



# **FINANCE DEPARTMENT**

**POLICY NOTE**

**DEMAND No.16**

**2018-2019**

**O. PANNEERSELVAM**  
**DEPUTY CHIEF MINISTER**

©  
**Government of Tamil Nadu**  
**2018**

## **INDEX**

<b>Sl. No.</b>	<b>Subject</b>	<b>Page</b>
1.	Introduction	1-13
2.	Treasuries and Accounts Department	14-24
3.	Local Fund Audit Department	25-45
4.	Co-operative Audit Department	46-53
5.	Small Savings Department	54-63
6.	Government Data Centre	64-70
7.	Internal Audit and Statutory Boards Audit Department	71-79



## **POLICY NOTE**

### **DEMAND NO.16**

#### **FINANCE DEPARTMENT**

### **POLICY NOTE FOR THE YEAR**

**2018-2019**

#### **Introduction:**

**“With knowledge of the measure due, as virtue bids you give!**

**That is the way to guard your wealth, and seemly live”**

**(477)**

Efficient public financial management comprises of collecting the taxes due to the Government and apply such resources without any leakages for the right purposes to drive the State in the path of development by taking care of the welfare of public and developing quality infrastructure. It is thus, the priority of this Government to use the resources efficiently in the interest of public welfare and ensure

economic progress by transforming Tamil Nadu into a socio-economically developed and prosperous state.

2. The Finance Department ensures the allocation of sufficient funds for ongoing schemes and development and welfare schemes announced by the Government. Such effective management of resources has ensured prompt delivery of Government services and benefits of the welfare schemes to the public service delivery, improvement of basic amenities and infrastructure facilities and contributed to the overall development of the State.

3. The main functions of Finance Department are:

- (i) Custodian of the State Exchequer.
- (ii) Managing the public finances of the Government of Tamil Nadu in a more efficient and responsible manner.

- (iii) Prepare a statement of the Estimated Revenue and Expenditure of the State to be laid before the Legislature, every year.
- (iv) Pivotal role in formulation and review of policies of the State Government in respect of overall financial management of the State.
- (v) Critical scrutiny and evaluation of expenditure proposals of various Departments of the Government with reference to needs, cost effectiveness, budget provisions, financial procedure etc., keeping in mind the importance of balancing receipts and expenditure, welfare of the public, achieving the fiscal objectives of the Government and overall development of the State.

(vi) Overall responsibility of maintaining the financial stability, limiting the liabilities within the norms and ensuring that debt obligations are met.

4. Besides, Tamil Nadu Infrastructure Development Board (TNIDB) and Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC), the following seven departments are also functioning under the administrative control of Finance Department:-

i.	Treasuries and Accounts Department
ii.	Local Fund Audit Department
iii.	Co-operative Audit Department
iv.	Small Savings Department
v.	Government Data Centre
vi.	Internal Audit and Statutory Boards Audit Department
vii.	Directorate of Pension

The functions of the departments listed above at Serial No. (i) to (vi) are detailed in this demand. The functions of the Directorate of Pension are included in the Policy Note on Demand No.50. "Pension and Other Retirement Benefits".

### **Tamil Nadu Infrastructure Development Board**

5. To galvanize and catalyze strategic investments in infrastructure to place Tamil Nadu on a higher growth trajectory and to secure the benefits of growth for all the people of the State, the late Hon'ble Chief Minister J Jayalalithaa launched the Vision Tamil Nadu 2023 Strategic Plan for infrastructure development in Tamil Nadu on March 22, 2012. Vision Tamil Nadu 2023 is ambitious and inspirational in its intent and scope i.e. aiming to meet the legitimate expectations of the people of the State for a higher quality of life. Key



facets of Vision 2023 include Tamil Nadu's enhanced economic dynamism, best in class human development indicators, a well developed infrastructure that provides universal access to basic services, an investment climate that compares with the best in Asia, and the evaluation into India's foremost knowledge and innovation hub.

6. The Vision Tamil Nadu 2023 document envisages investments through Government, Private and Government Private partnership upto Rs.15 lakh crore for infrastructure augmentation. A shelf of 217 projects and programmes has been identified for implementation under the Vision 2023 Phase II document. Out of the 217 'Vision Projects', 27 projects amounting to Rs.2,33,523 crore are to be implemented by the Central Government in Railways, Ports and Airport sectors.

The remaining 190 projects are to be implemented by the State Government and its agencies including private sector participation. Of the 190 projects, 90 projects have already been started and the remaining are at various stages of progress.

7. The Tamil Nadu Infrastructure Development Board (TNIDB) was set up under the TNID Act, 2012 as the nodal agency for infrastructure development in the State. The Board, under the leadership of Hon'ble Chief Minister plans, coordinates, regulates and facilitates infrastructure development as envisioned under Vision Tamil Nadu 2023. The Board largely coordinates infrastructure development activities in the State and facilitates projects undertaken by Government institutions through the public sector mode as well as through Public-Private Partnership (PPP)

mode. Under the Tamil Nadu Infrastructure Development (TNID) Act, 2012, two funds namely the Project Preparation Fund (PPF) and the Tamil Nadu Infrastructure Development Fund (TNIDF) have been established with the aim of facilitating both project preparation and project implementation.

8. The TNIDB has sanctioned about Rs.125 crore from the Project Preparation Fund for preparation of Detailed Project Reports of major infrastructure projects such as four laning of State Highways under TNRSP-II for Road connectivity; Chennai Metro Rail expansion; Integration of MRTS with CMRL in Chennai Metropolitan Area; 400 MLD Desalination Plant at Perur; Establishment of Common Effluent Treatment Plants (CETPs) in Textile Parks; Bus Rapid Transport System in Chennai City; Energy Efficiency Street Lights Project to be

implemented in 101 Town Panchayats; Formation of Water Supply Grid between Chennai and Bengaluru exclusively for industrial needs. This will enable the State to readily propose Projects for funding from Bilateral and Multilateral Funding Agencies.

9. The Tamil Nadu Infrastructure Development Board (TNIDB) also facilitates in obtaining Japan International Co-operative Agency (JICA) funds towards the implementation of Chennai Metropolitan Area Intelligent Transport Systems Installation Project. It also coordinates the activities towards the preparation of Detailed Project Reports in respect of Chennai-Kanyakumari Industrial Corridor Development Project which is the second phase of East Coast Economic Corridor (ECEC) proposed by Department of Industrial

Policy and Promotion (DIPP) in partnership with Asian Development Bank (ADB).

