

ANDHRA PRADESH STATE AUDIT RULES, 2000

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ANDHRA PRADESH STATE AUDIT RULES, 2000

In exercise of the powers conferred by sub-section (1) of Section 16 of the Andhra Pradesh State Audit Act, 1989 (Act No.9 of 1989), the Governor of Andhra Pradesh hereby makes the following Rules

1. Short title and commencement :-

(1) These Rules may be called the Andhra Pradesh State Audit Rules, 2000.

(2) These Rules shall come into force at once.

2. Definitions :-

3. Powers and functions of the Director :-

(1) The Director shall, in addition to the powers vested in him under the Act, and the rules made thereunder, exercise the powers and perform the functions of the Head of the Department under the various Rules, Codes and Orders of the Government.

(2) The Director may inspect the accounts of Local Authorities and other Authorities specified in the Schedule.

(3) The Director may condone the audit of accounts of any Local Authority or other Authority, where the audit is not possible due to loss of records on account of floods, fire and theft and other natural

calamities in consultation with the Heads of Administrative Departments of the Local Authorities or other Authorities concerned.

(5) The Director may call for all the files including the files relating to confidential nature which are not produced to auditors, by the Chief Executive Officer and deal with them in accordance with the standing instructions for the handling and custody of such documents issued from time to time in this regard.

(6) In respect of non-notified Gram Panchayats and other authorities of smaller transactions, and where the individual audit or group basis audit to such authority by an Auditor for audit is not considered desirable or feasible in terms of time spent on transits etc., the Director may through his Subordinate Staff organise to conduct the audit of the said authorities on Group basis, at Mandal Headquarters or at such other places as specified. The responsibility for making available the records at Mandal Headquarters or at the specified places, shall continue to rest with the Chief Executive Authority concerned. The Authority or the Authorities having the administrative control over the said local or other authorities shall take all necessary measures to ensure production of all records as desired by the auditors.

(7) If any difficulty arises in enforcing the various provisions of these rules, unless they require orders from the Government, the same can be clarified by the Director.

4. Procedure for conduct of Audit :-

(2) The Director may with permission of Government change the type of audit of any local authority or other authorities.

(3) The Director may arrange concurrent audit of the institutions working under the Tirumala Tirupathi Devasthanams in addition to Post-Audit in consultation with the Chief Executive Officer, Tirumala Tirupathi Devasthanams.

(4) Where it is found necessary on account of special circumstances, the Director may arrange special audit of the accounts of the local authority and other authorities specified in the Schedule to the Act.

(5) The Director may also arrange pre-audit of the local authority or other authorities with the permission of Government.

(6) The Director shall arrange to complete the Audit of accounts of local authority and other authorities, after receipt of accounts and related records, in a reasonable time not exceeding two years from the date of receipt of accounts and records. If the audit could not be completed within the said period, he shall report forthwith to the Government in Finance Department, explaining the reasons and the circumstances therefor.

5. Preparation and furnishing Accounts :-

(1) Every Chief Executive Officer shall prepare an annual account in the form prescribed, under the respective Acts, Rules, Statutes or any other order of the Government and where such form is not prescribed in respect of any local authority or other authority, in the form prescribed by the Director and send a copy of it to the auditor authorised by the Director.

(2) A copy of the Annual Account referred to in sub-rule (1) shall be sent within the time specified, under the respective Acts or Rules or Statutes and where a time-limit is not specified in respect of any Local Authority or other Authority, it shall be submitted by 31st of May of the succeeding Financial Year.

(3) The failure on the part of any Chief Executive Officer to produce the accounts for Audit within the time stipulated in accordance with the provisions of the Acts or Rules or to get audit completed without following the procedure, amounts to negligence and punishable under Section 12 of the Act.

(4) The Government shall have the right to impose a cut or withhold the release of grants, if the Local authority or other authorities fails to submit their accounts for audit or fail to submit their Utilisation Certificates without valid reasons.

6. Production of Records to Audit :-

(1) The auditor shall give notice to the Authority before the commencement of audit. During the course of audit, the auditor may indicate in writing the nature or information and the kind of documents, registers and records which are necessary or the explanation for the purpose of audit, through a half margin letter. The person or the authority to whom such requisition is made shall comply with the requirements.

(2) The persons who are being addressed with the half margin

letters shall be either the persons who are having custody or control of the information called for and accountable to it or he must be the Chief Executive Authority.

(3) The person or persons called upon to furnish the information by the Auditor shall sign the letter issued by the Auditor in token of having acknowledged the same.

(4) Any person who fails to comply with any requisition under this rule shall be punishable under Section 12 of the Act.

7. Submission, Approval and issue of audit reports :-

(1) The Director may authorise any of his or her subordinates to prepare a report on the accounts audited, registers, examined and to send such report after approval, to the concerned local authority or other authorities.

(3) Every auditor who completes the audit shall submit the report to the authority as specified in sub-rule (2). Where the Institution is reviewed with reference to the said report, the reviewing authority shall submit the report after the completion of the review. The responsibility for submission of the report shall therefore lie on the reviewing authority wherever such review is conducted.

