

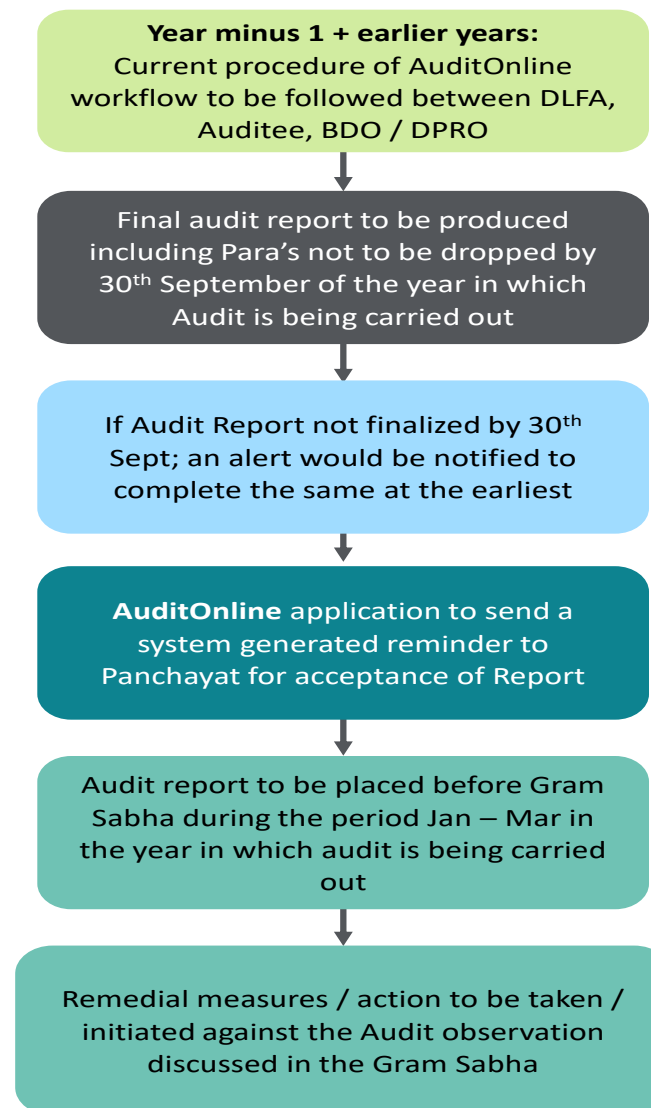
## Standard Operating Procedure ATR Functionality

- A concept note, “The ATR: A discussion paper on strengthening Audit Mechanism at Grassroots level” was issued by MoPR to all states
- Based on the concept note, an Action Taken Report (ATR) module/process is included in the AuditOnline application to strengthen transparency and accountability at the grassroots level.

