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Principal Secretary (Economic Affairs)



30/4/11  
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No. THFC-102010-516023-FR  
Dated the 18<sup>th</sup> April, 2011.

To  
The Comptroller & Auditor General of India,  
9, Deen Dayal Upadhyaya Marg,  
New Delhi-110 124

Subject : Entrustment of Technical Guidance and Supervision (TGS)  
of PRIs to CAG pursuant to 13<sup>th</sup> Finance Commission Report.

Sir,

The Comptroller and Auditor General of India is requested to undertake the audit of the accounts of all Panchayati Raj Institutions (PRIs) including Panchayati Raj Institutions (PRIs) in the Special Areas (i.e. Scheduled Areas) constituted in the state under Part IX of the Constitution of India in exercise of powers conferred by Section 20(1) of the Comptroller and Auditor General (Duties, Powers and Conditions of Services) Act, 1971.

2. The terms and conditions for conducting the audit of the accounts of the said PRIs will be as follows: -

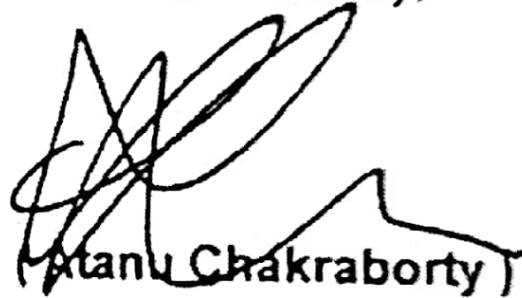
- (i) In addition to audit to be conducted by the Examiner, Local Fund Audit of PRIs, the CAG of India will have the right to conduct such test check of the accounts and to comment on and supplement the report of the Examiner, Local Fund Audit, as he may deem fit.
- (ii) The CAG of India or any person appointed by him in connection with the audit, shall have the same rights, privilege and authority as the CAG has in connection with the audit of Government accounts.
- (iii) The results of audit may be communicated by CAG or any person appointed by him to the Panchayats, Rural Housing and Rural Development Department, Government of Gujarat. The CAG may also forward a copy of the report direct to the Examiner, Local Fund Audit.
- (iv) The scope, extent and manner of conducting audit shall be as decided by the CAG.

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- (v) The above terms and conditions will not affect, in any way, the CAG's right to access the accounts and records of the PRIs under other sections of the Comptroller and Auditor General (Duties, Powers and Conditions of Service) Act, 1971 and under other due statutory process

3. CAG may provide suitable Technical Guidance and Supervision to primary external auditors of PRIs, viz. Examiner, Local Fund Audit for the purpose of strengthening Public Finance Management and Accountability in PRIs.

4. The Amendment Bill for entrusting Technical Guidance and Supervision to Comptroller and Auditor General of India and also placing of the Annual Technical Inspection Report before the Legislature has been passed on 29<sup>th</sup> March, 2011 and it is being sent for the assent of H.E. the Governor.

Yours faithfully,

  
(Atanu Chakraborty)

Copy to:

1. Shri A.N.P. Sinha, Secretary to the Govt. of India Ministry of Panchayati Raj, New Delhi
- ✓ 2. Additional Chief Secretary, Panchayats, Rural Housing and Rural Development Department, Sachivalaya, Gandhinagar
3. Accountant General, Ahmedabad/ Rajkot
4. The Development Commissioner, Gujarat State, Gandhinagar
5. Examiner, Local Fund Audit, Gujarat State, Gandhinagar.

Extra No. 21

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Separate paging is given to this Part in order that it may be filed as a Separate Compilation.

## PART IV

Acts of Gujarat Legislature and Ordinances promulgated and Regulations made by the Governor.

The following Act of the Gujarat legislature, having been assented to by the Governor on the 3<sup>rd</sup> May, 2011, is hereby published for general information.

C. J. GOTHI,  
Secretary to the Government of Gujarat,  
Legislative and Parliamentary Affairs Department.

### GUJARAT ACT NO. 21 OF 2011.

(First published, after having received the assent of the Governor, in the "Gujarat Government Gazette", on the 4th April, 2011)

#### AN ACT

further to amend the Bombay Provincial Municipal Corporations Act, 1949, the Gujarat Municipalities Act, 1963 and the Gujarat Panchayats Act, 1993.

It is hereby enacted in the Sixty-second Year of the Republic of India as follows:-

1. This Act may be called the Gujarat Local Authorities Laws (Amendment) Act, 2011. Short title.

**Amendment of section 2 of Bom. LIX of 1949.** 2. In the Bombay Provincial Municipal Corporations Act, 1949 <sup>Bom. LIX of 1949.</sup> (hereinafter referred to as "the Municipal Corporations Act"), in section 2, after clause (34A), the following clause shall be inserted, namely :-

"(34AA) "mobile tower" means a temporary or permanent structure, equipment or instrument erected or installed on land or upon any part of the building or premises for providing telecommunication services;"

**Insertion of new section 108A in Bom. LIX of 1949.** 3. In the Municipal Corporations Act, in Chapter IX, after section 108, the following section shall be inserted, namely :-

**Audit and technical guidance and supervision over audit.** "108A. (1) The accounts of the municipal corporation shall be audited under the provisions of the Gujarat Local Fund Audit Act, 1963. <sup>Guj. XLIX of 1963.</sup>

(2) Notwithstanding anything contained in this Act, the State Government shall entrust the Comptroller and Auditor General of India the technical guidance and supervision over the audit of the municipal corporation.

