

23100

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GOVERNMENT OF KERALA  
Abstract

Finance Department - Conduct of Audit by Local Fund Audit Department -  
Reduction of Audit fee from 1% to 0.5% - Further Clarifications - Issued.

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FINANCE (ESTABLISHMENT -D) DEPARTMENT

G.O (P) No.561/05/Fin.

Dated, Thiruvananthapuram, 29.12.2005

Read:- (1) G.O (P) No. 121/2005/Fin dated. 15.3.2005 (SRO No. 274/2005)  
(2) G.O (P) No. 327/2005/Fin dated. 16.7.2005.  
(3) Letter. No. LF. 18496/R3/2005 dated. 24.10.2005 from the Director of  
Local Fund Audit.

ORDER

Government, vide Notification read as 1st paper above has reduced the rate of Audit fee payable by Local bodies and other Institutions to Government for Conduct of Audit of accounts by Local Fund Audit Department from 1% to 0.5% by amending rule 24 (1) of Kerala Local Fund Audit Rules, 1996 and clarified vide Government Order read as 2<sup>nd</sup> paper above that the reduction of Audit fee came into effect from the Audit Year 2003-04 ie for Audit of the accounts of the various agencies for the financial year 2002-03 onwards.

2. Now, the Director of Local Fund Audit, in his letter read as 3<sup>rd</sup> paper above has requested clarifications whether the reduction of audit fee from 1% to 0.5 % shall be applicable to those institutions which are not included in the schedule of Kerala Local Fund Audit Act but their audit is conducted by the Director of Local Fund Audit and whether the reduction of rate can be effected to the institutions whose annual accounts are prepared and audit conducted on Calender Year basis.

3. Government, after having examined the matter in detail, are pleased to issue the following clarifications:

- (a) The reduction of audit fee sanctioned as per the Government Order 2<sup>nd</sup> cited will also be applicable to those institutions which are not included in the schedule of the Kerala Local Fund Audit Act, but their audit is conducted by the Director of Local Fund Audit as per section 5 of the Kerala Local Fund Audit Act.
- (b) In the case of institutions where audit is conducted on Calender Year basis, the effect of reduction of audit fee is applicable with effect from the Calender Year 2003 onwards. ✓

BY ORDER OF THE GOVERNOR,  
K.SREEDEVI AMMA,  
ADDITIONAL SECRETARY (FINANCE).

To

The Principal Accountant General, (Audit), Kerala, Thiruvananthapuram.  
The Accountant General, (A&E), Kerala, Thiruvananthapuram.  
All Secretaries to Government.  
✓ The Director of Local Fund Audit, Thiruvananthapuram.  
The Cultural Affairs Department.  
The Director of Panchayats.  
The Director of Urban Affairs.  
The Director of H.R & C.E, Kozhikode.  
The Secretary, State Planning Board.  
All Panchayats (District, Block & Grama).  
All Municipalities.  
All Corporations.  
All Universities.  
All Development Authorities.  
The Kerala State Housing Board.  
Stock File/ Office Copy.


FORWARDED BY ORDER,

End: No. 23100/RB/06

Dtd: 2.1.06

To all sub offices and all  
sections in

As

  
SECTION OFFICER.