

**No.1983/FD/A2/2022**  
**GOVERNMENT OF PUDUCHERRY**  
**FINANCE DEPARTMENT**

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Puducherry, dated 27/10/2023

**CIRCULAR**

Sub: Finance Department – Need to bring the Autonomous Bodies / Authorities etc., under the direct purview of the CAG Audit – Reg.  
Ref: 1. This department's I.D Notes of even Nos. dated 17-08-2022 & 23-08-2022.  
2. D.O. letter no. Rep-Pdy/II/60-12/2022-23/09, dated 21.07.2022 of the PAG(Audit-II), T.N & Puducherry.

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Kind attention is invited to this Department's I.D Notes first cited under reference, wherein the authorities of Autonomous Bodies / Undertakings, Boards, Societies and Institutions were instructed to furnish the details of the grants or loans given to autonomous bodies along with the audit annual accounts for the last three years. On scrutinizing the details furnished by the Government undertakings, it is ascertained that in certain autonomous bodies audit by CAG has not been conducted.

2. The PAG(Audit-II) vide D.O letter second cited under reference has stated that, as per Section 14 (1) and (2) of CAG's Duties, Powers and Conditions of Service Act, audit by CAG could be taken up only,

(i) where the grant or loan to a body or authority from the Consolidated Fund of Union Territory in a financial year is not less than rupees twenty five lakh and the amount of such grant or loan is not less than seventy-five percent of the total expenditure of that body or authority or

(ii) where the grants or loans to such body or authority from the Consolidated Fund of Union Territory in a financial year is not less than rupees one crore.

3. And if, CAG audit has to be taken up in respect of other autonomous institutions / authorities, this could be taken up on entrustment basis as contemplated in Section 20(1) and Section 20(3) of DPC Act.

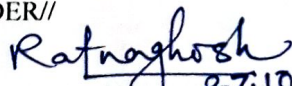
(i) As per section 20(1) where the audit of the accounts of any body or authority has been entrusted to the CAG by or under any law made by Parliament, he shall, if requested so to do by the Administrator of a Union Territory, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between the CAG and the concerned Government provided that no such request shall be made except after consultation with the CAG.

(ii) As per Section 20(3) of the DPC Act, audit shall not be entrusted to the CAG except where the Administrator of a Union Territory, is satisfied that it is expedient so to do in the public interest and except after giving a reasonable opportunity to the concerned body or authority to make representations with regard to the proposal for such audit.

4. All the nodal departments are therefore requested to ensure and furnish the following to the Finance Department in the proforma annexed on or before 10.11.2023, failing which no grant-in-aid proposal shall be entertained.:

- a) The conduct of CAG audit as per Section 14(1) & (2) of CAG's DPC Act in the Autonomous Bodies / authorities under their administrative control who are receiving grants or loans from the Consolidated Fund of Union Territory in a financial year for not less than rupees twenty five lakhs and send the particulars of such authorities for the last three years.
- b) The particulars of authorities /Autonomous bodies who are receiving grants or loans in a financial year for less than rupees twenty five lakhs shall also be furnished along with their audit accounts for the last three years and their consent for sending the same to the PAG (Audit-II) for conduct of audit as per Section 20 (1) and (3) of DPC Act of CAG.

//BY ORDER//

  
27.10.23

(RATNAGHOSH KISHOR CHAURE)

DEPUTY SECRETARY TO GOVT. (FINANCE)

To

All Secretariat Departments / Heads of Departments / Offices

All Authorities of PSUs/ Autonomous Bodies / Institutions, Puducherry.

Copy to: The PAG(Audit-II), Tamil Nadu & Puducherry. – For kind information.

**ANNEXURE**

Name of the Nodal Department:

Sl. No.	Name of the Autonomous Body /authority	Financial year	Amount of Grants /loans received in a financial year			Percentage of grant received out of the total expenditure incurred in a financial year (%) i.e $\frac{\text{Grant}}{\text{Total Expenditure}} \times 100$	As per Sec.14(1) & (2) of DPC Act of CAG, whether the AB/authority comes under the purview of CAG audit or not?	If Col. 8 is 'Yes' whether the CAG audit completed or not?	Whether Consent obtained from the AB/authority enclosed for conduct of audit (In case of col.6)
			Not less than Rupees One crore (Rs.)	More than Rupees 25 lakhs but less than one crore (Rs.)	Less than Rupees 25 lakhs (Rs.)				
1	2	3	4	5	6	7	8	9	10

Signature of the Head of the Department