



# **FINANCE DEPARTMENT**

**POLICY NOTE**

**DEMAND No.16**

**2017-2018**

**D.JAYAKUMAR**  
**MINISTER FOR FISHERIES, FINANCE,**  
**PERSONNEL AND ADMINISTRATIVE**  
**REFORMS**

©

**Government of Tamil Nadu**  
**2017**

# INDEX

<b>Sl. No.</b>	<b>Subject</b>	<b>Page</b>
1.	Introduction	1
2.	Treasuries and Accounts Department	12
3.	Local Fund Audit Department	30
4.	Co-operative Audit Department	52
5.	Small Savings Department	61
6.	Government Data Centre	70
7.	Internal Audit and Statutory Boards Audit Department	77

# **POLICY NOTE**

## **DEMAND NO.16**

### **FINANCE DEPARTMENT**

#### **POLICY NOTE FOR THE YEAR 2017-2018**

##### **Introduction:.**

“Acquiring, gaining, saving and sharing treasure  
Efficiency in these marks an able ruler” -385

Acquiring, storing, protecting and distributing  
wealth are the duties of an able king.

Efficient public financial management  
comprises of collecting the taxes without  
leakages and apply such resources for the right  
purposes to drive the State in the path of  
development and take care of the welfare of  
public particularly downtrodden people. It is  
thus the priority of this Government to use the

resources efficiently in the interest of public welfare, and simultaneously ensure economic progress and prosperity. The Finance department, being the custodian of State's exchequer, steering the public finances in a well balanced manner with diligence. The important function of Finance Department are preparation and presentation of Annual Financial Statement of the Government to the State Legislature every year and control of the expenditure adhering to the fiscal discipline. It has the overall responsibility of balancing receipts and payments and ensure that the debt obligations are kept at the minimum.

2. The Finance Department ensures the allocation of sufficient funds to the development and welfare schemes announced by the Government from time to time. Such effective management of resources has ensured better service delivery, improvement of infrastructure

and contributed to the overall development of the State.

3. Besides, Tamil Nadu Infrastructure Development Board (TNIDB) and Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC), the following seven departments are also 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

4. 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 (TNIDB)**

5. The Government of Tamil Nadu launched the Tamil Nadu Vision, 2023 document to strengthen the status of infrastructure in the State. The strategic vision for Tamil Nadu, enunciated by the late **Chief Minister J Jayalalithaa** in the Tamil Nadu Vision 2023, is to become India's most prosperous and progressive State, free from poverty and where its people enjoy all the basic services of a developed society and live in a harmonious environment.

6. The Vision document is a perspective plan, with the goals and themes carefully determined to achieve the desired outcomes that impact the lives of the common people through substantial increase in income, generation of employment opportunity, improvement in the quality of life with high quality of infrastructure and services. Further, focused growth of critical sectors where the State has a competitive advantage is also pursued as a desired goal to achieve peace and prosperity which are critical to protect the vulnerable.

7. The key outcomes expected of Tamil Nadu Vision 2023 are: -

- State's Per-capita income to increase to USD 10,000 (at 2010 prices) by 2023, reaching the status of an upper middle income economy;

- To attain a higher standard of social development, with the Human Development Index of the State matching those of developed countries by 2023; and
- To provide to the residents of the State high quality infrastructure comparable to the best in the world.

8. The Tamil Nadu Vision 2023 document is structured in three parts. Part One is a Strategic Plan detailing the growth strategies and sectoral investment plans. Part Two is an action plan containing sector wise project profiles, outlines of 217 specific projects and programmes along with their outlays and Part Three is an internal document setting road map for all departments and agencies within the Government, to enable appropriate sequencing and seamless coordination of efforts to actualize the Vision. In this context, the Government of Tamil Nadu

has envisaged the provision of universal access to quality infrastructure by the year 2023.

9. The late Chief Minister J Jayalalithaa released the first phase of the "Tamil Nadu Vision 2023" document on 22.3.2012 envisaging an investment of Rs.15 lakh crore for the infrastructure development of the State. This was followed by the release of the second phase of the Tamil Nadu Vision 2023 document on 21.2.2014 which spelt out sector specific approaches and project profiles of 217 infrastructure projects in six major sectors. The preparatory work for the projects under the Vision document are supported through the Project Preparation Fund. Out of these 217 'Vision' projects, 27 projects amounting to Rs.2,33,523 crore are to be implemented by the Central Government in Railways, Ports and Airports Sector. The remaining 190 projects are to be implemented by the Tamil Nadu

Government and its agencies, including private sector participation. Out of these 190 projects, 88 projects have already been started and the rest are in various stages of preparation.

10. The Tamil Nadu Infrastructure Development Board (TNIDB) was set up under the Tamil Nadu Infrastructure Development Act, 2012 which is the nodal agency for infrastructure development in the State. The Board, under the leadership of Honourable Chief Minister plans, regulates and facilitates infrastructure development as envisioned under Tamil Nadu Vision 2023. The Board 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 Partnerships (PPP) mode. The Tamil Nadu Infrastructure Development Act, 2012, Rules, 2012 (TNID Rules) and Tamil Nadu

Infrastructure Development Board Regulations, 2013 (TNIDB Regulations) provide TNIDB with necessary administrative authority and lays down a clear framework of processes and procedures to ensure speedy project development.

11. The Tamil Nadu Infrastructure Development Board has approved the three projects of Tamil Nadu Road Sector Project-II for State Highways SH-15 (Gobichettipalayam-Erode Section), SH-37 (Oddanchatram-Dharapuram-Avinashipalayam) and SH-39 (Tirunelveli-Shengottai-Kollam). The Tamil Nadu Infrastructure Development Board has also finalised a Detailed Project Report for an Intelligent Transport System for Chennai city. The Madurai-Thoothukudi Industrial Corridor Project is also being coordinated by the TNIDB. Madurai-Thoothukudi Industrial Corridor Development Corporation Limited has already

been incorporated and land acquisition is in progress. The Asian Development Bank has evinced interest in supporting the Madurai-Thoothukudi Industrial Corridor Project as part of the East Coast Economic Corridor Plan. Besides, projects such as 24x7 Water Supply Scheme and Multi Level Car Parking at three locations in Coimbatore City Municipal Corporation are at the bidding stage.