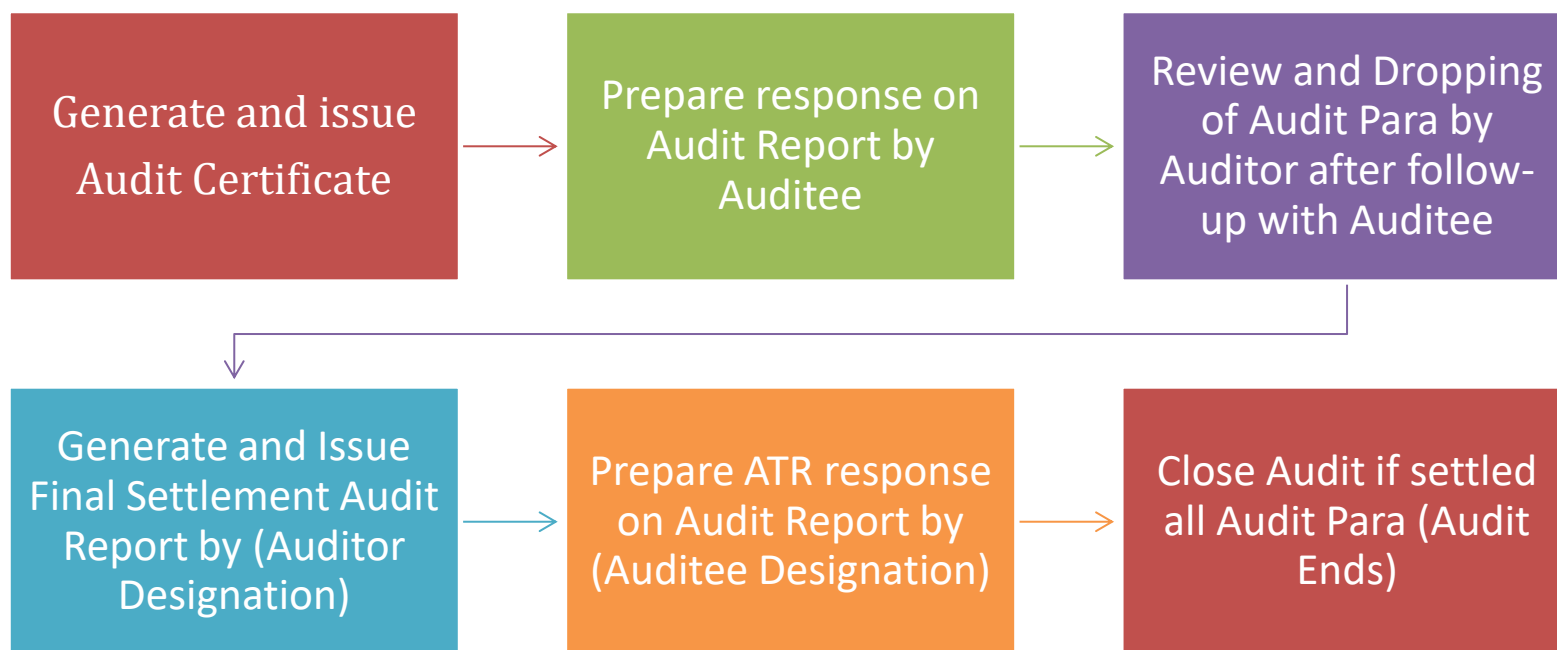
**For a given year (say, Y), to be eligible for grants; the Rural Local Bodies would have to ensure compliance, inter alia, to the following conditions:**

- ✚ Provisional accounts of the Rural Local Bodies in the public domain for the previous year, i.e., Y-1 (Year 1).
- ✚ Audit of accounts of the Rural Local Bodies for the year before the previous year, i.e., Y-2 (Year 2), to be completed by 31<sup>st</sup> December of the same year, and the same to be placed and discussed before Gram Sabha for final approval. *(Current system that is being followed).*
- ✚ Action Taken Report for the audit observations raised during the audit exercises conducted in Y-2 and discussed during Gram Sabha/s, i.e., Y-3 (Year 3), to be completed by 31<sup>st</sup> December of the year in which ATR is to be carried out.

### CONCEPT NOTE GIST



*Figure 1 Infographic Explanation*



*Figure 2 ATR Lifecycle*

### **Audit Report Discussion Meeting Requirement in ATR process:**

Once an Audit Report is generated and is either sent or ready to be sent to the auditee, it becomes necessary to schedule a meeting on the Panchayat Nirnay Portal/Mobile Application. This requirement is aligned with the Ministry's vision of ensuring transparency and accountability in the audit process.

**Purpose:** The initial audit report leads to the preparation of a second-level audit report, which is generated after the follow-up on the raised paras ends and further Settlement/dropping of paras gets completed based on justified answers and before this second-level report is generated/forwarded to the higher authority of the auditee for compliance action, a discussion meeting must be conducted.

