

**The Origin: -**

Prior to 1<sup>st</sup> April, 1937, this department was a combined Local Audit and outside Audit Department under the Administrative control of the Comptroller and Auditor General (CAG). From 1<sup>st</sup> April, 1937, the department was established as a separate entity but continued under the charge of the comptroller and Auditor General (CAG). With effect from April, 1944, the control of the Department was taken over by the State Govt. in the Finance Department of the erstwhile Pepsu (Patiala State) Local Audit, Department and thereafter, Local Audit Department, Punjab. Separation from Punjab, Haryana came into existence on 1<sup>st</sup> November, 1966, the staff of the Local Audit Department, Punjab, on being allocated to the Haryana state constituted the Local Audit Department, Haryana.

The Office of the Examiner, Local Fund Accounts has been re-designated as office of the Director, Local Audit, Haryana vide Govt. orders dated 25.11.1994.

**Administrative set-up**

The department is functioning under the administrative control of Additional Chief Secretary (Principal Secretary) to Govt. Haryana, Finance Department who is Administrative Secretary of the Department. The Director, Local Audit is the Head of the Department and responsible for complete control of the department with regard to audit of the various accounts in the State and is, by virtue of Statutorily/Subordinate Legislation/Administrative instructions, is responsible for conducting the Pre-Audit/Post-Audit of accounts of various accounts having Local Funds *viz* i.e Municipal Corporation, Municipal Councils and Municipal Committees, Panchayati Raj Institutions(PRI's) i.e Zila Parishad, Panchayat Samities and Gram Panchayats, Pupil/Students Funds of Educational and Technical Institutions, State Universities, Board of School Education, Haryana, Bhiwani, Maharaja Agrasen Institute of Research and Education(MAIMRE), Agroha, Kurukshetra Development Board, Kurukshetra, Mewat Area Development Board, other institutions like Slum Clearance Board, Haryana Chief Minister Relief Funds, District Relief Fund, Rajya/Zila Sainik Board etc. under the provision of office manual of Local Audit Department, Haryana general instruction/guidance of audit of accounts.

The Principal Accountant General (Audit) also renders technical guidance and standards of audit particularly in case of PRIs and Urban Local Bodies (ULB's) the department also renders advice on financial and accounting matters to the Urban Local Bodies/ Panchayati Raj Institutions and other institutions referred in above paragraph. The Utilization Certificate in respect of Govt. Grants/ Other Grant-in-aid given to PRI's/ULB's and State Universities are also verified/authenticated by this Department for the satisfaction of the sanctioning authorities/ funding agencies.

**Address of the Director:-****DIRECTOR, LOCAL AUDIT, HARYANA.**

Bays 3-6, 2nd Floor, Sector 2, Panchkula-134113.

Phone: 0172-2560319, 2560329 Fax: 0172-2560126

Email: - [localaudit@hry.nic.in](mailto:localaudit@hry.nic.in)

## **LOCAL AUDIT DEPARTMENT AT A GLANCE**

### **The Origin: -**

Prior to 1<sup>st</sup> April, 1937, this department was a combined **Local Audit** and **Outside Audit** Department under the Administrative control of the Comptroller and Auditor General (CAG). From 1<sup>st</sup> April, 1937, the department was established as a separate entity but continued under the charge of the comptroller and Auditor General (CAG). With effect from April, 1944, the control of the Department was taken over by the State Govt. in the Finance Department of the erstwhile Pepsu (Patiala State) Local Audit, Department and thereafter, Local Audit Department, Punjab. On bifurcation of Punjab State, Haryana came into existence on 1<sup>st</sup> November, 1966, the staff of originated Local Audit Department, Punjab, on being allocated to the Haryana State originated the Local Audit Department, Haryana.

Earlier, this Office was known as Examiner, Local Fund Accounts, which has been re-designated as office of Director, Local Audit, Haryana vide Govt. orders dated 25.11.1994.