### **Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC)**

12. In a landmark initiative, for the first time in the Country, a State Government has established an Asset Management Company i.e., Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC). An Alternative Investment Fund (AIF) Category-I has been established with the approval of Securities and Exchange Board of India (SEBI) viz., Tamil Nadu Infrastructure Fund (TNIF). The investment

manager (i.e) Tamil Nadu Infrastructure Fund Management Corporation Limited, has brought in Indian Bank, Indian Overseas Bank, Karur Vysya Bank, United India Insurance, National Housing Bank and Canara Bank as equity participants while TNIF, the fund managed by TNIFMC, has already been allotted Rs.30 crore as First Loss Catalytic Capital fund from Tamil Nadu Infrastructure Development Board (TNIDB). The fund proposes to make investment in projects in the Energy, Tourism, Urban Infrastructure sectors which are at an advanced stage. The Investment Committee of TNIFMC would approve the investment in the projects. TNIF plans to mobilize Rs.3,000 crore in the current financial year 2017-2018 to fund infrastructure projects.

## **TREASURIES AND ACCOUNTS DEPARTMENT**

13. The Treasuries and Accounts Department headed by the Commissioner of Treasuries and Accounts is functioning under the administrative control of the Finance Department with six Regional Joint Director Offices, six Pay and Accounts Offices, three Sub Pay and Accounts Offices, 32 District Treasuries, one Pension Pay Office, one Assistant Superintendent of Stamps Office and 243 Sub-Treasuries providing Treasury related services.

### **e-Governance Initiatives**

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

14. Automated Treasury Bill Passing System (ATBPS) is being implemented in all Pay and Accounts Offices (PAOs), Treasuries, Sub-Treasuries in order to overcome the difficulties faced in the compilation of accounts,

tracking of bills, monitoring the bill processing system etc., in the manual bill processing system. For the implementation of this system, all the treasuries have been strengthened with infrastructure facilities like provision of computers and other peripherals, Local Area Network (LAN) and Tamil Nadu State Wide Area Network (TNSWAN) connectivity and establishment of modular office for improving working conditions of the staff. This system facilitates providing better services to the various stakeholders like Drawing and Disbursing Officers (DDOs), Banks, Accountant General, etc., and help in effective monitoring.

## **ii. Web Payroll**

15. The Web Payroll application is implemented in all the departments of Government of Tamil Nadu. A total of 23,648 Drawing and Disbursing Officers are using the Web Payroll application for the preparation of

the salary bill of the employees. The Web Payroll software has been developed in such a way that the Management Information System (MIS) reports like details of employees joined / retired / retiring during a period, Grade Pay-wise, Designation-wise, etc., could be generated from the centralized database which contains the particulars of Government employees. Further, this is also serving as an effective tool in the Human Resources Management System.

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

16. The Government have proposed to implement Integrated Financial and Human Resource Management System (IF&HRMS) for the effective and efficient financial management by integrating management of both Financial and Human Resources. M/s.WIPRO Limited is the System Integrator for this Project.

On implementation of the Integrated Financial and Human Resource Management System Project, 23,648 Drawing and Disbursing Officers (DDOs) throughout the State will be able to submit the bills to the Treasury online. This System will provide real time data on revenue and expenditure. The public will also benefit with hassle-free and instantaneous services. This system will also pave way for smooth maintenance of Service Register of all Government employees on real time basis by which the employee's pay bill, promotion, transfer, leave etc., are managed online. The Integrated Financial and Human Resource Management System will have security features like bio-metric authentication, digital signature, etc. This new system is expected to be rolled out by December 2017 and this will enable Government to know the real time fund position which will strengthen the Finance and Human Resource Management.

## **New Pension Scheme (NPS)**

17. As per the orders issued in G.O.Ms.No.1155, Public (Special B) Department, Dated 8.12.2011, New Pension Scheme (NPS) has been implemented for the All India Service officers (AIS) who are appointed on or after 1.1.2004. The amount is being deducted towards mandatory contribution of 10% of the Basic Pay (includes Pay+Grade Pay+Dearness Pay (if any) + Dearness Allowance) of the officials along with equal amount of matching contribution by the Government.

## **Contributory Pension Scheme (CPS)**

18. The Government have introduced the Contributory Pension Scheme (CPS) to Tamil Nadu Government Employees who were recruited on or after 1.4.2003. The amount deducted towards employees contribution is at the rate of 10% of their Basic Pay +

Grade Pay + Dearness Allowance. The matching Government contribution shall be credited to the employees Contributory Pension Scheme's account. In Contributory Pension Scheme, interest accrued is credited to the account of employee. The Contributory Pension Scheme account slips for the year 2015-2016 in respect of 3,84,702 Government employees have been issued online and the same for 2016-2017 is under progress.

### **Contributory Pension Scheme - Local bodies**

19. The Government, vide G.O.Ms.No.260, Finance (PGC) Department, Dated 15.10.2015 has designated the Commissioner of Treasuries and Accounts as State Nodal Officer for implementing the Contributory Pension Scheme to the Employees of Municipal Corporations, Municipalities, Town Panchayats and Panchayat Unions. The Government have also stated that the Commissioner of Treasuries and Accounts

shall act as facilitator to the above Local Bodies and shall take necessary steps in association with the Commissioner of Government Data Centre and Director of Local Fund Audit to rectify the errors (if any) committed by the Local Bodies. The progress of the Local Bodies Contributory Pension Scheme work is being reviewed by the Commissioner of Treasuries and Accounts by conducting meeting with the Local Body / Department Officials concerned periodically to speed up the updation of Local Bodies Contributory Pension Scheme work. The software for Local Bodies Contributory Pension Scheme has been developed by the National Informatics Centre (NIC) and the online feeding of Contributory Pension Scheme data for local bodies is under progress.

## **Settlement under Contributory Pension Scheme**

20. The Hon'ble Chief Minister of Tamil Nadu made an announcement under Rule 110 of Tamil Nadu Legislative Assembly Rules on 19.2.2016 on the floor of the Legislative Assembly and orders have been issued in G.O.Ms.No.59, Finance (PGC) Department, Dated 22.2.2016 for the final settlement of Contributory Pension Scheme in respect of the employees retired / resigned / died / terminated from service. Accordingly, authorization amounting to Rs.115.10 crore have been issued upto June 2017 towards final settlement of Contributory Pension Scheme claims in respect of 3,062 employees.

21. At present, New Pension Scheme (NPS) and Contributory Pension Scheme are being maintained by the Government Data Centre (GDC) and Commissionerate of Treasuries and

Accounts in co-ordination with National Informatics Centre (NIC). The New Pension Scheme (NPS) and Contributory Pension Scheme index numbers are being allotted by Government Data Centre. The Annual Account Statements for the All India Service (AIS) officers upto the year 2015-2016 have been issued online and the same for the year 2016-2017 has been hosted on 12.6.2017. The implementation of Contributory Pension Scheme and New Pension Scheme and overall progress are being monitored by the Commissionerate of Treasuries and Accounts periodically with the departments, Pay and Accounts Offices (PAOs) and Treasuries concerned. Agreement have been entered into on 28.6.2017 with National Securities Depository Limited (NSDL) and Pension Fund Regulatory and Development Authority (PFRDA) for operationalisizing New Pension Scheme for All India Service Officers of Tamil Nadu.

