rectification Report Submitted for the Special Audit Report conducted on.....
for the month of in respect ofGrama Panchayat

Part 1

Date of conduct of Audit	
Subjects Covered under Audit	
Date of Receipt of report in Office	
File No.	
Date of Communication of Report /Extract to Heads of Institutions	
Date of Communication of Report/Extract to concerned sections in Office	
Date of Panchayat Meeting in which the Report was considered	
Total Action Points in the Report	
No. of Points in which action Taken	

Place :
Date :

Name and Signature of Grama Panchayat
Secretary

Annexure 8.3:
District Level Status Report
(See Para 8.1.3.ii)

1. Introduction

Aims and Objectives
Hierarchical position
Staff strength

2. Status of Performance Audit

Unit	Monthly audit Completed up to	Monthly Audit Report prepared up to

3. Status of Action points clearance

Unit	Action points pending as OB	Action points proposed during the current year	Total Action points	Action points cleared	Action points pending

4. Status of monthly review Meetings

5. Status of Score obtained by Panchayats

Give details of best performing Panchayats
Give Data on percentage of score at District level

6. Best Practices

Give description of model practices/projects observed

7. Service Delivery Status-Service delivered (List of items as per right to service and Citizens charter may be added)

Item	Pt1.	Pt2.	Pt3.	Pt4.	Pt5.

8. Training Programmes Conducted

Unit	No. of training Programmes conducted	Themes of Training	No. of Participants

9. Status of Civil Registration and Marriage Registration

Panchayat	No. of births registered	No. of deaths registered	No. of common marriages registered	No. of hindu marriages registered

10. TQM and ISO Certification

Unit	No. of Panchayats having	
	TQM	ISO Certification

11. Online service Delivery status

Unit	online service item 1	online service item 2	online service item 3	online service item 4
	No. of panchayats where online service delivery facility available	No. of panchayats where online service delivery facility available	No. of panchayats where online service delivery facility available	No. of panchayats where online service delivery facility available

12. Computerisation

Unit	Name of software	Name of software	Name of software	Name of software	Name of software	Name of software
	No. of Panchayats where functioning					

13. Annual Plan implementation-Expenditure-District Level Percentage of Expenditure

Panchayat	Gl	SCP	TSP	KLGS DP	MG-R	MG-NR

14. Social Security Pension

Panchayat	No. of OAP beneficiaries	No. of WP beneficiaries	No. of DP beneficiaries	No. of ALP beneficiaries	No. of UMW above 50 years beneficiaries	No. of Unemployment allowance beneficiaries

15. Grama Sabhas

Panchayat	No. of Grama Sabhas conducted

16. Financial misappropriation/serious audit observations detected

Panchayat	Brief description of observation	Remedial measures taken

17. Special Audits conducted by Performance Audit Wing

(A description with sufficient data may be incorporated)

18. Accounting

Unit	No. of Panchayats who submitted AFS within the time	No. of Panchayats who received unqualified certificate

19. Status of Local Fund Audit-No of Panchayats to be given

Unit	Audit completed up to the financial year-	Audit completed up to the financial year-	Audit completed up to the financial year-	Audit completed up to the financial year-

20. Status of Accountant Generals Audit

Unit	Audit completed up to the financial year-	Audit completed up to the financial year-	Audit completed up to the financial year-	Audit completed up to the financial year-

21. Collection of Tax

Panchayat		Demand	Collection	Balance
	Property tax			
	Profession tax			
	Entertainment Tax			
	Advertisement Tax			

22. An Analysis of Functioning of Grama Panchayats - Strengths and Weaknesses

Annexure 8.4:
State Level Status Report
[See Para 8.1.4.(i)]

1. Introduction

Aims and Objectives

Hierarchical position

Staff strength

2. Status of Performance Audit

District	Monthly Audit Completed up to	Monthly Audit Report prepared up to	Quarterly Audit Reports prepared up to

3. Status of Action points clearance

District	Action points pending as OB	Action points proposed during the current year	Total Action points	Action points cleared	Action points pending

4. Status of Quarterly Meetings conducted for presentation of DLSR

District	Number of Quarterly meetings conducted by PAO

5. Status of Score obtained by Panchayats

Give details of best performing panchayats

Give Data on Percentage of score at District level

6. Best Practices

Give description of model practices/projects observed

7. Service Delivery Status-Service delivered (List of items as per right to service and Citizens charter may be added)

Item	TVM	KLM	PTM	ALP	KTM	IDK	ERN	THR	PAL	MAL	KOZ	WYD	KNR	KSD

8. Training Programmes Conducted

District	No. of training Programmes conducted

9. Status of Civil Registration

Panchayat	No. of births registered	No. of deaths registered	No. of common marriages registered	No. of hindu marriages registered

10. TQM and ISO Certification

District	No. of Panchayats having	
	TQM	ISO Certification

11. Online service Delivery status

District	online service item 1	online service item 2	online service item 3	online service item 4
	No. of panchayats where online service delivery facility available	No. of panchayats where online service delivery facility available	No. of panchayats where online service delivery facility available	No. of panchayats where online service delivery facility available

12. Computerisation

District	Name of software	Name of software	Name of software	Name of software	Name of software	Name of software
	No. of Panchayats where functioning					

13. Annual Plan implementation-Expenditure-District Level Percentage of Expenditure

District	Gl	SCP	TSP	KLGS DP	MG-R	MG-NR

14. Social Security Pension

District	No. of OAP beneficiaries	No. of WP beneficiaries	No. of DP beneficiaries	No. of ALP beneficiaries	No. of UMW above 50 years beneficiaries	No. of Unemployment allowance beneficiaries

15. Grama Sabhas

	District

16. Financial misappropriation/Serious Audit Observations detected

Panchayat	Brief description of observation	Remedial measures taken

17. Special Audits conducted by Performance Audit Wing

(A description with sufficient data may be incorporated)

18. Accounting

District	No. of Panchayats who submitted AFS within the time	No. of Panchayats who received unqualified certificate

19. Status of Local Fund Audit-No of Panchayats to be given

District	Audit completed up to the financial year-	Audit completed up to the financial year-	Audit completed up to the financial year-	Audit completed up to the financial year-

20. Status of Accountant Generals Audit

District	Audit completed up to the financial year-	Audit completed up to the financial year-	Audit completed up to the financial year-	Audit completed up to the financial year-

21. Collection of Tax

District		Demand	Collection	Balance
	Property tax			
	Profession tax			
	Entertainment Tax			
	Advertisement Tax			

22. An Analysis of Functioning of Grama Panchayats - Strengths and Weaknesses

Annexure 8.5
Format for furnishing details to SPAO for preparation of SLSR
(see paras 8.1.4 (iii))

Name of panchayat	Nature of irregularity / misappropriation detected	Reference of Performance Audit Report	Action taken	Remarks

Place :
Date :

Name, Designation and Signature
of the Concerned Office



Government of Kerala

Manual for Asset Management in Local Self Government Institutions of Kerala

(Prepared by KILA under KLGSDP)

Printed and Published by:



Kerala Institute of Local Administration

Mulamkunnathukavu P.O. Thrissur, Kerala, India – Pin: 680581

Phone: 0487-2207000, 2201312

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www.kilaonline.org

January 2017

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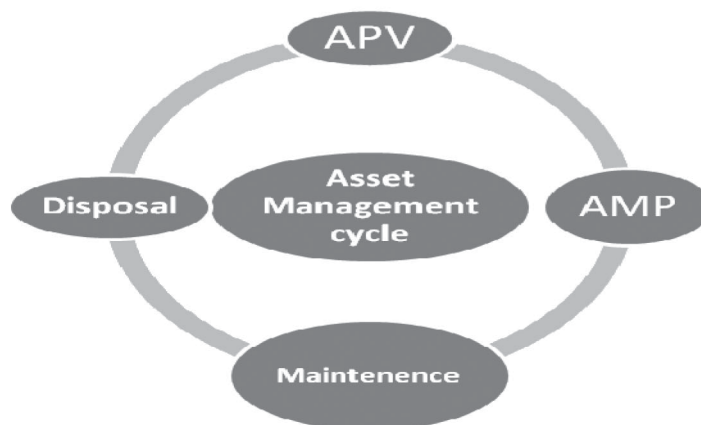
ACA	-	Asset Condition Assessment
ALC	-	Asset Life cycle
AMF	-	Asset Management Function
AMMC	-	Asset Management and Monitoring Committee
AMP	-	Asset Management Plan
AMR	-	Asset Management Register
AMS	-	Asset Management Strategy
APV	-	Annual Physical Verification
APVR	-	Annual Physical Verification Report
AR	-	Asset Register
ASAAC	-	Annual Status Assessment of Asset Condition
ASAACR	-	Annual Status Assessment of Asset Condition Report
BDC	-	Bio Diversity Committee
CA	-	Custodian of Assets
DOES	-	District Officer of Economics and Statistics
HoILG	-	Head of the Institutions of Local Government
HYR	-	Half Yearly Review
LCC	-	Life Cycle Cost
IoLG	-	Institutions of Local Government
LSGI	-	Local Self Government Institutions
PIIs	-	Physical Inventory Instructions
PIR	-	Physical Inventory Records
PPP	-	Public Private Partnership
PRR	-	Periodic Review Report
QPV	-	Quarterly Physical Verification

Introduction

1.1. Background

Asset Management is the combination of management, financial, economic, and engineering disciplines applied to assets; with the objective of providing the required level of service in the most efficient manner. Asset Management includes whole gamut of activities of the Asset's life cycle viz. planning, acquisition, operating, maintaining, repairing, modifying, replacing, rejuvenating, and disposal of various forms of assets. (See the Box 1.1).

Box 1.1 : Asset Life Cycle



1.2. Asset Management Framework (AMF)

Asset Management Framework employs structured systematic approach, driven towards service delivery of assets and envisage their management on 'Asset Life Cycle' (ALC) concept. In view of AMF:

- i. Asset Management decisions should be not in isolation. They should be part of overall local planning frame work of Local Self Government Institutions (LSGIs).
- ii. Asset Management Planning must be considered equally and concurrently with the Budgeting and Local Development Planning in achieving service delivery strategies through asset management.
- iii. The budget process involves the allocation of the funds to carry out the non-assets (Revenue/Non Plan) and asset (Capital/Plan) strategies.
- iv. All Asset Management Plans (AMP) shall invariably incorporate the timely reporting, accounting, and responsibilities along with suitable measurement criteria and performance indicators.

1.3. Asset Management Functions

The asset management functions of the LSGIs include:

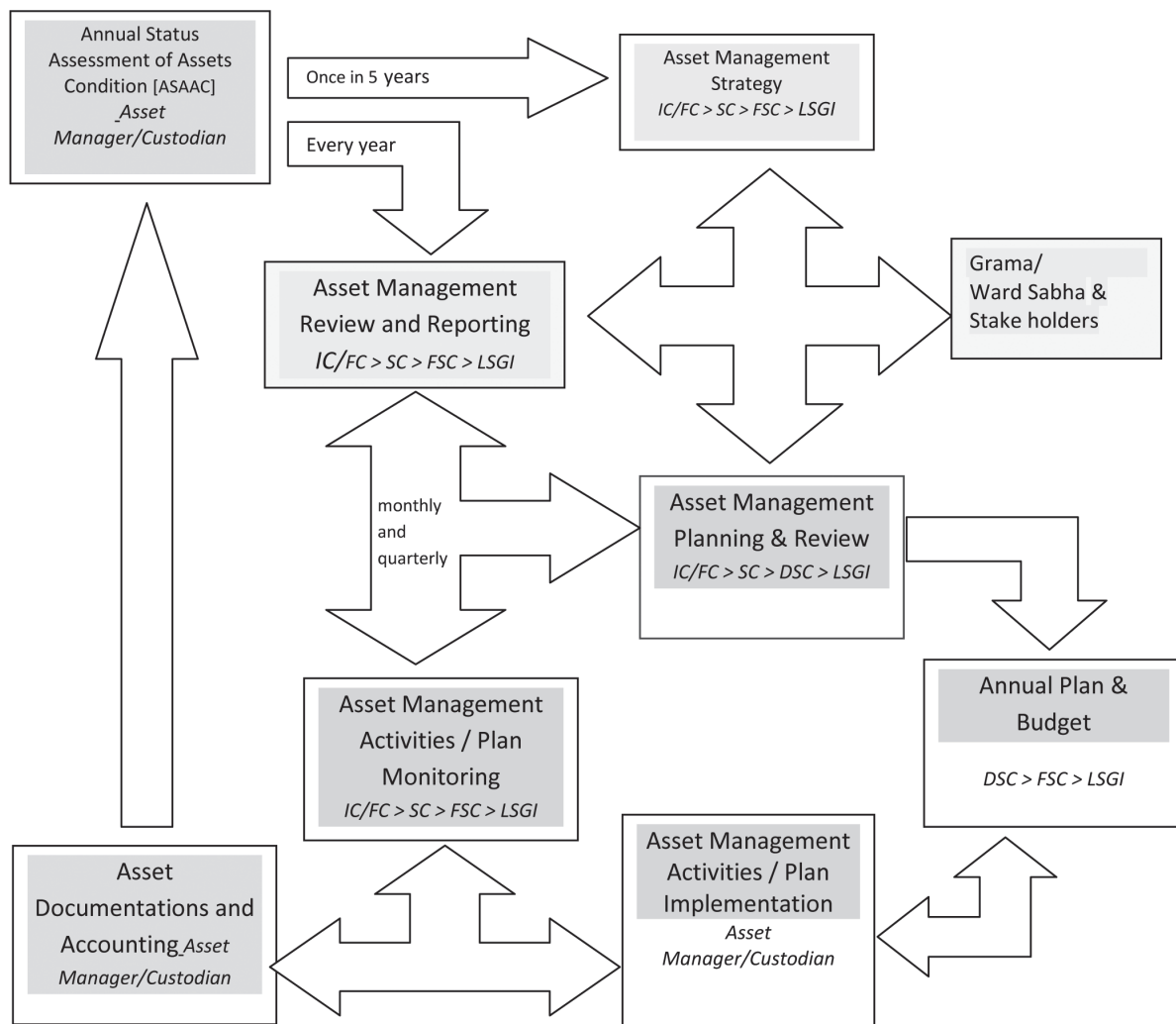
- i. Stating the required service levels of assets and the expected outcomes, in consultation with the stakeholders.
- ii. Assessing alternative methods for achieving the service levels (including lower cost assets and non-asset methods were possible) and deciding on the best solution
- iii. This includes an assessment of the life cycle costs and benefits for each of the alternatives.
- iv. Formulating AMP, depending on priorities and constraints.
- v. Incorporating the activities proposed for achieving the service level of Assets into LSGI's long-term and short term plans and budget.
- vi. Acquiring the appropriate assets and implementing the plan to meet the required service levels.
- vii. Operating and maintaining the assets to achieve required service levels and minimising life-cycle costs.
- viii. Reviewing and reporting assets' performance and the outcomes.
- ix. Updating the ongoing AMP, according to the review of results.
- x. Renewing or refurbishing or rejuvenating the assets.
- xi. Disposing of surplus assets or assets no longer able or required to meet service delivery needs.

