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NOTIFICATION

No.G.24011/2/2009-F.APF, the 8th February, 2013. In exercise of the powers conferred by Section 16 of the Mizoram Local Funds (Accounts and Audit) Act, 2006 (Act No. 8 of 2006), the Governor of Mizoram is pleased to make the following rules, namely;

GENERAL

1. SHORT TITLE AND COMMENCEMENT

- (1) These Rules may be called the Mizoram Local Funds (Accounts and Audit) Rules, 2012
- (2) They shall come into force on such dates as the Government may, by notification in the Official Gazette, appoint in this behalf.

2. DEFINITIONS :

In these rules, unless the context otherwise requires,

- (1) "Act" means The Mizoram Local Funds (Accounts and Audit) Act, 2006 (Act No. 8 of 2006);
- (2) "Appendix" means an appendix appended to these rules;
- (3) "Auditor" means an Auditor appointed under the Act ;
- (4) "Central Government" means Government of India;
- (5) "Constitution" means the Constitution of India ;
- (6) "Finance Department" means the Finance Department under the Government of Mizoram;
- (7) "Local Authority" means any authority which administer Local funds as defined in the Act and; or any other authorities as may be declared by the State Government as Local Authority from time to time.
- (8) "State Government" means Government of Mizoram;
- (9) "Treasury" means any Treasury in the State of the Mizoram and includes a sub-Treasury;

Words and expressions used in these rules and not otherwise defined shall have the same meaning as respectively assigned to them in the Act.

3. APPOINTMENT OF DIRECTOR OF LOCAL FUND AUDIT, OTHER OFFICERS AND STAFF

Notwithstanding anything contained in Section 3 and 4 of the Act, the Office of the Director of Local Funds Audit shall comprise of officers and staff as may be decided by the Government by a notification from time to time.

GENERAL PRINCIPLES AND METHODS OF ACCOUNTS

4. Notwithstanding anything contained under clause (i) of sub section 2 of Section 16 of the Act, where the accounts of the Local Authority follow the Government Accounting System, the principles and methods for maintenance of Accounts should be as under :-
- (1) **Period of Accounts :** The annual accounts of the Local Authority shall record transactions which take place during a financial year running from 1st April of a year to 31st March of the next year.
 - (2) **Main Division of Accounts :** The Accounts of the Local Authority shall be kept in the following two parts :-
 - (i) Part-I – Fund of the Local Authority
 - (ii) Part-II – Deposit Fund
 - (3) In Part-I of the Accounts, there shall be two main Divisions, namely :
 - (i) **Revenue Account :** Revenue Receipt Heads (Revenue Account) and Expenditure Heads (Revenue Account).
The first Division, viz, “Revenue Account” shall deal with the proceeds of taxation and other receipts classed as Revenue, and expenditure met therefrom. It shall also include the grants and contributions received from the Central Government or State Government or any other sources, and also grants and contributions made by the Local Authority.
 - (ii) **Capital Account :** Public Debt, Loans and Advances consisting of Section for Receipt Heads (Capital Account) and Expenditure Heads (Capital Account).
The Second Division shall deal with expenditure met usually from borrowed funds with the object either of increasing concrete assets of a material and permanent character or reducing recurring liabilities. It also includes receipt of a capital nature intended to be applied as a set off to capital expenditure.
The Section “Public Debt” and “Loans and Advances etc ” of the second division shall comprise of Loans received and their repayments by the Local Authority and Loans and Advances made and their recoveries by the Local Authority.
 - (4) In Part - II of the Accounts, the transactions relating to Deposit including Contributory Provident Fund and other Funds and Advances shall be recorded. The transactions under ‘Debt’, ‘Deposit and Advances’ in this part are such, in respect of which the Local Authority incurs a liability to repay the money received or has a claim to recover the amount paid, together with the repayment of Deposits and the recoveries of Advances.
 - (5) **Classification of Accounts :**
 - (i) Within each of the division/sections mentioned in sub section (3) above, the transactions shall be divided into Major Heads of Accounts which shall be divided into Minor Heads, each of which shall have number of Subordinate Heads. The Classification of Accounts shall be such as given in the List of Major Heads and Minor Heads of Accounts. In all account records, the Major and Minor Heads shall be arranged in the exact order shown in the list of Major and Minor Heads of Accounts. The classification prescribed (including the Code Number assigned up to the Major Heads) should be strictly followed.
 - (ii) The Major Heads of Accounts generally correspond ‘sanction’ of the Local Authority, such as different services like ‘Agriculture’, ‘Public Works’ etc provided by the Local Authority, while the Minor Heads subordinate to them identify the ‘programme’ undertaken to achieve the objectives of the functions represented by the Major Heads. A ‘Detailed Head’ may be termed on objective classification. On the expenditure side of the accounts, the detailed heads are primarily meant for item-wise control over expenditure and to indicate the nature of expenditure on a scheme or activity of organization in terms of input such as ‘pay and allowances’, ‘Other Charges’ etc.

5. ACCOUNTS OF COMMERCIAL NATURE

- (1) Complete Accounts in respect of the monetary transactions of the Local Authority in the Headquarter Office as well as in the Subordinate Offices shall be maintained in the same manner as required in a State Government Office. Where the accounts of any Authority mentioned above are conducted on Commercial lines, the essential formalities of Commercial Accounts should be strictly observed. The Head of Accounts shall be as per list at **Appendix I**.
- (2) The Local Authority under sub-rule 5(1) shall prepare the annual statement of accounts every financial year. The Chairman/Secretary of the Local Authority may authorize an officer of the local authority to prepare the account on his behalf.
- (3) The Chairman/Secretary of the Local Authority shall supervise the maintenance of the accounts of the Local Authority as well as subordinate offices, the compilation and financial statement and return, and shall ensure that all accounts, books, connected vouchers and other documents and papers of the Local Authority required by the audit officer for the purpose of auditing the accounts of the Local Authority are placed at the disposal of that officer.
- (4) The Annual Statement of Accounts duly approved by the Chairman and after certification by the Director of Local Funds Audit or his authorized representative, shall be submitted by the Secretary of the Local Authority to the Finance Department, Government of Mizoram by such date as may be specified by the Government.
- (5) **Forms of Accounts** : The Local Authority under sub-rule 5(1) shall prepare the following accounts in the forms mentioned below :-
 - (1) Receipt and Payment Accounts in **Appendix-II**
 - (2) Income and Expenditure Accounts in **Appendix - III**
 - (3) Balance Sheet in **Appendix - IV**
- (6) The authorized signatory to sign and authenticate the 'Receipt and Payment Accounts', 'Income and Expenditure Accounts' and 'Balance Sheet' shall be the Secretary of the Local Authority.
- (7) The Annual Statement of Accounts shall be submitted to the Director of Local Funds Audit / Audit Officer on or before the 30th June following the year to which the accounts relate and the Director of Local Funds Audit /Audit Officer shall audit the accounts of Local Authority and report thereon.
- (8) **Opening of Bank Account** : - The Local Authority under sub-rule 5 :
 - (i) shall open account(s) in one or more Nationalised/ Scheduled/Regional Banks.
 - (ii) shall make available the specimen signatures of two of its officers to be the authorized signatories to the nominated bank/banks for their information and records.
 - (iii) the link branch of the nominated bank/banks shall furnish daily payments and receipts scrolls to the Local Authority which will ensure that the cheques appearing in the payment scrolls are those issued by the Local Authority and reconcile each transaction with the Bank/Banks
- (9) **Books of Accounts** : The following books of Accounts and Registers shall be maintained by the Local Authority under sub rule 5.
 - (i) Cash Book (**Appendix-V**)
 - (ii) Ledger (**Appendix-VI**)
 - (iii) Journal (**Appendix – VII**)
 - (iv) Register of Temporary Advances (**Appendix – VIII**)
 - (v) Register of Money orders, Cheques and Bank drafts received (**Appendix- IX**)
 - (vi) Cheque Book and Cheque Issue register (**Appendix – X and XI**)
 - (vii) Register of remittance made into Bank (**Appendix – XII**)
 - (viii) Bank Pass Book
 - (ix) Register of Money orders, postal orders and bank drafts dispatched (**Appendix-XIII**)
 - (x) Stock Register (**Appendix – XIV**)

- (xi) Monthly Accounts of Receipts and Payments (**Appendix – XV**)
- (xii) Monthly Accounts of Receipts and Payments Register (**Appendix – XVI**)
- (xiii) Bill Register (**Appendix – XVII**)
- (xiv) Fixed Assets Register (**Appendix- XVIII**)
- (xv) Register of Investment and Ledger for Investment (**Appendix – XIX and XX**)
- (xvi) Register of Bank Interest (Receipts and Payments) (**Appendix – XXI**)

6. ACCOUNTS PERTAINING TO LOCAL AUTHORITY NOT COVERED BY RULE 4 AND RULE 5 :

The principles and method of accounts to be followed by any Local Authority not covered by Rule 4 and Rule 5, shall be maintained strictly as per the provisions of Accounting Manual or Procedure of the respective Acts or Rules.

