

ADMINISTRATION REPORT

2013-14

LOCAL FUND AUDIT DEPARTMENT

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Administration Report of the Local Fund Audit Department for the year 2013-14

I. INTRODUCTION

The Local Fund Audit Department came into being vide order No. F1/3721/Fin. dated: 8.5.1942 mainly for the audit of accounts of Local bodies and Universities on the lines suggested by the Accountant General. The Kerala Local Fund Audit Department evolved from Audit Department of former Travancore, Cochin and Malabar States following the formation of Kerala State. With the enactment of the Kerala Local Fund Audit Act 1994 (Act 14 of 1994), the Department has got a resurgent status and objectives. The rules in the form of Kerala Local Fund Audit Rules, 1996 were framed in this regard.

With the 73rd and 74th amendment of the Constitution, three tier Panchayat Raj Institutions became a reality and the power and functions of such institutions were enhanced. The enactment of Kerala Panchayat Raj Act and Kerala Municipality Act witnessed decentralization of powers and functions. The role of the Local Fund Audit Department as the statutory auditor of Local Self Government Institutions increased its importance manifold.

The department originally envisaged to be independent of the Accountant General and under the administrative Control of the Finance Department, Government of Kerala. During the year 2013-14, office of the Minister of Finance was held by Sri. K.M. Mani.

During the year under report Sri. K.K. Rajan held the office of the Director of Local Fund Audit upto 30.06.2013. Full additional charge of Director, Local Fund Audit and Treasurer of Charitable Endowments was given to Sri.T.J.Varghese, Joint Director as per Order No. G.O(Rt)No. 5945/13/Fin. dated.17.07.2013.

Administration Report of this Department for the year 2012-13 was prepared and forwarded to Government vide this office letter No. LF.3385/MS2/2013 dated: 22.07.2013.

II. ORGANISATIONAL STRUCTURE

Director of Local Fund Audit is the state level head of the Department who also functions as the Treasurer of Charitable Endowments of the State of Kerala. He is assisted by 3 Joint Directors, 1 Senior Deputy Director, 3 Deputy Directors and 16 Audit Officers in the Directorate with headquarters in Vikas Bhavan, Thiruvananthapuram.

There are 14 District level offices and 42 concurrent audit offices in the Department. At District level, Senior Deputy Director of Local Fund Audit is the Audit authority of LSGI's. In addition to these, a Training Centre for newly recruited Auditors is also functioning at Thiruvananthapuram, which is headed by a Joint Director of Local Fund Audit deployed from the Directorate. The organizational hierarchy of the Department is furnished overleaf.

Chart showing the structure of the whole organization of the Director of Local Fund Audit and Treasurer of Charitable Endowments.

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As per Section 4 (1) and 4 (2) of the Kerala Local Fund Audit Act 1994 (Act 14 of 1994), the Director of Local Fund Audit is entrusted with the audit of accounts of the Local Self Government Institutions and Local Funds included in the schedule to the Act. The following Institutions are included in the schedule to the Act.

i) Category wise statements of All Auditee Institutions as per the Kerala Local Fund Audit Act 1994.

1. All Municipal Corporations
2. All Municipalities
3. All Grama Panchayats
4. All Universities
5. Kerala State Housing Board
6. Kerala State Rural Development Board (Defunct)
7. TRIDA and GCDA
8. Temples under the management of HR &CE administration department (Now under Malabar Devasom Board)
9. State Institute of Encyclopaedic Publications
10. State Institute of languages
11. Malabar Market Committee
12. Orphanages and Poor Homes
13. The Kerala Sports Council and District units and affiliated Institutions
14. Kerala State Jawahar Bala Bhavan and District Bala Bhavan
15. Harijan Hostels
16. Wakf Board
17. Kerala Lalitha Kala Academy
18. Kerala Sangeetha Nataka Academy
19. Kerala Sahitya Academy
20. Kerala Kalamandalam (Now deemed University)
21. Kerala Association for Non-formal Education and Development (KANFED)
22. The State Institute of Children's Literature
23. The State Library Council, District Library Councils and Taluk Library Unions and Libraries affiliated to the State Library Council.
24. The Bharath Sevak Samaj, Kerala Pradesh.

25. Bharath Scouts and Guides
26. The TB association of Kerala
27. The Society for the prevention of Cruelty to animals
28. The Travancore Cochin Medical Council
29. The Kerala Nurses and Midwives Council
30. The Kerala Pharmacy Council
31. The Kerala Dental Council
32. The Kerala State Nirmithi Kendra
33. The Kerala Urban Development Finance Corporation (Now reorganized)
34. The Kerala Health Research and Welfare Society
35. The Kerala Police Welfare and Amenity Fund
36. The Kerala Police Sports Fund
37. The Kerala State Military Benevolent Fund, District Benevolent and Flag Day Fund of Rajya Sainik Board
38. The Scientific Research Funds under the State Committee of Science and Technology
39. Kerala Panchayat Association Fund
40. Kerala Head Load Workers Welfare Fund
41. Kerala Khadi Workers Welfare Fund
42. The Kerala Motor Transport Workers Welfare Fund
43. The Kerala Coir Workers Welfare Fund
44. The Kerala Construction Workers Welfare Fund
45. The Kerala Abkari Workers Welfare Fund
46. Toddy Workers Welfare Fund
47. Labour Welfare Fund
48. Handloom Workers Welfare Fund
49. Agricultural Workers Welfare Fund
50. The Kerala Tailoring Workers Welfare Fund
51. Kerala Cashew Workers Relief and Welfare Fund
52. Guruvayoor Township

ii) Name of Institutions included as per Government order are given below

1. Ground Water Authority (Act 19 of 2002, section 25)
2. Traders Welfare Fund G.O. (P) 16/92/TD dated: 27.1.92
3. Society for Construction, Maintenance and Administration of Multi purpose Cultural Complex G.O. (MS) 56/98/CAD dated: 26.11.98

4. Tourism Week Celebration and District Tourism Promotion Councils. G.O. (Rt) 5326/93/Fin. dated: 9.11.93 and G.O. (Rt) 3724/02/Fin. dated: 12.7.2002.
5. Kerala Chalachithra Academy G.O. (MS) 14/99/CAD dated: 17.3.1999.
6. Hospital Development Committees. G.O. (Rt) 3379/04/H&FWD dated: 3.12.2004.
7. Kerala State Veterinary Council. Lr. No. 133189/Estt.D1/04/Fin. dated: 4.1.2005 of the Principal Secretary, Finance Department
8. Kerala Book Marketing Society G.O. (Rt) 1901/05/Fin. dated: 17.3.2005
9. Charitable Endowment Funds. Section 3 (1) of Charitable Endowment Act (Central Act VI of 1890)& G.O.(P) 450/66/Fin. dated: 10.10.1966.
10. State Council of Educational Research and Training (SCERT) G.O. (Ms.) 11/96/GAD dated: 6.11.96
11. Institute of Virology and Infectious diseases, Medical College Hospital , Alappuzha. G.O.(MS) 50/2000/H and FWD dated: 1.3.2000
12. Kerala Beedi and Cigar Worker's Welfare Fund Board. G.O. (Ms.) 2078/01/LBR dated: 11.7.2001.
13. Kerala Eetta, Kattuvally and Pandanus Leaf Workers Welfare Fund Board G.O. (Ms.) No. 2078/2001/LBR dated: 11.7.2001.
14. Kerala Diary Farmers Welfare Fund G.O. (Ms.) No. 63/2012/GAD dated: 21.3.2012.
15. Centre for Continuing Education, Kerala G.O(Ms)No. 67/09/H.Edn. Dated. 22.06.2009.
16. SI-MET Directorate & Six nursing colleges of SI-MET G.O(Rt)No. 1427/2013/H&FWD Dated. 23.04.2013
17. Kerala State Lottery Agents Welfare Fund Board G.O.No.1012/2013/Taxes Department dated. 28.12.2013.

