

TRIPURA LOCAL FUND AUDIT RULES 2011

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 A. D. Pausa 21, pART— 1-- Noliciztiorts by lbe Government nf Tripura, the High court. Government Treasury etc. GOVERNMENT OF TRIPURA FINANCE DEPARTMENT Dated, Agartala, the 5th January, 2012 NOTIFICATION THE TRIPURA LOCAL FUND AUDIT RULES 2011 SHC)FCC • I
 EXTENT AND COMMENCEMENT a) b) c) These Rules may be called as Tripura Local Fund Audit Rules 2011. These Will extend to the whole of thestate of Tripura. These shall come in to force on the datéof notification in the official Gazette. DEFINITIONS In the Rules, unless the context otherwise requires : 2 a) b) d) e) g) h) "Audit" includes detailed audit,.Special audit, Resident audit and such other audit as the State Government nay specify from time to time ; "Auditor" means the Director and includes ail other officers appointed under Rule 3 (I) to assist him ; "Department" means Urban Department for ULBs, Rural Development Department for PR's and Executive Council (EC) for TTMD. "Detailed Audit" means an audit of accounts for the whole year ; "Collector" meahs Distrißl Magistrate & Collector Of the concerned District ; "Director" means the Director, Local Flind Audit appointed under Rule 3 and includes an officer on whom powers of Director are conferred under sub-Rule (4) of the sajd Rule ; "ECJ" means Executive Committee of the TTAADC. "Executive Officer of the Local Authority" fn the case of a Municipal Council -The Chief Executive Officer. In the case of a Nagar Panchayat -The Executive Officer (Ili) (v) (vi) (vii) (viii) (ix) In the cee of Gram Pancnayt tn the•case of Village Comrnittee In the case of Panchayat Samiti The Secretary to the Græ Parr-hayal —The the Committee. -The Executive Officer 'r, the case of Block Advisory Committee (BAC) -The Executive officer of the In the case of Zila Parishad - The Secretary of Zilla Parishad In the case of TTAADC -The Chief Executive Officer. In the case of any other local authority such office bearer or officer thereon as the State Government may, by notification, specify in this behalf. i) j) k) m) "Local Authority" means a Municipal Council, Nagar Panchayat. Gram Panchayat, Village Committee, Panchayat Samiti, Zilla Parishad, ITAAöC or any other authority legally entitled to, or entrusted by the State Government with, the control or • management of a Municipal or Local Fund ; "Local Fund" means any fund to control and management of which a local authority is legally entitled and includes the proceeds of any case, rate, duty or tax which such authority is legally entitled to impose and any property vested in such authority. "Principal Officer" means- (iii) (iv) (v) (vi) (vii) (viii) (ix) In the case of a Municipal Council In the case of Nagar Panchayat In the case of Gram Panchayat In the case of a Village Committee In the case of Panchayat Samiti In the case of Block advisory Committée In the case of Zilla Pariéhad In the case of TTAADC -Chairpersoo of MC. - Chairperson pf NP -Gram Pradhan of GP. -Chairperson of VC. -Chairperson of PS. -Chairperson of BAC. -Sabhadhipati of ZP -The Chief Executive Member. In the casp of any other local authority such officer bearer or Officer thereof as the State Government may, by notification specify in this behalf. 'IS pecial Audit" means an audit of account pertaining to specified item or series of items requiring through examination. "TTAADC" means Tripura Tribal Area Autonomous District Council and also referred as District Council. APPOINTMENT OF AUDIT AUTHORITIES AND OTHER OFFICERS 3. (1) The State Government or such authority as it may direct ; shall appointed a person to be Director, Local Fund Audit (LFA), and the following category of officers to assist him. namely 2 Deputy Director Assistat'll Audii Officer Auditor(Senior Auditor (d) as appointed under Sub-Rule (4) of Pule 3 The State Government may appoint such other ministerial staff as may be required for (2) carrying out the functions under these rules. The State Government shall also provide the other logistic. support as it may deem fit to Directorate of the Local Fund Audit. The officers appointed under Sub2Rule (1) shall, within such areas as the appointing authority (3) may specify, exercise sych powers and perform such duties as may be conferred upon or assigned to him by or under these Rules. (4) A panel of Chartered Accountants referred to in clause (d) of sub-rule (1) of Rule 3 shall be prepared by the Director Local Fund Audit in corisultation with the Panchayat or Urban Development Department, Governrnent of Tripura of TTAADC•as the case may be. The concerned Department shall pay remuneration to the Chartered Accountants for the (5) audit conducted by them. (6) The Chartered Accountants shali exercise such powers as may be conferred upon and perform such duties as may be assigned to them, by the State Government. (7) The existing Chartered Accountants working underthe concerned DepaÅments may be included as for 'the panel mentioned in the