1.4. Asset Management Functions - Process Cycle

Asset Management Functions (AMFs) of LSGIs evolve in a continuous cycle of planning, implementing, reviewing, reporting, and upgrading, so that the quality of the asset's

outputs matches the changing service delivery demands and aspirations of its citizens. The process cycle of AMFs is given in Box 1.2.

Box 1.2: Process Cycle of AMFs



IC- Institutional Committees; FC- Functional Committees; SC- Standing Committees; FSC- Finance Standing Committee; DSC- Development Standing Committee.

1.5. Scope of the Manual

This Manual covers all the activities in managing the assets of LSGIs and Institutions of Local Governments (IoLGs) in Kerala State. [See Annexure 1]. Provided that, those matters which are exclusively prescribed by other Manuals under the Acts shall be followed as such and unto such limits, if any, prescribed in this Manual.

1.6. Definitions

Where definitions do not exist, terminology has been defined for the purposes of this Manual. Words and Expressions used and not defined in this Manual but defined in Kerala Panchayat Raj Act, 1994 or Kerala Municipality Act 1994 or in the Rules there under shall have the same meaning.

i. Acts

The word Act or Acts used in this Manual refers to the Kerala Panchayat Raj Act, 1994 and Kerala Municipality Act, 1994 and subsequent amendments.

ii. Annual Status Assessment of Asset's Condition[ASAAC]

An annual assessment of assets conducted prior to the preparation of LSGI's Annual Asset Management Plan, in order to identify the status of service delivery and gaps if any exists there in relation to the expected service level of the LSGI's assets.

iii. Asset

Assets are properties, tangible or intangible, owned by the LSGI or assigned/ transferred to the LSGI and carrying future benefits to it.

iv. Asset Classification

Assets are broadly classified under land, buildings, improvements other than buildings, trees, infrastructure, vehicles, office furniture, office equipments, plant and machinery, heritage assets and natural assets.

v. Asset code

Grouping of assets of a similar nature and use in an entity's operations.

vi. Asset Condition Assessment (ACA)

The process of Annual Status Assessment, periodic inspection, assessment, measurement, and interpretation of the resultant data to indicate the condition of the Assets for taking management decisions.

vii. Asset Life Cycle (ALC)

Asset Life Cycle is indicating the time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset.

viii. Asset Management

Asset Management is a broad function and includes a structured process of planning, decision-making, and controlling over the acquisition, use, safeguarding and disposing of assets so as to maximize their service delivery potential and benefits, and to minimise their related risks and costs over their entire life.

ix. Asset Manager

Asset Manager is the official who is the Convener of a Functional Committee. She/he is responsible for the delivery of the function/service for which the asset has been acquired or created or maintained.

x. Asset Management Plan (AMP)

Asset Management Plan (AMP) is a plan developed for the management of one or more asset(s) with a view to operating, maintaining and renewing the assets in the most cost effective manner, while providing a specific level of service.

xi. Asset Management and Monitoring Committee (AMMC)

A Committee consisting of all the steering committee members, Chairman and ex officio member secretaries of all the management committees in the LSGIs. This Committee shall be responsible for the preparation of AMP and AAMP.

xii. Asset Management Strategy (AMS)

Asset Management Strategy (AMS) is a document that will include bench marks and mile stones aimed at improving the LSGIs' asset management processes and procedures with a long term perspective.

xiii. Asset Register (AR)

Asset Register (AR) is a record of information on each and every asset that supports the effective financial and technical management of the assets, and meets statutory requirements. The Asset Register also facilitates proper financial reporting.

xiv. Asset Upgradation

Enhancing of assets estimated useful life, according to its nature and taking into consideration the cost effectiveness.

xv. Custodian of Assets (CA)

Custodian of Assets (CA) is a person in any position or level in the LSGI, entrusted with the safeguarding and monitoring of a specific asset on its use as well as the condition. When the CA becomes Convener of the functional committee, s/he shall be designated as Asset Manager.

xvi. Fair Value

The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties, in an arm's length transaction. It is the market value of the asset, if it is sold; determined by the best judgment of the experts.

xvii. Fixed Asset

Asset held for the purpose of providing services in the long run and that is not held for resale in the normal course of functioning of the LSGI.

xviii. Functional Committee

The Committee constituted at LSGIs level as per section 163 (1) of Kerala Panchayat Raj Act, 1994 or section 35 of Kerala Municipality Act, 1994.

xix. Heads of LSGIs

President/Chairperson/Mayor of LSGI, or Administrative Head of the assets of the LSGI, as the case may be.

xx. Heritage Asset

An asset with historic, artistic, scientific, technological, geographical or environmental values that is held and maintained principally for its contribution to heritage.

xxi. Historical Cost

Historical cost is the total cost spent for acquiring the asset. It is the aggregate cost of asset less depreciation. The aggregate cost involves the procurement, major repairs, additions, and all expenses incurred to up keep the asset on working conditions.

xxii. Immovable Assets

Immovable Assets are properties that are fixed in nature for use.

xxiii. Intangible Assets

Intangible Assets are non-physical sources of value, virtual in nature; generated by innovation, discovery, or human resource practices that create future benefits. It includes good will, software, database, etc.

xxiv. Institutional Committees

Committees constituted for the management of institutions coming under the LSGI such as hospital management committee, anganwadi welfare committee, and school development committee.

xxv. Land

Land that belongs to LSGI's or IoLGs and includes land owned by them or land transferred from other institutions. The lands owned and managed by LSGIs might have acquired by way of surrender/relinquishment/gifts or direct purchase.

xxvi. Lanes

Pathways, having a width of 2.5 m or below.

xxvii. Lease

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period.

xxviii. Level of Service

The defined quality standard for a particular service, against which service performance can be measured. It usually relates to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

xxix. Life Cycle Cost (LCC)

The Life Cycle Cost (LCC) is the total cost throughout its life including planning, design, acquisition, support and any other cost directly attributable to owning or using the asset.

xxx. LSGI Engineer

LSGI Engineer is the officer who is in charge of the LSGI's public work functions.

xxxi. Local Self Government Institutions (LSGIs)

LSGIs are defined as Panchayat Raj Institutions (PRIs), consisting of District, Block and Grama Panchayats; and Urban Local Bodies (ULBs), consisting of Municipal Corporations and Municipalities of the State.

xxxii. Minor Asset

Minor Asset is an asset other than a capital asset, which is fully depreciated in the year of acquisition. Total cost of acquisition up to Rs. 5000 or tools, that is of relatively small in quantity but can be used for more than one year.

xxxiii. Movable Assets

Movable Assets are those assets that can be moved from one place to another for use.

xxxiv. Natural Assets

Natural assets of LSGIs are those assets of the natural environment (those having some environmental values associated with it) traditionally owned by it or specifically entrusted with it by the Acts or other Laws, prevailing at the time. These consist of traditional open spaces, sacred grooves (kavukal), land patches with thick natural vegetation, natural water sources, and the surrounding areas with their eco-systems.

xxxv. Rehabilitation/Enhancement of Assets

Rehabilitation/Enhancement of Assets is an improvement or augmentation of an existing asset (including separately depreciable parts), beyond its originally recognized service potential. For example, an activity undertaken for enhancing an asset's remaining useful life, capacity, quality, and functionality or any one of this.

xxxvi. Refurbishment/Maintenance

Refurbishment/Maintenance to an asset restores or maintains the originally assessed future economic benefits or service potential that an entity can expect from an asset and is necessary for the planned life of asset to be achieved.

xxxvii. Remaining Useful Life

Remaining Useful Life is the time remaining (of the total estimated useful life), until an asset ceases to provide the required service level or economic usefulness.

xxxviii. Renewal

Renewal is the work required to replace, enhance and rehabilitate an asset.

xxxix. Reproduction Cost

Reproduction Cost is the cost of reproducing the asset in its present physical form, with substantially the same materials and design.

xl. Residual Value

Residual Value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset is already of the age and in the condition expected at the end of its useful life.

xli. Rules

The Rules published under The Kerala Panchayat Raj Act 1994 and Kerala Municipality Act, 1994 and their subsequent amendments.

x1ii. Safeguarded Assets

Safeguarded assets are those assets, which though below the threshold limit are nonetheless 'capitalized' (entered in asset register) for control purpose. (See Para 4.10 of Chapter 4).

x1iii. Secretary

Secretary of LSGI

x1iv. Service Potential

Service Potential is a tangible capital asset or service capacity, normally determined by reference to attributes such as physical output capacity, quality of output, associated operating costs and its estimated useful life.

x1v. Tangible Assets

Tangible Assets include both movable and immovable properties owned by the LSGIs, those are physical in nature.

Asset Management Plan (AMP)

2.1. Preparation of Asset Management Plan

The LSGIs shall prepare Asset Management Plan (AMP) by adhering to the following steps, viz.

- a) Formation of Asset Management and Monitoring Committee (AMMC)
- b) Annual Status Assessment of Asset's Condition [ASAAC]
- c) Identification of Service Capacity Gap and preparation of Function/Institution wise AMP
- d) Standing Committee wise consolidation of AMPs and formulation of LSGI's draft AMP
- e) Approval of AMP by LSGI
- f) Preparation of Function/Institution wise Plan/Budget proposals as per the approved AMP

2.2. Formation of Asset Management and Monitoring Committee (AMMC)

- i. The Secretary shall present before the Finance Standing Committee a draft proposal for the formation of AMMC in the structure given in Table 2.1.
- ii. Finance Standing Committee shall approve the draft proposal and authorize the Chairperson to present it before the LSGI for constitution of AMMC.
- iii. LSGIs shall constitute the AMMC and authorize the Secretary to convene meeting of AMMC for the preparation of calendar of activities.

**Table 2.1:
Structure and Responsibilities of Asset Management and Monitoring Committee (AMMC)**

Sl. No.	Responsible Person	Position	Responsibility
1	President/Chairman/ Mayor	Chairman	Chair all the AMMC meeting
2	Finance Standing Committee Chairperson	Co-Chair	Presentation of draft calendar of activities and draft plan before the LSGIs
3	Secretary	Convener	Preparation of draft calendar of activities arrange and Coordinate the meeting, responsibility of preparation of consolidation of all reports and plans in connection with Asset Management, initiator of Half yearly check, ASAAC, Preparation of AMP, initiator test check with the help of AMMC in all Institutions of LSGIs.
4	LSGIs Engineer	Co- Convener	Preparation of AMP with the consultation of all HoDs/Custodians of Assets. Support the members in conducting ASAAC
5	All Standing Committee Chair persons	Members	Suggest prioritization, Help and monitor the process of preparation of AMP and AAMP
6	Ex-officio Secretaries (HoDs of all Institutions) /Custodians of Assets	Members	Manage those assets, which are entrusted with his/her office/institution. Conduct Annual Status Assessment of Asset's Condition (ASAAC). of the assets under his management.Help the convener in preparation of AMP
7	Assistant/ Deputy Secretary	Assistant Convener	Help the Convener and Co-Convener.
8	Accountant	Member	Help the Convener and Co-Convener
9	Selected Functional/ institutional Committee members by LSGIs. (Maximum 5 members of which 2 shall be women)	Member	Suggestions for fixing prioritization in AMS and AMP
Quorum: all Standing Committee chairpersons shall invariably be present in the meeting and three fourth members shall constitute quorum of meeting.			