iii) As per the Order of Honourable High Court of Kerala

1. Travancore Devaswom Board.
2. Cochin Devaswom Board
3. Deposit accounts of the Courts Subordinate to the Honourable High Court of Kerala and Amalgamated Fund.

iv) As per other Enactment /Rules

1. Guruvayoor Devaswom
2. Koodal Manikyam Devaswom

3. Kerala Panchayat Employees Provident Fund

4. Kerala Municipal Employees Provident Fund

The Director of Local Fund Audit is also functioning as the Treasurer of Charitable Endowments vide Section 3 (1) of the Charitable Endowments Act. (Central Act VI of 1890)

III. HUMAN RESOURCES

a) Staff Strength of the Department

Sl. No.	Name of Post	Scale of Pay	No. of Posts
1	Director	46640-59840 + 900 (Special pay)	1
2	Joint Director	44640-58640	15
3	Senior Deputy Director	40640-57440	27
4	Deputy Director (H G)	36140-49740	11
5	Deputy Director	24040-38840	24
6	Audit Officer (H.G.)	20740-36140	198
7	Audit Officer	18740-33680	
8	Assistant Audit Officer	16980-31360	199
9	Auditor (Senior Grade)	16180-29180	199
10	Auditor	13900-24040	200
11	Office Superintendant	18740-33680	6
12	Typist (Selection Grade)	16980-31360	97
13	Typist (Senior Grade)	16180-29180	
14	Typist First Grade)	13900-24040	
15	Typist (Second Grade)	10480-18300	
16	Confidential Assistant (Grade I)	13900-24040	3
17	Confidential Assistant (Grade II)	10480-18300	
18	Driver	9190-15780	1
19	Binder	8960-14260	1
20	Attender	8730-13540	34
21	Office Attendant	8730-13540	96
22	Roneo Operator	8960-14260	1
23	Law Officer		1
Total			1114

b) Details of Employees working on deputation (2013-14)

1	Auditor	1
2	Audit Officer	1
Total		2

c) Retirements during the year 2013-14

1	Director	1
2	Joint Director	7
3	Senior Deputy Directors	6
4	Deputy Director	1
5	Audit Officers (H.G)	4
6	Office Superintendant	2
7	Clerical Assistant	1
8	Office Attendant (H.G)	1
Total		23

d) Details of appointment made during 2013-14**i) Details of Appointment made during 2013-14 by promotion**

1	Joint Director	8
2	Senior Deputy Directors	14
3	Deputy Directors	18
4	Audit Officers	20
Total		60

ii) Details of appointment made during 2013-14

1	Auditors	60
2	Typists	17
3	Binder	1
4	Confidential Assistant	2
5	Night Watchman	1
6	Office Attendant	1
Total		82

e) Appointment of SC/ST persons during the year 2013-14

1	Auditor	7
2	Typist	1
3	Confidential Assistant	1
Total		9

Monthly progress report on the representation of SC/ST persons in public Services are forwarded regularly to Government on or before 10th of every month. During the year 2013-14, 9 persons belonging to SC/ST were appointed in the Department.

f) Details of Training Conducted for the personnel of the Department during 2012-13 (Man power planning and Development)

The Training Programme as per State Training Policy (STP) were conducted to the staff of this department during the year 2013-14 at

Institute of Management in Government (IMG), Thiruvananthapuram, Kochi and Kozhikkode Centres. In addition to the above programme, Audit Refresher Training (ART) were conducted as per the Government Order No. 7492/13/Fin. dtd. 25.09.2013 for the Audit Officers and Auditors at Department Training Centre, ICM, Poojappura during the year 2013-14.

I. IMG Training

Sl. No	Code No.	Name of Programme	Date	Name of Centre
1.	STP 503	Management Development Programme	03.05.2013 to 04.05.2013	IMG, Thiruvananthapuram
2.	STP 504	Executive Development Programme	13.05.2013 to 16.05.2013	IMG, Kochi
3.	STP 505	Executive Development Programme	22.05.2013 to 25.05.2013	IMG, Kozhikkode
4.	STP 506	Executive Development Programme	28.05.2013 to 31.05.2013	IMG, Thiruvananthapuram
5.	STP 507	Executive Development Programme	10.06.2013 to 13.06.2013	IMG, Kozhikkode
6.	STP 508	Management Development Programme	08.07.2013 to 09.07.2013	IMG, Thiruvananthapuram
7.	STP 509	Executive Development Programme	22.07.2013 to 25.07.2013	IMG, Thiruvananthapuram
8.	STP 510	Capacity Building Programme for Typists	29.07.2013 to 31.07.2013	IMG, Kochi
9.	STP 511	Orientation Training for Last Grade Servants	07.08.2013 to 08.08.2013	IMG, Kochi
10.	STP 512	Capacity Building Programme for Typists	12.08.2013 to 14.08.2013	IMG, Thiruvananthapuram
11.	STP 513	Capacity Building Programme for Typists	02.09.2013 to 04.09.2013	IMG, Kozhikkode
12.	STP 514	Orientation Training for Last Grade Servants	02.09.2013 to 03.09.2013	IMG, Thiruvananthapuram
13.	STP 515	Capacity Building Programme for Auditors	02.09.2013 to 06.09.2013	IMG, Kochi
14.	STP 516	Orientation Training for Last Grade Servants	06.09.2013 to 07.09.2013	IMG, Kozhikkode
15.	STP 517	Capacity Building Programme for Auditors	30.09.2013 to 05.10.2013	IMG, Kozhikkode

16.	STP 518	Capacity Building Programme for Auditors	07.10.2013 to 11.10.2013	IMG, Thiruvananthapuram
17.	STP 519	Capacity Building Programme for Auditors	04.11.2013 to 08.11.2013	IMG, Thiruvananthapuram
18.	STP 520	Capacity Building Programme for Auditors	04.11.2013 to 08.11.2013	IMG, Kochi
19.	STP 521	Capacity Building Programme for Auditors	09.12.2013 to 13.12.2013	IMG, Kochi
20.	STP 522	Capacity Building Programme for Auditors	09.12.2013 to 13.12.2013	IMG, Kozhikode
21.	STP 523	Capacity Building Programme for Auditors	23.12.2013 to 28.12.2013	IMG, Thiruvananthapuram
22.	STP 524	Executive Development Programme	06.01.2014 to 09.01.2014	IMG, Kochi
23.	STP 525	Capacity Building Programme for Auditors	06.01.2014 to 10.01.2014	IMG, Thiruvananthapuram
24.	STP 526	Capacity Building Programme for Auditors	06.01.2014 to 10.01.2014	IMG, Kozhikode
25.	STP 527	Capacity Building Programme for Auditors	03.02.2014 to 07.02.2014	IMG, Kozhikode
26.	STP 528	Capacity Building Programme for Auditors	03.02.2014 to 07.02.2014	IMG, Thiruvananthapuram
27.	STP 529	Capacity Building Programme for Auditors	17.02.2014 to 21.02.2014	IMG, Kozhikode
28.	STP 530	Capacity Building Programme for Auditors	17.02.2014 to 21.02.2014	IMG, Kochi
29.	STP 531	Capacity Building Programme for Auditors	24.02.2014 to 28.02.2014	IMG, Kochi
30.	STP 532	Capacity Building Programme for Auditors	03.03.2014 to 07.03.2014	IMG, Thiruvananthapuram
31.	STP 533	Capacity Building Programme for Auditors	10.03.2014 to 14.03.2014	IMG, Kochi
32.	STP 534	Capacity Building Programme for Auditors	17.03.2014 to 21.03.2014	IMG, Kozhikode