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

22. The Government have extended the New Health Insurance Scheme-2012 beyond 30.6.2016 for a further period of four years with some additional features. The New Health Insurance Scheme-2016 is being implemented from 1.7.2016 through United India Insurance Company Limited, Chennai, a Public Sector Undertaking. This scheme aims to provide health care assistance to the employees of Government Departments, Local Bodies, Public Sector Undertakings, Statutory Boards and State Government Universities, willing State Government Organizations / Institutions and their eligible family members with provision to avail assistance upto Rupees Four lakh for a block of four years.

23. Under the new scheme, the medical assistance has been enhanced to the maximum

limit of Rs.7.50 lakh for the following diseases / treatments:-

- i. Surgery, Chemotherapy, Radiotherapy and Immunotherapy for all Malignancies including inpatient procedures for diagnosis
- ii. Liver, Kidney, Heart, Lungs and Bone Marrow Transplantation
- iii. Complex Open Heart Surgeries and Implants
- iv. Accident and Trauma cases involving Fractures
- v. Heart Valve Replacements, Aneurysms and Angioplasties
- vi. Management of Burn Injuries

24. The upper limit of medical assistance for cataract surgery is fixed at Rs.25,000/- per eye. In respect of 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/undergone surgery in a non-network hospital. Under this Scheme, 113 treatments and surgical procedures are covered on cashless basis through 726 networked hospitals located in Tamil Nadu, Puducherry, Thiruvananthapuram, New Delhi and Bengaluru. The annual premium payable by the Government to the United India Insurance Company Limited is Rs.2100/- per employee, per annum for the block period of four years from 1.7.2016 to 30.6.2020. The annual premium initially paid by the Government is recovered from the employee at Rs.180/- per month by deduction in monthly salary from the month of July 2016. The excess premium over and above the amount recovered shall be borne by the Government / Government Organisation. During the four year period i.e., from 1.7.2012 to 30.6.2016, a total of 1,85,920 beneficiaries have availed medical assistance

to the tune of Rs.738.06 crore. Further, under the new scheme 47,857 beneficiaries have availed medical assistance from 1.7.2016 to 30.6.2017 to the tune of Rs.187.23 crore.

### **Pensioners New Health Insurance Scheme-2014**

25. New Health Insurance Scheme for Pensioners 2014 is being implemented from 1.7.2014 through United India Insurance Company Limited to provide health care assistance to the Pensioners (including spouse) / Family Pensioners on a cashless basis. Under this scheme, the beneficiaries are entitled to avail medical assistance upto Rupees Two lakh for a block period of four years i.e. 2014-2018. A monthly subscription of Rs.150/-is being deducted from the monthly pension of the Pensioners / Family Pensioners to pay the premium. Under this scheme, 114 treatments are covered including 60 treatments and

surgeries, and 54 medical care procedures. Now, 724 hospitals have been empanelled under this scheme in Tamil Nadu, Puducherry, Bengaluru, Thiruvananthapuram and New Delhi. From 1.7.2014 to 30.6.2017, i.e. from the date of commencement of the scheme 1,46,981 number of beneficiaries have availed medical assistance for a sum of Rs.424.40 crore.

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

26. The annual mustering is done for about 6.50 lakh pensioners in the treasuries. This annual mustering has to be completed in three months period i.e. in April, May & June. Pensioners residing in various places distantly located are coming to the treasuries concerned. In order to avoid hardships in annual mustering, from 2017-2018 onwards, the pensioners can generate Digital Life Certificate from the Jeevan Pramaan Portal using their Aadhaar Number and

complete the mustering process. As on 9.7.2017, a total of 1,65,136 Pensioners / Family Pensioners have furnished their life certificate through this portal.

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

27. All District Treasuries of the Treasuries and Accounts Department except Chennai District were functioning in Government buildings. The District Treasury, Chennai, is now accommodated in the newly constructed Integrated Finance Offices Complex Building at Nandanam, Chennai thereby ensuring that all District Treasuries are functioning in Government owned buildings.

28. During the last five years viz., 2011 to 2016, in accordance with the Government policy of "One Taluk – One Sub-Treasury", 37 new Sub-Treasuries have been formed and at present 243 Sub-Treasuries are functioning in this State.

29. Orders for construction of own buildings were issued for 67 Sub-Treasuries functioning in old and private rental buildings during the last five years, out of which 37 Sub-Treasuries have been fully constructed and inaugurated. Construction of buildings for six Sub-Treasuries have been completed. In respect of 21 Sub-Treasuries, construction is in progress at various stages and land identification is in progress for the remaining three Sub-Treasuries.

30. Construction of an Integrated Finance Offices Complex has been completed at a total cost of Rs.36.33 crore including provision of additional amenities for the following 11 offices functioning under the administrative control of the Finance Department:

- The Commissionerate of Treasuries and Accounts
- Office of the Regional Joint Director (Chennai Region)

- The Pay and Accounts Office (South)
- The District Treasury, Chennai
- The Pension Pay Office
- Office of the Assistant Superintendent of Stamps
- The Directorate of Pension
- The Directorate of Local Fund Audit
- Office of the Chief Internal Audit & Chief Auditor of Statutory Boards
- The Directorate of Co-operative Audit and
- Office of Joint Director of Co-operative Audit (Chennai Region).

The building was inaugurated by the Hon'ble Chief Minister on 4.3.2017.



Meeting to review the functions of Treasuries and Accounts Department, Local Fund Audit Department, Directorate of Pension conducted by Thiru.D.Jayakumar, Hon'ble Minister (Fisheries, Finance and Personnel & Administrative Reforms Department) on 27.04.2017 at Secretariat, Chennai. Thiru.K.Shanmugam, I.A.S., Additional Chief Secretary, Finance Department, Thiru.Tenkasi S.Jawahar, I.A.S., Principal Secretary/Commissioner, Treasuries and Accounts Department. Thiru.P.SenthilKumar, I.A.S., Secretary (Expenditure), Finance Department and other officers were present.

## **LOCAL FUND AUDIT DEPARTMENT**

31. The Local Fund Audit Department was constituted based on G.O.Ms.No.125, Finance Department, Dated 10.2.1921 and entrusted with the task of statutory audit of urban and rural Local Bodies, Universities, 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 2nd State Finance Commission, the Tamil Nadu Local Fund Audit Act, 2014 was enacted by the Legislative Assembly with effect from 14.12.2014 and Tamil Nadu Local Fund Audit Rules have come into effect from 24.8.2016.

