



GOVERNMENT OF KERALA

Finance (Establishment-D) Department

CIRCULAR

No. 12/99/Fin.

Dated, Thiruvananthapuram, 18th February, 1999.

Sub:—Realisation of audit fee due to Government from the auditee institutions under the audit control of Local Fund Audit Department—Instructions issued.

Ref:—Letter No. LF. 21258/R4/98 dated 7-12-1998 from the Director of Local Fund Audit, Thiruvananthapuram.

In the letter cited, the Director of Local Fund Audit has reported that several institutions under the audit control of the Local Fund Audit Department have defaulted the payment of audit charges towards Government. On a review of the DCB statement furnished by the Director, it has been revealed that a number of institutions have failed to pay the audit fees promptly and huge amounts have been pending as arrears for the past several years. This way, a huge sum in crores is pending as audit charges to be paid by the auditee institutions to the Government.

2. Non-payment of audit charges by the auditee institutions is a violation of statutory provisions of the Local Fund Audit Act, 1994 and Rules, thereunder. According to the Section 19 of the Local Fund Audit Act read with the Rule 24 of the Local Fund Audit Rules, 1996, every institution coming under the Audit Control of Local Fund Audit Department shall pay an audit fee of 1% of its annual income, excluding debt head accounts and the sum borrowed from Government and other financing institutions. Therefore, Government view the matter very seriously and issue the following instructions for strict compliance.

- (i) The Heads of the Local Authorities should ensure that the audit fee is paid promptly and those who have defaulted the payment should make it good immediately.
- (ii) In future, while sending proposals for grant-in-aid or other sums from Government, the auditee institution should furnish a declaration regarding the payment of auditee fee if any, pending with them and the reason thereof.

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(iii) If the audit charges are not paid within one year from the date of its becoming due, the Administrative Department in the Secretariat/Administration Wing of the Finance Department concerned may adjust the same from the grant or other sums, if any, payable to such institutions.

3. As the collection of audit fee is the responsibility vested with the Director of Local Fund Audit, he will watch the progress of collection of the fee from various institutions regularly review the position and send to them the DCB statement regularly. He should also send the report to Government in Finance Department once a quarter.

VINOD RAI,
Principal Secretary (Finance).

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (Accounts & Entitlements), Kerala, Thiruvananthapuram
All Heads of Departments and Offices.
All Departments (all Sections) of the Secretariat.
The Secretary, Kerala Public Service Commission (with C. L.).
The Registrar, University of Kerala/Cochin/Calicut (with C. L.).
The Registrar, Mahatma Gandhi University, Kottayam (with C. L.).
The Registrar, Kerala Agricultural University, Thrissur (with C.L.).
The Secretary, Kerala State Electricity Board (with C. L.).
The General Manager, Kerala State Road Transport Corporation (with C. L.).
The Registrar, High Court, Ernakulam (with C. L.).
The Joint Secretary to the Chief Secretary.
All Secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries and Under Secretaries to Government.
The Secretary to Governor.
The Private Secretaries to Chief Minister and Other Ministers.
The Private Secretaries to the Leader of Opposition and Government Chief Whip.
The Director of Public Relations, Thiruvananthapuram.