

**LOCAL FUND AUDIT, BARAGARH, ODISHA**

CATEGORY : Municipality/Municipal Corporation

Audit Report No : 121493/AR/2015-2016-BARAGARH

**PARA: 1 TITLE SHEET**

1	Name of the Institution :	<b>Bargarh Municipality. Bargarh</b>
2	Year of Accounts under Audit :	<b>2014-2015</b>
3	Name of the Local Authority during the year of A/Cs :	SRI DILLIP KUMAR MOHANTY, EXECUTIVE OFFICER
	Name of the Local Authority at the time of Audit :	1.SRI DILLIP KUMAR MOHANTY, EXECUTIVE OFFICER FROM 02.07.2012 TO 24.09.2015 2.SRI SUBASH CHANDRA SAHOO, EXECUTIVE OFFICER IN-CHARGE FROM 24.09.2015 TO TILL DATE
4	Duration of Audit :	12-08-2015 To 11-12-2015 (Mandays Consumed :- 66)
5	Name of the Auditors :	DAKHILA BEHERA - Lead Auditor(12-08-2015 to 11-12-2015) SEBARAM MEHER - Auditor(12-08-2015 to 11-12-2015)
6	Name of the Reviewing Officer :	MINATI PATI(District Audit Officer)
7	Date of submission of report by Reviewing officer :	04-01-2016
8	Entry Conference Date :	10-08-2015
9	Exit Conference Date :	
10	Name of the District Audit Officer :	MINATI PATI
11	Date of approval of report by District Audit Officer :	

**Para1.1 :- Demographic information:-**

Name Of The Institution	Area In sq Km	No of Ward	Population of the Institution					Female Population	Male Population
			S.C	S.T	Minority	General	Total		
Bargarh Municipality. Bargarh	16.72	19	14465	4341	4055	57764	80625	41418	39207

**PARA: 2 PHYSICAL VERIFICATION**

S/no	Items	Date Of Physical verification Before / After Transaction	Physical Balance	Balance As per Cash Book / Stock Register	Reference To The Page No Of Cash Book / Stock Register	Discrepancies If Any
1	Service Tax Receipt Book	12.08.2015 Before transaction				No discrepancy found.
2	User Fees Receipt Book each receipt worth Rs.20.00	12.08.2015 Before transaction				No discrepancy found.
3	Gandhi Children Park Receipt Book	12.08.2015 Before transaction				No discrepancy found.
4	User Fees Receipt Book each receipt worth Rs.10.00	12.08.2015 Before transaction				No discrepancy found.
5	Private Bus Stand Receipt Book	12.08.2015 Before transaction				No discrepancy found.
6	Cattle Market Receipt Book Old	12.08.2015 Before transaction				No discrepancy found.
7	Cattle Market Receipt Book	12.08.2015 Before transaction				No discrepancy found.
8	Holding Tax Receipt Book	12.08.2015 Before transaction				No discrepancy found.
9	ServicePostage Stamps	12.08.2015 Before transaction				No discrepancy found.
10	Miscellaneous Receipt Books	12.08.2015 Before transaction				No discrepancy found.
11	Measurement Books	12.08.2015 Before transaction				No discrepancy found.
12	Cash in hand	12.08.2015 Before transaction				No discrepancy found.

**Comments**

**Physical verification:-**

As per Rule 20 (a) of Odisha Local Fund Audit Rules, 1951 before commencement of audit of the Municipality physical verification was commenced on dated 12.08.2015(before transaction). Verified the liquid cash balance as on the date of commencement of audit and found nil cash balance. No discrepancy in liquid cash balance was noticed. Physical verification of liquid cash was recorded in subsidiary cash book dated 12.08.2015. Physical verification of postage stamp, unused Measurement Book and unused Money Receipt Book has been recorded. No discrepancy was noticed.

**Verification of cash balance periodically:-**

As per Rule at the end of each month the Executive Officer shall verify cash balance in the chest with the balance in the cash book and record signed and dated certificate to that effect. But, audit revealed that verification of cash balance in the chest with the balance in the cash book was not recorded in each month. Such lapses may lead to misappropriation of cash, embezzlement of cash etc. So, the Executive Officer is suggested to conduct verification of cash balance in the chest with the balance in the cash book and record signed and dated certificate to that effect.

**PARA: 3 LIST OF VERIFIED RECORDS**

**A : List Of Verified Records/Register**

S/no	List Records/Register	Rules	Form No
1	Budget Estimate	Rule 74	Form No. I
2	Cashier's Cash Book	Rule 81	Form No. V
3	Subsidiary Cash Book	Rule 128 A	Form No. V-A
4	Challan	Rule 87	Form No. VI
5	Register of Bills	Rule 96	Form No. VII
6	Order Book	Rule 96	Form No. VIII
7	Salary Bills	Rule 97	Form No. IX
8	Absentee Statement	Rule 97	Form No. X
9	Periodical Increment Certificate	Rule 99	Form No. XI
10	Cash Book of the municipality	Rule 125	Form No. XIV
11	Abstract Register of Receipts	Rule 129	Form No. XV
12	Abstract Register of Expenditure	Rule 129	Form No. XVI
13	Advance Ledger	Rule 136	Form No. XVIII
14	Deposit Ledger	Rule 142	Form No. XX
15	Register of Quarterly & Annual account of Receipt	Rule 144	Form No. XXII
16	Register of Quarterly & Annual account of Expenditure	Rule 144	Form No. XXIII
17	Annual Account of Receipts and Expenditure	Rule 145	Form No. XXIV
18	Miscellaneous Receipts	Rule 157	Form No. XXXIV
19	Register of Lands	Rule 160	Form No. XXXV
20	Register of Rents for which there is fixed demand	Rule 163	Form No. XXXVI
21	Daily Collection Register	Rule 171	Form No. XL
22	Register of Grants	Rule 80	Form No. XLII
23	Stock account of Tickets used for daily collection of Market fees	Rule 171	Form No. XLIII
24	Stamp Account	Rule 172	Form No. XLIV
25	Stock Register of Stationery	Rule 172	Form No. XLIV
26	Demand and Collection Register	Rule 178	Form B
27	Tax Receipt Form	Rule 188	Form I
28	Tax collector's daily collection register	Rule 192	Form K
29	Stock account of Receipt Forms	Rule 196	Form L
30	Tax collector's Ledger	Rule 198	Form M
31	Nominal Muster Roll (NMR)	Rule 340	Form W-II
32	Miscellaneous Supply Bill	Rule 343	Form W-V
33	Register of Works	Rule 345	Form W-VI
34	Stock & Store Register of Municipality	Rule 346	Form W-VII
35	Measurement Book	Rule 365	Form W-VIII

**B : List of Records/Registers not Produced to Audit**

S/no	List Records/Register	Rules	Form No
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**C : List of Records/Registers not Maintained**

S/no	List Records/Register	Rules	Form No
1	Abstract of the Budget Estimate	Rule 74	Form No. I-A
2	Schedule for the Budget Estimate	Rule 77	Form No. III
3	Subsidiary account of special taxes	Rule 79	Form No.-IV
4	Permanent Advance Account	Rule 108	Form No. XII
5	Voucher of Recoupment of Permanent Advance Account	Rule 110	Form No. XIII
6	Register of adjustments	Rule 132	Form No. XVII
7	Register of Outstanding Advances	Rule 140	Form No. XIX
8	Register of outstanding deposits	Rule 143	Form No. XXI
9	Establishment Audit Register	Rule 146	Form No. XXV
10	Register of Investments	Rule 148	Form No. XXVI
11	Loan Register	Rule 149	Form No. XXVII
12	Appropriation Register of Loan	Rule 150	Form No. XXVIII

	Funds		
13	Register of the Tax on Carriages, Carts, Horses and Other animals	Rule 151	Form No. XXIX
14	License for Carriages, Carts, Horses Other and animals	Rule 154	Form No. XXX
15	Application for License for Carriage, Cart, Horses and Other animals	Rule 152	Form No. XXXI
16	Stock account of License Number Plates	Rule 155	Form No. XXXII
17	License Register for Drivers and Owners of Carriages plying for hire	Rule 156	Form No. XXXIII
18	Jamabandi Register	Rule 170	Form No. XXXVII
19	Ledger of Lessees	Rule 170	Form No. XXXVIII
20	Arrear List	Rule 170	Form No. XXXIX
21	Register of Interest Bearing Securities	Rule 147	Form No. XLI
22	Assessment List	Rule 177	Form A
23	Tax Ledger (personal A/C of Tax Payers)	Rule 178	Form B(I)
24	Form of appeal petition	Rule 183	Form E
25	Register of Petitions	Rule 183	Form F
26	Mutation Register	Rule 184	Form G
27	Arrear Demand Register	Rule 187	Form H
28	Register of writes off of demands	Rule 190	Form J
29	Progress statement of collection of taxes	Rule 200	Form N
30	Notice of demand for tax u/s-161 of OM Act	Rule 202	Form O
31	Distrain Warrant Register	Rule 202	Form P
32	Form of inventory & Notice	Rule 203	Form Q
33	Warrant register	Rule 202	Form R
34	Register of Distrained property & sales	Rule 204	Form S
35	Register of Estimates & Allotments	Rule 332	Form W-I
36	Contract Agreement Form	Rule 341	Form W-III
37	Contract Certificate	Rule 343	Form W-IV

**D : List of Records/Registers not Required**

S/no	List Records/Register	Rules	Form No
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**Comments**

The local authority has not maintained the following record and register prescribed by Odisha Municipality Rules, 1953. Due to non-maintenance of the prescribed records and registers, the financial position, progress, achievement, financial management, financial control etc. cannot be watched out properly. So, the local authority is suggested to maintain all records and registers prescribed by the Odisha Municipality Rules, 1953.

Sl. No.	Particulars	Provisions as per O.M. Rules,1953	Corresponding Form
1	Schedule for budget Estimate	Rule 77	Form No. III
2	Subsidiary account of special taxes	Rule 79	Form No. IV
3	Permanent Advance Account	Rule 108	Form No. XII
4	Voucher of recoupment of permanent advance account	Rule 110	Form No. XIII
5	Register of adjustments	Rule 132	Form No. XVII
6	Register of Outstanding Advances	Rule 140	Form No. XIX
7	Register of Outstanding Deposits	Rule 143	Form No. XXI
8	Establishment Audit Register	Rule 146	Form No XXV
9	Register Of Investment	Rule 148	Form No. XXVI
10	Loan Register	Rule 149	Form No. XXVII
11	Appropriation Register of Loans Fund	Rule 150	Form No. XXVIII
12	Register of the Tax on Carriage, Carts, Horses and other animals	Rule 151	Form No. XXIX
13	License for carriage carts, horses and other animals	Rule 154	Form No. xxx
14	Application for License for carriage, cart, horses and other animals	Rule 152	Form No. XXXI
15	Stock Account of License Number Plates	Rule 155	Form No. XXXII
16	License Register for Drivers and Owners of Carriages plying for	Rule 156	Form No. XXXIII

	hire		
17	Register of Rents for which there is fixed demand	Rule 163	Form No. XXXVI
18	Jamabandi Register	Rule 170	Form No. XXXVII
19	Ledger of Lessees	Rule 170	Form No. XXXVIII
20	Arrear List	Rule 170	Form No. XXXIX
21	Register of Interest Bearing Securities	Rule 147	Form No. XLI
22	Tax Ledger (personal A/C of Tax payers)	Rule 178	Form B(I)
23	Form of Appeal petition	Rule 183	Form No. E
24	Register of Petitions	Rule 183	Form No. F
25	Mutation Register	Rule 184	Form No. G
26	Arrear Demand Register	Rule 187	Form No. H
27	Register of Writes off of demand	Rule 190	Form No. J
28	Progress statement of collection of taxes	Rule 200	Form No. N
29	Notice of demand for tax U/s. 161 of OM Act	Rule 202	Form No. O
30	Distress Warrant Register	Rule 202	Form No. P
31	Form of Inventory & Notice	Rule 203	Form No. K
32	Warrant Register	Rule 202	Form No. R
33	Register of Distained Property & Sales	Rule 204	Form No. S
34	Register of Estimates & Allotments	Rule 332	Form No. W-I
35	Miscellaneous Supply Bill	Rule 343	Form No. W-V
36	Assets Register		
37	Register of Passbooks		

#### **Non-maintenance of prescribed records and Registers:-**

The following Registers are not maintained at Municipality level. These registers have significant role in the whole Accounting Procedure. However the Local Authority is suggested to take immediate steps to maintain these Registers.

**(a) Investment Register:** Investment Register is not maintained at all, as a result of which detail particulars of year old Investments is missing as well as the Municipality is debarred from any gain on the Investments due to absence of records. As per Rule 148 of OM Rules, 1953, a register of Government and other securities held by Municipality as its property shall be maintained in Form No. XXVI. This will show all investments belonging to the Municipality.

**(b). Loan Register;** Loan Register is not maintained as it was not produced in the current Audit and as well as in the last couple years Audit. Non-maintenance of Loan Register surely affected adversely on the Loan recovery procedural. As per Rule 149 of OM Rules, 1953, a register in form XXVII to be maintained by the Municipality.

**(c) Register of adjustment:** - Register of adjustments prescribed under Rule 132 of OM Rules, 1953 was not maintained in Form No. XVII. Due to non-maintenance of the said register there is every possibility of non-accounting of adjustment of advance.

**(d) Outstanding Advance Ledger:-** Outstanding Advance Ledger is not maintained in the Municipality which is prescribed under Rule 140 of OM Rules, 1953 to be maintained in Form No. XIX. In absence of the outstanding advance register, there is every possibility of non-adjustment of advances and lack of supervision on outstanding advance cannot be watched out.

**(e) Establishment Audit Register:** -Establishment Audit Register prescribed under Rule 146 of the OM Rules, 1953 to be maintained in form No. XXV has not been maintained by the Municipality though it is an important register to watch the audit compliance procedure.

**(f) Register of Passbooks:** -Register of Passbooks to be maintained by the Cash section though it is important to watch the cash inflow and out flow as there are about 38 numbers of pass books in operation by the Municipality.

**(g) Register of Tax on Carriages, Carts, Horses and Other animals:** -It is an important register prescribed under Rule 151 of the OM Rules, 1953 to be maintained in form No. XXIX. The register has not been maintained by the Municipality. Due to non-maintenance of the register, the position of collection towards cart, carriages etc. could not be ascertained.

**(h) Arrear Demand Register:** - As per Rule 187 of the OM Rules, 1953 a register on arrear demand shall be maintained in form number H. The said register has not been maintained by the Municipality. Due to non-maintenance of the register, the Municipality could not have a watch on arrear demand. So, collection of taxes on arrear demands was not done properly.

**PARA: 4 FINANCIAL POSITION**

Bargarh Municipality. Bargarh - 2014-2015

Sno	Name of the Cash Book	OB as on Date	Opening Balance(In Rs:)	Receipt during the Year under Audit(In Rs:)	Total(In Rs:)	Expenditure during the Year under Audit(In Rs:)	Closing Balance as per Audit (DD MM YYYY)	Closing Balance(In Rs:)(AUDIT)	Closing Balance as per (DD MM YYYY) Cash Book	Closing Balance(In Rs:)(CASH BOOK)	Difference (In Rs:)	Remarks
1	SJSRY	01-04-2014	735833.00	6779325.70	7515158.70	4127869.00	31-03-2015	3387289.70	31-03-2015	3387289.70	0.00	
2	LFS	01-04-2014	2256.00	90.00	2346.00	0.00	31-03-2015	2346.00	31-03-2015	2346.00	0.00	
3	NON-LFS	01-04-2014	4285.20	2329293.00	2333578.20	2317000.00	31-03-2015	16578.20	31-03-2015	16578.20	0.00	
4	NFBS	01-04-2014	208894.00	1015314.00	1224208.00	640000.00	31-03-2015	584208.00	31-03-2015	584208.00	0.00	
5	IHSDP	01-04-2014	4253597.935	1710905.50	44246884.85	3401632.00	31-03-2015	4084525.285	31-03-2015	4084525.285	0.00	
6	13TH FCA	01-04-2014	1727803.700	16667547.00	33945584.00	15508589.00	31-03-2015	1843699.500	31-03-2015	1843699.500	0.00	
7	BRGF	01-04-2014	3139858.800	3033521.00	34432109.00	16697813.00	31-03-2015	1773429.600	31-03-2015	1773429.600	0.00	
8	RD	01-04-2014	5792332.00	13259291.00	19051623.00	12618060.00	31-03-2015	6433563.00	31-03-2015	6433563.00	0.00	
9	SPECIAL CC	01-04-2014	7199446.00	3085806.00	10285252.00	7423483.00	31-03-2015	2861769.00	31-03-2015	2861769.00	0.00	
10	MBPY	01-04-2014	1223147.300	20360327.00	32591800.00	19364195.00	31-03-2015	1322760.500	31-03-2015	1322760.500	0.00	
11	MP LAD	01-04-2014	428442.83	0.00	428442.83	0.00	31-03-2015	428442.83	31-03-2015	428442.83	0.00	
12	ACCOUNTANT CASH BOOK	01-04-2014	4100894.398	10169370.861	14270265.259	10333215.780	31-03-2015	3937049.479	31-03-2015	3937049.479	0.00	
13	HARISHCHANDRA	01-04-2014	94268.00	2333592.00	2427860.00	851498.00	31-03-2015	1576362.00	31-03-2015	1576362.00	0.00	
	<b>GRAND TOTAL</b>		<b>158918778.36</b>	<b>172268720.81</b>	<b>331187499.17</b>	<b>186282296.80</b>		<b>144905202.37</b>		<b>144905202.37</b>	<b>0.00</b>	

**Comments**

**Para No.4.1:- Abstract of Financial Position for the year 2014-15:-**

An abstract of financial position of the Municipality for the financial year 2014-15 is furnished below.

Serial No.	Particulars	Amount
1	Opening Balance at the beginning of the year	158918778.36
2	Receipt during the financial year	172268720.81
3	Total	331187499.17
4	Expenditure during the financial year	186282296.80
5	Closing Balance at the end of the financial year i.e. as on 31.03.2015 (As per audit)	144905202.37
6	Closing Balance at the end of the financial year i.e. as on 31.03.2015 (As per Cash Book)	144905202.37
7	Difference	0.00

**Para No.4.2:- Details of Closing Balance of Cash Book as on 31.03.2015:-**

DETAILS OF CLOSING BALANCE OF CASH BOOK AS ON 31.03.2015			
Sl. No.	Name of the Cash Book	Details of Closing Balance	
		Bank & Branch	Account No. Amount

1	Accountant Cash Book	P/L Account		0.35
	Accountant Cash Book	SBI Current Account	11042670237	5090105.16
	Accountant Cash Book	Syndicate Bank	80142200029401	1089327.03
	Accountant Cash Book	Axis Bank	492010100073653	2598721.00
	Accountant Cash Book	PNB, Bargarh	4020000100004650	0.00
	Accountant Cash Book	ADB, Bargarh	10455633204	1674.40
	Accountant Cash Book	Allahabad C/A	21395644109	175212.00
	Accountant Cash Book	Allahabad Saving	50112299137	1945636.00
	Accountant Cash Book	ICICI	62701000389	6362929.00
	Accountant Cash Book	HDFC	18171450000011	12674672.82
	Accountant Cash Book	IDBI	746104000012856	-948037.17
	Accountant Cash Book	BOI	558510110005458	26883.00
	Accountant Cash Book	Vijaya Bank	741001101000001	3437358.00
	Accountant Cash Book	DCB	1031240022001	2170142.20
	Accountant Cash Book	HDFC	55	0.00
	Accountant Cash Book	HDFC	18171450000024	-754129.00
	Accountant Cash Book	HDFC	50100079225477	5500000.00
	TOTAL			39370494.79
2	LFS	SBI, Bargarh	30333108469	2346.00
3	Non-LFS	SBI, Bargarh	11042700706	16578.20
4	NFBS	IOB, Bargarh	150401000003350	584208
5	IHSDP	Syndicate Bank	80142200022336	18082341.20
	IHSDP	HDFC	181714500000065	22762911.65
6	13th FCA	SBI, Bargarh	31294644880	18436995.00
7	BRGF	BOB, Bargarh	32550100004199	17734296.00
8	RD	SBI, Bargarh	31864022986	6590645.00
	RD	UBI, Bargarh	454011014985	-157082.00
9	Special CC	BOI, Bargarh	558510110007400	2861769.00
10	MBPY	SBI, Bargarh	30881868414	13227605.00
11	MP LAD	HDFC	18171450000011	428442.83
12	Harishchandra	HDFC	5020002731769	1576362.00
13	SJSRY	SDCC, Mahila Branch, Bgh	15053001457	87990.00
	SJSRY	Andhra Bank, Bargarh	3801100003855	38737.60
	SJSRY	PNB, Bargarh	4020000100004590	15949.00
	SJSRY	IOB, Bargarh	1044	14151.00
	SJSRY	UCO Bank, Bargarh	3609	6437.70
	SJSRY	Union Bank, Bargarh	369302010001965	10436.40
	SJSRY	UCO Bank, Bargarh	5808	5049.00
	SJSRY	UBI, Bargarh	454010024813	271404.00
	SJSRY	PNB, Bargarh	4020000100004660	15721.00
	SJSRY	SBI, Bargarh	31058633527	95064.00
	SJSRY	BOI, Bargarh	558510110011764	2826350.00
		Total		3387289.70

			<b>GRAND TOTAL</b>	<b>144905202.37</b>
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**Para No.4.3:- Financial Statement:-**

A detailed position of head-wise receipt and expenditure for the financial year 2014-15 is furnished below. The same is also uploaded in the "Financial statement" link in the e-audit report.

<b>STATEMENT SHOWING DETAILS OF RECEIPT ON THE ACCOUNTS OF BARGARH MUNICIPALITY FOR THE YEAR 2014-15</b>				
Serial No.	Particulars	Amount		
		2013-14	2014-15	
I	TAXEX			
	1Holding Tax	1096434.90	1169169.20	
	2Latrine Tax	183456.40	196312.60	
	3Light Tax	726438.60	780039.55	
	4Water Tax	694412.10	742895.45	
	<b>Total</b>	<b>2700742.00</b>	<b>2888416.80</b>	
II	LICEENSE AND OTHER FEES			
	1Land R/S	2563088.00	2981455.00	
	2Stall rent	2154398.00	2380712.00	
	3U/s 290	94665.00	88757.00	
	4Building Plan	1041008.00	1165606.00	
	<b>Total</b>	<b>5853159.00</b>	<b>6616530.00</b>	
III	RECEIPT UNDER SPECIAL ACT			
	1Cattle Market	82100.00	75750.00	
	2Parking Fee	290930.00	333010.00	
	3Saleable Form	1145.00	1575.00	
	4User Fee	49750.00	83760.00	
	5RTI Act	70.00	944.00	
	<b>Total</b>	<b>423995.00</b>	<b>495039.00</b>	
IV	REVENUE DERIVED FROM MUNICIPAL PROPERTY			
	1Water Tanker	24900.00	89570.00	
	2Gandhi Children Park	93750.00	110200.00	
	3Cowshed	75630.00	200.00	
	4Town hall	33500.00	1000.00	
	5H.C. Dozer	159485.00	143441.00	
	6Cesspool	118000.00	136138.00	
	7Lease of Tank	162300.00	67000.00	
	8Market Fee	400000.00	936950.00	
	9Mobile Toilet	0.00	7000.00	
	<b>Total</b>	<b>1067565.00</b>	<b>1491499.00</b>	
V	GRANT RECEIVED FROM STATE GOVERNMENT(O)			
	1Road Development Grant (General)	6047000.00	1578000.00	
	2Road Development Grant (SCP)	650000.00	425000.00	
	3Road Development Grant TASP	840000.00	569000.00	



4	Devolution Fund 3rd SFC	13597948.00	6190000.00
5	Grants for urban assets creation CC road	8282000.00	0.00
6	Grants for Motor Vehicle Tax	3643000.00	3214000.00
7	Compensation & Assignment Grant	40210885.00	41069000.00
8	Grants Park & Greenery General	1100000.00	0.00
9	Grants Park & Greenery SCP	300000.00	0.00
10	Grants Park & Greenery TASP	600000.00	0.00
11	Performance Based Incentive Grant	3118000.00	0.00
12	Grant for Road & Bridges (Normal)	5700000.00	3000000.00
13	Maintenance of Non-residential building	900000.00	600000.00
14	Solid Waste management TASP	235897.00	0.00
15	Solid Waste management SCP	177234.00	0.00
16	Solid Waste management GEN	659126.00	0.00
17	Grant for Road & Bridges (13th FCA)	3778000.00	4210000.00
18	13th Finance Commission Award	5712000.00	0.00
19	13th Finance Commission Award	4948000.00	0.00
20	13th Finance Commission Award General Area Basic Grant	0.00	10809000.00
21	Capacity Development & preparation of DPR	0.00	658430.00
22	Construction of public toilets/conveniences	0.00	692550.00
23	Festival Grant (Dhanuyatra)	350000.00	300000.00
	<b>Total</b>	<b>100849090.00</b>	<b>73314980.00</b>
VI	GRANT RECEIVED FROM OTHER BODY		
1	BRGF Grant for infrastructure	611600.00	611600.00
2	BRGF Grant	40483722.00	0.00
3	Salary of MIS, Accountant & BRGF JE(BRGF Scheme)	0.00	75000.00
4	WODC	200000.00	0.00
5	Special Problem Fund	0.00	1500000.00
6	Construction of AWC building	0.00	5500000.00
7	MP LAD Grant	0.00	1875000.00
8	SMID	0.00	250000.00
9	SEP(Individual)	0.00	289000.00
10	SEP(Group)	0.00	42000.00
11	Capacity Building & Training Grant under NULM	0.00	660000.00
12	ESTP under NULM	0.00	1435300.00
13	SUH under NULM	0.00	1600000.00
14	Salary of UCDN Community Organizers	0.00	120000.00
15	Salary of CMMU under NULM	0.00	100000.00
	<b>Total</b>	<b>41295322.00</b>	<b>14057900.00</b>
	<b>TOTAL GRANTS</b>	<b>142144412.00</b>	<b>87372880.00</b>
	GRANT RECEIVED IN RESPECT OF ATTABIRA NAC		
1	Road Development Grant (Attabira NAC)	0.00	849000.00
2	Motor vehicle Tax Attabira NAC	741000.00	999000.00
3	Conservation of Water body Attabira NAC	1000000.00	0.00

	4	Compensation & Assignment Grant Attabira NAC	15126678.00	18153000.00
	5	Devolution Fund Kalyan Mandap Attabira NAC	3700000.00	0.00
	6	Devolution Fund Attabira NAC	0.00	2698000.00
	7	Grant for Road & Bridges (Attabira NAC)	0.00	2056000.00
	8	Maintenance of Non-residential building (Attabira NAC)	0.00	400000.00
	9	Solid Waste Management Grant General (Attabira NAC)	0.00	300004.00
	10	Solid Waste management SCP (Attabira NAC)	0.00	80845.00
	11	Solid Waste management TASP (Attabira NAC)	0.00	108234.00
		<b>Total</b>	<b>20567678.00</b>	<b>25644083.00</b>
VII		OTHER THAN GRANT		
	1	MBPY	27567500.00	18606900.00
	2	NFSA Administrative Grant	0.00	10000.00
	3	Electrification	451115.00	0.00
	4	Election (Remuneration to BLO)	5035.00	499005.00
	5	Election Grant	0.00	145761.00
	6	Non-LFS Pension	640000.00	2308000.00
	7	Census	0.00	163500.00
	8	NFSA	0.00	26600.00
	9	NFBS	200000.00	1010000.00
	10	District Innovative Fund	0.00	1100000.00
	11	Flood Assistance	0.00	41010.00
	12	Protection of Government land	0.00	114000.00
	13	STEP-Up Stipend	0.00	1423594.00
		Harischandra Sahayata Yojana	100000.00	784500.00
		<b>Total</b>	<b>28963650.00</b>	<b>26232870.00</b>
VIII		DEPOSITS/SD/EMD		
	1	EMD	398143.00	390500.00
	2	Security Deposit	60000.00	85000.00
		<b>Total</b>	<b>458143.00</b>	<b>475500.00</b>
IX		Miscellaneous		
	1	Slum Quarter Rent	2200.00	500.00
	2	Restoration of Mobile Tower	552500.00	0.00
	3	Road Cutting	1590.00	82544.00
	4	Cost of tender paper	1501185.00	406260.00
	5	NOC fees	70000.00	13000.00
	6	Marriage registration Fees	0.00	25000.00
	7	Quotation paper cost	10500.00	0.00
	8	Additional Performance Security	17400.00	49589.00
	9	Audit Recovery	4020.00	28185.00
	10	Renewal of Contractor License	8000.00	38000.00
	11	Advertisement(Hooding)	50000.00	50000.00
	12	Unused scrapped materials	36874.00	0.00
	13	Refund to Municipal fund	2815.00	49634.00

14	Refund of Excess subsidy	1500.00	0.00
15	Beneficiary contribution under IHSDP	9600.00	44800.00
16	Miscellaneous receipt	27619.00	677.00
17	Xerox charges	200.00	0.00
18	Mobile Tower rent	16000.00	82000.00
19	MV stand	0.00	3900.00
20	Tempo stand	0.00	3805.00
21	Row permission for laying OFC cable	0.00	737847.00
22	Obsequie GIS	0.00	10000.00
23	cheque not encashed	0.00	52352.00
24	Return of Stipend amount	0.00	71561.00
25	Receipt towards inclusion of passbooks in NULM cashbook	0.00	707515.70
26	Cash refund towards unspent amount in STEP-UP training programme	0.00	16260.00
27	Bank Interest	3623420.48	7100680.31
28	Book transfer	0.00	4443515.00
	<b>Total</b>	<b>5935423.48</b>	<b>14017625.01</b>
X	ADJUSTMENT REPORT		
1	Security Deposit	1145973.00	1566856.00
2	Rent from municipal quarters	5440.00	2000.00
3	Income Tax	387899.00	538135.00
4	Royalty	655596.00	1272523.00
5	Sale Tax and VAT	1914505.00	2570828.00
6	Empty Cement Bag	125351.00	218164.00
7	Withheld	30000.00	345930.00
8	Labour Cess	387883.00	519842.00
	<b>Total</b>	<b>4652647.00</b>	<b>7034278.00</b>
	<b>GRAND TOTAL RECEIPTS</b>	<b>212767414.48</b>	<b>172268720.81</b>
	Add Opening balance at the beginning of the year	99385995.38	158918778.36
	<b>GRAND TOTAL</b>	<b>312153409.86</b>	<b>331187499.17</b>