**Tamil Nadu Infrastructure Fund Management Corporation Limited:**

10. In an initiative to generate additional resources for implementation of infrastructure projects, for the first time in the Country, this State Government has established an Asset Management Company i.e., Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC). Tamil Nadu Infrastructure Fund (TNIF), managed by Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC), has already received a commitment for Rs.300 crore from TNIDB as First Loss Catalytic Capital fund and Rs.30 crore has already been released. The balance Rs.270 crore will be released as and when sought for by TNIFMC.

11. The response to the innovative to bring in investments for the Tamil Nadu Infrastructure Fund (TNIF) operated by Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC), are detailed below:

1. Indian Bank has provided a Letter of Intent (LOI) to invest Rs.25 crore.
2. Life Insurance Corporation of India has agreed to invest Rs.150 crore or upto 20 percent of the Tamil Nadu Infrastructure Fund (TNIF) size.
3. Phoenix SA (Luxemburg), the advisors for Treetop Asset Ventures SA, Luxembourg, has given a Letter of Intent (LOI) for a total of investment of US\$ 600 million (about Rs.3,500 – 4,000 crore) with an initial contribution

of US\$ 25 million (about Rs.160 crore), subject to due diligence. Besides, Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC) is taking steps for mobilizing investments into Tamil Nadu Infrastructure Fund (TNIF) from the entities viz., General Insurance Company (GIC), Rural Electrification Corporation and Power Finance Corporation.

12. In the Financial Year 2017-18, Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC), has forged a MoU with TANGEDCO for the Renovation, Modernization and Upgrading (RMU) of Hydro Electric Plants with upto Rs.500 crore of investment. Establishing a Effluent Treatment Plant at a cost of Rs.800 crore to supply water to

industries in Tuticorin. RMU of Wind Power Plants and Solar Park, a Medicity as envisaged in Vision 2023 and renovation of TTDC Hotels and Tourism Circuit Development (TouCH TN) is also under consideration.

13. In addition to the Tamil Nadu Infrastructure Fund, TNIFMC is in the final stage of obtaining approval from SEBI for establishment of Tamil Nadu Shelter Fund (Tier II Fund) with National Housing Bank. This initiative would enable the Government to augment additional resources besides regular revenue to implement infrastructure schemes.



## **TREASURIES AND ACCOUNTS DEPARTMENT**

14. The Treasuries and Accounts Department headed by the Commissioner of Treasuries and Accounts is functioning under the administrative control of the Finance Department. 6 Regional Joint Director Offices, 6 Pay and Accounts Offices, 3 Sub Pay and Accounts Offices, 32 District Treasuries, 1 Pension Pay Office, 1 Assistant Superintendent of Stamps Office and 243 Sub Treasuries functioning under the control of this department provides treasury related services.

### **Automated Treasury Bill Passing System (ATBPS)**

15. Automated Treasury Bill Passing System (ATBPS) has been introduced in all PAOs, District Treasuries, and Sub-Treasuries in order to overcome the difficulties faced in the manual bill

passing system such as compilation of monthly accounts, tracking of bills, monitoring the bill processing, etc. This facilitates providing better services to various stakeholders like Drawing and Disbursing Officers, Banks, Accountant General, etc., and helps in effective monitoring. All the Treasuries have been strengthened with infrastructure facilities like providing computers and other peripherals, Local Area Network (LAN) and Tamil Nadu State Wide Area Network (TNSWAN) connectivity and modular office towards implementation of this scheme besides improving working condition of the staff.

## **Web Payroll**

16. The Web Payroll software application has been implemented in all the departments of Government of Tamil Nadu. About 29,000 Drawing and Disbursing Officers are using the Web Payroll application for the preparation of

salary bills of the employees. The Web Payroll software has been developed in such a way that Management Information System (MIS) reports like details of employees joined / retired / retiring during a period, grade pay-wise, designation-wise, etc., can be generated from the centralized database which contains all particulars of Government employees. Further, this serves as an effective tool in the Human Resources Management.

### **Integrated Financial and Human Resource Management System (IF&HRMS)**

17. The Government is in the process of implementing an Integrated Financial and Human Resource Management System (IF&HRMS) at a cost of Rs.288.91 crore over a period of five years. This system is formatted to supervise financial management and also

ascertaining the details of demands, allocation, and expenditure including Human Resource Management. M/s Wipro Limited has been selected as the System Integrator for this project. On commissioning of the system, more than 29,000 DDOs throughout the State will be able to submit the bills to the Treasury through online. This system also provides for e-receipts that will enable real time accounting of revenue collections. This will help in providing hassle free and instantaneous services to the public. This will also pave way for smooth maintenance of Service Registers of more than nine lakh employees by real time updation of employees' pay bill, promotion, transfer, leave management etc. The software prepared for this scheme is being examined on trial basis, thus it will be rolled out in all Districts in the course of financial year 2018-19.

## **Mustering of Pensioners through Digital Life Certificate generated from 'Jeevan Pramaan Portal'**

18. Every year about 6.5 lakh pensioners and family pensioners visit the Treasuries for annual mustering of pensioner. This annual mustering is required to be completed during the months of April, May and June. In order to avoid hardships to the Pensioners caused due to need for travel from distant places to Treasuries at old age, arrangements have been made to generate Digital Life Certificate from the Jeevan Pramaan Portal using Aadhaar number and completing the mustering process by approaching the e-seva Centres near their residences.

## **Formation of New Treasuries /Construction of Own Buildings for Treasuries**

19. All District Treasuries are presently functioning in Government buildings. During the last six years viz., 2011 to 2017, 37 new Sub Treasuries have been formed and at present 243 Sub Treasuries are functioning in the State. Government have sanctioned construction of own buildings for 78 Sub Treasuries during the last six years, of this 55 Sub Treasuries' buildings have been inaugurated and put to use. Construction of buildings in respect of remaining Sub-Treasuries is under process.

## **New Health Insurance Scheme- 2016**

20. The Government have extended the New Health Insurance Scheme 2012 beyond 30.06.2016 for a further period of four years

with some additional features. The New Health Insurance Scheme 2016 is implemented from 01-07-2016 through United India Insurance Company Limited, a Public Sector Undertaking. This scheme aims to provide health care assistance to the employees of Government, Local Bodies, Public Sector Undertakings, Statutory Boards and Universities constituted under Acts of Tamil Nadu Legislative Assembly, Willing State Government Organizations / Institutions and their eligible family members with provision to avail assistance upto Rupees Four Lakh for a block period of four years.