7. The Local Authority under rule 4, 5 and 6 shall maintain proper accounts and other records of the grants and loans in the manner as may be prescribed by the Central Government/State Government.
8. At the close of each Financial Year, the Local Authority under rule 4, 5 and 6 shall furnish an Utilisation Certificate stating therein the opening balance, amount (including grants and loans) received and utilized during the year and the balance remaining unutilized duly signed by the Executive Authority for obtaining certification by the Director of Local Funds Audit or any other officer appointed by him in this behalf.
9. At the close of each quarter, a consolidated account showing the total receipts and payments during the period under each heads of account with opening and closing balances shall be prepared and submitted to the Director of Local Funds Audit for compilation and onward submission to the Government.
10. The Local Authority under rule 4, 5 and 6 shall lay down a detailed procedure for sanction of various expenditure and delegation of powers among the Local Authority.
11. The accounts of the Local Authority shall be audited by the Director of Local Funds Audit at such interval as may be prescribed by him.
12. Books and forms of accounts shall be maintained in the forms in which these are maintained in State Government Offices. If some of the Registers and forms are not in use in the State Government Office, the form adopted by the Local Authority with the approval of Director of Local Funds Audit will be followed.
13. The Local Authority should maintain Register of Assets for the assets acquired wholly or substantially out of Government Grants and Stock Register separately for capital goods, consumable and non-consumable articles and shall arrange for their physical verification at least once a year. These should be maintained at the main office of the Local Authority. The relevant abstract of Register of Assets should be appended to the Annual Statement of Accounts submitted by the Local Authority either to the State Government or Government of India as the case may be.
14. The maintenance of accounts of the programme funds should be governed by the principle that no expenditure is incurred by the local authority which is repugnant to the objectives of the programme of the fund and every item of expenditure which is incurred in accordance with the prescribed procedures, and the canons of Financial Propriety.

15. It shall be the duty of the Accounts Wing in the Local Authority to ensure strict observance of the accounting principles.
16. Any grants or portion thereof given by the Government of India or the State Government to the Local Authority for a specific purpose shall not be re-appropriated without the previous sanction of the granting authority to a purpose other than that for which it was originally approved.
17. Any other books, accounts and registers which may be considered necessary for the day to day work of the Local Authority shall also be maintained with the approval of the Director of Local Funds Audit.

18. LIABILITY OF LOCAL AUTHORITIES UNDER RULE 4, 5 AND 6 TO PREPARE AND PRESENT ACCOUNTS FOR AUDIT

- (1) The annual accounts of a Local Authority or any other authority mentioned above prepared or caused to be prepared by the Executive Authority, in such form and in such manner as may be prescribed, and presented for Audit within four months of the close of financial year.
- (2) Where an Executive authority makes defaults in the preparation and presentation of accounts for audit within the period specified under sub rule 1 of 18, he shall be punishable, on conviction, with fine which may extend to five thousand rupees but which shall not be less than one thousand rupees.
- (3) No proceedings under sub-rule 2 of 18 shall be taken by the Director of Local Funds Audit without giving the person, affected thereby an opportunity to show cause, within fifteen days, why such proceedings should not be taken against him/her.
- (4) The annual accounts of a Local Authority prepared or caused to be prepared by the Executive Authority under this Rule shall be in Forms (**Appendix-XXII and Appendix-XXIII**) appended to this rules. The same shall contain the following details :-
 - (i) The opening balance for the year showing the balance in Bank/Treasury account;
 - (ii) A Statement of Receipt and Payment and Income and Expenditure under each head of account;
 - (iii) The amount at the credit of the local authority/local fund or any other authority at the year showing the balance in each Bank/Treasury account;
 - (iv) A Statement showing the demand, collection and balance or revenue collection including arrear collection;
 - (v) A statement of investments made;
 - (vi) A statement of Grants Utilised;
 - (vii) A statement of loans availed and utilised;
 - (viii) A statement showing outstanding debts at the beginning of the year, repayment made during the year and outstanding debts at the end of the year;
 - (ix) A statement showing the details of public works undertaken during the financial year concerned, amount expended for each work and balance of fund, if any, available;
 - (x) A statement showing details of physical progress of public works undertaken during the financial year along with financial progress for each items(s) of works;
 - (xi) A statement of assets and liabilities as on the close of the accounting year.

19. POWERS AND DUTIES OF DIRECTOR OF LOCAL FUND AUDIT AND AUDITORS AND PROCEDURE TO BE FOLLOWED IN CONDUCTING AN AUDIT

- (1) **Investigation** : In addition to carrying out the ordinary processes of audit, the Director of Local Funds Audit and the Auditors shall see that the broad principles of legitimate public finance are observed. They shall investigate the necessity for expenditure which has been

incurred or is proposed to be incurred; whether individual items of expenditure were in furtherance of the scheme for which the budget provided; whether the same result could have been obtained otherwise with greater economy; and whether the rate and scale of expenditure were justified in the circumstances. Briefly they ask every question that might be expected from an intelligent tax payer bent on getting best value for his money and are responsible that audit is conducted with reference to the following principles, namely :-

- (i) Every Officer or other member of a Local Authority should exercise the same vigilance in respect of expenditure incurred from the Local Authority's funds as a person of ordinary prudence would exercise in respect of the expenditure of his own money.
- (ii) No person should exercise his powers of sanctioning expenditure to pass an order which will be directly or indirectly to his own advantage.

Note : If, however, an order is of perfectly general application it does not constitute a breach of the principle if the particular authority that passes an order is also benefited thereby.

- (iii) The Local Authority's revenue should not be utilised for the benefit of a particular person or a section of the community unless –
 - (a) the amount of expenditure involved is insignificant, or
 - (b) a claim for the amount could be enforced in a court of law, or
 - (c) the expenditure is in pursuance of a recognized policy or custom.
- (iv) The amount of allowance, such as Travelling Allowances granted to meet expenditure of a particular type, should be so regulated that allowances are not on the whole sources of profit to the recipients.
- (v) If a system of internal audit is in existence in the Local Authority under audit, it should be seen that –
 - (a) the system is functioning according to the Rules prescribed in this behalf
 - (b) objections are raised by the internal auditor wherever necessary and
 - (c) compliance of the objections is watched by the internal auditors. The report of the internal auditors should be pursued and comments regarding the state of accounts and audit should be incorporated in the paragraph regarding general remarks in the Audit Reports, whenever found necessary.