2.2.1. Calendar of Asset Management Plan Activities

- i. The Secretary shall prepare and present draft calendar of AMP activities before AMMC. (See Table 2.2).
- ii. After finalization of calendar, submit the same for the approval of LSGI.

- iii. Secretary shall forward the copy of the calendar to all AMMC members with specific instructions if any, adopted by the LSGI in this regard.

Table 2.2: Calendar of Asset Management Plan Activities

No.	Activity	Responsibility	By When		Re- marks
			Month	Date	
1	2	3	4	5	6
Step 1:					
(i)	Standing Committee meeting with Custodians of Assets (CA).	Mayor/Chairperson/President and Secretary/ Asset Manager/ Custodians	August		
(ii)	Annual Physical Verification	Secretary/ Asset Manager/ Custodians	September		
(iii)	Presentation & Approval of ASSAC	Chairperson Functional Committee/ Bio-Diversity Committee (BDC)	October		
Step 2:					
(i)	Preparation of function/ Institution wise AMP (Draft)	Asset Manager/Custodian / Secretary	October		
(ii)	Scrutiny and approval of function/Institution wise AMP	Institutional/Functional Committee/ BDC	October		
(iii)	Consolidation & Approval of Standing Committee wise AMP	Standing Committee	October		
(iv)	Consolidation of Standing Committees AMPs and preparation LSGI's draft AMP	AMMC	November		
(v)	Approval of AMP	LSGI	November		
(vi)	Preparation of detailed proposals as per the approved AMP	CA	November		
(vii)	Integration with Annual Plan and Budget proposals	DSC and FSC	December		

Note: Date column to be filled up by the AMMC.

2.3. Annual Status Assessment of Assets' Condition (ASAAC)

- i. Secretary shall make arrangements for Standing Committees meeting with CAs to constitute required number of teams [separate lists for each CAs with name and designation of all the team members] and shall schedule the ASAAC activities under each Standing Committee as per the LSGI's AMP calendar. The Secretary shall also provide the Standing Committees with copies of functional committee wise details of all assets (asset code and description) for assigning duty to the respective teams for ASAAC.
- ii. The steering committee shall monitor the ASAAC and ensure the support of Engineer and other team members to the CAs.
- iii. For ensuring objectivity in ASAAC, the interchange of staff shall be arranged for as decided by the Steering Committee. (The officer in charge of one section/function or member of one functional/institutional committee may participate in ASAAC, of assets under the custody/management of another section/function/institution and so on).
- iv. The Secretary shall coordinate the conducting of ASAAC as per calendar.
- v. The CA with the support of the officials as decided by the steering committee shall conduct the ASAAC included in the asset register.
- vi. The CA/Secretary shall be responsible to submit ASAAC before the Functional/Institution Committee as per calendar.
- vii. The Functional/Institution Committee shall scrutinize the ASAAC, after a random physical verification.
- viii. The Secretary/HoILG/CA/Functional/Institutional Committee shall observe the guidelines given in paragraph 2.4.

2.4. Guidelines for Annual Status Assessment of Assets' Condition

- i. ASAAC shall be conducted by the respective teams and shall prepare their reports (ASAACR) by using the format given in Annexure 2 and by following directions contained therein.
- ii. The primary purpose of this verification shall be to assess the asset's condition in relation to the expected level of service/function being achieved of the assets, in an efficient and effective manner and identify gaps, if any, exists therein.
- iii. ASAAC's secondary objective is to see that the directions for maintaining the Asset Register (AR) prescribed in this Manual are being strictly adhered to and that all the required information relating to the assets are included therein.
- iv. During the month of April/May, all the HoILG/CA shall themselves conduct an annual verification of their AR to see that the assets recorded therein and their physical existence are practically compatible. If any substantial discrepancies are found, shall go for thorough check with the original documents of the respective entries made in the AR .And thereafter shall forward a certificate "That I have personally verified the correctness of all the entries in the Asset Register maintained by me, and found that the Asset Register is complete in all respect./"(except the

following....)” to the Finance Standing Committee through Secretary of LSGI, not later than 15th June.

- v. All the teams for ASAAC shall:
 - a. Conduct ASAAC as per the schedule approved by the respective Standing Committees.
 - b. Fix identification marks on the Assets to show that the physical verification is done on such and such date by the Official.
 - c. State in the ASAAC report the identification mark given also, so that the Functional/ Institutional/ Standing Committee can go for test check, if needed.
- vi. Any discrepancy in the AR with physical existence shall be included or excluded (if disposed of) and counter signed by the Secretary/CAs prior to the finalisation of the ASAAC report. If entries are not made, the officer responsible for the monitoring of the recording (see preparation of AR in para. 4.6 of Chapter 4) shall explain the reason for deficiency in writing. For the non-appearance of assets in AR, deficiencies in the physical existence or partial loss of assets or encroachment, if any found, the custodian shall be responsible. In case of misuse, mismanagement, underutilization or unauthorized use, the custodian who is in charge of the asset according to the division of responsibilities/ office order , the official in charge/ custodian shall held responsible.
- vii. All irregularities and officials responsible for such irregularities shall be identified with their name and address in the report; and later if found otherwise the team for ASAAC with CA shall be treated as co-responsible for the irregularities and the loss due to mismanagement of assets.
- viii. The CAs shall collect the ASAACR from the team and consolidate the reports, by arranging them as groups of assets on the basis of evaluation code given by the evaluators and submit the ASAACR and consolidated report to the functional/institutional committee.
- ix. After ASAAC, the institutional/functional committee shall conduct a super check, nearly 10% of the assets through a random physical verification. (see Box 2.1).
- x. After Random Physical Verification by the Institutional/Functional Committee shall
 - a. Certify that the AR is comparable, and ASAAC covered all assets included in the register.
 - b. Discrepancies, if any noticed during the ASAAC, shall be got clarified and certified through a joint sitting of the respective Standing Committee with CAs.
 - c. Certify the report by using the check list given in Annexure 3.
- xi. The CA shall:
 - a. Certify the following in the Registers.

‘Certified that the actual existence of assets are verified by me on the date noted against each asset and found to be correct. Also certified that all entries made in AR are complete and correct’

- b. Verify whether list of surplus, obsolete, and unserviceable assets are promptly submitted to LSGIs.

Box 2.1: Sampling method for super check

Sample verification may be carried out by the following methods:

- a. Take a sample from newly acquired assets and check them with the AR.;
- b. Take a sample from assets disposed of during the year and verify the same in the AR.;
- c. Randomly select a few assets in the entity and verify their records in the AR; and
- d. Similarly, randomly select a few assets in AR and verify their physical availability in the office.
- e. Complete check of newly acquired and disposed assets as given in (a) and (b) above shall be done, so as to ensure the completeness and integrity of the AR.

2.5. Asset Management Strategy

- i. On the basis of the Annual Status Assessment of Asset's Condition (ASAAC), the joint sitting of Functional Committee/Institutional Committee, and verifiers (teams) shall analyse the status of their assets, considering:
 - a. The purpose for which the asset is acquired /owned by.
 - b. Whether it serves the purpose, if so to what extent?
 - c. Is any modification/modernization/addition/overhauling required for better quality of services at lesser cost?
 - d. Is any alternative use for it?
 - e. Whether can it be used to avoid additional acquisition of asset with minor modification?
 - f. Consider the life of asset, importance, usefulness, repair and maintenance, location, addition, modernization and disposal
- ii. The Functional Committee/ Institutional Committee shall:
 - a. discuss with CA and finalise the strategy for operation, modification/modernisation, addition, repairing, or disposal as the case may be.
 - b. segregate the assets on the basis of strategy and submit the report to the LSGIs through concerned Standing Committee.
 - c. CA shall forward the consolidated report (Annexure 4) with recommendations on the basis of gap analysis and findings to the concerned Standing Committee through the Secretary, LSGI.
- iii. The Secretary of LSGIs shall: coordinate the collection of reports from different CA/Functional Committee and submit them to the Standing Committees.

- iv. The Standing Committee shall consolidate the ASAACRs on the basis of their nature of proposals under five different heads, namely- procurement, maintenance, disposal, operational, and revenue mobilization. The Standing Committee shall prepare its Asset Management Strategy for the assets coming under each of their respective functional areas by considering the gap analysis findings of the Functional/Institutional committees in the prescribed format. (Annexure 5).
- v. The Asset Management and Monitoring Committee (AMMC) shall prepare the draft AMS by consolidating the AMS submitted by the Standing Committees and submit it to the LSGI along with the respective Consolidated ASAACR received as (iv) above.
- vi. The LSGI shall approve the draft AMS (See Annexure 5) proposal of the AMMC with specific prioritization criteria fixed therein by considering the necessary resource mobilization possibilities of the LSGI for the ensuing year realistically and direct the AMMC to prepare the AMP accordingly.

2.6. Asset Management Plan (AMP) Finalisation

- i. The AMMC shall make modifications on the strategies developed according to the directions of LSGI and entrust the CA for preparation of their AMP and monitor the preparation.
- ii. All the CAs shall review their ASAACR with the priorities proposed in the approved AMS, and prepare an AMP for the function / institution by using the format given in Annexure 6.
- iii. The respective Function/Institutional Committees shall collect AMPs of the CAs coming under them and prepare summary of AMP activities with the help of Engineer by using the format given in Annexure 7 and submit it to the AMMC through the respective Standing Committees.
- iv. The AMMC shall finalise the AMP and submit it as the summary of AMP activities to LSGI for approval through the steering committee.
- v. Steering Committee shall scrutinize the summary of AMP activities and propose further policy level changes, if any, for LSGI's approval. (See Box 2.2)
- vi. LSGI:
 - (a) shall approve the summary of AMP activities to be presented before the Grama Sabhas/Ward Sabhas/Ward Committees
 - (b) shall present the AMP before the Grama /Ward sabhas/Ward Committees and shall consolidate their opinions and suggestions - institution/ function wise-separately.
 - (c) in a meeting , along with the members of all the Institutional/ Functional Committees and BDC shall present their respective consolidated Grama Sabha/ Ward Sabha/Ward Committees reports (at each Institutional/ Functional level).
 - (d) after adopting suitable policy decisions on the summary of AMP activities by considering the Grama Sabha/Ward Sabha/Ward Committees reports, LSGI

shall authorize the Asset Managers/Custodians, to include the respective items in the budget/annual plan for the ensuing year.

Box 2.2: Priorities for Asset Management Planning and Budgeting

The LSGIs should give priority to the following institutions, whenever they prepare Asset Management Plan:

- ✓ Hospitals
- ✓ Water Supply Systems and Irrigation systems
- ✓ Care Institutions
- ✓ Anganwadies/Balavadies
- ✓ Schools
- ✓ Community Sanitation Complexes
- ✓ Veterinary/Agriculture/Fisheries Institutions
- ✓ Foot Bridge and roads in Inaccessible Areas
- ✓ Public Offices frequented by poor and ordinary People.
- ✓ Heritage Assets such as historical monuments, statues.

Effective Maintenance of Assets

3.1. Effective Maintenance of Asset

- (a) The Custodian of Assets (CA) shall be responsible for their effective maintenance. In connection with the maintenance, CA shall:
- i. Ensure the proper existence of assets.
 - ii. Effective utilization of assets; especially their proper use.
 - iii. Take steps for daily cleaning, maintenance, checking and protection of assets.
 - iv. Take steps to routine repair, fueling, painting and upkeep of assets.
 - v. Check whether the records and documents are kept in safe custody.
 - vi. Report the need of staff for the effective utilization of assets to the LSGIs and do the follow up.
 - vii. Ensure the assets and surroundings are clean and safe.
 - viii. Provide support for review of assets and reporting.
 - ix. Record in Asset Register (AR) all details in connection with the procurement, addition/s; upgradation and repair (see AR in section 4.6 of Chapter 4).
 - x. Delegate the work related to effective maintenance, protection and profitable utilization.
 - xi. Conduct monthly review of records.
 - xii. Report the possibilities of alternative profitable utilization; with the permission of LSGI.

- (b) For the effective maintenance and utilization may need additional procurement, or upgradation, the same shall be reported to the AMMC through the ASAAC report or additional requisition.

3.2. Assets or part to be procured or upgraded

- i. The CA shall give projects to the concerned Standing Committee for the procurement of assets or part of the assets or for upgradation.
- ii. The concerned Standing Committee shall recommend the same to include in the Annual Plan.
- iii. The purpose of Asset creation is to fulfill the mandatory, general, and sectoral functions assigned to LSGIs, to satisfy the citizen's needs and requirements.
- iv. Assets shall be acquired by the LSGIs as per Sec.178 of Kerala Panchayat Raj Act (KPR) and The Kerala Panchayat Raj (Acquisition and Disposal of Property) Rules, 2005 or Sec 214 of Kerala Municipal Act, 1994 and the Kerala. (Municipality (Acquisition and disposal of Property) Rules, 2000 as the case may be.
- v. The LSGIs may acquire any land or building within or outside its area either by purchase or otherwise in order to introduce any public facility or for providing any service to its citizens.
- vi. Construction of asset shall be done as per the provisions of Acts, and Rules, and functions mentioned in the Annexure 1.
- vii. Asset shall be procured based on the provisions given in Acts and Rules (See Annexure 1) or provisions of 'Procurement Manual'.
- viii. The Assets shall be upgraded to enhance its estimated useful life, taking into consideration the nature and cost effectiveness as far as possible.
- ix. The upgradation of assets, if involve cost, shall follow the procedures for the procurement of assets as per Procurement Manual.
- x. The upgradation details of Assets shall be recorded in AR by the CA.

