



GOVERNMENT OF KERALA
Abstract

Kerala Financial Code – Authority to conduct surprise inspection in PSUs, LSGIs, Co-operative Institutions, Autonomous Bodies, Universities, Grant-in-aid Institutions etc. by Finance Inspection (NT) Wing – Orders issued.

FINANCE (INSPECTION NON-TECHNICAL-A) DEPARTMENT

G.O.(P) No.59/2020/Fin.

Dated, Thiruvananthapuram, 14/05/2020

- Read: 1. G.O. (P) No.723/64/PD dated 19-10-1964
2. G.O. (P) No.506/92/Fin. dated 20-08-1992
3. G.O. (Ms) No.376/96/Fin. dated 03-05-1996
4. G.O. (Ms) No.464/96/Fin. dated 25-06-1996

ORDER

As per Government Orders read above, Government have delegated to the Finance (Inspection Non-Technical) Department the authority to conduct inspection (both surprise and routine) at various Government offices, PSUs, Local Self Government Institutions, Co-operative Institutions, Autonomous Bodies, Universities, Grant-in-aid Institutions and other similar institutions. Rule 132 KTC Volume-I stipulates that the Government in the Finance Department will arrange to conduct a surprise inspection of cash, stores and accounts in Government Offices. But the rule in KTC does not specify surprise inspection by the Finance Department in PSUs, Local Self Government Institutions, Co-operative Institutions, Autonomous Bodies, Universities, Grant-in-aid Institutions etc. The Finance Inspection Wing experiences much difficulty on account of this.

2. Government have examined the matter in detail and are pleased to issue the following orders.

- i) Finance Inspection (Non Technical) Wing will be competent to conduct inspections in Local Self Government Institutions, all types of Statutory Boards, Universities, Autonomous Institutions, PSUs, Co-operative Institutions, Grant-in-aid Institutions, any Authority or Firm financed by grants, loans or advances of any kind from the Consolidated Fund of the State or in any other institutions in receipt of any Central Government assistance/the State Government hold equities or Self Financing Institutions established by the State Government. Finance Inspection (NT) Wing will look into all receipts and expenditure, violation of existing rules/orders, procedural lapses, financial irregularities, misuse of vehicles, administrative matters, internal control mechanism etc. and also into any allegation of extravagance, carelessness, negligence, misappropriation or fraud. The Head of Office of such Institution will

furnish for inspection all files, registers, records and all other relevant details sought by the inspection team. Any failure on the part of the Head of such Institution will attract disciplinary action for imposition of major penalty as contemplated in the discipline and appeal rules applicable to him.

- ii) The Finance Inspection (NT) Wing will furnish inspection/enquiry report to the Administrative Department and the Head of Institution concerned. The Administrative Department or the Head of Institution inspected will, on receipt of the report from the Inspection Wing, ensure that speedy and effective action is taken on the recommendations within one month from the date of receipt of the report by the Authority responsible to act on the recommendations. The action taken on the Report will not be finalised without the concurrence of Finance Inspection (NT) Wing.
- iii) The Administrative Department and the Head of Institution inspected will review the progress of action taken on inspection Reports once in three months and report the outcome of such review to the Finance Inspection (NT) Wing. If any laxity or wilful negligence is seen prima-facie on the part of the Head of the Institution inspected, he will be summoned for proper explanation.
- iv) The loss sustained to Government or any Authority as pointed out in the report will be recovered immediately from the responsible person(s) with penal interest as made applicable from time to time. Any lapse or failure to make recovery of loss shall be treated as the personal liability of the Head of Institution inspected and will attract disciplinary action for imposition of a major penalty as contemplated in the discipline and appeal rules applicable to him.
- v) The grant-in-aid, if any, admissible to the institution inspected will be withheld/ cancelled if recommendations in the Inspection Report are not implemented.
- vi) No further enquiry will be allowed other than by the Vigilance and Anti-corruption Bureau into a matter inspected by the Finance Inspection (NT) Wing under any circumstances.

3. Necessary amendments to the Kerala Financial Code Volume-I will be issued separately.

By order of the Governor

RAJESH KUMAR SINGH I.A.S.
ADDITIONAL CHIEF SECRETARY (FINANCE)

To

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram
The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram
The Accountant General (E&RSA), Kerala, Thiruvananthapuram
All Additional Chief Secretaries/Principal Secretaries/ Secretaries/Additional