The system will prompt/alert the user to schedule a meeting if no such meeting has been recorded in the application and meeting must be scheduled:

- a. On the Panchayat Nirnay Portal/Mobile App

- b. Using the predefined meeting type: “**Audit Report Discussion**”

## Key Conditions

### 1. For Gram Panchayat Level

- Scheduling this meeting on the Panchayat Nirnay application is mandatory.
- There is no fixed timeline to schedule the meeting, once the audit report is generated the user becomes eligible to conduct the meeting on Nirnay portal.
- However, the meeting must be conducted before:
  - a. The second-level audit report is processed
  - b. Any action is attempted by the higher auditee authority

### 2. For Block and District Panchayat Levels

- Scheduling the meeting on Panchayat Nirnay application is not mandatory
- Instead, the user can enter the date of the meeting, assuming it was conducted offline along with details specified at the time of capturing this information on AuditOnline.

Detailed whereabouts on how to go about Panchayat Nirnay Application: [SOP for Panchayat Nirnay Mobile application](#)

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## ATR Process Explained:

**Early ATR process happens/kicks off when the Generated Audit Report is sent to the Auditee for his/her responses on the Observation recorded, hence this SOP is documented from that task only and which is the “verification of Audit Report Response/s”**

### **Task: Verify the Audit Report Response**

The Screens below show Auditor’s view when he/she has received the response/s on the Generated report shared with the Auditee for answers.

The screenshot displays the 'Verify the Audit Report Response by AAO' page. At the top, there is a header with the logo and the text 'Facilitating Audit In Government'. Below the header is a navigation menu on the left and a top bar with 'Languages', font size controls, and a home button. The main content area is titled 'Verify the Audit Report Response by AAO' and contains the following information:

- Nature Of Audit:** Scheme
- Auditee Office:** AMROHA-HASANPUR-Sagarpur Mujabta
- Period Being Audited:** Apr 1, 2020 - Mar 31, 2021
- Reporting Period:** Apr 21, 2022 - Apr 23, 2022

Below this summary is a green 'Select All' button. The main section lists two observations:

- Observation 1:**
  - Observation Number: 1
  - Observation Type: General
  - Severity: High Risk
  - Category/Sub Category: 03 - Diversion of Grant or Fund / Temporary Diversion of Salary deductions/recoveries
- Observation 2:**
  - Observation Number: 2
  - Observation Type: Expenditure
  - Severity: High Risk
  - Category/Sub Category: 01 - Variation in Accounts Figures / Mismatch in Annual Account and Subsidiary Registers

At the bottom right of the observation list, there are 'Save And Send' and 'Close' buttons. A blue arrow button is located at the bottom right corner of the page.

Figure-1

Figure-1 shows all the observations received from the Auditee end, which are carrying the response/s made by the Auditee against each one of the recorded observations and,

- [User Account Settings](#)
- [Record Observation](#)
- [Inbox](#)
- [Drafts](#)
- [Sent](#)
- [Pull Task](#)
- [Requisition Inbox](#)
- [Audit Requisition](#)

### Verify the Audit Report Response by AAO

[View Report](#)

Nature Of Audit	Scheme
Auditee Office	AMROHA-HASANPUR-Bagarpur Mujabta
Period Being Audited	Apr 1, 2020 - Mar 31, 2021
Reporting Period	Apr 21, 2022 - Apr 23, 2022

Select All

1.  Observation Number : 1

Observation Type : General

Severity : High Risk

Category/Sub Category : 03 - Diversion of Grant or Fund / [Temporary Diversion of Salary deductions/recoveries](#)

2.  Observation Number : 2

Observation Type : Expenditure

Severity : High Risk

Category/Sub Category : 01 - Variation in Accounts Figures / [Mismatch in Annual Account and Subsidiary Registers](#)

AUDITOR OBSERVATION <span style="float: right;">Copy 1</span>	AUDITEE RESPONSE <span style="float: right;">Copy</span>
MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5	ok by PS 2

Action \* Include In Draft LAR

Auditor's Comments \*

B I U | [Icons] | Font - | Size - | [Color/Background Icons]

MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5MRT PRICHTGHAR TEAM-5

Save And Send
Close

Figure-2

Figure-2 shows the expanded version of the same wherein the Auditor gets to see the correspondence made by the Auditee against each one of the recorded observations.