(2) **Intimation of Audit** : Except as provided in the explanation hereunder, the auditors after obtaining written approval of the Director of Local Funds Audit shall send notice to the Local Authority concerned of his intention to audit the accounts of such authority at least three weeks before the date on which he intends to commence such audit, unless the Director of Local Funds Audit shall, for reasons to be communicated to Government, decide otherwise, in such a case, a copy of his order dispensing with previous notice shall be presented by the auditor to the head of the office. He shall, as far as possible, send with such notice a list of all documents or records which he may require for the purposes of such audit. The notice shall be sent by registered post with a prepaid acknowledgment or, when the auditor is in the same station, by a messenger who shall obtain an acknowledgment of receipt. The auditor shall, if necessary call for any other documents required during the course of audit on a separate requisition, which shall be acknowledged by the head of the ministerial establishment.

(3) **Attendance** : For the purpose of conducting audit the auditor shall attend during the regular office hours, at the office of the Local Authority concerned, except in cases where the Director of Local Funds Audit shall decide otherwise. The Local Authority shall provide suitable accommodations and furnitures in the office to enable the auditor to discharge his duties without undue interruption, and shall render him all possible assistance in carrying out the audit.

- (4) **Removal of Office records** : Subject to the provision of rule 11, the auditor shall not, except with the written permission of the head of the office of the Local Authority whose accounts are being audited, remove from such office any books, vouchers or documents of any kind whatsoever.
- (5) **Communication with heads of offices** : The auditor shall not correspond directly with the Chairman, Vice-Chairman, or other managing authority of a Local Authority whose accounts are being audited except for the purposes of reporting an embezzlement, or making any enquiry in connection with the audit, or as provided in the Act and the rules framed thereunder.
- (6) **Duties of Auditors in checking accounts** :
- (i) In auditing the accounts, the auditors shall see that they have been kept and are present in proper form; that the particular items of receipts and expenditures are stated in sufficient detail; and that the payments are supported by adequate vouchers and authority. He shall examine whether all sums received or which ought to have been received have been brought into account, whether the expenditure in all cases such as might lawfully be made and whether any loss has been incurred by the negligence or misconduct of any person or persons. He shall also scrutinise whether the financial position of the local authority is duly accounted for in the books and regularly checked.
 - (ii) In carrying out his duties, the auditors may sometime have to touch on administrative matter but at such times he should be careful never to interfere in those matters and not to touch on purely administrative matters more than it may be absolutely necessary. Certificates of facts given by responsible executive officers should be accepted as correct, unless there are prima facie grounds for doubt. He should bring to notice defects in the system and point out irregularities in a manner, which can be readily grasped and completely removed. In making a suggestion for improvement, he should be practical and should go beyond mere technical examination of registers and vouchers. The executive and administrative usually have difficulties of which due account should be taken for necessary action. It should be borne in mind that the function of audit is not to find fault or to magnify defects but to provide valuable and constructive help to enable local bodies to execute their tasks more effectively and efficiently, as time passes on.
 - (iii) The executive authorities of the Local Authority, and not the Local Fund Audit Department are responsible for enforcing economy in the expenditure of the local fund. It is, however, the duties of the auditor to bring to the notice, wastefulness in public administration and infructuous expenditure. Generally a Local Authority will welcome suggestions to promote economy, based on information forthcoming from the accounts. Only the Director of Local Funds Audit should make such suggestions and the right to put them to use should be left to the discretion of the executive.
 - (iv) Auditors should not make notes, corrections or remarks in any of the Registers or on any of the documents of the office, which they are auditing, except the usual audit endorsements.
- (7) **Physical Verification of balances, securities, postage stamps, receipts and forms etc** :
- (i) Verify balance of the Cash Book and the Register of Permanent Advance and other advances and the balances as per the Register of undisbursed amounts, copying fees, etc.
 - (ii) See wherever possible that the cash balance on hand indicated in the Day Book/Cash Book is retained on hand, only on account of its late receipt after banking hours.
 - (iii) See that the Cash, collections received and awaiting remittance are kept in safe with double lock arrangement.

- (iv) See at the time of verification of balance of petty cash, that paid but unrecouped vouchers are produced.
- (v) Agree the Treasury or Bank balances with the respective pass books.
- (vi) Check the analysis of the Cash Balance as on the date of physical verification and see that there is not delay in disbursement of the amount drawn from the Treasury or other sources, no drawal of fund is made in advance of requirement or to avoid lapse of budget grant.
- (vii) Verify all investment on hand, according to entries in the Investment Register, safe custody receipts received from the Reserve Bank and also Bank receipts for Fixed Deposits. The securities kept in the Reserve Bank of India and in the safe custody of Banks should be verified with the list of securities in the Reserve Bank's custody, annually published in the Government Gazette and Banks acknowledgments. It should be seen that interest is recovered on due dates and dates of maturity of Fixed Deposits receipts or securities as the case may be and vigilantly watched. Default in encashment and realization on due dates, leading to losses should be prominently brought to notice in audit.
- (viii) Verify the stock of postage, revenue and court fee stamps, balance of receipts books, and forms which are issued to the public on payment, e.g., Voters lists, Tender Forms, etc by actual counting.

NOTE : This work should be done by the Audit Supervising Officer/ Senior Auditor himself and verification of cash may be reported in the proforma enclosed in a para of the auditor's note when verification is done as a normal Audit.

- (8) **Partial Examination :** In addition to his powers to conduct a regular audit under Section 5 of the Act, the Director of Local Funds Audit himself may make a partial examination of the accounts of a Local Authority or make a local enquiry into any matter relevant to audit at any time, or depute an auditor to do so.
- (9) **Audit Marks :** Every entry examined or checked should be ticked or cross ticked, wherever necessary, by the Auditor and all documents, vouchers and papers examined shall be initiated with the special audit pencil and dated. For this purpose, special green chalk pencils are used, and these should be carefully kept in the personal custody of the Auditors. In the absence of these tick marks, the Director of Local Funds Audit or his authorized officer will presume that the necessary checks have not been applied. When, however, in comparing an entry in an original account or voucher with a subsidiary Register, the auditor finds that the letter does not agree or if a check is not feasible in any case, he must mark a cross X his audit period instead of usual tick mark. When an objection is removed, a circle should be drawn round the cross X.
- (10) **Change of Auditor during an audit :** If an auditor is relieved by another auditor during the course of an audit, the former shall deliver to the later an exact statement of the audit completed up to date. The statement shall be filled in the office of the Director of Local Funds Audit. The auditor relieved shall also draft the paragraph for the audit report regarding the audit done by him before he make over charge and deliver them to the relieving auditor, taking his acknowledgment therefore. Both auditors will sign the report incorporating therein a note being made to show the responsibility of each.
- (11) **Audit Requisition :** When any document is not produced after summons or letter issued by the auditor under Section 5 (3) of the Act, the auditor shall send a written report of the failure to produce such document to the Chairman, Vice-Chairman, or to the Managing Authority of the Local Authority concerned. If the required document is not produced in spite of this written report, the matter shall be submitted to the Director of Local Funds Audit together

with any communications received in this connection from the Chairman, Vice-Chairman, or other Managing Authority. No document shall be left unaudited without the written order of the Director of Local Funds Audit in each case.