II. Audit Refresher Training

Sl. No	Code No.	Name of Programme	Date	Name of Centre
1.	ART 001	Audit Refresher Training for Audit Officers	03.10.2013 to 05.10.2013	Training Centre, Poojappura
2.	ART 002	Audit Refresher Training for Audit Officers	09.10.2013 to 11.10.2013	Training Centre, Poojappura
3.	ART 003	Audit Refresher Training for Audit Officers	17.10.2013 to 19.10.2013	Training Centre, Poojappura
4.	ART 004	Audit Refresher Training for Audit Officers	21.10.2013 to 23.10.2013	Training Centre, Poojappura
5.	ART 005	Audit Refresher Training for Audit Officers	24.10.2013 to 26.10.2013	Training Centre, Poojappura
6.	ART 006	Audit Refresher Training for Audit Officers	28.10.2013 to 30.10.2013	Training Centre, Poojappura
7.	ART 007	Audit Refresher Training for Audit Officers	04.11.2013 to 06.11.2013	Training Centre, Poojappura
8.	ART 008	Audit Refresher Training for Audit Officers	11.11.2013 to 13.11.2013	Training Centre, Poojappura
9.	ART 009	Audit Refresher Training for Auditors	18.11.2013 to 20.11.2013	Training Centre, Poojappura
10.	ART 010	Audit Refresher Training for Auditors	21.11.2013 to 23.11.2013	Training Centre, Poojappura
11.	ART 011	Audit Refresher Training for Auditors	25.11.2013 to 27.11.2013	Training Centre, Poojappura
12.	ART 012	Audit Refresher Training for Auditors	28.11.2013 to 30.11.2013	Training Centre, Poojappura
13.	ART 013	Audit Refresher Training for Auditors	02.12.2013 to 04.12.2013	Training Centre, Poojappura
14.	ART 014	Audit Refresher Training for Auditors	05.12.2013 to 07.12.2013	Training Centre, Poojappura
15.	ART 015	Audit Refresher Training for Auditors	09.12.2013 to 11.12.2013	Training Centre, Poojappura
16.	ART 016	Audit Refresher Training for Auditors	16.12.2013 to 18.12.2013	Training Centre, Poojappura
17.	ART 017	Audit Refresher Training for Auditors	19.12.2013 to 21.12.2013	Training Centre, Poojappura
18.	ART 018	Audit Refresher Training for Auditors	26.12.2013 to 28.12.2013	Training Centre, Poojappura
19.	ART 019	Audit Refresher Training for Auditors	30.12.2013 to 01.01.2014	Training Centre, Poojappura
20.	ART 020	Audit Refresher Training for Auditors	02.01.2014 to 04.01.2014	Training Centre, Poojappura

21.	ART 021	Audit Refresher Training for Auditors	06.01.2014 to 08.01.2014	Training Centre, Poojappura
22.	ART 022	Audit Refresher Training for Auditors	15.01.2014 to 17.01.2014	Training Centre, Poojappura
23.	ART 023	Audit Refresher Training for Auditors	20.01.2014 to 22.01.2014	Training Centre, Poojappura
24.	ART 024	Audit Refresher Training for Auditors	23.01.2014 to 25.01.2014	Training Centre, Poojappura

g) Technical guidance and supervision (TGS) Meeting

Government of Kerala vide G.O(P) No. 631/ 2002/ fin dated 17.10.2002 introduced Technical guidance and supervision (TGS) of Accountant General to the Local fund Audit Department for a period of five years. The Government had extended the TGS for a period of five years from April 2008 vide G.O(P) No. 601/ 2007/ fin dated 22.12.2007 and also extended for a period of five years from April 2013 vide G.O(P) No. 410/ 2013/ fin dtd. 30.08.2013. The aims and objectives of TGS are following.

1. Introduce Auditing standards.
2. Formation of Audit plan.
3. Introduction of new methods of audit.
4. Training in the field of Account and Audit.

In addition to the above supplementary audit of 10% of Local Self Government Institutions audited by Local Fund Audit Department are also conducted by Accountant General.

The Principal aim of TGS was giving proper Technical guidance and Training of audit staff of Local Fund Audit Department to enhance the quality and standards of audit.

The meeting of State Level Committee on implementation of Technical guidance and Supervision (TGS) (sixth meeting) was conducted on 27.09.2013 in the office of the Principal Accountant General (G&SSA), Thiruvananthapuram.

As per the decisions of the meeting monthly discussions between AG and Director of Local Fund are going on in every month.

IV. FUNCTIONING OF THE DEPARTMENT

A. Basic Functions

1. The basic function of the department is the audit of accounts of the institutions under its audit control by virtue of the Kerala Local Fund Audit Act 1994.
2. Proper Management of the Corpus of the various Charitable Endowments is also done by this department.
3. Matters relating to Financial administration of Local bodies and other auditee Institutions referred to this department by Government are also being attended to and remarks offered there of.
4. A consolidated report on accounts audited by the Director of Local Fund Audit in an year consisting of observations and serious irregularities detected is submitted to the Government to get its attention vide section 23 of the Kerala Local Fund Audit Act 1994 and Rules 25 of the Kerala Local Fund Audit Rules 1996.
5. The power to issue charge and surcharge certificate for the recovery of losses sustained by Local Fund Institutions as disclosed in audit is vested with the Director of Local Fund Audit vide section 16 of the Kerala Local Fund Audit Act 1994 and Rule 20 of the Kerala Fund Audit Rules 1996.
6. Detects irregular /illegal payments, waste or misappropriation of money.
7. Verify the stores and stock accounts.
8. Issuance of Audit Report.
9. Issue of further remarks/further reports of the audit report issued and issue of charge/surcharge proposal.
10. Preparation of report on financial soundness of the auditee Institution.
11. Approval of pay fixation of Panchayat /Municipal Employees/Employees of Cultural Institutions/Universities/Devasom Board/Housing Board etc.
12. Verification and recommendation of pensionary claim of Municipal Employees/Employees of Cultural Institutions/Universities/Devaswom Boards.

B. Details of Accounts Audited during 2013-14

Annual audit of accounts of 2010 institutions have been completed by this department, besides issuing audit notes and objection slips in the major concurrent audit Institutions during 2013-14. Details regarding the number of institutions audited, number of accounts due for audit, number of accounts

audited and the number of accounts remained to be audited at the end of 2013-14 are incorporated in **Appendix – I.**

C. Audit Report Issued/Closed

A total of **2054** Audit reports/Audit notes were issued and **1325** Audit reports were also closed. **28346** number of Audit reports are pending closure as on 31.3.2014.