### **Administrative set-up:**

The department is functioning under the administrative control of Additional Chief Secretary (Principal Secretary) to Govt. Haryana, Finance Department who is Administrative Secretary of the Department. The Director, Local Audit is Head of the Department and responsible for complete control of the department with regard to audit of the various accounts in the State and is, by virtue of Statutorily/Subordinate Legislation/Administrative instructions, is responsible for conducting the Pre-Audit/Post-Audit of accounts of various accounts having Local Funds *viz* i.e. Municipal Corporations, Municipal Councils and Municipal Committees, Panchayati Raj Institutions(PRI's) i.e Zila Parishad, Panchayat Samities and Gram Panchayats, Pupil/Students Funds of Educational and Technical Institutions, State Universities, Board of School Education, Haryana, Bhiwani, Maharaja Agrasen Institute of Medical Research and Education (MAIMRE), Agroha, Kurukshetra Development Board, Kurukshetra, Mewat Area Development Board, other institutions like Slum Clearance Board, Haryana Chief Minister Relief Funds, District Relief Fund,

Rajya/Zila Sainik Board etc. as per provisions envisaged in Office Manual of Local Audit Department, Haryana and general instructions/guidance issued by the Government time to time.

The Principal Accountant General (Audit) also renders technical guidance and standards of audit particularly in case of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULB's) the department also renders advice on financial and accounting matters to the ULBs/PRIs and other institutions mentioned in paragraph *ibid*. The Utilization Certificate in respect of Govt. Grants/Other Grant-in-aid granted to PRI's/ULB's and State Universities/Education Board are also verified/authenticated by this Department for the satisfaction of the sanctioning authorities/ funding agencies.

**Address of the Director:-**

**DIRECTOR, LOCAL AUDIT, HARYANA.**

Bays 3-6, 2nd Floor, Sector 2, Panchkula-134113.

Phone: 0172-2560319, 2560329 Fax: 0172-2560126

Email: - [localaudit@hry.nic.in](mailto:localaudit@hry.nic.in)

**Vision:**

To promote excellence in local fund accounting services towards improving the qualitative and optimum use of Public Fund in ULBs/PRIs and State Universities etc. and timely reporting on the Finances and governance of these auditee institutions.

**Mission:**

To enhance accountability, transparency and good governance of the 3-tier system of Panchayati Raj Institutions, Municipal Corporations/Councils/Committees, other Local Funds and Institutions entrusted by the Government of Haryana from time to time by carrying out audit through qualitative set forth auditing standards and fridge independent reporting to the head of auditee institutions, the legislature that the public fund are being used appropriately and aptly for intended purposes in accordance with the provisions of Office Manual, Local Audit Department. Our responsibilities to scrutinize/assess the work of authorise authorities which include commitment to provide and maintain the highest quality of auditorial service.

**Organizational set up and Hierarchy of the department:**

Local Audit Department functions under the Director, Local Audit, Haryana, who is assisted by 11 Joint Directors, 19 Deputy Directors, 26 Resident Audit Officers, 1 Superintendent (Gazetted), 76 Senior Auditors, 2 Deputy Superintendents and other staff to carry out and control the auditorial function of the department. The Audit of accounts of Gram Panchayat Accounts has been established at Jind. The combined staff position of sanctioned strength at Head Office and fields and the hierarchy of the Department are as under:

All promotions of officers/officials are made as per provision in the respective class/category of service rules of the Local Audit Department. Sanctioned strength and hierarchy of the Department is as under.

Sr. No.	Designation of posts	No. of sanctioned posts			Filled	Vacant
		Permanent	Temporary	Total		
1.	Director	1	–	1	1	-
2.	Joint Director	6	5	11	9	2
3.	Deputy Director	8	11	19+ 1 1(SJE)	15+ 1(SJE)	4
4.	Resident Audit Officer	26	0	26+ 1 1(SJE)	19+ 1(SJE)	7
5.	Superintendent (Gazetted)	-	1	1	-	1
6.	Senior Auditors	60	16	76+ 2(SJE)+1 (RSB)	42+1(RSB)	34+ 2(SJE)
7.	Deputy Superintendent	2	–	2	1	1
8.	Auditor	254	63	317+ 1(Pen)+5 (SJE)+1( RSB)	204+ 1(RSB)+ 1 (Pen)	113+ 5(SJE)
9.	Jr. Scale Stenographer	1	–	1	-	1
10.	Steno-typist	4	–	4	-	4
11.	Clerk-cum-typist	24	0	24	7	17 (Engaged 9 DEO on contract)
12.	Drivers	3	–	3	1	2 (engaged on contract basis)
13.	Daftri	1	–	1	1	-
14.	Peon	18	–	18	15 (1 posted on deputation basis)	3
15.	Sweeper-cum-Chowkidar	2	–	2	1	1
	Total	410	96	506+ 9(SJE)+ 2(RSB)+ 1(Pen)	315+ 2(SJE)+ 2(RSB)+ 1(Pen)+ 1(Deput.)	197

