

ALFA - AUTOMATION OF LOCAL FUND AUDIT BRINGING TRANSPARENCY IN INTERNAL AUDIT

The Automation of Local Fund Audit (ALFA) is to provide more fiscal discipline and efficiency in audit process. The launch of ALFA has brought in a more transparent, efficient and accurate Audit Process along with basic citizen services.



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Local Fund Audit (LFA) is the Internal Audit Organisation of Government of Odisha functioning under the administrative control of Finance Department since 1948 as per the OLFA Act passed by the State Legislature. The Organization undertakes audit of Government / Grant-in-Aid institutions, Panchayat Samities, Urban Local Bodies, Aided Colleges, High Schools, Zilla Parishadas, Gram Panchayatas, ME Schools, Endowment, Universities and Development Authorities etc. At present 16,316 numbers of Auditee institutions are being audited by this organization.

Since the transactions at Auditee institutions are increasing day by day, it is not possible to make proper check and balance of accounts. ALFA, the web based solution, is a successful initiative to automate major activities of the organisation for easy monitoring by the higher authorities and achieve required target in time.

STAKEHOLDERS INCLUDE

- Local Fund Audit Organisation, Govt. of Odisha
- 16316 Auditee Institutions
- District Collectors
- Accountants General, Odisha

CHALLENGES / ISSUES

- In every financial year it becomes very difficult to prepare a correct Annual Audit Programme taking around 670 Audit Personnel, 16316 Audit Institutions along with numbers of previous pending year of Accounts.
- The current Audit Progress is not readily available as there is lot of delay in receipt of Daily Diary from Audit Parties.
- Managing the tour programme of all Reviewers in all District Audit Offices

needs a large number of file works

- The Audit Report Format for all 19 different categories of Institutions are different leading to loss of clarity in Audit Report.

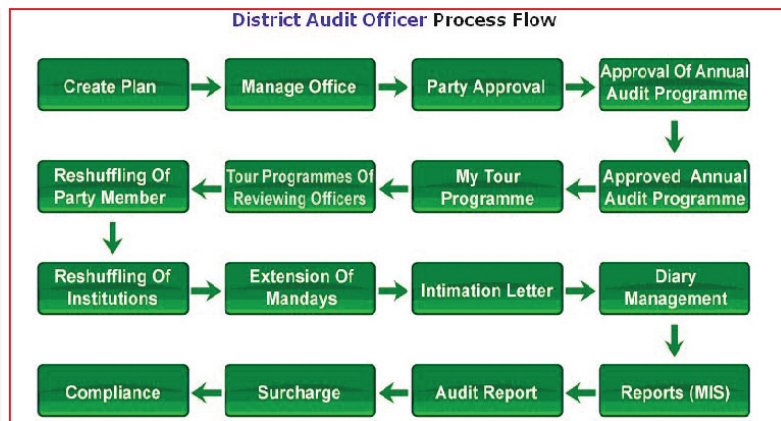
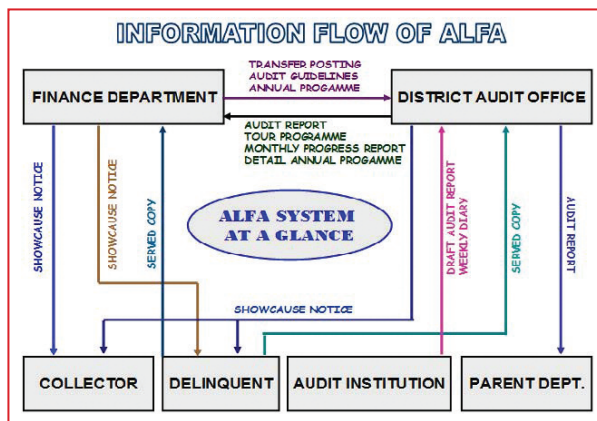
Keeping the above Issues in view the following scope was fixed.

