

Thirteenth Kerala Legislative Assembly

Bill No. 24

**THE KERALA LOCAL FUND AUDIT (AMENDMENT)
BILL, 2011**

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THE KERALA LOCAL FUND AUDIT (AMENDMENT) BILL, 2011

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BILL

to amend the Kerala Local Fund Audit Act, 1994.

Preamble.—WHEREAS, it is expedient to amend the Kerala Local Fund Audit Act, 1994 (14 of 1994), for the purpose hereinafter appearing ;

BE it enacted in the Sixty-second Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Local Fund Audit (Amendment) Act, 2011.

(2) It shall come into force at once.

2. *Amendment of the schedule.*—In the Schedule to the Kerala Local Fund Audit Act, 1994 (14 of 1994), the entry “34. Kerala Urban Development Finance Corporation” shall be omitted.

STATEMENT OF OBJECTS AND REASONS

As per serial No. 34 in the Schedule to the Kerala Local Fund Audit Act, 1994, the Kerala Urban Development Finance Corporation’s accounts are to be audited by the Director of Local Fund Audit.

2. The Kerala Urban Development Finance Corporation is a Public Limited Company incorporated under the Companies Act. It is registered with the Reserve Bank of India and its accounts are maintained taking into consideration the various guidelines issued by the Reserve Bank of India and under the Companies Act. It is not a local body or a local fund. It is a Government Company.

3. Under the provisions of the Companies Act, 1956 and Section 19 of the Comptroller and Auditor General’s Act, 1971, audit of Government Companies shall be performed by the Comptroller and Auditor General of India. Therefore, Government have decided to omit the entry ‘Kerala Urban Development Finance Corporation’ from the Schedule to the said Act.

4. The Bill is intended to achieve the above object.

FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any expenditure out of the Consolidated Fund of the State.

K. M. MANI.

EXTRACT FROM THE KERALA LOCAL FUND AUDIT ACT, 1994
(14 OF 1994)

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3. *Appointment of Director.*—(1) The Government, shall by notification in the Gazette, appoint a person, having such qualifications as may be prescribed, to be the Director of Local Fund Audit in charge of the audit of accounts of a local authority or a local fund included in the Schedule.

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THE SCHEDULE
[See section 3 (1)]

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33. The Kerala State Nirmithi Kendra.
34. Kerala Urban Development Finance Corporation.
35. The Kerala Health Research and Welfare Society.

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