21. Under the new scheme, the medical assistance has been enhanced to the maximum limit of Rs.7.50 lakh for the following treatments.

1. Surgery, Chemotherapy, Radiotherapy and Immunotherapy for all Malignancies.
2. Liver, Kidney, Heart, Lungs and Bone Marrow Transplantation
3. Complex Open Heart Surgeries and Implants.
4. Accident and Trauma cases involving Multiple Fractures.
5. Heart Valve Replacements, Aneurysms and Angioplasties.
6. Management of Burn Injuries.

22. The upper limit of medical assistance for cataract surgery has been fixed at Rs.25,000/- per eye and for Hysterectomy (uterus removal surgery) the upper limit of medical assistance is Rs.45,000/-. The coverage of medical assistance under this scheme has been extended to accident cases, where the patient avails



approved treatment or undergoes surgery in a **non-network** hospital. Under this Scheme, 113 treatments and surgical procedures are covered on Cashless basis through 807 networked hospitals located in Tamil Nadu, Puducherry, Bengaluru, Thiruvananthapuram and New Delhi. During the four year period (i.e from 1.7.2012 to 30.06.2016) 1,85,920 beneficiaries availed medical assistance to the tune of Rs.738.06 crore. Further, under the New Health Insurance Scheme-2016, 83,487 beneficiaries have availed medical assistance to the tune of Rs.327.81 crore.

## **Public Financial Management System**

23. Public Financial Management System is an application of Government of India administered in order to resolve various issues

relating to release of grants under various schemes, reconciliation of accounts and submission of reports. It facilitates the scheme manager to monitor Grant released by Government of India and its utilization. Treasuries and Accounts Department is taking various measures for the implementation of the scheme as per the order and guidelines of Government of India and State Government.

### **Training for Employees**

24. Hon'ble Minister for Finance, Fisheries and Personnel and Administrative Reforms Department, during the debate on the demand of grants in the Legislative Assembly announced on 19.7.2017 that a training programme would be organized for the employees of Treasuries and Accounts Department on the subjects such as Treasury functions, budget preparation and

Integrated Financial and Human Resource Management System (IF&HRMS). Accordingly, a sum of Rs.30 lakh was allotted by Government vide G.O.Ms.No.322, Finance (T&A-III) Department, dated 30.10.2017 and Training programmes have been conducted from 19.02.2018 onwards to train nearly 543 officials in the cadres of Assistant Accounts Officers, Accounts Officers and Chief Accounts Officers of Treasuries and Accounts Department through Anna Institute of Management, Chennai.

## **LOCAL FUND AUDIT DEPARTMENT**

25. The Local Fund Audit Department was entrusted with the task of statutory audit of the accounts of urban and rural local bodies, Universities, Agricultural Market Committees, Local Library Authorities and other institutions in the State under the provisions of the respective Acts governing the institutions. As per the recommendation of the 2<sup>nd</sup> State Finance Commission, the Tamil Nadu Local Fund Audit Act 2014 (TN Act No: 24 of 2014) was enacted with effect from 14.12.2014. Tamil Nadu Local Fund Audit Rules have come into effect from 24.08.2016.

26. Apart from the the audit of the institutions mentioned in the schedule of the Act, the Directorate of Local Fund Audit undertakes statutory audit of the other institutions with the prior sanction of the

Government as per section 5 of the Act. As per section 20 of the Tamil Nadu Local Fund Audit Act, 2014, DLFA should submit annually a consolidated report of the accounts of local bodies audited by him to the Government, which shall cause it to be laid before the Legislative Assembly.

27. Necessary training has been given by the Principal Accountant General, for placing the Audit report in the Legislative Assembly. Tamil Nadu Local Fund Audit Rules, 2016 provides the revision of the audit report format as on when required.

28. The following institutions are under the audit purview of Local Fund Audit Department at present.

<b>Sl. No</b>	<b>Name of the Institutions</b>	<b>Total No.</b>
1	Municipal Corporations	12
2	Municipalities	124
3	Town Panchayats	528
4	District Panchayats	31
5	Panchayat Unions	385
6	Universities	23
7	Local Library Authorities	32
8	District Agricultural Market Committees	22
9	Tamil Nadu Agricultural Marketing Board	1
10	Agricultural Engineering Wings	3
11	Koyambedu Market Committee	1
12	Local Planning Authorities	27
13	Village Panchayats ( every year on rotation basis 22% out of 12524 village panchayats)	2801
14	Miscellaneous Institutions	11
15	National Social Welfare Scheme	32
	<b>Total</b>	<b>4033</b>

## **Scope of Local Fund Audit Department:**

29. The audit of Local Body Institutions done by this Department relates to checking of accounts and conduct of propriety audit on the income and expenditure of the audit institutions to ensure that the transactions are as per the relevant Acts and Rules and Government orders and the accounts represent a true and fair view of the state of affairs of the Local Bodies. The audit safeguards the interests of the tax payer's money to Local Bodies, assistance given by Government and funding agencies to Local Bodies and further ensures that the assistance given by the Government and funding agencies is utilized for the purpose for which it is granted and for the benefit of the community as a whole.

## **Test Audit of Village Panchayats**

30. The Local Fund Audit Department is required to conduct the test audit of 22 percent of the total Village Panchayats every year. Accordingly, the audit of 2,801 Village Panchayats are taken up every year out of 12,524 village panchayats.

## **Concurrent Audit of Urban Local Bodies, Panchayat Raj Institutions and Universities**

31. The "Concurrent Audit System" is in vogue in 12 Corporations, 17 Municipalities and 14 Universities. The Government has introduced quarterly audit system in all the 385 Panchayat Unions from the year 2000-01. Audit Parties consisting of one Inspector and one Deputy Inspector or one Assistant Inspector for every



three or four Panchayat Unions have been constituted and located at selected 116 Panchayat Union Offices.

### **32. Implementation of Immediate Post Audit System in all Corporations and selected Municipalities**

a) Immediate Post Audit is conducted in the following 12 Corporations and 17 Municipalities where Concurrent Audit sections are functioning. Under this system payment vouchers are sent to Audit upon making payments and such vouchers are audited immediately and the defects noticed are communicated to the administration. This system facilitates the prompt rectification of defects by the administration.