- (12) **Embezzlement** : When embezzlement is detected, or may reasonably be inferred from any suspicious circumstance or irregularity in the accounts, the auditor shall take personal charge of the relevant records, and shall at once forward a list of such records to the head of the office. Any such record may be inspected by the head of the office in the presence of the auditor. The auditor shall report the circumstances immediately in writing to the chairman/ other Managing Authority concerned and also (by fax, if necessary) to the Director of Local Funds Audit. When the fraud or embezzlement has been fully investigated by the auditor, he shall submit a complete report on the case to the Director of Local Funds Audit who may order a further examination of, and report on, all or any accounts, if he considers such an examination and report justified, and shall determine when any records seized by the auditor shall be returned to the local authority.
- (13) **Objections** : In order to avoid a rush of objections towards the end of the audit, the auditor shall as far as possible audit receipts first in the case of municipalities, and expenditure first in the case of local boards. The objection Statement shall be prepared as per Form appended to these rules (**Appendix-XXIV**).
- (14) **Inspection Report** : The results of the Audit shall be communicated through Inspection Report, which may be drawn in two parts as below :-
- (i) **Part-I** – It includes :-
 - (a) Introduction
 - (b) Outstanding objections from previous reports,(in this part, all outstanding objections shall be reproduced in full, every alternate year along with up to date position). This is done to bring the outstanding paras, pointedly to the notice of all concerned for facility of watch and expeditious disposal. The old outstanding objections are to be replied separately through the respective old inspection reports, which should not be treated as closed till all the objections are settled.
 - (c) Schedule of persistent irregularities
 - (ii) **Part-II** – Contains two sections ‘A’ & ‘B’. Section ‘A’ shall include all important irregularities, i.e, irregularities involving recoveries, questions of violation of principles, misappropriation and losses, etc. Section ‘B’ shall contains irregularities, though not major, which the Audit wants to bring to the notice of higher authorities.
- (15) **Matters to be included in the Inspection Report** : Objection admitted or questions settled during the course of an audit shall be noticed in the report only if the irregularity is a serious one, or if a defect of system or error in principle has been brought to light and has not been permanently removed. Apart from any matter required to be included under Section 9 of the Act, the audit report shall be confined to matters of a general nature which cannot be disposed of by the Auditors. The following points should be prominently brought to notice in the report :-
- (i) Attempts to evade financial rules by manipulation of accounts and vouchers,
 - (ii) Avoidances of lapses by withdrawing funds from the Treasury before the money is actually required for expenditure.
 - (iii) Avoidance of necessity of higher sanction by splitting up one scheme of expenditure into a number of component details.
 - (iv) Persistent neglect to comply with audit requirements. All unrectified objections relating to a previous audit shall be specially brought to notice. A list of such items shall be appended to the report.

- (16) **Time for writing inspection report** : The auditor shall have his report and schedules completely written up immediately after the close of the audit, printed copies of the report being sent to the local authority as soon as possible.
- (17) **Instruction regarding the inspection reports** : The auditor shall attach to his inspection report a brief note explaining clearly the financial position of the local authority and statement showing:
- (i) Cash recoveries on audit objections
 - (ii) Money capable of being saved by the detection of embezzlements in audit, and
 - (iii) Possible reduction in expenditure due to audit suggestions.
- At the end of this report, he shall give a very brief resume of the matters dealt with therein, and an opinion on the state of the accounts as a whole.
- (18) **Removal of objections** :
- (i) Once the transaction has been challenged by the Audit, the responsibility for having the objection removed and their prompt settlement, will primarily devolve upon the department/ local authority concerned. An audit objection is usually removed by obtaining the requisite sanction, by making the necessary recovery, by correcting or completing the relevant account or voucher, or by furnishing the necessary documents or information, or by otherwise securing compliance with the provisions of a specified Rules/Regulations.
 - (ii) Audit Inspection Reports should be promptly dealt with by the concerned Department Officer/Local authority at the initial stage so that the contingency of reporting of any point or para to the State Government (Finance Department/ Vigilance Department) does not arise due to negligence or delay in reply. First reply should invariably be sent to the Director of Local Funds Audit within one months of the date of the receipt of printed reports.
- (19) **Audit by Director of Local Funds Audit himself** : When the Director of Local Funds Audit himself undertakes an audit of the accounts of the local authority/department, he may cause a preliminary scrutiny of the accounts to be made by an auditor appointed under the Act, if the Director of Local Funds Audit felt necessary.
- (20) **Settlement of Audit Objections** : If the replies to the audit objections are considered satisfactory by the Director of Local Funds Audit, the objections included in the inspection reports shall, after careful examination, be dropped by the Director of Local Funds Audit himself. If these are not considered satisfactory and need further probe, it shall be included in the Audit Report as explained in Rule 8.
- (21) **Audit Report** : All the outstanding audit objections and the replies of which are considered and need for further probe shall be included in the Audit Report. The Audit Report shall be prepared by the Director of Local Funds Audit to be published annually. The Audit Report shall contain all those outstanding objections which could not be settled during the previous year audit's inspection report. The Audit Report shall then be submitted by the Director of Local Funds Audit to the Finance Department/Vigilance Department of the State Government for further discussion and recommendations with the concerned departments/local authority within six months from the date of beginning of next financial year.

In case any discrepancy is noticed in the facts and figures mentioned in the Audit Reports, the same should be reported to the Director of Local funds Audit / Audit Officer immediately and should not be held up for discussion in the Finance Department/Vigilance Department meeting. It shall be ensured by the departmental authority/local authority prior to appearing before the meeting that the discrepancy pointed out to Audit have been duly taken notice of by the Audit, so that a complete picture is available in the meeting as regards the facts.

- (22) **Quantum of Audit** : The accounts of Local Authority subject to the Mizoram Local funds (Accounts and Audit) Act,2006, shall be audited not less often than once in twelve months unless the Director of Local Funds Audit directs otherwise.
- (23) **Power and duties of Director of Local Funds Audit** : Notwithstanding anything contained under Section 5 and 6 of the Act, the Director of Local funds Audit shall conduct audit including verification of cash balances of various State Government Departments/Bodies/ Boards/Public Sector Undertakings/ Societies etc not included in 'local funds' in consultation with the Government/Finance Department. The report pertaining to surprise verification of cash balance shall be reported separately and directly to the Finance Department and shall not be included in the Audit Report. The Director of Local Funds Audit shall exercise general supervision and control over the discharge by the auditors of their duties under the Act.
- (24) **Condonation of Payments** : Notwithstanding anything contained under Section 5 and 10 of the Act:
The Director of Local Funds Audit may condone a payment made from local fund which may appear to him to be contrary to law or rule provided that :
- (i) in his opinion, there was no negligence or misconduct on the part of the person making or authorising such payments.
 - (ii) such payment was bonafide and a similar payment from the same local fund had not been condoned before.
 - (iii) such payment does not exceed Rs 2000.00
- The Director of Local Funds Audit shall submit a report of all such condonations, with the reason for each condonations to the Tribunal.
- (25) **Summons** : Summons issued by the Director of Local Funds Audit under Section 5(2) of the Act shall be sent for service of the Tribunal who upon receipt thereof shall proceed as if such summons have been issued by him and shall return them with the record, if any, of the proceedings taken with regard thereto.
- (26) **Recording of Evidence** : The Director of Local Funds Audit may record evidence taken under Section 5(2) of the Act in English/ Mizo Language.
- (27) **Instructions and Guidelines** : The Auditors while conducting the audit of the local fund should strictly follow the general instructions and guidelines provided in Mizoram Audit Manual,2011.
- (28) **Audit Fee** : Whenever any audit of the accounts is required to be undertaken by the Department, an appropriate amount of Audit Fee prescribed by the Government should be charged against the authority or authorities proposed to be audited. The Audit Fee should be realized in advance according to Audit programme and shall be credited to the revenue of the State Government under the appropriate Head of Accounts. A demand note for Audit fee shall be sent to the authority proposed to be audited for realization of audit fee in advance.