Sub-Rule (4) of the Rule 3. SUBMISSION OF ACCOUNTS FOR AUDIT. 4. (1) The State Government may, by notification declare that the accounts of such local authority, as may be specified in the notification shall be subject to audit under these Rules. (2) On the issue of a notification under Sub-Rule (1) the accounts of the local authority specified therein shall, notwithstanding anything contained in any enactment by which and such local authority is constituted or in any rules made there under, subject to audit in all respect in the manner provided by or under these Rules. PERIOD OF SUBMISSION OF ACCOUNTS FOR AUDIT. The Executive Officer of the local authority, whose accounts are declared under Rule 4 to 5 be subject to audit under these Rules, shall submit or cause to be submitted for audit all accounts of its local fund in such form and manner as may be prescribed to the auditor yearly or at such period as may be required by the State Government. POWER OF AUDITOR TO REQUIRE PRODUCTION DOCUMENTS AND ATTENDANCE OF PERSONS CONCERNED. 6. (1) For the purpose of any audit under the Rules, an auditor may-- (a) Require in writing, the production, at the head office of the local authority, of such vouchers, statements, returns, correspondence notes or any other documents in relation to the accounts as he may think fit (b) Require any servant of the local authority, control of such vouchers, statements, correspondence notes, or other documents in respect of person, or any person managing directly or indirectly by himself or his partner, any share or interest in any contract with or under the local authority to appear in person or by an authorized agent before him, at the head office of the local authority and answer any question. Require the Executive Officer of the local authority, to meet him at the head office of such local authority: and specify in writing the point on which his explanation is required. (2) The auditor may, in any requisition or invitation made under Sub-Rule (1) fix a reasonable period, not being less than five days, within which the said requisition or invitation shall be complied with. (3) In case of any complaint or non-cooperation on the part of the local authority in conduct of audit the auditor shall refer the matter to the concerned Head of the Department through the Director. LFA for issuing direction to financial officer or Executive Officer of the Local Authority Thereafter, the HOD of the concerned Department will issue suitable direction to the Principal Officer or Executive Officer. POWER OF THE COLLECTOR

7. If a requisition under Sub-Rule 6 is not complied with within the period specified in the requisition, the auditor shall report the matter to the Principal Officer and if the requisition is not then complied with within the next five days thereafter, he shall send the papers to the Collector in the case of PRI & other local authorities with a brief statement of facts for further action, who in turn will take up the matter with the local authority for providing the requisite documents. AUDIT REPORT TO BE SENT TO THE DIRECTOR CONCERNING LOCAL AUTHORITY AND CERTAIN OFFICERS AND BODIES

8. As soon as practicable after completion of the audit, but not later than three months thereafter, the Director. LFA shall prepare a report on the accounts audited and examined and shall send such report to the local authority concerned, and copies thereof to such officers and bodies as the State Government may direct in this behalf. CONTENTS OF THE AUDIT REPORTS. 9 The Director, LFA shall include in his report a statement of every payment, which appears to him to be contrary to the Law. (b) The amount of any deficiency or loss which appears to have been caused by the gross negligence or misconduct of any person; date on which he proposes to commence the audit (c) The amount of any sum which ought to have been but is not brought in to account by any person; and (d) Any other material impropriety or irregularity, fraud or misappropriation which he may observe in the accounts other than those mentioned in clauses (a), (b) and (c) above. 4. LOCAL AUTHORITY TO REMEDY DEFECTS PROCEDURE TO FOLLOWED AFTER REPORT TO THE DIRECTOR UNDER RULE 8. 10 (1) Within forty-five days of the receipt of report under Rule 8 the Executive Officer of the local authority shall- Sort out the defects of irregularities which may have been pointed out in the report for which the Executive officer or the Local Authority is competent to remedy, Notwithstanding anything contained in the law relating to local authority, call special meeting (b) of the local authority for consideration of the report along with a note giving the position about the facts mentioned therein and the action, which he would propose thereon. (2) The Principal Officer of the local authority shall, after the local authority has considered the matter in the special meeting called under Sub-Rule 10 take necessary action to rectify the defects or irregularities and within three months of the receipt of the report - Send to the Director, LFA intimation of having remedied the defects or irregularities (a) pointed out in the report; Of Supply to the Director, LFA explanation in regard to such defects or irregularities as (b) the local authority may wish to give. (3) On