**STATEMENT SHOWING DETAILS OF EXPENDITURE ON THE ACCOUNTS OF BARGARH MUNICIPALITY FOR THE YEAR 2014-15**

Serial No.	Particulars	Amount	
		2013-14	2014-15
I	GENERAL ESTABLISHMENT		
1	Office Establishment Pay	780176.00	698679.00
2	Office Establishment Grade Pay	179939.00	212303.00
3	Office Establishment DA	699614.00	1042031.00
4	Office Establishment HRA	65832.00	85056.00
5	Office Establishment OA	6000.00	6000.00

	Total	1731561.00	2044069.00
II	COLLECTION ESTABLISHMENT		
	1Tax Establishment Pay	571480.00	495293.00
	2Tax Establishment Grade Pay	154801.00	124744.00
	3Tax Establishment DA	615723.00	653426.00
	4Tax Establishment HRA	78143.00	65710.00
	Total	1420147.00	1339173.00
III	OCTROI ESTABLISHMENT		
	1Octroi Establishment Pay	5257095.00	4642030.00
	2Octroi Establishment Grade Pay	894521.00	714522.00
	3Octroi Establishment DA	3945829.00	4181099.00
	4Octroi Establishment HRA	488863.00	411456.00
	5Octroi Establishment CA	6000.00	6000.00
	Total	10592308.00	9955107.00
IV	PUBLIC HEALTH ESTABLISHMENT		
	1Public health Establishment Pay	368320.00	397180.00
	2Public health Establishment Grade Pay	79200.00	79200.00
	3Public health Establishment DA	371764.00	499004.00
	4Public health Establishment HRA	36156.00	49632.00
	Total	855440.00	1025016.00
V	WORKS ESTABLISHMENT		
	1Works Establishment Pay	897575.00	823733.00
	2Works Establishment Grade Pay	176334.00	153316.00
	3Works Establishment DA	763420.00	878640.00
	4Works Establishment HRA	89220.00	84917.00
	Total	1926549.00	1940606.00
VI	UBS ESTABLISHMENT		
	1UBS Establishment Pay	89399.00	92900.00
	2UBS Establishment Grade Pay	18000.00	18000.00
	3UBS Establishment DA	85342.00	112630.00
	4UBS Establishment HRA	10890.00	11300.00
	5UBS Establishment IA	1680.00	1440.00
	Total	205311.00	236270.00
VII	RC ESTABLISHMENT		
	1RC Establishment Pay	790112.00	512132.00
	2RC Establishment Grade Pay	213648.00	130930.00
	3RC Establishment DA	1022384.00	826932.00
	4RC Establishment HRA	119890.00	75338.00
	5RC Establishment WA	4380.00	2730.00
	Total	2150414.00	1548062.00
VIII	DRAINAGE ESTABLISHMENT		
	1Drainage Establishment Pay	84629.00	81275.00
	2Drainage Establishment Grade Pay	21744.00	16307.00

	3	Drainage Establishment DA	104074.00	106043.00
	4	Drainage Establishment HRA	13841.00	10681.00
	5	Drainage Establishment WA	450.00	330.00
		Total	224738.00	214636.00
IX		LATRINE ESTABLISHMENT		
	1	Latrine Establishment Pay	190652.00	132006.00
	2	Latrine Establishment Grade Pay	53899.00	32950.00
	3	Latrine Establishment DA	258647.00	214303.00
	4	Latrine Establishment HRA	33890.00	21362.00
	5	Latrine Establishment WA	1110.00	660.00
		Total	538198.00	401281.00
X		DNS ESTABLISHMENT		
	1	DNS Establishment Pay	492520.00	659943.00
	2	DNS Establishment Grade Pay	115349.00	180810.00
	3	DNS Establishment DA	544406.00	1001027.00
	4	DNS Establishment HRA	71850.00	90942.00
	5	DNS Establishment WA	2280.00	3300.00
		Total	1226405.00	1936022.00
XI		LR ESTABLISHMENT		
	1	LR Establishment Pay	117924.00	145124.00
	2	LR Establishment Grade Pay	38202.00	32710.00
	3	LR Establishment DA	184096.00	209728.00
	4	LR Establishment HRA	23698.00	21076.00
	5	LR Establishment WA	780.00	660.00
		Total	364700.00	409298.00
XII		W/S ESTABLISHMENT		
	1	W/S Establishment Pay	12441.00	25747.00
	2	W/S Establishment Grade Pay	19031.00	15874.00
	3	W/S Establishment DA	43037.00	38097.00
	4	W/S Establishment HRA	0.00	0.00
	5	W/S Establishment WA	390.00	330.00
		Total	74899.00	80048.00
XIII		SCAVENGING ESTABLISHMENT		
	1	Scavenging Establishment Pay	390952.00	270963.00
	2	Scavenging Establishment Grade Pay	158064.00	113188.00
	3	Scavenging Establishment DA	519489.00	499907.00
	4	Scavenging Establishment HRA	66254.00	50725.00
	5	Scavenging Establishment WA	3150.00	1980.00
		Total	1137909.00	936763.00
XIV		WORK CHARGE SCAVENGING ESTABLISHMENT		
	1	Work Charge Scavenging Establishment Pay	422146.00	1341501.00
	2	Work Charge Scavenging Establishment Grade Pay	62214.00	546615.00
	3	Work Charge Scavenging Establishment DA	355534.00	2421510.00

	4	Work Charge Scavenging Establishment WA	5960.00	12810.00
		Total	845854.00	4322436.00
XV		WORK CHARGE PUBLIC WORKS ESTABLISHMENT		
	1	Work Charge Public Works Establishment Pay	0.00	357348.00
	2	Work Charge Public Works Establishment Grade Pay	0.00	140988.00
	3	Work Charge Public Works Establishment DA	0.00	624979.00
	4	Work Charge Public Works Establishment Less drawn	0.00	200.00
		Total	0.00	1123515.00
XVI		WORK CHARGE OFFICE ESTABLISHMENT		
	1	Work charge Office Establishment Pay	0.00	408375.00
	2	Work charge Office Establishment Grade Pay	0.00	169349.00
	3	Work charge Office Establishment DA	0.00	731847.00
	4	Work charge Office Establishment WA	0.00	150.00
		Total	0.00	1309721.00
XVII		DLR ESTABLISHMENT		
	1	DLR Public Work Wages	210838.00	389026.00
	2	DLR Other Wages	97290.00	229223.00
	3	DLR Medical Wages	402000.00	112496.00
	4	NMR Scavenging Wages	3058237.00	2166080.00
		Total	3768365.00	2896825.00
XVIII		ESTABLISHMENT		
	1	Professional Tax Deposit	158825.00	231600.00
	2	LIC Deposit	33168.00	45374.00
	3	GPF Deposit	52000.00	44000.00
	4	EPF Deposit	1451183.00	1227340.00
	5	LFS Pension	0.00	584854.00
	6	Non-LFS Pension	0.00	2714653.00
	7	Solid Waste Management	470222.00	0.00
	8	Cost of sanitary articles purchased	408924.00	619626.00
	9	Computer expenses	8580.00	0.00
	10	Gratuity & Unutilized Leave Salary	37952.00	2004037.00
	11	Own fund	30318.00	4834635.00
	12	Festival Advance	709000.00	1180000.00
	13	Advance	1101000.00	0.00
	14	Refund of Security Deposit	9311.00	159106.00
	15	Refund of EMD	40300.00	124735.00
	16	Refund of APS	0.00	15270.00
	17	Refund of RTI Excess Amount	746.00	0.00
	18	Unutilized leave Salary	2181089.00	0.00
	19	DA Arrears	2073784.00	2749727.00
	20	Off Day Allowance	0.00	560899.00
	21	Payment of Bank loan	1055536.00	410061.00
	22	Refund to Town hall	15000.00	0.00

23	Law Charges	3000.00	32000.00
24	Energy charges	2113544.00	400000.00
25	Maintenance of street light	648184.00	2793225.00
26	Improvement of street light	1259964.00	0.00
27	Sitting Allowance to Chairman/Vice-Chairman	12500.00	0.00
28	Sitting Allowance to Councilors	5550.00	0.00
29	Remuneration of BLOs	104172.00	492905.00
30	Election Grant	357347.00	42715.00
31	Honorarium to Enumerators	0.00	127000.00
32	Maintenance of motor vehicle	195247.00	115950.00
33	Insurance of vehicle	5748.00	0.00
34	Renewal charges of vehicle	9648.00	0.00
	Total	14551842.00	21509712.00
XIX	PUBLIC WORKS		
1	Renovation of Town hall	426819.00	1719911.00
2	Maintenance of Road and bridges (13th FCA)	317203.00	3358140.00
3	General Area Basis Grant	0.00	4349998.00
4	Performance Based Incentive under 13th FCA	0.00	920388.00
5	Renovation of CC Road under 13th FCA	0.00	572373.00
6	Repair of CC drain under 13th FCA	0.00	162971.00
7	Construction of CC road under 13th FCA	0.00	920506.00
8	Construction of boundary wall fencing under 13th FCA	0.00	601236.00
9	Cost of sanitary materials under 13th FCA	0.00	181600.00
10	Construction of garbage bin under 13th FCA	0.00	125193.00
11	Construction of guard wall under 13th FCA	0.00	929402.00
12	Repair of bridge under 13th FCA	0.00	182398.00
13	Construction of CC drain under 13th FCA	0.00	264950.00
14	Cost of lighting equipment under 13th FCA	0.00	2000000.00
15	Motor vehicle Tax	1864716.00	6664125.00
16	Solid Waste Management	0.00	1072257.00
17	Performance Based Incentive (General)	0.00	1559000.00
18	Preparation of CDP	0.00	329214.00
19	RMG	4536311.00	0.00
20	RMG Hard Cash	38727.00	0.00
21	WODC	262618.00	0.00
22	Special problem fund	315099.00	145726.00
23	CC Road/Drain and other under OC Grant	163653.00	0.00
24	Development of Private Bus Stand	408826.00	2865116.00
25	Public Toilet	134669.00	222673.00
26	Devolution Fund High mast Light	1950454.00	0.00
27	Devolution Fund	392797.00	5134949.00
28	Park & Greenery	1259395.00	1080269.00
29	Protection of Water body	86356.00	0.00

30	Protection of Govt. Land	0.00	30000.00
31	Construction of Boundary wall	319260.00	0.00
32	Festival Grant(Dhanujatra) Expenses	148500.00	303275.00
33	Road Development Grant	2966438.00	5593051.00
34	Maintenance of Roads & Bridges(Normal)	0.00	5629368.00
35	13th FCA Maintenance of Non-residential building	10010743.00	0.00
36	Special CC Road	11948463.00	5056211.00
37	BRGF	9681450.00	14867534.00
38	Salary of MIS, Accountant etc. under BRGF	0.00	516430.00
39	Community Centre Grant	31516.00	0.00
40	Kalyan Mandap Grant	171765.00	1250899.00
41	Pension LFS	481303.00	260299.00
42	Pension Non-LFS	2118608.00	2056701.00
43	NOAP/MBPY	17473895.00	19353200.00
44	MBPY Contingency	0.00	5650.00
45	Refund of grant under NSAP administrative charges	0.00	5000.00
46	SJSRY	1062877.00	0.00
47	Harishchandra Sahayata	100150.00	519000.00
48	NFBS	150000.00	640000.00
49	Concrete Road	12145632.00	0.00
50	OC grant	8863745.00	0.00
51	IHSDP	3242355.00	3311310.00
52	Refund of beneficiary contribution under IHSDP	0.00	52800.00
53	Service charge of JE under IHSDP Scheme	0.00	37522.00
54	Remuneration of CO under NULM	0.00	313500.00
55	TA of CO under NULM	0.00	19652.00
56	Conducting meeting to check out NULM & NUHM	0.00	1000.00
57	Orientation training programme on NULM & RRY programme	0.00	20000.00
58	STEP-UP stipend to the trainee under NULM	0.00	2045625.00
59	Subsidy payment to the SHGs under NULM	0.00	115000.00
60	NULM Contingency	0.00	7050.00
61	SMID Revolving Fund to the SHGs under NULM	0.00	180000.00
62	Interest Subsidy to individuals under NULM	0.00	252950.00
63	Course fee for skill development programme under NULM	0.00	1173000.00
	Total	93074343.00	98978422.00
XX	GRANTS OF ATTABIRA NAC TRANSFERRED		
1	Octroi Compensation Grant(Attabira NAC)	11102000.00	12212000.00
2	Protection of Water body Grant (Attabira NAC)	9465678.00	0.00
3	Non-Residential Building Grant (Attabira NAC)	0.00	400000.00
4	Motor Vehicle Grant (Attabira NAC)	0.00	999000.00
5	Roads & Bridges Grant (Attabira NAC)	0.00	1200000.00
6	Road Development Grant (Attabira NAC)	0.00	849000.00
7	Devolution Fund (Attabira NAC)	0.00	2698000.00



	Total	20567678.00	18358000.00
XXI	OTHERS		
	1 Deposit of OST/VAT	1063668.00	2591400.00
	2 Deposit of Income tax	196567.00	304493.00
	3 Deposit of Royalty	436154.00	1212133.00
	4 Refund of Royalty	0.00	2053.00
	5 Release of Withheld	0.00	200000.00
	6 TA	42008.00	37128.00
	7 Stationary Printing	56917.00	307461.00
	8 Telephone Charges	32097.00	21313.00
	9 Advertisement charges	461318.00	481362.00
	10 Hire charge of vehicle	0.00	240487.00
	11 Cost of fuel	0.00	1685551.00
	12 Cost of furniture	0.00	142500.00
	13 Purchase of Computer	0.00	119400.00
	14 Obsequie charges	5000.00	12000.00
	15 Maintenance of Gandhi Children Park	24986.00	216738.00
	16 Wages of outsourcing staff	0.00	561902.00
	17 Dozer charges	0.00	9140.00
	18 Repair of Water Tanker	0.00	200000.00
	19 Construction of CC road out of own fund	0.00	1195376.00
	20 Construction of Guard wall	0.00	296995.00
	21 Construction of Culvert	0.00	16256.00
	22 Construction and repair of building	0.00	200517.00
	23 Renovation of boundary wall	0.00	55739.00
	24 Honorarium to Chairman and Vice-Chairman	0.00	10000.00
	25 Sitting Allowance of Chairman, Vice-Chairman and Councilors	0.00	38000.00
	26 Flood Assistance	0.00	34653.00
	27 Eviction Cost	0.00	10000.00
	28 Contingency	0.00	355776.00
	29 Refund of Holding Tax	0.00	2282.00
	30 Mega Festival on MBPY	0.00	22505.00
	31 Youth Festival	0.00	2000.00
	32 Jalachhatra equipment	0.00	26510.00
	33 Usha Survey	0.00	72982.00
	34 Architectural Fees for Kalyan Mandap	0.00	125630.00
	35 Cost of Plants	0.00	195375.00
	36 Cost and fitting charges of Hume pipe	0.00	65000.00
	37 Paid to PD, Bargarh towards cost for purchase of Drain Cleaning Machine	0.00	110000.00
	38 Financial Assistance	0.00	10000.00
	39 Pragyapana Medha expenses	0.00	43120.00
	40 Postage stamp	0.00	8000.00

41	NFSA expenses	0.00	26600.00
42	Bank Charges	137.50	5422.80
43	Extraordinary debt	0.00	0.00
44	Book transfer	0.00	4443515.00
	Total	2318852.50	15717314.80
	<b>GRAND TOTAL EXPENDITURE</b>	<b>153234631.50</b>	<b>186282296.80</b>
	Add Closing Balance at the end of the year	158918778.36	144905202.37
	<b>GRAND TOTAL</b>	<b>312153409.86</b>	<b>331187499.17</b>

**Para No.4.6:- Non-analysis of the Closing Balance (POM page No. 138, dated 10.12.2015):-**

In terms of Government of Odisha, Finance department circular No.9482/F, dated 6<sup>th</sup> march, 2000, analysis of closing balance shall be done at the end of each month showing bill wise/date wise/purpose wise. But, analysis of closing balance had not been done in contravention of the circular. Due to non-analysis of closing balance of cash there is every possibility of irregular expenditure and diversion of fund from the exact position of different fund cannot be ascertained.

POM page No. 138, dated 10.12.2015 was issued to the local authority to explain the reasons for non-analysis of closing balance of the cash book.

No reason was attributed by the local authority for non-analysis of closing balance of the cash book.

However, the local authority is suggested to make analysis of the closing balance at the end of each month.

**Para No.4.7:- Maintenance of minimum Closing Balance:-**

Rule 78 of the Odisha Municipal Rules, 1953 states that in preparing the budget, provision shall be made for a minimum closing balance. The amount shall not ordinarily be less than one-sixth of the aggregate on account of establishment and fixed monthly charges for the whole year. The local authority was asked vide POM page No. 22 to inform whether there was provision in the budget to maintain minimum closing balance. In his reply, the local authority stated that there was provision in the budget.

**Para No.4.8:- Sinking Fund:-**

Section of 111 of the Odisha Municipal Act, 1950 and Rule 20(d) of O.L.F.A. Rules, 1951 deals with the Sinking Fund. There shall be provision in the Municipality to create a sinking fund. The local authority was asked vide POM page No. 23 whether there was provision in the Municipality to create Sinking fund in order to clear off the liabilities of the Municipality. The local authority denied having such fund in the Municipality. However, the local authority is suggested to create a sinking fund in the Municipality with permission of the government to clear off the liabilities of the Municipality.

**Para No. 4.9:- Parking of Municipal Fund in ineligible Banks (POM page No. 136, dated 10.12.2015):-**

As instructed in the Letter. No.-23301/F, dt.11.07.2013 of Finance Department, Government of Odisha, 17 numbers of Public Sector Banks, 4 Private Sector Banks, 2 RRBs and the Odisha State Co-operative Bank are eligible to handle the business and the deposits of State Public Sector Undertakings (SPSUs) and State Level Autonomous Societies (SLASs).

Further, as per instructions contained in letter. No.-TRC-30/10-31589, dtd.18.07.2011 of Women & Child Development Department, "in case any ULB / Development Authority have currently given its business to any ineligible bank, it should switch over to the eligible banks listed above. Fixed deposits made, if any, in the 'ineligible' banks should, on maturity, be withdrawn and parked in the 'eligible' banks".

On verification of the passbook, it was noticed that the money held by the Municipality have been parked in two ineligible banks as detailed below contravening the instruction mentioned supra.

Sl. No.	Account No.	Name of the bank with branch	Money of which fund has been parked	Amount of money parked in the bank as on 31.03.2015
1	10312400220001	DCB Bank, Bargarh Branch	Municipal Fund	2170142.20
2	741001101000001	Vijaya Bank, Bargarh Branch	Municipal Fund	3460011.00

The reason for such illegal parking of money in ineligible banks was asked to the local authority vide POM page No. 24 and 25, dated 03.10.2015 and POM page No. 136, dated 10.12.2015 who failed to attribute the reason for such lapses. However, the local authority is suggested to close the said bank passbooks and park the money in eligible banks prescribed in the aforesaid letter of the Finance Department.

**Para No. 4.10:- Maintenance of Flexi Accounts instead of Saving Bank Account for parking funds of centrally sponsored schemes:-**

As per letter no. 35425/F, dtd.12.10.2012 of Finance Department, Government of Odisha, all Departments were asked to instruct the implementing agencies which are authorized to keep the central share and state share or only central share of the centrally sponsored plan schemes in bank accounts, to keep them in flexi accounts so that higher interest accruals from the scheme funds can be ploughed back to expand the coverage of the scheme without affecting fund flow for the scheme.

The local authority was asked vide POM page No. 26, dated 03.10.2015 whether the funds of central share and state share or only central share of centrally sponsored schemes are kept in flexi accounts so as to accrue higher interests and expand the coverage of the scheme. The local authority remained silent about the maintenance of the flexi accounts. However, he replied that, "the respective branch managers will be requested to operate flexi accounts instead of saving bank account." It can be well understood from the reply of the local authority that flexi accounts are not operated by the Municipality. The local authority is suggested to keep the central share and state share or only central share of the centrally sponsored plan schemes in flexi accounts instead of saving bank account so that higher interest accruals from the scheme funds can be ploughed back to expand the coverage of the scheme without affecting fund flow for the scheme.

**Para No.4.11:- Non-issue of Miscellaneous Receipt against cheques/BDs received from different funding agencies:-**

As per Rule 157 of OM Rules, 1953, for all receipts including those received in form of cheques or BDs, acknowledgement is to be made by issuing receipts in Form no. XXXIV. Sometimes it is found that BDs/Cheques received are recorded in the BD Register but no receipts are issued against them. If receipts are not issued, the said BDs/Cheque amount may not be accounted for leading to loss to the institution. Verified the funds received from the funding agencies through cheques or Bank Drafts. Acknowledges have been issued by the Municipality for the said cheques/bank drafts received.

**Para No.4.12:-**

**Preparation and submission of Annual Budget:-**

As per Section 104 of O.M. Act, 1950 and Rule 74 to 80 of OM Rules, 1953, the annual budget of the Municipality for the financial year was prepared. The budget was approved by the Council on dated 26.06.2014 vide resolution No.3 of the proceeding. It was counter-signed by the Additional District Magistrate, Bargarh on dated 05.08.2014. Finally, the Additional District Magistrate, Bargarh sent the annual budget for the year 2014-15 to the Director Municipal Administration & Ex-Officio Additional Secretary to Govt. Housing & Urban Development Department vide his letter No. 884/G & M, dated 08.09.2014.

**Para No.14.13:- Lack of coherence between estimated receipt and actual receipt:-**

As per Rule-56 of Odisha Budget Manual, the estimation of fixed revenue should be based upon the actual demand including arrear and the probabilities of their realisation during the year. Odisha Budget Manual read with Section-108(a) of the Odisha Municipal Act, 1950 stipulates that the estimate of income and expenditure should be reasonable and proper. Further, the said rule of the Odisha Budget Manual stipulates that the Budget estimates of revenue and receipts should be based on the existing rates of taxes, duties and fees, etc., and no increase or reduction in such rates and no proposals for abandonment of revenue which have not been sanctioned by Government should be proposed in the estimates.

It would be seen from the following table that there was lack of coherence between the proposed receipt in budget and actual receipt. In the annual budget the total proposed receipt was Rs.405164438.00. But, as against this the actual receipt was Rs.146624637.81. So, there is a difference of 63% between the proposed receipt and actual receipt.

Likely the proposed expenditure as per annual budget 2014-15 was Rs.401709156.00. As against this the actual expenditure was Rs.167924296.80. So, there is a difference of 58.19 % between the estimated expenditure and actual expenditure.

From the above it is clear that the annual budget was not prepared in a realistic manner, rather it was prepared in a hypothesis manner. The reason for such an unrealistic budget was not attributed by the Executive Officer. However, the Executive Officer is suggested to prepare realistic budget in future.

Comparison between the budgetary provision and actual receipt and expenditure			
Sl. No.	Head of Receipt	Amount as per budget provision	Actual receipt
1	Rates and Taxes	4719000.00	2888416.80
2	License Fees and other Fees	6812300.00	6616530.00
3	Receipts under Special Act	332000.00	495039.00
4	Revenue derived from Municipal property apart from taxation	5987575.00	1491499.00
5	Grants and contribution for general and special purposes	385204550.00	113605750.00

6	Miscellaneous receipt	330500.00	14493125.01
7	Extraordinary and Debit	1778513.00	7034278.00
	Total Receipt	405164438.00	146624637.81

Sl. No.	Head of Expenditure	Amount as per budget provision	Actual Expenditure
1	General Administration & Collection Charges		
2	General Establishment	11492580.00	14562121.00
3	Collection & Tax Establishment	7869169.00	11294280.00
4	Other Establishment	2600000.00	2896825.00
5	Public Safety	20100000.00	21509712.00
6	Public Health	56566907.00	1025016.00
7	Medical	2200000.00	1940606.00
8	Public Convenience	282750000.00	98978422.00
9	Public Instruction	0.00	0.00
10	Miscellaneous	13320000.00	15717314.80
11	Extra ordinary & debts	4810500.00	0.00
	Total Expenditure	401709156.00	167924296.80

**Para No.14.14:-**

**Assets and Liability:-**

The assets and liability position of the Municipality for the financial 2014-15 as on 31.03.2015 is furnish below.

Liability	Value	Assets	Value
Loans Payable	0.00	Investment	330000.00
Salary payable including EPF, Pension etc.	1585374.00	Outstanding Advance	246369.00
Energy charges payable	82680092.00	Closing Balance of all Cash Book	143328840.00
Unremitted Govt. dues (Royalty, VAT, Cess, IT etc.)	2163770.00	Outstanding Taxes, rents etc. recoverable	6858093.00
Deposits refundable	1407750.00	Amount surcharged	160834.00
Unspent Grants	104037783.00		
Outstanding EPF deposit	2140350.00		
Grants in respect of Attabira NAC refundable	7286083.00		
Total	201301202.00	Total	150627136.00
		Liability over assets	50674066.00

It can be seen from the above table that the liability of the Municipality is Rs.50674066.00 over the assets. So, it is clear that the financial position of the Municipality is insolvent. The unsound financial condition of the Municipality is the outcome of huge outstanding of energy charges. The Executive Officer and the Council are suggested to increase the assets of the Municipality by revision of tax, collection of tax and make the Municipality solvent in financial position.

It can be seen from the above table that the liability of the Municipality is Rs.43387983.00 over the assets. So, it is clear that the financial position of the Municipality is insolvent. The unsound financial condition of the Municipality is the outcome of huge outstanding of energy charges. The Executive Officer and the Council are suggested to increase the assets of the Municipality by revision of tax, collection of tax and make the Municipality solvent in financial position.

**Para No.14.15:-**

**Grants received in respect of Attabira NAC:-**

Sl. No.	Name of the Grant	Received	Transferred to Attabira NAC	Balance grant to be transferred to
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				Attabira NAC
1	Road Development Grant (Attabira NAC)	849000.00	849000.00	0.00
2	Motor vehicle Tax Attabira NAC	999000.00	999000.00	0.00
3	Compensation & Assignment Grant Attabira NAC	18153000.00	12212000.00	5941000.00
4	Devolution Fund Attabira NAC	2698000.00	2698000.00	0.00
5	Grant for Road & Bridges (Attabira NAC)	2056000.00	1200000.00	856000.00
6	Maintenance of Non-residential building (Attabira NAC)	400000.00	400000.00	0.00
7	Solid Waste Management Grant General (Attabira NAC)	300004.00	0.00	300004.00
8	Solid Waste management SCP (Attabira NAC)	80845.00	0.00	80845.00
9	Solid Waste management TASP (Attabira NAC)	108234.00	0.00	108234.00
	<b>Total</b>	<b>25644083.00</b>	<b>18358000.00</b>	<b>7286083.00</b>

It would be seen from the following table that government grants to the tune of Rs.25644083.00 was received in respect of Attabira NAC during the financial year 2014-15. As against this Rs.18358000.00 was transferred to Attabira NAC during the financial year 2014-15 leaving a balance grant of Rs.7286083.00 to be transferred to Attabira NAC. The Executive Officer is suggested to transfer the balance amount of grant to Attabira NAC and report compliance at the time of Exit Conference.