Now, the auditor is provided with a functionality “Action” (drop-down menu) to assign a particular status from one of the below mentioned to the observation/s response received. (Figure-3)

1. Include in Draft LAR
2. Drop Observation
3. Follow Up

The screenshot displays the NIC-AuditOnline interface. On the left is a navigation sidebar with options: Drafts, Sent, Pull Task, Requisition Inbox, and Audit Requisition. The main content area shows details for an audit office (AMROHA-HASANPUR-Bagarpur Mujabta) and a reporting period (Apr 21, 2022 - Apr 23, 2022). A 'Select All' button is visible. The primary observation is numbered 1, with an observation number of 1, type of General, and severity of High Risk. The category/sub-category is '03 - Diversion of Grant or Fund / Temporary Diversion of Salary deductions/recoveries'. Below this, there are two columns: 'AUDITOR OBSERVATION' and 'AUDITEE RESPONSE'. The auditor's observation is 'AAO sent Green flag' and the auditee's response is 'ok by PS 1'. An 'Action' dropdown menu is open, showing four options: 'Include In Draft LAR', 'Drop Observation', 'Include In Draft LAR', and 'Follow Up'. The 'Include In Draft LAR' option is currently selected. Below the dropdown is a rich text editor with the text 'AAO sent Green flag' and a toolbar with various editing options. At the bottom, another observation is partially visible, numbered 2, with an observation number of 2.

Figure-3

**Step 1:** The auditor needs to choose any one option from the dropdown based on his/her choice in relevance to the response received against any observation from the auditee.



**AuditOnline**  
Facilitating Audit In Government

Menu

Language: A- A A+ Home

**Verify the Audit Report Response by AAO**

[View Report](#)

Nature Of Audit	Scheme
Auditee Office	AMROHA-HASANPUR-Bagarpur Mujabta
Period Being Audited	Apr 1, 2020 - Mar 31, 2021
Reporting Period	Apr 21, 2022 - Apr 23, 2022

[Select All](#)

1. <input type="checkbox"/>	Observation Number : 1	<a href="#">View Trail</a>
	Observation Type : General	
	Severity : High Risk	
	Category/Sub Category : 03 - Diversion of Grant or Fund / Temporary Diversion of Salary deductions/recoveries	
2. <input type="checkbox"/>	Observation Number : 2	<a href="#">View Trail</a>
	Observation Type : Expenditure	
	Severity : High Risk	
	Category/Sub Category : 01 - Variation in Accounts Figures / Mismatch in Annual Account and Subsidiary Registers	

[Save And Send](#) [Close](#)

Figure-5

2. **Upload attachment**→ The Auditors also are given the functionality of uploading attachments with remarks using which they may upload single or multiple files to one or many observations as per their choice to value add/complement those observations. (Figure-6)



The screenshot displays the NIC-AuditOnline interface. A modal window titled "Attachment" is open, showing a table with the following data:

S No.	File Name	File Remarks	Download File	Remove
1	Record observation attachment.pdf	test22222		

Below the table, there is a form for adding a new attachment:

Attach File	Remarks	Add/Remove
<input type="button" value="Choose File"/> No file chosen	<input type="text"/>	<input style="background-color: green; color: white; border: none; padding: 5px 10px;" type="button" value="+"/>

An  button is located at the bottom right of the modal.

The background shows a list of observations:

- Observation 1:** Observation Number: 1, Observation Type: General, Severity: High Risk, Category/Sub Category: 03 - Diversion of Grant or Fund / Temporary Diversion of Salary deductions/recoveries.
- Observation 2:** Observation Number: 2, Observation Type: Expenditure, Severity: High Risk, Category/Sub Category: 01 - Variation in Accounts Figures / Mismatch in Annual Account and Subsidiary Registers.

At the bottom right of the main interface, there are buttons for "Save And Send" and "Close".

Figure-6

### → “SEND TASK” Screen following Verify the Audit Report Response by AAO Task

The Screen (Figure-7) below is the one which immediately appears when the Auditor/s clicks on the “Save and Send “button, once the Auditor/s has acted upon the sent observation response/s received from the auditee as mentioned above.