*Note:- Staff position is subject to variation from time to time.*

**Pre-Audit System under Resident Audit Schemes:**

The Pre-audit is enforced in all Municipal Corporations, Municipal Councils, Municipal Committees and Improvement trusts, all State Universities, Board of School Education, Haryana, Bhiwani, and Maharaja Agrasen Institute of Medical Research & Education (MAIMRE), Agroha, etc. These Resident Audit Schemes are managed by Resident Joint Directors/Deputy Directors/Resident Audit Officers who are assisted by Resident Audit Officers, Resident Senior Auditors and Auditors as per the details given below:

Sr. No.	Name of institutions where Pre-Audit system applicable	Total Number of Institutions	Audit conducted by JD/DD/RAO and allied staff
1	All State Universities, Board of School Education, Bhiwani, Haryana Maharaja Agrasen Memorial College, Agroha	16	JD/DD and allied staff i.e. Auditors and Senior Auditors
2	Municipal Corporations	10	JD/DD and allied staff i.e. Auditors and Senior Auditors
3	Municipal Councils	18	RAO and allied staff e.g. Auditors
4	Municipal Committees	52	RAO and allied staff e.g. Auditors
	<b>Total (A)</b>	<b>96</b>	RAO and allied staff e.g. Auditors

**Post Audit System:**

The Department is also conducting audit of 12876 accounts including 6140 Gram panchayat and various institutions under Post-audit System which comprise the accounts of Zila Parishads, Panchayat Samities, Gram Panchayats, Govt. Schools, Non-Government (Aided) Schools, Government Colleges, Haryana Rural Development Fund (HRDF) Accounts, other several minor accounts etc. The state has been divided into 38 Audit Circles for the purpose of conducting audit of these accounts under the Post Audit System as per provisions contained in Office Manual of the Department. A Circle Audit Party comprises One Senior Auditor and One Auditor. Annual Circle

Programme with details of accounts to be audited and time allotment fixed for each account as per provisions contained in Office Manual of Local Audit Department, is issued to the respective Circle Senior Auditors (Circle Audit Party) each year in the month of March for audit in the ensuing financial year. Audit of accounts of 6,140 Gram Panchayat of the State is also being conducted under post audit system. Gram Panchayat accounts are audited biannually by 36 Panchayat Auditors of the department under the supervision of Deputy Director (Panchayat Accounts), Jind.

Sr. No.	Particulars of the Post-Audit of Institutions	Total Number of Institutions	Audit conducted by JD/DD/RAO Plus allied staff 1
	Zila Parishads	21	Circle Senior Auditors and Auditors
2	Panchayat Samitis	126	Circle Senior Auditors and Auditors
3	HRDF Accounts: (a) Haryana Rural Development Fund Administration Board (b) HRDF Panchayat Samiti (c) HRDF XEN Panchayati Raj (d) HRDF Market Committees	1 124 21 96	Circle Senior Auditors and Auditors
	Govt. Colleges	72	Circle Senior Auditors and Auditors
	Govt. Schools	4038	Circle Senior Auditors and Auditors
	Private Schools	2058	Circle Senior Auditors and Auditors
	Miscellaneous **	179	Circle Senior Auditors and Auditors
	Gram Panchayat	6140	Auditor (Independent)
	<b>Total (B)</b>	<b>12876</b>	
	<b>Grant Total (A+B)</b>	<b>12972</b>	

*\*\*These includes: Jail Canteen Accounts, the Haryana Chief Minister's Relief Fund, District Relief Fund, Haryana Institute of Public Administration, Gurgaon/ Panchkula, Kurukshetra Development Board, Kurukshetra, Board of Ayurvedic and Unani Systems of Medicines, Council of Homoeopathic system of Medicines, Haryana, Chandigarh etc.*