**PARA: 5 DETAILS OF CLOSING BALANCE AS PER BANK PASS BOOKS & CASH BOOK BANK BALANCE FIGURE**

Bargarh Municipality. Bargarh - 2014-2015

S/no	Name of the Bank	A/C No.	Closing Balance Date As on (dd/mm/yyyy)	Closing Balance in Pass Book(In Rs:) (A)	Closing Balance in Bank Date Cash Book (dd/mm/yyyy)	Closing Balance in Bank as mentioned in Cash Book(In Rs:) (B)	Difference(In Rs:)(A-B)	Remarks
1	Bank of India	558510110005458	31-03-2015	34544.00	31-03-2015	26883.00	7661.00	Gandhi Park Municipal Fund
2	Vijaya Bank	741001101000001	31-03-2015	3460011.00	31-03-2015	3437358.00	22653.00	Accountant Cash Book
3	DCB Bank	10312400220001	31-03-2015	2170142.20	31-03-2015	2170142.20	0.00	Cess Pool charges, Drozer charges, User Fees, Special Problem Fund
4	IDBI	0746104000012856	31-03-2015	2514190.00	31-03-2015	-948037.17	3462227.17	Park and Greenary Fund
5	Axis Bank	492010100073653	31-03-2015	2510669.00	31-03-2015	2598721.00	-88052.00	Danikat Fund
6	HDFC Bank	1817450000055	31-03-2015	0.00	31-03-2015	0.00	0.00	Details not available.
7	HDFC Bank	18177620000024	31-03-2015	3705478.00	31-03-2015	-754129.00	4459607.00	Kalyan Mandap Fund
8	ICICI Bank	063701000389	31-03-2015	7073283.00	31-03-2015	6362929.00	710354.00	Town Hall Fund
9	HDFC Bank	18171450000011	31-03-2015	15267405.80	31-03-2015	13103115.65	2164290.15	Accountant Cash Book Rs.12674672.82 and MP LAD Cash Book Rs.428442.83
10	P.L. Account		31-03-2015	0.35	31-03-2015	0.35	0.00	Details not available.
11	Bank of Baroda	32550100004149	31-03-2015	18405197.00	31-03-2015	17734296.00	670901.00	BRGF Scheme
12	Bank of India	558510110007400	31-03-2015	2861769.00	31-03-2015	2861769.00	0.00	Special Cement Concrete Road Scheme
13	State Bank of India	31864022986	31-03-2015	6590645.00	31-03-2015	6590645.00	0.00	Road Development Scheme
14	State Bank of India	31294644880	31-03-2015	20462116.00	31-03-2015	18436995.00	2025121.00	13th Finance Commission Award Scheme
15	State Bank of India	30333108469	31-03-2015	2346.00	31-03-2015	2346.00	0.00	LFS Fund
16	State Bank of India	11042700706	31-03-2015	16578.20	31-03-2015	16578.20	0.00	Non-LFS Fund
17	HDFC Bank	50100079225477	01-01-1970	5500000.00	31-03-2015	5500000.00	0.00	AWC Fund
18	HDFC Bank	50200002731769	31-03-2015	1549703.00	31-03-2015	1576362.00	-26659.00	Harishchandra Sahayata Yojana Scheme
19	Syndicate Bank	80142200022336	31-03-2014	18092831.20	31-03-2015	18082341.20	10490.00	IHSDP Fund
20	HDFC Bank	18171450000065	31-03-2015	22762911.65	31-03-2015	22762911.65	0.00	IHSDP Fund
21	State Bank of India	30881868414	31-03-2015	833574.00	31-03-2015	833574.00	0.00	MBPY Scheme
22	ICICI Bank	063705001594	31-03-2015	16094750.00	31-03-2015	12394031.00	3700719.00	MBPY Fund
23	UCO Bank	003609	31-03-2015	6437.70	31-03-2015	6437.70	0.00	SJSRY Subsidy
24	UCO Bank	005808	31-03-2015	5049.00	31-03-2015	5049.00	0.00	SJSRY Subsidy
25	United Bank of India	0454010024813	31-03-2015	271404.00	31-03-2015	271404.00	0.00	Neheru Rojagar Yojana
26	Andhra Bank	003801100003855	31-03-2015	38737.60	31-03-2015	38737.60	0.00	Neheru Rojagar Yojana

27	SDCC Bank Mahila Branch	015053001457	31-03-2015	87990.00	31-03-2015	87990.00	0.00	USEP Dakua Subsidy Fund
28	Union Bank of India	365302010001965	31-03-2015	10436.40	31-03-2015	10436.40	0.00	Neheru Rojgar Yojana
29	Indian Overseas Bank	1044	31-03-2015	14151.00	31-03-2015	14151.00	0.00	SJSRY Subsidy Fund
30	State Bank of India	31058633527	31-03-2015	95064.00	31-03-2015	95064.00	0.00	SJSRY
31	Punjab National Bank	4020000100004593	31-03-2015	15949.00	31-03-2015	15949.00	0.00	SJSRY Subsidy Fund
32	Punjab National Bank	4020000100004663	31-03-2015	15721.00	31-03-2015	15721.00	0.00	FSDUP Fund
33	Bank of India	558510110011764	31-03-2015	4140600.00	31-03-2015	2826350.00	1314250.00	NULM Fund
34	Indian Overseas Bank	150401000003350	31-03-2015	584208.00	31-03-2015	584208.00	0.00	NFBS Fund
35	ADB, Bargarh	10455633204	01-04-2014	1674.40	31-03-2015	1674.40	0.00	Accountant Cash Book
36	Allahabad Bank Current Account	21395644109	01-04-2014	175212.00	31-03-2015	175212.00	0.00	Accountant Cash Book
37	UBI, Bargarh	0454011014985	01-04-2014	3709360.00	31-03-2015	-157082.00	3866442.00	Road Development Cash Book
38	SBI Current Account, Bargarh	11042670237	01-04-2014	1457363.16	31-03-2015	5090105.16	-3632742.00	Accountant Cash Book
39	Syndicate Bank, Bargarh	80142200029401	01-04-2014	164034.12	31-03-2015	1089327.03	-925292.91	Accountant Cash Book
40	PNB, Bargarh	4020000100004650	01-04-2014	0.00	31-03-2015	0.00	0.00	Accountant Cash Book
41	Allahabad Bank	50112299137	01-04-2014	1921786.00	31-03-2015	1945636.00	-23850.00	Accountant Cash Book
	<b>GRAND TOTAL</b>			<b>162623321.78</b>		<b>144905202.37</b>	<b>17718119.41</b>	

#### Reconciliation

**Para No.5.1:- Details of Closing Balance as per Bank Pass Books and Cash Book Bank Balance figure (POM page No. 133, dated 10.12.2015):-**

It would be seen from the above table that the closing balance of bank as mentioned in the cash book as on 31.03.2015 was Rs.144905202.37 and the actual closing balance of bank pass as on 31.03.2015 was Rs.162623321.78. So, there is a difference of Rs.17718119.41 in between the cash book and pass book closing balance figures as on 31.03.2015. POM page No.133, dated 10.12.2015 was issued to the local authority to intimate audit the reason for such difference. But, the local authority failed to sort out the detail of difference. However, the local authority is once again suggested to pay special attention to reconcile the difference between the cash book and pass book and produce before next audit for verification. Till then Rs.17718119.41 is kept under objection.

**Para No. 5.2:- Reconciliation of bank pass book with cash book (POM page No. 27, dated 05.10.2015):-**

As per Rule 128 of Odisha Municipal Rules, 1953, the cash book shall be balanced at the close of every month and signed by the Executive Officer in token of the correctness of every entry made therein. The balance brought out shall be stated both in words and figures and shall be agreed with the balance shown in the pass book of the municipality.

As per letter No.15847/F, dtd.27.04.2013 of Finance department, the DDO shall maintain a register of reconciliation of receipts and disbursements of scheme funds.

During the course of audit, it was revealed that bank reconciliation statement was not prepared and register of reconciliation was not maintained in the Municipality. The Executive Officer has not exercised any supervision over the duty entrusted to the Accountant for reconciliation of bank pass book with cash book. Due to non-reconciliation of bank pass book with cash book, the exact difference between the bank pass book and cash book could not be ascertained. Further, non-reconciliation of bank pass book with cash book may lead to mis-utilization, misappropriation and embezzlement of funds. If any mis-utilization, misappropriation and embezzlement of funds will be detected in future, the Accountant and Executive Officer will be held responsible.

However, the present audit has prepared a reconciliation statement on verification of bank pass book with reference to cash books. The reconciliation statement is furnished below:-

Bank Reconciliation Statement			
1	A/C No. 11042670237, SBI, Current Account		
	Closing Balance as per Audit		5090105.16

Add	Amount credited to pass dt.11.02.15, but not taken to cash book	41090.00
Deduct	Amount encashed from bank on 12.12.14, but not shown as expenditure in cash book	3673832.00
(=)	Closing Balance as per Bank Pass Book	1457363.16
2	A/C No. 80142200029401, Syndicate Bank, Bargarh	
	Closing Balance as per Audit	1089327.03
Deduct	Difference exists since last and previous audit reports, which could not be reconciled	925292.91
(=)	Closing Balance as per Bank Pass Book	164034.12
3	A/C No. 492010100073653, Axis Bank, Bargarh	
	Closing Balance as per Audit	2598721.00
Deduct	cheque No.10371 encashed on 02.07.13, but not booked as expenditure in the cash book	88052.00
(=)	Closing Balance as per Bank Pass Book	2510669.00
4	A/C No. 50112299137, Allahabad Bank, Bargarh	
	Closing Balance as per Audit	1945636.00
Add	Cheque No. 542385, dated 27.02.15 not encashed	2000.00
Add	Cheque No. 542418, dated 25.03.15 encashed on 07.04.15	8827.00
Add	Cheque No. 542425, dated 30.03.15 encashed on 07.04.15	10000.00
Add	Cheque No. 541358, dated 12.11.14 not encashed	4323.00
Deduct	BD/Cheque No. 855931, dated 29.11.14 not credited to passbook	10000.00
Deduct	BD/Cheque No. 125740, dated 31.03.2015 credited to passbook on 04.04.15	39000.00
(=)	Closing Balance as per Bank Pass Book	1921786.00
5	A/C No. 62701000389, ICICI, Bank Bargarh	
	Closing Balance as per Audit	6362929.00
Add	Cheque No. 028207, dated 30.03.2015 encashed on 02.04.15	710354.00
(=)	Closing Balance as per Bank Pass Book	7073283.00
6	A/C No. 18171450000011, HDFC, Bargarh	
	Closing Balance as per Audit (Accountant Cash Book)	12674672.82
	Closing Balance as per Audit (MP LAD Cash Book)	428442.83
	Total Closing Balance as per Cash Book	13103115.65
Add	cheque No.172, dt.26.03.15 encashed on 08.04.15	3846.00
Add	Difference exists since last and previous audit reports, which could not be reconciled	2160444.15
(=)	Closing Balance as per Bank Pass Book	15267405.80
7	A/C No. 746104000012856, IDBI, Bargarh	
	Closing Balance as per Audit	-948037.17
Add	cheque No.044642/30.03.15 encashed on 07.04.15	340650.00



Add	Difference exists since last and previous audit reports, which could not be reconciled	3121577.17
(=)	Closing Balance as per Bank Pass Book	2514190.00
8	A/C No. 558510110005458, BOI, Bargarh	
	Closing Balance as per Audit	26883.00
Add	Difference exists since last and previous audit reports, which could not be reconciled	7661.00
(=)	Closing Balance as per Bank Pass Book	34544.00
9	A/C No. 741001101000001, Vijaya Bank, Bargarh	
	Closing Balance as per Audit	3437358.00
Add	cheque No. 425306, dated 30.03.2015 encashed on 08.04.2015	22653.00
(=)	Closing Balance as per Bank Pass Book	3460011.00
10	A/C No. 18171450000024, HDFC Bank, Bargarh	
	Closing Balance as per Audit	-754129.00
Add	Difference exists since last and previous audit reports, which could not be reconciled	4459607.00
(=)	Closing Balance as per Bank Pass Book	3705478.00
11	A/C No. 80142200022336, Syndicate Bank, Bargarh	
	Closing Balance as per Audit	18082341.20
Add	Cheque No. 340027974184, dated 02.03.2015 encashed on 10.04.2015	10490.00
(=)	Closing Balance as per Bank Pass Book	18092831.20
12	A/C No. 31294644880, SBI, Bargarh	
	Closing Balance as per Audit	18436995.00
Add	cheque No. 869160, dated 04.03.15 encashed on 02.04.15	48960.00
Add	cheque No. 869168, dated 27.03.15 encashed on 06.04.15	25121.00
Add	cheque No. 869170, dated 27.03.15 encashed on 06.04.15	2000000.00
(=)	Closing Balance as per Bank Pass Book	20511076.00
13	A/C No. 32550100004199, Bank of Baroda, Bargarh	
	Closing Balance as per Audit	17734296.00
Add	cheque No. 000107, dated 27.03.15 encashed on 07.04.15	1538.00
Add	cheque No. 000108, dated 30.03.15 encashed on 20.04.15	625000.00
Add	cheque No. 000106, dated 24.03.15 encashed on 04.05.15	44363.00
(=)	Closing Balance as per Bank Pass Book	18405197.00
14	A/C No. 454011014985, UBI, Bargarh	
	Closing Balance as per Audit	-157082.00
Add	cheque No. 530002, dated 17.03.15 encashed on 07.04.15	1078250.00
Add	cheque No. 530003, dated 30.03.15 encashed on 08.04.15	397093.00
Add	cheque No. 530004, dated 30.03.15 encashed on 08.04.15	581792.00
Add	cheque No. 530005, dated 30.03.15 encashed on 08.04.15	76637.00
Add	cheque No. 530007, dated 31.03.15 encashed on 08.04.15	520537.00
Add	cheque No. 530008, dated 31.03.15 encashed on 15.04.15	1212133.00
(=)	Closing Balance as per Bank Pass Book	3709360.00

15	A/C No. 558510110011764, Bank of India, Bargarh		
	Closing Balance as per Audit		2826350.00
Add	cheque No. 000038, dated 23.03.15 encashed on 02.04.15		10000.00
	cheque No. 000049, dated 23.03.15 encashed on 04.04.15		21250.00
	cheque No. 000036, dated 23.03.15 encashed on 04.04.15		10000.00
	cheque No. 000040, dated 23.03.15 encashed on 07.04.15		10000.00
	cheque No. 000030, dated 23.03.15 encashed on 07.04.15		10000.00
	cheque No. 000026, dated 23.03.15 encashed on 07.04.15		10000.00
	cheque No. 000043, dated 23.03.15 encashed on 07.04.15		10000.00
	cheque No. 000042, dated 23.03.15 encashed on 07.04.15		10000.00
	cheque No. 000034, dated 23.03.15 encashed on 08.04.15		10000.00
	cheque No. 000028, dated 23.03.15 encashed on 09.04.15		10000.00
	cheque No. 000039, dated 23.03.15 encashed on 13.04.15		10000.00
	cheque No. 000004, dated 23.03.15 encashed on 16.04.15		1173000.00
	cheque No. 000032, dated 23.03.15 encashed on 17.04.15		10000.00
	cheque No. 000027, dated 23.03.15 encashed on 29.04.15		10000.00
(=)	Closing Balance as per Bank Pass Book		4140600.00
16	A/C No. 5020002731769, HDFC Bank, Bargarh		
	Closing Balance as per Audit		1576362.00
Deduct	cheque No. 869168, dated 27.03.15 issued vide TFC Cash Book voucher No. 83, dated 27.03.15 credited to pass book on 06.04.15		25121.00
Deduct	cheque No. 000107, dated 27.03.15 issued vide BRGF Cash Book voucher No. 94, dated 27.03.15 credited to passbook on 07.04.15		1538.00
(=)	Closing Balance as per Bank Pass Book		1549703.00

**Para No. 5.3:- Less closing balance in pass book than the cash book:-**

On checking of the actual closing balance of bank pass book and closing balance of bank pass book as mentioned in the cash book as on 31.03.2015, it was seen that the following bank balances were less than the bank balance as mentioned in the cash book.

Sl. No.	Name of the Bank and Branch	Account Number	Closing Balance in Bank Pass Book as on 31.03.2015	Closing Balance of bank as mentioned in the cash book as on 31.03.2015	Less balance in bank pass book
1	2		3	4	5 (3-4)
1	Axis Bank, Bargarh	492010100073653	2510669.00	2598721.00	88052.00
2	HDFC Bank, Bargarh	50200002731769	1549703.00	1576362.00	26609.00
3	SBI Current Account, Bargarh	11042670237	1457363.16	5090105.16	3632742.00
4	Syndicate Bank, Bargarh	80142200029401	164034.12	1089327.03	925292.91
5	Allahabad Bank	50112299137	1921786.00	1945636.00	23850.00

Verified the difference of Bank Account No. 492010100073653, Axis Bank, Bargarh and Account No. 50200002731769, HDFC, Bargarh and found that the difference is genuine.

The less closing balance in respect of Account No. 11012670237 attributes to the withdrawal of money from bank pass book on 12.12.2014 without any expenditure charged in the cash book. On checking of the EPF file it was revealed that Rs.3673832.00 was attached by the Additional Provident Fund Commissioner, Rourkela on dated 12.12.2014 from the bank account. The fact of attachment and payment of Rs.3673832.00 to the APFC, Rourkela was intimated by the Branch Manager, SBI, Bargarh to the Executive Officer, Bargarh Municipality. But, the Executive Officer has not booked the amount as expenditure in the cash book. So, the discrepancy arose.

In respect of less closing balance in Account No. 80142200029401, Syndicate Bank, Bargarh it would be pertinent to note that as per last audit report for the year 2013-14, the pass book balance was Rs.2349159.88 less than the cash book figure. In the financial year 2014-15 it was reduced to Rs.925292.91.

The less closing balance in Account No. 50112299137, Allahabad Bank attributes to the non-credit of money to Accountant Cash Book vide BD/Cheque No. 855931, dated 29.11.14.

Due to less closing balance in bank pass book than the Cash Book, the cases of misappropriation of cash cannot be ruled out. If any complicity will arise in future for the said discrepancies, the local authority will be held responsible for the lapse.

**Para No.5.4:- Negative Closing Balance in Bank Account:-**

It would be seen from the following table that negative closing balance in bank account in respect of three numbers of pass books was noticed during the financial year 2014-15 as on 31.03.2015. Negative balance in bank pass book is quite immaterial. Negative balance in pass book occurred due to lack of financial management. The reason of negative closing balance in pass book was not attributed by the Executive Officer. If any complicity arises in future, the Executive Officer will be held responsible.

Name of the Bank and Branch	Account Number	Closing Balance in bank as mentioned in the Cash Book as on 31.03.2015	Closing Balance in bank as mentioned in the Pass Book as on 31.03.2015	Difference	Name of the Cash Book
IDBI, Bargarh	0746104000012856	-948037.17	2514190.00	3462227.17	Accountant Cash Book
HDFC, Bargarh	18177620000024	-754129.00	3705478.00	4459607.00	Accountant Cash Book
UBI, Bargarh	0454011014985	-157082.00	3709360.00	3866442.00	Road Development Cash Book

**Para No. 5.5:- Appropriation of funds towards expenditure, out of funds received without depositing the same (POM page No.30, dated 05.10.2015):-**

As per Rule 85(2) of the OM Rules, 1953, all moneys received on account of the municipality shall be remitted intact to the treasury and shall on no account be appropriated directly towards expenditure. The local authority was asked on issue of POM page No. 62, dated 31.10.2015 as to whether all moneys received on account of the municipality have been remitted intact to the treasury without appropriating the same directly towards expenditure. No reply was furnished by the local authority. However, the audit check revealed that every moneys received on account of the municipality have been remitted to the bank account intact without appropriating the same towards expenditure.

**Para No. 5.6:- Cash and account branch of municipal office shall be kept distinct (POM page No.30, dated 05.10.2015):-**

As per Rule 68 of the Odisha Municipal Rules, 1953 the cash and account branches office shall be kept distinct from each other and under different officer who, for the purpose of these rules shall be termed respectively, cashier and accountant.

In this Municipality, the cash branch is headed by Sri Hema Chandra Meher, Cashier and the accountant branch is headed by Sri Rama Chandra Sahu, Accountant.

**PARA: 6 STOCK POSITION**

Bargarh Municipality. Bargarh - 2014-2015

S/no	Material/ Item	Opening Balance	Receipt	Issued	Closing Balance As per Audit	As per stock register	Remarks
1	High Mast light	00.00	00.00	00.00	0.00	0.00	
2	T5 CFL Chowk 200 wtt	9.00	0.00	9.00	0.00	0.00	S.R Page 226
3	T5 CFL fitting 2x24 wtt	269	0.00	269	0.00	0.00	S.R. Page 201
4	Black Tape	36.00	90.00	88.00	38.00	38.00	S.R. Page 50
5	Tube Holder	77.00	540.00	530.00	87.00	87.00	S.R. Page 267
6	Starter	54.00	100.00	61.00	93.00	93.00	S.R. Page 35
7	Chowk 40 watt.	77.00	540.00	525.00	92.00	92.00	S.R. Page 32
8	Tube light	61.00	360.00	375.00	46.00	46.00	S.R. Page 266
9	Service wire 4mm	3425.00	0.00	2528.00	897.00	897	S.R. Page 260
10	Service wire 10mm	35.00	0.00	3.00	32.00	32.00	S.R. Page 73
11	Metal Lamp 400watt.	2.00	28.00	18.00	12.00	12.00	S.R. Page 98
12	Capacitor 20mfd	0.00	0.00	0.00	0.00	0.00	0.00
13	Capacitor 33mfd	12.00	60.00	50.00	22.00	22.00	S.R. Page 136
14	Capacitor 42 mtd	2.00	0.00	2.00	0.00	0.00	S.R. Page 137
15	Cutout 63 amp	4.00	9.00	3.00	10.00	10.00	S.R. Page 170
16	cutout 100 amp	9.00	0.00	4.00	5.00	5.00	S.R. Page 172
17	cutout 100 amp	9.00	0.00	4.00	5.00	5.00	S.R. Page 172
18	Cutout 200 amp	8.00	0.00	4.00	4.00	4.00	S.R. Page 174
19	GI Wire	0.00	25.00	25.00	0.00	0.00	S.R. Page 156
20	GI Band pipe 1	343.00	0.00	247.00	96.00	96.00	S.R. Page 147
21	GI Band pipe 2 inch	316.00	0.00	165.00	151.00	151.00	S.R. Page 152
22	Bulb100 watt	19.00	12.00	25.00	6.00	6.00	s.R page 164
23	CFL Lamp23 watt	12.00	34.00	41.00	5.00	5.00	s.R page180
24	CFL Lamp 36watt	19.00	20.00	28.00	11.00	11.00	S R Page 185
25	Bomboo Ladder	8.00	0.00	8.00	0.00	0.00	SR Page216
26	Plastic wire	65.00	360.00	325.00	100.00	100.00	SR Page55
27	Service wire2.5m.m	0.00	270.00	253.00	17.00	17.00	S R Page 59
28	Malty stand wire 1.5m.m	43.00	180.00	147.00	76.00	76.00	S R Page77
29	M.v. lamp 125 watt	4.00	0.00	4.00	0.00	0.00	S R Page 78
30	M.V Lamp 250 watt	01.0	5.00	1.00	5.00	5.00	S R Page 80
31	M.V Lamp 250 watt	01.0	5.00	1.00	5.00	5.00	S R Page 80
32	M.V Lamp 250 watt	01.0	5.00	1.00	5.00	5.00	S R Page 80
33	S.V lamp70 watt	6.00	95.00	73.00	28.00	28.00	S.R. Page85
34	S.V. Lamp250 watt	4.00	171.00	134.00	41.00	41.00	S.R Page272
35	S .V. Lamp400 watt	19.00	60.00	52.00	27.00	27.00	s.R Page94
36	Metal lamp2500 watt	0.00	6.00	0.00	6.00	6.00	s.R. Page96
37	M.V choke 250watt	1.00	0.00	0.00	1.00	1.00	S.R Page101
38	C.f.L Lamp18watt	13.00	10.00	18.00	5.00	5.00	S.R. page176
39	T5 4x24 Light fitting	260.00	0.00	203.00	57.00	57.00	S.R. Page 210
40	T5 Lamp 24 watt	1634.00	0.00	1634.00	0.00	0.00	S.R. Page 197
41	SV Chowk 70 watt	5.00	75.00	60.00	20.00	20.00	S.R. Page 106
42	SV Choke 250	5.00	90.00	69.00	26.00	26.00	S.R. Page 111
43	SV Choke 400 watt	12.00	46.00	41.00	17.00	17.00	S.R. Page 114
44	CFL holder 24 watt	95.00	0.00	53.00	42.00	42.00	S.R. Page 128
45	SV igniter 250 watt	17.00	88.00	84.00	21.00	21.00	S.R. Page 119
46	CFL holder 36 watt	8.00	0.00	0.00	8.00	8.00	S.R. Page 126
47	SV holder 250 watt	2.00	32.00	17.00	17.00	17.00	S.R. Page 123
48	MV holder 125-70 watt	14.00	0.00	2.00	12.00	12.00	S.R. Page 124
49	Capacitor 10 mfd	0.00	10.00	3.00	7.00	7.000	S.R. Page 131
50	Pendent holder	0.00	10.00	3.00	7.00	7.00	S.R. Page 167
51	32 MPR MLB 4x1 set	0.00	6.00	2.00	4.00	4.00	S.R. Page 168

52	CFL Lamp 34 - 35 watt	1.00	56.00	46.00	11.00	11.00	S.R. Page 263
53	Pole Clamp with not bolt	1000.00	0.00	182.00	818.00	818.00	S.R. Page 243
54	Bed switch	9.00	40.00	42.00	7.00	7.00	S.R. Page 252
55	DP Switch	0.00	12.00	11.00	1.00	1.00	S.R. Page 253
56	Heavy connector single	0.00	6.00	0.00	6.00	6.00	S.R. Page 255
57	Heavy connector 4 inch x 1 inch	0.00	4.00	0.00	4.00	4.00	S.R. Page 256
58	6 mm Multy stand wire	0.00	90.00	0.00	90.00	90.00	S.R. Page 257
59	Jhadu	12			12.00		
60	Wheel Borrow	0.00	90.00	67.00	23.00	23.00	S.R. Page 64
61	Soda Kodi	20.00	50.00	16.00	54.00	54.00	S.R. Page 116
62	Kanta Kodi	39.00	80.00	0.00	119.00	119.00	S.R. Page 119
63	Dala Bombo Baskect	27.00	200.00	141.00	86.00	86.00	S.R. Page 41
64	Iron Rafa	51.00	50.00	36.00	65.00	65.00	S.R. Page 105
65	Hand Gloves	0.00	50.00	0.00	50.00	50.00	S.R. Page 12
66	Maliria Oil	1170.00	0.00	1160.00	10.00	10.00	S.R. Page 25
67	Phul Jhadu	0.00	50.00	0.00	50.00	50.00	S.R. Page 16
68	Belcha	44.00	0.00	11.00	33.00	33.00	S.R. Page 26

#### Comments

##### Para No.6.1:- Maintenance of Dead Stock Register:-

As per Rule 106 of O.G.F.R., an inventory of the dead stock should be maintained in all government offices in form O.G.F.R. 6 showing the number received, the number disposed of (by transfer, sale, loss, etc.) and the balance in hand for each kind of article.

Whether an inventory of the dead stock has been maintained in form OGFR-6 was asked to the local authority on issue of POM page No. 31 and 32, dated 05.10.2015. The local authority failed to furnish any reply. So, it was held that no inventory of the dead stock was maintained by the Municipality.

##### Para No.6.2:- Checking of inventory of stock:-

Whether there was any discrepancy noticed in between the physical and book balance of the store. This question was put to the local authority vide POM page No. 31 and 32, dated 05.10.2015. The local authority failed to furnish any reply. So, it was established that the discrepancy was not worked out by the Municipality.

However, the local authority is suggested to maintain a dead stock register in form number OGFR-6 and work out the discrepancy between the physical and book balance of the store.

##### Para No.6.3:- Physical verification of stores:-

As per Rule 106 (iii) of O.G.F.R., the inventory should be checked by the competent administrative authority once a year and a certificate of the result of check recorded. As per Rule 106 (IV) of O.G.F.R., articles of dead stock should be verified at least once a year and the result of verification recorded on the inventory. All discrepancies noticed must be proper investigated and brought to account immediately so that the inventory may represent the true account.

As per Rule 111 of O.G.F.R., a physical verification of all stores should be made at least once in every year by the Head of Office concerned or such other as may be specially authorized by him. Non conduct of physical verification of all stores may leads to loss, damage an mis-utilization of stores.

Whether physical verification of all stores was conducted by the EO or any officials authorized by him during the year 2014-15. If not, the reason for such lapse may be explained to audit.

Whether the inventory was checked by the EO during the year 2014-15 and certificate to that effect has been given by the EO was asked to the local authority on issue of POM page No. 31 and 32, dated 05.10.2015. The local authority failed to furnish any reply. So, it was established that the inventory was not checked by the Executive Officer during the year 2014-15 and certificate to that effect has been given by the Executive Officer. In absence of proper physical checking of the dead stock with reference to the dead stock, the possibility of loss, depreciation and damage of store cannot be ruled out. For any loss, depreciation and damage store, the Store-in-charge and the Executive Officer will be held responsible in future.

However, the local authority is requested to check inventory of stock and record certificate to that effect on the body of the stock register.

##### Para No.6.4:- Furnishing of security by the cashier and Store-Keeper:-

As per Rule 269 of O.G.F.R., subject to any special rules or order made by Government in this behalf, every cashier, store-keeper and other subordinate who is entrusted with the custody of cash or stores should be required to furnish security, the amount being regulated according

to circumstances and to local conditions in each case under the sanction of competent authority and to execute bond setting forth the conditions under which government will hold the security and may ultimately refund or appropriate it.

Whether any security amount was furnished by the Cashier, entrusted with the custody of cash and Store-Keeper, entrusted with the custody of stores was asked to the local authority on issue of POM page No. 31 and 32, dated 05.10.2015. No reply was furnished by the local authority. So, it was established that security amount was not furnished either by the Cashier, entrusted with the custody of cash nor the Store-Keeper, entrusted with the custody of stores.

However, the local authority is suggested to obtain security amount from the Cashier, entrusted with the custody of cash and Store-Keeper, entrusted with the custody of stores and compliance reported to audit.

**PARA: 7 INVESTMENT**

Bargarh Municipality. Bargarh - 2014-2015

S/no	Opening Balance of Investment as on (DD MM YYYY)	Opening Balance(In Rs:)	Amount Encashed during the Year under Audit(In Rs:)	Total(In Rs:)	Amount Invested during the Year under Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Audit	Closing Balance Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Investment Ledger	Closing Balance Investment Ledger(In Rs:)	Difference(In Rs:)	Remarks
1	01-04-2014	33000.00	0.00	33000.00	0.00	31-03-2015	33000.00	31-03-2015	0.00	33000.00	Not included in any cash book.
	<b>GRAND TOTAL</b>	<b>33000.00</b>	<b>0.00</b>	<b>33000.00</b>	<b>0.00</b>		<b>33000.00</b>		<b>0.00</b>	<b>33000.00</b>	

**DETAILS OF CB ON INVESTMENT & Comments :**

**Para No.7.1:- Investment position:-**

The local authority was requested to furnish the investment position during the financial year 2014-15 (POM page No.33 and 34, dated 07.10.2015). The local authority failed to furnish the investment position of the Municipality for the financial year 2014-15. However, the investment position was prepared basing the last audit report. As per last audit report a sum of Rs.33000.00 was made investment by the Municipality. The date of investment, particular of investment, rate of interest, date of maturity and matured value could not be ascertained from the last audit report and the local authority. However, there is a mention in the last audit report that the investment is not included in any cash book.

The local authority is suggested to furnish the details of investment at the time of Exit Conference and compliance reported to audit.