(3) The State Government shall cause the audit report under the Gujarat Local Fund Audit Act, 1963 along with the report of the Comptroller and Auditor General of India on technical guidance and supervision as referred to in sub-sections (1) and (2), to be laid before the State Legislature." <sup>Guj. XLIX of 1963.</sup>

**Amendment of section 127 of Bom. LIX of 1949.** 4. In the Municipal Corporations Act, in section 127, in sub-section (1), after clause (b), the following clause shall be inserted, namely :-

"(c) a tax on mobile towers;"

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5. In the Municipal Corporations Act, after section 145, the following sub-heading and section shall be inserted, namely :-

Insertion of new section 145A in Bom. LIX of 1949.

*"Tax on Mobile Towers*

Tax on mobile towers.

145A. (1) A tax at the rates not exceeding those prescribed by order in writing by the State Government in this behalf from time to time shall be levied on mobile towers from the person engaged in providing telecommunication services through such mobile towers.

(2) The Corporation shall from year to year, in accordance with section 99, determine the rates at which the tax shall be levied."

Guj. 34 of 1964.

6. In the Gujarat Municipalities Act, 1963 (hereinafter referred to as "the Municipalities Act"), in section 2, after clause (12A), the following clause shall be inserted, namely :-

Amendment of section 2 of Guj. 34 of 1964.

"(12B) "mobile tower" means a temporary or permanent structure, equipment or instrument erected or installed on land or upon any part of the building or premises for providing telecommunication services;"

7. In the Municipalities Act, in section 33, for sub-section (1), the following sub-section shall be substituted, namely:-

Amendment of section 33 of Guj. 34 of 1964.

(1) (a) The term of office of the President and Vice-President of a municipality shall be two and half years.

(b) Subject to the other provisions of this section, the President or the Vice-President shall be eligible for re-election.

(c) Subject to the other provisions of this section, the Vice-President of a municipality who has completed the term of two and half years on or before the commencement of the Gujarat Local Authorities Laws (Amendment) Act, 2011, shall continue to hold the office of the Vice-President till the expiry of the term of that municipality."

Guj. 21 of 2011.

**Amendment of section 77 of Guj. 34 of 1964.** 8. In the Municipalities Act, in section 77, after sub-section (3), the following sub-sections shall be inserted, namely:- Guj. 34 of 1964.

“(4) Notwithstanding anything contained in the preceding sub-sections, the State Government shall entrust the Comptroller and Auditor General of India the technical guidance and supervision over the audit of the municipality.

(5) The State Government shall cause the audit report under the Gujarat Local Fund Audit Act, 1963 referred to in sub-section (1) alongwith the report of the Comptroller and Auditor General of India on technical guidance and supervision as referred to in sub-section (4), to be laid before the State Legislature.” Guj. XLIX of 1963.

**Amendment of section 99 of Guj. 34 of 1964.** 9. In the Municipalities Act, in section 99, in sub-section (1), after clause (xiv), the following clause shall be inserted, namely:-

“(xiv-a) a tax on mobile towers to be levied from the person engaged in providing telecommunication services through such mobile towers;”.

**Amendment of section 2 of Guj. 18 of 1993.** 10. In the Gujarat Panchayats Act, 1993 (hereinafter referred to as “the Panchayats Act”), in section 2, after clause (12), the following clause shall be inserted, namely:- Guj. 18 of 1993.

“(12A) “mobile tower” means a temporary or permanent structure, equipment or instrument erected or installed on land or upon any part of the building or premises for providing telecommunication services;”.

**Amendment of section 121 of Guj. 18 of 1993.** 11. In the Panchayats Act, in section 121, after sub-section (1), the following sub-sections shall be inserted, namely :-

“(1A) Notwithstanding anything contained in sub-section (1), the State Government shall entrust the Comptroller and Auditor General of India the technical guidance and supervision over the audit of the village panchayat.

Guj. XLIX  
of 1963.

(1B) The State Government shall cause the audit report under the Gujarat Local Fund Audit Act, 1963 referred to in sub-section (1) alongwith the report of the Comptroller and Auditor General of India on technical guidance and supervision as referred to in sub-section (1A), to be laid before the State Legislature.”.

12. In the Panchayats Act, section 143 shall be numbered as sub-section (1) of that section and after sub-section (1) as so renumbered, the following sub-sections shall be inserted, namely:-

Amendment  
of section 143  
of Guj. 18 of  
1993.

“(2) Notwithstanding anything contained in sub-section (1), the State Government shall entrust the Comptroller and Auditor General of India the technical guidance and supervision over the audit of the taluka panchayat.

Guj. XLIX  
of 1963.

(3) The State Government shall cause the audit report under the Gujarat Local Fund Audit Act, 1963 referred to in sub-section (1) alongwith the report of the Comptroller and Auditor General of India on technical guidance and supervision as referred to in sub-section (2), to be laid before the State Legislature.”.

13. In the Panchayats Act, in section 166, after sub-section (2), the following sub-sections shall be inserted, namely:-

Amendment  
of section 166  
of Guj. 18 of  
1993.

“(3) Notwithstanding anything contained in sub-section (2), the State Government shall entrust the Comptroller and Auditor General of India the technical guidance and supervision over the audit of the district panchayat.

Guj. XLIX  
of 1963.

(4) The State Government shall cause the audit report under the Gujarat Local Fund Audit Act, 1963 referred to in sub-section (2)

alongwith the report of the Comptroller and Auditor General of India on technical guidance and supervision as referred to in sub-section (3), to be laid before the State Legislature.”.

Amendment of  
section 200 of  
Guj. 18 of 1993.

14. In the Panchayats Act, in section 200,-

(1) in sub-section (1), after clause (i), the following clause shall be inserted, namely:-

“(i-a) a tax on mobile towers;”;

(2) after sub-section (4), and the proviso thereunder, the following sub-section shall be inserted, namely:-

“(4A) a tax on mobile towers referred to in clause (i-a) of sub-section (1) shall be levied from the person engaged in providing telecommunication services through such mobile towers.”.