

No.G.11023/4/2008-FCC
GOVERNMENT OF MIZORAM
FINANCE DEPARTMENT

NOTIFICATION

Dated 1st June, 2011

1. Whereas the Thirteenth Finance Commission of India in its report at paragraph 10.121 and 10.161 recommended that the State Government must put in place an audit system for all the local bodies;
2. And whereas the Thirteenth Finance Commission further recommended that the Technical Guidance and Supervision over the audit of all the local bodies shall be entrusted to the Comptroller & Auditor General of India, and his Annual Technical Inspection Report as well as the Annual Report of the Examiner of Local Fund Accounts must be placed before the State Legislative Assembly;
3. And whereas the Accountant General (Audit) of Mizoram vide his letter No.AG-MIZ/Local Bodies Audit/2011-12/33, dated 31.05.2011, in response to the request made by the State Government pursuant to the recommendations of the Finance Commission vide No.G.11023/4/2008-FCC, dated 18.06.2010, requested the State Government to issue formal notification for entrusting the responsibility of technical supervision and guidance over the audit of all the local bodies within the State of Mizoram to the Comptroller & Auditor General of India (that is the Accountant General (Audit) of Mizoram);
4. Now, therefore, the Governor of Mizoram is pleased to entrust the Technical Guidance and Supervision over the audit of all the local bodies within the State of Mizoram to the Comptroller & Auditor General of India (that is the Accountant General (Audit) of Mizoram) with immediate effect and until further order. The Governor of Mizoram is further pleased to empower him to conduct the Annual Technical Inspection/Audit under the provisions of section 20 of the C&AG (Duties, Powers and Conditions of Service) Act, 1971. Over and above the audit of the C&AG, the Examiner of Local Fund Accounts will be responsible for the audit of the accounts of the local bodies.
5. The scope of the Technical Guidance and Supervision by the Comptroller & Auditor General of India (that is the Accountant General (Audit) of Mizoram) should be broadly as under:
 - i. The audit methodology and procedures for audit of the accounts of Village Councils, Urban Local Bodies and any other local bodies audit

by the Examiner of Local Fund Accounts will be as per the audit guidelines/standards prescribed by the Comptroller and Auditor General and various Acts / Statutes enacted by the Government.

- ii. The nature, extent and scope of audit including form and contents of the report of Examiner of Local Fund Accounts will be as per the guidelines given by the Accountant General and various Acts / Statutes enacted by the Government.
- iii. The Examiner of Local Fund Accounts will prepare annual audit plan under intimation to the Accountant General, indicating the particulars of the Local Bodies that would be audited during the year.
- iv. The Accountant General would conduct test-check of some of the units audited by the Examiner of Local Fund Accounts, in order to provide technical guidance. The report of the test-check conducted by the Accountant General would be sent to the Examiner of Local Fund Accounts for pursuance of action taken by the Local Bodies. The Examiner of Local Fund Accounts will pursue the compliance of such paras in Accountant General's inspection report in the same manner as if these are his own reports.
- v. Accountant General will monitor the quality of the inspection reports issued by the Examiner of Local Fund Accounts by calling for some of the reports for his scrutiny. The Examiner of Local Fund Accounts will furnish returns in such form as may be prescribed by the Accountant General for the purpose of monitoring.
- vi. Copies of issued Audit Reports in respect of 5% of Local Bodies should be forwarded by the Examiner of Local Fund Accounts to the Accountant General for advice on system improvements and the Accountant General would make suggestions for improvement of existing manuals etc. followed by the State Audit Department.
- vii. Irrespective of the money value of the objections, any serious irregularities noticed such as system defects, serious violation of rules, frauds noticed by Examiner of Local Fund Accounts will be intimated to the Accountant General.

By Order, etc

Sd/LALMALSAWMA
Finance Secretary
Government of Mizoram

Memo No.G.11023/4/2008-FCC: Dated the 1st June, 2011

Copy to:

1. Secretary to the Governor
2. PS to Chief Minister
3. PS to Speaker/ Deputy Speaker
4. PS to all Ministers/ Ministers of State/ Parliamentary Secretary
5. PPS to Chief Secretary, Government of Mizoram
6. Accountant General (Audit), Mizoram
7. All Administrative Departments
8. All the Deputy Commissioners
9. All Head of Departments.
10. ELFA, CCA Office for necessary action
11. Chief Executive Officer, Aizawl Municipal Council
12. Executive Secretary, LADC/MADC/CADC
13. Development Officer, SHDC
14. Controller, Printing & Stationeries with 6 (six) spare copies for publication in the Official Gazette.
15. Guard File



(Dr P.C.LALAWMPUIA)

Under Secretary to the Government
Finance Department (FMC)