<b>Sl.No.</b>	<b>CORPORATIONS (Concurrent Audit)</b>	<b>MUNICIPALITIES (Concurrent Audit)</b>
1.	CHENNAI	AVADI
2.	SALEM	KANCHEEPURAM
3.	COIMBATORE	CUDDALORE
4.	TRICHY	KARUR
5.	MADURAI	KUMBAKONAM
6.	TIRUNELVELI	PUDUKOTTAI
7.	TUTICORIN	PALANI
8.	VELLORE	POLLACHI
9.	TIRUPPUR	OOTY
10.	ERODE	NAGERCOIL
11.	THANJAVUR	MARAIMALAI NAGAR
12.	DINDUGUL	TAMBARAM
13		PALLAVARAM
14		THIRUVANNAMALAI
15		KODAIKANAL
16		RAJAPALAYAM
17		KOVILPATTI

b) The audit objections noticed during the Concurrent audit are communicated by the audit parties, to the institutions concerned immediately in the form of "Audit Slips" and after verifying the replies received, the objections are admitted or modified. After consolidating the unsettled audit slips and other paragraphs relating to receipts and expenditure, the audit report is finalized and issued.

### **Annual Audit of Non Concurrent Audit Institutions**

33. The audit of remaining 107 Municipalities and 9 Universities and other local bodies like Town Panchayats, District Panchayats, Market Committees, Local Library Authorities, Local Planning Authorities and miscellaneous institutions are undertaken every year on receipt of annual accounts from the audited institutions.

### **34. Implementation of Accrual Based Accounting System in Urban Local Bodies**

i) Cash Based system of Accounting in Urban Local Bodies was replaced by Accrual Based system of Accounting in Municipal Corporations and Municipalities in two phases from the accounting year 1999-2000 and 2000-01. This system was implemented in all Town Panchayats with effect from 2002-2003. The 7 digit web based accounting system based on the national municipal accounting manual has been adopted since 2016-17.

ii) The objective and scope of this accounting system is to follow the Generally Accepted Accounting Principles and maintain Income and Expenditure Account to correctly reflect the financial operations during a year and also maintain Balance sheet to give true picture of

the assets and liabilities of Urban Local Bodies at the end of a financial year.

iii) This system enables the Urban Local Bodies to value their assets following standard valuation methods and incorporating them in books of accounts through the Asset Register. Due to transparency in the new accounting system, various financial institutions have come forward to extend financial assistance to Urban Local Bodies for capital projects and welfare schemes.

### **35. Certification of Annual Accounts of Local Bodies and Universities**

i) Certification of accounts of local bodies is essential as internationally, accounts are not accepted in principle without proper certification. Accordingly, the annual accounts of urban local bodies are certified by the officers of the Local Fund Audit Department as per G.O(Ms)No.93,

Finance (FC-IV) Department, dated 28.3.2003, subsequent to the implementation of the Accrual Based Accounting System in the Urban Local Bodies.

ii) Audit certificates are issued by this department for the utilisation of various grants released by the State / Central Government, the University Grants Commission and other Funding Agencies in respect of Universities which come under the audit purview of this department.

### **36. Procedure for Settlement of Audit Objections**

i) Taking follow up action on the Audit Reports is one of the vital functions of this department. The irregularities which are serious in nature, noticed during the course of audit are immediately taken to the notice of the Executive Authorities of the local bodies concerned. Serious irregularities and losses pointed out in

Audit Reports are reported to the Government and the Heads of Administrative Departments concerned through monthly periodicals and special reports for necessary follow up action.

ii) In the normal course, the replies to the audit objections are verified and the objections are dropped if satisfactory explanation are rendered. Further, the settlement of audit objections is also taken up by the regional and district level officers of this department through joint sittings arranged by the administrative departments concerned. On the spot settlement is made upon satisfactory explanation.

iii) The entry level discussion and exit level discussion with executive authorities have also been followed to facilitate rectification of defects pointed out in audit.

### **37. Formation of District High Level Committees and State High Level Committees**

i) In respect of Panchayat unions, District High Level Committees headed by the respective District Collectors and the State High Level Committee under the Chairmanship of the Commissioner of Rural Development and Panchayat Raj have been formed. During the year 2017-2018, 108 District High Level Committee meetings were conducted and 2,619 audit objections were settled.

ii) As regards the Town Panchayats, High Level Committees have been constituted at District level with the Collector as Chairman and at State level with the Director of Town Panchayats as Chairman in G.O.Ms.No.1 Municipal Administration and Water Supply (TP2) Dept., dated.4.1.07. During the year 2017-2018,



5 District High Level Committee meetings were conducted and 313 audit objections were settled.

iii) In respect of Municipalities and Municipal Corporations (other than Chennai Corporation), District High Level Committees headed by the respective District Collector and State High Level Committee headed by Director of Municipal Administration have been constituted as per G.O. (Ms) No.65 Municipal Administration and Water Supply Department, dated 22.5.07. During the year 2017-2018, 28 District High Level Committee meetings were conducted and 5,815 audit objections were settled.

### **Special Functions**

38. Apart from the regular audit functions, this department is also entrusted with the following special functions.

**a) Authorisation and disbursement of Pensionary benefits to Local Body Employees**

The certification, sanction and payment of retirement/death benefits to the employees of local bodies viz: Municipalities, Town Panchayats and Panchayat Unions are done by the Director of Local Fund Audit. As on 31.03.2018, a total number of 30,631 pensioners are receiving monthly pension through four nationalized banks. The funds for the payment of pension / family pension are released by the Heads of Department concerned from the State Finance Commission Devolution fund.

**b) Redressal of Local Body Pensioner's grievances**

An Information Desk has been opened at the Directorate of Local Fund Audit for redressal of local body pensioner / family pensioner

grievances and the pensioner/family pensioner are able to get information required by them regarding their pension proposals and related matters without any delay.

**c) Administration of Municipal Pensioner's Health and Family Security Fund Schemes**

The Health Fund Scheme and Family Security Fund scheme had been extended to municipal pensioners in G.O. (Ms) No. 120, Municipal Administration and Water Supply Department, dated 25-05-1999 with effect from 01-08-1999. This two welfare schemes are administered by the Director of Local Fund Audit. During the 2017-2018, 293 claims settled and Rs.114.09 lakh sanctioned under Pensioner Health Fund Scheme and 109 claims settled and Rs.116.45 lakh sanctioned under Family Security Fund Scheme.