The next Task Type after the “Verify the Audit Report Response” task will be the “Review the Audit Report Response” task as shown in the Figure below.

Figure-7

**Step 1:** Now, the Auditor/s needs to choose the designation/person to whom the task is to be sent by entering in “TO” input field box also if someone is required to send a copy for monitoring of the same task then that can be done by entering details in “CC” input field box.

**Step 2:** Choose any date in the “Date of Reply” input box to keep a record of the date by which the sender is expecting a reply or by which the other person(receiver) has the flexibility to reply.

**Step 3:** After step1 and step2 are performed the user needs to use the “Send” button to send the task forward to another designation/user for review.

#### Key Information:

1. “To” (to users) input box is a mandatory field, and which needs to be entered but “CC”, and “Date of Reply” are the optional fields that might be left blank.
2. If the user at any time chooses to use the “Back” button, then he/she will be sent to the previous screen on which he/she was earlier before.
3. If the user chooses the “Close” button, he/she will also be sent to the main screen and the task will be saved in the drafts box.

### Task: “Review the Audit Report Response by Auditor” Screen

The task coming from the user will appear in the “inbox” as shown below (Figure-8)

S No.	Auditee Name	Component Name	Sent By	Audit Period	Schedule Date	Task Name	Task Type	Receive date	No. Of Observation	Action
1	AMROHA-HASANPUR-Bagarpur Mujabta	14FC	Srinivas - srinivas@yopmail.com(Assistant Auditor Officer)	01-04-2020 To 31-03-2021	21-04-2022 To 23-04-2022	Review the Audit Report Response by DLFA	Auditor Review Report	23-06-2022 16:55:00	2	

Figure-8

**Step 1:** Now the user will either click on the task under the “Task Name” column or click on the icon under the “Action” column.

The Screen below is the one which opens when the Auditor/s is done with Step1, now on this screen the user will get to see all the observations coming from the sender in a segregated manner based on the status (Include, Drop, Follow-ups) assigned to it.

**Step 2:** Now if needed, the user is provided with the privilege to amend the statuses assigned to any of the observation/s just like they were assigned to the observations in the first place by the sender. (Figure-9)

### Review the Audit Report Response by DLFA

Nature Of Audit	Scheme	<a href="#">View Report</a>
Auditee Office	AMROHA-HASANPUR-Bagarpur Mujehra	
Period Being Audited	Apr 1, 2020 - Mar 31, 2021	
Reporting Period	Apr 21, 2022 - Apr 23, 2022	

Include In Draft Local Audit Report | Dropped | Follow Ups

■ Select All

1 <input type="checkbox"/>	<b>Observation Number :</b> 1 <b>Observation Type :</b> General <b>Observation Category :</b> High Risk <b>Category/Sub Category :</b> 03 - Diversion of Grant or Fund / Temporary Diversion of Salary deductions/recoveries	⌵ ⌶ ⌷
2 <input type="checkbox"/>	<b>Observation Number :</b> 2 <b>Observation Type :</b> Expenditure <b>Observation Category :</b> High Risk <b>Category/Sub Category :</b> 01 - Variation in Accounts Figures / Mismatch in Annual Account and Subsidiary Registers	⌵ ⌶ ⌷

**Action** \* Follow Up ▼

**Auditor's Comments** \*

B I U | ⌵ ⌶ ⌷ | Font | Size | A- A+ | ✖

MRT PRICHTGHAR TEAM-SMRT PRICHTGHAR TEAM-SMRT PRICHTGHAR TEAM-SMRT PRICHTGHAR TEAM-SMRT PRICHTGHAR TEAM-SMRT PRICHTGHAR TEAM-SMRT PRICHTGHAR TEAM-SMRT PRICHTGHAR TEAM-S

Update | Send | Close

Figure-9

- a. Click on any of the heads as shown in the image above.
- b. Now expand the observation for which you would like to change the status under any head (Include in Draft Local Audit Report, Dropped, Follow-ups).

