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GOVERNMENT OF KERALA

Abstract.

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Audit of grants-in-aid - Provision for test check of grantees' accounts by the Comptroller and Auditor General of India.

FINANCE DEPARTMENT.

G.O. MS.No.107/59.

Dated, Trivandrum, 5-3-1959.

Read: Letter No.TM.11-170/650 dated 6-6-'57 from the Comptroller, Trivandrum.

ORDER.

Article 535-A of the Travancore Financial and Account Code - Volume I stipulates inter-alia that in respect of grants sanctioned by competent authorities with specific conditions attached to their utilisation, the sanctioning authority should satisfy himself that the grant has actually been applied for the purposes for which it was intended and a certificate to this effect has to be furnished to the Comptroller, Trivandrum. While the certification of such utilisation has been left to the departmental authorities and the Audit Officer normally accepts the certificates furnished as adequate for purpose of audit, the question has been raised whether in respect of substantial grants-in-aid for specific purposes, the Comptroller should not have an independent means of ensuring that the grants have been applied for the purpose for which they have been sanctioned, by having a right to test check the accounts of the grantees, if he so desires.

2. The Government have carefully examined the question and they direct that grants-in-aid in excess of Rs.30,000/- per annum recurring and Rs.1.5 lakhs non-recurring should ordinarily be sanctioned only on the condition that the accounts of the recipient institution should be open for audit by the Comptroller, Trivandrum. This should be specified in the orders sanctioning the grant.

3. The monetary limits prescribed above shall not, however, be treated as in any way fettering the discretion of the Comptroller in approaching Government if in any special case, he considers that an audit of the recipient's accounts, even when the amount is less, is called for.

4. In respect of unconditional grants-in-aid also the Government reserve the right to have the accounts of the recipient body audited by the Comptroller on their own initiative.

5. In order, therefore, to enable the Comptroller to undertake audit of accounts of these grants-in-aid, the Government direct that the sanctions for the payment of the grant should incorporate the following conditions:-

"The payment of the grant is subject to the condition that the accounts of the grantee will be open to audit by the Comptroller".

6. Any audit in pursuance of these orders will be undertaken in consultation with the Administrative Department concerned who will make the necessary arrangements with the institution for the conduct of such audit.

(By order of the Governor)

Sd/- Ponnamma,
Asst. Secretary.

Enclt. on D.Dis.1887/59-(A1). dated 19--3--'59.

Copy forwarded to Conservator of Forests and Game Warden for information and attention.

Copy to

K.Ayyappan, of Forests.
For Chief Conservator of Forests.

M. Aravindan,
Superintendent.

PK.20

10/3/59
C.F. Chelakudy

10/3/59