

SIKKIM LOCAL FUND AUDIT ACT,2012

GOVERNMENT SIKKIM GAZETTE EXTRAORDINARY PUBLISHED BY AUTHORITY No. 312
 Saturday 30th June, 2012 Gangtok GOVERNMENT OF SIKKIM LAW DEPARTMENT GANGTOK
 Dated: 21.6.2012 No. 22/LD/P/12 NOTIFICATION The following Act passed by the Sikkim Legislative
 Assembly and having received the assent of the Governor on 3rd day of May, 2012 is hereby published for
 general information:- THE SIKKIM LOCAL FUND AUDIT ACT, 2012 Act No. 22 of 2012 Arrangement
 of Sections 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23

24. Short title, extent and commencement, Definitions. Appointment of Director. Audit of accounts. Power of audit of accounts of certain authorities, bodies, institutions or funds. Audit of accounts of stock and stores and verification Of cash Manner in which audit is to be conducted. Auditor to be deemed to be public servant. Liability of local authorities to prepare and present accounts for audit. Completion of audit of acc,ounts. Power of auditor to require production of accounts and attendance of persons. Audit reports to be gent to certain officers and bodies as Government may direct. Contents of audit report. Procedure to be followed after getting the report of the Director under section 13. Powers and Duties of the Director Delegation of powers and functions. Power to dispense with detailed audit. Defalcation or loss in money or stores to be reported by the Executive authority. Laying of audit report. Protection of action taken in good faith. Special provision for pending audit. Power of Government to make rules. Power to remove difficulties. Savings. Appointment of Director Audit of accounts Power of audit of Accounts of certain Authorities,bodies institution or funds 3. 4. 5. (ii) any other fund which the Government may, by notification in the Official Gazette, declare to be a local fund for the purpose 'Prescribed' means prescribed by rules made under this Act', 'Schedule' means the Schedule appended to this Act; (k) 'Special Audit' means an audit of accounts pertaining to a specified items or series of items requiring thorough examination, and includes re-audit of the accounts for a period already covered by audit as specified by the Director; 'State' means the State of Sikkim. (1) The state Government shall, by Notification in the Official Gazette, appoint a person, having such qualifications as may be prescribed, to be the Director of Local Fund Audit In-charge of the Audit of Accounts of a Local Authority or a Local Fund included in the Schedule. (2) The state Government may appoint such other officer in the Local Fund Audit Directorate to assist the Director in the exercise of his powers and the discharge of his functions and duties under this Act. (3) All officers and staff of the Local Fund Audit Directorate Shall be sub-ordinate to the Director who shall have general superintendence and control over them in the performance of their functions under this Act or the rules made there under. (1) Notwithstanding anything contained in any other law for the time being in force, but subject to the provisions of the Comptroller and Auditor General, (Duties, Powers and Conditions of Service) Act, 1971 the Director Shall, in the manner provided by or under this Act, conduct the audit of accounts of a local authority or a local fund included in the Schedule. (2) The State Government may, by notification in the Official Gazette and for reasons to be specified therein, add any other authority, body, institution or local fund to the Schedule referred to in sub-section (1) and on the publication Of the notification, such authority, body, institution or local fund shall be deemed to have been added to the Schedule. e. (3) No authority, body, institution or local fund included in the Schedule referred to in sub-section (1) shall be omitted there from except by the authority of a law made by the State Legislature. The Director may, with the previous sanction of the State Government, and without prejudice to the provisions of sub-section (1) of section 4, audit the accounts of any authority, body, institution or fund not included in the Schedule subject to such terms and conditions as may be agreed upon between the Director and the person responsible for the administration of such authority, body, institution or fund. 3 (2) On receipt of a report under sub-section (1), the Director shall immediately conduct or cause to be conducted a special audit of the accounts of that local authority as he considers necessary depending upon the magnitude of such defalcation or loss: Provided that nothing in this section shall prevent the local authority from taking criminal proceedings against any person suspected of, or involved in, any defalcation or loss of money or stores, where such a course is considered expedient. Laying of audit report Protection of action taken in good faith Special provision for pending audit Power of the State Government to make rules 19. 20. 21

22. The Director shall send to the Government annually a consolidated report of the accounts audited by him containing such particulars which he intends to bring to their notice and the Government shall within a period of three months after the receipts of the same; cause it to be laid before the Legislative Assembly.No suit, prosecution or other legal proceedings shall lie against the Director or any officer acting under the provisions of this Act for anything which is, in goodfaith, done or intended to be done under this Act or rules made there under. All audit of accounts pending at the commencement of this Act in respect of any local authority or local fund included in the Schedule shall, notwithstanding anything contained in this Act, be continued and completed by the Director, within such time as may be prescribed, in the same manner in which such accounts were being audited by him, as if this Act had not been enacted. (1) (2) (3) The State Government may, by notification in the Official Gazette, make rules for the purpose of carrying into effect of this Act. In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:- (a) the manner and the form in which the accounts of a local authority whose accounts are subject to audit under this Act, shall be kept and presented ; (b) the powers and duties of auditors and the procedure to be followed by them for conducting an audit and the period at which such audit may be conducted , (c) the manner in which the matters required to be published under this Act shall be published ; and (d) all other matters, which may be or are required to be prescribed. Every rule made under this Act shall be laid as soon as may be after it is made before the Legislative Assembly while it is in session and if, the Legislative Assembly makes any modification in the rule or decides that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; 7