32. The audit of the institutions mentioned in the schedule of the Tamil Nadu Local Fund Audit Act, 2014 and the other institutions as per the provision of section 5 of the Act and the rules framed thereunder will be undertaken by the

Director of Local Fund Audit. The Act provides statutory status to the audit done by the Director of Local Fund Audit and also enables placing the annual consolidated report of the accounts audited by the Director of Local Fund Audit in the Legislative Assembly along with the report of Comptroller and Auditor General of India.

33. Based on the instructions of the Accountant General, Chennai, necessary training to the audit staff regarding the placing of Audit report in the Legislative Assembly and the revision of the audit report format has been done according to the Tamil Nadu Local Fund Audit Rules, 2016.

34. Currently the following institutions are under the audit purview of Local Fund Audit Department.

<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	26
9	Tamil Nadu Agricultural Marketing Board	1
10	Agricultural Engineering wings	2
11	Koyambedu Market committee	1
12	Local Planning Authorities	27
13	Village Panchayats (22%)	2801
14	Miscellaneous Institutions	11
15	National Social Welfare Scheme	29
	<b>Total</b>	<b>4033</b>

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

### **i. Audit of Local Body Institutions**

35. 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 institutions to ensure that the transactions are as per the Acts, 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 payers' by ensuring the prudent application of tax resources at Local Bodies, assistance given by Government and funding agencies to Local Bodies and further ensures that the fund is utilized for the purpose for which it is granted and for the benefit of the community as a whole.

### **ii. Test Audit of Village Panchayats**

36. The test audit of 22% of the total Village Panchayats is entrusted to Local Fund Audit

Department. Accordingly, the audit of 2,801 Village Panchayats are taken up every year.

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

37. The Concurrent Audit System is in vogue in 12 Corporations, 17 Municipalities and 14 Universities. The concurrent audit system was introduced in all the 385 Panchayat Unions from the year 2000-2001. Audit Parties consisting of one Inspector, one Deputy Inspector / one Assistant Inspector for every three or four Panchayat Unions with headquarters at select 116 Panchayat Union Offices have been formed for this purpose.

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

38. Immediate Post Audit is conducted in the following 12 Corporations and 17 Municipalities where Concurrent Audit sections are functioning.

Under this system the payment vouchers are sent to Audit immediately after payment is made and such vouchers are audited immediately and the defects noticed are communicated to the administration. This system facilitates the rectification of defects by the administration then and there.

<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.	Thoothukudi	Palani
8.	Vellore	Pollachi
9.	Tiruppur	Ooty
10.	Erode	Nagercoil
11.	Thanjavur	Maraimalai Nagar
12.	Dindigul	Tambaram

<b>Sl. No.</b>	<b>CORPORATIONS (Concurrent Audit)</b>	<b>MUNICIPALITIES (Concurrent Audit)</b>
13.	-	Pallavaram
14.	-	Thiruvannamalai
15.	-	Kodaikanal
16.	-	Rajapalayam
17.	-	Kovilpatti

39. The audit objections noticed during the Concurrent Audit of these institutions are communicated to the institutions concerned then and there in the form of Audit Slips by the audit parties and after verifying the replies received, the objections are admitted. After consolidating the unsettled audit slips and other paras relating to receipts and expenditure, the audit report is issued.

#### **v. Annual Audit of Non-Concurrent Audit Institutions**

40. The audit of remaining 107 Municipalities and nine Universities and other local bodies like

Town Panchayats, District Panchayats, Market Committees, Local Library Authorities, Local Planning Authorities and Miscellaneous Institutions are taken up annually on receipt of annual accounts from the auditee institutions.

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

41. The Cash Based system of Accounting in Urban Local Bodies was replaced by the Accrual Based system of Accounting in Municipal Corporations and Municipalities in two phases from the accounting year 1999-2000 and 2000-2001. This system was introduced in Town Panchayats with effect from 2002-2003. The seven digit web based accounting system based on the National Municipal Accounting Manual is being introduced in Corporations / Municipalities in a phased manner from 2015-2016.

42. The objective and scope of this accounting system is to maintain the accounts on Generally Accepted Accounting Principles with the preparation of Income and Expenditure Account to know the financial operation during a year and Balance sheet to know the true financial status of the Urban Local Bodies at a given period of time.

43. This system enables the Urban Local Bodies to identify their assets available with due valuation methods and incorporated in accounts through Asset Register. Because of the improved method of accounting in Urban Local Bodies, financial institutions and various funding agencies have come forward to provide financial assistance to Urban Local Bodies for the capital projects and welfare schemes thereby the financial sources available to Urban Local Bodies have been improved.

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

44. Certification of accounts of local bodies is a very important issue and internationally it is accepted that accounts have no meaning without proper certification. Accordingly, the annual accounts of Urban Local Bodies are now certified by the Officers of the Local Fund Audit Department.

45. 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.

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

46. 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. The serious irregularities and losses pointed out in Audit Reports are reported to Government and the Heads of Administrative Departments concerned through monthly periodicals and special reports for necessary follow up action.

47. In the normal course, the replies to the audit objections are verified and the objections dropped. Further, the settlement of audit objections is taken up by the regional and district level officers of this department through joint sittings arranged by the concerned administrative departments. If appropriate replies to the audit objections are received, settlement of the objections are made immediately.

48. The entry level discussion and exit level discussion with executive authorities are being followed to facilitate rectification of defects pointed out in the audit.

**Formation of District High Level Committees and State High Level Committees**

49. In respect of Panchayat Unions, District High Level Committees have been formed headed by the respective District Collectors and the State High Level Committee is functioning under the Chairmanship of the Commissioner of Rural Development and Panchayat Raj. From April 2016 to May 2017, a total of 39 District High Level Committee meetings were conducted and 469 audit objections settled.

50. In regard to 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. From April 2016 to May 2017, eight District High Level Committee meetings were conducted and 418 audit objections settled.

51. In respect of Municipalities and Municipal Corporations other than Greater Chennai Corporation, District High Level Committees headed by the respective Collectors and State High Level Committee headed by the Director of Municipal Administration have been constituted. From April 2016 to May 2017, a total of 34 District High Level Committee meetings were conducted and 11,325 audit objections settled.

### **Special Functions**

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

**i. Authorisation and disbursement of Pensionary benefits to Local Body Employees**

53. 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 31.5.2017, a total number of 31,208 pensioners are receiving monthly Pension through four nationalized banks. The funds for the payment of Pension / Family Pension are released by the Heads of Departments concerned from the State Finance Commission Devolution fund.