The figures relating to the year is provisional. Details are given in **Appendix-II.**

D. Audit Certificates Issued

2044 numbers of Audit Certificates were issued involving a total amount of Rs. **13342708863.7/-** during the year 2013-14 (see **Appendix – III.**

E. Misappropriation and serious Irregularities

During the year, irregularities were noticed in Grama Panchayats, Block Panchayats, Municipalities, Corporations, Universities, Devaswoms etc. In addition to this misappropriation cases were noticed in some of the institutions.

Details of misappropriation cases noticed are given in **Appendix IV &V.**

F. Pension Papers disposed off

The verification and certification of pensionary claims of Municipal employees, Employees of Development authorities, Corporations, Devaswom, HR&CE institutions, Universities, KSHB, SIEP, SIL etc are also done by the department. A total of 2841 Pension papers has been verified and certified by the department during 2013-14. See **Appendix – VI.**

G. Result of Audit

The magnitude of the expenditure incurred by all the institutions which are subjected to audit during 2013-14 amount to Rs. **1076940.862** lakhs.

As a result of audit, transactions to the tune of Rs. **44750.19** lakhs were held under objection and Rs. **443373.02** lakhs disallowed. Details are furnished in **Appendix- VII.**

H. Audit Charge

The department earns revenue to Government in the form of audit fee from the auditee Institutions. An amount of Rs. **367079952.96/-** is pending

collection towards audit charges at the end of 31.3.2014. An amount of Rs. **385854687.9/-** is demanded and Rs. **18774735/-** is collected during 2013-14 (**Appendix-VIII**). Orphanages and other charitable Institutions receiving grant from the Government are exempted from the payment of audit charges vide No. G.O.(Ms) 11/2002/Social Welfare Department dated: 7.5.2002. The District Tourism Promotion Council are not exempted from the payment of audit charges vide G.O.(Rt) 6458/2003/Fin. dated: 1.8.2003 whereas the District/Taluk Library Councils are exempted vide Government Lr. No. 34912/Estt. D1/Fin dated: 18.6.2002. Military Benevolent Fund and Flag Day Fund have been exempted from payment of Audit charges from 2008-09 onwards vide G.O (Ms.) No. 43/11/Fin.dated: 19.1.2011. Government have granted exemption to Kerala Police Welfare and Amenity Fund (Central) from the payment of Audit Charges with effect from 2004-2005 vide G.O. (P) 121/2005/ fin. dated: 15.3.2005 (SRO No. 245/2005), G.O.(P) 327/2005/Fin. dated: 16.7.2005 and G.O.(P) 561/2005/Fin. dated: 29.12.2005. Government have exempted Local Self Government Institutions from payment of audit charges including arrears as per G.O.(P) No. 124/2012/LSGD dated: 10.5.2012.

Section 19 (4) of Kerala Local Fund Audit Act empowers this department to collect the arrears of audit charges if it were not paid within one year from the date of its becoming due and where no grant or sum is payable by the Government to the local authority by effecting the provisions of Kerala Revenue Recovery Act 1968.

I. Accounts pending submission to audit

The details showing the number of accounts pending submission to audit of the auditable institutions are shown in **Appendix- IX**. A total of **5864** accounts are pending submission to audit.

J. Charge and Surcharge action

The power to issue charge and surcharge certificate for the recovery of losses sustained by Local Fund Institutions as disclosed in audit is vested with the Director of Local Fund Audit vide Section (16) of the Kerala Local Fund Audit Act 1994 and Rule 20 of the Local Fund Audit Rule 1996. As per the rules the executive authority of Local bodies has to send a rectification report to the auditor within a period of 2 months of receipt of the audit report.

On receipt of the rectification report, the issuing authority has to issue further remarks within a period of 2 months and to forward charge and surcharge proposals to the Director of Local Fund Audit for pending items. In

the case, where no rectification report has been furnished by the executive authority after the expiry of 2 months, the report issuing authority will issue further report to the executive authority and charge/surcharge proposals to the Director of Local Fund Audit.

Even though earliest efforts are being made to recover the losses through the issue of charge and surcharge certificates and recoup the losses mentioned in the audit reports of Local Self Government Institutions etc, the act of recoupment is time consuming and much tardy. It is prescribed in Section 16 (4) of the Kerala Local Fund Audit Act that every sum certified to be due from any person by the auditor under this Act shall be paid by such person to the Executive authority within one month after the intimation to him of the decision of the Director under within that time such person has filed an application before the District Court against the decision under sub section (3) and such amount if not so paid or such amount as the District Court shall declare to be due shall be recoverable under the provisions of the Kerala Revenue Recovery Act 1968 (Act 15 of 1968) for the time being in force as if it were an arrear of public revenue due on land. It is to be noted here that very little is being recouped through charge and surcharge action.

As such during the year 2013-14, **12** number of charge certificates and **88** number of surcharge certificates has been issued and the total amount involved came to Rs. **3,43,248/-** and Rs. **41,72,233/-** respectively in which Rs. **1,17,645/-** has been recouped. **(Appendix- X).**

In addition to above **100** numbers of charge notices and **700** numbers of surcharge notices were issued during the year. The total amount involved came to Rs. **72,93,042/-** and Rs. **19,86,36,988/-** respectively. **(Appendix- X)** and the amount recouped in case of charge notice was Rs. **1,21,752/-** and in case of Surcharge Notice was Rs. **6,98,762/-** respectively.

K. Charitable Endowment

There are 1317 Endowments vested with the Treasurer of Charitable Endowments, Kerala as on 31.3.2014 within the provisions of the Act. The total amount of corpus vested with the Treasurer of Charitable Endowments as on 31.3.2014 comes to Rs. **11,38,52,662/-**. During the year under report, a sum of Rs. **17,54,300/-** has been received by way of interest and a total amount of Rs. **9,45,381/-** released to various administrators on demand. An amount of Rs. **8,06,00,000/-** has been invested for amalgamated fund. Rs.**90,03,744/-** has been received as interest on various fixed deposits and Rs. **50,00,000/-** has

been released for amalgamated fund meant for the welfare of Ex-service men.
(See **Appendix- XI**)

L. Local Fund Accounts Committee Reports

Local Fund Accounts Committee was constituted by Rule 261(G) and (4) of Rule of Procedure and Conduct of Business in the Kerala Legislative assembly vide Notification No. 27/Legn.2/2002/Leg. dated: 18.2.2003 and the first Local Fund Accounts Committee was constituted on 27.06.2003.

The Chairman of Local Fund Accounts Committee is Shri.Varkala Kahar and the members are as follows.

1. Shri.A.P.Abdullakutty
2. Shri.K.Achuthan
3. Shri.M.Chandran
4. Shri.K.K.Jayachandran
5. Shri.Mullakara Ratnakaran
6. Shri.N.Shamsudeen
7. Shri.K.Sivadasan Nair
8. Shri.P.SreeRamakrishnan
9. Shri.G.Sudhakaran
10. Shri.M.A.Waheed.

The main responsibility of the Committee is to examine the Consolidated Audit Reports of the accounts audited by the Director of Local Fund Audit Department which is laid annually before the Legislative Assembly. In addition to this, Committee also examines the Audit Report on Local Self Government Institutions submitted by the Comptroller and Auditor General of India by amending the Rule 261(G) of the rules of procedure and Conduct of Business in the Legislative Assembly.

Altogether the Honourable Local Fund Accounts Committee has considered the consolidated reports of accounts audited by the Director of Local Fund Audit for the years 1998-99, 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12.