- c. Click on the dropdown menu as shown and choose any of the three listed statuses.
- d. Now, repeat this process from Point 'a' to 'b' until all the required statuses are changed under the different heads (Including in Draft Local Audit Report, Dropped, and Follow-ups).
- e. Once all the needed changes are done, click on the "Update" button to save the changes and to forward the observation using send button.

**Step 3:** After performing Step 2, now the User may proceed with the "Observation/s" under the 'Follow-Ups' head, these observation/s will be sent to the Auditee using the "Send" button for further follow-up/response.

The screenshot displays the 'Send Task' interface. On the left is a dark sidebar with navigation options: User Account Settings, Record Observation, Inbox, Drafts, Sent, Pull Task, and Audit Requisition. The main content area is titled 'Send Task' and contains a task flow diagram. The diagram starts with a green box 'Review the Audit Report Response by DLFA' which points to a yellow box 'Response on Follow up of Audit Paras by Panchayat Sec'. Below the diagram are three input fields: 'TO' (To Users), 'CC' (PS Bagarpur Mujabta | Panchayat Secretary), and 'Date of Reply'. At the bottom right, there are three buttons: 'Back', 'Send', and 'Close'.

Figure-10

**Step 3a:** Auditee will receive the observation sent in step 3 and shall reply with the response to the sender user from where he/she has received the task.

**Step 4:** 'Step 3' and 'Step 3a' shall be repeated unless the Auditing User decides to put that observation/s under any of the two observation type heads which are "Include in Draft Local Audit Report" or "Dropped".

**Step 4a:** The observation/s which are put under "Include in Draft Local Audit Report" or are marked as "Dropped" can be managed/re-accessed in "ATR task" as shown in the below screen.

Menu Languages - A- A A+ Home

ATR Task

Show 10 entries Search:

S No.	Auditee Name	Component Name	Label.SendBy	Audit Period	Schedule Date	No. Of Observation	Action
1	Ajasora-III	14FC	H Lalthlengliana - MZ005028- Audit and Accounts Officer	01-04-2021 To 31-03-2022	28-04-2023 To 04-05-2023	3	

Showing 1 to 1 of 1 entries Previous 1 Next

Figure-11

**Step 4b:** The user may click on the Action button to view the observation which is marked as “Include in Draft Local Audit Report” or marked as “Dropped” as shown on the screen beneath (Figure-12).

The screenshot displays the 'ATR Task' interface. On the left is a dark sidebar with navigation items: User Account Settings, Record Observation, Inbox, Drafts, Sent, Pull Task, Audit Requisition, Downloads, and ATR Task. The main area is titled 'ATR Task' and contains a summary table:

<b>Nature Of Audit</b>	Scheme	<a href="#">View Report</a>
<b>Auditee Office</b>	Ajasora-III	
<b>Period Being Audited</b>	Apr 1, 2021 - Mar 31, 2022	
<b>Reporting Period</b>	Apr 28, 2023 - May 4, 2023	
<b>Observation Type *</b>	<input type="radio"/> Include <input type="radio"/> Drop	

Below the summary are two tabs: 'Include In Draft LAR' (selected) and 'Drop Observation'. A green 'Select All' button is present. A detailed view of an observation is shown in a light blue box:

- 1.**  **Observation Number :** 8
- Scheme :** 14FC
- Observation Type :** General
- Severity :** Other-Low Risk
- Risk Category/Sub Category :** 04 - Non Utilization of Grants before lapsable date / Funds not expended as per scheme guidelines

At the bottom right, there are three buttons: 'Send' (green), 'Preview Report' (blue), and 'Close' (red).

Figure-12

**Step 5:** Finally, when all the observation/s are mapped successfully under the above-mentioned observation type heads and observation under follow-ups head turns zero then the Auditing user may generate the reports for both the observation type heads (Include and Dropped) one by one separately.

**Screen: “Review the Audit Report Response by Auditor” (Report Generation Phase)**

**Step 1:** To generate a report user must click/choose any of the observation type heads (“Include in Draft LAR”, “Dropped”) and click on the “Preview Report button” as shown below (Figure-13).