**ii. Redressal of Local Body Pensioner's grievances**

54. An Information Desk has been opened at the Directorate of Local Fund Audit for redressal of local body Pensioners/Family Pensioners grievances and the pensioners are able to get information required by them regarding their

pension proposals and related matters without any delay.

### **iii. Administration of Municipal Pensioner's Health Fund Scheme and Family Security Fund Scheme**

55. The Health Fund Scheme and Family Security Fund Scheme applicable to Government Pensioners were extended to Municipal Pensioners in G.O.Ms.No.120, Municipal Administration and Water Supply Department, Dated 25.5.1999 with all the concessions applicable to Government Pensioners with effect from 1.8.1999. These two schemes are administered by the Director of Local Fund Audit. The details of claims admitted and amount sanctioned from April 2016 to May 2017 are as follows:-

Health Fund Scheme			Family Security Fund Scheme	
Month	No. of Claims	Amount (Rs. in lakh)	No. of Claims	Amount (Rs. in lakh)
From April 2016 to May 2017	277	92.98	101	43.55

#### **iv. Administration of Panchayat Union Pensioner's Health Fund Scheme and Family Security Fund Scheme**

56. The Health Fund Scheme and Family Security Fund Scheme applicable to Government Pensioners were extended to Panchayat Union Pensioners in G.O.Ms.No.23, Rural Development and Panchayat Raj (E7) Department, Dated 15.3.2013 with all the concessions applicable to Government Pensioners with effect from 1.4.2013. These two schemes are administered by the Director of Local Fund Audit. The details of claims admitted and amount sanctioned from April 2016 to May 2017 are as follows:-

Health Fund Scheme			Family Security Fund Scheme	
Month	No. of Claims	Amount (Rs. in lakh)	No. of Claims	Amount (Rs. in lakh)
From April 2016 to May 2017	200	40.82	104	36.40

**v. Sanction of Interest on Provident Fund Balances and Deposits of Local Body Employees**

57. The Provident Fund Deposits of Local Body Employees and investments thereon were taken over by Government from 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. 20 crore was sanctioned by the Government during the year 2016-2017 and the entire allotment has been utilized for sanction of interest claims to the Local Bodies.

## **vi. Treasurer of Charitable Endowments**

58. The Director of Local Fund Audit also functions as the Treasurer of Charitable Endowments with effect from 1.4.1952. Government authorizes acceptance of the endowments and implement the scheme of administration of the endowment.

59. The interest amount realised from the Endowments is released to the institutions concerned based on the requisitions received from them. At present there are four Central Government Endowments worth Rs.15.65 lakh and 875 State Government Endowments worth of Rs. 24.80 crore under the custody and control of the Treasurer of Charitable Endowments. From April 2016 to May 2017, out of the interest proceeds of endowments, a sum of Rs.28.23 lakh has been distributed to 209 Endowment institutions towards the award of scholarships, prizes, medals etc. Action is

being taken to eliminate the defunct endowments.

**Contributory Pensions Scheme - Audit by the of Local Fund Audit Department**

60. As per G.O.Ms.No.260, Finance (PGC) Department, Dated 15.10.2015, the Director of Local Fund Audit shall continue the audit of accounts relating to the Contributory Pension Scheme maintained by the Local Bodies so as to ensure the correctness. Contributory Pension Scheme account slip upto the year 2015-2016 in respect of all the 385 Panchayat Unions have been authorized by this department. In respect of other Local Bodies such as Corporations, Municipalities and Town Panchayats, as and when datas are uploaded by the Local Bodies, this department is authorizing the correctness of Contributory Pension Scheme accounts.

## **e-Governance Initiatives**

61. A sum of Rs.24.80 lakh was sanctioned to this department to create e-pension software to facilitate easy and transparent system of pension payment for 31,388 Local Body pensioners and the process is in the final stage of completion.

62. The Audit Information Management System (AIMS) provides an end-to-end functionality for managing the complete audit life cycle including audit planning, scheduling and generation of audit report. The total cost proposed is Rs.248.16 lakh. A sum of Rs.200 lakh has been sanctioned for both Co-operative Audit and Local Fund Audit Departments. The Directorate of Co-operative Audit is the Nodal department for implementing this scheme. The work of development of software has been entrusted to ELCOT.

63. As per the instructions of the Government, categorization of pending audit paras through computerisation has been completed in respect of Corporations, Municipalities, Panchayat Unions and Town Panchayats. The computerization of pending audit paras in respect of Village Panchayats is in progress and will be completed shortly.

### **Status of Audit in Local Bodies**

64. Audit for the year 2014-2015 in respect of Panchayat Unions, 22% of Village Panchayats, District Panchayats, Corporations, Municipalities, and Town Panchayats where accounts were received have been completed. Audit for the year 2015-2016 in respect of Panchayat Unions, 22% of Village Panchayats, District Panchayats have been completed. Audit of Corporations, Municipalities, and Town Panchayats for 2015-2016 have been planned for completion by

31.7.2017. Audit of all the institutions will be completed by July 2017.

### **Status of Audit in other Institutions**

65. The audit upto the year of 2014-2015 in respect of 22 Universities except Anna University, and other miscellaneous institutions such as Market Committees, Local Library Authorities have been completed. In respect of Audit for the year 2015-2016, eight Universities has been completed. The audit for the remaining 15 Universities and other miscellaneous institutions are in progress and will be completed by 31.7.2017.

### **Audit Fees**

66. This department is collecting 100% of audit cost as audit fee from the Universities and 50% of audit cost as audit fee from the Municipal Corporations and Municipalities and 2% of total expenditure as audit fees

from Market Committees. From April 2016 to May 2017, a sum of Rs.639.86 lakh has been received as audit fee from these institutions.

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

67. A sum of Rs.208.72 crore have been recovered on account of settlement of audit objections relating to Municipalities, Panchayat Unions, Town Panchayats and Village Panchayats during the Period of April 2016 to May 2017.

### **CO-OPERATIVE AUDIT DEPARTMENT**

68. As per the recommendations of the Santhanam Committee and also by the Administrative Reforms Commission, the Department of Co-operative Audit is functioning as a separate department with effect from 17.6.1981. As per Section 80 of Tamil Nadu Cooperative Societies Act, 1983, the main functions 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 Cooperatives and Milk Co-operatives.