**d) Administration of Panchayat Union Pensioner's Health and Family Security Fund Schemes**

The Health Fund Scheme and Family Security Fund scheme extended to panchayat union pensioners in G.O.(Ms)No.23, Rural Development and Panchayat Raj (E7) Department, Dated.15-03-2013 with effect from 01-04-2013 are administered by the Director of Local Fund Audit. During 2017-2018, 129 claims settled and sanctioned Rs.34.15 lakh under Pension Health Fund Scheme and 128 claims settled and sanctioned Rs.32.78 lakh under Family Security Fund Scheme.

**e) Sanction of Interest on Provident Fund Balances and Deposits of Local Body Employees**

The Provident Fund Deposits of Local Body Employees and investments thereon were taken

over by Government in the year 1967. The Director of Local Fund Audit is authorised to sanction interest on the balance of Provident Fund Deposits of local bodies. A sum of Rs.18 crore was sanctioned by the Government during the year 2017-18 and the entire allotment has been utilized for sanction of interest claims to the Local Bodies.

#### **f) Treasurer of Charitable Endowments**

The Director of Local Fund Audit also functions as the Treasurer of Charitable Endowments with effect from 01.04.1952. Government authorizes acceptance of the endowments and publishes the scheme of administration of the endowment. The interest amount realised from the Endowments is released to the institutions concerned upon filing of applications. At present, there are 4 Central Endowments worth Rs.17.40 lakh and 885 State

Endowments worth of Rs.29.08 Crore under the custody and control of the Treasurer of Charitable Endowments. During the year 2017-18, out of the interest proceeds of endowments, a sum of Rs.21.67 lakh has been distributed to 186 Endowment institutions towards award of scholarships, prizes, medals etc.,

## **CONTRIBUTORY PENSION SCHEME / AUDIT BY THE DEPARTMENT OF LOCAL FUND AUDIT**

39. As per G.O. Ms. No. 260 Finance (PGC) Department, dated.15.10.15, the Director of Local Fund Audit audits the accounts relating to the Contributory Pension Scheme (CPS) maintained by the local bodies so as to ensure the correctness of subscription of the employees and contribution of the local body. Contributory Pension Scheme accounts for all the

385 panchayat unions have been audited for the period upto 2016- 2017. In respect of other Local Bodies such as 11 Corporations, 124 Municipalities and 528 Town Panchayats, Local Fund Audit department has been verifying the correctness of Contributory Pension Scheme accounts as and when data are uploaded by these local bodies.

### **Status of Audit**

40. Audit for the year 2016-17 in respect of 22 percent of Village Panchayats, all Panchayat Unions, Town panchayats, District Panchayats, Municipalities, Corporations and Universities and other institutions have been completed. 2017-18 audit of Panchayat Unions have been planned for completion by 30.06.2018 and the audit of the remaining institutions will be completed by 30.09.2018.

## **Audit Fees**

41. This department has been charging full audit cost as audit fee from the universities and 50 percent of audit cost as audit fee from the Municipal Corporations and Municipalities and 2 percent of total expenditure as audit fee from Agricultural Market Committees. As against the demand of Rs.1,106.74 lakh for the year 2017-2018, a sum of Rs.1,048.84 lakh was remitted as audit fees by the above mentioned institutions during financial year 2017-2018.

### **Recovery of excess payment pointed out in audit**

42. A sum of Rs.4,483.06 lakh have been recovered during 2017-2018 on account of settlement of audit objections relating to Village Panchayats, Panchayat Unions, Town Panchayats, Municipalities and Corporations.



## **CO-OPERATIVE AUDIT DEPARTMENT**

43. The Department of Co-operative Audit is functioning as a separate department with effect from 17.6.1981 as per the recommendations of the Santhanam Committee and the Administrative Reforms Commission. As per Section 80 of Tamil Nadu Co-operative Societies Act, 1983, the main function of the Co-operative Audit Department is to conduct audit of all Co-operative Societies functioning under the administrative control of 14 Functional Registrars except the Multi State Co-operatives and Milk Co-operatives.

44. The Co-operative Societies under the control of the following functional registrars are coming under the audit purview of the Co-operative Audit Department.

<b>Sl. No.</b>	<b>List of Functional Registrars</b>	<b>Total No. of Societies</b>
i	Registrar of Co-operative Societies	8640
ii	Commissioner of Handlooms and Textiles	1400
iii	Commissioner of Industries and Commerce	312
iv	Chief Executive Officer, Tamil Nadu Khadi and Village Industries Board	797
v	Chief Executive Officer, Palm Products Development Board	118
vi	Registrar of Co-operative Societies (Housing)	866
vii	Director of Fisheries	1344
viii	Director of Animal Husbandry and Veterinary Services	110
ix	Commissioner of Sugar	17
x	Director of Agriculture (Oil Seeds)	82
xi	Director of Agro Engineering and Service Co-operative Societies	123
xii	Director of Sericulture	24
xiii	Director of Social Welfare & Nutritious Meal Programme	123
xiv	Director of Rural Development and Panchayat Raj	51
	<b>TOTAL</b>	<b>14007</b>

## **SCOPE OF CO-OPERATIVE AUDIT DEPARTMENT :**

45. The main objective of the Co-operative Audit is to audit the accounts of the Societies and to ensure that the Balance Sheet and Profit and Loss Account have been drawn up properly and that they represent a true and fair picture of the state of affairs of the Societies. In addition, this department assists the members of the Societies, by auditing whether the societies functions are in accordance with the relevant Acts, Rules and procedures and also ensures that the assistance given by the Government is utilized for the purpose for which it is given and the benefit is derived by the members and the community as a whole.

### **Concurrent Audit of Urban Banks and Central Co-operative Banks**

46. After the implementation of the Prof.Vaidhyathan Committee Report, in 2009,

the statutory audit of all Central Co-operative Banks and following the recommendations of Reserve Bank of India, the statutory audit of Urban Co-operative Banks with deposits above Rs.25 crore were entrusted to Chartered Accountants respectively. The auditors of the Co-operative Audit Department are entrusted with the task of Concurrent Audit in these Banks.

### **Statutory Audit and Audit Fees**

47. The statutory audit of Co-operative Institutions / Societies are conducted on concurrent basis. The audit of such Societies has to be completed within a period of 45 days. Audit fee is collected for the audit taken under concurrent basis. A sum of 2.89 crore has been collected as audit fees for the period from 01.04.2017 to 31.03.2018. The statutory audit of bigger Societies having more

transactions are conducted by deploying full time personnel under FR 127 terms and as per G.O (Ms) No. 340, Finance (CA) Department, Dated: 21.09.2012, 60 per cent of the salary cost is recovered under Fundamental Rule 127 from respective Societies as cost of audit. A sum of Rs.11.50 crore has been recovered during 2017-2018.