The screenshot displays the NIC-AuditOnline interface. On the left is a dark sidebar with navigation options: Record Observation, Inbox, Drafts, Sent, Pull Task, Audit Requisition, Downloads, and ATR Task. The main content area shows a summary of an audit observation:

- Nature Of Audit: Scheme
- Auditee Office: Ajasora-III
- Period Being Audited: Apr 1, 2021 - Mar 31, 2022
- Reporting Period: Apr 28, 2023 - May 4, 2023
- Observation Type:  Include  Drop

Below the summary are two tabs: "Include In Draft LAR" (active) and "Drop Observation". A green "Select All" button is visible. A single observation is listed with a checked checkbox:

- 1.  Observation Number : 11
- Scheme : 14FC
- Observation Type : General
- Severity : Other-Low Risk
- Risk Category/Sub Category : 04 - Non Utilization of Grants before lapsable date / Funds not expended as per scheme guidelines

At the bottom right of the observation list, there are three buttons: "Send" (green), "Preview Report" (blue), and "Close" (red). A blue arrow points from the "Send" button to the taskbar, where a file named "settlement and foll...pdf" is open. A "Show all" button with a close icon is also present in the taskbar area.

Figure-13

**Step 2:** Once the reports are generated/downloaded the observation type head “Include” along with the generated report may be sent for **ATR response** from the Auditee using the “Send” button and as shown in Figure-14.



The screenshot displays the 'Send Task' interface. On the left is a dark sidebar with navigation options: User Account Settings, Record Observation, Inbox, Drafts, Sent, Pull Task, Audit Requisition, Downloads, and ATR Task. The main area is titled 'Send Task' and contains a flowchart with two steps: 'Review and Dropping of the Audit Report response by Director LFA' (green box) and 'Response on followup of Audit Paras by Secretary Village Council' (yellow box). Below the flowchart, the 'TO' field is populated with 'ANIL || Secretary', the 'CC' field with 'CC Users', and the 'Date of Reply' field with '13/06/2023'. At the bottom right, there are three buttons: 'Back' (orange), 'Send' (green), and 'Close' (red).

Figure-14

**Step 3:** The Screens below show Auditee's superior authority view when he/she has received the final settlement report from Auditor's end along with the Auditee's final response/s to the final Generated report.

As seen in the figure-15 below the Auditor's observations are on the left side and the Auditee's responses are on the opposite side, after reviewing both side's information the superior authority at the auditee's side shall provide their ATR responses after acting on the highlighted information by the auditor's side.

The screenshot shows a dropdown menu with two options: 'Action Implemented' (highlighted in blue) and 'Action Under Implementation'.

The two options provided in the dropdown shall let the recipients know whether an action is taken on the final observed facts or still under progress along with the authority's comments.

Audit ATR Report response by Superior Authority

Nature Of Audit	Scheme	<a href="#">View Report</a>
Auditee Office	Ajasora-1	
Period Being Audited	Apr 1, 2021 - Mar 31, 2022	
Reporting Period	Apr 28, 2023 - Apr 29, 2023	

Select All

1. <input type="checkbox"/>	<b>Observation Number :</b> 1	
	<b>Scheme :</b> 14FC	
	<b>Observation Type :</b> Receipt	
	<b>Severity :</b> Other-High Risk	
	<b>Risk Category/Sub Category :</b> 01 - Variation in Accounts Figures / Mismatch in Annual Account and Subsidiary Registers	

AUDITOR OBSERVATION	AUDITEE RESPONSE
On scrutiny of relevant records in regard to the receipts and utilization of the grants received from the Panchayat Department & other sources during the period from 01.04.2021 to 31.03.2022, it was revealed that funds amounting to <b>Rs.4,87,518/-</b>	ok by PS 2

**Action \*** Action Implemented

**Auditee's Superior Authority Comments For Draft Local Audit Report \***

Action has been taken against the authorities handling the Audited entity

Update
Send
Close

Figure-15

***For any queries and support please email at [support-auditonline@nic.in](mailto:support-auditonline@nic.in)***