20. POWER OF DIRECTOR OF LOCAL FUNDS AUDIT TO SURCHARGE OR CHARGE ILLEGAL PAYMENTS OR LOSSES INCURRED AND PROCEDURE TO BE FOLLOWED IN CHARGE OR SURCHARGE PROCEEDINGS AS PROVIDED UNDER SECTION 10 OF THE ACT :-

- (1) The Officer/Auditor authorized to issue the Inspection Report on the audit of the accounts of the Local Authority shall while issuing the further remarks under rule 19(18)(ii) of these rules forward to the Director of Local Funds Audit a proposal for charge/surcharge action in respect of the cases of illegal payments or losses incurred by negligence or misconduct pointed out in the audit Inspection Report concerned. The charge or surcharge proposal shall be in Form appended to these Rules (**Appendix-XXV**).
- (2) On receipt of the proposals for charge/surcharge proceedings from the officer/auditor authorised to issue the audit inspection report, the Director of Local Funds Audit shall as early as practicable but before the completion of one month from the date of receipt of such proposals, issue, charge/surcharge notices to the officer(s) held responsible for the illegal payments or losses detected by the auditors.
- (3) The charge/surcharge notice shall be in Form appended to these rules (**Appendix-XXVI**).
- (4) The charge/surcharge notices (in duplicate) along with extracts of the relevant objections in the audit inspection report shall be communicated to the person against whom it is made by registered post with acknowledgement due.
- (5) The duplicate copy of the charge/surcharge notice shall be returned, to the Director of Local Funds Audit by the person receiving it, with his dated acknowledgement in proof of having received the notice.
- (6) Copy of the charge/surcharge notice shall be issued to the Executive Authority concerned.
- (7) Unless the person or persons served with a charge / surcharge notice remit , with the allowance of the Director of Local Funds Audit as provided under Sec 10 of the Act, to the Executive Authority concerned the amount involved in the notice and furnish the details thereon to the Director of Local Funds Audit within two months, from the date of receipt of the notice, or furnish satisfactory explanations, such person shall be served with charge/surcharge certificate under rule 21 of these rules and also in Form appended to these rules (**Appendix XXVII**).
- (8) The report showing details of remittance of amounts involved in the charge/surcharge notices to be furnished by the person (s) responsible under sub-rule 7 of Rule 20 above shall be forwarded to the Director of Local Funds Audit through the Executive Authority concerned. The Executive Authority shall transmit the same to the Director of Local Funds Audit with a certificate to the effect that the details furnished have been verified by him and found correct.
- (9) The charge/surcharge certificate (in duplicate) shall be communicated to the person against whom it is made, by registered post with acknowledgement due provided under rule 21 of these rules.
- (10) The duplicate copy of the charge/surcharge certificate shall be returned to the Director of Local Funds Audit by the person receiving it with his/her dated acknowledgement affixed on it.
- (11) The charge/surcharge certificate shall be served on the persons responsible within a period of four months from the date of receipt of the charge/surcharge notice by such person.
- (12) The Director of Local Funds Audit shall serve on the person responsible for any loss to a local authority supplementary charge/surcharge notice or charge/surcharge certificate relating to the audit report if the circumstances so warrant.
- (13) Every sum charged/surcharged by the Director of Local Funds Audit on any person shall be remitted by such person to the Executive Authority within one month from the date of receipt of such charge/surcharge certificate, unless within that time such person files an application before the Tribunal provided under Sec 2(7) and Sec 5(2) of the Act against the decision of the Auditor. Such amount, if not so paid or such amount as the Tribunal shall declare to be due under Section 13 of the Act shall be recoverable as provided under Section 14 of the Act, as if it were arrears of public revenue due on land and shall be credited to the same local fund.

21. POWER OF DIRECTOR OF LOCAL FUNDS AUDIT TO CONDUCT AUDIT ON THE ACCOUNTS OF LOCAL BODIES

As recommended by the Thirteenth Finance Commission in its report at paragraph 10:121 and 10:161, the Director of Local Funds Audit shall conduct audit on the accounts of the Local Authority in accordance with the Technical Guidance and Supervision of the Comptroller Auditor General of India and the Annual Report of the Director of Local Funds Audit on such audit must be placed duly before the State Legislative Assembly in due course. Also the responsibility of Certification of accounts and the statutory audit of the Local Authority shall rest with the Director of Local Funds Audit who will continue to function under the administrative control of the Finance Department.

22. PROCEDURE FOR SERVING CERTIFICATE

A Certificate under Section 10 of the Mizoram Local Fund (Accounts and Audit) Act, 2006, shall be deemed to have been served if sent by registered post (acknowledgment due) to the persons concerned and notwithstanding the fact that the registered cover is not accepted by the addressee. The Charge Certificate shall be served in accordance with Form (Appendix XXVII) appended to these rules.

By Order,

L.N. Tohhawng,
Finance Commissioner,
Government of Mizoram.

APPENDIX –I
(See Rule 5(1))
Detailed Heads of Accounts with description

A/c	Description
REVENUE/ RECEIPTS	
2.	Grants
2.1	From Government
2.2	From others
	Total
3.	Loans
3.1	(a) From Bank
3.2	(b) From Other Source
4.	Income on Investments and Deposits
4.1	(a) Earmarked/Endowment Fund
4.2	(b) Own Funds
5.	Sales
5.1	(a) Sale of Assets
5.2	(b) Sales of Publications
5.3	(c) Sale of Investments/Deposits
5.4	(d) Others (Specify)
6.	Gains/Profits
6.1	(a) on Sale of Assets
6.2	(b) on Sale of Publication
6.3	(c) on Sale of Investments/Deposits
6.4	(d) Others (Specify)
7.	Gifts
8.	Fees/Fines/Charges
8.1	(a) Services
8.2	(b) Seminars/Conferences
8.3	(c) Consultancy
8.4	(d) Fees charged by the Board
8.5	(e) Others (Specify)
9.	Interests
9.1	(a) Cash at Bank
9.2	(b) Investments/Deposits
9.3	(c) Loans & Advances to Employees
9.4	(d) Others (Specify)
10.	Recoveries from Staff
10.1	(a) HBA/MCA/SCA/CA
10.2	(b) Recoupment of GPF Advance paid to Deputationists
10.3	(c) Others (Specify)
11.	Contributions
11.1	(a) Health Care Scheme
11.2	(b) CPF/GPF
11.3	(c) Insurance Scheme
11.4	(d) Others (Specify)
12.	Remittance Receipts
12.1	(a) License Fee

- 12.2 (b) HBA/HUDCO/LIC
- 12.3 (c) MCA/SCA/CA
- 12.4 (d) SGEGIS/CGEGIS
- 12.5 (e) Insurance
- 12.6 (f) Surcharge
- 12.7 (g) GPF
- 12.8 (h) Others (Specify)
- 13. Debt/Deposit Receipts
- 13.1 (a) Recovery of Contingent Advance
 - (i) Advance to PWD
 - (ii) Advance to Suppliers
 - (iii) Others (Specify)
- (b) Other Deposits
 - (i) Security Deposit
 - (ii) Earnest Money Deposits
 - (iii) Others (Specify)
- 14. Miscellaneous Income
- 15. Any Other (Specify)

EXPENDITURE

- 16 ESTABLISHMENT EXPENSES
- 16.1 Pay & Allowances
- 16.1.1 Chairman and Members
- 16.1.2 Officers and Staff
- 16.2 Allowances and Bonus
- 16.2.1 Overtime Allowances/ Honorarium
- 16.2.2 Payment by Professional & Other Services
- 16.2.3 Other Benefits
- 16.3 Travelling Expenses
- 16.3.1 Chairman and Members
 - (i) Overseas
 - (ii) Domestic
- 16.3.2 Officers and Staff
 - (i) Overseas
 - (ii) Domestic
- 16.4 Medical & Health Care/ Medical Treatment
- 16.5 Contribution to Provident Fund
- 16.6 Contribution to Other Funds
- 16.7 Staff Welfare Expenses
- 16.8 Consultation Fee
- 16.9 Other Establishment Expenses
- 17 ADMISNISTRATIVE EXPENSES
- 17.1 Purchases
- 17.2 Labour & Processing Charges
- 17.3 Electricity & Power
- 17.4 Water Charges
- 17.5 Insurance
- 17.6 Repair and Maintenance
- 17.7 Rent.Rate & Taxes
- 17.8 Motor Vehicle

