

The Haryana Accountability of Public Finances Act, 2019

HARYANA

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Act 12 of 2019

- Published on 12 March 2019
- Commenced on 12 March 2019
- [This is the version of this document from 12 March 2019.]
- [Note: The original publication document is not available and this content could not be verified.]

The Haryana Accountability of Public Finances Act, 2019(Haryana Act No. 12 of 2019)[Dated 12th March, 2019]Haryana GovernmentLaw And Legislative DepartmentNo. Leg. 12/2019. - The following Act of the Legislature of the State of Haryana received the assent of the Governor of Haryana on the 8th March, 2019 and is hereby published for general information :-An Act to provide for accountability in the financial administration of the State by way of an efficient and effective system to facilitate accountability through appropriate accounting and auditing system of accountable and auditable entity and for matters connected therewith or incidental thereto.Be it enacted by the Legislature of the State of Haryana in the Seventieth Year of the Republic of India as follows:-

1. Short title and commencement.

(1)This Act may be called the Haryana Accountability of Public Finances Act, 2019.(2)It shall come into force on such date, as the State Government may, by notification in the Official Gazette, specify.

2. Definitions.

- In this Act, unless the context otherwise requires,-(a)"accountable and auditable entity" means all the Departments, Boards, Corporations, Co-operative Societies, Universities, local authorities, statutory bodies, public institutions, and other authorities established, controlled or financed by the State Government, Non-Government Organizations which receive grant-in-aid or contribution from State Government and all those entities that receive public monies from the State Government in any form including organizations which receive funds from the consolidated fund of the State;(b)"account officer" means any person, including those outsourced or hired, who has been assigned the work to maintain the accounts of income and expenditure including financial book-keeping of an accountable and auditable entity;(c)"audit officer" means any person, including

those outsourced or hired, who has been assigned the work to verify the accounts of income and expenditure including financial book-keeping of an accountable and auditable entity;(d)"audit" includes pre audit, concurrent audit, post audit, test audit, special audit, system audit, performance audit and such other examination of accounts, as may be specified;(e)"authority" means an officer responsible for adherence to the provisions of this Act for each accountable and auditable entity;(f)"concurrent audit" means a continuous audit of accounts of day-to-day transactions;(g)"local authority" means a municipal corporation, municipal council, municipal committee, Town Improvement Trust, Gram Panchayat, Panchayat Samiti or Zila Parishad constituted under the relevant law for the time being in force;(h)"local fund" means-(i)revenues administered by accountable and auditable entity which by law or rule having the force of law come under the control of State Government, whether in regard to proceedings generally or to specific matters such as the sanctioning of budget, sanction for creating or filling up of particular post or the rules relating to leave, pension etc.:(ii)the revenue of any accountable and auditable entity which may be specially notified by the State Government;(i)"performance audit" means an independent examination of a program, function, operation or the management systems and procedures of an accountable and auditable entity whether such entity is achieving economy, efficiency and effectiveness in the employment of available resources;(j)"post audit" means the detailed audit conducted after the completion of transactions;(k)"pre audit" means detailed examination of financial documents to ensure that all information is correct before the transaction is conducted;(l)"prescribed" means prescribed by rules made under this Act;(m)"special audit" means an audit of accounts pertaining to a specified item or series of items requiring thorough examination;(n)"systems audit" means an approach to evaluate and improve the effectiveness of a system in order to verify that the individual elements within the system are effective and suitable in achieving the stated objectives including Business Process Re-engineering;(o)"State" means the State of Haryana;(p)"State Government" means the Government of the State of Haryana in the administrative department;(q)"test audit" means an audit to check transactions of a particular type of expenditure and receipt during a specified period;(r)"University" means a University established or incorporated by an Act of the State Legislature and shall include University established under Central Act receiving grant-in-aid or contribution from State Government for any purpose.

3. Audit of accounts.

- Notwithstanding anything to the contrary contained in this Act and without prejudice to the powers and functions of the Comptroller and Auditor General (Duties, Powers and Conditions of Service) Act, 1971 (Central Act 56 of 1971), it shall be lawful to conduct an audit of accountable and auditable entity in the manner provided by or under this Act and to recover the cost of audit in respect of such accountable and auditable entity in such manner, as may be prescribed.

4. Separation of State Audit and State Accounts Wing.

(1)There shall be an Audit Wing and Accounts Wing headed by the Director, Audit and Director, Accounts respectively and shall work under the supervision of Administrative Secretary to Government, Haryana, Finance Department.(2)The manner of audit and maintenance of accounts of each accountable and auditable entity or of any specific activity shall be such, as may be

prescribed.

5. Forms of accounts.

- The Forms in which the accounts are to be maintained, including accrual system of accounting, Enterprise Resource Planning tools and deployment of appropriate technology shall be such, as may be prescribed.

6. Constitution of Haryana State Audit and Accounts Services.

(1)The State Government shall constitute the Haryana State Audit and Accounts Services. The mode of recruitment and conditions of service of the members of the Service shall be such, as may be prescribed.(2)The Local Audit Department prior to the commencement of this Act shall hereinafter be known as the State Audit Department. The Director, Local Audit functioning before the commencement of this Act shall continue as the Director, State Audit Department.

7. Liability of authority to prepare and present accounts for audit.

(1)The accounts relating to the financial year shall be prepared and presented for audit by the authority within three months after the end of each financial year, in such form and in such manner, as may be prescribed.(2)The authority shall furnish certified financial disclosure by the 30th June each year including details of the various bank accounts of the accountable and auditable entity along with the following details-(i)public funds deposited in the various bank accounts;(ii)interest thereon; and(iii)utilization as on date and future expenditure plan.(3)The State Government may withhold release of funds to any accountable and auditable entity which fails to furnish accounts for audit on expiry of three months from the end of financial year.(4)The State Government shall take necessary action to recover the loss as identified by the Audit Officers in such manner, as may be prescribed.(5)The authority shall check that the public funds provided to any accountable and auditable entity for a specific purpose are spent in the financial year, failing which, the State Government may initiate examination into the economy, efficiency and effectiveness with which the resources have been utilized and after giving an opportunity of being heard, may-(i)call for an explanation for non-utilization within the financial year;(ii)call for explanation for the delay;(iii)withdraw the funds allocated by the State, along with interest incurred on such funds and deposit the same in a bank account designated by the State Government:Provided that the funds withdrawn above may be released by the State Government on submission of a request by the accountable and auditable entity along with a concrete action plan for utilization:Provided further that no funds shall be withdrawn contrary to the provisions of the Constitution of India or any other law for the time being in force.

8. Power to make rules.

(1)The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.(2)In particular and without prejudice to the generality of the foregoing power,

the Government may make rules providing for: -(a)the manner to recover the cost of audit under section 3;(b)the manner of audit and maintenance of accounts under sub-section (2) of section 4;(c)the Form in which the accounts are to be maintained under section 5;(d)the form and manner for preparing and presenting the accounts for audit under sub-section (1) of section 7;(e)the manner for recovery of loss under sub-section (4) of section 7;(f)any other matter which has to be or may be prescribed by rules made under this Act.