3.3. Assets - Operationalisation and/or Better Utilisation

(a) The CA shall:

- i. take necessary steps to operationalise the asset as per the AMP.
- ii. record operationalisation details in the AR as remarks.
- iii. report to the AMMC through Secretary about the status of operationalisation.
- iv. report profitability/effect of operationalisation to the AMMC along with the assets' status.

(b) The Secretary shall verify the operationalisation of assets and progress.

3.4. Implementing and Monitoring of AMP

In order to have a transparent implementation of AMP, the following facilitation arrangements shall be made.

3.4.1. Implementation

The CA shall implement the activities relating to the management of assets, as per the AMP. As part of this, s/he shall:

- i. inform the Secretary for initiating steps for ASAAC, and preparation of reports.
- ii. prepare projects for those activities which involves financial commitments.
- iii. ensure the progress of implementation of AMP on a monthly basis.
- iv. report the progress to the Standing Committee concerned through the Secretary of LSGI.
- v. report and obtain clarification, if any, from the AMMC in connection with the implementation of AMP.
- vi. ensure the timely acquisition, maintenance, upgradation, or disposal of assets as the case may be stated in AMP.
- vii. report to the AMMC and initiate for modification, if any, in the AMP needed with justification.

3.4.2. Monitoring

- a) Social Audit Team shall be constituted as per the provisions of Social Audit Manual approved as per G.O.(Rt) No. 1992/2016/LSGD dt. 25.06.2016
- b) AMMC shall review [quarterly] asset management activity report of all the CAs and recommend to the LSGI, suitable measures if any found necessary.
- c) AMP approved and included in the budget and annual plan of the LSGI shall be closely monitored by the AMMC for their successful implementation.

3.5. Preservation of Heritage Assets

When the Asset to be modified is expected to have possible heritage or cultural value, the LSGI needs to determine:

- i. Whether an Asset has heritage or cultural significance;
- ii. Which public body is suitable custodians for the Asset; and
- iii. Whether to sell, donate, or lend on a long-term basis.
- iv. The rules and norms specified in Kerala Heritage Manual - 1968 shall be followed in the case of Heritage Assets.

3.6. Maintenance of LSGI's Buildings

The Secretary/CA shall ensure that:

- i. the building is clean and attractive.
- ii. the same is useful for the purpose for which it is maintained.
- iii. no encroachment/mal-utilisation/mis-utilisation
- iv. the persons responsible for cleaning and protection are performing the duties on regular basis.

- v. the designated LSGI Engineers shall be responsible for the upkeep and maintenance of LSGI's buildings.
- vi. Maintenance Plan need to be approved and included in the Annual Plan of LSGI and necessary fund allocated.
- vii. All maintenance and construction shall be done as prescribed by the Public Works Manual.
- viii. Other quasi-government agencies or private agencies shall not carry out any modification, minor or major works in such LSGI buildings, without prior permission of LSGI and the modification if permitted shall solely be for the benefit of LSGIs.
- ix. Maintenance of Assets include works undertaken in order to keep, restore, and improve every facility; i.e. every part of the asset, its service and surrounds to a currently acceptable standard and to sustain the utility and value of the facility. (Box 3.2).
- x. All LSGIs are authorized to arrange and carry out maintenance works of buildings under their control.

Box 3.1: Maintenance Works

Maintenance works include white washing, coloring, painting, repairs to doors, windows, roofs, sanitary & water supply fittings, structural repairs, internal roads, fencing, compound walls, etc. and additions and alterations to existing asset to augment its service delivery capacity. However, day to day cleaning, sweeping, watch & ward, gardening, payment of rent, water and electricity charges, taxes & tariffs, etc. shall be initiated and monitored by CA. The HoILG shall ensure that the maintenances are taking place as per AMP.

3.7. Protection of LSGI's Assets

All the assets under the control of the LSGIs viz. buildings, lands, parks, gardens, grounds, etc. are required to be protected from unauthorized encroachments, unauthorized construction, use, etc. by the concerned CA.

3.8. Maintenance of Roads

- i. The Secretary shall ensure that:
 - a) the roads are of usable condition.
 - b) there is no encroachment or destruction of roads.
- ii. Designated LSGI Engineers shall be responsible for upkeep and maintenance of roads of LSGI's.
- iii. Maintenance Plan need to be approved and included in the Annual Plan of LSGI and necessary fund allocated.
- iv. All maintenance and construction shall be done as prescribed by the Public Works Manual.
- v. Other quasi government agencies or private agencies shall not carry out any modi-

fication, minor or major works in such roads of LSGI, without prior permission of LSGI and the modification if permitted shall solely be for the benefit of LSGIs.

- iv. The Engineer shall implement the AMP on a time bound manner and report the progress with the AMMC.

3.9. Maintenance of Vehicles

- i. CA shall ensure that:
 - a. the proper utilization of assets, by monitoring Log Book and History of Vehicle maintained by the Driver of vehicle.
 - b. the vehicle is clean and in immediate vicinity of the LSGI or Institutions of LSG.
- ii. For the maintenance of vehicle, the Driver's report shall be considered by the CA.
- iii. The CA shall be the responsible person for the maintenance of vehicle.
- iv. The repairs and maintenance as per the AMP shall be conducted on a time bound manner by the CA.

3.10. Guidelines for Asset Management

3.10.1. Asset Creation

- i. The purpose of Asset creation is to fulfill the mandatory, general, and sectoral functions assigned to LSGIs, to satisfy the citizen's needs and requirements.
- ii. Assets shall be acquired by the LSGIs as per the provisions of Acts and Procurement Manual.
- iii. The LSGIs can acquire land or building within or outside its area either by purchase or otherwise in order to provide any public facility or any service to the citizens.
- iv. Construction of asset shall be done as per the Public Works Manual.

3.10.2. The Custodian of Assets (CA)

- i. Supervise the day to day operation of asset.
- ii. Monitor the proper use of assets.
- iii. Keep a copy of AMP.
- iv. Display the instruction to use or any direction in connection with the asset use or maintenance.
- v. Ensure arrangement for cleaning and maintain in usable condition.
- vi. Responsible for avoiding misuse/mal use of asset.
- vii. Report any under utilization, and strategies and possibilities of optimum utilization.
- viii. Upkeep the assets.
- ix. Enquire suggestions from AMMC or HoILG or Secretary for proper use of asset, if required on time to time.
- x. Ensure proper repair and maintenance on time and as per AMP.

- xi. Protect the assets from encroachment and any form of loss of asset or capacity reduction. (See Box 3.3).
- xii. Ensure that all entries are made in AR.
- xiii. The reasons for under-utilization or poor performance of Assets have to be critically examined and corrective action taken to:
 - a. remedy the situation, or
 - b. make decision to dispose of the Asset.

Box 3.2: Physical Verification (During ASAAC)

- i. In order to ensure objectivity in reporting of Assets, physical verification shall be done by personnel having no direct responsibility for custody and receipt / issue of assets.
- ii. It shall be the responsibility of Institutional/Functional Committee to ensure objectivity in physical verification.
- iii. CA is encouraged to depute and use services of personnel from others to perform physical verification.
- iv. If assets are too many, sample verification may be carried out by the following methods:
 - a. Take a sample from newly acquired assets and check them with the AR;
 - b. Take a sample from assets disposed of during the year and verify the same in the AR;
 - c. Randomly select a few assets in the entity and verify their records in the AR;
 - d. Similarly, randomly select a few assets in AR and verify their physical availability in the office; and
 - e. Complete check of newly acquired and disposed assets as given in (a) and (b) above shall be done, so as to ensure the completeness and integrity of the AR.

3.10.3. The HoILG/ Secretary

- i. Ensure that all the duties of maintain assets are duly performed by the Custodians of Assets.
- ii. The processes of maintenance are in progress according to the AMP.
- iii. Conduct a monthly check of records assuring that the AR is properly updating (all the purchase, disposal, additions, modifications during the month are incorporated correctly and properly in column specified for the purpose).
- iv. Arrange team for quarterly random physical verification. (See Box 3.4).
- v. Assure minimum a quarter of total assets are randomly selected and physically verified.
- vi. Provide the report to asset custodian and social audit team
- vii. Insist the CA for corrective action.

Box 3.3: Quarterly Random Physical Verification

The Custodian of Asset shall:

- Ensure the progress and conformity of AMP
- Arrange a team sufficient to cover physical verification of $\frac{1}{4}$ of the total of asset, with the consent of HoILG/ Secretary,
- Assure four random physical verification of assets under the custody of LSGI in a year.
- Assure the monthly checking of records are properly performing
- Assure that the one fourth of the assets is physically verified.
- Take remedial or corrective action, if any discrepancy found.
- Provide the monthly record verification report and quarterly random physical verification report to the social audit team.

Documentation and Accounting

4.1. Need for Documentation and Accounting

- i. Legal responsibilities require that the LSGIs accurately record and account assets on a regular basis.
- ii. The LSGIs shall maintain and report physical and financial status of assets to ensure:
 - a. transparency and accountability of the assets' status,
 - b. generating asset management information,
 - c. making decisions on assets viz. acquisition, transfer, disposal and use of assets,
 - d. the timely service capacity of assets.

4.2. Asset Database

- i. All Institutions/Offices of LSGIs shall maintain the information relating to the assets in an Asset Register (AR) at their respective headquarters.
- ii. All LSGIs shall ensure that the information in the AR is proper and up to date in all respects.
- iii. The Custodian of Assets shall maintain the AR updated. The extract of the updated data shall be submitted to the LSGI for preparation at LSGI level before monthly review.
- iv. The monthly review shall be in such a manner to ensure the updation of AR and CAR.

- v. For effective management of Assets, a web-based electronic AR and CAR shall be prepared. This shall enable linkages and interoperability with Plan, Works, Reporting and Accounting Systems in the LSGIs.

4.3. Codification and Database Structure

- i. A Codification System to identify each asset with a unique number is the pre-condition for effective asset management.
- ii. Codification System serves four purposes viz.
 - a. Identifying each asset with a unique number through its life cycle;
 - b. Tagging the movable assets with asset number to facilitate physical verification and discourage theft/loss;
 - c. Collecting all related data of the assets in a database;
 - d. Obtain information about an individual asset or a class of assets based on the asset code. In computerized systems, code is generally used as key field in asset database. (See Annexure 8).

4.4. Asset Database Management

- (i) The data about the Assets, whether acquired by purchased, transferred, created or through any other way, shall be included in the AR kept in the concerned office at LSGI's headquarters.
- (ii) Before any further expenditure is incurred or being sanctioned on it. (see the Finance Management Manual :1 - Revenue for the process of sanctioning of fund). A certificate in this regard shall be invariably recorded by the person responsible for the payment or for including in the agenda, as the case may be.
- (iii) The Finance Standing Committee, in their monthly audit, shall ensure that:
 - (a) all acquisitions and final disposals are posted in the concerned AR, and
 - (b) all the vouchers connected with the final payment of any work or final disposal are attached by an abstract of the concerned page of the asset register.
- (iv) Each item of tools and plants, scientific and mathematical instruments and furniture shall be duly tagged with the asset code generated digitally or manually, when they are received by the concerned section. This Asset Code shall be quoted in all transactions relating to the asset.
- (v) When an item used for replacement or repairs shall be shown as 'issued' on the AR and concerned repair estimate.
- (vi) The accessories that are kept separate shall be numbered and entered in the AR.
- (vii) The accessories fitted with the assets need not be separately entered in AR. But the descriptions of the Plants shall indicate the fact of the accessory being fitted on it.
- (viii) All movements of tools and plants, scientific instruments etc., that are given separate identification numbers shall be recorded through the Asset Movement Register (AMR).

- (ix) All movements of Tools and Plants shall be posted up-to-date and accompanied by a Transfer Note.
- (x) Assets transferred to LSGIs from other entities (Institutions of LSGI, other LSGIs, or to other government institutions) shall be entered in AR. The entry shall cover Asset history, Asset condition, Asset title deeds and all relevant information related to the Asset.
- (xi) All information in connection with acquisition, source of fund, cost including charges upto the stage of running of asset, repairs if any in the case of transferred or donated assets, shall be incorporated in Asset Register at the time of receipts.

4.5. Asset Classification

- i. Codification of assets requires the assets to be classified into some meaningful groups.
- ii. Assets are broadly classified under land, buildings, infrastructure assets, plant and machinery, vehicles, office furniture and equipment, and so on.
- iii. Every asset will be allotted a system generated unique identification number (numeric/alphabet) so as to decipher its type, location, local body etc.