17.9	Postage, Telephone & Communication Charges
17.10	Printing & Stationery
17.11	Seminars & Workshops/Conference
17.12	Subscription/Membership Fee
17.13	Fees
17.14	Audit/Legal Fee
17.15	Hospitality Expenses
17.16	Provision for Bad & Doubtful Debt
17.17	Bad Debt Written Off
17.18	Advertisement and Publicity
17.19	Others (to be specified)
17.20	Hire and Conveyance
17.21	Publications
17.22	Other Office Expenses
18.	Investments and Deposits
18.1	Investments
18.2	Deposits
19.	Loans and Advances
19.1	To Employees
19.1.1	HBA/MCA/CA
19.1.2	Other Advances (to be Specify)
19.2	To Suppliers and Contractors
19.3	To other (specify)
20.	Other Adjustment or Remittances
20.1	License Fee
20.2	HBA/HUDCO/LIC
20.3	MCA/SCA/CA
20.4	SGEGIS/CGEGIS
20.5	Insurance
20.6	Surcharge
20.7	GPF
20.8	Other (specify)
21.	Contributions
21.1	Pension & Leave Salary Contribution
21.2	Other Contributions (to be Specified)
22.	Repayment on Loans
22.1	Principal
22.2	Interest
23.	Expenditure on Fixed Assets and Capital Work-in-Progress
23.1	Land
23.2	Buildings
23.4	Furnitures & Fixtures
23.5	Machinery & Equipments
23.6	Motor Vehicles
23.7	Books & Publications
23.8	Any Other (to be specified)
24.	Loss on sale of Assets
25.	Miscellaneous / Other Expenditure
TOTAL	

**APPENDIX - II
(See Rule 5(5)(1))**

RECEIPTS AND PAYMENTS ACCOUNTS FOR THE PERIOD/YEAR ENDING _____ (Amount in Rupees)

Head of A/c or A/c code	RECEIPTS	CURRENT YEAR	PREVIOUS YEAR	Head of A/c or A/c Code	PAYMENTS	CURRENT YEAR	PREVIOUS YEAR
	To opening Balances (a) Cash in Hand (b) Bank Balance (i) In Current Accounts (ii) In Deposit Accounts (iii) In Saving Accounts			16	1. By Expenses (a) Establishment Expenses (i) Salaries (Chairman & Members) (ii) Salaries (Officers & Staff) (iii) Allowances & Bonus (iv) Payment by Professional & Other Services (b) Travelling Expenses (i) Foreign Travels (ii) Domestic Travels (c) Overtime Allowances (d) Medical & Health Care Facilities (e) Other Establishment Charges (i) Tuition Fees (ii) LTC (f) Contribution to Provident Fund (g) Contribution to Other Funds (h) Staff Welfare Expenses		
2	To Grants Received (a) From GOI (b) From State Govt. (c) From Other Sources (Grants for Capital & Revenue Expdr should to be shown separately)			17	2. By Administrative Expenses (a) Purchases (b) Labour & Processing Charges (c) Electricity & Power (d) Water Charges (e) Insurance (f) Repair & Maintenance (g) Rent, Rate & Taxes (h) Vehicle running & maintenance (i) Postage, Telephone and Communication Charges (j) Printing & Stationery (k) Expenses on Seminar/Workshop (l) Subscription Expenses (m) Expense on Fees (n) Audit Fee/Legal Fee (o) Hospitality Expenses (p) Prov. For bad & doubtful debt (q) Bad Debt Written Off (r) Advertisement & Publicity (s) Others (to be specified)		
3	To Loan taken (a) From Bank (b) From Other Sources						
4	To Income on Investment from (i) Earmark/ Endow Fund (ii) Own Funds						
5	To Sales (a) Sale of Assets (b) Sale of Publications (c) Sale of Investment/Deposits (d) Others (Specify)						
6	To Gains (a) on Sale of Assets (b) on Sale of Publications (c) on Sale of Investment/Deposits (d) Others (Specify)			18	3. By Investment and Deposit made (a) Investment (b) Deposits		

Head of A/c or A/c code	RECEIPTS	CURRENT YEAR	PREVIOUS YEAR	Head of A/c or A/c Code	PAYMENTS	CURRENT YEAR	PREVIOUS YEAR
7	To Gifts				4. (I) By Advances to Staff		
8	To Fees/Fines/Charges (a) Services (b) Seminar/Conferences (c) Consultancy (d) Fees charged by the Board (e) Others (Specify)				(a) HBA (b) Motor Car/ Computer Advance (c) Scooter/Motor Cycle Advance (d) Other Advances (to be specify) (II) By Contingent Advances (a) Advance to PWD (b) Adv. to Suppliers/Contractors (c) Other Advances(to be specify) (III) By Other Adjustment or Remittances (a) GPF/CPF recovered from Deputationists (b) License Fee (c) Postal Life Insurance (d) HBA (e) Motor/Computer Advance (f) Scooter/Motor Cycle Adv. (g) Other recoveries/Adjustment		
9	To Interests (a) Cash Balance at Bank (b) Investments/Deposits (c) Loans & Advances to employees (d) Others (Specify)			19-20			
10	To Recoveries from Staff (a) HBA/MCA/SCA/CA “(b) Recoupment of GPF Advance paid to Deputationists” (c) Principal amount of Loans & Advances (d) Others (Specify)						
11	To Contributions (a) Health Care Scheme (b) CPF/GPF (c) Insurance Scheme (d) Others (Specify)						
12	To Remittance Receipts (a) License Fee (b) HBA/HUDCO/LIC/ (c) MCA/SCA/CA (d) SGEIS/CGEGIS (e) Insurance (f) Surcharge (g) GPF (h) Others (Specify)			21	5. By Contributions (b) Pension & Leave Salary (c) Other Contributions (to be specified)		
				22	6. Repayment of Loans		
13	To Debt/Deposit Receipts (a) Recovery of Contingent Advance (i) Advance to PWD (ii) Advance to Suppliers (iii) Others (Specify) (b) Other Deposits (i) Security Deposit (ii) Earnest Money Deposit (iii) Others (Specify)			23	7. By Expdr on Fixed Assets and Capital Work-in-Progress (a) Land (b) Building(s) (c) Furnitures & Fixtures (d) Mechinery & Equipments (e) Motor Vehicles (f) Books & Publications (g) Any Others		
				24	Loss on Sale of Assets		
				25	Miscellaneous/Other Expenditure		
14	Miscellaneous Income				8. By Closing Balances (a) Cash in Hand (b) Bank Balance (i) In Current Accounts (ii) In Deposit Accounts (iii) In Saving Accounts		
15	Any Other (Specify)						
	TOTAL				TOTAL		

Secretary

Member (Finance)

Chairman

**APPENDIX - III
(See Rule 5(5)(2))**

INCOME AND EXPENDITURE ACCOUNTS FOR THE PERIOD/YEAR ENDED _____ (Amount in Rupees)

	INCOME	Schedule	C/ Year	P/ Year	EXPENDITURE	Schedule	C/ Year	P/ Year
1	By Grants/Subsidies 1.1 Govt. of India 1.2 State Govt. 1.3 Other Sources				1. To Establishment Expenses 1.1 Pay & Alcls of Chairman & Members 1.2 Pay & Alcls of Officers 1.3 Pay & Alcls of Staff 1.4 Honorarium 1.5 Overtime Allowances 1.6 Medical & Health Care 1.7 Bonus 1.8 Any other Charges			
2	By Sales/Services				2. To Payment of Professional and other services			
3	By Seminars/Conferences				3. To Travelling Expenses			
4	By Consultancy				3.1 Foreign 3.2 Domestic			
5	By Fees/Subscriptions/Fines 5.1 Fee for petition 5.2 Other charges 5.3 Fines 5.4 Any Other				4. To other Administrative Expenses :			
6	By Investment (from Earmarked/ endowed fund transfer to fund				4.1 Seminar & Conference 4.2 Telephone & Fax 4.3 Rent, Rate & Taxes 4.4 Newspapers/Periodicals 4.5 Advt and Publicity 4.6 Postage and Telegram 4.7 Liveries 4.8 Water & Electricity 4.9 Any Other			
7	By Royalty/Publications etc 7.1 Royalty 7.2 Publications				5. To Stationery & Printing			
8	By Interest 8.1 Interest on Deposit 8.2 Int. on Loan & Advances 8.3 Int on Investment 8.4 Int on Cash at Bank 8.5 Any Other (to be specified				6. To Publications 7. Misc and other expenses			
9	By Other Income 9.1 Medical & Health Care 9.2 Gain on sale of assets 9.3 Staff Car recoveries 9.4 Any other				8. To Repair & Maintenance 8.1 Buildings 8.2 Mechinery & Equipment 8.3 Furnitures & Fixtures 8.4 Vehicles 9. To Petrol and Lubricants 10 To Hospitality Expenses 11. To Audit Fee 12. To Legal Charges 13. To Provident Fund and other Contributions			