**Para No.7.2:- Irregular and injudicious deposit of funds in fixed deposits:-**

Section 115 of the Odisha Municipal Act, 1950 provides that the municipality may invest any money not required for immediate expense, either in Government security or in any other form with approval of the State Government.

Whether the Municipality has invested any money not required for immediate expenses was sought for from the local authority on issue of POM page No. 33 and 34, dated 07.10.2015. The local authority failed to furnish any reply. In absence of the reply of the local authority and lack of details of investment, it could not be concluded that the investment was irregular and injudicious. However, the local authority is suggested to adhere to the above provision of the OM Act.

The local authority was asked vide of POM page No. 33 and 34, dated 07.10.2015 as to whether there was any occasion in which fixed deposits have been made by the Municipality during the financial year 2014-15 in the same bank/or other banks with a different rate of interest. The query of the audit remained unanswered. In absence of the reply of the authority and lack of details of investment, it cannot be concluded that there was such occasion where fixed deposits have been made by the Municipality during the financial year 2014-15 in the same bank/or other banks with a different rate of interest.

**Para No.7.3:- Timely receipt of interest and deduction/non-deduction of Income Tax on interest:-**

Whether there is any occasion in which income tax has been deducted from the interest earned on investment was sought from the local authority on issue of POM page No. 33 and 34, dated 07.10.2015. The local authority failed to furnish any reply. In absence of the reply of the local authority and lack of details of investment, it could not be concluded that the interest was accrued timely on the investment and income tax was deducted/not deducted on the interest earned out the investment amount. The local authority is suggested to ascertain the above fact and compliance reported to audit at the time of Exit Conference.

**Para No.7.4:- Non-maintenance of Investment Register:-**

As per Rule 148 of the Odisha Municipal Rules, 1953 a register of Government and other securities held by the municipality should be maintained. The total amount of the securities in custody of A.G (0) should be verified along with custody of the Chairman himself.

The local authority was asked on issues of POM page No. 33 and 34, dated 07.10.2015 whether the said register has been maintained and verified according to above provision. But, it was regretted that the Executive Officer could not furnish any reply. Had the register maintained, the Executive Officer could have produced the register before audit for verification. There was a mention in the last report that the register was not maintained. So, it was held that the register has not been maintained. The reason for non-maintenance of the register was asked to the local authority on issues of POM page No. 33 and 34, dated 07.10.2015. No reason was attributed by the Executive Officer for non-maintenance of the register. However, the Executive Officer is suggested to maintain the register in form number XXVI without fail and report compliance at the time of Exit Conference.

**Para No.7.5:- Premature withdrawal of Investment:-**

In case of premature withdrawal or liquidation of fixed deposits/ term deposits without any valid reason, there is every possibility loss of interest.

The local authority was asked on issues of POM page No. 33 and 34, dated 07.10.2015 whether there was any such occasion in which premature withdrawal or liquidation of fixed deposits/ term deposits was made. The query of the audit remained unanswered. In absence of the reply of the authority and lack of details of investment, it cannot be held that the investment was withdrawn at a premature stage. However, the local authority is suggested to refrain from premature withdrawal of the investment.

**Para No.7.6:- Irregular retention of Grant fund in Fixed Deposit:-**

Since the details of the investment i.e. the source of investment is not available to audit, it cannot be held that the grant fund was retained in fixed deposit/investment.



**PARA: 8 ADVANCE**

Bargarh Municipality. Bargarh - 2014-2015

S/no	Advance Outstanding as on (DD MM YYYY)	Cashbook Name	Advance Outstanding (In Rs:)	Advance Paid during the Year under Audit(In Rs:)	Total(In Rs:)	Advance adjusted during the Year under Audit(In Rs:)	Advance Outstanding as per (DD MM YYYY) Audit	Advance Outstanding Audit (In Rs:)	Advance Outstanding as per (DD MM YYYY) Cash Book	Advance Outstanding Cash Book(In Rs:)	Difference (In Rs:)	Remarks
1	01-04-2014	Accountant Cash Book	680000.00	3651000.00	4331000.00	3318131.00	31-03-2015	1012869.00	31-03-2015	1085869.00	-73000.00	Reason of difference dealt in subsequent para.
	<b>GRAND TOTAL</b>		<b>680000.00</b>	<b>3651000.00</b>	<b>4331000.00</b>	<b>3318131.00</b>		<b>1012869.00</b>		<b>1085869.00</b>	<b>-73000.00</b>	

**Comments :**

**Para No.8.1:- Abstract of advance position for the financial year 2014-15:-**

Advance outstanding at the beginning of the year	680000.00
Advance paid during the year 2014-15	3524000.00
Advance paid during the year 2013-14 not reflected in the cash book/last audit report	127000.00
Total	4331000.00
Advance adjusted during the year 2014-15	3118131.00
Advance adjusted during the year 2013-14 not reflected in the cash book/last audit report	200000.00
Advance outstanding at the end of the year (As per audit)	1012869.00
Advance outstanding at the end of the year (As per Cash Book)	1085869.00
Advance outstanding at the end of the year (As per Advance Ledger)	1085869.00
Difference	73000.00
Reason of difference	
(Deduct) Advance paid during the year 2013-14 not reflected in the cash book/last audit report	127000.00
(Add) Advance adjusted during the year 2013-14 not reflected in the cash book/last audit report	200000.00
(=)Advance outstanding at the end of the year (As per Cash Book & Advance Ledger)	1085869.00

**Para No.8.2 Details of advance paid and adjusted during the year 2014-15:-**

Sl. No.	Voucher No. & date of payment of advance	To whom paid	Name of the advance sanctioning authority	Purpose of advance	Amount of advance paid	Voucher No. & date of adjustment of advance	Amount of advance adjusted	Amount of outstanding advance
1	3/19.06.14	Smt. Snigdharani Biswal, CO	Sri Dillip Kumar Mohanty, EO	Conduct of meeting to checkout NULM & NUHM	1000.00	5/16.07.14	1000.00	0.00

2	6/30.07.14	Miss Chinmayee Pradhan	Sri Dillip Kumar Mohanty, EO	Orientation training programme on NULM & RRY programme	20000.00	33 to 45/16.03.15	20000.00	0.00
3	16/19.09.14	Sri Prem Kumar Ratha, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of boundary wall fencing ground near Reserve Police line at Ward No.15(dumping yard)	500000.00	22/19.09.14	500000.00	0.00
4	21/17.04.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	105/09.05.14	70000.00	0.00
5	60/02.05.14	Sri Ashok Kumar Joshi, Advocate	Sri Dillip Kumar Mohanty, EO	For appearing case at High Court Case No.20578/13	5000.00	0	0.00	5000.00
6	61/02.05.14	Sri Sudhir Pradhan	Sri Dillip Kumar Mohanty, EO	Repair & lifting at G.C. Park	20000.00	215 to 230, dt. 12.06.14	20000.00	0.00
7	127/21.05.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	191/07.06.14	70000.00	0.00
8	251/19.06.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	327/11.07.14	70000.00	0.00
9	273/26.06.14	Sri Sudhir Pradhan	Sri Dillip Kumar Mohanty, EO	Repair and maintenance at G.C. Park	15000.00	320 to 326, dt.10.07.14	15000.00	0.00
10	341/22.07.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	419/11.08.14	70000.00	0.00
11	342/22.07.15	Sri Bhagirathi Pradhan	Sri Dillip Kumar Mohanty, EO	Flood assistance	2000.00	1070 to 1076, dt. 30.03.15	2000.00	0.00
12	370/28.07.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Repairing of fogging machine2 nos.	10000.00	709 to 711, dt.19.11.14	10000.00	0.00
13	392/05.08.14	Sri Debananda Rana	Sri Dillip Kumar Mohanty, EO	Purchase of axe, hati etc. for sanitation section	2000.00	680/11.11.14	1995.00	5.00
14	393/05.08.14	Sri Bhagirathi	Sri Dillip	Flood assistance	10000.00	1070 to 1076,	10000.00	0.00

		Pradhan	Kumar Mohanty, EO			dt. 30.03.15		
15	399/06.08.14	Sri Satyabrata Sahoo, Contractor	Sri Dillip Kumar Mohanty, EO	Renovation of Town hall	100000.00	653/31.10.14	100000.00	0.00
16	438/16.08.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	535/12.09.14	90000.00	0.00
17	475/23.08.14	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Festival advance for Nuakhai	1021000.00	Adjusted from pay bills	510500.00	510500.00
18	541/16.09.14	Sri Sudhir Pradhan	Sri Dillip Kumar Mohanty, EO	Mega Mela Festival on MBPY	20000.00	621 to 624, dt.22.10.14	20000.00	0.00
19	554/20.09.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	605/18.10.14	90000.00	0.00
20	563/20.09.14	Sri Chittaranjan Mohapatra	Sri Dillip Kumar Mohanty, EO	Payment to advocate entrusted to case No.28/09	4000.00	876/04.02.15	4000.00	0.00
21	565/20.09.14	Sri Kamal Tandi, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of CC road at Mishratikra, Ward No.15	60000.00	580/30.09.14	60000.00	0.00
22	604/18.10.14	Sri Sudipta Sahu	Sri Dillip Kumar Mohanty, EO	Creation of digital signature for EPF purpose	2000.00		0.00	2000.00
23	633/24.10.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	690/13.11.14	90000.00	0.00
24	651/30.10.14	Miss Jayashree Pradhan, CO	Sri Dillip Kumar Mohanty, EO	Smooth functioning of Youth Festival	2000.00	1053 to 1055, dt.26.03.15	2000.00	0.00
25	704/15.11.14	Sri Sudhir Pradhan	Sri Dillip Kumar Mohanty, EO	Repair and maintenance at G.C. Park	90000.00	836 to 850, dt.29.01.15	90000.00	0.00
26	722/22.11.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	770/12.12.14	90000.00	0.00
27	739/29.11.14	Sri Rama Chandra Sahu, Accountant	Sri Dillip Kumar Mohanty, EO	TA bill for attending Election meeting at Bhubaneswar	2000.00	898/11.02.15	2000.00	0.00

28	771/15.12.14	Sri Satyabrata Sahoo, Contractor	Sri Dillip Kumar Mohanty, EO	Marble flooring and other work for Biju Pattanaik town hall	300000.00	1050/26.03.15	154781.00	145219.00
29	775/22.12.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	814/09.01.15	90000.00	0.00
30	781/26.12.14 (Accountant Cash Book)	Sri Srinibas Mallick, I/C SI	Sri Dillip Kumar Mohanty, EO	Smooth maintenance and functioning of toilet in Dhanuyatra	70000.00	21/06.02.15 (Special CC Cash Book)	70000.00	0.00
31	831/22.01.15	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	919/19.02.15	90000.00	0.00
32	869/02.02.15	Sri Sudipta Sahu	Sri Dillip Kumar Mohanty, EO	Preparation of DSC card (3 nos.) for tender process	9000.00	1008/13.03.15	9000.00	0.00
33	899/11.02.15	Sri Bibhubhusan Panda, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of Jay Durga Mandap at Ward No.3	100000.00	Adjusted from pay bills	0.00	100000.00
34	938/25.02.15	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	1024/19.03.15	90000.00	0.00
35	1043/25.03.15	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Festival advance for Chaitra Purnima	159000.00	Adjusted from pay bills	0.00	159000.00
36	1051/26.03.15	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00		0.00	90000.00
37	633/19.12.13	Sri Chhittaranjan Mohapatra	Sri Dillip Kumar Mohanty, EO	Engagement of advocate	3000.00	142/26.05.14	3000.00	0.00
38	519/20.10.13	Sri Bhagirathi Pradhan	Sri Dillip Kumar Mohanty, EO	Election	5000.00	266/26.06.14	5000.00	0.00
39	373/09.08.13	Miss Jayashree Pradhan, CO	Sri Dillip Kumar Mohanty, EO	Campaign on Dengue	19000.00	267/26.06.14	19000.00	0.00
40	12/08.10.12	Sri Bibekananda Naik, CO	Sri Dillip Kumar Mohanty, EO	STEP-UP programme	75000.00	1078/30.03.15	75000.00	0.00

41	416, 417, 418, dt.04.09.13 & 430/06.09.13	Staff	Sri Dillip Kumar Mohanty, EO	Festival Advance	227000.00	Pay bill	227000.00	0.00
42	533/01.11.13	Sri Prashanta Pradhan	Sri Dillip Kumar Mohanty, EO	Maintenance of Biju Pattanaik park	1000.00	319/10.07.14	1000.00	0.00
43	664/06.01.14	Sri Srinibash Mallick	Sri Dillip Kumar Mohanty, EO	Temporary latrine shade for Dhanujatra	80000.00	917 to 923, dt.31.03.14	80000.00	0.00
44	682/16.01.14	Sri Srinibash Mallick	Sri Dillip Kumar Mohanty, EO	Temporary latrine shade for Dhanujatra	70000.00	917 to 923, dt.31.03.14	70000.00	0.00
45	102/14.11.12	Sri Dhruba Chhuria, OTC	Sri Dillip Kumar Mohanty, EO	IHSDP programme	20000.00	28/21.07.14	18855.00	1145.00
46	5/12.03.14(Harischandra Cash Book)	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Election expenditure TA, DA, Contingency	15000.00	31/22.05.14	15000.00	0.00
47	5/12.03.14(Harischandra Cash Book)	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Light, mike arrangement	10000.00	31/22.05.14	10000.00	0.00
48	835/21.03.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	14/04.04.14	70000.00	0.00
49	816/19.03.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Repair of trolley No.OR-17C-8131	12000.00	669/05.11.14	12000.00	0.00
50	301/18.07.13	Sri Chitta Swain, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of CC road from school to N. Sahu house at Ward No.19	0.00	2/27.08.13 (Special CC Cash Book)	200000.00	0.00
				<b>TOTAL</b>	<b>4131000.00</b>		<b>3318131.00</b>	<b>1012869.00</b>

**Para No.8.3 Details of advance paid during the financial year 2014-15 and details of advance adjusted, which were paid during the financial year 2014-15:-**

It would be seen from the following table that advance to the tune of Rs.3524000.00 was paid during the financial year 2014-15 out of which advance to the tune of Rs.2512276.00 was adjusted during the same financial year i.e. during the financial year 2014-15. Advance to the tune of Rs.1011724.00 paid during the year 2014-15 was outstanding at the end of the year 2014-15.

Sl. No.	Vr. No. & date of payment of advance	To whom paid	Name of the advance sanctioning authority	Purpose of advance	Amount of advance paid	Vr. No. & date of adjustment of advance	Amount of advance adjusted	Amount of outstanding advance

1	3/19.06.14	Smt. Snigdharani Biswal, CO	Sri Dillip Kumar Mohanty, EO	Conduct of meeting to checkout NULM & NUHM	1000.00	5/16.07.14	1000.00	0.00
2	6/30.07.14	Miss Chinmayee Pradhan	Sri Dillip Kumar Mohanty, EO	Orientation training programme on NULM & RRY programme	20000.00	33 to 45/16.03.15	20000.00	0.00
3	16/19.09.14	Sri Prem Kumar Ratha, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of boundary wall fencing ground near Reserve Police line at Ward No.15(dumping yard)	500000.00	22/19.09.14	500000.00	0.00
4	21/17.04.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	105/09.05.14	70000.00	0.00
5	60/02.05.14	Sri Ashok Kumar Joshi, Advocate	Sri Dillip Kumar Mohanty, EO	For appearing case at High Court Case No.20578/13	5000.00	0	0.00	5000.00
6	61/02.05.14	Sri Sudhir Pradhan	Sri Dillip Kumar Mohanty, EO	Repair & lifting at G.C. Park	20000.00	215 to 230, dt. 12.06.14	20000.00	0.00
7	127/21.05.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	191/07.06.14	70000.00	0.00
8	251/19.06.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	327/11.07.14	70000.00	0.00
9	273/26.06.14	Sri Sudhir Pradhan	Sri Dillip Kumar Mohanty, EO	Repair and maintenance at G.C. Park	15000.00	320 to 326, dt.10.07.14	15000.00	0.00
10	341/22.07.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	419/11.08.14	70000.00	0.00
11	342/22.07.15	Sri Bhagirathi Pradhan	Sri Dillip Kumar Mohanty, EO	Flood assistance	2000.00	1070 to 1076, dt. 30.03.15	2000.00	0.00
12	370/28.07.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Repairing of fogging machine2 nos.	10000.00	709 to 711, dt.19.11.14	10000.00	0.00

13	392/05.08.14	Sri Debananda Rana	Sri Dillip Kumar Mohanty, EO	Purchase of axe, hati etc. for sanitation section	2000.00	680/11.11.14	1995.00	5.00
14	393/05.08.14	Sri Bhagirathi Pradhan	Sri Dillip Kumar Mohanty, EO	Flood assistance	10000.00	1070 to 1076, dt. 30.03.15	10000.00	0.00
15	399/06.08.14	Sri Satyabrata Sahoo, Contractor	Sri Dillip Kumar Mohanty, EO	Renovation of Townhall	100000.00	653/31.10.14	100000.00	0.00
16	438/16.08.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	535/12.09.14	90000.00	0.00
17	475/23.08.14	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Festival advance for Nuakhai	1021000.00	Adjusted from pay bills	510500.00	510500.00
18	541/16.09.14	Sri Sudhir Pradhan	Sri Dillip Kumar Mohanty, EO	Mega Mela Festival on MBPY	20000.00	621 to 624, dt.22.10.14	20000.00	0.00
19	554/20.09.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	605/18.10.14	90000.00	0.00
20	563/20.09.14	Sri Chittaranjan Mohapatra	Sri Dillip Kumar Mohanty, EO	Payment to advocate entrusted to case No.28/09	4000.00	876/04.02.15	4000.00	0.00
21	565/20.09.14	Sri Kamal Tandi, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of CC road at Mishratikra, Ward No.15	60000.00	580/30.09.14	60000.00	0.00
22	604/18.10.14	Sri Sudipta Sahu	Sri Dillip Kumar Mohanty, EO	Creation of digital signature for EPF purpose	2000.00		0.00	2000.00
23	633/24.10.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	690/13.11.14	90000.00	0.00
24	651/30.10.14	Miss Jayashree Pradhan, CO	Sri Dillip Kumar Mohanty, EO	Smooth functioning of Youth Festival	2000.00	1053 to 1055, dt.26.03.15	2000.00	0.00
25	704/15.11.14	Sri Sudhir Pradhan	Sri Dillip Kumar Mohanty, EO	Repair and maintenance at G.C. Park	90000.00	836 to 850, dt.29.01.15	90000.00	0.00
26	722/22.11.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	770/12.12.14	90000.00	0.00

27	739/29.11.14	Sri Rama Chandra Sahu, Accountant	Sri Dillip Kumar Mohanty, EO	TA bill for attending Election meeting at Bhubaneswar	2000.00	898/11.02.15	2000.00	0.00
28	771/15.12.14	Sri Satyabrata Sahoo, Contractor	Sri Dillip Kumar Mohanty, EO	Marble flooring and other work for Biju Pattanaik townhall	300000.00	1050/26.03.15	154781.00	145219.00
29	775/22.12.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	814/09.01.15	90000.00	0.00
30	781/26.12.14 (Accountant Cash Book)	Sri Srinibas Mallick, I/C SI	Sri Dillip Kumar Mohanty, EO	Smooth maintenance and functioning of toilet in Dhanuyatra	70000.00	21/06.02.15 (Special CC Cash Book)	70000.00	0.00
31	831/22.01.15	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	919/19.02.15	90000.00	0.00
32	869/02.02.15	Sri Sudipta Sahu	Sri Dillip Kumar Mohanty, EO	Preparation of DSC card (3 nos.) for tender process	9000.00	1008/13.03.15	9000.00	0.00
33	899/11.02.15	Sri Bibhubhusan Panda, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of Jay Durga Mandap at Ward No.3	100000.00	Adjusted from pay bills	0.00	100000.00
34	938/25.02.15	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00	1024/19.03.15	90000.00	0.00
35	1043/25.03.15	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Festival advance for Chaitra Purnima	159000.00	Adjusted from pay bills	0.00	159000.00
36	1051/26.03.15	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00		0.00	90000.00
				<b>TOAL</b>	<b>3524000.00</b>		<b>2512276.00</b>	<b>1011724.00</b>

**Para No.8.4 Details of advance paid prior to the financial year 2014-15, but adjusted during the financial year 2014-15:-**

The following advance to the tune of Rs.480000.00 were paid prior to the financial year 2014-15, but adjusted during the financial year 2014-15, out of which Rs.75000.00 has already been suggested for recovery and surcharge action has already been initiated vide Audit Report No. 44771/AR/2014-15-BARGARH (for the financial year 2013-14) since this advance was outstanding for more than one year. This advance was sanctioned and paid to Sri Bibekananda Naik, EX CO towards STEP-UP programme vide voucher No.12, dt.08.10.2012 (SJSRY Cash Book). The advance was adjusted vide voucher No. 1078, dt.30.03.2015 (Accountant Cash Book). Verified the adjustment of advance and found that the advance has been fully adjusted. So, there is no reason to proceed with the advance further. Hence, the recovery suggested



and surcharge action initiated on this score in the previous audit report may be dropped.

Sl. No.	Voucher No. & date of payment of advance	To whom paid	Name of the advance sanctioning authority	Purpose of advance	Amount of advance paid	Voucher No. & date of adjustment of advance	Amount of advance adjusted	Amount of outstanding advance
1	633/19.12.13	Sri Chhittaranjan Mohapatra	Sri Dillip Kumar Mohanty, EO	Engagement of advocate	3000.00	142/26.05.14	3000.00	0.00
2	519/20.10.13	Sri Bhagirathi Pradhan	Sri Dillip Kumar Mohanty, EO	Election	5000.00	266/26.06.14	5000.00	0.00
3	373/09.08.13	Miss Jayashree Pradhan, CO	Sri Dillip Kumar Mohanty, EO	Campaign on Dengue	19000.00	267/26.06.14	19000.00	0.00
4	12/08.10.12	Sri Bibekananda Naik, CO	Sri Dillip Kumar Mohanty, EO	STEP-UP programme	75000.00	1078/30.03.15	75000.00	0.00
5	416, 417, 418, dt.04.09.13 & 430/06.09.13	Staff	Sri Dillip Kumar Mohanty, EO	Festival Advance	227000.00	Adjusted from Pay bills	227000.00	0.00
6	533/01.11.13	Sri Prashanta Pradhan	Sri Dillip Kumar Mohanty, EO	Maintenance of Biju Pattanaik park	1000.00	319/10.07.14	1000.00	0.00
7	664/06.01.14	Sri Srinibash Mallick	Sri Dillip Kumar Mohanty, EO	Temporary latrine shade for Dhanujatra	80000.00	917 to 923, dt.31.03.14	80000.00	0.00
8	682/16.01.14	Sri Srinibash Mallick	Sri Dillip Kumar Mohanty, EO	Temporary latrine shade for Dhanujatra	70000.00	917 to 923, dt.31.03.14	70000.00	0.00
				<b>TOAL</b>	<b>480000.00</b>		<b>480000.00</b>	<b>0.00</b>

**Para No.8.5 Details of advance paid during the year 2013-14, but not adjusted till the end of the financial year 2014-15(Surchargeable advance):-**

It would be seen from the following table that advance to the tune of Rs.200000.00 has been paid on 18.07.2013 i.e. during the financial year 2014-15 which has not been adjusted till the end of the financial year 2014-15.

Sl. No.	Voucher No. & date of payment of advance	To whom paid	Name of the advance sanctioning authority	Purpose of advance	Amount of advance paid	Voucher No. & date of adjustment of advance	Amount of advance adjusted	Amount of outstanding advance
1	301/18.07.13	Sri Chhittaranjan Swain, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of CC road from school to	200000.00		0.00	200000.00

				Nrusingha Sahu house at Ward No.19				
				<b>TOTAL</b>	<b>200000.00</b>		<b>0.00</b>	<b>200000.00</b>

Since the advance was paid to a contractor in connection with execution of public works, the local authority was requested to produce the said case record. On verification of the case record, it was revealed that advance amounting to Rs.200000.00 was sanctioned and paid to Sri Chittaranjan Swain, Contractor towards construction of CC road from school to Nrusingha Sahu house at Ward No.19 which was paid to the Contractor vide Accountant Cash Book voucher No.301, dt.18.07.2013. On verification of the case record, it was ascertained that the following advance to the tune of Rs.200000.00 was adjusted vide voucher No. 2/27.08.13 (Special CC Cash Book), but the fact of adjustment was not recorded in the cash book as well as in the previous audit report. So, the adjustment of advance is treated as advance adjusted during the year 2014-15 in the present audit report. The local authority is requested to regularize the advance position and compliance reported tot audit. Since the advance has been adjusted, it cannot be treated as insecure advance and as such cannot be treated as surchargeable advance.

**Para No.8.6 Payment of advance not relected:-**

The following advances amounting to Rs.127000.00 paid prior to the financial year 2014-15 were not reflected in the advance ledger as well as in the previous audit report as a result of which the advance position was not properly exhibited. The said advances were adjusted during the financial year 2014-15. So, the present audit could determine the non-accounting of payment of advance in the advance ledger as well as in the previous audit report. However, from the convenience point of view and in order to regularize the advance position, the advance sanctioned and paid prior to the financial year 2014-15 is treated as advance paid during the year 2014-15 and accordingly the abstract of advance position has been worked out.

Sl. No.	Voucher No. & date of payment of advance	To whom paid	Name of the advance sanctioning authority	Purpose of advance	Amount of advance paid	Voucher No. & date of adjustment of advance	Amount of advance adjusted	Amount of outstanding advance
1	102/14.11.12	Sri Dhruba Chhuria, OTC	Sri Dillip Kumar Mohanty, EO	IHSDP programme	20000.00	28/21.07.14	18855.00	1145.00
2	5/12.03.14(Harischandra Cash Book)	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Election expenditure TA, DA, Contingency	15000.00	31/22.05.14	15000.00	0.00
3	5/12.03.14(Harischandra Cash Book)	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Light, mike arrangement	10000.00	31/22.05.14	10000.00	0.00
4	835/21.03.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	14/04.04.14	70000.00	0.00
5	816/19.03.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Repair of trolley No.OR-17C-813 11	12000.00	669/05.11.14	12000.00	0.00
				<b>TOTAL</b>	<b>127000.00</b>		<b>125855.00</b>	<b>1145.00</b>

The local authority is suggested to regularize the advance in the advance ledge. The Accountant may be warned in this regard. Till regularization Rs.127000.00 is held under objection.

**Para No.8.7 Payment and adjustment of advance not reflected in the Cash Book (POM page No. 115 and 116, dated 09.12.2015):-**

The following advances amounting to Rs.127000.00 paid prior to the financial year 2014-15 were not reflected in the advance ledger as well as in the previous audit report as a result of which the advance position was not properly exhibited. The said advances were adjusted during the financial year 2014-15. Likewise advance to the tune of Rs.20000.00 vide serial No.6 was adjusted during the financial year 2013-14 was not exhibited in the cash book. So, the present audit could determine the not accounting of payment of advance in the advance ledger as well as

in the previous audit report.

Sl. No.	Vr. No. & date of payment of advance	To whom paid	Name of the advance sanctioning authority	Purpose of advance	Amount of advance paid	Vr. No. & date of adjustment of advance	Amount of advance adjusted	Amount of outstanding advance
1	102/14.11.12	Sri Dhruba Chhuria, OTC	Sri Dillip Kumar Mohanty, EO		20000.00	28/21.07.14	18855.00	1145.00
2	5/12.03.14(Harischandra Cash Book)	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Election expenditure TA, DA, Contingency	15000.00	31/22.05.14	15000.00	0.00
3	5/12.03.14(Harischandra Cash Book)	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Light, mike arrangement	10000.00	31/22.05.14	10000.00	0.00
4	835/21.03.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	70000.00	14/04.04.14	70000.00	0.00
5	816/19.03.14	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Repair of trolley No.OR-17 C-81311	12000.00	669/05.11.14	12000.00	0.00
6		Sri Chittaranjan Swain, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of CC road from school to Nrusingha Sahu house at Ward No.19		2/27.08.13 (Special CC Cash Book)	200000.00	0.00
				<b>TOAL</b>	<b>127000.00</b>		<b>145855.00</b>	<b>1145.00</b>

No reply was furnished by the local authority. However, the local authority is suggested to regularize the advance position and report compliance at the time of Exit Conference.

**Para No.8.8 Details of outstanding advance as on 31.03.2015:-**

Advance to the tune of Rs.1012869.00 as detailed below remained unadjusted by the end of the financial year 2014-15 i.e. as on 31.03.2015. The local authority is requested to adjust the advance promptly and compliance reported to audit.