### **Status of Audit Progress**

48. Audit progress for the past five years are as follows:

Sl. No.	Year of Audit	Total Societies	Audit Completed and reports issued	Pending Societies
1	2012-2013	16554	16017	537
2	2013-2014	15955	15338	617
3	2014-2015	14644	14000	644
4	2015-2016	14017	13208	809
5	2016-2017	14007	12699	1308

Audit of accounts for the year 2016-17 have been completed for 12699 out of 14,007 Societies from 01.04.2017 to 31.03.2018. The audit of balance societies will be completed before 30.09.2018. Due to enquiry under section 81 of TNCS Act, 1983, and investigation of Commercial Crime Investigation Wing, and court cases, non-production of books and accounts not written are some of the reasons for not completing the audit of such societies upto the year 2016-2017. Efforts are being taken to complete the audit work early.

## **Special Reports**

49. When serious defects are noticed during the audit, they are brought to the notice of the Functional Registrars concerned by submitting a Special Report with full facts of the case. During the year 2016-2017, 371 Special reports

involving Rs.42.53 crore were submitted. Further, during the period from 01.04.2017 to 31.03.2018, 569 special reports involving an amount of Rs.59.57 crore were submitted.

### **Appointment of New Junior Co-operative Auditors**

50. This department has undertaken restructuring of its cadre strength by downgrading its staff structure. Action has been taken to fill up the vacant entry level post of Junior Co-operative Auditors by direct recruitment through Tamil Nadu Public Service Commission.

### **Upgradation of Co-operative Audit Officer Posts as Assistant Director Posts**

51. Government has upgraded 20 Co-operative Audit Officer posts as Assistant

Director posts vide G.O.(Ms) No.159, Finance (CA) Department, dated 1.06.2017. This has improved the promotion prospects of the employees in the department.

### **Capacity Building to the Auditors**

52. To improve the quality of audit and skills among the auditors, the department is conducting various types of training programs and also conducting 3 days refresher classes every year.



## **SMALL SAVINGS DEPARTMENT**

53. The primary objective of the small savings programme is to promote the habit of thrift and savings among citizens of the country and small saving schemes have been always an important source of household savings in India. The emphasis, is to bring the small depositors into the fold of the savings movement and by ensuring their investment in the schemes are highly secure and fetching reasonable rate of return. The State Commissionerate of Small Savings endeavours to plant and promote the seeds of thrift and benefits of small savings among the people of Tamil Nadu and is mainly concerned with the promotion of various small savings schemes implemented through the Department of Posts.

54. Till 2015-16, the net small savings collections mobilized within the State had been

sanctioned as a long term loan either fully or partially to the concerned State Government. However, based on the recommendations of the Fourteenth Finance Commission, that the states should not be compelled to avail loan from the National Small Savings Fund and also accepting the request of Tamil Nadu Government, the State has been excluded from getting the small savings loan from 2016-17 onwards.

### **Small Savings Schemes**

55. A number of small savings schemes are in existence to suit the requirements of different segments of the Society. The Government of India revises the rate of interest for the small savings schemes periodically on 1<sup>st</sup> of January, April, July and October every year.

56. This information is also provided in the department's website [www.tnsmallsavings.org](http://www.tnsmallsavings.org)

and periodically updated. The current rate of interest for the schemes as on 01.01.2018 is given below:

<b>Sl. No.</b>	<b>Scheme</b>	<b>Rate of Interest (%) w.e.f. 01.01.2018</b>	<b>Compounding Frequency</b>
1	Post Office Savings Account (POSA)	4.0	Annually
2	Time Deposit (POTD)		
a	1 year Post office Time Deposit	6.6	Quarterly
b	2 year Post office Time Deposit	6.7	Quarterly
c	3 year Post office Time Deposit	6.9	Quarterly
d	5 year Post office Time Deposit	7.4	Quarterly
3	Post Office Recurring Deposit (PORD 5 years)	6.9	Quarterly
4	Senior Citizen Savings Scheme (SCSS) (5 years)	8.3	Quarterly and paid
5	Post Office Monthly Income Scheme (POMIS) (5 years)	7.3	Monthly and paid
6	National Savings Certificate (NSC VIII Issue) (5 years)	7.6	Annually

<b>Sl. No.</b>	<b>Scheme</b>	<b>Rate of Interest (%) w.e.f. 01.01.2018</b>	<b>Compounding Frequency</b>
7	Public Provident Fund/Ponmagan Podhu Vaippu Nidhi (15 years)	7.6	Annually
8	Kisan Vikas Patra (KVP)	7.3 (will mature in 118 months)	Annually
9	Sukanya Samriddhi Account (Selvamagal Savings Scheme)	8.1	Annually

### **Selvamagal Savings Scheme:**

57. Government of India has launched Selvamagal Semippu Thittam, a savings scheme meant for girl child with effect from 03.12.2014. This scheme is exclusively for girl child below 10 years and allows parent or guardian to deposit upto a maximum of Rs.1.5 lakh per year. The current interest rate for this scheme is 8.1 percent with effect from 01.01.2018.

## **Ponmagan Podhuvaippu Nidhi:**

58. Considering the enthusiastic public response for “Selvamagal Semippu Thittam”, the Department of Posts has renamed the Public Provident Fund scheme as ‘Ponmagan Podhuvaippu Nidhi’ which is aimed at benefiting male child, with effect from 04.09.2015. This account may be opened by the parent or guardian in the name of a child below 10 years and for the child above 10 years, the account can be opened by themselves. In a year, deposits upto a maximum of Rs.1.5 lakh can be made and an interest rate of 7.6 percent is offered with effect from 01.01.2018.

## **Senior Citizen Savings Scheme**

59. The rate of interest given to the 5 year Senior Citizen Savings scheme is 8.3 percent

with effect from 01.01.2018. Interest is payable quarterly and account can be extended for another three years. Premature closure is also allowed after one year at a discount of 1.5 percent and after two years at 1 percent discount of the deposit amount.

