MANIPUR LOCAL FUNDS (ACCOUNTS & AUDIT) ACT, 1976

Of . Date of THE MANIPUR LOCAL FUNDS (ACCOUNTS & AU DIT) 1976 (As passed by the Leysla ive Assembly of Manipur) An Blz-L-- to make better provision for the audit and safeguarding of local funds in Manipur. It is hereby enacted as follows :— (1) This Act may be called the •Manipur Local Funds (Accounts Short tNe 1. and Audit) Act, 1976. (2) It extends to the whole of Manipur. Definitions

2. In this Act, unless there be anything repugnant in the subject or context,—(1) "Auditor" means an auditor appointed under this Act ; (2) "Examiner of Local Fund Accounts" means a person appointed as such under this Act and includes any person for the time being per-

forming the duties of an Examiner of Local Fund Accounts ; (3) "Local Accounts" or "Accounts of a Local Authority" means the accounts of the local fund and of all other property vesting in or undef the control or management of any • local authority other than a cantoå- ment authority , (4) "Local Fund" means any fund vested in or under the control or management oi a Municipal Board, Town Committee, Local Board, Village Authority or the Local Authority not being a cantonment autho- rity. and includes •any fund declared by the State Government to be a- Local Fund for the purposes of this Act ; (5) "Person accounting" or "Accounting Offcer" with reference to ariy local fund means any person charged with the preparation or maintenance of any accounts (including estimates, measurement books, bills etc.) connected with the fund that may be prescribed undext' this or any other Act ; (6) "Pre;cribed" means preseribed by rules made under this Ae! ; and of Local Fund Accounts. Appointment of auditors,' 2 (7) "Tribunal" means any offcet appointed by the State Govern- ment to be the tribunal for -the purpose of this Act

3. The State Government may, by notification , appoint any person to be an Examiner of Local Fund Accounts in Manipur

4. The State Government may, by notification, appoint auditors of local• accounts

5. Power of Examiner of Local Fund Accounts and Audigors to Exarnine Local Accounts,—(1) An Examiner of Local Fund Accounts or any auditor may, in accordance with the rules made in this behalf •under this Act, examine and audit the accounts of any local. authority. (2) For the purpose of any examination or audit under this Act, an Examiner of Local Fund Accounts, and for the purpose of any appeal under this Act, a Tribuna} shall have the powers of a Civil Court under the Code of Civil Procedure, 1908,— (a) (b) (c) (d) (3) (a) (b) (c) (4) to summon any person whose presence he or it thinks neces- sary to attend before him or it from time to time ; to examine any person on oath to be administered by him or it ; to issue a commission for the examination on interrogatoriesm or otherwise of any person ; and to summon any person to produce any necessary document or thing. For the purpose of any audit under this Act, and auditor may.;— by summon in writing or by letter require the production before him of any document which •he may deem necessary ; by summons in writing require any whole-time paid servant Of the local authority accountable for, or having the custody or control of, any such document to appear .in person before him ; and require. any such person to make and sign a declaration with respect to such document or to answer any question or prepare and submit any statement relating thereto. Every person to whom a summons or requisition is issued under sub-section (2) or (3) shall be bound to comply therewith. Special powers, Duties and Responsibilities of Examiner or Local 6. Fund Accounts :— Notwithstanding anything contained• in Section 5, therState Govern', ment may direct the Examiner of Local Fund Accounts. for. audit 00: special. aüdit. of the accounts of Government Depart.ments and Offces including these declared as commercial departments in -like manner as may be prescribed by the State Government. 3 -7. Auditors and Examiners of Local- Fund Accounts are Public -Servants within the meaning of the In dian Penal Code,— Every auditor and. examiner of•Local Fund Accounts appointed under this Act shall, for the-purposeS of the powers and duties conferred and imposed upon him by or -under this Act, be deemed to be a publiO servant within the meaning of section 21 of the Indian Penal Code

8. Presence of-interested persons.at the time of audit,— Any person who" is assessed to any tax, rate, or fee the proceeds of which are required to be credited to the local fund may be present at any audit of the local accounts under this Act proVided that : (a) • he has obtained the previous permission of the auditor or of the Examiner. of LocaFFund' Accounts on, a written application stating the .grounds on which he desires to be pr.esent ; and (b) he shall be permitted to be present only during that part of the audit with whith the grounds disclosed in his application are. concerned. In every such case, : the authority granting permission shall forth- with forward a copy of the application and of -the order passed thereon to the chairman or other principal executive offcer of the local- authority concerned

9. When an auditor has completed the audit of the accounts of:any local authority he shall prepa5.e a report on them and shau furnish one copy of the report to th9 •IOc'al authority and another copy to the' 'Exa- miner of. Local Fund Accounts