69. The Co-operative Societies under the control of the following departments are coming under the audit purview of the Cooperative Audit Department:-

(As on 31.5.2017)

<b>Sl. No.</b>	<b>Name of the Registrar</b>	<b>Total No. of Societies</b>
i	Registrar of Co-operative Societies	8649
ii	Commissioner of Handlooms and Textiles	1401
iii	Commissioner of Industries and Commerce	312
iv	Chief Executive Officer, Tamil Nadu Khadi and Village Industries Board	919
v	Chief Executive Officer, Palm Products Development Board	
vi	Registrar of Co-operative Societies (Housing)	865
vii	Director of Fisheries	1331

<b>Sl. No.</b>	<b>Name of the Registrar</b>	<b>Total No. of Societies</b>
viii	Director of Animal Husbandry and Veterinary Services	117
ix	Commissioner of Sugar	17
x	Director of Agriculture (Oil Seeds)	82
xi	Director of Agro Engineering and Service Cooperative Societies	122
xii	Director of Sericulture	25
xiii	Director of Social Welfare & Nutritious Meal Programme	122
xiv	Director of Rural Development and Panchayat Raj	55
	<b>TOTAL</b>	<b>14017</b>

### **Scope of Cooperative Audit Department:**

70. The main objective of the Co-operative Audit is to check the accounts of the societies and to ensure that the Balance Sheet and Profit and Loss Account have been drawn properly and that they represent a true and fair picture of the state of affairs of the societies. In addition to this, the department assist the members of the

societies that the functions by the societies are carried out as per 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**

71. After the implementation of the Prof.Vaidhyanathan Committee Report, i.e. from 2009, the statutory audit of all Central Co-operative Banks and as per the recommendation of Reserve Bank of India, the statutory audit of Urban Co-operative Banks with deposits above Rs.25 crore were entrusted to Chartered Accountants. The auditors of the Co-operative Audit Department are entrusted with the task of Concurrent Audit in these Banks.

## **Statutory Audit**

72. The statutory audits of small Primary Co-operative Societies are conducted on concurrent basis. The audit of such societies has to be completed within a period of 45 days. Audit fee is levied for the period of audit from the respective societies. From 1.4.2016 to 31.3.2017, a sum of Rs.3.14 crore has been collected as audit fees and a sum of Rs.74.31 lakh was collected from 1.4.2017 to 30.6.2017 as audit fees.

73. The statutory audit of other bigger societies having more transactions is being conducted and the cost is levied under Fundamental Rule 127 on the respective societies. Under Fundamental Rule 127, from 1.4.2016 to 31.3.2017, a sum of Rs.10.25 crore has been collected as Fundamental Rule cost and during 1.4.2017 to

30.6.2017 a sum of Rs.2.77 crore was collected as Fundamental Rule cost.

### **Status of Audit Progress**

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

(as on 30.6.2017)

Sl.No.	Year	Pending Societies
1	2011-2012	512
2	2012-2013	617
3	2013-2014	723
4	2014-2015	842
5	2015-2016	1130

75. Since the accounts of the societies are pertaining to the financial year period from 1<sup>st</sup> April to 31st March, audit is being taken after the completion of financial year. Out of 14,017 societies for the year 2015-2016, audit of 12,887 societies have been completed during the period from 1.4.2016 to 30.6.2017.

The audit of 1,130 pending Societies will be completed before 31.8.2017.

### **Special Reports**

76. When serious defects are noticed during the audit, they are brought to the notice of the authorities concerned by submitting a special report with full facts of the case. From 1.4.2016 to 30.6.2017, a total of 411 special reports were issued involving an amount of Rs.47.95 crore.

### **Audit Information Management System through e-governance**

77. The Audit Information Management System is being implemented with the allocation of Rs.100 lakh each for the year 2015-2016 and 2016-2017 is being implemented in Co-operative Audit Department and Local Fund Audit Department under e-governance initiatives. Out of Rs.200 lakh sanctioned, Rs.182 lakh have been spent through Electronics Corporation of

Tamil Nadu Limited (ELCOT) for Software Design and Development, Implementation Support and purchase of 325 laptops. This will enable the controlling officers of both the departments to receive audit related information under computerised environment and to monitor the progress in the audit. Necessary software is being developed so as to implement the scheme from this year.

### **Capacity building to the auditors**

78. To improve the quality of audit and skills among the auditors, the Cooperative Audit department is conducting various types of training programmes and also conducting refresher classes every year.



Meeting to review the functions of Co-operative Audit Department conducted by Thiru.D.Jayakumar, Hon'ble Minister (Fisheries, Finance and Personnel & Administrative Reforms Department) on 21.04.2017 at Secretariat, Chennai. Thiru.K.Shanmugam,I.A.S., Additional Chief Secretary, Finance Department and other officers were present.

## **SMALL SAVINGS DEPARTMENT**

79. Small Savings is an important tool in the hands of the individuals to invest their surplus funds in schemes which are highly secure and which also give a reasonable rate of return. These schemes are formulated by the Ministry of Finance, Government of India and implemented through Post Offices. The net proceeds of small saving investments collected by the State Small Savings Department had been released as long term loan to the concerned State by the Central Government, at different ratios during various periods. Based on the recommendations of Fourteenth Finance Commission to exclude the States from the operation of National Small Savings Fund and on the request placed by the Tamil Nadu Government, the State has been excluded from getting small saving loans with effect from 1.4.2016.

## Small Savings Schemes:

80. A number of Small Savings Schemes are in existence to suit the requirement of different sections of the society. The Government of India has revised the rate of interest for the Small Savings Schemes with effect from 1.4.2017 as indicated below:-

Sl. No.	Scheme	Rate of interest w.e.f. 1.4.2016 to 30.9.2016 (%)	Rate of interest w.e.f. 1.10.2016 to 31.3.2017 (%)	Rate of interest w.e.f. 1.4.2017 to 30.6.2017 (%)
(i)	Post Office Savings Account (POSA)	4.0	4.0	4.0
(ii)	Post Office Time Deposit (POTD)			
	1 year POTD	7.1	7.0	6.9
	2 year POTD	7.2	7.1	7.0
	3 year POTD	7.4	7.3	7.2
	5 year POTD	7.9	7.8	7.7
(iii)	Post Office Recurring Deposit (PORD 5 years)	7.4	7.3	7.2

Sl. No.	Scheme	Rate of interest w.e.f. 1.4.2016 to 30.9.2016 (%)	Rate of interest w.e.f. 1.10.2016 to 31.3.2017 (%)	Rate of interest w.e.f. 1.4.2017 to 30.6.2017 (%)
(iv)	Senior Citizen Savings Scheme (SCSS 5 years)	8.6	8.5	8.4
(v)	Post Office Monthly Income Scheme (POMIS)	7.8 (5 years)	7.7 (5 years)	7.7 (5 years)
(vi)	National Savings Certificate (NSC VIII Issue)	8.1 (5 years)	8.0 (5 years)	7.9 (5 years)
(vii)	Public Provident Fund / Ponmagan Podhu Vaippu Nidhi (PPF 15 years)	8.1 (maximum of Rs.1.5 lakh in a Financial year)	8.0 (maximum of Rs.1.5 lakh in a Financial year)	7.9 (maximum of Rs.1.5 lakh in a Financial year)
(viii)	Kisan Vikas Patra (KVP)	7.8 (will mature in 110 months)	7.7 (will mature in 112 months)	7.6 (will mature in 113 months)
(ix)	Sukanya Samriddhi Account (Selvamagal Savings Scheme)	8.6	8.5	8.4

### **Selvamagal Scheme:**

81. The Government of India has launched Selvamagal Semippu Thittam, a savings scheme, meant for girl children with effect from 3.12.2014. The interest rate for Selvamagal Semippu Thittam is 8.4% with effect from 1.4.2017. This scheme exclusively for girl children below 10 years, allows parents or guardians to deposit upto Rs.1.5 lakh per year.