### **Small Savings Collection:**

60. The small savings collections recorded in Tamil Nadu during the financial years 2013-14 to 2017-18 are furnished below:

(Rs. in Crore)

<b>Sl. No.</b>	<b>Financial Year</b>	<b>Target</b>	<b>Gross</b>	<b>Withdrawal</b>	<b>Net</b>
i	2013-14	--	9,624.19	10,354.97	-730.78*
ii	2014-15	--	10,936.37	12,020.49	- 1,084.12*
iii	2015-16	--	17,259.82	15,314.41	1,945.41
iv	2016-17	--	20,737.29	17,227.19	3,510.10
v	2017-18	--	25,257.16	17,301.21	7,955.95

(\*Withdrawal during the financial years 2013-14 and 2014-15 were higher than the collections. Hence the net is negative sign.)

## **Agency System and Awards**

### **Agency System:**

61. Agents are appointed throughout the State for mobilization of savings. They play a vital role in small savings promotion and collection. Under Mahila Pradhan Kshetriya Bachat Yojana (MPKBY), women alone are being appointed as Small Savings Agents with priority to canvass Post Office Recurring Deposit (PORD) scheme. At present, a total number of 17,152 agents have been registered and functioning in Tamil Nadu as on 31.03.2018 as shown below:-

<b>Sl. No</b>	<b>Type of Agents</b>	<b>Total No. of Small Savings Agents</b>
1.	Standardised Agency System (SAS)	3,530
2.	Mahila Pradhan Kshetriya Bachat Yojana (MPKBY)	13,622
<b>Total</b>		<b>17,152</b>

## **Awards:**

62. Government of India pays commission to agents for the deposits mobilized through them under a few small savings schemes. The Government of Tamil Nadu, in order to motivate Small Savings Agents and to inculcate the habit of savings in the minds of the general public, gives Cash Awards and Shields to the Mahila Pradhan Ksetriya Bachat Yojana (MPKBY) agents at Block, District and State level and at District and State level for Standardized Agency System (SAS) agents every year. In 2017-2018, cash awards and shields worth of Rs.9,68,000/- has been given to 709 agents.

## **World Thrift Day**

63. The World Thrift Day is observed by the Small Savings Department on 30<sup>th</sup> October every



year. The department plays a vital role in encouraging the twin habits of thrift and savings in small savings schemes and addressing the grievances of investors and agents through online ([www.tnsmallsavings.org](http://www.tnsmallsavings.org)) all over Tamil Nadu. District Collectors in the Districts and the Commissioner of Greater Chennai Corporation play vital role in the deliverance of small savings schemes during World Thrift Day celebrations every year. Accordingly, Essay, Oratorical, Dance and Drama competitions are conducted for the students and awards given to the Winners by the Small Savings Department. Further, State level function was also held in Chennai during 2017-18 with the participation of Hon'ble Ministers, officials and the general public.

## **Publicity**

64. In order to create awareness among the public, Small Savings Department participates in the Government Exhibition by erecting Small Savings pavilion and distributes pamphlets. Also this department conducts dramas to emphasize the importance of small savings at Block level in the districts every year. In addition, the department also took part in the Book Fair and Annual Exhibition conducted in Perambalur and Tuticorin districts. In 2017-2018, a sum of Rs.14.27 lakh has been incurred for these events.

## **GOVERNMENT DATA CENTRE**

65. With the objective of ensuring a more meaningful analysis of financial data and better budgeting through analysis of the accounts of the State using electronic data processing equipment, the Government established the Central Budget Data Processing Centre in 1971. The main intention of the Government is to utilize the electronic data processing facilities in due course to form the nucleus of the Management Information System for Government. Hence, a full-fledged Government Data Centre was established in 1972. For administrative convenience both the above Centres were merged and the Government Data Centre was established in 1975. This Centre now deals with the following functions:-

- (i) New Pension Scheme
- (ii) Contributory Pension Scheme
- (iii) Contributory Pension Scheme for Employees of Local Bodies
- (iv) GPF Scheme for the employees of Puratchi Thalaivar MGR Nutritious Meal Programme (NMP) and Integrated Child Development Services (ICDS).

## **New Pension Scheme**

66. As on date New Pension Scheme Index Numbers have been allotted to 177 All India Service Officers who are appointed after 01.01.2004. The Account Slips for the year 2016-2017 for 153 All India Service Officers were hosted in June 2017 and arrangements made to download the accounts slip by the officers themselves. Steps are being taken to transfer the amount of All India Service Officers

who comes under the New Pension Scheme to National Securities Depository Limited.

## **Contributory Pension Scheme**

67. Government Data Centre has been maintaining Contributory Pension Scheme of the Panchayat Union Schools / Aided Educational Institutions / Municipal Schools and Local Body employees as per G.O.Ms No.201 Finance (Pension) Department, Dated 21.05.2009. In G.O.Ms.No.463, Finance (PGC) Department, Dated 27.12.2013 Contributory Pension Scheme of Government Employees maintained by the Accountant General has been entrusted to Government Data Centre with effect from 01.01.2014. Details of Contributory Pension Scheme Index numbers assigned by the Government Date Centre are as follows:

<b>Sl. No</b>	<b>Details of Employees</b>	<b>Index Numbers allotted</b>
1.	Government Employees	3,81,125
2.	Aided Educational Institutions / Panchayat Union / Municipal Schools Employees	96,776
3.	Local Body Employees	28,040
	<b>Total</b>	<b>5,05,941</b>

68. The Contributory Pension Scheme account slips for Government Employees, employees of Aided Educational Institutions, Panchayat Union Schools and Municipal Schools have been issued upto the year 2016-17 for 4,09,948 subscribers. For the remaining 95,993 subscribers under this scheme, the credit details would be verified by the Government Data Centre and will be issued along with the accounts slip for the financial year 2017-2018.

## **Issue of Final Account Slip**

69. The Treasuries and Accounts Department has recommended for issue of final account slip for 6822 employees as per orders issued in G.O.Ms.No.59, Finance (PGC) Department, dated 22.02.2016. After due verification 6,284 employees final account slips were handed over to the Treasuries and Accounts Department for Authorization. In accordance with the same, a sum of Rs.243.07 crore has been released to concerned employees.

## **Local Body Employees – Contributory Pension Scheme**

70. The number of non-provincialised employees working in Local bodies under the Contributory Pension Scheme are 28,040. The issue of account slips for the respective financial years to the above employees under Contributory Pension Scheme is under process.