4.6. Asset Register (AR)

- i. The instructions for the preparation of Asset Register (AR) is given in Annexure 9.
- ii. The LSGIs shall ensure that the AR shall be prepared: at Institution level (for each Institutions of Local Governance and LSG office).
- iii. The Finance Standing Committee shall:
 - a. Ensure that AR is properly maintained
 - b. All columns of AR are duly filled
 - c. Monitor that recordings are from the payments records or on the basis of valuation done by the LSG Engineer.
 - d. Ensure proper updation of AR
 - e. Discuss monthly report of Secretary and HoILGs on AR.
 - f. Suggestions of modifications on previous monthly report are duly accommodated.
 - g. Ensure that Secretary and HoILG are planning and conducting Quarterly Physical Verification (QPV) and Annual Physical Verification (APV).
 - h. Monitor the QPV and APV and monitor the incorporation of suggestions from LSGI in AR.
 - i. Place the report of QPV and APV with recommendations for the approval of LSGIs.
- iv. HoILG/Secretary shall be responsible for:
 - a. Maintain AR at institutional level in the prescribed format.

- b. Updation of each transaction related to the asset.
 - c. Verify that recordings are from the payments records or on the basis of valuation done by the LSG Engineer.
 - d. Monthly AR verification and prepare report on the fifth working day of a month.
 - e. Submit the AR verification report to the Finance Standing Committee meeting for discussion and verification.
 - f. Providing AR during Quarterly Physical Verification and Annual Physical Verification.
 - g. Providing AR for random check by institutional/functional committee
 - h. Make available to social audit team and public for verification
- v. The Custodian of Asset shall:
- a. Record the AR as per the directions of HoILG/Secretary
 - b. Incorporate the transactions related to asset in time
 - c. Make the updated AR for monthly verification
 - d. Help the HoILG/Secretary for providing the AR for verification to different stake holders of asset (public, committees of LSGI, and auditors).
 - e. Responsible for recording actions taken for safeguarded assets (see section 4.10 in this chapter)
 - f. Give a monthly report stating that the AR is updated by including all details as per AR format on the third working day of every month.
- vi. Internal Controls over Asset Registers
- a. The CA should ensure that the AR is accurate and complete at all times.
 - b. The Secretary shall ensure that authorized recording of transactions relating to Assets take place in the AR.
 - c. The Assistant Secretary/Deputy Secretary/Superintendent shall monitor that all entries are recorded in AR.
 - d. The Secretary shall ensure that all transactions related to Assets are recorded in the AR.
 - e. Shall conduct test check during July and December of every year to assure the completeness and accuracy of register.

4.7. Capitalization Threshold for Asset Registration in the Asset Register

- i. All immovable properties including infrastructure assets with value (cost incurred or actual value) more than Rs. 100,000 and all movable assets (other than 'Group Assets') with value more than Rs. 10,000 or assets whose economic usage extends more than one year shall be included in the asset register (that is, capitalized).
- ii. For assets where historical cost is not available (which would be the case for a

majority of office furniture and equipment), their value at acquisition / construction may be technically estimated for the purpose of capitalization. If assets are obtained from other institution or department as donation, the capital value shall be considered as Rupee one. Any addition/maintenance to bring the asset into working condition or that improvement leads to value addition shall also be added with the capital value.

- iii. The threshold limit of Rs 10,000 on movable assets shall not apply to 'safeguarded assets'.
- iv. The threshold limits shall be applied to an aggregation, not as individual assets, in case of 'Group Assets'.
- v. A monetary (or other) threshold shall also be applied to betterments.
eg. Any modification or enhancement that increases capacity or efficiency by more than 10 percent.

4.8. Assets involved in Public Private Partnership (PPP) based on BOT

- i. The arrangements at the end of the contract term, provide guidance on whether the assets should be classified as LSGI owned asset.
- ii. At the end of PPP contract period, if the assets have significant residual value and ownership gets transferred or assumed by LSGI, they should be considered as LSGI owned assets.

4.8.1. Capital Grants/Financial Aids by LSGIs

- i. Generally, grants/financial aids provided by LSGI will not be considered in deciding if the asset should be considered as LSGI owned asset. The following criteria shall be used in determining whether the asset should be reflected in the LSGI's asset register:
 - a. The leased property is used to provide an essential service and the asset is so specialized that there is no alternative asset available.
e.g. road, utility systems, etc.
 - b. The LSGI contributes significant financial assistance towards the cost of acquiring or constructing the property that it will lease, except exclusive housing and sanitary schemes for individual beneficiaries.
e.g. land, loan, guarantees, transfers, etc.
 - c. The LSGI bears costs and risks in the leased property that would normally be associated with ownership of property.
 - d. The LSGI has significant control over the idle capacity of the leased property.
e.g. although there is a potential for third party use of the asset, the LSGI is able to restrict such use, whether or not it pays for the capacity.
 - e. The LSGI bears residual risk or benefit of asset ownership.
 - f. The LSGI is responsible for performance, availability and/ or maintenance of the property.

- g. The LSGI bears the business risk associated with the leased property.
e.g. lease payments that fluctuate with specific indices such as interest rates.
 - h. The LSGI assumes responsibility for construction risk. e.g. for pays for cost over runs or does not have use of the asset by the agreed date.
 - i. The LSGI is obliged for the output / capacity whether or not it is needed.
 - j. The LSGI is responsible for other potential risks of asset ownership, including obsolescence, environment liability, and uninsured damage or condemnation of the asset.
- ii. If the LSGI is liable for any of the risks in (i) above, is an evidence that it has leased an asset and shall be recorded in the AR.
 - iii. Wherever there is a doubt about whether the asset concerned should be reflected in the AR, the AMMC shall take a final view.

4.9. Single Asset Vs. Composite Asset

- i. It is a matter of judgment whether to treat an asset as a single asset or to record its components as individual assets in their own right.
e.g. a water works plant may be treated as one asset or its components viz. the pipelines, tunnels, reservoirs, tanks, pumps, etc. may be taken as assets in their own right.
- ii. The criteria applied were:
 - a. whether individual components have varying useful life periods and would need replacement at different intervals, in which case it would be better to track them individually;
 - b. whether the benefit from identifying and maintaining individual asset details would be commensurate with cost and effort involved. Considering these asset codes have been formulated and prescribed for capturing details at single asset basis, where ever identified as beneficial in the future.

4.10. Safeguarded Assets

Safeguarded assets are those assets which, though below the threshold limit, are nonetheless 'capitalized' (entered in asset register) for control purpose. Because they are prone to theft owing to their attractiveness, portability and usefulness outside the office. The following items shall be considered as safeguarded assets.

- a. Communications Equipment, both Audio and Video; (projectors, mobile phones)
- b. Laboratory equipment, optical devices, microscopes, etc.
- c. Cameras and Photographic Projection Equipment;
- d. Microcomputer Systems, Laptop and Notebook Computers;
- e. Other data processing Accessory Equipment and Components(Scanners, Data Displays, etc.);

- f. Office Equipment like fax machines; hand held billing machine etc.
- g. Record Players, Radios, Television Sets, Tape Recorders, VCRs, and Video Cameras.

4.11. Costs of Newly Acquired Assets

- i. All expenses incurred to bring the asset into operation should be included in the asset value.
 - a. In case of land, costs would include registration fees, stamp fees, etc.
 - b. For buildings, all expenses on construction including any fee for architects and legal advice should be included.
 - c. Cost of plant and machinery would include freight and handling charges, insurance, customs and other duties, installation and trial runs charges, any civil works such as platform or other supporting structure required to keep the machinery / equipment and so on.

4.12. Additions to Assets

- i. The Custodian of Asset is responsible for supervising the addition of an asset to the AR, upon its receipt and acceptance.
- ii. The responsibilities of CA on additions to Assets includes:
 - a. assigning responsibilities to specific individuals for tagging and ensuring that the necessary information is entered in the AR, and
 - b. the extract of additions made shall be forwarded to the LSGI.

4.13. Transfer of Assets from one Asset Manager to another Asset Manager

Whenever an asset is transferred from one office to another within the LSGI or of another LSGI, suitable note should be made in the AR and a copy of handing over / taking over of asset retained by both the receiving and transferring offices.

4.14. Transfer of Assets to a Body (Corporation / Company / Society)

- i. When assets are transferred by an LSGI to a body under its administrative control, proper record shall be maintained of such transfer in the asset register.
- ii. The assets shall be properly identified, handed over, and taken over by the department and the body.
- iii. The Asset Manager shall ensure follow up action to enforce any conditions that are Attached to transfer (such as issue of equivalent value equity shares in the company).

4.15. Layout Plans & Building Plans

- a. The Secretary shall ensure that all the survey sketch, and layout plans of exact location related with assets are under the custody of LSGI Engineer.
- b. If not available, arrange all these documents, from village, within two months.
- c. The Engineer of LSGI shall report to the Secretary, about the non availability of documents, if any.

- d. The Assistant Engineers, in-charge of the LSGIs, shall maintain correct layout plans of the area with location of roads, buildings, gardens, water supply, electric O/H lines, sewer & water supply lines etc. The detailed building plan of the individual building showing plan, elevation, and section shall also be maintained for record and reference purpose.
- e. For any new work in an existing building, as built drawings shall be furnished along with the proposal.

4.16. Custodian of Title Deeds

- i. In case LSGIs do not possess documents establishing ownership in any of its assets, include the assets in records and proceed for legal actions to establish legal title for its assets.
- ii. In respect of assets possessed by the LSGIs as per the rights and liabilities entrusted by the Act, and administered through its various offices, the HoILG shall hold the title deeds.

4.17. Physical Inventory Instructions (PIIs)

- i. Written Physical Inventory Instructions (PIIs) shall be distributed to each person participating in the inventory process.
- ii. The format of PPIs is given in Annexure 10.

4.18. Retaining Physical Inventory Records (PIRs)

- i. The certification, together with the reconciliation and the inventory listing, serves to support the inventory balance and for accounting entries, if any, and shall be retained by the LSGIs.
- ii. The CA shall retain PIRs in accordance with the approved LSGI's records.

4.19. Clarifications on Asset Management

- i. All doubts regarding asset management should be referred to AMMC for clarification.
- ii. Until AMMC clarifies the matter, LSGI shall not unilaterally take any action that would amount to modification of a given policy.
- iii. AMMC, after due consideration of points raised regarding maintenance, recording, upkeep, responsibilities and a policy matter, shall issue a clarification.
- iv. The clarification by AMMC shall be posted on website of LSGI for information to all stakeholders.

Asset Disposal

5.1. Conditions for Disposal

While considering the disposal of asset by the LSGI, the following conditions shall be kept in mind:-

- i. Any Asset which performs minimum level of basic services of LSGIs shall not be permanently disposed.
- ii. When an Asset is declined to provide the minimum level of basic services of LSGI, a transfer of ownership of the Asset must be done on a fair, equitable, transparent, competitive and consistent manner.
- iii. The transfer of an Asset to another LSGI or Government Organization of the State.
- iv. The ASAAC report, recommendation of AMMC and the AMP shall suggest for disposal of asset with reasons.
- v. If the asset belongs to the Institution of LG, prior sanction from Government for disposal is required.

5.2. Criteria for Disposal

An Asset is to be disposed of when:

- i. It becomes of no more use.
- ii. It is economically not viable to maintain.
- iii. There are better ways to provide the same or better service at less cost.

- iv. It is identified as under-performing, or no longer functionally suited for basic service-delivery needs.
- v. It shows significantly decreased remaining useful life (includes various types of obsolescence like new invention, the out date of technology/non-availability of technology for repair and the like), significantly decreased residual value, or replacement cost compared to maintenance cost is high.
- v. The LSGI no longer performs the function for which the Asset was purchased.
- vi. It is an immovable Asset no longer located close to where the service is required, and in no way the location redesigned, or the cost of making it reusable is not reasonable to the benefit expected. e.g. a bus waiting shed on a road not used.
- vii. The Asset has been replaced.
- viii. The Asset no longer performs the required level of service according to AR.
- ix. The Assets becomes no more use and attracts no heritage value or cannot have heritage value in future.

5.3. The Process for Disposal

- i. Assets for disposal shall be identified as part of a regular and systematic annual verification process.
- ii. The ASAAC report (See Annexure 2) of Asset needs to be prepared containing the following:
 - a. condition of the Asset,
 - b. the present market value,
 - c. expected receipt on disposal,
 - d. mode of disposal.
- iii. The Custodian of Assets or LSGI Engineer shall prepare and place Survey Report for further processing.

5.4. Possible Alternatives to Disposal

The following consideration shall be given to the possible alternatives to disposal.

- i. Consider whether utilization can be increased.
 - eg. adapting the Asset to another function or using it in another programme.
- ii. For Assets of large installations, consideration shall be given to the letting of surplus capacity to other entities.
 - eg. IT installations.
- iii. The possibilities of enhancement/rehabilitation/upgrade of the Assets shall be considered.
- iv. Letting to another institution.
- v. Transfer to another institution.

5.5. Methods of Disposal

Different disposal methods will be necessary for different type of Assets, depending upon its nature. Following methods are the order of preference for the disposal of Assets.

- i. Sale to another institution;
- ii. Public auction/Tender (competitive bidding)
- iii. Controlled dumping (for items that have a low value, no value, or are unhygienic).