### **Ponmagan Podhuvaippu Nidhi:**

82. Considering the enthusiastic Public response for 'Selvamagal Semippu Thittam', a savings scheme meant for girl children, the Department of Posts has relaunched the Public Provident Fund Scheme as 'Ponmagan Podhuvaippu Nidhi' which is aimed at benefiting male children with effect from 4.9.2015. This account may be opened by the parents or guardian in the name of a child below 10 years

and for the children above 10 years the account may be opened by themselves. In a year, deposits up to Rs.1.5 lakh can be made and interest rate of 7.9% is offered with effect from 1.4.2017.

### **Senior Citizen Savings Scheme**

83. The rate of interest given to the Senior Citizen Savings Scheme is 8.4% w.e.f 1.4.2017. Interest payable quarterly and account may be extended for another three years. Premature closure also allowed after one year at a discount of 1.5% and after two years at 1% discount of the deposit amount.

### **Small Savings Collection:**

84. The Small Savings collections during the financial years from 2013–2014 to 2017–2018 (upto May 2017) are furnished below:

(Rs.in crore)

Sl. No.	Year	Gross	Net
(i)	2013 – 2014	9624.19	- 730.78*
(ii)	2014 – 2015	10936.37	- 1084.12*
(iii)	2015 – 2016	17259.82	1945.41
(iv)	2016 – 2017	20737.29	3510.10
(v)	2017 - 2018 (upto May 2017)	4469.76	1553.69

(\*Withdrawal during the year 2013-2014 and 2014-2015 was higher than receipts. Hence the net is negative)

85. The Commissionerate of Small Savings plays a vital role in encouraging the collection under Small Savings Schemes and to set right the grievances of investors and agents all over Tamil Nadu. The role of District Collectors in the Districts and the Commissioner of Chennai Corporation are highly important in the implementation of Small Savings Schemes to the public.

## **Agency System and Commission of Government of India and incentive amount of State Government**

86. Agents are appointed throughout the State for mobilization of savings. They play a vital role in Small Savings promotion and collection. At present, 31,115 numbers of agents are functioning in Tamil Nadu. The Government of India pays commission to agents at the following rates w.e.f. 1.12.2011:-

Sl. No.	Type of Agents	Small Savings Products	Total Number of Small Savings Agents	Rate of Commission w.e.f. 1.12.2011 as ordered by GOI
a.	Standardised Agency System (SAS)	Post Office Monthly Income Scheme (POMIS), National Savings Certificate (NSC), Post Office Time Deposit - 1,2,3 and 5 Year (POTD)	8,790	0.5%
		Kisan Vikas Patra (KVP) (Reintroduced by the GOI w.e.f. 19.11.2014)		Enhanced from 0.5% to 1% (w.e.f. 15.7.2015)

Sl. No.	Type of Agents	Small Savings Products	Total Number of Small Savings Agents	Rate of Commission w.e.f. 1.12.2011 as ordered by GOI
b.	Mahila Pradhan Kshetriya Bachat Yojana (MPKBY)	Post Office Recurring Deposit Scheme (PORD)	21,699	4%
c.	Authorised Agents Public Provident Fund Scheme / Ponmagan Podhuvaippu Nidhi (PPF)	Public Provident Fund (PPF)	626	--
d.	Senior Citizens' Savings Scheme (SCSS)	Senior Citizens' Savings Scheme (SCSS)	--	--
	TOTAL		31,115	

87. Under Mahila Pradhan Kshetriya Bachat Yojana (MPKBY) women alone are being appointed as Small Savings Agents with priority to canvass Post Office Recurring Deposit Scheme.

## **Publicity**

88. In order to create awareness among the public, Small Savings department participates in the Government Exhibition by erecting Small Savings pavilion and pamphlets are distributed in Trade Fair at Chennai and in District through conduct of dramas at Block level in the districts.

## **Awards**

89. In order to motivate Small Savings Agents and to increase Small Savings collection for every year, the award for Best Agents at Block level, District level and State Level is implemented for Mahila Pradhan Kshetriya Bachat Yojana (MPKBY) agents and award at District level and State level for Standardised Agency System (SAS) agents and Pay Roll Savings Scheme (PRSS) group leaders.

## **GOVERNMENT DATA CENTRE**

90. 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) Settlement of Contributory Pension Scheme
- (iv) Non-Provincialised Employees of Local Bodies Contributory Pension Scheme
- (v) GPF scheme for the employees of Puratchi Thalaivar MGR Nutritious Meal Programme (NMP) and Integrated Child Development Services (ICDS)

### **New Pension Scheme**

91. For 164 All India Service Officers, New Pension Scheme Index Numbers have been allotted to the officers who are appointed on or after 1.1.2004. The 2015-2016 account slips for 127 All India Service Officers were processed and hosted in the month of August 2016. The online provision has been made by NIC to download the account slips by the officers themselves. For 2016-2017 account slips for 150 All India Service Officers were processed and hosted on 12.6.2017.

## Contributory Pension Scheme

92. Government Data Centre has been maintaining Contributory Pension Scheme to the Panchayat Union Schools / Aided Educational Institutions / Municipal Schools and Local Body employees. The Government Data Centre has assigned Contributory Pension Scheme Index Numbers to employees as follows:

Sl. No.	Details	CPS Index Numbers allotted upto 31.3.2017	CPS Index Numbers allotted from 1.4.2017 to 30.6.2017
a.	Government Employees	3,41,501	7,657
b.	Aided Educational Institutions/ Panchayat Union/Municipal School employees	93,394	827
c.	Local Body employees	27,432	148
	Total	4,62,327	8,632

93. The Contributory Pension Scheme account slips for Government Servants, Aided Educational Institutions, Panchayat Union Schools and Municipal Schools were issued up to the year 2015-2016 for 3,84,575 subscribers. Provision has been made by NIC to download the account slips by the subscribers themselves. Follow up action is being taken to process the 2016-2017 account slips. The accounts received through online every month are being verified thoroughly and the missing credits in the month are being uploaded in the Missing Credit portal by NIC. In the missing credit portal, the Drawing and Disbursing Officers are updating the missing credit details and sending it to the respective District Treasury Offices then and there.