receipt of such intimation or explanation the Director may in respect of all or any of the matter discussed in his report—will finalize his report and forward the same with his comments to the State Govt. or TTAADC in case of ULBs/PRIs or TTAADC respectively. TO BE TAKEN BY THE STATE GOVERNMENT OR ON THE REPORT OF THE DIRECTOR, LFA. 1. (1) The State Government or TTAADC as the case may be; while considering the report of the Director may take following decisions in respect. of the findings of the Director' (a) Accept the intimation of the explanation given by the principal Officer of the local authority and withdraw the objection : or (b) Direct that the matter be re-investigated at the next audit or at any earlier date ; •or (c) Hold that the defects or irregularities pointed in the report or any of them have not been removed or remedied. If the State Government or TTAADC as the case may be; holds that any defects or irregularities (2) pointed out in the Audit report have not been removed or remedied, it shall, call an explanation from the Principal Officer or the Executive Officer of the local authority concerned within a period of one month, If after giving the person concerned a reasonable opportunity for showing cause to the (3) contrary, the State Government is satisfied that the loss, waste or misapplication of any money or other property of the local authority, is a direct consequence Of misconduct on the part Of the delinquent person, or gross neglect on his part, or that the said person being a party to making or authorizing the making of the illegal payment, the State Government or TTAADC as the case may be: 5 @+6294k Sy ü,ie: suct% person to pay concerned before a Specified date the amount together With Interest thereon. as may be found and equitable to reimburse the local authority for such loss, waste or misapplication of its money or property; provided that no other action shall be taken against him/her under these Rules. (b) Decide on the disciplinary actions to be taken against the delinquent person(s), (c) issue suitable directions to the Presiding Officer, Executive Officer or any other person of the Local Authority as it may deem fit for taking remedial actions •i (4) All actions made under Rule (3) shall be incorporated in the next report Of the local authority concerned and such report shall be made available for inspection by the public. •TECHNICAL GUIDANCE COMPTROLLER & AUDITOR GENERAL OF INDIA 12. (1) The State Government will entrust the C & AG of India on Standard Terms & Conditions of the Technical Guidance and Support (TG & S) to be provided by the C & AG of India. (2) The C & AG of India shall submit its Annual Technical Report of Local Authorities to the State Government or the Executive Council as the case may be. DISCUSSION OF THE REPORTS 13. The Chief Secretary will review the Annual inspection Report of C & AG and the Report of Director LFA along With the Action Taken Report of the Department with the Secretaries of the concerned Department or CEO, TTAADC as the case may be. ANNUAL INSPECTION REPORT OF DIRECTOR The State Government and Executive Committee shall place; as soon as possible; the annual Technical Inspection Report of the Comptroller & Auditor General Of India (C & AG) and the Annual Report of the Director; Local Fund Audit (LFA) along with the Action Taken report of the respective Department before the State Government or TTAADC. The annual Technical Inspection Report Of the Comptroller & Auditor General of India & AG) and the Annual Report of the Director, Local Fund Audit (LFA) along with the Action Taken Report of the Department shall be discussed by the Of the State Legislature or the District Council as the case may be. POWER TO ISSUE CLARIFICATION ON RULES

16. The State Government may, by Notification, issue clarification on these rules. K, V. Satyanarayan Additional Chief Secretary, Government of Tripura. 6 Printed at the Tripura Government Press, Agartala.