Sl. No.	Voucher No. & date of payment of advance	To whom paid	Name of the advance sanctioning authority	Purpose of advance	Amount of advance paid	Voucher No. & date of adjustment of advance	Amount of advance adjusted	Amount of outstanding advance
1	60/02.05.14	Sri Ashok Kumar Joshi, Advocate	Sri Dillip Kumar Mohanty, EO	For appearing case at High Court Case No.20578/13	5000.00	0	0.00	5000.00
2	392/05.08.14	Sri Debananda Rana	Sri Dillip Kumar Mohanty, EO	Purchase of axe, hat etc. for sanitation	2000.00	680/11.11.14	1995.00	5.00

				section				
3	475/23.08.14	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Festival advance for Nuakhai	1021000.00	Adjusted from pay bills	510500.00	510500.00
4	604/18.10.14	Sri Sudipta Sahu	Sri Dillip Kumar Mohanty, EO	Creation of digital signature for EPF purpose	2000.00		0.00	2000.00
5	771/15.12.14	Sri Satyabrata Sahoo, Contractor	Sri Dillip Kumar Mohanty, EO	Marble flooring and other work for Biju Pattanaik town hall	300000.00	1050/26.03.15	154781.00	145219.00
6	899/11.02.15	Sri Bibhubhusan Panda, Contractor	Sri Dillip Kumar Mohanty, EO	Construction of Jay Durga Mandap at Ward No.3	100000.00	Adjusted from pay bills	0.00	100000.00
7	1043/25.03.15	Sri Hema Chandra Meher, Cashier	Sri Dillip Kumar Mohanty, EO	Festival advance for Chaitra Purnima	159000.00	Adjusted from pay bills	0.00	159000.00
8	1051/26.03.15	Sri Netrananda Meher	Sri Dillip Kumar Mohanty, EO	Cost of fuel for maintenance of vehicle	90000.00		0.00	90000.00
9	102/14.11.12	Sri Dhruva Chhuria, OTC	Sri Dillip Kumar Mohanty, EO	IHSDP programme	20000.00	28/21.07.14	18855.00	1145.00
				<b>TOTAL</b>				<b>1012869.00</b>

**Para No. 8.9 Year-wise break-up of outstanding advance:-**

The year-wise break-up of outstanding worked out by the present audit is furnished below. It would be seen that advance to the tune of Rs.1145.00 sanctioned and paid during the financial year 2012-13 remained unadjusted. Further, advance to the tune of Rs.1011724.00 sanctioned and paid during the year 2014-15 remained unadjusted. The local authority is suggested to adjust the advance latest by the end of the financial year 2015-16, failing the amount of outstanding advance will be treated as unsecured advance and surcharge proceeding will be initiated against the advance sanctioning authority as well as against the advance holder.

Year of outstanding advance	Amount of outstanding advance
2012-13	1145.00
2014-15	1011724.00
Total	1012869.00

**Para No. 8.10 Maintenance of Advance ledger:-**

Although the advance ledger has been maintained, it has not been maintained properly. Advance to the tune of Rs.127000.00 paid during the financial year 2013-14 and advance adjusted to the tune of Rs.200000.00 during the financial year 2013-14 was not reflected in the advance ledger. The details of the advance payment and adjustment have been dealt in previous para. The maintenance of advance is poor and as such not satisfactory. The Executive Officer is suggested to ensure proper maintenance of the advance ledger and report compliance at the time of Exit Conference.

**Para No. 8.11 Maintenance of Outstanding Advance Ledger:-**

Outstanding Advance Ledger is not maintained in the Municipality which is prescribed under Rule 140 of OM Rules, 1953 to be maintained in Form No. XIX. In absence of the outstanding advance register, the possibility of non-adjustment of advances and lack of supervision on outstanding advance cannot be ruled out. The Executive Officer is suggested to maintain outstanding advance ledger in prescribed form and

report compliance at the time of the Exit Conference.

**PARA: 9 GRANTS**

Bargarh Municipality. Bargarh - 2014-2015

S/no	Grants Outstanding as on (DD MM YYYY)	Grants Outstanding (In Rs:)	Grants Received during the Year under Audit(In Rs:)	Total(In Rs:)	Grants Spent during the Year under Audit(In Rs:)	Grants unspent as on (DD MM YYYY)	Grants unspent (In Rs:)	Remarks
1	01-04-2014	133752152.63	87372880.00	221125032.63	117087250.00	31-03-2015	104037782.63	Total Grants
	<b>GRAND TOTAL</b>	<b>133752152.63</b>	<b>87372880.00</b>	<b>221125032.63</b>	<b>117087250.00</b>		<b>104037782.63</b>	

**Comments :**

**Para No.9.1:- Details of Grants received and utilized during the year 2014-15:-**

A detail position of grants received and utilized during the financial year 2014-15 is furnished below.

Sl. No.	Particular of Grant	G.O. No. & Date	Amount Sanctioned	Expenditure
1	13FC GENERAL Area Basic grant 1st installation	14910/HUD/25.07.14	4944000.00	4349998.00
2	13FC GENERAL Area Basic grant 2nd installment	6908/HUD/28.02.15	5865000.00	6861017.00
3	R&B 13THFC	7336/HUD/04.03.15	4210000.00	3358140.00
4	DEVOLUTION FUND	22526/HUD11.11.14	6190000.00	5134949.00
5	OC GRANT	9296/HUD/02.05.14	8692000.00	41069000.00
6	OC GRANT	14496/HUD/19.07.14	8692000.00	
7	OC GRANT	19504/HUD/25.09.14	8693000.00	
8				
9	OC GRANT	2011/HUD/20.01.15	8693000.00	5593051.00
10	OC GRANT (Electricity dues & SWM)	4349/HUD/10.02.15	6299000.00	
11	ROAD DEV	136/HUD/01.01.15	569000.00	5593051.00
12	ROAD DEV	139/HUD/01.01.15	425000.00	

13	ROAD DEV	142/HUD/01.01.15	1578000.00	
14	FESTIVAL GRANT	27737/HUD/27.12.14	300000.00	303275.00
15	MV TAX	19595/HUD/26.09.14	1607000.00	6664125.00
16	MV TAX	3824/HUD/06.02.15	1607000.00	
17	ROAD & BRIDGES (N)	4746/HUD/12.02.15	3000000.00	5629368.00
18	CAPASATY DEV. PREPARE OF DPR	18461/HUD/15.09.14	658430.00	329214.00
19	NRB (NORMAL)	1991/HUD/20.01.15	600000.00	0.00
20	SPECIAL PROBLEMS FUND	784/DPMU/28.10.14	1500000.00	145726.00
21	PUBLIC TOILET	6206/HUD/25.02.15	692550.00	222673.00
22	MP LAD		1875000.00	0.00
23	SMID under NULM		188000.00	3814277.00
24	SMID under NULM		62000.00	
25	SEP(I) under NULM	26807/HUD/20.12.14	227000.00	
26	SEP(I) under NULM	1247/HUD/14.01.15	62000.00	
27	SEP(G) under NULM	1247/HUD/14.01.15	21000.00	
28	SEP(G) under NULM	26807/HUD/20.12.14	21000.00	
29	CB & T under NULM	26807/HUD/20.12.14	660000.00	
30	ESTP under NULM	6289/HUD/25.02.15	708750.00	
31	ESTP under NULM	6289/HUD/25.02.15	236250.00	

32	ESTP under NULM	8294/HUD/13.03.15	490300.00	
33	SUH under NULM		1600000.00	0.00
34	Salary (UCDN CO)		120000.00	313500.00
35	Salary (CMMU)		100000.00	
36	BRGF		611600.00	14867534.00
37	Salary of MIS etc. under BRGF		75000.00	516430.00
38	Construction of AWC building		5500000.00	0.00
39	IHSDP		0.00	3311310.00
40	Town Hall		0.00	1719911.00
41	Kalyan Mandap		0.00	1250899.00
42	Solid Waste Management		0.00	1072257.00
43	Performance Based Incentive (General)		0.00	1559000.00
44	Development of Private Bus Stand		0.00	2865116.00
45	Park & Greenery		0.00	1080269.00
46	Special CC Road		0.00	5056211.00
		<b>TOTAL</b>	<b>87372880.00</b>	<b>117087250.00</b>

**Para No. 9.2 Low spending of Grants (POM page No. 137, dated 10.12.2015):-**

As per Rule 171 of the Odisha General Financial Rules (OGFR) (Volume I) and instructions contained in the sanction orders, scheme funds were to be utilized in the year of receipt. Un-utilized fund, if any, may either be refunded to the Government or utilized in subsequent year with prior approval of the Government.

Unless it is otherwise ordered by Government, the grant will be spent upon the object within a reasonable time, if no time-limit has been fixed by the sanctioning authority (Rule 171 (2) of OGFR)

The expression "reasonable time" should ordinarily be interpreted to mean one year from the date of issue of the letter sanctioning the grant even though the period extends beyond the financial year. Immediately on the expiry of the period of one year from the date of sanction, any



unspent balance out of the grant should be fully surrendered to government. (Rule 171 (3) of OGFR).

It would be seen from the above table that the Grants to the tune of 11.40 crores are still pending for utilization by the end of the financial year 2014-15. Timely expenditure of grant is one of the vital factors in achieving better progress in implementation of the schemes. Though the utilization of previous year grant are satisfactory, utilization of grants for the year 2014-15 is discouraging. Further, Interest money of the concerned schemes are part of grant, either it should be returned to the Funding Agency or utilized as Grant as prescribed in the concerned scheme guideline. Interests of Centre sponsored scheme are to be returned to the funding agencies with immediate effects. Due to low spending of grants, the very purpose and objective of the grant so sanctioned are defeated.

The reason for low spending of grants was asked to the local authority on issue of POM page No. 137, dated 10.12.2015. No reason was attributed by the local authority for low spending of grants. However, the local authority is suggested to utilize the grants received from different quarters to its full tune for betterment of the general public.

**Para No. 9.3 Non-keeping of maintenance of Non-Residence Building grant in joint account (POM page No. 146 and 147, dated 10.12.2015):-**

It was noticed that a sum of Rs.900000.00 has been received during the financial year 2014-15 towards maintenance of Non-Residential Building for the year 2013-14 sanctioned vide G.O. No. 3621/HUD, dated 12.02.2014.

It was stipulated in para No. 5 of the G.O. to keep the NRB grant in a joint account in the name of the concerned District magistrate & Collector/Additional District Magistrate and Executive Officer for maintaining transparency and effective implementation of programme in letter and spirit. But it was noticed that the NRB grant was parked in a single account in the name of the Executive Officer. Due to non-keeping of maintenance of Non-Residence Building grant in joint account, transparency and effective implementation of programme in letter and spirit could not be maintained.

The Executive Officer was asked on issue of POM page No. 146 and 147, dated 10.12.2015 as to under what circumstances and authority the NRB fund was kept in single account of the Executive Officer. The reason for such lapses was not attributed by the Executive Officer. The Executive Officer is suggested to adhere to the instruction contained in the sanction order of grants and report compliance at the time of Exit Conference.

**Para No. 9.4:- Utilization of Octroi Compensation Grant for payment of enhanced salary of the 6<sup>th</sup> Pay Commission to the Staff of the ULBs (POM page No. 146 and 147, dated 10.12.2015):-**

It would be noticed that in para No. 6 of the every G.O. relating to Compensation and Assignment to Local Bodies in lieu of Octroi, it is strictly prohibited to utilize the O.C. Grant for payment of enhanced salary of 6<sup>th</sup> Pay Commission to the staff of the Municipality.

On issue of POM page No. 146 and 147, dated 10.12.2015, the local authority was asked as to whether in contravention to the aforesaid provision of the G.Os payment has been made towards enhanced salary of the 6<sup>th</sup> Pay Commission to the staff of the Municipality. The query of the audit remained unanswered. However, audit check revealed that the O.C. grant was utilized to pay the enhanced salary of the 6<sup>th</sup> Pay Commission during the financial year 2014-15. The Executive Officer is suggested to follow the instruction laid down in the sanction order of O.C. grant and refrain from making such inadmissible expenditure.

**Para No. 9.5:- Non-bearing of ULB Contribution @ 1/9<sup>th</sup> of sanctioned Grant (POM page No. 146 and 147, dated 10.12.2015):-**

An amount of Rs.10109000.00 as detailed below was received during the financial year 2013-14 and 2014-15 towards grants under Road Development as detailed below. In para-3 of each G.Os it was provided that "the Urban Local Body concerned should bear 1/9<sup>th</sup> of the sanctioned amount as ULB contribution out of MLA LAD/MP LAD/Incentive Grant/Own funds/Periphery Development Fund towards its share before execution of the work."

But, it was noticed that after receipt of the grant, the ULB contribution amounting to 1/9<sup>th</sup> of the sanctioned amount was not released and borne by the Municipality before execution of the work. Due to non-adherence to the aforesaid instructions, the scheme guideline was violated by the Municipality. Had the Municipality contributed/borne 1/9<sup>th</sup> of the sanctioned R.D. grant, there would have an opportunity to execute work to the tune of Rs.1123219.00 as ULB contribution, which would have ultimately been utilized for the interest and betterment of the general public.

The reason for non-bearing of ULB contribution @ 1/9<sup>th</sup> of sanctioned RD grant was asked to the local authority on issue of POM page No. 146 and 147, dated 10.12.2015. No reason was attributed in reply. So, the present audit is of the considered opinion that the Municipality was not careful enough to bear the ULB contribution of the sanctioned RD grant.

Year of Grant	GO No/Date	Amount sanctioned and received	Amount of ULB contribution to be borne by the
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			Municipality
2013-14	27107/31.08.2013	650000.00	72222.00
2013-14	27113/31.08.2013	840000.00	93333.00
2013-14	27110/31.08.2013	2278000.00	253111.00
2013-14	37213/28.12.2013	535000.00	59444.00
2013-14	37210/28.12.2013	690000.00	76666.00
2013-14	37216/28.12.2013	2544000.00	282666.00
2014-15	136/HUD/01.01.2015	569000.00	63222.00
2014-15	139/HUD/01.01.2015	425000.00	47222.00
2014-15	142/HUD/01.01.2015	1578000.00	175333.00
	Total	10109000.00	1123219.00

**PARA: 10 UTILISATION CERTIFICATE**

Bargarh Municipality. Bargarh - 2014-2015

S/no	U.C Outstanding as on (DD MM YYYY)	U.C Outstanding(In Rs:)	U.C due for submission during the period under Audit(In Rs:)	Total(In Rs:)	U.C Submitted during the period under Audit(In Rs:)	U.C needs to be submitted as on outstanding as on (DD MM YYYY)	U.C needs to be submitted as on outstanding (In Rs:)	Remarks
1	01-04-2014	101818652.00	87372880.00	189191532.00	101105401.00	31-03-2015	88086131.00	U.C. in respect of ULB contribution amounting to Rs.837442.00 has been left out.
	<b>GRAND TOTAL</b>	<b>101818652.00</b>	<b>0.00</b>	<b>189191532.00</b>	<b>101105401.00</b>		<b>88086131.00</b>	

**Comments :**

**Para No.10:- Utilization Certificate:-**

As per Rule 173 of OGFR, Volume-I, Utilization Certificate (UC) is to be submitted to the proper quarter by 30<sup>th</sup> June of the succeeding year of expenditure. Further, as per para 5(1) of the O.M. No.21241/F, dt.17.07.2014 of Finance Department (deemed to be a part of OGFR), submission of U.C. to the sanctioning authority is required in respect of those grant-in-aid or grant sanctioned for specific purpose wherein the sanction order specially stipulates submission of such utilization certificates. Since grants on different developmental schemes are received by the Municipality, the Municipality is required to submit U.C. against these grants received.

**Para No.10.1:-**

**Non-submission of U.C (POM page No. 139, dated 10.12.2015):-**

The position of pending Utilization position of the Municipality is alarming and needs early settlements. U.Cs in respect of major State and Centre sponsored flagship Schemes have not been submitted to the proper quarters. As a result of such lapses, U.Cs to the tune of Rs.88086131.00 is pending for submission at the end of the year, which should be submitted early. Delay in submission of U.C. is the indication of slowdown of progress of Scheme expenditure and is one of the main reasons of reduction of future Grant.

POM page No. 139, dated 10.12.2015 was issued to the local authority to explain the reasons for non-submission of UCs to proper quarters.

No reason was attributed by the Executive Officer for non-submission of UCs.

However, the local authority is once again suggested to clear-up the pending position on a task basis. The details of U.C.s submitted along with an interpretation of year wise break up of submitted and U.C.s are furnished below.

Sl. No.	Name	G.O No./Date	Amount	1/9 Matching Share	UCs sent	Year of Grant	Letter No./Date
1	NRB (NORMAL)	3621/12.02.14	900000.00		322154.00	2013-14	792/G&M/12.08.14
2	ROAD & BRIDGES (N)	3677/12.02.14	5700000.00		1886039.00	2013-14	796/G&M/12.08.96
					3813961.00		862/G&M/1.09.14
3	DEVOLUTION FUND	4688/23.02.14	6197948.00		6197948.00	2013-14	794/G&M/12.08.14
4	SWM	2473/31.01.14	659126.00		659126.00	2013-14	802/G&M/12.08.14
5	SWM	2473/31.01.14	177234.00		177234.00	2013-14	802/G&M/12.08.14

6	SWM	2473/31.01.14	235897.00		235897.00	2013-14	802/G&M/12.08.14
7	Development of Bus Stand	5920/25.02.12	5000000.00		981779.00	2012-13	2117/G&M/21.12.17
8	FESTIVAL GRANT	37385/31.12.13	350000.00		350000.00	2013-14	806/G&M/12.08.14
9	ROAD DEV	27107/31.08.13	650000.00	72222.00	722222.00	2013-14	808/G&M/12.08.14
10	ROAD DEV	27113/31.08.13	840000.00	93333.00	933333.00	2013-14	
11	ROAD DEV	27110/31.08.13	2278000.00	253111.00	2531111.00	2013-14	
12	ROAD DEV	37213/28.12.13	535000.00	59444.00	594444.00	2013-14	
13	ROAD DEV	37210/28.12.13	690000.00	76666.00	766666.00	2013-14	
14	ROAD DEV	37216/28.12.13	2544000.00	282666.00	2826666.00	2013-14	
15	13FC GENERAL Area Basic grant 1st installation	14910/HUD/25.07.14	4944000.00		2652578.00	2014-15	2119/G&M/15.12.14
16	13FC GENERAL Area Basic grant 2nd installation	5116/HUD/25.02.14	4838000.00		2269067.00	2013-14	
17	13FC GENERAL Area Basic grant 1st installation	23172/HUD/20.07.13	4948000.00		2317288.00	2013-14	
18	OC GRANT	27134/31.08.13	15804000.00		15804000.00	2013-14	804/G&M/12.08.14
19	OC GRANT SPECIAL FUND	4408/19.02.14	8602885.00		8602885.00	2013-14	
20	OC GRANT	9296/HUD/02.05.14	8692000.00		8692000.00	2014-15	957/G&M/27.09.14
21	OC GRANT	14496/HUD/19.07.14	8692000.00		8692000.00	2014-15	
22	OC GRANT	19504/HUD/25.09.14	8693000.00		6326253.00	2014-15	2109/G&M/15.12.14
23	13FC GENERAL PERFORMANCE	13080/HUD/4.4.13	874000.00		874000.00	2013-14	2111/G&M/15.12.15
24	MV TAX	2515/31.01.14	3643000.00		3548142.00	2013-14	798/G&M/12.08.14
					94858.00		860/G&M/1.09.14
25	MV TAX	19595/HUD/26.09.14	1607000.00		1191914.00	2014-15	2115/G&M/15.12.14
26	Performance based incentive	5090/HUD/25.02.14	3118000.00		2604140.00	2013-14	800/G&M/12.08.14

					513860.00		2121/G&M/15.12.14
27	R&B 13THFC	3435/10.02.14	3778000.00		3778000.00	2013-14	2113/G&M/15.12.14
28	SPECIAL CC	14502/22.04.13	5142000.00		1342106.00	2013-14	959/G&M/27.9.14
29	SPECIAL CC	14511/22.04.13	1822000.00		1822000.00	2013-14	
30	SPECIAL CC	14508/22.04.13	1318000.00		1318000.00	2013-14	
31	AUDITORIUM CUM CULTURAL CENTRE	5914/25.02.12	5000000.00		968153.00	2011-12	2107/G&M/15.12.14
32	IHSDP	27983/HUD/05.10.12	6341000.00		3530917.00	2012-13	11446/12.12.14
33	CB & T under NULM	26807/HUD/20.12.14	660000.00		354152.00	2014-15	100/DUDA/31.03.15
34	SEP (I) under NULM	26807/HUD/20.12.14	227000.00		227000.00	2014-15	102/DUDA/31.03.15
35	SEP (I) under NULM	1247/HUD/14.01.15	62000.00		25950.00	2014-15	102/DUDA/31.03.15
36	SEP (G) under NULM	1247/HUD/14.01.15	21000.00		21000.00	2014-15	104/DUDA/31.03.15
37	SEP (G) under NULM	26807/HUD/20.12.14	21000.00		21000.00	2014-15	104/DUDA/31.03.15
38	EST & P under NULM	6289/HUD/25.02.15	708750.00		708750.00	2014-15	108/DUDA/31.03.15
39	EST & P under NULM	6274/HUD/25.02.15	236250.00		96550.00	2014-15	108/DUDA/31.03.15
40	EST & P under NULM	8294/HUD/13.03.15	367700.00		367700.00	2014-15	108/DUDA/31.03.15
41	SM & ID (Revolving fund) under NULM	26807/HUD/20.12.14	188000.00		180000.00	2014-15	106/DUDA/30.03.15
		<b>TOTAL</b>	<b>127105790.00</b>	<b>837442.00</b>	<b>101942843.00</b>		

**Para No.10.1:- Year-wise break up of UC submitted:-**

The year-wise break-up of utilization certificate submitted during the financial year 2014-15 is furnished below.

Year wise break-up of submission of UC	
Year	Amount of UC sent
2011-12	968153.00
2012-13	4512696.00
2013-14	66067705.00
2013-14(Matching Share)	837442.00
2014-15	29556847.00

Total	101942843.00
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**Para No.10.2:- Year-wise break-up of pending U.C.:-**

The year-wise break-up of pending utilization certificate as on 31.03.2015 is furnished below.

Year wise break-up of pending UC	
Year	Amount of pending UC
2014-15	57816033.00
Prior to 2014-15	30270098.00
Total	88086131.00

**PARA: 11 MISAPPROPRIATION & DEFALCATION****11.1 - Misappropriation of Cash-**

On issue of POM page No. 35, dated 07.10.2015, the local authority was asked as to whether any misappropriation of cash has been detected by the Municipality/Executive Officer during the financial year 2014-15. The local authority furnished no reply to the query made by audit. However, the following misappropriation of cash was detected by the audit, details of which are furnished in the following paragraphs.

**11.2 - Loss to Municipal fund due to totaling mistake in DCR of Holding Tax POM page No.60, dated 31.10.2015-**

On verification of the DCR of Holding Tax No.6 & 8, it was found that the totaling of DCR in page No.2 i.e. (MR No.9936 to 9970 of Book No.15) comes to Rs.12204.80. But, wrongly the totaling has been worked out as Rs.12144.80 instead of Rs.12204.00. As a result of this the totaling of DCR (from page No. 1 to 3) i.e. (MR No.9901 to 10000 of Book No.15) comes to Rs.42246.80 or say Rs.42247.00. But, the totaling has been mentioned as Rs.42187.00 instead of Rs.42247.00. Rs.42187.00 has been deposited by the Tax Collector which has been received by the Cashier and entered in Cashier's Cash Book vide page No.40, dt.17.04.2014. So, as a result of totaling mistake by the Tax Collector, the municipality sustained a loss of Rs.60.00 i.e. (Rs.42247.00 – Rs.42187.00) which needs immediate recovery.

In response to the POM page No. 60, dated 31.10.2015, the local authority recovered Rs.20.00 and Rs.40.00 from Sri Ananta Meher, OTC vide Miscellaneous Receipt No.9874, Book No.24, dated 03.11.2015 and Miscellaneous Receipt No. 9873, Book No.24, dated 03.11.2015 respectively. Verified the said Miscellaneous Receipts and found that 60.00 have been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till credit of the amount to the Cash Book Rs.60.00 is kept under objection.

**11.3 - Loss to Municipal fund due to totaling mistake in DCR of Holding Tax POM page No.76, dated 17.11.2015-**

On verification of the DCR of Holding Tax No.6 & 8; it was found that the totaling of DCR in page No.8 i.e. (MR No.10901 to 10935 of Book No.25) comes to Rs.5868.80 or say Rs.5869.00. But, wrongly the totaling has been worked out and shown as Rs.5749.00 instead of Rs.5868.80. Rs.5749.00 has been deposited by Sri Ananta Meher, Tax Collector which has been received by the Cashier and entered in Cashier's Cash Book vide page No.5, dt.24.04.2014. So, as a result of totaling mistake by the Tax Collector and improper checking of DCR by the Tax Daroga, the municipality has sustained a loss of Rs.120.00 i.e. (Rs.5869.00 – Rs.5749.00). The local authority is requested to recover Rs.120.00 from the person(s) responsible for the loss and credit of the same to the municipal fund may be pointed out to audit.

No reply was furnished by the local authority. Hence, Rs.120.00 is suggested for recovery from Sri Ananta Meher, OTC.

**Responsible Person for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	SRI ANANTA MEHER	O.T.C.	BARGARH MUNICIPALITY, AT,PO, DISTRICT- BARGARH	120.00

**11.4 - Loss to Municipal fund due to totaling mistake in DCR of Holding Tax POM page No.77, dated 17.11.2015-**

On verification of the DCR of Holding Tax No.6 & 8; it was found that the totaling of DCR in page No.11 i.e. (MR No.11301 to 11334 of Book No.29) comes to Rs.9550.40 or say Rs.9550.00. But, wrongly the totaling has been worked out and shown as Rs.9530.00 instead of Rs.9550.00. Rs.9530.00 has been deposited by Sri Ananta Meher, Tax Collector which has been received by the Cashier and entered in Cashier's Cash Book vide page No.7, dt.28.04.2014. So, as a result of totaling mistake by the Tax Collector and improper checking of DCR by the Tax Daroga, the municipality has sustained a loss of Rs.20.00 i.e. (Rs.9550.00 – Rs.9530.00). The local authority is requested to recover Rs.20.00 from the person(s) responsible for the loss and credit of the same to the municipal fund may be pointed out to audit.

No reply was furnished by the local authority. Hence, Rs.20.00 is suggested for recovery from Sri Ananta Meher, OTC.

**Responsible Person for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	SRI ANANTA MEHER	O.T.C.	BARGARH MUNICIPALITY, AT,PO, DISTRICT- BARGARH	20.00



## 11.5 - Less receipt of collection amount in Cashier's Cash Book than the DCR POM page No.82, dated 26.11.2015-

On verification of DCR of Cesspool tanker, dozer etc. (DCR No.2) at page No.14 it was noticed that the totaling of receipt No.789 to 800 of Book No. 40(for the year 2013-14) comes to Rs.17648.00. The Cashier has received Rs.17648.00 on dt.23.06.14 from the Tax Collector. But, wrongly he has credited Rs.17645.00 to Cashier's Cash Book (see page No.16) instead of Rs.17648.00. So, the municipality has sustained a loss of Rs.3.00 i.e. (Rs.17648.00 – Rs.17645.00) due to the mistake of the cashier. Hence, Rs.3.00 needs recovery from the person responsible and credit point out to audit.

In response to the POM page No. 82, dated 26.11.2015, the local authority recovered Rs.3.00 from Sri Hema Chandra Meher, Cashier vide Miscellaneous Receipt No.11428, Book No.40, dated 03.12.2015. Verified the said Miscellaneous Receipt and found that 3.00 has been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till the credit of the amount to the Cash Book Rs.3.00 is kept under objection.

## 11.6 - Less deposit of Parking Fee POM page No.83, dated 26.11.2015-

On verification of DCR page No.76 of Parking Fees of Bus stand with reference to stock register it was noticed that receipt book No.256 containing receipt No.11201 to 11300 each receipt due for collection of Rs.10.00 was issued to Sri Siddheswar Mahananda, Tax Collector. Sri Mahananda, TC had to deposit Rs.1000.00 i.e. (100 nos. of receipt each amounting to Rs.10.00) towards the collection of parking fee. But, he has collected and deposited Rs.910.00 in municipal fund as detailed below.

Date of collection	Receipt No.	Collected amount
17.01.2015	11201 to 11257 (57 nos.)	570.00
19.01.2015	11258 to 11300 (43 nos.)	340.00
Total		910.00

So, the municipality has sustained a loss of Rs.90.00 i.e. (Rs.1000.00 – 910.00) due to the fees less collected by Sri Siddheswar Mahananda, TC. Hence, Rs.90.00 needs immediate recovery from Sri Siddheswar Mahananda and credit point out to audit.

In response to the POM page No. 83, dated 26.11.2015, the local authority recovered Rs.90.00 from Sri Siddheswar Mahananda, OTC vide Miscellaneous Receipt No.11431, Book No.40, dated 03.12.2015. Verified the said Miscellaneous Receipt and found that 90.00 have been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till the credit of the amount to the Cash Book Rs.90.00 is kept under objection.

## 11.7 - Less deposit of Parking Fee POM page No.84, dated 26.11.2015-

On verification of DCR page No.87 of Parking Fees of Bus stand with reference to stock register it was noticed that receipt book No.298 containing receipt No.15401 to 15500 each receipt due for collection of Rs.10.00 was issued to Sri Siddheswar Mahananda, Tax Collector. Sri Mahananda, TC had to deposit Rs.1000.00 i.e. (100 nos. of receipt each amounting to Rs.10.00) towards the collection of parking fee. But, he has collected and deposited Rs.990.00 in municipal fund as detailed below.

Date of collection	Receipt No.	Collected amount
02.03.2015	15401 to 15491 (91 nos.)	910.00
03.03.2015	15492 to 15500 (9 nos.)	80.00
Total		990.00

So, the municipality has sustained a loss of Rs.10.00 i.e. (Rs.1000.00 – 990.00) due to the fees less collected by Sri Siddheswar Mahananda, TC. Hence, Rs.10.00 needs immediate recovery from Sri Siddheswar Mahananda, TC and credit point out to audit.

In response to the POM page No. 84, dated 26.11.2015, the local authority recovered Rs.10.00 from Sri Siddheswar Mahananda, OTC vide Miscellaneous Receipt No.11430, Book No.40, dated 03.12.2015. Verified the said Miscellaneous Receipt and found that 10.00 have been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till the credit of the amount to the Cash Book Rs.10.00 is kept under objection.

**11.8 - Amount collected through miscellaneous receipt not credited to Cash Book POM page No.92, dated 01.12.2015-**

On checking of the miscellaneous receipt with reference to DCR it was noticed that Rs.10.00 has been received from Ananta Matari, Ward No. 15 towards RTI vide miscellaneous receipt No.6539, book No.52, dated 09.03.2015. But, the collected amount was not credited to the DCR as a result of which the municipality has sustained a loss of Rs.10.00 which needs recovery from Sri Hema Chandra Meher, Cashier.