5.6. Analysis of Disposal Methods

- i. The disposal or renewal strategy of an Asset shall be considered based on the cost-benefit of alternatives.
- ii. The analysis of disposal methods takes into consideration the potential market or other intrinsic values like;
 - a. The location and volume of Assets to be disposed off
 - b. The ability to support other government programmes
 - c. Environmental Implications.

5.7. Evaluation of Proposal on Disposal

- i. Disposal shall be undertaken only after analyzing the scope for the reuse or alternative use.
- ii. To ensure a fair, equitable, transparent, and competitive disposal, the following steps shall be taken:
 - a. The details of the Assets to be disposed off, are to be published through the website of LSGIs/Notice Board/Newspaper, depending on the book value of the Assets.
 - b. Consideration shall be given to the fair value of the Asset.
 - c. Assess the economic value to be received in exchange for the Asset.
 - d. Reasonable efforts shall be made to ensure appropriate competitive process for disposal.

5.8. Valuation for Disposal

- i. Valuation for disposal is to be done based on historical cost.
- ii. An Asset shall be valued prior to the disposal of it by the Custodian of Asset or LSGI Engineer, taking into consideration of the condition and further usefulness of the Asset being disposed to be included in the survey report.

5.9. Disposal of Equipments and Movable Assets

- i. The Custodian of Assets of LSGIs concerned shall review the equipments under his/her possession every year and sort out such items, which in their opinion may be disposed off.

- ii. In respect of machinery items, the advice of the competent Engineer of the Govt. department may also be sought.
- iii. Redundant movable asset (due to technology change, absence of technician, non availability of spare parts etc)
- iv. Assets shall be disposed off based on the APV report placed before the AMMC for further action.
- v. The unserviceable assets shall be disposed off based on the survey report prepared by custodians which shall be placed before the AMMC.
- vi. AMMC shall recommend suitable mode of disposal to LSGI.

5.10. Dismantled Spares of Assets

- i. Dismantled spares of assets shall be properly recorded along with its description, quantity, and size by the LSGI Engineer/Custodian of Assets in charge who executes the work.
- ii. Serviceable dismantled materials shall be utilized for the same work or any other work.
- iii. Dismantled materials shall be physically verified and detailed survey report prepared by the LSGI Engineer/Custodian of Assets to be placed before the AMMC.
- iv. AMMC shall recommend suitable mode of disposal to LSGI.

Reporting and Review

6

The monthly, half yearly and yearly review and reporting are the base for asset management and also its continuous existence and improvements. The Secretary of LSGI shall be responsible for monitoring the progress of review.

6.1. Periodic Reviews

For ensuring optimum utilization of assets, the LSGIs shall ensure the following periodic reviews.

- i. CA shall conduct monthly review of the assets and the registers and records.
- ii. The Functional/Institutional Committee shall conduct a half yearly check at the middle of June, so as to incorporate suggestions in the budget, if required.
- iii. Annual Status Assessment of Asset Condition (ASAAC) shall be conducted to ensure the existence, protection, maintenance and disposal of assets (see section 5 .3 in Chapter 5).

6.1.1 Monthly Review

- i. As part of this a regular check of the registers and records by the custodian of assets/ Asset Manager on a monthly basis and certify that all entries relating to assets are made up-to-date.
- ii. As part of the regular monthly review the CA shall
 - a. Ensure that
 - i. all assets procured/constructed are entered in the AR
 - ii. the value of the asset are recorded correctly.

- iii. all columns of the AR are duly filled.
 - b. Check the correctness of entries with respective vouchers and records such as product catalog, and warranty card.
 - c. Record a certificate stating that “the records are verified and found that the register is complete and correct in all respect.”
- iii. Along with the certification she/he shall consider/enquire the following if relevant and report to the Management Committee.
 - a. Whether the asset is on the place?
 - b. Whether the assets and surroundings are well and clean?
 - c. Whether it is in working condition?
 - d. Whether it is being used for the purpose?
 - e. If it is not using, the possibility of using or letting out?
 - f. Is any regular repair or maintenance needed? What is the time limit? What are the arrangements made for the repair?
 - g. What is the extent of utilization?
 - h. Is there any misuse or mal use or encroachment?
 - i. Whether the additions/disposals/repairs are properly recorded in the assets register?
 - j. The suggestions/actions regarding the proper upkeep of assets are recorded?
- iv. MC shall review the report and propose suitable measures for the Standing Committee concerned.

6.1.2. Half Yearly Review

Half Yearly Review (HYR) of assets shall be made to ensure qualitative assessment of optimum utilization of assets, diversification, and further expansion for providing quality in service delivery. The following procedures shall be followed for HYR:

- i. The Institutional/Functional Committee shall give a tentative period for constituting team, conduct of HYR. The CA shall make necessary arrangements and records to the team to conduct the HYR.
- ii. The team and composition shall be fixed by the Institutional/Functional Committee, according to the number, extent and diversity of assets.
- iii. The mandate of the team should be fixed in advance by the Institutional/Functional Committee.
- iv. The existence, treatment – expected and actual, protective measures- required and taken, maintenance of assets, measures to be taken for optimum utilization of assets, possibilities of expansion, alternative utilization, monitoring mechanism, and disposal alternatives are to be included along with the LSGIs’ special requirements.

- v. The team shall submit the report (format See Box 6.1) within two weeks of starting of its constitution to the Institutional/Functional Committee for approval.
- vi. The Institutional/Functional Committee meeting shall be scheduled to the month of June/December for discussing and approving HYR.
- vii. The Institutional/Functional Committee shall give recommendations to the CA for immediate action if any, for completion of records.
- viii. The CA shall submit the HYR along with action taken report to the Secretary of LSGI , within 5 days of approval of report.
- ix. The Secretary shall consolidate all the HYRs of MCs and submit to the LSGIs within one week of receipt of all reports.
- x. The LSGIs can consider the reports and shall take steps for the optimum utilization of assets.

Box 6.1: Report of Half Year shall contain:(See Para 6.1.2.v)

- A. Comment on correctness and completeness of AR, Procurement is recorded in time, and all columns are filled or not, Value is recorded as per the voucher concerned.
- B. Comments about the physical existence of asset:
 - i. Assets are on place- , if not - details, actions to be taken
 - ii. Assets and surroundings – cleanliness is sufficient or not, actions required, working condition of asset
 - iii. Usage of assets
 - a. Extent of utilisation of assets.
 - b. If so for the purpose for which it is assigned.
 - c. If not for the purpose – actions required.
 - d. If it is not using, the possibility of using or letting out
 - e. Is there any misuse or mal use or encroachment
 - iv. Details of regular repair or maintenance arrangements made
 - a. Needed repair
 - b. What is the time limit?
 - c. What are the arrangements made for the repair?
 - v. The suggestions/actions regarding the proper upkeep of assets.

6.1.3. Yearly Review (ASAAC)

- i. The LSGIs shall make ASAAC of assets through CA
- ii. The ASAAC on current condition of each Asset of LSGI and a consolidated report of all Assets of LSGI, shall be prepared and made available to LSGIs through Standing Committees.

- iii. The AMP shall be publicised annually, including through websites of LSGIs and LSGD.
- iv. The details of AMP is given in chapter 2.

6.2. Reporting

- i. The ASAAC shall be submitted to the concerned Standing Committee after approval by the Institutional/Functional Committee, with suggestions and recommendations for next year's AMP and modification required on current AMP if any.
- ii. The Standing Committee shall consider and recommend AMP and propose suitable changes in the current AMP to the LSGI.
- iii. The finance Standing Committee shall consolidate the proposals and prepare a draft proposal for the next year's AMP and recommend modifications for the current AMP.
- iv. The Steering Committee shall review the recommendations and modifications on AMP, on the basis of the presentation made by the finance Standing Committee Chairman.
- v. Accordingly, the LSGI shall approve the revised AMP as well as next year's AMP.
- vi. Finance Standing Committee shall coordinate and supervise the reporting and review activities as per the approved calendar.

Duties and Responsibilities

The duties and responsibilities of custodians, other functionaries and agencies in respect of Asset Management in LSGIs are as follows:

7.1. Asset Management and Monitoring Committee (AMMC)

The AMMC shall:

- i. Help the LSGIs to prepare an Asset Management Policy
- ii. Prepare and submit Asset Management Plan (AMP) within six months of LSGI's Elected Representatives take charge.
- iii. Verify and prioritise Asset Maintenance Plan (AMP) proposed through the Development Seminar and prepared by the LSGI Engineer.
- iv. Place AMP before the LSGIs.
- v. Conduct quarterly meetings and observe tracking and monitoring of AMP of Assets.
- vi. Recommend for the disposal of any Assets owned by the LSGIs.
- vii. Conduct test checks on assets of LSGIs after the receipt of Half Yearly Check and ASAAC and submit report to LSGIs.

7.2. The Duties and Responsibilities of LSGIs

The LSGIs shall:

- i. Approve Annual Maintenance Plan (AMP) and prioritise maintenance requirement.
- ii. Allocate funds for maintenance.

- iii. Constitute an Asset Management and Monitoring Committee (AMMC). Issue orders specifying custodian of each Asset.
- iv. Approve Asset Renewal, Transfer and Disposal.
- v. Set up a Grievance Cell to collect suggestions and complaints from the public on defunct or damages of Assets for its timely maintenance.

7.3. Duties and Responsibilities of Secretary of LSGIs

The Secretary of LSGI shall:

- i. Consolidate AR, Half Yearly check report and APV report of all Assets of LSGI.
- ii. Get the report of the maintenance priorities on the basis of AMP from the AMMC and submit it to the LSGI's for approval.
- iii. Conduct ASAAC and estimate maintenance requirements of LSGI office.
- iv. Convene the AMMC meeting, under the chairmanship of President/Chairman/ Mayor
- v. Act as the custodian of Assets.
- vi. Ensure fund pooling
- vii. Delegate all works relating to management of assets with proper support and resources (Provide clerical as well as travel support to all officials of LSGIs, if required by the officials to whom the responsibilities of asset management is delegated).

7.4. Duties and Responsibilities of Assistant Secretary/ Deputy Secretary

- i. As per the direction of Secretary, act as the custodian of all Assets of LSGI office other than under the charge of LSGI Engineers.
- ii. Consolidate all reports from allied institutions relating to assets as per the directions of the Secretary.
- iii. Coordinate consolidation of Asset Register of LSGI office and Allied Institutions, ensure accuracy and prepare reports.
- iv. Collection of proposals for AMP with the permission of Secretary of LSGIs.
- v. Coordinate preparation, implementation and monitor of AMP.
(If there is no Assistant Secretary in position, the Junior Superintendent should undertake the above duties)

7.5. Custodians of Assets /Head of Institutions (HoIs) under LSGIs

- A. In the case of hospitals, the Superintendent of the hospital (Custodian) shall be in overall charge of all equipments. The responsibilities of Superintendent are the following:-
 - i. The equipments will be allotted to different category of doctors/officers for discharging their duties.
 - ii. It is the responsibility of the above category of doctors/officers for the up-keep of the equipment allotted to them in good working condition.
 - iii. If any repair is found necessary, the matter shall be reported to the Superintendent for early repairs/servicing.

- B. In the case of other offices /Institutions the custodians of Assets/HoIs under LSGIs shall:
- i. Maintain Asset Register.
 - ii. Provide information for the preparation of AMP.
 - iii. Generate reports on various aspects of Assets' condition and requirement, considering the Asset life cycle.
 - iv. Upkeep the Assets in good performing conditions.
 - v. Undertake immediate steps to rectify the defects and damages whenever it occurs. In matters which are not under his /her control should be reported to the Secretary of LSGIs.
 - vi. Conduct ASAAC of Assets and Report to the Secretary.
 - vii. Prepare and submit AMP as per the plan procedure.
 - viii. In case of emergency (like failure of drinking water supply, preservation of medicines, seeds and stocks, replacement of broken tiles, etc.), the custodian can incur expenditure up to Rs 5,000/- to overcome situation and upkeep the status quo of the Assets, simultaneously reporting situation to the AMMC. This expenditure shall be got ratified by the Committee/Council.

7.6. LSGI's Engineer

The LSGD's Engineer shall:

- i. Prepare and submit the AMP with the support and monitoring of AMMC. Regarding assets like machineries and others under the custody of other officers like in hospitals, detailed AMP regarding the same shall be obtained from the concerned officers. Besides administrative support for drafting and report preparation shall be made available.
- ii. Assess the current condition of Assets.
- iii. Help the secretary to consolidate ASAAC reports.
- iv. On the basis of assessment of current condition of assets and ASAAC reports, help the Secretary to prepare and submit AMP to AMMC.
- v. Keep custody of Assets under her/ his charge.
- vi. Give support and data for maintaining Asset Register.
- vii. Generate various reports on various aspects of Assets, considering the Asset life cycle.
- viii. Periodically inspect, including test check with records of Assets under his control as per norms prescribed in this manual.
- ix. Conduct ASAAC under her/his control, Prepare survey report for the disposal of the Assets and place it before AMMC.