SCOPE OF THE PRODUCT

- Streamlining the LFA activities
- Systematization of Audit workflow
- Standardized formats of audit reports
- Ensure transparency and accuracy
- Timely preparation of an accurate Annual Plan Programme
- Easy tracking of the audit program execution
- Monitoring Weekly Diary of Auditors
- Monitoring of Tour Programme
- Better access to audit reports
- Monitoring Compilation activity
- Faster surcharge processing
- Automation of Misc. Reports on Institutional Audit
- Audit report preservation
- Financial Year Ending activity process etc.

PROCESSES REENGINEERED

- One of the major changes is brought in by introduction of a Common Audit Report Format for all different 19 categories of Audited Institutions. This has improved the clarity of the report and thus easy analysis by higher authorities for deciding further course of action.
- Online preparation and submission of Annual Audit Programme by all District Audit Offices for online approval at Head Quarter level
- Online Submission of Daily Diary by all Auditors
- Online Tour programme submission by all Reviewers / DAOs and approval of the same at Head Quarter level



- SMS alert integration on various transaction processes.

DELIVERABLES

- Preparation of Annual Plan Programme in District Audit Offices (DAO)
- Plan Initiation
- Manage Auditors
- Office Management
- Party Formation
- Manage Institutions (Party wise)
- Institution Selection
- Year of Accounts Selection
- Transit Days Allocation
- Auto-date Activation
- Approval of Party wise Annual Plan Programme by DAO
- Reviewer Management
- Approval of Annual Audit Programme
- District Level by the DAO
- Head quarter Level by the Examiner
- Issue of Intimation letters by DAO/Auditors
- Weekly Diary Management
- Online Weekly Diary entry by all members of each Audit Party where internet facility is available
- Offline Weekly Diary Entry by Data Manager at District Office for the Audit Party, where internet facility is not available
- Tour Programme Management
- Member Reshuffling
- Dropping member from existing party
- Adding dropped members to desired party

- Approval/Rejection of member reshuffling at Head Quarter level
- Institution Reshuffling
- Dropping Institutions from Party's Planned Programme
- Transferring institutions from Planned Programme of one party to another
- Adding new institutions to Planned Programme of a party
- Approval/Rejection of above changes at Head Quarters level
- Audit Report Preparation
- Preparation of Draft Audit Report (DAR) by Lead auditor
- Review of DAR by Reviewing Officer
- Scrutiny & Approval of DAR by DAO
- Publication of DAR
- Compliance Management
- Entry of Compliance details as received from Auditee Institutions
- Entry of Spot Verification findings
- Compliance Process
- Surcharge Management
- Initiation of Surcharge Action under section 9(2)b
- Initiation of Surcharge Action under section 9(3)
- Initiation of Surcharge Action under section 10(1)
- Important Reports
- D.O. Letter
- M.P.R.
- Capsule
- Misappropriation
- Deviation
- Audit related queries

- Query on Auditors
- Query on Auditee Institutions
- Query on Audit Reports etc.

ADVANTAGES OF AUTOMATION

- Availability of up-to-date status on number of audit institutions audited and number of arrear audit year of accounts.
- Updated information on audit programme and performance.
- Monitoring activities of officials under LFA organization - DAO, Audit Superintendent & Auditor.
- Traceability of position of each audit party.
- List of audit programmes consuming excess working days can be monitored.
- The system can automatically generate all reports and returns thereby saving audit man days.
- It will be a paperless operation, which can save about minimum 10000 reams of paper in a year.
- Approximately 3000 mandays / 21000 hours for the LFA organization can be saved immediately which can help in covering audit of minimum 80 years of accounts of Panchayat samities or 750 years of accounts of Gram panchayats.
- Any deviation report of audit programmes from the proposed annual programme can be traced.
- Auto calculation of statements resulting in better audit performance.
- Being a web enabled application, it ensures easy access of audit reports, which can be viewed or downloaded.