	INCOME	Sche dule	C/ Year	P/ Year	EXPENDITURE	Sche dule	C/ Year	P/ Year
					13.1 Pension & Gratuity (including Commutated value of Pension) 13.2 Contribution to GPF 13.3 Deposit Linked Insurance 13.4 Pension Contributions 13.5 Leave Salary Contribution 13.6 Gratuity Contribution 14. To Interest 14.1 Interest on GPF 14.2 Interest on CPF 14.3 Any Other to be specified 15. To Group Insurance Scheme 15.1 CGEGIS (i) Saving Fund (ii) Insurance Fund 15.2 CGEIS (i) Saving Fund (ii) Insurance Fund 16. To Depreciation 17. To Loss on Sale of Assets 18. To Bad Debts 19. To Excess of Income over Expenditure (Transferred to Capital Fund Account)			
10	By Excess of Expdr over income (transferred to Capital Fund Account)							
	TOTAL				TOTAL			

Secretary

Member (Finance)

Chairman

**APPENDIX - IV
(See Rule 5(5)(3))**

BALANCE SHEET AS ON _____ (Amount in Rupees)

LIABILITIES	Schedule	C/ Year	P/ Year	ASSETS	Schedule	C/ Year	P/ Year
1. Capital Fund				1. Fixed Assets			
1.1 Add Excess of Income over Expenditure				2. Capital Work-in-Progress			
1.2 Less Excess of Expdr over Income				3. Advances			
2. Other Funds				3.1 Festival Advances			
2.1 Provident Funds				3.2 Other Advances			
2.2 Other (to be specified)				4. Deposits			
3. Reserves and Surpluses				4.1 Security Deposits			
4. Earmarked/Endowment Funds				4.2 Petrol Account			
5. Secured Loans & Borrowings				4.3 Any Other (to be specified)			
5.1 From Government				5. Loans and Advances			
5.2 From Others				6. Gifts and Donations			
6. Unsecured Loans & Borrowings				7. Sundry Debtors			
7. Deferred Credit Liabilities				8. Payment Made to PWD for Works			
8. Current Liabilities & Provisions				9. Cash and Bank Balances			
9. Sundry Creditors				9.1 Cash at Bank			
				9.2 Cash-in-hand			
				9.3 Imprest			
TOTAL				TOTAL			

Secretary

Member (Finance)

Chairman

APPENDIX - V
(See Rule 5(9)(1))
CASH BOOK

Dr							RECEIPTS			PAYMENTS				Cr
Date	Vr No & Date	Particulars of Transaction	Ledger Folio	Cash	Bank	Total	Date	Vr No & Date	Particulars of Transaction	Ledger Folio	Cash	Bank	Total	Initial of DDO
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

APPENDIX - VI
(See Rule 5(9)(2))
REGISTER of LEDGER

Name of Account :-

For the month of _____

Dr						Cr			
Date	Particulars	Head of A/c or Account Code No	CB/JF	Amount	Date	Voucher No & Date	Particulars	CB/JF	Amount
1	2	3	4	5	6	7	8	9	10

Note :

1. Pages of Ledger shall be machine numbered
2. Separate page shall be allotted to each Account.
3. Index shall be prepared in the of Ledger to show page numbers allotted to each Accounts.
4. The Credit or Debit Balance to the end of the month which is required to be brought down to the next month shall be indicated by " Balance b/d to next month"

APPENDIX - X V
(See Rule 5(9)(11))

RECEIPTS AND PAYMENTS ACCOUNTS FOR THE MONTH OF _____ (Amount in Rupees)

Head of A/c or A/c code	RECEIPTS	CURRENT YEAR	PREVIOUS YEAR	Head of A/c or A/c Code	PAYMENTS	CURRENT YEAR	PREVIOUS YEAR
	To opening Balances (a) Cash in Hand (b) Bank Balance (i) In Current Accounts (ii) In Deposit Accounts (iii) In Saving Accounts				1. By Expenses (a) Establishment Expenses (i) Salaries (Chairman & Members) (ii) Salaries (Officers & Staff) (iii) Allowances & Bonus (iv) Payment by Professional & Other Services (b) Travelling Expenses (i) Foreign Travels (ii) Domestic Travels (c) Overtime Allowances (d) Medical & Health Care Facilities (e) Other Establishment Charges (i) Tuition Fees (ii) LTC (f) Contribution to Provident Fund (g) Contribution to Other Funds (h) Staff Welfare Expenses		
2	To Grants Received (a) From GOI (b) From State Govt. (c) From Other Sources (Grants for Capital & Revenue Expdr should tobe shown separately			16	2. By Administrative Expenses (a) Purchases (b) Labour & Processing Charges (c) Electricity & Power (d) Water Charges (e) Insurance (f) Repair & Maintenance (g) Rent, Rate & Taxes (h) Vehicle running & maintenance (i) Postage, Telephone and Communication Charges (j) Printing & Stationery (k) Expenses on Seminar/Workshop (l) Subscription Expenses (m) Expense on Fees (n) Audit Fee/Legal Fee (o) Hospitality Expenses (p) Prov. For bad & doubtful debt (q) Bad Bedt Written Off (r) Advertisement & Publicity (s) Others (to be specified)		
3	To Loan taken (a) From Bank (b) From Other Sources						
4	To Income on Investment from (i) Earmark/ Endow Fund (ii) Own Funds			17			
5	To Sales (a) Sale of Assets (b) Sale of Publications (c) Sale of Investment/Deposits (d) Others (Specify)						
6	To Gains (a) on Sale of Assets (b) on Sale of Publications (c) on Sale of Investment/Deposits (d) Others (Specify)			18	3. By Investment and Deposit made (a) Investment (b) Deposits		

Head of A/c or A/c code	RECEIPTS	CURRENT YEAR	PREVIOUS YEAR	Head of A/c or A/c Code	PAYMENTS	CURRENT YEAR	PREVIOUS YEAR
7	To Gifts				4. (I) By Advances to Staff		
8	To Fees/Fines/Charges				(a) HBA		
	(a) Services				(b) Motor Car/ Computer Advance		
	(b) Seminar/Conferences				(c) Scooter/Motor Cycle Advance		
	(c) Consultancy				(d) Other Advances (to be specify)		
	(d) Fees charged by the Board				(II) By Contingent Advances		
	(e) Others (Specify)				(a) Advance to PWD		
9	To Interests				(b) Adv. to Suppliers/Contractors		
	(a) Cash Balance at Bank				(c) Other Advances(to be specify)		
	(b) Investments/Deposits				(III) By Other Adjustment or		
	(c) Loans & Advances to employees			19&20	Remittances		
	(d) Others (Specify)				(a) GPF/CPF recovered from		
10	To Recoveries from Staff				Deputationists		
	(a) HBA/MCA/SCA/CA				(b) License Fee		
	"(b) Recoupment of GPF						
	Advance paid to Deputationists"				(c) Postal Life Insurance		
	(c) Principal amount of Loans & Advances				(d) HBA		
	(d) Others (Specify)				(e) Motor/Computer Advance		
11	To Contributions				(f) Scooter/Motor Cycle Adv.		
	(a) Health Care Scheme				(g) Other recoveries/Adjustment		
	(b) CPF/GPF						
	(c) Insurance Scheme				5. By Contributions		
	(d) Others (Specify)				(b) Pension & Leave Salary		
12	To Remittance Receipts				(c) Other Contributions (to be		
	a) License Fee			21	specified)		
	(b) HBA/HUDCO/LIC/						
	(c) MCA/SCA/CA				6. Repayment of Loans		
	(d) SGEGIS/CGEGIS			22	7. By Expdn on Fixed Assets and		
	(e) Insurance				Capital Work-in-Progress		
	(f) Surcharge				(a) Land		
	(g) GPF				(b) Building(s)		
	(h) Others (Specify)				(c) Furnitures & Fixtures		
13	To Debt/Deposit Receipts				(d) Mechinery & Equipments		
	(a) Recovery of Contingent Advance				(e) Motor Vehicles		
	(i) Advance to PWD				(f) Books & Publications		
	(ii) Advance to Suppliers				(g) Any Others		
	(iii) Others (Specify)				24		
	(b) Other Deposits				Loss on Sale of Assets		
	(i) Security Deposit			25	Miscellaneous/Other Expenditure		
	(ii) Earnest Money Deposit						
	(iii) Others (Specify)				8. By Closing Balances		
14	Miscellaneous Income				(a) Cash in Hand		
15	Any Other (Specify)				(b) Bank Balance		
					(i) In Current Accounts		
					(ii) In Deposit Accounts		
					(iii) In Saving Accounts		
	TOTAL				TOTAL		