In response to the POM page No. 92, dated 01.12.2015, the local authority recovered Rs.10.00 from Sri Hema Chandra Meher, Cashier vide Miscellaneous Receipt No.11434, Book No.40, dated 09.12.2015. Verified the said Miscellaneous Receipt and found that 10.00 have been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till the credit of the amount to the Cash Book Rs.10.00 is kept under objection.

**11.9 - Non deposit of collection of DCR into Cashier's Cash Book POM page No.85, dated 26.11.2015-**

On verification of Cashier's Cash Book w.r.to DCR of User's Fee it was noticed that Rs.1500.00 was collected vide Users Fee receipt No.26 to 100 of Book No.22 (each receipt amounting to Rs.20.00) vide DCR page No.3 dtd.28.04.2014. The Cashier has acknowledged the receipt of Rs.1500.00 in DCR on dt.28.04.2014. But, he has not deposited the same in the Cashier's Cash Book. So, the municipality has sustained a loss of Rs.1500.00. Hence, Rs.1500.00 needs to be recovered from the official(s) responsible for such lapses and credit pointed out to audit.

On issue of POM page No.85, dated 26.11.2015 the local authority replied that mistakenly Rs.1500.00 was not credited to Cash Book on dt.28.04.2014. But, Rs.1500.00 was deposited in A/C No. 10312400220001, DCB Bank on dt.28.04.2014. However, on the instruction of audit Rs.1500.00 is credited to Cashier's Cash Book. Verified the reply of the authority. Rs.1500.00 has been deposited in A/C No. 10312400220001, DCB Bank on dt.28.04.2014 in this connection which is supported by Challan Register. Rs.1500.00 has also been credited to the Cashier's Cash Book on the instruction of audit. The reply of the local authority is satisfactory. Hence, the objection is dropped.

**11.10 - Non-credit of BD to Bank Pass Book POM page No.150, dated 10.12.2015-**

On checking of the Bank Draft register for the financial year 2014-15 (page No. 24, entry serial No. 134) it was noticed that Rs.10000.00 was received from A.P. Enterprises, Sambalpur towards EMD through Corporation Bank Bank Draft No. 855931, dated 29.11.2014 which was exhibited as receipt in Accountant Cash Book (page No. 26) on 29.11.2014. It was revealed from the Challan Register that the said BD/cheque was deposited in Allahabad Bank Account No. 50112299137 on dated 05.12.2014 as per bank deposit slip. But, on verification of the bank account it was seen that the amount was not credited to the bank account. So, the Municipality sustained a loss of Rs.10000.00 due to non-credit of the deposit amount to bank account. It needs recovery from the official(s) responsible for such loss.

POM page No. 150, dated 10.12.2015 was issued to the local authority to recover Rs.10000.00 from the responsible officer(s) and credit pointed out to audit.

No reply was furnished by the local authority. So, the objection stands on its own merit. Hence, Rs.10000.00 is suggested for recovery from the following officials who are involved in the process of receipt.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SRI HEMA CHANDRA MEHER	CASHIER	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	5000.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	5000.00

PARA: 12 **LOSS OF STOCK & STORE**

## 12.1 - Loss of stock and store-

On issue of POM page No. 35, dated 07.10.2015, the local authority was asked as to whether any loss of stock and store has been detected by the Municipality/Executive Officer during the financial year 2014-15. The local authority furnished no reply to the query made by audit. No cases/instance of loss of stock and store were noticed by the present audit.

## PARA: 13 AUDIT OF RECEIPTS

## 13.1 - Demand, Collection and Balance of Holding Tax-

### Assessment of Holding Tax:-

Holding Tax is a major source of revenue for Urban Local Bodies which is utilized to provide basis civic amenities to the residents in municipal areas. The 74<sup>th</sup> amendment of the Constitution and the recommendation of the Thirteenth Finance Commission strengthened the status of Urban Local Bodies as institution of self-Government, who are empowered to levy and collect Holding Tax under Odisha Municipal (OM) Act, 1950 and Odisha Municipal (OM) Rules, 1953 from the owners/tenants of the holdings within these municipal jurisdictions. The occupiers of holdings within municipal areas are required to pay holding tax on the basis of Annual Rental Value of the property which is to be assessed by the Valuation Organization, a wing of Housing and Urban Development Department of the Government of Odisha. There is a Council for each Urban Local Body, who in its meeting expressly called for the purpose, has to determine the percentage of Annual Rental Value at which the holding tax was to be realized. Under the provisions (section 143-A) of OM Act, 1950 the Executive Officer of the ULB may perform the duties of Valuation Officer.

As per section 131(1) of OM Act, 1950 the municipalities/NACs are empowered to impose(a) holding tax (b) Latrine Tax (c) Water Tax (d) Lighting Tax (e) Drainage Tax within the municipality areas.

Under the provisions, this municipality has assessed/levied holding tax from the owners/tenants of the holding. On the basis of assessment holding tax is being collected by the municipality as follows:-

Holding Tax @ 6% of annual rental value

Lighting Tax @ 4% of annual rental value

Water Tax @ 4% of annual rental value

Latrine Tax @ 1% of annual rental value

### Demand, Collection and Balance of Holding Tax-

Demand, collection and balance of holding tax for the financial year 2014-15 are furnished below. It would be seen from the following table that collection of holding tax against the total demand is 29.90 per cent, which is very poor. No reason was attributed by the local authority for poor collection of holding tax. However, the local authority is suggested to take special care/special drive for best collection of holding tax.

#### DEMAND COLLECTION AND BALANCE OF HOLDING TAX FOR THE FINANCIAL YEAR 2014-15

Name of the Tax	Demand			Collection			Balance			Percentage of Collection
	Arrear	Current	Total	Arrear	Current	Total	Arrear	Current	Total	
Holding Tax	2744676.35	1216280.00	3960956.35	481934.50	673199.10	1155133.60	2262741.85	543080.90	2805822.75	29.16
Latrine	410373.90	202930.00	613303.90	80858.00	112404.60	193262.60	329515.90	90435.40	419951.30	31.51
Light	1986539.55	811470.00	2798009.55	321520.50	449521.65	771042.15	1665019.05	361948.35	2026967.40	27.55
Water	1528382.05	811470.00	2339852.05	284979.00	449521.65	734500.65	1243403.05	361948.35	1605351.40	31.39
Total	6669971.85	3042150.00	9712121.85	1169292.00	1684647.00	2853939.00	5500679.85	1357413.00	6858092.85	29.90

### 13.2 - Assessment of new holding POM page No. 47, dated 28.10.2015-

New assessment in respect of the completed building under the Municipal area is to be done by the Municipality. On issue of POM page No. 47, dated 28.10.2015 the local authority was asked to furnish the numbers of holdings that have newly come under the ambit of holding tax during the financial year 2014-15. The local authority furnished no reply. POM page No. 47, dated 28.10.2015 was also issued to the Sub-Divisional Electricity Officer, Bargarh Electricity Sub-Division with a request to furnish information as to how many holdings were connected with new electricity connection during the financial year 2014-15. No reply was received by the SDO, Electrical. So, the present audit could not ascertain the details of new holding.

However, it was reported to audit that 171 and 154 numbers of new holdings were assessed during the financial year 2013-14 and 2014-15 respectively.

### 13.3 - Non-revision of holding tax POM page No. 128 to 132, dated 10.12.2015-

Holding Tax is a major source of revenue for Urban Local Bodies which is utilized to provide basis civic amenities to the residents in municipal areas. The 74<sup>th</sup> amendment of the Constitution and the recommendation of the Thirteenth Finance Commission strengthened the status of Urban Local Bodies as institution of self-Government, who are empowered to levy and collect Holding Tax under Odisha Municipal (OM) Act, 1950 and Odisha Municipal (OM) Rules, 1953 from the owners/tenants of the holdings within these municipal jurisdictions. The occupiers of holdings within municipal areas are required to pay holding tax on the basis of Annual Rental Value of the property which is to be assessed by the Valuation Organization, a wing of Housing and Urban Development Department of the Government of Odisha. There is a Council for each Urban Local Body, who in its meeting expressly called for the purpose, has to determine the percentage of Annual Rental Value at which the holding tax was to be realized. Under the provisions (section 143-A) of OM Act, 1950 the Executive Officer of the ULB may perform the duties of Valuation Officer.

As per section 131(1) of OM Act, 1950 the municipalities/NACs are empowered to impose(a) holding tax (b) Latrine Tax (c) Water Tax (d) Lighting Tax (e) Drainage Tax within the municipality areas.

Under the provisions, this municipality has assessed/levied holding tax from the owners/tenants of the holding. On the basis of assessment holding tax is being collected by the municipality as follows:-

Holding Tax @ 6% of annual rental value

Lighting Tax @ 4% of annual rental value

Water Tax @ 4% of annual rental value

Latrine Tax @ 1% of annual rental value

As per section 146 of OM Act, 1950 the general revision of valuation and assessment list shall be prepared in every five years.

The last assessment of holding tax was finally published by the H & U.D. Department in their letter No.937, dated 22.03.1999 which was affected from 01.01.2001. In the meantime 15 years has already been elapsed, but the revision of holding tax has not been conducted by the valuation department, a wing of H & U.D. Department. Whether the Executive Officer or the Council has requested the valuation organization to revise the holding tax may be reported to audit.

As per section 143-A of OM Act, 1950 the Executive Officer of the municipality shall, until the appointment of valuation organization thereof, exercise the power and perform the duties of valuation organization in respect of the municipality. Whether the Executive Officers during their incumbency from 2006 to till date have exercised the power conferred under the aforesaid rules may be reported to audit.

Due to non-revision of holding tax in every five year since 2006(i.e. 5 years after 2001), the municipality has been deprived of a bulk amount of holding tax, which could have strengthened the financial position of the municipality.

POM page No. 128 to 132, dated 10.12.2015 was issued on this score. But it remained unanswered.

However, in view of the foregoing discussions, the following remedial measures are suggested to the Executive Officer as well as to the present Council:-

(a) May request in writing to the valuation organization to conduct survey on the holdings and revise the holding tax

(b) Until the valuation organization revise the holding tax, the Executive Officer may exercise power conferred under section 143-A of OM Act, 1950 to revise the holding tax.

#### 13.4 - Collection of Holding Tax POM page No. 128 to 132, dated 10.12.2015-

It would be seen from the following table that collection of holding tax against the total demand is 29.90 per cent, which is very poor. No reason was attributed by the local authority for poor collection of holding tax. However, the local authority is suggested to take special care/special drive for best collection of holding tax.

Particular of Tax	Total Demand	Total Collection	Percentage of Collection
Holding Tax	3960956.35	1155133.60	29.16
Latrine	613303.90	193262.60	31.51
Light	2798009.55	771042.15	27.55
Water	2339852.05	734500.65	31.39
Total	9712121.85	2853939.00	29.90

The collection of holding tax in comparison to the demand of holding tax due for collection in respect of both arrear demand and current demand is very poor. The Executive Officer as well as the Council is impressed to ensure cent per cent collection of arrear and current holding tax.

As per section 201 of OM Act, 1950 the Municipality may establish a system of punishment and reward to tax collectors to ensure best results in collection of tax.

POM page No. 128 to 132, dated 10.12.2015 was issued to the local authority as to whether the municipality has established a system of punishment and reward to tax collectors to ensure best results in collection of tax.

No reply was furnished by the local authority on the audit query. However, the Executive Officer as well as the Council is impressed to ensure cent per cent collection of arrear and current holding tax and establish a system of punish and reward for best collection of holding tax.

#### 13.5 - Time Barred Dues-

Due to improper maintenance of Demand Collection and Balance Register of Holding Tax, the year-wise break-up of outstanding dues and time barred dues could not be worked out. Year-wise break-up of outstanding dues was also not available from the previous year audit report. However, the local authority is suggested to work out the year-wise break-up of outstanding taxes and produced to next audit for verification.

#### 13.6 - Service of demand notice against non-payment of holding tax POM page No. 128 to 132, dated 10.12.2015-

As per section 161 of OM Act, 1950 the Executive Officer or any other officer authorized in that behalf may serve demand notice in form No. O dully signed by him against the tax not paid within sixty-one days of its due date.

POM page No. 128 to 132, dated 10.12.2014 was issued to the local authority to intimate whether the Executive Officer or any other officer authorized in that behalf have served demand notice in form No. O dully signed by him against the tax not paid within sixty-one days of its due date during the financial year 2014-15.

No reply was furnished to audit. However, the Executive Officer is suggested to follow the provision cited supra for best collection of holding tax.

**13.7 - Issue of Distress Warrant POM page No. 128 to 132, dated 10.12.2015-**

As per section 162 of OM Act, 1950 the Executive Officer may issue distress warrant in form No. P duly signed by him against the defaulter of tax after 15 days of issue of the demand notice.

POM page No. 128 to 132 was issued to the local authority to intimate whether the Executive Officer has issued distress warrant in form No. P duly signed by him against the defaulter of tax after 15 days of issue of the demand notice during the year 2014-15 as per the above provision of Act.

As per section 162 of OM Act, 1950 the distress warrant issued under section 161 of the OM Act, 1950 shall be recorded in a register in form No. R having initial by the EO and in case such distress warrants are not issued, the Executive Officer shall pass orders explaining facts in the register the special reasons for which the distress warrant could not be issued.

POM page No. 128 to 132 was issued to the local authority to intimate whether the issue of distress warrant has been recorded in a register in form No. R and the EO has put his initial in the register during the year 2014-15. The register was also demanded by audit for necessary verification, if maintained.

POM issued in this regard remained unanswered. However, the Executive Officer is suggested to issue distress warrant as per the aforesaid provision and maintain a register of Distress Warrant.

**13.8 - Seizure of immovable property of the defaulter POM page No. 128 to 132, dated 10.12.2015-**

As per section 163 of OM Act, 1950 the movable property belonging to the defaulter shall be seized by the office in charge of execution of a warrant.

POM page No. 128 to 132 was issued to the local authority to intimate whether any immovable property belonging to the defaulter has been seized by the office in charge of execution of a warrant during the year 2014-15 under the above provision.

No reply was furnished to audit. However, the Executive Officer is suggested to follow the provision cited supra for best collection of holding tax.

**13.9 - Initiation of suit against the defaulter of tax POM page No. 128 to 132, dated 10.12.2015-**

As per section 163 of OM Act, 1950 the municipality shall file suit in any court of competent jurisdiction against the defaulter of tax instead of proceeding by distress warrant and sale or in case of failure to realize the tax.

POM page No. 128 to 132 was issued to the local authority to intimate whether the municipality has filed suit in any court of competent jurisdiction against the defaulter of tax instead of proceeding by distress warrant and sale or in case of failure to realize the tax during the year 2014-15 under the above provision.

POM issued in this regard remained unanswered. However, the Executive Officer is suggested to initiate suits against the defaulting tax payer under the above provision.

**13.10 - Write off of holding tax POM page No. 128 to 132, dated 10.12.2015-**

As per section 171 of OM Act, 1950 the municipality may write off any holding tax due from the defaulter which is recoverable. If so it should not exceed five hundred rupees with prior sanction of the Government.

POM page No. 128 to 132 was issued to the local authority to intimate whether the municipality has written off any holding tax due from the defaulter which is recoverable not exceeding to five hundred rupees with prior sanction of the Government during the year 2014-15 under the above provision. .

The reduction, remission of tax under section 150 and cases of write off under section 171 of the OM Act, 1950 shall be recorded in a register in Form No.7.

POM page No. 128 to 132 was issued to the local authority to intimate whether the reduction, remission of tax under section 150 and cases of write off under section 171 of the OM Act, 1950 has been recorded in a register in Form No.7 during the year 2014-15. The said register was also demanded by audit for necessary verification, if maintained.

POM issued in this regard remained unanswered. However, the Executive Officer is suggested to follow the above provisions of the OM Act.

#### **13.11 - Monitoring and supervision POM page No. 128 to 132, dated 10.12.2015-**

POM page No. 128 to 132 was issued to the local authority to intimate whether the municipal areas were regularly verified to pick up the holdings on which taxes were not imposed.

POM page No. 128 to 132 was issued to the local authority to intimate whether tax was paid as per the actual area of holdings.

POM page No. 128 to 132 was issued to the local authority to intimate whether any tax (water tax, lighting tax, latrine tax and drainage tax) was levied by the municipality (i) without rendering actual services to those areas, (ii) for any quarter or portion of a quarter antecedents to the provision of such facility/services.

The audit queries remained unanswered. However, the Executive Officer is suggested to follow the above provisions of the OM Act.

#### **13.12 - Non-levy and collection of drainage tax POM page No. 128 to 132, dated 10.12.2015-**

Holding tax, lighting tax, water tax and latrine tax have been collected by the municipality during the year 2014-15. Although the municipality is covered under drainage system, drainage tax is not levied and collected by the municipality. POM page No. 128 to 132 was issued to the local authority to explain the reason for non-levy and non-collection of drainage tax.

No reason was attributed by the Executive Officer in this regard.

However, since the municipality is covered under drainage system, the present audit suggests to levy and collect drainage tax from the tenants of the holding.

#### **13.13 - Information on collection of tax by the tax collector POM page No. 128 to 132, dated 10.12.2015-**

POM page No. 128 to 132 was issued to the local authority to furnish information on collection of tax by the tax collector and the target assigned to them and their achievement (collection) in respect of holding tax.

The required information was not furnished by the local authority. So, the present audit could not offered comments on the target and achievement of the Tax Collectors.

#### **13.14 - Review of the collection of Holding Tax POM page No. 128 to 132, dated 10.12.2015-**

For best result in collection of holding tax, the Executive Officer and/or the Council may hold review of the Tax Collector and Tax Daroga at the end of each month. If the Executive Officer and/or the Council feel that the performance (collection) of any Tax Collector is not satisfactory, the Executive Officer and/or the Council may punish the Tax Collector. In contrary if the Executive Officer and/or the Council feel that the performance (collection) of any Tax Collector is outstanding, the Executive Officer and/or the Council may reward the Tax Collector.

POM page No. 128 to 132 was issued to the local authority to intimate whether review of the Tax Collector and Tax Daroga was conducted by



the Executive Officer and/or the Council during the year 2014-15.

The audit query remained unanswered. However, the local authority is suggested to review the collection of holding tax at the end of each month for best result in collection of holding tax.

**13.15 - Less Collection of Holding Tax POM page No.61, dated 31.10.2015**

Reference:-

Receipt No.9963, Receipt Book No.15, Date of collection of tax= 16.4.2014, Name of the assessee: - Sri Munsiram Agrawal, Ward No.6, Period of tax collected for= 2014-15

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.1284.00 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	642.00	128.40	513.60
Latrine Tax	107.00	21.40	85.60
Lighting Tax	428.00	85.60	342.60
Water Tax	428.00	85.60	342.60
Total	1605.00	321.00	1284.00

But, as against this Rs.1264.00 was collected by Sri Anta Meher, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.20.00 i.e.(Rs.1284.00 – Rs.1264.00). So, Rs.20.00 needs recovery from Sri Ananta Meher, OTC.

In response to the POM page No. 61, dated 31.10.2015, the local authority recovered Rs.20.00 from Sri Ananta Meher, OTC vide Miscellaneous Receipt No.9875, Book No.24, dated 03.11.2015. Verified the said Miscellaneous Receipt and found that Rs.20.00 has been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till credit of the amount to the Cash Book Rs.20.00 is kept under objection.

**13.16 - Less collection of Holding Tax POM page No.66, dated 09.11.2015-**

Reference:-

Holding Tax Receipt No.8957, Receipt Book No.5, Date of collection of tax= 05.04.2014, Name of the assessee:- Kamala Devi, Ward No.7, Period of tax collected for= 2014-15

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.54.40 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	27.00	5.40	21.60
Latrine Tax	5.00	1.00	4.00
Lighting Tax	18.00	3.60	14.40
Water Tax	18.00	3.60	14.40
Total	68.00	13.60	54.40

But, as against this Rs.52.40 was collected by Sri Jaymani Surujal, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.2.00 i.e. (Rs.54.40 – Rs.52.40) which needs immediate recovery.

In response to the POM page No. 66, dated 09.11.2015, the local authority recovered Rs.2.00 from Sri Jayamani Surujal, OTC vide Miscellaneous Receipt No.9882, Book No.24, dated 16.11.2015. Verified the said Miscellaneous Receipt and found that Rs.2.00 has been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till credit of the amount to the Cash Book Rs.2.00 is kept under objection.



**13.17 - Less collection of Holding Tax POM page No. 67, dated 09.11.2015-**

Reference:-

Holding Tax Receipt No.10425, Receipt Book No.20, Date of collection of tax= 19.04.2014, Name of the assessee: - Gyaneswar Upadhaya, Ward No.7, Period of tax collected for= 2014-15, DCR page No.7.

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.155.20 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	77.00	15.40	61.60
Latrine Tax	13.00	2.60	10.40
Lighting Tax	52.00	10.40	41.60
Water Tax	52.00	10.40	41.60
Total	194.00	38.80	155.20

But, as against this Rs.144.80 was collected by Sri Jaymani Surujal, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.10.40 i.e. (Rs.155.20 – Rs.144.80) which needs immediate recovery.

In response to the POM page No. 67, dated 09.11.2015, the local authority recovered Rs.11.00 from Sri Jayamani Surujal, OTC vide Miscellaneous Receipt No.9883, Book No.24, dated 16.11.2015. Verified the said Miscellaneous Receipt and found that Rs.11.00 has been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till credit of the amount to the Cash Book Rs.11.00 is kept under objection.

**13.18 - Less collection of Holding Tax POM page No. 68, dated 09.11.2015-**

Reference:-

Holding Tax Receipt No.9221, Receipt Book No.8, Date of collection of tax= 15.04.2014, Name of the assessee: - Charan Naik, Ward No.12, Period of tax collected for= 2014-15, DCR page No.3.

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.1074.40 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	537.00	107.40	429.60
Latrine Tax	90.00	18.00	72.00
Lighting Tax	358.00	71.60	286.40
Water Tax	358.00	71.60	286.40
Total	1343.00	268.60	1074.40

But, as against this Rs.1064.40 was collected by Sri Belalsen Pradhan, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.10.00 i.e. (Rs.1074.40 – Rs.1064.40) which needs immediate recovery.

No reply was furnished by the local authority. Hence, Rs.10.00 is suggested for recovery from Sri Belalsen Pradhan.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs.)
1	SRI BELALSEN PRADHAN	O.T.C.	BARGARH MUNICIPALITY, AT,PO-BARGARH, DISTRICT-BARGARH	10.00

**13.19 - Less collection of Holding Tax POM page No. 69, dated 09.11.2015-**

Reference:-

Holding Tax Receipt No.9224, Receipt Book No.8, Date of collection of tax= 19.04.2014, Name of the assessee: - Rekha Sukla, Ward No.12, Period of tax collected for= 2014-15, DCR page No.3.

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.210.40 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	108.00	21.60	86.40
Latrine Tax	17.00	3.40	13.60
Lighting Tax	69.00	13.80	55.20
Water Tax	69.00	13.80	55.20
Total	263.00	52.60	210.40

But, as against this Rs.206.40 was collected by Sri Belalsen Pradhan, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.4.00 i.e. (Rs.210.40 – Rs.206.40) which needs immediate recovery.

No reply was furnished by the local authority. Hence, Rs.4.00 is suggested for recovery from Sri Belalsen Pradhan.

**Responsible Person for this paragraph**

Sno	Name	Designation	Address	Amount(In Rs:)
1	SRI BELALSEN PRADHAN	O.T.C.	BARGARH MUNICIPALITY, AT,PO-BARGARH, DISTRICT-BARGARH	4.00

**13.20 - Less collection of Holding Tax POM page No. 70, dated 09.11.2015-**

Reference:-

Holding Tax Receipt No.9124, Receipt Book No.7, Date of collection of tax= 16.04.2014, Name of the assessee: - Tularam Dash, Ward No.16, Period of tax collected for= 2014-15, DCR page No.1.

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.167.20 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	68.00	13.60	54.40
Latrine Tax	11.00	2.20	8.80
Lighting Tax	65.00	13.00	52.00
Water Tax	65.00	13.00	52.00
Total	209.00	41.80	167.20

But, as against this Rs.135.20 was collected by Sri Chudamani Dora, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.32.00 i.e. (Rs.167.20 – Rs.135.20) which needs immediate recovery.

No reply was furnished by the local authority. Hence, Rs.32.00 is suggested for recovery from Sri Chudamani Dora.

**Responsible Person for this paragraph**

Sno	Name	Designation	Address	Amount(In Rs:)
1	SRI CHUDAMANI DORA	O.T.C.	BARGARH MUNICIPALITY, AT,PO-	32.00

			BARGARH, DISTRICT- BARGARH	
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**13.21 - Less collection of Holding Tax POM page No. 71, dated 12.11.2015-**

Reference:-

Holding Tax Receipt No.9162, Receipt Book No.7, Date of collection of tax= 19.04.2014, Name of the assessee: -Saraswati Meher, Ward No.16, Period of tax collected for= 2014-15, DCR page No.3.

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.255.20 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	128.00	25.60	102.40
Latrine Tax	21.00	4.20	16.80
Lighting Tax	85.00	17.00	68.00
Water Tax	85.00	17.00	68.00
Total	319.00	63.80	255.20

But, as against this Rs.247.20 was collected by Sri Chudamani Dora, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.8.00 i.e. (Rs.255.20 – Rs.247.20) which needs immediate recovery.

No reply was furnished by the local authority. Hence, Rs.8.00 is suggested for recovery from Sri Chudamani Dora.

**Responsible Person for this paragraph**

Sino	Name	Designation	Address	Amount(In Rs.)
1	SRI CHUDAMANI DORA	O.T.C.	BARGARH MUNICIPALITY, AT,PO- BARGARH, DISTRICT- BARGARH	8.00

**13.22 - Less collection of Holding Tax POM page No. 72, dated 12.11.2015-**

Reference:-

Holding Tax Receipt No.9159, Receipt Book No.7, Date of collection of tax= 25.04.2014, Name of the assessee: - Secretary, Charitable Trust, Ward No.16, Period of tax collected for= 2014-15, DCR page No.3.

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.4406.40 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	2203.00	440.60	1762.40
Latrine Tax	367.00	73.40	293.60
Lighting Tax	1469.00	293.80	1175.20
Water Tax	1469.00	293.80	1175.20
Total	5508.00	1101.60	4406.40

But, as against this Rs.3806.40 was collected by Sri Chudamani Dora, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.600.00 i.e. (Rs.4406.40 – Rs.3806.40) which needs immediate recovery.

No reply was furnished by the local authority. Hence, Rs.600.00 is suggested for recovery from Sri Chudamani Dora.

**Responsible Person for this paragraph**

Sino	Name	Designation	Adress	Amount(In Rs.)
1	SRI CHUDAMANI DORA	O.T.C.	BARGARH MUNICIPALITY, AT,PO- BARGARH, DISTRICT- BARGARH	600.00

**13.23 - Less collection of Holding Tax POM page No. 73, dated 12.11.2015-**

**Reference:-**

Holding Tax Receipt No.8614, Receipt Book No.2, Date of collection of tax= 07.04.2014, Name of the assessee: - Ramtar Agarwal, Ward No.1, Period of tax collected for= 2014-15, DCR page No.1.

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.396.00 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	198.00	39.60	158.40
Latrine Tax	33.00	6.60	26.40
Lighting Tax	132.00	26.40	105.60
Water Tax	132.00	26.40	105.60
Total	495.00	99.00	396.00

But, as against this Rs.388.00 was collected by Sri Gokul Pradhan, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.8.00 i.e. (Rs.396.00 – Rs.388.00) which needs immediate recovery.

In response to the POM page No. 73, dated 12.11.2015, the local authority recovered Rs.8.00 from Sri Gokul Pradhan, OTC vide Miscellaneous Receipt No.9881, Book No.24, dated 16.11.2015. Verified the said Miscellaneous Receipt and found that Rs.8.00 has been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till credit of the amount to the Cash Book Rs.8.00 is kept under objection.

**13.24 - Less collection of Holding Tax POM page No. 74, dated 12.11.2015-**

**Reference:-**

Holding Tax Receipt No.10812, Receipt Book No.24, Date of collection of tax= 21.04.2014, Name of the assessee: - , Ward No.1, Period of tax collected for= 2014-15, DCR page No.5.

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.555.20 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	278.00	55.60	222.40
Latrine Tax	46.00	9.20	36.80
Lighting Tax	185.00	37.00	148.00
Water Tax	185.00	37.00	148.00
Total	694.00	138.80	555.20

But, as against this Rs.553.20 was collected by Sri Gokul Pradhan, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.2.00 i.e. (Rs.555.20 – Rs.553.20) which needs immediate recovery.

In response to the POM page No. 74, dated 12.11.2015, the local authority recovered Rs.2.00 from Sri Gokul Pradhan, OTC vide Miscellaneous Receipt No.9880, Book No.24, dated 16.11.2015. Verified the said Miscellaneous Receipt and found that Rs.2.00 has been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till credit of the amount to the Cash Book Rs.2.00 is kept under objection.

**13.25 - Less collection of Holding Tax POM page No. 81, dated 21.11.2015-**

Holding Tax Receipt No.10207, Receipt Book No.18, Date of collection of tax= 16.04.2014, Name of the assessee: - Anusuya Majhi, Holding No.345, Ward No.9, Period of tax collected for= 2014-15, DCR page No.8.

On checking of the miscellaneous receipt under reference, it was noticed that holding tax amounting to Rs.84.80 as detailed below was due for collection from the assessee.

Particular of tax	Tax due for collection	Rebate allowed	Tax to be collected
Holding Tax	43.00	8.60	34.40
Latrine Tax	7.00	1.40	5.60
Lighting Tax	28.00	5.60	22.40
Water Tax	28.00	5.60	22.40
Total	106.00	21.20	84.80

But, as against this Rs.76.20 was collected by Sri Surendra Kumar Pradhan, Tax Collector from the assessee as a result of which the municipality sustained a loss of Rs.8.60 i.e. (Rs.84.80 – Rs.76.20) which needs immediate recovery.