### **Non-Provincialised Employees of Local Bodies – Contributory Pension Scheme**

94. The Index Numbers for Contributory Pension Scheme assigned from this office were

reconciled with the respective Drawing and Disbursing Officers. The details like monthly subscription along with the Local Bodies contribution with the date of remittance are being entered online by the Local Bodies and the details entered by them are being audited by the Local Fund Audit Department. Once the online audit is completed, this office will process the account slips.

**General Provident Fund Scheme for the employees of Puratchi Thalaivar MGR Nutritious Meal and Integrated Child Development Services**

95. The Government, in G.O.Ms.No.108, Social Welfare and Nutritious Meal Programme Department, Dated 19.4.2010 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 1,96,856 as on 30.6.2017. In G.O.Ms.No.53, Social Welfare and Nutritious Meal Programme Department, Dated 20.7.2015 issued guidelines for this Scheme and accordingly the recovery of GPF from the NMP and ICDS employees was also started from the month of August 2015. The credit schedules received from the District Treasury Offices from August 2015 to February 2017 have been entered.



Meeting to review the functions of Small Savings Department and Government Data Centre conducted by Thiru.D.Jayakumar, Hon'ble Minister (Fisheries, Finance and Personnel & Administrative Reforms Department) on 24.04.2017 at Secretariat, Chennai. Thiru.K.Shanmugam, I.A.S., Additional Chief Secretary, Finance Department, Thiru.S.Gopalakrishnan,I.A.S., Principal Secretary/Commissioner, Government Data Centre Department. Thiru.P.Umanath.,I.A.S., Commissioner, Small Savings Department and other officers were present.

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

96. The Department of State Trading Schemes constituted in the year 1969 was reorganized in G.O.Ms.No.598, Finance (Local Fund) Department, Dated 3.8.1992 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 Internal Audit and Statutory Boards Audit Department. The following Boards and Institutions are coming under the purview of the Internal Audit and Statutory Boards Audit Department:-

## Statutory Audit

<b>Sl. No</b>	<b>Name of the Institution</b>	<b>Year of Completion of Audit</b>
I)	Tamil Nadu Khadi & Village Industries Board	2015-2016
II)	Tamil Nadu Slum Clearance Board	2015-2016
III)	Tamil Nadu Housing Board	2015-2016
IV)	Chennai Metropolitan Development Authority	2015-2016
V)	Tamil Nadu Wakf Board	2014-2015
VI)	Tamil Nadu Labour Welfare Board	2015-2016

97. The audit of the above institutions (except Tamil Nadu Wakf Board & Tamil Nadu Labour Welfare Board) is conducted annually on concurrent basis. The audit reports of these institutions are issued within the stipulated time frame and paras of serious irregularities are brought to the notice of the Government and Public Undertakings Committee.

## **Non-Statutory Audit**

98. The departmental audit of the following Non-Statutory institutions is conducted by this department.

<b>Sl. No.</b>	<b>Name of the Institution</b>	<b>No.of Centres/ Institutions</b>
i.	Puratchi Thalaivar MGR Noon Meal Scheme	97,106
ii.	Agriculture Extension Centres	874
iii.	Weights and Measures	316
iv.	Institutions receiving Grant-in-Aid of Recurring grant of above Rs.0.20 lakh and Non recurring grant of Rs.1.20 lakh per annum	687

99. In addition, the audit of Tamil Nadu Sports Development Authority, Tamil Nadu Text Book and Educational Services Corporation, Tamil Nadu Agricultural Labourers' Welfare Board, Folk Artistes Welfare Board, Tamil Nadu Manual Workers Welfare Board, other 15 Non-Formal Labour Welfare Boards and

other miscellaneous institutions are also entrusted to this Department.

### **Audit Certificate**

100. This Department is certifying the entitlement of grants to grants-in-aid institutions, besides certifying Pension and Provident Fund closure proposals of employees of all the Boards.

### **Other Functions**

101. At present, the Internal Audit functions are supervised in 19 Government Departments by this department personnel in the cadre of Assistant Director / Inspectors as per the specific orders of the Government and reports of such audit are submitted to Government annually.

102. In addition, the following Audit and other functions are undertaken by this Department:-

Audit on the accounts of

- i. National Service Scheme in Deemed Universities
- ii. Tamil Nadu Government Health Fund Schemes
- iii. Family Security Fund
- iv. Hon'ble Chief Minister's Public Relief Fund
- v. Government Aided Polytechnics and Engineering Colleges
- vi. Audit on the accounts of all departments of Secretariat
- vii. Audit of pay fixation of Government employees of all departments has been entrusted to this department. Audit in respect of Commercial Taxes Department, Registration Department, Transport Department has been completed and is in progress in Agriculture Department, Public Works

Department and Adi Dravidar and  
Tribal Welfare Department

- viii. Audit of the Contributory Pension Scheme of the employees working in Government Departments

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

103. The Gist of audit paras which are serious in nature are consolidated every month and brought to the notice of the Heads of the departments and the concerned Secretaries to Government for further corrective action.

### **Audit Fees**

104. The Audit fees on the basis of the salary of the auditors who have done the audit in Statutory Boards and 1.5% of the net receipts of the Wakf Board for the Wakf Board Audit are collected by this department and remitted into Government account.

## **Special Audit**

105. The Special audit of the teaching establishment of Government colleges and Government aided colleges was entrusted to this department. The Service Registers of all Government and Aided colleges in respect of the sanction and disbursement of pay anomaly amounts, incentive increments for inter disciplinary Ph.D qualification and Career Advancement Scheme were audited and Audit Reports sent to Higher Education Department.

106. Based on the instructions of the Government to conduct a special audit on Post Matric scholarship sanctioned to SC/ST students studying in private colleges for the year 2011-2012, 2012-2013, 2013-2014 and 2014-2015 were audited and audit reports were submitted to the Government. Now, regular annual audit of Post Matric scholarship scheme

implemented by the Adi Dravidar and Tribal Welfare Department has been entrusted to this Department vide G.O.Ms.No.135, Finance (LF) Department, Dated 23.5.2017.

**D. JAYAKUMAR**  
Minister for Fisheries, Finance,  
Personnel and Administrative  
Reforms Department