## **General Provident Fund Scheme for the Employees of Puratchi Thalaivar MGR Nutritious Meal (NMP) and Integrated Child Development Services (ICDS)**

71. The Government, in G.O. Ms No.108, Social Welfare and Nutritious Meal Programme Department, dated 19.04.2010 has entrusted the work of maintaining the General Provident Fund Account for the Puratchi Thalaivar MGR Nutritious Meal Programme (NMP) and Integrated Child Development Services (ICDS) Scheme employees, to the Government Data Centre. The number of subscribers enrolled in this Scheme is 2,41,925 as on 31.03.2018. In G.O.Ms.No.53, Social Welfare and Nutritious Meal Programme Department, Dated 20.07.2015 guidelines were issued for this Scheme and accordingly recovery under General Provident Fund is being made from the NMP and ICDS employees since August 2015. The data entry of



credit schedules received from the District Treasury Offices from August 2015 to February 2017 have been completed and the compilation of Account Slips for the years 2015-2016 and 2016-2017 is in progress.

### **Budget Allotment for CPS for the year 2017-18**

72. The subscription amount towards Contributory Pension Scheme recovered from Government Servants, Aided Schools and Colleges, Panchayat Schools and Municipal Schools Teachers for the year 2017-2018 amounting to Rs.1,848.24 crore, the matching Government contribution and interest thereon have been transferred to relevant Contributory Pension Scheme accounts maintained under Major head "8342" in Public Account.

## **INTERNAL AUDIT AND STATUTORY BOARDS AUDIT DEPARTMENT**

73. The State Trading Schemes Audit Department constituted in the year 1969 was reorganized in GO.Ms.No.598, Finance (Local Fund) department, dated 03.08.1992 by realigning the functions of the existing Local Fund Audit department and State Trading Schemes audit department, providing for Internal audit in Government departments by Chief Internal Auditor and Chief Auditor of Statutory Boards. The following Boards and Institutions are coming under the purview of the Internal Audit and Statutory Boards Audit Department.

## 74. Statutory Audit.

Sl. No	Name of the Institution	Year of Completion of Audit
(I)	Tamil Nadu Khadi & Village Industries Board.	2015-16
(II)	Tamil Nadu Slum Clearance Board.	2015-16
(III)	Tamil Nadu Housing Board	2015-16
(IV)	Tamil Nadu Wakf Board	2014-15
(V)	Tamil Nadu Labour Welfare Board	2015-16
(VI)	Chennai Metropolitan Development Authority	2015-16

The audit of the above statutory institutions (except Sl.No. IV & V) are conducted annually on concurrent basis. The audit reports of these institutions are issued within the stipulated time frame and the details of serious irregularities are brought to the notice of the Government and

Public Undertakings Committee of the Tamil Nadu Legislative Assembly.

## **75. Audit of Non Statutory Bodies.**

The audit of the following Non-Statutory institutions are conducted by this Department.

Sl. No	Name of the Institution	No. of. Centre / Institutions
(I)	Puratchi Thalaivar MGR Nutritious Meal Scheme	97,333
(II)	Agriculture Extension Centres	881
(III)	Weights and Measures Institutions	333
(IV)	Institutions receiving Recurring grant of above Rs.20 thousand and Non recurring grant of above Rs.1.20 lakh p.a	687

In addition, the audit of the following institutions are also entrusted to this department.

1. Tamil Nadu Sports Development Authority
2. Tamil Nadu Text Book and Educational Services Corporation
3. Tamil Nadu Agricultural Labour & Farmer's Welfare (Social Security) Scheme
4. Folk Artist Welfare Board
5. Tamil Nadu Manual Labourers Welfare Board
6. 15 Non-Formal Labourers' Welfare Boards
7. Other Miscellaneous Institutions

## **76. Special audit**

(i) The special audit on the Teaching Staff Establishment of all Government and Government Aided Colleges had been entrusted

to this department vide Government Letter No.17905/F1/2015, Higher Education dated 19.09.2015. The final audit report on this subject was sent to the Government vide this office letter No. R.C. No.13304/D2/2015-1, dated.28.08.2017.

(ii) As per G.O.Ms.No.148, Education (GG1) Department, dated.20.04.2016, the Audit on the accounts relating to the expenditure for software designers towards creation of software through ELCOT for conduct of all examinations including public examination for Higher Secondary and 10<sup>th</sup> Standard by Directorate of Government Examination has been entrusted to this department.

(iii) As per G.O.Ms.No.135, Finance (L.F) Department, dated.23.05.2017, the audit on the accounts of Post Matric Scholarship Scheme for the SC / ST students implemented through

Adi Dravidar Welfare Department has been entrusted to this department.

(iv) In G.O.Ms.No.274, Finance (L.F) Department, dated.19.09.2017, orders had been issued to continue the Audit on the accounts of Anna Institute of Management has been entrusted to this department from 2016-17 onwards.

(v) As per the letter of the Director of Social Defence (Letter No.002/E1/2016, dated.10.05.2016 and 29.07.2016), the Audit of District Child Protection Unit (DCPU) was entrusted to this department and the audit on the accounts of DCPU is conducted by this department since 2012-13.

## **77. Audit Certificate**

This Department is certifying the entitlement of grants to the concerned aided

institutions, besides certifying pension and Provident Fund closure proposals of employees of all the auditee Boards.

## **78. Other Functions.**

At present, in 19 Government Departments, the Internal audit functions are supervised by the officials of this department in the cadre of Assistant Director / Inspectors as per the specific orders of the Government.

In addition, the following Audit and other functions are being undertaken by this Department.

Audit on the accounts of:

1. National Service Scheme in Deemed Universities
2. Tamil Nadu Government Servants Health Fund Schemes
3. Family Security Fund



4. Hon'ble Chief Minister's Public Relief Fund
5. Government Aided Polytechnics and Engineering Colleges
6. All Departments of Secretariat
7. Pay fixation of Government employees of all departments.
8. Audit of the Contributory Pension Scheme of the employees working in Government Departments.
9. Audit on the expenditure of Parliament and Legislative Assembly elections.

## **79. Follow up action taken on Audit Reports**

The gist of audit paragraphs which are serious in nature are brought to the notice of concerned Heads of the Department and the concerned Secretaries to Government for corrective action.

## **80. Audit Fees**

The demand for audit fees is raised on the basis of the actual cost of audit or average cost. In respect of Wakf Institutions, the demand for audit fees is raised at 1.5 percent of the net receipts of the institution. The audit fees are remitted by the concerned institutions into Government account.

**O.PANNEERSELVAM  
DEPUTY CHIEF MINISTER**