In response to the POM page No. 81, dated 21.11.2015, the local authority recovered Rs.9.00 from Sri Surendra Kumar Pradhan, OTC vide Miscellaneous Receipt No.11429, Book No.40, dated 03.12.2015. Verified the said Miscellaneous Receipt and found that Rs.9.00 has been recovered. However, the credit of the amount to the Cash Book could not be shown to audit. Till credit of the amount to the Cash Book Rs.9.00 is kept under objection.

**13.26 - Non-production of DCB position of Stall Rent etc. POM page No. 144, dated 10.12.2015-**

In spite of issue of POM page No.144, dated 10.12.2015, the demand, collection and balance position of stall rent, U/s 290 and land was not furnished before audit for verification. The present audit is in dark about the demand, collection and balance position of stall rent, U/s 290 and land. So, the local authority is requested to produce the same before audit at the time of Exit Conference. Due to non-production of the said register, the present audit could not offer any comment on collection and outstanding stall rent.

However, position of collection in respect of stall rent, U/s. 290 etc. for the year 2014-15 is furnished below. It would be seen from the following table that the collection of taxes on land, stall rent, parking fees and user fees during the financial year 2014-15 have been increased in comparison to the financial year 2013-14. Collection of fees on building plan during the financial year 2014-15 has been decreased in comparison to collection for the financial year 2013-14. The Executive Officer is suggested to increase the collection of fees on building land, stall rent, parking fees and user fees and specially building plan in order to increase the assets of the Municipality.

Sl. No.	Particular of Tax	Collection during the financial year 2013-14	Collection during the year 2014-15	Percentage of increase in collection	Percentage of decrease on collection
1	Land	2563088.00	2981455.00	16.32	
2	Stall Rent	2154398.00	2380712.00	10.50	
3	Building Plan	94665.00	88757.00		6.24
4	Parking Fees	290930.00	333010.00	14.46	
5	User Fees	49750.00	83760.00	68.36	

**13.27 - Position of Lease-**

The register of lease was not produced before audit. So, the demand, collection and balance position of lease could not be ascertained by audit.

However, position of collection in respect of leased property. for the year 2014-15 is furnished below. It would be seen from the following table that the collection towards lease amount in respect of market has been increased significantly during the financial year 2014-15 in comparison to the financial year 2013-14. Collection towards lease amount in respect of tank and cattle market during the financial year 2014-15 has been

decreased miserably in comparison to collection for the financial year 2013-14. The Executive Officer is suggested to increase the collection of lease amount in respect of tank and cattle in order to increase the assets of the Municipality. He is further suggested to produce the register of lease before the next audit for necessary verification.

Sl. No.	Particular of Lease	Collection during the financial year 2013-14	Collection during the year 2014-15	Percentage of increase in collection	Percentage of decrease on collection
1	Tank	162300.00	67000.00		58.71
2	Market	400000.00	936950.00	134.23	
3	Cattle Market	82100.00	75750.00		7.73

## 13.28 - Revenue derived from Telecom Towers-

Government of Odisha in Housing & Urban Development Department vide notification No.35742-1357-15-0010/2013/HUD, dated 17.12.2013 have formulated a regulation for installation of Telecom Towers in Urban Area of Odisha with a view to create a healthy and congenial atmosphere for the wellbeing and convenience of general public. Accordingly, the regulation titled "Special regulation for installation of Telecom Towers in Urban Area of Odisha, 2013" which came into force from the date of publication in the Gazette with immediate effect.

This is a regulation to exercise control over installation of Telecom towers on roof top/ground level or various premises falling in the area under the jurisdiction of Urban Local Bodies.

These regulations shall apply to the whole of the State of Odisha and shall be implemented by all the Telecom Service Providers and Urban Local Bodies. These regulations will be applicable to all existing/proposed Telecom towers installed/ to be installed.

As per para-7 of the regulations, the telecom service providers are required to obtain "No Objection Certificate (NOC)" from the Urban Local Body, which has its administrative control on the building.

In order to get permission, the service provider has to submit application to the ULB in prescribed application form along with documents required as specified in Annexure-I.

After approval of the application received, the ULB will intimate the service provider for deposit of the requisite fees for grant of permission. The said fees shall be decided by the State Government in H & U.D. Department from time to time.

Single Window clearance facility may be provided in a time bound manner to service provider by the ULB to ensure issuance of faster clearances.

As per para-12 of the regulation the permission issued in favour of the service provider will be valid for a period of 3 years from the date of issue.

As per para-13, the renewal of permission shall be done on submission of prescribed application (Annexure-II) before three months of expiry of the permission with all required documents and renewal fees as stipulated by the Government. The concern ULB shall sanction the same within 30 days of receipt of application but in no case later than the expiry of the permission issued. Provided in case of no response is received from the ULB, after 30 days of submission of application by the service provider, the renewal permission applied for shall be deemed to have been granted automatically. Provided further that, in case the service provider fails to apply for renewal of license in time, penalty at the rate of Rs.10000.00 per month of delay shall be levied in addition to the renewal fees. The renewal clause shall also be applicable to the towers which are regularized as stated under these regulations.

Further, the Government of Odisha in Housing & Urban Development Department vide notification No.HUD-DIR-POLICY-16/2014(PT)-28334, dated 31.12.2014 have been pleased to constitute the "Single Window Clearance Committee" in every ULB as required under para-11 of Special Regulation for installation of Telecom Towers in Urban area of Odisha.

In each ULB area a Single Window Clearance Committee is to be constituted under the chairmanship of the Executive Officer as Chairman consisting members from (a) representative of Development Authority/Regional Improvement Trust/Special Planning Authority (b) official representative from local telecom department (c) representative from ASI of India (d) representative from PWD (e) representative from Airport Authority of India (f) representative from local distribution company in-charge of power distribution (g) representative from NHAI (h) representative from Railways.

The Chairman of the committee to designate an official from ULB as member Convener of the Committee.

As per para-2 of the notification, the Committee as constituted above need to scrutinize the application made by the firm/agency for Telecommunication Infrastructure Tower (TIT) and NOCs required from different line agencies can be dispensed with in case of non-existence of properties belonging to such line agencies.

The Committee will act as a facilitator in the entire exercise of granting of license by weeding out avoidable NOC.

The Committee shall meet on short notice depending on the end.

As per para-3, as required under para-10 of the regulation, Rs.75000.00 (for each YIT) has been fixed towards installation charge to be deposited to the Municipality for every new application after approval.

As per para-4, for renewal of license on TITs at the interval of three years a license fee @ 10 per cent of the installation fees i.e. Rs.7500.00 is to be charged by the ULB shall be deposited by the TITs firm/agency.

Furnish detailed information on application of the TITs for installation of telecom towers, permission issued by the ULB, renewal fee received penalty on renewal fee received.

POM page No. 148 and 149, dated 10.12.2015 was issued to the local authority to intimate whether the municipality has charged any penalty from the TITs, which has failed to submit apply for renewal of license in time.

POM page No. 148 and 149, dated 10.12.2015 was issued to the local authority to intimate whether the Single Window Clearance Committee was constituted for issuance of faster clearance in a time bound manner to telecom service provider/infrastructure provider.

POM page No. 148 and 149, dated 10.12.2015 was issued to the local authority to intimate whether fees for granting permission for installation of telephone towers for each TIT amounting to Rs.75000.00 for each TIT have been deposited by the service provider from 31.12.14 onwards.

POM page No. 148 and 149, dated 10.12.2015 was issued to the local authority to intimate whether renewal license fee @ 10 per cent of the installation fees amounting to Rs.7500.00 has been charged by the municipality to the service providers.

The POM issued seeking the above information was not responded by the local authority. Hence, the present audit could not offer any comment in this connection. However, the local authority is suggested to follow the above provisions for better collection of revenue from telecom towers.

#### PARA: 14 AUDIT OF EXPENDITURE

##### 14.1 - Excess deposit of cost of tender paper than the amount actually collected POM page No.79, dated 21.11.2015-

On verification of DCR of Cesspool tanker, dozer, User fees etc. (DCR No.2) with reference to miscellaneous receipt, it was noticed that Rs.5500.00 was actually collected towards cost of tender paper.

Receipt No.	Date of collection	Collected amount
2416	28.06.14	500.00
2417	28.06.14	500.00
2418	28.06.14	500.00
2419	28.06.14	500.00
2420	28.06.14	500.00
2421	28.06.14	500.00
2422	28.06.14	500.00
2423	28.06.14	500.00
2424	28.06.14	500.00
2425	28.06.14	500.00
2426	28.06.14	500.00
Total		5500.00

But, wrongly the totaling of DCR was worked out as Rs.6000.00 instead of Rs.5500.00 by Sri Netrananda Meher, Dealing Assistant. Rs.6000.00 was deposited in Cashier's Cash Book vide page No.24 on dt.01.07.2014. So, Rs.500.00 i.e. (Rs.6000.00 – Rs.5500.00) has been excess deposited in municipal fund than the amount actually collected. The said Rs.500.00 need to be refunded to Sri Meher early and compliance reported to audit.

No reply was furnished by the local authority in connection to this objection. However, the Executive Officer is suggested to refund Rs.500.00 to Sri Netrananda Meher and report compliance at the time of Exit Conference.

##### 14.2 - Amount deposited excess in Municipal fund need to be refunded POM page No.93, dated 01.12.2015-



On checking of the miscellaneous receipt it was noticed that Rs.500.00 was collected from Praveen Kumar Acharya & Chhabirani Hota, Bargarh, Ward No.13 towards marriage registration service fee vide Receipt No. 4260, Book No. 29, dated 10.11.2014 and entered in the DCR.

On checking of the DCR it was noticed that Rs.7251.00 was collected towards miscellaneous receipt vide receipt No. 4244 to 4260, Book No. 29 entered at page No. 73 of the DCR and finally credited to Cashier's Cash Book at page No. 55, dt.11.11.2014.

Further, Rs.47483.00 was collected towards miscellaneous receipt vide receipt No. 4260 to 4289, Book No. 29, entered at page No. 74 of the DCR and finally credited to Cashier's Cash Book at page No. 56, dated 13.11.2014.

So, it was noticed that Rs.500.00 collected vide receipt No. 4260 has been twice to the DCR and also to the Cashier's Cash Book due to the mistake of the Cashier as a result of which Rs.500.00 has been credited to the municipal fund excess than the amount due. In other word due to mistake the Cashier has sustained a loss of Rs.500.00 which needs to be refunded to him on proper acknowledgement.

No reply was furnished by the local authority in connection to this objection. However, the Executive Officer is suggested to refund Rs.500.00 to Sri Hema Chandra Meher and report compliance at the time of Exit Conference.

#### 14.3 - Illegal payment towards architectural fees POM page No. 113 and 114, dated 09.12.2015-

On scrutiny of voucher No.736, dated 29.11.2014 of Accountant Cash Book, it was noticed that a sum of Rs.92930.00 has been paid to 3D Vision, Bhubaneswar towards architectural fees for proposed Kalyan Mandap at Bargarh. On scrutiny of invoice No.12013/Br/012 dated 28.11.2014 submitted by ASmruti Snigdha Sahani, Architect, 3D Vision, Bhubaneswar the following fact was revealed.

Project Cost	5134000.00
Architectural fees @ 3.14 % of the project cost	161207.60
Service Tax @ 12.36 %	19925.26
Total	181132.86
Payment received (Vide voucher No.860, dt. 27.03.2014 of Accountant Cash Book)	88203.00
Balance amount due for payment	92929.86 or say 92930.00

The council resolution resolving to engage architect for design of Kalyan Mandap and bus stand may be produced to audit for necessary verification.

The agreement executed between the municipality and the architect may also be produced to audit for necessary verification.

Although the architect has claimed and paid Rs.19925.26 towards service tax @ 12.36 %, the invoice submitted by him does not exhibit the service tax registration number. Further, the service tax clearance of the firm for the last year i.e. for the year 2013-14 has not been enclosed with the invoice. So, it appears that neither the firm has service tax registration number nor has obtained service tax clearance for the year 2013-14 from the competent authority. So, the service tax amounting to Rs.19925.26 or say Rs.19925.00 paid to him is considered as a loss to the municipality as well as to the government. The Accountant, at the time of checking of bill and the Executive Officer, before passing the bill for payment had to ensure the service tax registration number of the firm and the service tax clearance certificate for the financial year 2013-14. So, due to the lapse of the Accountant and the Executive Officer, Rs.19925.00 has been paid to the firm illegally. So, Rs.19925.00 needs recovery.

Further, the income tax @ 2 % has not been deducted at source from the firm. As per the provision of Income Tax, income tax @ 2% is to be deducted from the bill of the firm. The firm has to file income tax return on each quarter of the financial year. The invoice submitted by the firm has neither been supported with income tax clearance certificate of the last quarter nor the PAN card number of the firm. So, it appears that the firm is not paying income tax to the Income Tax Department. So, income tax @ 2% of the architectural fees of Rs.161207.60 or say Rs.161208.00 amounting to Rs.3224.00 was due for deduction from the invoice/bill of the firm. Due to non-deduction of income tax from the invoice/bill of the firm, the municipality as well as the government has sustained a loss of Rs.3224.00. The Accountant, at the time of checking of bill and the Executive Officer, before passing the bill for payment had to ensure the PAN number of the firm and the income tax clearance certificate for the last quarter. So, due to the lapse of the Accountant and the Executive Officer, Rs.3224.00 has not been deducted from the invoice/bill of the firm, which is a source of profit to the firm. In other word, the municipality as well as the government has sustained a loss of Rs.3224.00. So, Rs.3224.00 needs recovery.

Further, it was revealed from voucher No.859, dated 27.03.2014 of the Accountant Cash Book that a sum of Rs.12300.00 was paid to the firm towards TA, DA and lodging for visit of the town hall and bus stand against the invoice No.12013, dated 20.03.2014 of the firm. There is no provision to pay such TA, DA and lodging charges to an architect. There is no council resolution in support of the payment. The architectural fees include all costs. So, the payment made in this score is completely illegal and cannot be admitted in audit point of view. So, Rs.12300.00 paid in connection with TA, DA and lodging charges of the architect is considered as a loss to the municipal fund. The Accountant had not objected the bill; the Executive Officer had passed the bill for payment. Hence, Rs.12300.00 needs recovery.



So, Rs.35449.00 i.e. (Rs.19925.00 + Rs.3224.00 + Rs.12300.00) needs recovery from the Accountant and the Executive Officer, for whose lapses the illegal payment was made to the firm. Hence, Rs.35549.00 is suggested for recovery from the following official(s).

No reply was furnished by the local authority in response to POM page No.113 and 114, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.35549.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	17725.00
2	SRI CHAINYA SAHU	EX-ACCOUNTANT	BARGARH MUNICIPALITY, PRESENTLY HEAD ASSISTANT, BARGARH MUNICIPALITY, AT,PO-BARGARH, DISTRICT-BARGARH	6150.00
3	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	11574.00

**14.4 - Payment of royalty with the incompetent revenue authority POM page No. 125, dated 09.12.2015-**

On scrutiny of voucher No.55, dated 31.03.2015 of Road Development Cash Book it was noticed that Rs.1212133.00 was paid to the Tahasildar, Bijepur towards payment of royalty for the period from 01.04.2014 to 24.03.2015. Bargarh Municipality comes under the territorial revenue jurisdiction of Bargarh Tahasil. So, the royalty deducted from the work bills are due for payment to the Tahasildar, Bargarh. Tahasildar, Bargarh Tahasil is the competent authority with whom the royalty of the Bargarh municipality is due for deposit. Bargarh Municipality does not come under the territorial revenue jurisdiction of Bijepur Tahasil. So, the payment of royalty to the Tahasildar, Bijepur Tahasil is not justified and as such not admissible from audit point of view.

However, on scrutiny of T.D.S Register of the municipality it was seen that the Collector, Bargarh had intimated the Executive Officer to deposit the royalty with the Tahasildar, Bijepur. The Collector, Bargarh has approved the notes of the Executive Officer to deposit the royalty with the Tahasildar, BijepurTahsil. The Collector is the apex revenue authority of the district. Being the apex revenue authority of the district, he should not pass such an arbitrary order. Bargarh Municipality comes under the territorial revenue jurisdiction of Bargarh Tahasil. So, the royalty deducted from the work bills are due for payment to the Tahasildar, Bargarh. Had the Executive Officer, Bargarh Municipality deposited royalty with the Tahasildar, Bargarh Tahasil monthly, embarrassing situation would not have arisen. So, the Executive Officer is suggested to deposit royalty with the Tahasildar, Bargarh at the end of each month regularly and compliance reported to audit.

POM page No. 125, dated 09.12.2015 issued on this score remained unanswered. However, the local authority is suggested to regularize the irregularity. Till then Rs.1212133.00 is kept under objection. The local authority is further suggested to deposit royalty with the Tahasildar, Bargarh at the end of each month regularly and compliance reported to audit.

**14.5 - Inadmissible payment of Conveyance Allowance POM page No. 142 and 143, dated 10.12.2015-**

On verification of collection No. IX, file No.145/2015 (Conveyance Allowance of Municipal Employees) it was seen that on the application of Sri Ranjan Kumar Mallick, working as Street Light Supervisor since 26.08.2012 by virtue of office order No.1684, dated 26.08.2012, sanction was accorded on 12.11.2012 vide sanction order No.2941/BMC, dated 12.11.2012 for payment of Conveyance Allowance @ Rs.175.00 per month in favour of Sri Ranjan Kumar Mallick, OTC assigned to work as Street Light Supervisor with effect from 01.08.2012. The sanction was made on the basis of the council resolution No.12 (para-9), dated 12.11.2012. Accordingly proposal for sanction of conveyance allowance in favour of

Sri Mallick was sent to the Director, Municipal Administration vide letter No.3181, dated 07.12.2012 of the Municipality. The Deputy Secretary to Government in H & U.D. Department in their letter No.35700/HUD, dated 29.12.2012 requested the Executive Officer to furnish the proposal with proper justification indicating the rules/provision in support of the proposal for sanction of conveyance allowance. As requested by the Deputy Secretary, the proposal with proper justification indicating the rules/provision in support of the proposal for sanction of conveyance allowance was not sent to the H & U.D. Department. As such sanction was not accorded by the H & U.D. Department for payment of conveyance allowance in favour of Sri Mallick. Meanwhile the council in their resolution No. 4(54), dated 11.01.2013 enhanced the conveyance allowance from Rs.175.00 to Rs.500.00 in favour of Sri Mallick with effect from 01.01.2013. As per letter No.9933/HUD, dated 19.05.2004, the sanction of conveyance allowance is subject to the council resolution subject to the approval of D.M.A. In this instant case, there is council resolution, but the DMA has not accorded his sanction. So, sanction and payment of conveyance allowance in favour of Sri Mallick appears to be illegal and unjustified and as such cannot be admitted in audit point of view.

It was revealed from the pay acquaintance roll of Sri Mallick that he has been paid Rs.14375.00 as detailed below towards conveyance allowance from 01.08.2012 to 31.03.2015, which is contrary to the law and as such a loss to the municipality. Hence, Rs.14375.00 needs recovery from the person responsible.

Period for which payment was made	Rate of C.A. per month	Amount paid
01.08.2012 to 12.12.2012 (5 months)	175.00	875.00
01.01.2013 to 31.03.2015 (27 months)	500.00	13500.00
<b>Total</b>		<b>14375.00</b>

POM page No.142 and 143, dated 10.12.2015 was issued in this regard. The local authority furnished no reply. So, the objection raised by audit stands on its own merit. Hence, Rs.14375.00 is suggested for recovery from Sri Ranjan Kumar Mallick, OTC.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SRI RANJAN KUMAR MALLICK	O.T.C.	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	14375.00

**14.6 - Staff Position POM page No.49, dated 29.10.2015-**

The staff position could not be furnished since the local authority could not furnish the staff position on requisition by audit vide POM page No.49, dated 29.10.2015. However, the local authority is suggested to furnish the staff position at the time of Exit Conference.

**14.7 - Preparation of detailed statement of all permanent posts POM page No. 50 and 51, dated 30.10.2015-**

As per Rule 419 of the Odisha Municipal Rules, 1953, the Executive Officer shall early in April each year, prepare a detailed statement of all permanent posts under the Council existing on the 1st April.

POM page No. 50 and 51, dated 30.10.2015 was issued to the local authority to intimate whether the Executive Officer has prepared the detailed statement or not. He was further requested to produce the said statement, if prepared and explain the reason for non-preparation, if not prepared. But, the POM remained unanswered. So, the preparation of the said statement could not be ascertained. However, the local authority is intimate the fact at the time of Exit Conference.

**14.8 - Irregular appointment of retired employees POM page No. 50 and 51, dated 30.10.2015-**

As per Rule 408(2) of the Odisha Municipal Rules, 1953, no retired employee either from Government service or from any other service shall be appointed either on whole time basis or on part time basis under a Council or Committee of a Municipality without the prior permission of Government.

POM page No. 50 and 51, dated 30.10.2015 was issued to the local authority to intimate whether any retired employee either from Government service or from any other service has been appointed on whole time basis or on part time basis under the council or any committee of the municipality without the prior permission of Government during the financial year 2014-15. No reply was furnished to audit. However, it was ascertained from records that no payment has been made to any retired employ towards re-engagement. However, the local authority is intimate the fact at the time of Exit Conference.

**14.9 - Sanction of deputation of Government Servants to other Governments and on Foreign Service POM page No. 50 and 51, dated 30.10.2015-**

As per letter No.-C.S.II-8/2011-12593/F, dt.28.03.2011, extension of deputation beyond ten years shall not be allowed in any case and where the foreign body request to avail of the services of the concerned deputation beyond ten years, Government may agree to spare his services on his permanent absorption in the foreign body obtaining consent of the Government Servant concerned for such permanent absorption. Where the Government Servant is not willing to be permanently absorbed, he shall be reverted back to his service under Government on expiry of the term of his deputation.

POM page No. 50 and 51, dated 30.10.2015 was issued to the local authority to intimate whether there are any such cases where any employee is continuing in the municipality on deputation for more than ten years on foreign service without being absorbed permanently in the ULB cadre or reverted back to his/her original cadre. No reply was furnished by the local authority. So, the fact could not be ascertained. However, the local authority is intimate the fact at the time of Exit Conference.

**14.10 - In-admissible payment of T.I. temporary increase to the Family Pensioner employed under rehabilitation assistance scheme POM page No. 50 and 51, dated 30.10.2015-**

POM page No. 50 and 51, dated 30.10.2015 was issued to the local authority to intimate whether any employee employed under rehabilitation scheme is drawing his/her usual salary (Pay + DA) along with Family Pension and T.I. No reply was furnished to audit. So, the fact could not be ascertained. However, the local authority is intimate the fact at the time of Exit Conference.

**14.11 - Inadmissible payment of medical allowance to the municipal staff POM page No. 50 and 51, dated 30.10.2015-**

As per letter No.-14965/H&UD, dt.27.05.2008, the staff salary of municipal staff cannot be more than that of State Government employees. As there is no provision to pay medical allowance to the state Government employees, payment of medical allowance to the municipal staff is not genuine and is a loss to the municipal fund.

POM page No. 50 and 51, dated 30.10.2015 was issued to the local authority to intimate whether any municipal employee has been paid medical allowance during the financial year 2014-15. The local authority was requested to furnish the detail of such payment, if paid. But, no reply was furnished to audit. So, the fact could not be ascertained. However, the local authority is intimate the fact at the time of Exit Conference.

**14.12 - Engagement of CLRs/DLRs/NMRs appointed after dt.19.05.1997 without Government approval POM page No. 52, dated 30.10.2015-**

As per provision contained in Section-73(1) of the Odisha Municipal Act, 1950, every municipality, with the previous sanction of the State Government may engage CLR/DLR/NMR. Further, as per provisions of Section 73 (2) of the Act, the Municipality may, in the case of emergency, make provisions for temporary employment of employees for a period not exceeding 44 days.

Section 73-A (2) stipulates that the pay and allowances paid to the person whose appointment is in contravention of the provisions of this Act shall be deemed to be an illegal payment and a loss to the Municipality and the same shall be recoverable by surcharging it under the Odisha Local Fund Audit Act, 1948, against such holder of elective office, officer or authority who makes such appointment.

Circular No.-MIS-129/2000/360511H&UD, dtd.15.12.2000:- D.L.R./N.M.R.s engaged after 19.5.97 may be disengaged forthwith.

On issue of POM page No. 52, dated 30.10.2015, the local authority was requested to intimate whether any such appointment has been made by the municipality and furnish the detail of such appointment and payment made during the year 2014-15. The local authority could not furnish any information. However, audit check reveals that a sum of Rs.2896825.00 was paid during the financial year 2014-15 towards wages of DLR/NMR/CLR. The reason for such illegal payment was not intimated to audit. Since, the payment was made in contravention to the above cited instruction; payment of Rs.2896825.00 cannot be admitted in audit. Hence, Rs.2896825.00 is held under objection.

#### **14.13 - Position of Government quarters POM page No. 53 and 54, dated 31.10.2015-**

The number of quarters of the municipality along with the list of occupants since 01.04.2014, quantum of house rent received from the occupants was not intimated to audit in spite of audit query vide POM page No. 53 and 54, dated 31.10.2015. However, the local authority is suggested to furnish the said information at the time of Exit Conference.

#### **14.14 - Position of Cluster Houses/municipal quarters occupied by employees other than municipal employees POM page No. 53 and 54, dated 31.10.2015-**

On issue of POM page No. 53 and 54, dated 31.10.2015, the following queries were made to the local authority, who failed to furnish any reply.

Whether there is any cluster houses/municipal quarters occupied by employees other than municipal employees?

Whether any house rent has been collected from the occupants of these quarters?

If yes, then furnish the number of cluster houses/municipal quarters occupied by employees other than municipal employees with list of occupants since 01.04.2014 together with the amount of house rent collected during the financial year 2014-15.

Due to non-submission of information, the fact cannot be ascertained. However, the local authority is suggested to furnish the said information at the time of Exit Conference.

#### **14.15 - Condition of municipal quarters POM page No. 53 and 54, dated 31.10.2015-**

How many municipal quarters are habitable and how many municipal quarters are not habitable due to damages, dilapidated condition etc.?

If any municipal quarter is/are not in a habitable condition due to damages, dilapidated condition etc., then whether the fact has been discussed in the council for its repair?

The above queries were made to the local authority made to the local authority on issue of POM page No. 53 and 54, dated 31.10.2015, who failed to furnish any reply. Due to non-submission of information, the fact cannot be ascertained. However, the local authority is suggested to furnish the said information at the time of Exit Conference.

#### **14.16 - Receipt of HRA POM page No. 53 and 54, dated 31.10.2015-**

On issue of POM page No. 53 and 54, dated 31.10.2015, the local authority was requested to intimate whether any employee of this municipality is residing in municipal quarter and getting house rent allowance simultaneously. No reply was furnished by the local authority. So, the fact cannot be ascertained. However, the local authority is suggested to furnish the said information at the time of Exit Conference.

**14.17 - Information on outstanding GIS, Gratuities, Unutilized Leave Salary, Final Pension etc. of retired LFS and Non-LFS employees POM page No.97, dated 02.12.2015-**

POM page No. 97, dated 02.12.2015 was issued to the local authority to intimate the amount of outstanding GIS, Gratuities, Unutilized Leave Salary, Final Pension etc. of retired LFS and Non-LFS employees payable to them as on 31.03.2015. But, the information was not furnished by the local authority. However, the local authority is suggested to furnish the information at the time of Exit Conference.

**14.18 - Non-compliance to the orders of the APFC, Rourkela regarding deposit of EPF contribution POM page No. 117 and 118, dated 09.12.2015-**

On verification of deposits and withdrawal of bank account No.11042670237, SBI, Current account it was seen that Rs.3673832.00 was withdrawn from the bank passbook on dt.12.12.2014. On scrutiny of the passbook it was revealed that the said amount was transferred to account No.0098585000255, EFCO, RKL. The withdrawal of money from bank has not been exhibited as expenditure in any cash book.

On further verification of EPF file, it was seen that the Assistant Provident Fund Commissioner (APFC), Sub-Regional Office, Rourkela has passed an order on dated 16.07.2014 under section- 7A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 for determination of dues from 1/2011 to 5/2013 in respect of M/s Bargarh Municipality, OR/9780. In his impugned order, the Assistant Provident Fund Commissioner has determined an amount of Rs.3673832.00 due from Bargarh Municipality on account of Employees' Provident Fund contribution, Employees' Pension Fund Contribution, Employees' Deposit Linked Insurance Contribution and Administrative charges for the period from 01/2011 to 05/2013. He has further ordered to pay the aforesaid amount within 15 days from the date of receipt of the order and the copy of ECR (Electronic Challan Receipt) was to be produced before the APFC failing which the same shall be recovered in the manner prescribed in section 8B to 8G of the Act. Further, it was order that the employer is liable to pay the interest @ 12% per annum under section 7Q from the date of due to the actual date of deposit.

The municipality failed to comply the order of the APFC. Then, the APFC, Rourkela in their letter No.SR/RKL/CC-V/OR/9780/3361, dated 04.12.2014 ordered the Branch Manager, State Bank of India, Main Branch Bargarh under section 8F of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to pay the aforesaid amount from the Account No.11042670237, SBI, Bargarh to be credited in favour of the Regional Provident Fund Commissioner, Rourkela within 7 days from the date of receipt of the order.

The Branch Manager, State Bank of India, Main Branch, Bargarh in their letter No.BR/GEN/NO.57, dated 10.12.2014 advised the Executive Officer to arrange to vacate the demand order of the APFC, Rourkela and obtain NDC from EPFO, Rourkela failing which the bank will be compelled to deduct the above amount from the account of Bargarh Municipality and deposit with EPFO, Rourkela.

