

KARNATAKA MUNICIPALITIES (PAYMENT OF AUDIT CHARGES) RULES, 1965

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KARNATAKA MUNICIPALITIES (PAYMENT OF AUDIT CHARGES) RULES, 1965

In exercise of the powers conferred by Section 323 read with Section 290 of the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), the Government of Karnataka hereby makes the following Rules, the draft of the same having been published as required by sub-section (1) of Section 323 of the said Act in Notification No. PLM 103 GGL 64, dated 15th February, 1965, published as GSR 407 in Part IV, Section 2-C(i) of the Karnataka Gazette, Extraordinary, dated 15th February, 1965, namely.

1. Title :-

These rules may be called the Karnataka Municipalities (Payment of Audit Charges) Rules, 1965.

2. Definitions :-

In these rules unless the context otherwise requires

- (a) "Act" means the Karnataka Municipalities Act, 1964 ;
- (b) "Audit" means an audit of accounts for the whole year or for any shorter period;
- (c) "Auditor" means the Controller, State Accounts Department and includes Deputy Controller, Assistant Controller-in-charge of a Local Audit Circle and any other officer deputed by the Controller to perform the functions of an Auditor;

(d) "Audit Charges" means the sums or sum payable by the Municipal Council in consideration of the audit or special audit or detailed audit conducted by the Auditor;

(e) "Special Audit" means an audit of the accounts pertaining to a specified item or series of items requiring a detailed examination,

(f) Words and expressions not defined in these rules shall have the meaning respectively assigned to them in the Act.

3. Provision of audit charges in the Budget Estimates of Municipal Council :-

The Municipal Council shall provide every year in its budget estimates a sum considered sufficient to meet the audit charges that might become payable during the year.

4. Rate of audit charges :-

(1) The Municipal Council shall pay audit charges at the rate of twenty paise for every one hundred rupees on the sum total of receipts and expenditure of the Municipal Council under all heads of account for any year.

(2) In arriving at the sum total of receipts and expenditure of the Municipal Council for a year the second and subsequent adjustment entries in respect of Government grants, ¹ [loans and other like items] shall be excluded and that in respect of cesses and other amounts collected on behalf of Government only the commission charges allowed to the Municipal Council as collection charges shall be taken into account.

1. Substituted for the words "loans and other items" by GSR 198, dated 20-4-1967

5. Demand of audit charges :-

As soon as the audit of the accounts of the Municipal Council for any period is completed, the auditor shall record in the audit report the amount of total transactions under receipts and expenditure on which audit charges are leviable and the amount of audit charges payable by the Municipal Council. When the audit report is issued, the Auditor shall present a bill for payment of the audit charges in the form appended to these rules.

6. Powers of Controller, State Accounts to direct the payment of Audit Charges :-

If a Municipal Council fails to pay the audit charges within a period

of one month from the date of receipt of the bill therefor, the Auditor shall issue a notice to the Municipal Council requiring it to pay the audit charges within a period of fifteen days from the date of receipt of the notice. If at the end of fifteen days, the Municipal Council fails to pay the audit charges the Controller of State Accounts may direct the Treasury Officer of the Treasury in which the funds of the Municipal Council are lodged to make payment of audit charges by adjustment debiting the charges to the funds of Municipal Council and crediting the amount to Head of Account "065 Other Administrative Services-5 Fee for Government Audit-I Audit Fee.]