20 sittings of the Local Fund Accounts Committee (2011-14) and the first meeting of the Local Fund Accounts Committee (2014-16) were held during the year 2013-14 and gave its recommendations for the smooth and proper functioning of the Local Self Government Institutions and other Institutions.

Local Fund Accounts Committee (2011-14) has submitted following reports before the Legislative Assembly during the year 2013-14.

Sl. No.	Year of Local Fund Accounts Committee	Report No.	Subject	Date of submission to Legislative Assembly
1	2011-14	14	Report on Thiruvananthapuram Municipal Corporation	22.06.2013
2	2011-14	18	Report on Municipalities of Wayanad and Malappuram	09.04.2013
3	2011-14	19	Report on Kerala and Mahatma Gandhi University	09.04.2013
4	2011-14	20	Report on Kochi Corporation	09.05.2013
5	2011-14	21	Report on District Panchayats of Kottayam and Idukki	09.04.2013
6	2011-14	23	Report on Village Panchayats of Malappuram	23.01.2014

M. Settlement of objections

Sub rule (1) of the Rule 21 of the Kerala Panchayat Raj (Procedure for verification and audit of accounts) Rules 1997 envisages that the Executive authority of Grama Panchayats on the decision of the Panchayat should furnish a rectification report to the auditor after rectifying the irregularities and defects observed in the audit report with copy to the Government within 2 months of the date of receipt of audit report. In spite of the above statutory requirements follow up action on the part of the Local bodies for the settlement of objections raised in audit is not satisfactory resulting in huge accumulation of audit objections over the years. In the same manner as stated above, the Municipal Authorities are also required to furnish compliance report to the audit within two months.

N. General State of Accounts

The standards of maintenance of the books of accounts of institutions which were subjected to audit during the year under report also remain far from the satisfactory as stated in the administration reports of previous years. Instructions from Audit in the successive audit reports of the institutions highlighting the need for the proper up keep of the books of accounts have not been complied with. Hence a proper picture about the state of funds of the auditee

Institutions is not available. Due to non-submission of accounts for audit, the very purpose of accounting and auditing itself is defeated. The deficiency in the maintenance of books of accounts should be rectified to a considerable extent had regular and periodical inspections been conducted by the performance audit wing as stipulated in the concerned local body's Act.

O. Details of orders/Circulars issued by the Director of Local Fund Audit

1. Circular No. 4/2013 - Directions for preparing consolidated Audit Report – regarding.
2. Circular No. 5/2013- Office Staff including office head entering into leave - regarding.
3. Circular No. 6/2013- Directions for preparing Consolidated Audit Report – regarding
4. Circular No. 7/2013- Directions for preparing Consolidated Audit Report – regarding.
5. Circular No. 8/2013 – Directions for preparing Consolidated Audit Report– regarding.
6. Circular No. 9/2013 – Working of laptops - regarding.
7. Circular No. 10/2013 – Submitting Tour diary along with the Travelling Allowance bill of the Sub office heads – regarding.
8. Circular No. 11/2013 – Guidelines to be observed while submitting letters, reports to the State Government.
9. Circular No. 12/2013 – Directions for preparing Consolidated Audit Report – regarding.
10. Circular No. 13/2013 – Service regularisation required document – regarding.
11. Circular No.14/2013 – Directions for preparing Consolidated Audit Report – regarding.
12. Circular No. 15/2013 – Directions for preparing Consolidated Audit Report – regarding.
13. Circular No. 16/2013 – Directions for preparing Consolidated Audit Report - regarding.
14. Circular No. 17/2013 – AIMS Software implementation in Kozhikode District – regarding.
15. Circular No. 18/2013 – To obtain the details of the employees in the office attendant/watcher post appointed through PSC – regarding.

16. Circular No. 1/2014 – Directions for preparing Consolidated Audit Report – regarding.
17. Circular No. 2/2014 – AIMS Software implementation – regarding.
18. Circular No. 3/2014 – The procedures to be observed while verifying the construction activities of Local Self Government Institutions – regarding.

P. Details of special Audit, if any conducted during 2012-13 and 2013-14

1. Ayyampuzha Grama Panchayat – Kudumbashree – C.D.S. Accounts- regarding- (LF/6963/SS4/2012)
2. Perambra Block Panchayat Special S.G.S.Y. Scheme (Subiksha Project)- Special Audit- regarding. – (LF/22046/SS4/2012)
3. Special Audit in Vazhathoppu Grama Panchayat – regarding – (LF/1996/SS4/2013)

Copies of letters/references, if any, in which this department has given advice to Government in the matter of financial administration of local bodies and such other institutions, which are under the purview of this Department.

The list of Grama Panchayats for which the gap fund amount to be availed is submitted to the Government (LF/13359/SS4/2013 dated. 17.02.2014).

Important Conferences/meetings etc. attended by the Director during 2013-14, decisions, results and follow up, if any.

The Director attended the meeting regarding gap fund conducted on 22.07.2013 and directions were given in the subject.

Proposals, if any, regarding the taking up of audit of any new institutions not coming under the Kerala Local Fund Audit Act, the result thereof.

1. To take up the audit of Thiruvananthapuram District Nirmithi Kendra by Local Fund Audit Department – regarding:- (LF/12421/SS4/2013)
2. To take up the audit of Science Park, working under the Kannur District Panchayat – regarding:- (LF/13076/SS4/2013)
3. To conduct audit in ANERT – TESM Project – regarding :- (LF/20553/SS4/2013)

Q. Consolidated Audit Report (CAR)

As per Section 23 of Kerala Local Fund Audit Act 1994, and Rule 25 of Local Fund Audit Rules 1996, the Director of Local Fund Audit should, not later than 30th September every year, send to Government a consolidated report of accounts audited by him during the previous financial year, containing such particulars which he intends to bring to the notice of the Government. The consolidated Audit Report of 2012-13 was submitted to the Government on 24.9.2013.

Detailed performance audits were conducted in the selected Local Self Government Institutions related with the following subjects for including in the CAR 2012-13.

- i) Local Self Government Institutions and School Education Sector.
- ii) Decentralized Planning and Industrial Employment initiatives.
- iii) Conservation of water resources and Drinking water projects in Local bodies.

Detailed Performance audit reports on particular subjects were prepared regarding miscellaneous audit institutions such as Universities, SIL, SIEP, DTPC&TWC, Housing Board, Welfare Funds, TRIDA, GCDA, Malabar Devasom etc.

V. FINANCES

The Expenditure of this Department under various units of appropriation (Plan & Non-plan) during the year 2012-13 and 2013-14 are shown below.