7.7. Social Audit

Social Audits (see Box 7.1) shall be conducted on the maintenance of assets. The Social Audit team shall report the following:

- i. Whether ASAAC is done in time prescribed?
- ii. Whether the ASAAC report is available to the public?
- iii. Whether the AMP is prepared in time prescribed?
- iv. Any misuse, encroachment, or any irregularities in maintenance of assets
- v. Whether the maintenance is done in time and as per AMP?
- vi. Whether the daily/weekly upkeep of assets are being performed by the CA.
- vii. Whether the AR and CAR are monthly updated?
- viii. Whether the extracted monthly updates are submitting to LSGIs before the meeting of LSGIs.
- ix. Whether the quarterly physical verifications are performed in a time bound manner.
- x. Whether the Secretary is conducting test check during July and December of every year..
- xi. The precautionary measures/corrective measures taken or by the HoILG as per the previous reports of social audit, if any
- xii. If no measures taken, reasons of the HoILG for such non compliance.

Box 7.1: Social Audit on Asset Management(See Para 7.7)

Social Audit:

- a. Conduct Social Audit and submit quarterly reports to the institutional/functional committee
- b. The conveners of all institutional committee shall sit together after the completion of quarterly report, submit a consolidated report to the LSGIs and Grama Sabha, within a week of completion of institutional quarterly audit report.
- c. The consolidated quarterly report/annual report shall be published in July, October, January and April (annual report). (web site of LSGIs, and made available to public for reference in all institutions of LSGIs)
- d. Every report shall be signed by all members of the team and consolidated report by all Conveners of Social Audit Team.

7.8. Stakeholders

Stakeholders can help the LSGIs to upkeep the Assets. Stakeholders include the common people, experts from the Grama/Ward Sabha/Ward Committee group or individual beneficiaries of various services provided by the LSGIs like community water supply schemes, PTA, Hospital Management Committees, *Patasekhara Samiti* etc. The citizen survey shall be conducted before the finalization of AMP, for measuring the

satisfaction level of citizen about the services provided by the LSGIs. The survey shall include questions relating to the need of maintenance of assets, which will be the suitable input for the preparation and finalization of AMP. This questionnaire can be also applied among the stakeholder committees for collecting information. This also creates a feeling of ownership among the public about the assets of LSGIs.

Annexure

Annexure: 1
Functions of LSGIs
[See Para 1.5, 3.2.vi&vii]

Sl. No.	Provisions of the Act	KPR Section	KMA Section
1	Power of the Government to pass orders regarding property	4.(3)	4(4)
2	Capacity of the LSGIs of acquiring, holding and transferring property ,movable or immovable, entering into contracts, and of doing all things necessary, etc.	5	5
3	Power of LSGIs to ADMINISTER the institutions ,schemes, buildings and other properties, assets and liabilities connected with the matters referred to in the respective schedules- SUBJECT to guidelines and the LSGIs shall not have any power to sell, transfer, alienate or pledge the properties transferred to it.	166 ; 172; 173	30(3)
4	Transfer of functions, institutions or works	167	30
5	Maintenance of common dispensaries, child welfare centres, etc.	168	
6	Vesting of Public Roads [other than those classified as NH, SH and major Dist. Roads] bridges, culverts, ditches, dykes, fences on or beside the same, protective devices and all adjacent land not being private property appertaining thereto, within the area of jurisdiction of the concerned LSGIs together with all pavements, stones and other materials and things appertaining thereto may be deemed and vested absolutely in the respective area of jurisdiction.It shall not be lawful for any persons to occupy any land which is vested in a LSGI, whether a poramboke or not, without prior permission of the LSGI concerned. The erection of any wall, fence or building or the putting up of any overhanging structure or projection (whether on a temporary or permanent basis) on or over any land aforesaid shall be deemed to be occupation of such land.	169	207
7	Duty of LSGIs to maintain properly the roads vested in it and to prevent encroachment on it.	170	346
8	Vesting of community property or income in village Panchayats	171	
9	The LSGIs shall in addition to the annual and five year plans, prepare a PERSPECTIVE PLAN foreseeing a period OF FIFTEEN YEARS, with special focus on SPATIAL PLANNING FOR INFRASTRUCTURE development and considering the resources and the need for further development and such plan shall be sent to the concerned DPC	175(4)	51
10	Control of the LSGIs over the Electrical undertakings- conditions	176A	52A
11	Provision for lighting public streets	176B	316
12	ACQUISITION of any immovable property which is required by LSGI for a public purpose connected with the discharge of the functions imposed on it under the Act may be acquired under the provisions of the Land Acquisition Act,1984 and on payment of compensation awarded under that Act in respect of such property and of any other charges incurred in acquiring it , the said property shall stand transferred to and vest in the LSGI Provided that nothing contained in this section shall be deemed in this section shall be deemed to prevent any LSGI from acquiring immovable property either through PRIVATE PURCHASE or any FREE SURRENDER.	178	214 215 349

13	To upkeep register of Asset in Municipality containing the details of all the immovable properties of the Municipality and shall forward the copy of the same to the Government and shall also inform all the changes made there to.		211
14	Government has power to inspect any office or any records or other documents of the Panchayats or movable properties kept therein or any work or institution or property under the control of the Panchayat	188(1)(f)	56
15	VESTING OF WATER COURSE, SPRING, RESERVOIRS	218	208

Annexure: 2
Annual Status Assessment of Asset's Condition Report (ASAACR)
(See Para 2.4.i, 5.3.ii)

To be Filled by ASAAC Team		
	Particulars	Description
i.	Availability of ownership	
ii.	Component number if composite asset	
iii.	Physical condition (see note 1)	
iv.	Beneficiaries	
v.	Utilization (see note 2)	
vi.	Effectiveness (note 3)	
vii.	Valuation (note 4)	
viii.	Protective measures (note5)	
ix.	Expansion possibilities	
x.	Alternative use (if present use is not cost effective)	
xi.	Additions, Modernizations, repairs, needed and Estimated cost	
xii.	Other information relevant for reporting	
xiii	Identification Mark provided by the ASAAC team	

1. There shall be an Annual Status Assessment of Asset's Condition Report [ASAACR] format prepared (system generated) based on the information available (entries verified and updated by the CA on or before 31st May) in the AR as on 31st March of every year for each assets included in the AR.

2. Specific directions are indicated in the format as notes .They are given below :-

Note 1:

Assessment of condition of the asset is important for valuation purposes. When value of an asset is technically estimated, the current value should be determined taking into account depreciation over the period when the asset was in existence, and the asset's present condition. Further, an idea about asset's condition provides useful input to managers to take decision about maintenance and replacement of assets. Also it would indicate if any assets are unusable and therefore unproductive. As all assets would be physically inventoried for preparing the asset register, it would be ideal if their condition could also be assessed so that they do not require to be 'revisited' again at the time of valuation. The team conducting the enumeration of assets should briefly record the condition of the asset. A rating scale as explained below shall be used for different types of assets:

Explanation of Condition Rating codes, when used for Roads

- Excellent : No potholes. No cracks requiring filling. Complies with engineering standards.
- Good : Some potholes. Minimal crack filling required. Complies with engineering standards.
- Fair : Evidence of deterioration. Has numerous potholes and regular crack filling required.
- Poor : Pavement deteriorating. Extensive potholes and cracks. Joint failures. Needs resurfacing.
- Failing : Road bed and surface needs replacing.

Note 2: Utilization Assessment

Efficient utilization of assets is an important objective of asset register framework. Sometimes assets remain unutilized due to the asset not being commissioned after its procurement. There are instances where equipment lies in packed condition for many years after it is acquired at considerable cost. Similarly, costly equipment remains underutilized as the necessary repairs have not been carried out. Some assets may have outlived their life or utility and lying unused. Therefore, it is important that physical verification brings out this aspect so that the management can take appropriate action to utilize the asset or otherwise dispose it off. For this purpose, asset utilization shall be captured under codes as below:

000- fully utilizing

001- Asset not installed;

002 – Asset not brought to operational condition;

003 – Asset needs additions/operating facilities;

004 – Asset is operational but want HR support;

006 – Asset is operational but obsolete.

007 – Asset is operational but uneconomical.

Note 3:

Effective utilization of assets is also an important objective of asset register framework. Sometimes assets remain efficiently utilized but not for the services for which it is intended to utilize.

01. Substandard service due to technological difference. (Photostat A3 needed but A4 is using)

02. Installed for development of women but utilizing for general purpose

03. Installed for development of SC/ST but utilizing for general purpose

04. Installed for development of public but utilizing for office purpose

05. Installed for development of particular geographical area but utilizing for general purpose

06. Others (specify)

Note 4:

Valuation Code; Date, Reference Number and valuation these are the data explaining to how the value of an asset acquired/arrived at, whether actual cost or arrived through some physical verification and technical valuation and details about the valuation process. Valuation of assets is incidental to every updating of the asset register, here the main intent is to list (enumerate / inventory) all LSGI assets to ensure custodial and stewardship responsibilities. Valuation code will indicate whether the valuation is based on actual purchase, acquisition, or construction price / cost or is it a technical estimate. Initially, all values will be based on actual cost / price. Where such actual cost is not available, valuation based on Accounts Manual need to be followed. If valuation is being carried out on a later stage, after the updating and approval of the asset register date and LSGI decision number shall also be recorded. Valuation Codes shall be as follows-

01- Actual cost of acquisition / purchase

02- Market value (relevant for land)

03- Technical estimate based on date of acquisition and condition of asset

04- Replacement value

Note 5: Specify the protective measures if any required like compound wall, fencing, covering, painting, minor works and the like.

Annexure: 3
Check list for ASAACR Scrutiny
 [See Para 2.4.x.c]

Sl. No.	Check List for functional committee's Annual Status Assessment of Asset's Condition Reports Scrutiny	
1	Number of items in books is equal to items as per physical verification	
2	All records and accounts prescribed by this manual are maintained	
3	All records and accounts included all related information	
4	All records and accounts prescribed by this manual are updated	
5	Whether the test check of records and accounts are made frequently	
6	The depreciation is properly deducted from the cost price	
7	All related expenditure added are capital nature	
8	All major repairs and additions are included in AR	
9	Whether the previous APV report is send to the Secretary of LSGIs	
10	Whether the required level of service is being properly considered	
11	The assets is properly protected	
12	Proof of ownership/ procurement are properly filed	
13	Disposal of assets are properly incorporated.	

Annexure: 4

Consolidated Annual Status Assessment of Asset's Condition Report
(Institutional/Functional committee wise)

[See Para 2.5.ii.c]

Name of Committee _____ Name of-LSGI _____

Part I

Present status of the Assets

Name and location of asset	Code of Asset	Availability of ownership	Physical existence (Actual and expected)	State who are the beneficiaries of the assets	What is the use (present and expected) *	Current Condition of Assets*	Protective measures (Actual and required)	Expansion (possibilities)	Alternative use (for cost effectiveness)	Disposal (for effectiveness and methods)	Remarks if any
1	2	3	4	5	6	7	8	9	10	11	12
1											
2											

* provide suitable code from the codes that are prescribed for the ASAACR.

Part II

Urgent proposal if any, which require financial sanctions

Sl. No.	Name of proposed activity and asset with specific location if any	Purpose/ Objectives	Targeted beneficiaries	Expected outcome	Estimated cost	Reasons to believe that there is an Urgency
1	2	3	4	5	6	7

Note. Use additional blank sheets for further explanations if any relevant.

Dated and Signature of Chairman with name

Annexure: 5
Asset Management Strategy
 [See Para 2.5.iv & 2.5.vi]

(Standing Committee)

(LSGI)

Function/Institution.....

[AMS shall be prepared by the Standing Committees for each Function/Institution under it separately]

a) Where are we now?

Sl. No.	Name of Assets	Asset Function/nature of use	Beneficiaries (group name and number)	Physical/ Technical condition					Present level of Service			
				Excellent	Good	Average	Poor	Very poor	Satisfactory	Mediocre	below average	

- b). If the condition are not excellent, what are the physical/technical gaps?
- c) Where do we want to be in 15 years, physically/technically?
- d) What performance/service standard are we targeting from the assets_-next year, after 5 years, 10 years, and 15 years according to the AMS?
- e) How are we doing vs. the target? (Actual vs expected service levels)
- f) How are we planning to manage the assets and fill the gaps? (See the note given below)
- g) Consolidate the proposed activities under the heads below
 - i. Procurement
 - ii. Maintenance
 - iii. Disposal
 - iv. Operation
 - v. Revenue Generation
- i) Give Details of anticipated cash flow, fund sources and Financial Plan
- j) How we know/ensure that we are achieving the targets by specifying the review reporting measures with their intended frequencies.

Note. For the detailed gap analysis and finding solutions use suitable questions like the ones below and list out the possible measures and activities required to be undertaken during the ensuing financial year.

- ✓ **Functional necessity of an Asset**
Whether the specific functional objectives can be achieved without this asset?
- ✓ **Optimum output of Asset**
Whether the assets are used at its maximum capacity?
- ✓ **Suitability of the location of Asset**
Whether the asset's location is demographically suitable, ensuring the optimum out come?
- ✓ **Functional capability of Asset**
Whether asset has the functional capacities required for the purpose?
- ✓ **Functional qualities of Asset**
Are assets suitable for the delivery of optimal level of service which they are intended to support?
- ✓ **Warranting uninterrupted service by the Asset**
Whether the necessary requirements, to ensure uninterrupted service provided through an asset with its unimpaired productive potential during its life time and beyond are being fore-casted, ensured and fulfilled vigilantly? (Proactive vs. reactive and service centred vs. asset centred management).
- ✓ **Efficiency of the maintenance of Assets**
Whether the management doing the right things at the right time in terms of maintenance, rehabilitation and renewal of Assets to minimize on-going costs?

