

## APPENDICES.

## APPENDIX I.

EXTRACT FROM THE AUDITOR-GENERAL'S RULES (DATED 13TH APRIL 1971) MADE BY THE SECRETARY OF STATE FOR INDIA IN COUNCIL UNDER SECTION 96-1 D (1) OF THE GOVERNMENT OF INDIA ACT.

1. (1) These rules may be called the Auditor-General's Rules.
- (2) They shall be deemed to have come into force on January 4, 1981.
2. In these rules—
  - (a) "Accounts" includes accounts of stores and stock, as well as accounts of money transactions;
  - (b) "Audit Officer" means any officer of the Indian Audit Department who exercises audit functions;
  - (c) "Principal Auditor" means the head of an officer of accounts or of audit or or both who is immediately subordinate to the Auditor-General:

## DUTIES AND POWERS.

*General.*

9. Subject to any general or special orders of the Secretary of State in expenditure, to frame rules in all matters pertaining to audit, particularly in Council, the Auditor-General shall be—
  - (i) the final audit authority in India; and
  - (ii) responsible for the efficiency of the audit of expenditure in India from the revenues of India:
10. The Auditor-General shall have authority—
  - (i) to inspect, either personally or through any audit officer, any Government office of accounts in India;
  - (ii) to arrange for test audit in any Government office of accounts;
  - (iii) subject to any orders of the Secretary of State in Council prescribing the nature and extent of the audit to be applied to specified classes of respect of the method and extent of audit and the raising and pursuance of objections.

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## PUBLIC WORKS ACCOUNT CODE

### *Duties and Powers as regards Audit.*

11. (a) The Auditor-General, without prejudice to his other audit functions, is responsible that audit is conducted with reference to the following canons, namely :—

(1) Every public officer should exercise the same vigilance in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

(2) Money borrowed on the security of allocated revenues should be expended on those objects only for which, as provided by rules made under the Act, money may be so borrowed. If the money is utilized on works which are not productive, arrangements should be made for the amortization of the debt.

(3) No authority should exercise its powers on sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

(4) Government revenues should not be utilized for the benefit of a particular person or section of the community unless—

- (i) the amount of expenditure involved is insignificant, or
- (ii) a claim for the amount could be enforced in a court of law, or
- (iii) the expenditure is in pursuance of a recognized policy or custom.

(5) The amount of allowance such as travelling allowances, granted to meet expenditure of a particular type, should be regulated that the allowances are not on the whole sources of profit to the recipients.

(b) the Auditor-General, or any principal auditor, should bring to the notice of the Governor-General in Council or the Local Government, as the case may be, any breach of one of these canons.

12. The Auditor-General shall, if so required by the Governor-General in Council,—

(i) arrange for the audit of the accounts of the receipts of revenue of any Government department, the accounts of any public or quasi-public body, or any other accounts, although they may not relate directly to the receipt and expenditure of Government moneys; and

(ii) arrange for the audit of stores or stock in the possession of an officer or a department of Government and for the audit of grants of land and alienations of land revenue.

13. If the Auditor-General considers it desirable that the whole or any part of the audit applied to Government accounts or to any other accounts which he is required to audit under rule 12 shall be conducted in the offices in which these accounts originate, he may require that these accounts, together convenient times be made available in those offices for inspection by his audit officers.

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15. (1) The Auditor-General shall, on such dates as he may prescribe, obtain from each principal auditor and from any officer of the Indian Audit Department to whom he may entrust this duty, appropriation accounts, in

such forms as he may prescribe, of the expenditure which came under the audit of such principal auditor or officer of the Indian Audit Department during the past official year, together with a report upon the accounts and upon the results of the audit applied to them. Any officer of Government may be called upon to provide any information necessary for the preparation of such accounts or reports. On receipts of the accounts and reports the pital, Madurai, from 17th March 1983 to 31st December 1985, Exam. Auditor-General shall transmit them to the Governor-General in Council or to the Finance Department of the Local Government concerned with such comments as he may think fit.

(2) The Auditor-General shall forward to the Secretary of State through the Governor-General in Council the several reports dealing with the total expenditure in India in each year with his detailed comments on each report, and may also offer such further comments of a general nature as he may think fit.

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17. The Auditor-General shall have power to require that any books, papers or writings relating to the accounts audited by the Auditor Department shall be sent for inspection by him or by any other officer of the Indian Audit Department provided that—

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(ii) if the documents are confidential, the officer to whom they are made over, shall be responsible for preventing disclosure of their contents.

*Duties and Powers as regards Accounts.*

18. The Auditor-General shall compile the Finance and Revenue Accounts of India in such form as may from time to time be prescribed by the Secretary of State in Council and shall send them to the Governor-General in Council for transmission to the Secretary of State in Council. He may call upon any Government officer to furnish any information in such form as may be required for the completion of these accounts.

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22. The Auditor-General shall have power to determine the form in which officers rendering accounts to the Indian Audit Department shall render such accounts and in which the initial accounts, from which the accounts so rendered are compiled or on which they are based, shall be maintained.

(G.O. No. 3296, W., dated 13th November 1929.)