Head of Account	Accounts for 2012-13	Estimate for 2013-14	Revised Estimate for 2013-14
<u>Non-Plan</u>			
2054-00-098-99			
01- Salaries	372329000	43,34,82,000	433482000
02 - Wages	3468000	20,00,000	2000000
04 - Travel Expenses	16735000	1,39,99,000	17999000
05 -Office Expenses	2920000	36,29,000	3629000
06 - RRT	654000	9,20,000	3420000
17 - Minor Works	2856000	2,00,000	200000
21-Motor Vehicles	83000	85,000	85000
26-Implementaion of Official Language	-	-	60000
45 - POL	215000	2,50,000	250000

Total (Non- Plan)	399260000	45,45,65,000	461125000
Plan			
<i>2054-00-098-99-21(1)</i> Purchase of vehicles	-	1,00,00,000	10000000
<i>2054-00-098-88-34</i> other charges	5999000	1,00,00,000	10000000
Total (Plan)	5999000	2,00,00,000	20000000

Budget Provisions for the last 5 years

Head of Account	Year				
<u>Non-Plan</u>					
2054-00-098-99	2009-10	2010-11	2011-12	2012-13	2013-14
01- Salaries	191152000	225444000	365411000	372329000	433482000
02 - Wages	787000	870000	2873000	3400000	2000000
04-Travel Expenses	9908000	10100000	11500000	17023000	17999000
05 –Office Expenses	2174000	2427000	2835000	3166000	3629000
06 - RRT	300000	300000	920000	920000	3420000
17-Minor Works	100000	100000	1100000	2900000	200000
21-Motor Vehicles	724000	33000	65000	74000	85000
26-Implementation of Official language	-	-	-	-	60000
45 - POL	66000	86000	140000	168000	250000
Total (Non- Plan)	205211000	239360000	384844000	399980000	461125000
<u>Plan</u>					
<i>2054-00-098-99-21(1)</i> Purchase of vehicles	-	-	-	-	10000000
<i>2054-00-098-88-34</i> other charges	2000000	3000000	4000000	6000000	10000000
Total (Plan)	2000000	3000000	4000000	6000000	20000000

VI. CERTIFICATION OF ACCOUNTS

Audit Certificate

It is the duty of the auditor to give an opinion and to prepare a report after verifying the Annual Financial Statement (Account) of an institution. The audit opinion is to be prepared in a standard format and is given in the name

of Audit Certificate to the concerned Institution. When this Certificate is attached to the Annual Financial Statement, the account becomes an auditor certified accounts. The Audit Report is also given to the institution.

Types of Audit Certificates

Unqualified Certificate

If the Auditor is satisfied in all material respects of the Annual Financial Statement, Unqualified Certificate is given. In this case the account will definitely be prepared according to the acts and Rules and as per accepted accounting methods. So the accounts will be reasonably reliable.

Qualified Certificate

If there is serious mistakes in the Annual Financial Statement, Qualified Certificate is given. This may be of two types 1) If there is uncertainty with the amounts, 2) If the auditor has disagreement with the amounts. This difference will be of material nature and will be serious. But this mistake will not be fundamental in understanding the accounts.

Disclaimer Certificate

If it is not possible for the audit to give an opinion about the Annual Financial Statement, Disclaimer Certificate is given. There may be uncertainty even in the fundamental aspects of the Annual Financial Statement.

Adverse Certificate

If the auditor cannot agree with the fundamental aspects of the Annual Financial Statement, Adverse Certificate is given. The auditor makes clear that the Annual Financial Statement is not acceptable.

Certification of Accounts 2012-13

Total Grama Panchayats	Unqualified	Qualified	Not issued	Disclaimer & Adverse
978	197	759	6	16
Total Municipalities				
60	4	49	6	1

VII. EVENTS

Details of Local Fund Accounts Committee meeting held during 2013-14.

Sl. No.	Date	Subject	Remarks
1	02.04.2013	Action taken report on municipalities of Wayanad & Malappuram, Municipal Corporation of Kochi. Finalization of draft report on Kerala and Mahatma Gandhi University & District Panchayats of Kottayam and Idukki.	
2	09.05.2013	Meeting on Block and Grama Panchayats of Alappuzha.	
3	03.07.2013	Action taken report on LFAC (2006-08) 10 th and 18 th report, LFAC (2004-06) 17 th report and HRE Institutions.	
4	24.07.2013	Meeting on Ollur Grama Panchayat (Thrissur District)	
5	30.07.2013	Meeting on Grama Panchayats of Kannur District.	
6	14.08.2013	Action taken report on Grama Panchayats of Thrissur Local Fund Accounts Committee (2006-08) 15 th report.	
7	20.08.2013	Action taken report on Grama Panchayats of Kollam District.	
8	04.09.2013	Meeting on Grama Panchayats of Thiruvananthapuram	Postponed
9	11.09.2013	Finalization of draft report on Grama Panchayats of Kannur District	
10	25.09.2013	Report on Block Panchayats of Kannur	
11	30.09.2013	Meeting on Grama Panchayats of Kottayam District & Finalization of draft report on Grama Panchayats of Malappuram & Action taken report on Kodungalloor Block Panchayat	
12	23.10.2013	Meeting on the performance of Anganwadi's	Postponed
13	30.10.2013	Action taken report on Local Fund Account Committee (2006-08) 18 th report	
14	13.11.2013	Meeting on the performance of Anganwadi's	
15	20.11.2013	Action taken report on Local Fund Accounts Committee (2006-08) 17 th report. District Panchayats of Palakkad, Kerala University	

16	27.11.2013	Meeting on Grama Panchayats of Thiruvanthapuram	
17	04.12.2013	Action taken report on Grama Panchayats of Kozhikkode	
18	11.12.2013	Meeting on Grama Panchayats of Idukki	
19	18.12.2013	Action taken report on (2006-08) 11 th report – grama panchayats of Kozhikkode Para 142	
20	23.12.2013	Meeting on Grama Panchayats of Pathanamthitta	
21	19.03.2014	Local Fund Accounts Committee (2014-16) first meeting.	

VIII. IMPLEMENTATION OF RIGHT TO INFORMATION ACT

Name and Address of Appellate Authority, State Public Information officer and Assistant Public Information Officer established in the Directorate under Right to Information Act is given below.

1) Appellate Authority

Sri. T.J Varghese, Joint Director of Local Fund Audit Department (Director in charge), Office of the Director of Local Fund Audit Department is the appellate authority and State Public Information Officer of the Department.

Contact Phone No: 0471-2303640 /2304038

2) State Public Information Officer

Smt. Jayasree. O, Joint Director, Office of the Director of Local Fund Audit Department, Vikas Bhavan, Thiruvananthapuram is the State Public Information Officer of the Department.

Contact Phone No: 0471-2306230

3) Assistant Public Information Officer

Auditor of Special Cell G3 Section, in the Directorate of Local Fund Audit Department, Vikas Bhavan, Thiruvananthapuram, is the Assistant Public Information Officer.

Phone No: 0471-2303640

IX. INTERNAL CONTROL SYSTEM

Department Conducts internal inspection in all sub offices every year. One Audit Officer and two Auditors of O&M Section in the Directorate are assigned to inspect Sub-offices and for conduct of internal audit. The aim of

the internal inspection is to evaluate the function of all Sub-offices and the progress achieved in the audit. Cash transactions, connected registers and records are also subjected to verification. Since the internal inspection has been conducted regularly, no overlapping of function is noticed in sub offices. However, directions has been issued by the internal inspection team as and when it is necessary. The follow up action on the internal audit report is being taken in due course.

X. MISCELLANEOUS MATTERS

a) Progress in the implementation of Malayalam as official language

Malayalam was declared as the official language in this Department with effect from 1.1.1992. A translation cell has been created in this Department and it has been intimated to the Government as per Letter No. LF.13572/R2/2010, dated. 17.09.2010. Under the Supervision of Joint Director (Training, Monitoring and Pension), steps have been taken to transalate all the manuals, forms and registers into Malayalam. The sanction was received from the Additional Chief Secretary to Finance Department to transalate the Kerala Local Fund Audit Rules of 1996 into Malayalam as per the letter number 68191/Estt.D1/13/Fin. dated.22.01.2014. Steps are being taken to transalate the Local Fund Audit Rules of 1996.