(6) The Director before issue of orders under the proviso to sub-rule (5), shall take into account such factors which throw light on the circumstances under which an auditor was unable to submit the reports and where the non-submission was reasonable to be considered he may consider postponing to a reasonable time for the issue of such orders, and in the most deserving cases and keeping in view the public interest also, he shall pass such orders.

(7) Where the period of audit has been treated as non-duty under sub-rule (5) and where an Auditor applied for sanction of leave to which he is entitled, he may be sanctioned with such leave following the leave rules or the Fundamental Rules by which such Auditor or Auditors are governed.

(9) Failure to conduct audit and submit audit report within the stipulated time shall be construed as wilful absence from duty and shall be dealt with in accordance with the provisions of F.R. 18.

8. Follow up Action on Audit Reports and Settlement of Objections :-

(1) On receipt of the audit report the Chief Executive Officer concerned shall submit, a report within a period of two months from the date of receipt of the audit report rectifying all the defects pointed out in the report and within four months from the date of receipt of Special letter mentioned in sub-rule (9) of Rule 7, a report of having rectified the defects pointed out in the said audit report and in the Special letter, to the officer who issued the Audit Report and the Special letter.

(2) On receipt of the report from the Chief Executive Officer, the Director or Authority authorised by him for the purpose, shall take up a further examination of the report under clauses (a), (b) and (c) of sub-section (2) of Section 9 of the Act.

(3) The Director may under clause (d) of sub-section (2) of Section 9 of the Act condone any objection wherein the compliance of which is not possible due to loss of records connected with its disposal due to any natural calamity.

(4) The Director, if he considered that any case which appears to support a presumption of criminal misappropriation of fraud deserving special attention or immediate investigation, he shall bring to the notice of the Government for such action as they consider necessary.

9. Initiating Surcharge Proceedings, Appeal and the Recovery :-

(6) Where an application is made in the Court under clause (b) of sub-rule (5) or an appeal made under clause (d) *ibid*, the authority who issued the Surcharge under clause (a) or as the case may be under clause (b) of sub-rule (1) shall be the sole respondent thereto, and the applicant shall not make either the Government or any other person a party to the proceedings.

(7) Notwithstanding the requirement under the first and second proviso to sub-rule (9) of Rule 7, that the Special letter or letters be sent by registered post with Acknowledgement due, the Surchargee shall not be appealed under sub-rule (5), on the ground that the said letter or letters were not received by him nor acknowledged by him. It shall however be open for him to contest or appeal on the contents of the Surcharge Certificate so received by him with reference to the objections or objections copy of which has already been available in the Audit Report sent to the Chief Executive Authority concerned under sub-rule (9) of Rule 7.

However in case a copy of the objection on which Surcharge was served, is required to be supplied, the authority who issued the Surcharge shall forthwith supply such copy.

(8) Every sum certified by the Director or other authority subordinate to him, to be due from a person under these rules shall be paid by such person in the nearest Government treasury or in the office of the Local Authority or other Authority as the case may be within sixty days after the date of service on him of the Surcharge Certificate issued by the Director or other Authority subordinate to him and unless within that time such person has made an application or an appeal to the authorities mentioned in sub-rule (5), against the Surcharge Certificate, such sum, if not paid, or such sum as the said authorities declare to be due, shall be recoverable as if it were arrear of land revenue.

(9) All payments within the meaning of sub-rule (8) shall be reported to the authority who issued the Surcharge Certificate, by the Chief Executive Authority or the Surchargee soon after such payments are made. Copies of all Surcharge Certificates on which no action has been taken for recovery under sub-rule (8) shall be communicated to the District Collector concerned, by the surcharge issuing authority, for initiating action for recovery as if they were the arrears of land revenue, the Collector, shall send the particulars of the said recovery to the said Surcharge issuing authority. The District Collector shall designate field level officers concerned of Local authorities or other Authorities for filing Execution Petitions and attending to other matters related thereto.

10. Furnishing of Audit Reports :-

The Director shall submit annually a consolidated Audit report and review report on the accounts of the Local authorities or other authorities in such form and in such manner as he thinks fit or as may be prescribed by the Government and furnish the same to the Government.

11. Preservation of Audit Reports :-

Audit Reports issued to the Chief Executive Authorities, are the records of permanent nature, unless orders have been issued by the Director for destruction. The entire responsibility for their preservation shall rest with the auditors in charge of the audit of the Local authorities or other authorities under the supervision of the officer immediately superior to them. Auditors or authorities who found guilty of violation of this rule shall suitably be dealt with

under the relevant provisions of the law or the rules.

12. Saving :-

Consequent on framing of these Rules, the matters relating to audit, settlement of audit objections, surcharge and disallowance covered in any provisions of the rules and the Acts of the Local Authorities or other Authorities, shall to the extent they are not consistent with these rules and the Act, be deemed to have ceased to be in force from the date of coming into force of these Rules, and all orders, rules, amendments or enactments proposed to be made and bearing on the provisions of the Act and these rules, shall be made only in consultation with the Government in Finance Department.