Annexure: 6

Format for preparing Asset Management Plan (AMP)

[See Para 2.6.ii]

------(Institution/Function)------(LSGI)

Function*	Asset Code & Description	Service provided	Objectives to be reinstated of the asset by the AMP**	Activities proposed**
Anganwadi	Land	Space for the Anganwadi		
	Building	Classroom facilities for the children and other beneficiaries		
	Kitchen	Facility for nutritious feeding		
	Play ground	Child development		
	Toilet	Healthy hygienic habits		
	Toys	Recreation		
	Furniture	Facilities for the beneficiaries		
	Utensils	Cooking and Feeding		

* Here the sample details captured in the table are relating to the function/ institution of Anganwadi which is managed by the institutional committees namely Anganwadi Welfare Committee at institutional level and Anganwadi Co-ordination Committee along with the functional committee for Women and Child welfare at LSGI level, and all these committees functioning within the administrative jurisdiction of the Welfare Standing Committee. Likewise each institutional/ functional committee shall prepare AMP for each of the institution/function entrusted with.

** To be filled by the Asset Manager or Custodian of Asset.

Annexure: 7

Summary of AMP Activities

(See Para 2.6.iii)

Annual Asset Management Plan of----- (LSGI)

for the year. -----/-----

Name of Institution/Function: -----

Submitted by: Date: / /

Approved by: Date: / /

A. AMP proposals for the:

- 1) construction procurement;
- 2) goods and services procurement;
- 3) information and communications technology procurement.

Sl.No.	Activity proposed	Function/ Institution	Responsibility	Source of Fund

If significant variation is required in the scheme for different items, then separate lines may be used by indicating the item number as entered on the top.

B. AMP proposals for the Asset Maintenance

Sl.No.	Activity proposed	Function/ Institution	Responsibility	Source of Fund

C. AMP proposals for the Asset Disposal

Sl.No.	Activity proposed	Function/ Institution	Responsibility	Source of Fund

D. AMP proposals for the of Asset Operational

Sl.No.	Activity proposed	Function/ Institution	Responsibility	Source of Fund

E. AMP proposals for the of Asset Revenue Mobilization

Sl.No.	Activity proposed	Function/ Institution	Responsibility	Source of Fund

Annexure: 8
Asset Database
 [See Para 4.3.ii.d]
 PART I:

i.	Asset Code	
ii.	Asset Description	
iii.	Asset Custodian Office Name	
iv.	Title / Reg. / warranty ref no.	
v.	Asset Location	
vi.	Location /Reference Asset code	
vii.	Attributes and Characteristics	
	Units of Measurements and Measurement	
viii.	Date of acquisition/ Purchase/Commissioning/ functionalizing	
	Actual cost incurred if any at that time	
ix.	Contractor/Vendor Name Manufacturer's Name, if applicable.	
	Year and/or model(s), if applicable.	
	Contractor/Vendor/Manufacturer's serial/registration/ code number(s), if any,	
x.	Code of capital costs incurred subsequent to acquisition	
	Details/references of capital costs incurred subsequent to acquisition with date and the amount.	
	Total value of asset column (viii + x)	
	Entry after APV	
xi.	Verification Date &Reference Number	
	Value code and value	
	Salvage Value	
	Condition code and description	
	Utilization code and description	
	Service Condition	
xii.	Date of Disposal and reference number	

Signature and Name of Custodian of Asset.

Explanations regard to information included AR. Part. I.

- (i) Asset Code is the combination of following codes separated by a “-” (hyphen).
 - starting with, Five digits LSG Code; of which, the first two digits denoting the revenue district’s number in which the concerned LSGI is situated starting with 01 from south towards north; and the last three digits denoting the LSGI concerned as in the following order:-
 - 100 - 599: GPs
 - 600 - 799: BPs
 - 800 - 899: MLYs:
 - 900 - 999: MLC s
 - 001 – 099: DPs
 - Followed by Four digits Asset Manager/Custodian Code; of which the first two digits representing the department to which the officer belongs and the last two digits denoting the officer’s designation.
 - Followed by Four digits Asset Classification Code.
 - Ending with three digits Serial Number of the asset in the Asset Register as entered under the same asset classification category, starting from 001.
- (ii) Asset Description: this shall be the description of Asset classification code and the description about the specific purpose for which the asset has been acquired/ procured/constructed or having been utilized for.
- (iii) Asset Custodian Office Name is the actual name of the office in which the asset is accounted.
- (iv) Title / Reg. / warranty /reference number: Details about the documents proving ownership of the asset.
- (v) Location shall be specified invariably to establish the existence of asset through physical verification. If an LSGI claims it has 20 desk top computers, it must also indicate where they are ‘located’ so that someone could physically verify them. This is relevant for all assets except vehicles and portable assets such as lap tops, PDA, mobile phones, etc. In the case of portable assets, the name of the person to whom the asset has been given should be noted in place of location.

For asset register to be effective, it is important that LSGIs shall establish the practice of identifying buildings with LSGI’s building number and within buildings rooms, halls, hallways, etc. also by an individual numbering system. As for infrastructure assets, along with their Land Survey Number, they shall also to be identified based on ‘Global Positioning System’ and ‘Computerized Maps’ that locate places based on geometry of the Earth based on latitude and longitudes.
- (vi) Location /reference asset code is the code of the asset if any in/to which its location is being identified as prescribed above.
- (vii) Attributes and Characteristics& Units of Measurement and Measurements are the fields were the salient features, physical parameters including their measurements in the pre-

scribed/standard measurement units, relevant to each type of assets are being recorded in the Asset Register. For instance, as an asset a passenger car's power, seating capacity figures, and its other features like AC, ABS, Power Windows, Air Bag, etc. are the details of capital value, whereas for a building its carpet area, number of floors, roof type, number of rooms, lifts, etc. are the details relevant to be captured in the asset register.

In order to facilitate the capturing of relevant information and measurements, the Asset Codification Hand Book should also specify the data required to establish the essential characteristics and the relevant physical parameters of the asset. Generally, two methods are applied to facilitate identification i.e., descriptive method and reference method. For each approved asset name the Hand Book should offer description of its attributes or characteristics in order to register them in the Asset Register. The guide provides complete list of 'family' of assets for registering their attributes and characteristics. Drawings, pictures may be used, especially where description is difficult and likely to lead to confusion. Reference method is an indirect process of identification. Manufacturer's code and asset code are used to identify the asset. In both the methods the objective is to identify and describe the asset correctly. The AMC at LSGD/GOK shall maintain the Handbook by adding new codes and also furnish clarifications as and when required.

- (viii) Date of acquisition/ Purchase/Commissioning is the relevant information like date, month and year or year denoting an asset's starting point, which is an essential requirement to calculate effective life of an asset except land. Regarding past data, source of information, and if no such specific information available that also need to be recorded.
- (ix) Manufacturer's / Contractor's details Manufacturer's / Contractor's details shall be captured along with the asset to formulate a Standard Coding System for unique identification of manufacturers. Such database shall have information of names, addresses, telephone, fax, e-mail and industrial classification codes of vendors. Ideally, AMC should maintain such database which can be linked to the classified asset database in order to produce vendor wise products dealt. Additional data of prices, manufacturer's standards of asset maintenance, dealership / maintenance network of the vendor may be integrated to make preparation of capital budgeting and maintenance budgeting.
- (x) Code of capital costs incurred subsequent to acquisition

After assets are acquired and are put to use, additional costs are incurred that range from ordinary repairs to significant additions or betterments. Any expenditure that results in greater future benefits should be capitalized whereas any expenditure that simply maintains the existing service level or capacity should be expensed and need not be brought in to this part of the asset register. If the service potential of the asset is considered enhanced:

- where there is an increase in the previously assessed physical output or service capacity;
- where associated operating costs are lowered;
- the useful life of the property is extended; or
- The quality of the output is improved.

To illustrate, construction of additional rooms in the old building should be registered in

the asset register as additional rooms enhance the capacity of the building. The codes to be used in this regard are given in appendix.

- (xi). Date of Disposal and reference number is the information required to be posted at the time of Disposal

PART II:

Management Information

- i. Responsibilities:
 - Official responsible for operating/maintaining/handling the asset:
 - Official responsible for the day-to-day maintenance/ up keeping (like Cleaning, oiling, etc.) of the asset:
 - Official responsible for supervising:
 - Official responsible for the periodical review and reporting:
 - Reporting to whom and the periodicity:
 - The FC/ Standing Committee responsible for the management of the Asset, review and report.
 - ii. Details of verifications conducted:

Date of verification; name & designation; report reference no. & date

Routine

Quarterly

Half yearly

Annual
 - iii. Details of maintenance

Activities (code no.& description) under taken to maintain asset and the cost incurred on each occasion along with their details and document reference.
{Asset Maintenance Activity Codes are given in the appendix}
 - (xi) Valuation Code; Date, Reference Number and valuation these are the data explaining to how the value of an asset acquired/arrived at, whether actual cost or arrived through some physical verification and technical valuation and details about the valuation process . Valuation of assets is incidental to every updating of the asset register, here the main intent is to list (enumerate / inventory) all LSGI assets to ensure custodial and stewardship responsibilities. Valuation code will indicate whether the valuation is based on actual purchase, acquisition, or construction price / cost or is it a technical estimate. Initially, all values will be based on actual cost / price. Where such actual cost is not available, valuation based on Accounts Manual need to be followed. If valuation is being carried out on a later stage, after the updating and approval of the asset register, date and LSGI decision number shall also be recorded. Valuation Codes shall be as follows-
- 01- Actual cost of acquisition / purchase
 - 02- Market value (relevant for land)

03- Technical estimate based on date of acquisition and condition of asset

04- Replacement value

➤ Condition Assessment

Assessment of condition of the asset is important for valuation purposes. When value of an asset is technically estimated, the current value should be determined taking into account depreciation over the period when the asset was in existence, and the asset's present condition. Further, an idea about asset's condition provides useful input to managers to take decision about maintenance and replacement of assets. Also it would indicate if any assets are unusable and therefore unproductive. As all assets would be physically inventoried for preparing the asset register, it would be ideal if their condition could also be assessed so that they do not require to be 'revisited' again at the time of valuation. The team conducting the enumeration of assets should briefly record the condition of the asset. A rating scale as explained below shall be used for different types of assets:

Explanation of Condition Rating codes, when used for Roads

Excellent : No potholes. No cracks requiring filling. Complies with engineering standards.

Good : Some potholes. Minimal crack filling required. Complies with engineering standards.

Fair : Evidence of deterioration. Has numerous potholes and regular crack filling required.

Poor : Pavement deteriorating. Extensive potholes and cracks. Joint failures. Needs resurfacing.

Failing : Road bed and surface needs replacing.

➤ Utilization Assessment

Efficient utilization of assets is an important objective of asset register framework. Sometimes assets remain unutilized due to the asset not being commissioned after its procurement. There are instances where equipment lies in packed condition for many years after it is acquired at considerable cost. Similarly, costly equipment remains underutilized as the necessary repairs have not been carried out. Some assets may have outlived their life or utility and lying unused. Therefore, it is important that physical verification brings out this aspect so that the management can take appropriate action to utilize the asset or otherwise dispose it off. For this purpose, asset utilization shall be captured under codes as below:

000- fully utilizing

001- Asset not installed;

002 - Asset not brought to operational condition;

003 - Asset needs additions/operating facilities;

004 - Asset is operational but want HR support;

006 - Asset is operational but obsolete.

007 – Asset is operational but uneconomical.

Annexure: 9
Instruction for the preparation of Asset Register
[See Para 4.6.i]

Asset Register

1. One page shall be allotted to one asset
2. Allot code for each asset (see codification and data base structure at section 4.3)
3. The code shall be tagged with the asset also (if immovable)
4. Enter all details of assets as per the description given along with the format of asset register. (See Annexure 8)
5. The register shall be prepared at Custodian of Asset (CA) level.
6. All assets coming above capital threshold limit (i.e. Rs. 10000) shall have a page in the asset register
7. The small assets (i.e. below the value of Rs.10000) and safe guarded assets shall be recorded separately in separate register.
8. The consolidated amount shall be shown in balance sheet.
9. The recording of small assets and safe guarded assets are recorded after grouping the assets.
10. Monthly monitoring shall be planned and conducted for these small and safe guarded assets.

Annexure: 10
Physical Inventory Instructions (PIIs)
[See Para 4.17.ii]

- How and where to record each item,
- What information to record,
- How to seek clarification on instructions issued,
- What procedures to follow when they finish their assignments,
- What procedures to follow when equipment is located but not listed,
- The procedure by which the person counting the assets attests to the accuracy of the count, such as by signing his or her name at the bottom of each inventory page, or signing a cover page for a group of pages sorted by another method (batches, location, equipment type, etc.), and
- How to record assets not being used or in an obviously unserviceable condition. Such information is to be used to schedule repair or disposition of such assets.