Important informations of the Local Fund Audit Department are available in Malayalam through the official website – www.lfa.kerala.gov.in from 02.02.2011 onwards. The Departmental glossary consolidating the technical terms used in this Department has been prepared as a part of the implementation of Malayalam as official language.

The study of official language Malayalam was included as a subject in the statutory training course for the auditors of this department and the class is handled by Sri. Ezhumatoor Raja Raja Varma. During 2013-14. 85% of the files of this department were handled in Malayalam. Audit Reports of Grama, Block and District Panchayats and Municipal Councils/Corporations are being issued completely in Malayalam.

b) Measures taken to strengthen the working of the Department

The Internal Audit Wing is strengthened by conducting inspections in sub-offices at regular intervals. Vigilance officers of the Directorate conducts surprise visit in sub offices and audit camps.

Now the distribution of staff in the sub offices is not based an actual work load, hence a work study headed by a Joint Director, in order to restructure the distribution is going on.

c) Progress in Computerization

The process of Computerization and implementation of audit software has made intense progress. During 2013-14 , Government have provided Rs. 1 Crore for computerisation. A departmental level committee has been formed for monitoring the process of computerisation. 150 computers and 14 colour printers were installed. With the help of PWD, electrical works and networking has been completed in all the district offices. All the audit reports since 2008-09 have been fully digitalised. AIMS (Audit Information Management System) has been implemented successfully in the districts of Kozhikkode, Kannur and Kasargod and is on implementation stage in Ernakulam, Thiruvananthapuram, Kollam and Pathanamthitta. In order to handle the increased data traffic , AIMS has been hosted in the leased BSNL server since March 2014. Preliminary discussions were done with KRAN consulting to develop an accounting software to procure data online and to analyse it.

d) Infrastructure development of the Department

As part of the modernization, the work of the main hall of the Directorate is completed and inauguration of the renovated main hall was conducted by Hon'ble Minister of Finance, Sri.K.M. Mani.

e) Publication brought – Nil

f) Financial Review - Not Applicable.

**DIRECTOR [I /C]
LOCAL FUND AUDIT DEPARTMENT**

APPENDIX – I

Statement showing the details of Accounts Audited during 2013-14 (Up to 31.03.2014)

Sl.No.	Name of Institution	Number of auditee institutions	Number of institutions audited	Number of accounts due for audit	Number of accounts audited	Number of Accounts remained to be audited at the close of 2013-2014
1	Grama Panchayats	978	718	2127	1068	1059
2	Block Panchayats	152	120	333	192	141
3	District panchayats	14	14	27	17	10
4	Municipal Councils	60	40	121	54	68
5	Municipal Corporations	8	8	22	12	11
6	Universities	10	9	23	9	14
7	Devaswom Board	1343	88	1277	304	973
8	Welfare fund	27	21	49	33	16
9	KSHB	1	1	1	1	0
10	SIEP	1	1	2	2	0
11	Development Authorities	4	3	9	7	2
12	SIL	1	1	2	1	1
13	Library council	79	63	82	64	18
14	Orphanages	729	537	708	572	136
15	Hospital Development Committee	2062	136	1088	352	736
16	KHRWS	3	2	7	2	5
17	Courts	373	132	201	93	108
18	Cultural Institutions	54	38	50	40	10
19	Miscellaneous Institutions	157	78	174	99	75
	Total	6056	2010	6303	2922	3383

DIRECTOR (In-charge)
LOCAL FUND AUDIT DEPARTMENT

APPENDIX – II

Statement showing the number of Audit Reports issued, closed and pending closure as on 31.03.2014

Sl.No.	Name of auditee Institution	Number of audit reports pending closure at the beginning of the year	Number of Audit Reports issued		Number of Audit Reports Closed	Number of audit reports pending closure at the close of 2013-14
			Number	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Grama Panchayats	20364	884	21248	504	20744
2	Block Panchayats	1943	155	2098	33	2065
3	District panchayats	207	15	222	0	222
4	Municipal Councils	1496	56	1552	8	1544
5	Municipal Corporations	251	17	268	0	268
6	Universities	184	8	192	3	189
7	KSHB	36	1	37	0	37
8	Development Authorities	54	8	62	0	62
9	Welfare fund	76	18	94	1	93
10	Courts	138	83	221	102	119
11	Orphanages	0	353	353	353	0
12	Devasom Board	2224	109	2333	0	2333
13	Hospital Development Committee	47	65	112	87	25
14	Library council	20	41	61	54	7
15	Cultural Institutions	281	27	308	17	291
16	KHRWS	9	0	9	0	9
17	Miscellaneous Institutions	287	214	501	163	338
	Total	27617	2054	29671	1325	28346

APPENDIX – III

Statement showing the details of Eligibility/Utilization/Audit Certificates issued during the year 2013-14

Sl.No.	Name of Institution	No.of certificates issued	Amount involved (Rs)
(1)	(2)	(3)	(4)
1	Grama Panchayats	512	7387777845
2	Block Panchayats	84	1472853792
3	District panchayats	8	-
4	Municipality	35	1256138590 Receipts-780543445 Expenditure-738081788
5	Municipal Corporations	2	759032176
6	Devasom Board	Nil	Nil
7	Universities	393	1497927924.5
8	Welfare Fund	1	174986
9	Orphanages	709	273585662.2
10	Hospital Development Committee	21	Nil
11	Development Authority	1	Nil
12	SIL	1	25578000
13	SIEP	1	27120000
14	Library councils	147	91385777.5
15	Cultural Institutions	24	170715666
16	KSHB	1	Nil
17	Miscellaneous Institutions	104	380418445
	Total	2044	13342708863.7

DIRECTOR (In-charge)
LOCAL FUND AUDIT DEPARTMENT

APPENDIX – IV

Statement showing the details of misappropriation cases detected during 2012-13 & 2013-14

Sl. No	Name of Institutions	Cases outstanding at the beginning of the year		Cases detected during the year		Cases settled during the year		Cases in which final action is pending	
		No.of cases	Amount involved (Rs)	No.of cases	Amount involved (Rs)	No.of cases	Amount involved (Rs)	No.of cases	Amount involved (Rs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Grama Panchayats	92	12408898.21	11	16743125	-	-	102	28517221.21
2	Block Panchayats	2	1425995	2	2312730	-	-	4	3738725
3	Municipal Councils	4	378090	2	2398655	1	75782	5	2700963
4	Municipal Corporations	-	-	2	56025	1	11701	1	44324
5	Universities	5	388358.44	1	202415	-	-	6	590773.44
6	Devasom Board	119	2817964.98+393.25 gm gold	5	10484930	-	-	124	13302894.98+393.25 gm gold
7	KHRWS	-	-	1	2849370		-	-	-
	Total	222	17419306.63+393.25 gm gold	24	35047250	2	87483	242	48894901.63+393.25 gm gold

DIRECTOR (In-charge)
LOCAL FUND AUDIT DEPARTMENT

APPENDIX – V

Analysis of the Pending Defalcation/Misappropriation cases for the year ended 2013-14