**Structure of Audit Fees:**

The rates of audit fees charged from the institutions i.e. ULB's, PRIs, Schools and Colleges etc. w.e.f. 1.1.2006 as under:-

<b>Sr. No.</b>	<b>Name of Post</b>	<b>Average Cost</b>
1.	Joint Director	5,66,760/-
2.	Deputy Director	4,77,096/-
3.	Resident Audit Officer	4,57,852/-
4.	Senior Auditor	4,29,054/-
5.	Auditor	3,80,208/-
6.	Peon	1,07,833/-

**LOCAL BODIES PANCHAYATI RAJ INSTITUTIONS AND MISC. INSTITUTION WHERE DAILY RATES AUDIT FEES ARE CHARGED**

<b>Detail</b>	<b>Existing rates of Audit Fees</b>	<b>Revised rates of Audit Fees</b>
One Senior Auditor	950	2270
Auditor	600	2000
Peon	--	650

**SCHOOL**

<b>No. of Students</b>	<b>Existing rates of Audit Fees</b>		<b>Revised rates of Audit Fees</b>	
	<b>Amalgamated Fund</b>	<b>Other Fund</b>	<b>Amalgamated Fund</b>	<b>Other Fund</b>
1 to 500	220	160	300	220
501 to 1000	300	220	400	300
1001 to onwards	500	300	680	400

## **COLLEGE**

<b>No. of Students</b>	<b>Existing rates of Audit Fees</b>		<b>Revised rates of Audit Fees</b>	
	<b>Amalgamated Fund</b>	<b>Other Fund</b>	<b>Amalgamated Fund</b>	<b>Other Fund</b>
upto 500	550	250	750	340
501 to 750	1100	400	1490	540
751 to onwards	1500	500	2030	680

### **Time Allotment:**

Though there is day to day audit (pre-audit) in the resident audit schemes, the time allotment in case of accounts/institution the audit of which are conducted on the basis of post audit system the time allotment is taken by Circle Senior Auditors and Panchayat Auditors as prescribed in the Office Manual of Local Audit Department.

### **Annual Audit Reports/Audit Notes (Auditee Institutions):**

Annual Audit Reports in case of resident audit schemes are drafted by the resident audit heads of the scheme after the close of the financial year and thereafter finalization of Reports the same are endorsed to the auditee institution with copies to the 6 high-ups of concerned department/ Finance Department as well Principal Accountant General (Audit).

The Audit Notes, the audit of accounts which is conducted under post audit system are sent by the respective Senior Auditors/Panchayat Auditors within ten days/following Monday of the week of the conduct of audit (in case of Panchayat Accounts) to the Headquarter Office/ Deputy Director (Panchayat Accounts), Jind for onwards transmission to the auditee institutions and concerned authorities after necessary vetting. The resident audit schemes/post audit accounts are monitored by the Head Quarter Office/ Deputy Director (Panchayat Accounts), Jind by way of Monthly Progress Reports and Weekly Diary Reports.

**Budget of the Department:**

Annual Budget is allocated from the State Exchequer to meet out the expenditure incurred on Salary/Dearness Allowance/Travel Expense/Office Expenses/Rent, Rates and Taxes/Professional and Special Services/POL/Medical Reimbursement/ LTC/Ex-gratia/Training/Honorarium etc. The expenditure is booked under the major head of the Department is “2054-Treasury and Accounts Administration-098-Local Fund Account”.

**Office Manual:**

All Department Work/Audit Procedures at the Head Office and in the field are carried out as per the provisions of Office Manual of the Local Audit Department keeping in view the Codal provisions of the auditee Institutions. The last edition of this Office Manual was printed in 1998. The new updated Office Manual of the Local Audit Department is expected by April, 2016.

**Administrative Report and Annual Audit Report of the Department:**

It is the responsibility of the Department to publish the Administrative Report regarding activities and development of the Department of the financial year after getting it duly approved from the Council of Ministers (State Cabinet). The Department is also responsible to lay the Annual Audit Report of the Department in respect of Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) on the table of the House (Haryana Vidhan Sabha) with the approval of the State Government.