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Fees – Levy of Audit Fees from the municipal corporations and Municipalities from the financial year 1993-94 – orders – Issued.

FINANCE (LOCAL FUND) DEPARTMENT

G.O. (Ms) No.62.

Dated : 17.01.94

Read:-

1. From the Examiner of Local Fund Accounts, Madras Lr.Rc.No.105081/CC1/90. dated 15.4.91 and 6.5.91.
2. From the Commissioner of Municipal Administration, Madaras-5, Letter Rc.no.74796/91/A3, dated 7.11.91.
3. G.o.Ms.no.880, Rural Development and Local Administration Department, dated 02.6.79.

ORDER

Provisions exist in the madras City Municipal Corporation Act 1919 (Tamil Nadu Act IV of 1919) Madurai City Municipal Corporation Act 1971(Tamil Nadu Act 15 of 1971) and Coimbatore City Municipal Corporation Act, 1981 (Tamil Nadu Act 25 of 1981) enabling the Corporations to pay to the auditors, out of the municipal fund, such Remuneration, as the State Government may determine. Based on this, in order to introduce the same provision in respect of municipalities, Government issued orders in Government order read above amending Tamil nadu District Municipalities act, 1920. In that Government Orders Rules 62(A) has been inserted after Rule 62. According to this rule, the Municipalities shall pay to the auditors, out of the municipal fund, such remuneration as the Government may determine...

2. The Examiner of Local Fund Accounts has been doing hitherto audit of Accounts of the three Municipal Corporations namely Madras, Madurai and Coimbatore and Municipalities free of cost. The Examiner of Local Fund Accounts who was requested to furnish the details of the cost of the audit in the Municipal Corporations and Municipalities has furnished the same in his letters read above. In view of the existing provisions under the Acts, Government have examined the proposal to fix the rate at which audit fees are to be collected from the Municipal Corporations/ Municipalities. The matter had recommended the audit fee to be charged from the municipalities and Corporations on actual cost basis. For this, the Commissioner or Municipal Administration has expressed the inability of the large number of the Municipalities to pay the audit fees in view of their stringent financial position. After Careful consideration, it has been now proposed to fix the audit fees to be collected from the Municipal Corporations and Municipalities at 50% of the actual cost. It has also been decided not to collect arrears of audit fees for the previous years but to collect only the current financial Year 1993-94 onwards.

3. The Government Order that audit fees shall be collected from the three Municipal Corporation viz., Madras, Madurai and Coimbatore and the Municipalities for the audit accounts done for the year 1992-93 from the 1993-94 onwards at 50% of the actual coast as per the audited figures to be furnished by the Examiner of Local Fund accounts, Madras. The Commissioners

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of the three Municipal Corporations and of Municipalities have to furnish the certificates that during the financial year itself the cost of the audit fees as ordered by the Government above for completion of audit of the pre year has been remitted into the State Government's revenue head of account. The head of Accounts under which the fees must be remitted is noted below:-

0070. Other Administrative Services

60. Other Services

110. Fees for Government Audit

AA. Fees for Government Audit

(DPC 0070 60 110 AA 0009)

4. The Administrative Department in the Secretariat namely Municipal Administration and Water Supply is also requested to watch the issue of certificates when various Grants/Loans are issued to the Corporations and Municipalities.

(By order of the Governor)

N. NARAYANAN,

Secretary to Government