10. Power of Examiner of Local Fund Accounts to Surcharge or Charge Illegal Paymentpr Loss incurred by Negligence : (l) The auditor shah include in his report (hereinafter called the audit

report) • a Statement of,—(a) every payment . which.. aplEars to him to be contrary to law (b) the amount of, or the equivalent in money of, any deficiency or loss which appears, to have been incurred by the negligence or -misconduct of any person accounting (c) the amount of •any sum or the equivalent in money of any article Which -ought to , have :.been, :but. •is not brought into account by any such person ; and (d) the name of the person making or authorising the illegal payment or accountable for the deficiency,. loss, or omission, as the case may be. (2) After considering such:report..the Examiner Local Fund Accounts may,— (a) order that any: payment referred to.- in clause (a) of sub-sec- *ion. (l) -shall- be allowed or that, no . further action shall •be- taken as •regards any amount referred. to in, clause (b).or (c). Of the said,, subsection ; or 4 (b) serve a notice on the person named in the re.pcrt:or any other person whom• the Examiner of Local Fund Accounts ..considers to have made or authorised the illegal payment. or .to•be accoun- table for the deficiency, loss or omission, requiring him to show cause within one month why the payment or amount refer- red to in the report or any similar payment or amount omitted therefrom should not be surcharged on or charged- against him. (3) After considering the cause (if any) shown by the person notified, the E). aminer of Local Fond Accounts may surcharge any such paynient on, or charge any such amount against him from and shall in every such case certify the amount due such person. (4) Publication of the certificate and the audit report, The certificate shall be according to the- forms set forth in the schedule hereto annexed or to the like effect and a copy thereof together with a copy of the audit report shall be published in the prescribed manner

11. Application of sections 9 and IO to Audit conducted by the Examiner of Local Fund Accounts,— All the provisions of sections 9 and 10 shall apply mutatis mutan- dis when the Examiner of Local Fund Accounts himself conducts any audit under this Act

12. Credit of certified sums to Local Fund : Except as hereinafter provided every sum certified under section ID as due from any person shall be forthwith paid by him to the local authority concerned and shall• thereupon be credited to its local fund

13. Appeal against surcharge or charge made under section 10(1) a) :—(a) Any person aggrieved by any surcharge or chargemade under section 10 whether by reason of its being excessive or in- suffcient, or on any other ground whatsoever ; and (b) Any person aggrieved by tbe omission to make a surcharge or charge under section IO, may within thirty days of the date cf publication of the certifiéate thereof in case (a) and of tbe audit report in case (b), appeal to the Tribunal which may thereupon take further evidence or direct evidence to be taken and pass such orders, including an order as to costs, as it may tbink fit, and these orders shall be final. -14. Surcharge or Charge to be recoverable as an arrear of Land Revenue : — (l) The sum stated in the certificate of the Examiner of Local Fund Accounts, in all cases in which no appeal has beem preferred under section 13 and the sum stated in the order. of ahe appellate aülhority, in all cases in which an appeal has been ,preferr.ed, may on his application or on the application of.. the local .äuthority con- cerned, within three years of of -the certificate: or order, as the case may be, be recovered by the Deputy Commissionæ as.:if• it were an arrear of land revenue. 5 (2) All expenses. connected. with any application under sub-section (1) shall be a charge . on the -Idc-alll. fundi all sums recovered thereunder shall be credited to théßa.me 'fund.. 15. • Charges in respect',-• Of" ratidit to 'be-paj able out of Llocal fund All n expenses incurred by oa -:local authority in complying with any requisition under section 5 shall-be-payable out of fits local fund. 16. (l) The State Governmene may, after- previous publication, make Power to make rules. rules- for the purpose of car.r.ying• out the provisions of this Act. (2) In particular to (he generalit2 of the fore- going powers, such rules may •regulate— (i) the manner in which a local authority shall keep accounts in cases in which no such:provision .or, in the opinion of the State Government, insuffcient -provision is made by the enactment under which such authority is constituted ; (ii), the powers and duties of. an Examiner of Local Fund Accounts and auditors and the procedure to be followed .by: •them in conducting an audit under this Act and the times and places at which the audit z may be. conducted ; and (iii) the manner in which c&tificate• under sectien• 10 maré to be served on the persons concerned. (3) Every rule made •under this Act shall be laid, as. soon as may be after it is. made, before the Legislative Assembly of..Manipur while it is in session for a total period of not less than fourteen days which may be comprised in one session or in two or more successise sessions and if before the expiry of the session in which it is so laid or • the sessions aforesaid, the Assembly makes any modification in the rule or decided that the rule Shall iot be made, the rule shall thereafter have effect only

in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the. validity of anything previously done under that rule

17. Repeal of Repugnant provisions in other enactments Where any enactment by which a local authority is constituted contains aiy proviSion repugnant to the pgovisions of this Act.or. of any rule made hereunder, that provisions shall, to' the extent of the repug- nancy, be deemed to havebeen repealed by this Act

18. Repeal and Savings: fhe •Manipur Local Funds (Accounts and Audit) Ordinance,.1975- No. 3 of 1975), shall stand repealed on the däY -•tbis Act- comes into force. (2) On and from the; date on -:which• the provisions of this Act are brought into force in the State of Manipur, anything done and any step taken (including,, order— scheme, rule, form or notice). and any action taken under, the fepealéd Ordinance by the Internal Audit Unit of the Manipur connætion: with [he audit of any Depart- m.en.t,•• offge-,' in so far as it is not inconsistent to •be in force unless and until It is: '-enjihiigz„aoiié. or. action taken in accordance with .law,.

FORM— I Against an accounting offcer. I do hereby certify that in the account Of of name and offce of the person). the name of the local authority). (here enter (here enter I have disallowed (or surcharged) the which is accordingly now due from him. sum of Rs. — As witness my hand, this day of — 19 Examiner of Local Fund {Accounts. the local authority). the sum of Rs. FORM—11 Against a person not an accounting offcer. I do hereby certify that in the accounts of the — — 19 (Here enter the name of — I have disallowed as payment illegally made out of the funds of the Local authority and I find that (here enter name authorised the making of and description of the person) such illegal payments, and. I do hereby surcharge the said — with the same, which is accordingly now due from him. As witness my hand, this — — day of Examiner of Local Fund Accounts.