Sl. No	Name of Institutions	Cases awaiting Departmental action		Cases in which Departmental action started but not completed		Cases in which criminal investigation pending court		Cases awaiting orders of recovery	
		No.of cases	Amount (Rs)	No.of cases	Amount (Rs)	No.of cases	Amount (Rs)	No.of cases	Amount (Rs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Grama Panchayats	98	14319711.21	21	7996910.45	1	0	29	8537203.21
2	Block Panchayats	3	3738725	-	-	0	0	3	1436095
3	Municipal Councils	3	280692	4	297984	2	280692	3	280692
4	Devasom Board	121	13120878.98	-	0	2	116063	1	24709
5	Universities	5	388358.44	1	202415	0	0	5	388358.44
6	KHRWS	-	-	1	2849370			-	
7	Municipal Corporations	1	44324	1	44324	-	-	-	
	Total	231	31892689.63	28	11391003.45	5	396755	41	10667057.65

DIRECTOR (In-charge)
LOCAL FUND AUDIT DEPARTMENT

APPENDIX – VI

Statement showing the number of pension papers of Auditee Institutions received and disposed off during the year 2013-14 (up to 31.03.2014)

Sl. No.	Name of Auditee Institutions	No. of cases pending at the beginning of the year	No. of cases received during the year	Total	No. of cases disposed off	Number of cases pending at the close of the year
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Grama Panchayats	11	193	204	197	7
2	District Panchayat	0	2	2	2	0
3	Municipal Councils	50	615	665	642	23
4	Municipal Corporations	7	540	547	493	54
5	Devasom Board	14	267	281	248	33
6	Development Authority	0	19	19	19	0
7	KSHB	12	196	208	164	44
8	KHRWS	0	29	29	29	0
9	SIEP	0	1	1	1	0
10	Universities	239	885	1124	1034	90
11	Miscellaneous Institutions	0	0	0	0	0
12	SIL	0	9	9	9	0
13	Library Council	0	4	4	3	1
	Total	333	2760	3093	2841	252

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APPENDIX – VII

Statement showing the accounts audited and the amount disallowed and objected during the year 2013-14 (Rupees in lakhs)

Sl. No.	Name of Auditee Institutions	Total Receipts (Rs. In lakhs)	Total Expenditure (Rs. In lakhs)	Amount Disallowed (Rs. In lakhs)	Amount objected (Rs. In lakhs)
(1)	(2)	(3)	(4)	(5)	(6)
1	Grama Panchayats	565188.89	529446.57	1130.25	18757.12
2	Block Panchayats	179791.18	160493.81	372.27	6378.16
3	Municipal Councils	86506.12	93953.665	272.32	4033.29
4	District Panchayat	63857.78	58111.43	159.78	9132.9
5	Orphanage	3079.92	2946.21	0	0
6	Hospital Development Committee	45.18	29.64	0	0
7	Library Council	1171.78	993.18	0.98	2.34
8	Cultural Institutions	129.85	119.93	0	0
9	Courts	0	0	0	0
10	Municipal Corporations	58333.08	61675.82	129.326	3641.61
11	Universities	92861.633	91332.3	140.471	1008.535
12	Devasom Boards	42333.65	30862.01	173.848	1122.111
13	Welfare Fund Boards	39084.93	20187.3	6.23	142.17
14	Development Authority	2468.525	1389.176	0.43	0
15	KHRWS	0	0	0	0
16	KSHB	6732.27	8362.97	23.34	31.28
17	SIEP	518.348	374.43	0	76.495
18	SIL	481.62	474.821	3.155	8.168
19	Miscellaneous Institutions	18859.76	16187.6	440960.62	416.01
	Total	1161444.516	1076940.862	443373.02	44750.19

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APPENDIX – VIII

Abstract of audit charges pending remittance from institutions as on 31.03.2014

Sl. No.	Name of Institutions	Arrear Demand up to 2012-13 (Rs)	Current Demand 2013-14 (Rs)	Total (Rs)	Arrear collection up to 2012-13 (Rs)	Current collection during 2013-14 (Rs)	Total (Rs)	Arrear balance up to 2012-13 (Rs)	Current balance during 2013-14 (Rs)	Total balance (Rs)
1	2	3	4	5	6	7	8	9	10	11
1	Welfare Funds	12072875	1978527	14051402	1866	0	1866	12071009	1978527	14049536
2	Cultural Institutions	841700	255365	1097065	138339	0	138339	703361	255365	958726
3	Miscellaneous Institutions	12657745	12589713	25247458	876021	2622327	3498348	11781724	9967386	21749110
4	Universities	142638189	16967941	159606130	6078806	1539245	7618051	136559383	15428696	151988079
5	Devaswom Board	20423650	11771972.96	32195622.96	2399874	2687189	5087063	18023776	9084783.96	27108559.96
6	Development Authorities	8807555	31173847	39981402	2431068	0	2431068	6376487	31173847	37550334
7	KHRWS	847745	0	847745	0	0	0	847745	0	847745
8	KSHB	105239652	6732269	111971921	0	0	0	105239652	6732269	111971921
9	SIL	96146	106110	202256	0	0	0	96146	106110	202256
10	SIEP	218854	45001	263855	0	0	0	218854	45001	263855
11	Municipal Corporations	27551	362280	389831		0	0	27551	362280	389831
	Total	303871662	81983025.96	385854687.9	11925974	6848761	18774735	291945688	75134264.96	367079952.96

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LOCAL FUND AUDIT DEPARTMENT**

APPENDIX – IX

Statement showing the number of accounts pending submission to audit

Sl. No.	District	Grama Panchayat	Block Panchayat	District Panchayat	Municipal Councils	Municipal Corporations	Universities	Devaswom Board	Miscellaneous institutions	Welfare Fund	Orphanage	Total
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Thiruvananthapuram							2	56			58
2	Kollam								6	66		72
3	Pathanamthitta								113			113
4	Idukki	13	4						115			132
5	Kottayam								25			25
6	Alappuzha	5			6				0			11
7	Ernakulam	14	19		3	3	1		9			49
8	Thrissur					3	3	1	139			146
9	Palakkad							4581	67			4648
10	Malappuram	8	15		6				252		7	288
11	Kozhikkode							175	129			304
12	Wayanad	17					1		0			18
13	Kannur								0			0
14	Kasaragode								0			0
	Total	57	38	0	15	6	5	4759	911	66	7	5864

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APPENDIX – X

Statement showing the details of Charge/Surcharge Certificates issued during the year 2013-14

Particulars	Charge Certificate		Surcharge Certificate		Amount Recouped	
	No.	Amount (Rs)	No.	Amount (Rs)	Charge (Rs.)	Surcharge (Rs.)
Certificate issued during 2013-14	12	343248	88	4172233		117645

Particulars	Charge Notices		Surcharge Notices		Amount Recouped	
	No.	Amount (Rs)	No.	Amount (Rs)	Charge (Rs.)	Surcharge (Rs.)
Notice issued during 2013-14	100	7293042	700	198636988	121752	698762

DIRECTOR (In-Charge)
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APPENDIX – XI

Particulars on charitable Endowments during the year 2013-14

Particulars	F.D Invested (Rs.)	Interest on F D (Rs)	Amount Released to various Administrators of charitable Endowments/ Amalgamated Fund (Rs)
Corpus funds of Charitable Endowments	33252662	1754300	945381
Unutilised Interest (U.U.I) Added to Corpus			
Amalgamated Fund	80600000	9003744	5000000
Total	113852662	10758044	5945381

DIRECTOR (In-Charge)
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