Secretary

Member (Finance)

Chairman

APPENDIX – XVII
(See Rule 5(9)(13))
BILL REGISTER

Sl. No.	Particulars of Bill	Bill No. & Date	Bill Amount	Date of Drawal Encashment	Remarks
1	2	3	4	5	6

APPENDIX - XVIII
(See Rule 5(9)(14))
REGISTER OF FIXED ASSETS

Sl. No.	Name of Assets	Sl. No./ Model etc of the Asset	Ledger Folio	Vr. No & Date	Amount	ID No. assigned to the Asset/ Parinted on the Asset	Date of Disposal	Reason of disposal	Type of Disposal	Amount involved	Signature of Store Officer	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13

Note : Separate pages will be assigned for each class or category of asset.

APPENDIX - XXI
(See Rule 5(9)(17))
REGISTER OF BANK INTEREST (RECEIPTS & PAYMENTS)

RECEIPTS								EXPENDITURE/PAYMENTS					
Date	Name of Bank	Bank A/c No	Name of Scheme/ Fund against which interest was accrued	Cash Book/ LF	Opening Balance	Interest Amount	Total Interest	Date	Cash Book/ LF	Purpose of payment	Amount Paid	Closing Balance	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14

APPENDIX - XXII
(See Rule 18(4))
ANNUAL ACCOUNTS

Name of Local authority:

Name/ purpose of grant	Opening/ balance	No. & date of sanction order	Amount of grant	Details of transfer credit	Period of utilisation	Total	Name of work for which utilised	Amount expended	Unspent balance of grant	Remarks (extention of period of utilisation/ diversion of purpose lapsed grant etc. may be specified)
1	2	3	4	5	6	7	8	9	10	11

Executive Authority

**APPENDIX – XXIII
(See Rule 18(4))
ANNUAL ACCOUNTS**

Name of Local Authority:

<i>Purpose of loan</i>	<i>No. &date of sanction order</i>	<i>Amount of loan</i>	<i>Details of transfer credit</i>	<i>Opening Balance if any</i>	<i>Total</i>	<i>Amount utilised during the year</i>	<i>Unspent balance</i>
1	2	3	4	5	6	7	8

Executive Authority.

**APPENDIX-XXIV
(See rule 19(13))**

OBJECTION STATEMENT

<i>Voucher No. Date</i>	<i>Particulars of Payment</i>	<i>Objection or Suggestion (with signature and date of teh Auditor</i>	<i>Last date fixed by the auditor for return of the audit objection statement</i>	<i>Reply of Local authority/Local fund (with signature, date and designation)</i>	<i>Note of admission or fresh remarks by the auditor</i>	<i>Further remarks of the local Authority/Local Fund</i>	<i>Final remarks of the Auditor</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Authorised Officer/Auditor

APPENDIX- XXV
[See Rule 20(1)]

Charge/Surcharge Proceedings

1. Name of Local Authority :
2. Year of audit report :
3. Date of audit :
4. Name of personnel in the audit batch:
5. Details of paras on which charge/surcharge action is proposed :
 - (1) Para No. :
 - (2) Name of Auditor who detected the loss :
 - (3) Amount involved :
 - (4) Person responsible with address :
 - (5) Reason for fixing the responsibility on him :

Authorised Officer/Auditor

APPENDIX – XXVI
[See Rule 20(3)]

Charge Notice

Office of the Chief Controller of Accounts
Accounts & Treasuries, Mizoram, Aizawl.

No Dated

To
Sri

Sub:- Report on the audit of accounts of for the year
Loss sustained to the funds Charge Notice - Issued

Ref:- 1.

Sir/Madam

This is to invite your attention to the audit observations in paragraph numberof the audit report of for the year issue in the reference cited and to state that a sum of Rshas been lost to the funds of theon account of your negligence or misconduct or failure of duty. Extracts of the relevant objections in the audit report are enclosed for ready reference. You are held responsible for the said loss for the reasons stated below and hence the amount involved is recoverable from you.

You are, therefore, requested to remit the sum of Rs. (Rs only) to the credit of and to intimate the details thereon to this office or to state why the amount of Rsshould not be charge on you in exercise of the powers conferred under Section (10) of the Mizoram Local Fund Account & Audit Act, 2006. You are allowed a period of two months from the date of receipt of this notice to intimate the details of remittance or to file statement of explanation, failing which the said amount will be charged on you.

Receipt of this notice may be acknowledged.

Yours faithfully,

Director of Local Funds Audit

Memo No. *Dated*

Copy to :

1.
2.
4. (The Executive authority)(He is required to forward a report on the clearance of the objections on expiry of the period of 2 months mentioned above).

Director of Local Funds Audit

**APPENDIX – XXVII
[See Rule 20(7) & Rule 22]**

**Office of the Chief Controller of Accounts,
Accounts & Treasuries, Mizoram, Aizawl.**

No

Dated

Charge Certificate

I,, Director of Local Funds Audit, Mizoram, hereby certify under section 10 of the Mizoram Local Fund Accounts & Audit, Act, 2006 as follows:-

During the year.....thehas sustained a loss of Rs.....(Rs.....only) on account of the negligence/misconduct/failure of duty on the part of Sri/Smt..... who held the post of(now working as) and hence.Sri/Smt.....is held responsible for the said loss of Rs.....(Rs.....only).

The details of the above loss of Rs..... are given in paras.....and of the audit report of for the year issued by the.....in reference No.....dated..... In this office notice No dated..... Sri/ Smt.....was requested to remit the said amount of Rs to the credit of..... and to intimate the details thereon to this office within two months or to state within two months why the amount should not be charged against him/her in exercise of the powers conferred under section 10 of the Mizoram Local Fund Accounts & Audit Act 2006. The above notice was served on him/her by registered post with acknowledgment due along with the extracts of the relevant objections in the audit report and he/she has acknowledged the receipt of the notice on that intimation regarding the remittance of the said amount of Rs.....to the credit of..... has not been received so far. But intimation regarding the remittance of Rs..... involved in paras..... only have been received so far. The explanation dated furnished by Sri/Smt to the charge notice in respect of parashas been considered in detail and found to be not acceptable. A sum of Rs(Rs only) details of which are pointed out in parasof the audit report of is thus charged on Sri/Smt the thenof (now working as.....) Sri/Smtis liable to remit the amount to the credit of..... within one month from the date of receipt of this certificate, failing which the matter should be forwarded to the Tribunal in exercise of the powers conferred under section 10 of the Mizoram Local Fund Account & Audit Act, 2006.

Dated at Aizawl theday of 20

Director of Local Funds Audit

To

Sri/Smt

Receipt of this Certificate may kindly be acknowledged.

Copy to :

- 1.
- 2.

Director of Local Funds Audit