The Executive Officer failed to comply the advice of the Branch Manager. So, the Branch Manager, State Bank of India, Main Branch in their letter No. BR/GEN/NO.57/216, dated 12.12.2014 intimated the Executive Officer that the Enforcement Officer (EPFO), Dist. Office, Sambalpur had visited the bank on 12.12.2014 and requested to make good the demanded amount as desired by them vide their letter No. SRO/RKL/CC-V/OR/9780/3361, dated 04.12.2014. Accordingly the bank made payment of Rs.3673832.00 to EPFO, Rourkela deducting the current Account No. 11042670237 of Bargarh Municipality.

So, from the foregoing discussions it appears that the Executive Officer, Bargarh Municipality is careless enough to comply the order of the Assistant Provident Fund Commissioner (APFC), Sub-Regional Office, Rourkela and the Branch Manager, State Bank of India, Main Branch, Bargarh. Non-compliance of such orders is not at all expected from a responsible officer dealing with the funds of the employees. Hence, the Executive Officer is warned to be very much careful for compliance of the orders of the EPFO.

Further, as per order of the APEC, Rourkela whether the employer has paid the interest @ 12% per annum under section 7Q from the date of due to the actual date of deposit may be reported to audit.

Since the amount of Rs.3673832.00 has been deposited with EPFO, Rourkela towards EPF contribution, the amount may be charged as expenditure in the cash book and compliance reported to audit.

No reason was attributed by the Executive Officer for such lapses. However, he is suggested to be more careful to carry out the orders of the EPF Commission promptly so as to avoid litigation and complicacies. The local authority is further suggested to charge Rs.3673832.00 expenditure in the cash book to regularize the differences and report compliance at the time of Exit Conference.

**14.19 - Non-compliance to the orders of the APFC, Rourkela regarding deposit of EPF contribution POM page No. 119, dated 09.12.2015-**

On verification of the EPF file it was noticed that the Regional Provident Fund Commissioner, Sub-Regional Office, Rourkela in their letter No. SRO/RKL/COMPLIANCE/OR/9780/DSC/606, date 07.07.2014 had served a show cause for prosecution to Bargarh Municipality for failure in submission of statutory returns/records with regard to Digital Signature Certificate despite clear provisions under sub-para 7 of para 36 of the Employees' Provident Scheme, 1952 within the specified date i.e. 30.06.14. Non-submission of returns is an offence punishable under para 76(B) of Employees' Provident Scheme, 1952/para-42(B) of Employee's Pension Scheme, 1995/para-29(B) of Employees' Deposit Linked Insurance Scheme, 1976 read with section-14/14-A of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Under the provision of the act the employer shall be liable for various penal actions and punishable with imprisonment which may extend to one year or with fine which may extend to Rs.4000.00 or with both.

From this it is evident that the Executive Officer is not careful enough to comply the provisions of EPF. He is suggested to be more careful in respect of provisions of EPF in future.

No reason was attributed by the Executive Officer for such lapses. However, he is suggested to be more careful to carry out the orders of the EPF Commission promptly so as to avoid litigation and complications.

**14.20 - Late deposit of EPF contribution leading to loss of interest of the employees POM page No. 120 and 121, dated 09.12.2015-**

On verification of EPF file with reference to Accountant Cash Book and paid vouchers, it was noticed that EPF deducted from the pay bills of the employees are deposited as detailed below:-

Dues for the month of	Employer's share of contribution	Employee's share of contribution	Admin charges	Total	Date of deposit	Vr. No. & Date of deposit
January, 14	120080.00	115277.00	10662.00	246019.00	11.07.14	311/10.07.14
February, 14	119517.00	114737.00	10612.00	244866.00	11.07.14	312/10.07.14
March, 14	119819.00	115027.00	10639.00	245485.00	11.07.14	313/10.07.14
April, 14	119819.00	115027.00	10639.00	245485.00	11.07.14	314/10.07.14
May, 14	119819.00	115027.00	10639.00	245485.00	11.07.14	315/10.07.14
June, 14	115470.00	110980.00	10262.00	236712.00	15.05.15	86/12.05.15
July, 14	116440.00	111911.00	10349.00	238700.00	15.05.15	87/12.05.15
August, 14	117958.00	113370.00	10483.00	241811.00	15.05.15	88/12.05.15
Sept, 14	115758.00	111129.00	10279.00	237166.00	15.05.15	89/12.05.15
Oct, 14	116722.00	112055.00	10364.00	239141.00	15.05.15	90/12.05.15
Nov, 14	115580.00	110958.00	10262.00	236800.00	15.05.15	91/12.05.15
Dec, 14	118538.00	113798.00	10525.00	242861.00	15.05.15	92/12.05.15
Jan, 15	116928.00	112252.00	8150.00	237330.00	15.05.15	93/12.05.15
Feb, 15	113229.00	108701.00	7899.00	229829.00	15.05.15	94/12.05.15
<b>TOTAL</b>	<b>1645677.00</b>	<b>1580249.00</b>	<b>141764.00</b>	<b>3367690.00</b>		

From the above table it would be seen that the EPF contribution of the employees together with the employer's contribution for the month of January, 14 to February, 2015 (14 months) total amounting to Rs.3367690.00 was deposited to the Employee's Provident Fund Organization, Rourkela at a very belated time. The EPF contribution of the employees together with the employer's contribution for the month of June, 14 to February, 2015 (9 months) total amounting to Rs.2140350.00 was deposited to the Employee's Provident Fund Organization, Rourkela during the financial year 2015-16 i.e. on dt.15.05.2015. The salaries of the employees are paid regularly. But EPF contributions of the employees together with the employer's contribution are not deposited timely. Due to late deposit of EPF contribution, the employees contributing the EPF contribution are losing interest on their EPF investment. The employer is liable to pay the interest @ 12% per annum under section 7Q of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 from the date of due for deposit of EPF contribution to the actual date of deposit.

If any complications arise in future regarding the loss of interest of the employees or any employee claim for refund of interest lost, why not the Executive Officer will be held personally responsible may be explained and compliance reported to audit.

Further, the Executive Officer is suggested to deposit the EPF contribution of the employees together with the employer's share timely and

regularly.

No reason was attributed by the Executive Officer for such lapses. However, he is suggested to be more careful to deposit the EPF contributions timely and promptly so as to avoid litigation in future.

**PARA: 15 AUDIT ON WORKS**

**15.1 - Para No.15.1- Persistent irregularities noticed in works account POM page No. 140 and 141, dated 10.12.2015-**

The following irregularities are noticed in common during checking the work case records as procedural defects. The points are consisting of basic elements of records maintenance in context of execution of work which should be kept in view of the payment procedural process to avoid mess up of irregularities. The Local authority is recommended to take sincere effort to minimize these lapses by way of strengthening checking mechanism. Introduction of check list in this context is an alternative solution to check the increasing phenomenon of irregularities. The Junior Engineer, Municipal Engineer and Executive Officer are suggested to go through these irregularities and refrain from such irregularities.

- (a) Irregular deduction and retention of Withheld in huge quantity from work bills without any valid reason should be discouraged.
- (b) Sanction order of every project which is essential are not attached to case records.
- (c) Approved lead statement along with approved query chart is not attached to case records. (d) Pre-measurement was not taken prior to execution of work.
- (e) Work register not maintained properly, which is quite essential to watch proper utilization of fund, progress and completion of work.
- (f) Most of the works are not completed in stipulated time.
- (g) Completion certificate in respect of the completed project are not furnished in each case record.
- (h) Asset Register not maintained.
- (i) Sketch Map of land and proper identification of beneficiary are not attached to IHSDP case records.
- (j) Details of land scheduled are not furnished in case records.
- (k) Photographs of site before execution of work are not attached in most of the case records.
- (l) Photographs of transparency board are not available in most of the projects.
- (m) Preliminary investigation reports are not available along with plan and estimated.
- (n) The head of account, date of commencement of work, date of completion of work, date of measurement have not been mentioned in the measurement book.
- (o) At the time of measurement of road, average measurement of breadth should be taken. The breadth of the road from the initial point of the measurement to the last point of each measurement should be measured and exactly and accordingly average measurement of breadth should be recorded in the measurement. This procedure has not been followed at all.
- (p) Overwriting, uses of whitener etc. are noticed in measurement book. Overwriting, uses of whitener etc. are prohibited in measurement book. The wrong entry may be corrected by putting a line across the wrong entry and making a correct entry above the wrong entry with initial of the person having done such correction.
- (q) All works of municipality are executed through tender process. Completion of work within the prescribed time as per agreement should be strictly ensured.
- (r) Advance should not ordinarily be granted to contractors except surety of materials brought to the work site. Advance to the contractors should be discouraged.

POM page No. 140 and 141, dated 10.12.2015 was issued to the local authority suggesting him to be more careful so that the works account of the Municipality will be free from such persistent irregularities in future.



**15.2 - Para No.15.2- Loss to Municipal fund due to excess payment in work bill POM page No.64, dated 02.11.2015-**

Name of the work: - Construction of CC road and drain from Private Bus Stand to Kapoor House Ward No.11.

Estimated cost: - Rs.359000.00

Agreement value: - Rs.351187.00

Head of account: - 13<sup>th</sup> FCA 2013-14

Agency/Executant: - Sri Amit Kumar Bhoi, Contractor

Name of the JE: - Smt. Prangya Parimita Panigrahi

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO: - Sri Dillip Kumar Mohanty

Voucher No.23/19.09.2014 Rs.292391.00 (Net amount Rs.254090.00) Ist R/A

MB No.11/2013, MB page No.113 to 121.

On checking of the above case record w.r.to M.B. and other relevant record, it was noticed that first running bill gross amounting to Rs.287291.05 or say Rs.287291.00 was submitted by the JE for payment. But, the gross amount of the bill was passed for Rs.292391.00 by the account section as a result of which Rs.5100.00 i.e. (Rs.292391.00 – Rs.287291.00) was excess paid to the executant. So, this municipality has sustained a loss of Rs.5100.00 which needs recovery from the person(s) responsible for such excess payment and credit pointed out to audit.

No reply was furnished by the local authority in response to POM page No.64, dated 02.11.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.5100.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	2550.00
2	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	2550.00

**15.3 - Loss to Municipal fund due to less deduction of VAT POM page No.65, dated 02.11.2015-**

Name of the work: - Construction of CC road from Jhasketan house to back side of Ramu Mill boundary Ward No.01

Estimated cost: - Rs.364000.00

Agreement value: - Rs.355950.00

Head of account: - 13<sup>th</sup> FCA 2013-14

Agency/Executant: - Sri Raja Suna, Contractor



Name of the JE: - Smt. Prangya Parimita Panigrahi

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO: - Sri Dillip Kumar Mohanty

Voucher No.26/19.02.2015 Rs.320309.00 (Net amount Rs.283209.00) Ist R/A

MB No.05/2013, MB page No.112 to 118.

On checking of the above case record w.r.to M.B. and other relevant record, it was noticed that Rs.10016.00 has been deducted towards VAT. But, the VAT due for deduction is Rs.16015.45 or say Rs.16015.00 i.e. (5 per cent of gross bill amounting to Rs.320309.00). As a result of this Rs.5999.00 i.e. (Rs.16015.00 – Rs.10016.00) was excess paid to the executant. So, this municipality has sustained a loss of Rs.5999.00 which needs recovery from the person(s) responsible for such excess payment and credit pointed out to audit.

No reply was furnished by the local authority in response to POM page No.65, dated 02.11.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.5999.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sino	Name	Designation	Adress	Amount(In Rs:)
1	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	2000.00
2	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	2000.00
3	SMT. PRANGYA PARIMITA PANIGRAHI	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	1999.00

**15.4 - Loss of revenue due to less deduction of VAT in work bill POM page No.88, dated 01.12.2015-**

Name of the work: - Construction of CC road from Kamal Debta house to Pradip Pradhan house at Ward No.10.

Estimated cost: - Rs.349300.00

Agreement value: - Rs.345331.00

Head of account: - BRGF

Agency/Executant: - Smt. Kabita Sahu, Contractor

Name of the JE: - Aruna Manjari Singh, GPTA

Name of the ME:- Sri Ramachandra Nayak

Name of the EO: - Sri Dillip Kumar Mohanty

Voucher No.31/12.09.2014 (BRGF) Rs.342241.00 (Net amount Rs.295887.00) Ist R/A

MB No.2/2014, MB page No.63 to 66.

On checking of the above case record w.r.to M.B. and other relevant record, it was noticed that the gross amount of the bill was Rs.342241.00. So, VAT @5% on the gross bill of Rs.342241.00 amounting to Rs.17112.00 was due for deduction from the work bill. But, Rs.16945.00 was

deducted from work bill towards VAT. Due to less deduction of VAT amounting to Rs.167.00 i.e. (Rs.17112.00 – Rs.16945.00) the contractor has been paid Rs.167.00 excess than the amount due. Further, due to less deduction of VAT the govt. is deprived of the tax he ought to get. Hence, why not Rs.167.00 will be recovered from the official(s) responsible for such loss of revenue may be explained to audit.

No reply was furnished by the local authority in response to POM page No.88, dated 01.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.167.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs.)
1	SMT. ARUNA MANJARI SINGH	EX-JUNIOR ENGINEER	BARGARH MUNICIPALITY, PRESENTLY JUNIOR ENGINEER, BARGARH PANCHAYAT SAMITI, AT, PO- BARGARH, DISTRICT- BARGARH	55.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	56.00
3	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT, PO- PARADIP, DISTRICT- JAGATSINGHPUR	56.00

**15.5 - Loss of municipal fund amounting to Rs.1194.00 due to excess payment in work bill POM page No. 86 and 87, dated 01.12.2015-**

Name of the work: - Construction of CC road from ADB to house of Bulu Pattanaik at Ward No.16.

Estimated cost: - Rs.294000.00

Agreement value: - Rs.287698.00

Head of account: - Municipal fund

Agency/Executant: - Sri Pradeep Seth, Contractor

Name of the JE: - Smt. Prangya Parimita Panigrahi

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO: - Sri Dillip Kumar Mohanty

Voucher No.163/27.05.2014 (BRGF) Rs.227484.00 (Net amount Rs.199770.00) Ist R/A

MB No.19/2013, MB page No.78 to 84.

On checking of the above case record w.r.to M.B. and other relevant record, it was noticed that a sum of Rs.1194.00 as detailed below was excess paid to the executant due to calculation mistake in item No.1 i.e. earthwork in hard soil or gravel soil within 50 M. initial lead and 1.50 M. initial lift including all cost.

No.	Length	Breadth	Height	Quantity executed
1	19.6	4.9	0.15	14.40
1	6.4	2.7	0.15	2.59
1	25.3	3.1	0.15	11.76
1	24.0	3.0	0.15	10.80
1	7	2.3	0.15	2.41

Total quantity executed as per audit	41.96
Total quantity allowed	58.06
Excess quantity allowed	16.10
Unit cost of earthwork	74.16
Amount excess allowed and paid	1193.97 or say 1194.00

Due to wrong calculation Rs.1194.00 has been paid to the executant than the amount actually due, which is a loss to the municipal fund. Hence, why not Rs.1194.00 will be recovered the official(s) responsible for such excess payment may be explained to audit.

No reply was furnished by the local authority in response to POM page No.86 and 87, dated 01.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.1194.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SMT. PRANGYA PARIMITA PANIGRAHI	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	298.00
2	SRI AJAYA KUMAR SAHA	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	299.00
3	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	298.00
4	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT, PO- PARADIP, DISTRICT- JAGATSINGHPUR	299.00

**15.6 - Loss of revenue to the tune of Rs.12391.00 due to non-deduction of VAT, Labour Cess and Income Tax POM page No.94, dated 01.12.2015-**

Name of the work: - Construction of CC road drain and garbage bin at Bargachpada Ward No. 1 under IHSDP scheme.

Estimated Cost: - Rs.239481.00

Agreement value: - Rs.237517.00

Head of account: - IHSDP

Agency/Executant: - Sri Tapan Kumar Surujal, Contractor

Name of the JE: - Sri Bhabani Shankar Prusty, JE

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO: - Sri Dillip Kumar Mohanty

Voucher No.65/29.12.2014 (IHSDP) Rs.228371.00 (Net amount Rs.215623.00) Ist R/A

MB No.24 /2011, MB page No.188 to 192.

On checking of the above case record w.r.to M.B. and other relevant record, it was noticed that a sum of 15986.00 as detailed below was due for deduction from the work bill, but not deducted from the work bill which resulted in loss of revenue.

Gross Amount of the bill	228371.00
VAT @ 5 per cent due for deduction	11418.00
Labour Cess @ 1 per cent due for deduction	2284.00
Income Tax @ 1 per cent due for deduction	2284.00
Total amount due for deduction	15986.00

Due to non-deduction of VAT, Labour Cess and Income Tax from the work bill, the government has sustained loss of revenue to the tune of Rs.15986.00. In other word, the executant has been paid excess amount in work bill to the tune of Rs.15986.00. So, Rs.15986.00 needs recovery from the executant.

No reply was furnished by the local authority in response to POM page No.94, dated 01.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.15986.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SRI BHABANI SHANKAR PRUSTY	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	5328.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	5329.00
3	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	5329.00

**15.7 - Loss of revenue to the tune of Rs.12391.00 due to non-deduction of VAT, Labour Cess and Income Tax POM page No.95, dated 01.12.2015-**

Name of the work: - Construction of CC road drain and garbage bin at Tangar Tikra Ward No. 1 under IHSDP scheme.

Estimated Cost: - Rs.307138.00

Agreement value: - Rs.304897.00

Head of account: - IHSDP

Agency/Executant: - Sri Tapan Kumar Surujal, Contractor

Name of the JE: - Sri Bhabani Shankar Prusty, JE

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO: - Sri Dillip Kumar Mohanty

Voucher No.81/29.01.2015 (IHSDP) Rs.177022.00 (Net amount Rs.167177.00) Ist R/A

MB No.15/2012, MB page No.197 to 200.

On checking of the above case record w.r.to M.B. and other relevant record, it was noticed that a sum of 12391.00 as detailed below was due for deduction from the work bill, but not deducted from the work bill which resulted in loss of revenue.

Gross Amount of the bill	177022.00
VAT @ 5 per cent due for deduction	8851.00

Labour Cess @ 1 per cent due for deduction	1770.00
Income Tax @ 1 per cent due for deduction	1770.00
Total amount due for deduction	12391.00

Due to non-deduction of VAT, Labour Cess and Income Tax from the work bill, the government has sustained loss of revenue to the tune of Rs.12391.00. In other word, the executant has been paid excess amount in work bill to the tune of Rs.12391.00. So, Rs.12391.00 needs recovery from the executant.

No reply was furnished by the local authority in response to POM page No.95, dated 01.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.12391.00 is suggested for recovery from the following officials.

## Responsible Person for this paragraph

Sino	Name	Designation	Adress	Amount(In Rs:)
1	SRI BHABANI SHANKAR PRUSTY	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	4130.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	4130.00
3	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	4131.00

## 15.8 - Loss to Municipal fund due to excess payment in work bill POM page No.98, dated 09.02.2015-

Name of the work: - Construction of CC drain from Gulap Patel house to Pramod Sahu

Estimated cost: - Rs.500000.00

Agreement value: - Rs.489317.00

Head of account: - BRGF

Agency/Executant:- Sri Hrusikesh Meher, Contractor

Name of the JE:- Smt. Aruna Manjari Singh

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.64/05.12.14 Rs.305570.00 (Net amount Rs.268772.00) 1st R/A, MB No. 2/14, MB page No. 85 to 93.

Voucher No.81/25.02.15 Rs.127024.00 (Net amount Rs.111276.00) 2<sup>nd</sup> R/A, MB No.6/14, MB page No.47 to 60.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.233.00 as detailed below was paid to the executant over and above the quantity of work executed due to calculation error in the measurement book in item No.4 i.e.(CC 1:2:4 with 12 mm size crusher broken hard granite chips)

Quantity of work i.e. CC 1:2:4 executed as per audit	20.06 cum
Quantity of work i.e. CC 1:2:4 executed allowed and paid	20.12 cum
Excess quantity allowed than the quantity actually executed	0.06 cum
Rate per unit of CC 1:2:4	3885.80

Excess amount allowed and paid	233.00
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Due to excess payment of Rs.233.00, the municipality has sustained a loss of Rs.233.00 needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.98, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.233.00 is suggested for recovery from the following officials.

## Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs.)
1	SRI AJAYA KUMAR SAHA	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	58.00
2	SMT. ARUNA MANJARI SINGH	EX-JUNIOR ENGINEER	BARGARH MUNICIPALITY, PRESENTLY JUNIOR ENGINEER, BARGARH PANCHAYAT SAMITI, AT, PO- BARGARH, DISTRICT- BARGARH	58.00
3	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT, PO- PARADIP, DISTRICT- JAGATSINGHPUR	59.00
4	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	58.00

## 15.9 - Loss to Municipal fund due to excess payment in work bill POM page No.99, dated 09.12.2015-

Name of the work: - Construction of CC road and drain from Ajit Mohanty house to Nalia at Ward No.14

Estimated cost: - Rs.400000.00

Agreement value: - Rs.392056.00

Head of account: - BRGF

Agency/Executant: - Sri Antaryami Parida, Contractor

Name of the JE: - Smt. Prangya Parimita Panigrahi

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO: - Sri Dillip Kumar Mohanty

Voucher No.74/28.01.15 (BRGF) Rs.391781.00 (Net amount Rs.340267.00) Ist R/A, MB No. 21/13, MB page No. 86 to 93.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.940.00 as detailed below was paid to the executant over and above the quantity of work executed due to calculation error in the measurement book in item No.3 i.e.(CC 1:4:8 with 14 mm size hard broken granite metal)

Quantity of work executed as per audit	Drain 1 x 71.2 x 0.60 x 0.075	3.2 cum
	Beam 1 x 71.2 x 0.30 x 0.075	1.6 cum
	Road 1 x 71.2 x 3.97 x 0.01	28.26 cum

Road 1 x 25.7 x 3.77 x 0.075	7.26 cum
Road 1 x 11.6 x 3.2 x 0.075	2.78 cum
Total	43.10 cum
Quantity of work executed allowed and paid	43.42 cum
Excess quantity allowed than the quantity actually executed	0.32 cum
Rate per unit	2938.43
Excess amount allowed and paid	Rs.940.00

Due to excess payment of Rs.940.00, the municipality has sustained a loss of Rs.940.00 needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.99, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.940.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SMT. PRANGYA PARIMITA PANIGRAHI	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	235.00
2	SRI AJAYA KUMAR SAHA	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	235.00
3	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT, PO- PARADIP, DISTRICT- JAGATSINGHPUR	235.00
4	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	235.00

**15.10 - Loss to Municipal fund due to less deduction of VAT/OST POM page No.100, dated 09.12.2015-**

Name of the work: - Construction of CC road from Gajananda Patra house to Dillip Sahu up to Sudhansu Kumar Sahu house in Ward No.04

Estimated cost: - Rs.250000.00

Agreement value: -

Head of account: - BRGF

Agency/Executant: - Sri Hrusikesh Meher, Contractor

Name of the JE: - Smt. Aruna Manjari Singh

Name of the ME:- Sri Ram Chandra Nayak

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.65/05.12.14 (BRGF) Rs.244951.00 (Net amount Rs.340267.00) Ist R/A, MB No. 2/14, MB page No. 76 to 84.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.121.00 as detailed below was less deducted towards VAT/OST from the work bill.

Gross amount of the bill	244951.00
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VAT/OST due for deduction from the work bill	12248.00
VAT/OST deducted from the work bill	12127.00
Less VAT/OST deducted from the work bill	121.00

Due to less deduction of VAT/OST, the contractor was paid excess amount of Rs.121.00 than the actual amount due for payment and the municipality has sustained a loss of Rs.121.00 which needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.100, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.121.00 is suggested for recovery from the following officials.

## Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SMT. ARUNA MANJARI SINGH	EX-JUNIOR ENGINEER	BARGARH MUNICIPALITY, PRESENTLY JUNIOR ENGINEER, BARGARH PANCHAYAT SAMITI, AT, PO- BARGARH, DISTRICT- BARGARH	40.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	40.00
3	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO- PARADIP, DISTRICT- JAGATSINGHPUR	41.00

## 15.11 - Loss to Municipal fund due to less deduction of VAT/OST POM page No.101, dated 09.12.2015-

Name of the work: - Construction of CC road from Church boundary wall side to in front of Jaya Durga club at Ward No.6

Estimated cost: - Rs.1150000.00

Agreement value: - Rs.1126624.00

Head of account:- BRGF 2013-14

Agency/Executant:- Sri Hrusikesh Meher, Contractor

Name of the JE:- Smt. Aruna Manjari Singh

Name of the ME:- Sri Ram Chandra Nayak

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.77/19.02.15 (BRGF) Rs.402534.00 (Net amount Rs.349173.00) Ist R/A, MB No. 2/14, MB page No. 94 to 105.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.224.00 as detailed below was less deducted towards VAT/OST from the work bill.

Gross amount of the bill	402534.00
VAT/OST due for deduction from the work bill	20127.00
VAT/OST deducted from the work bill	19903.00
Less VAT/OST deducted from the work bill	224.00



Due to less deduction of VAT/OST, the contractor was paid excess amount of Rs.224.00 than the actual amount due for payment and the municipality has sustained a loss of Rs.224.00 which needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.101, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.224.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SMT. ARUNA MANJARI SINGH	EX-JUNIOR ENGINEER	BARGARH MUNICIPALITY, PRESENTLY JUNIOR ENGINEER, BARGARH PANCHAYAT SAMITI, AT, PO- BARGARH, DISTRICT- BARGARH	74.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	75.00
3	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO- PARADIP, DISTRICT- JAGATSINGHPUR	75.00

**15.12 - Loss to Municipal fund due to less deduction of VAT/OST POM page No.102 and 103, dated 09.12.2015-**

Name of the work: - Construction of CC road and drain from Gujurati Mandir to Das Babu house at Ward No.7

Estimated cost: - Rs.900000.00

Agreement value: - Rs.823619.00

Head of account:- BRGF 2013-14

Agency/Executant:- Sri Tapan Kumar Surujal, Contractor

Name of the JE:- Smt. Aruna Manjari Singh

Name of the ME:- Sri Ram Chandra Nayak

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.91/24.03.15 (BRGF) Rs.823619.00 (Net amount Rs.717156.00) Ist R/A, MB No. 6/14, MB page No. 68 to 83.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.406.00 as detailed below was less deducted towards VAT/OST from the work bill.

Gross amount of the bill	823619.00
VAT/OST due for deduction from the work bill	41181.00
VAT/OST deducted from the work bill	40775.00
Less VAT/OST deducted from the work bill	406.00

Due to less deduction of VAT/OST, the contractor was paid excess amount of Rs.406.00 than the actual amount due for payment and the municipality has sustained a loss of Rs.406.00 which needs immediate recovery.

Further, there was provision in the estimate to execute 197.00 meter length of CC road. But, as against this only 189.60 meters length of CC road

has been executed. Further, there was provision in the estimate to execute 198.00 meters length of CC drain. As against this only 163.00 meters length of CC drain has been executed. So, 7.40 meters length of CC road and 35.00 meters length of CC drain was not executed though there was provision in the estimate technically prepared by Smt. Aruna Manjari Singh and technically sanctioned by Sri Ram Chandra Nayak, ME. Due to less execution of length of the road and drain, the general public is depriving from the road connectivity and drainage facilities. So, the reason for less execution of work than the provision in the estimate may be explained and compliance reported to audit.

No reply was furnished by the local authority in response to POM page No.102 and 103, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.406.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SMT. ARUNA MANJARI SINGH	EX-JUNIOR ENGINEER	BARGARH MUNICIPALITY, PRESENTLY JUNIOR ENGINEER, BARGARH PANCHAYAT SAMITI, AT, PO- BARGARH, DISTRICT- BARGARH	135.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	135.00
3	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO- PARADIP, DISTRICT- JAGATSINGHPUR	136.00

**15.13 - Loss to Municipal fund due to excess payment in work bill POM page No. 104, dated 09.12.2015-**

Name of the work: - Construction of CC road and drain from Harachand Pandey house to Subodha Badhei house at Ward No.11

Estimated cost: - Rs.250000.00

Agreement value: - Rs.244678.00

Head of account:- BRGF 2013-14

Agency/Executant:- Sri Hrusikesh Meher, Contractor

Name of the JE:- Smt. Prangya Parimita Panigrahi

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.37/19.09.2014 (BRGF) Rs.209100.00 (Net amount Rs.181466.00) Ist R/A, MB No. 21/13, MB page No. 12 to 21.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.189.00 as detailed below was paid excess to the executant than the amount actually due for payment due to calculation error in measurement book in respect of item No.2 of the work i.e.(filling in foundation and plinth with sand watered and rammed)

Quantity of work actually executed (as per measurement) filling in foundation and plinth with sand watered and rammed	15.37 cum
Quantity of work actually allowed and paid	16.27 cum
Quantity excess allowed and paid	0.90 cum
Rate per unit	210.29 per cum
Amount excess allowed and paid	Rs.189.00

Due to excess payment the municipality has sustained a loss of Rs.189.00 which needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.104, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.189.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sino	Name	Designation	Adress	Amount(In Rs:)
1	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	48.00
2	SMT. PRANGYA PARIMITA PANIGRAHI	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	47.00
3	SRI AJAYA KUMAR SAHA	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT,PO-BARGARH, DISTRICT-BARGARH	47.00
4	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	47.00

**15.14 - Loss to Municipal fund due to excess payment in work bill POM page No.105, dated 09.12.2015-**

Name of the work: - Construction of CC road from Aparna Panda house Suresh Kara house at Ward No.14

Estimated cost: - Rs.299300.00

Agreement value: - Rs.283894.00

Head of account:- BRGF 2013-14

Agency/Executant:- Sri Kamal Tandi, Contractor

Name of the JE:- Smt. Prangya Parimita Panigrahi

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.51/13.11.2014 (BRGF) Rs383894.00 (Net amount Rs.244812.00) Ist R/A, MB No. 21/13, MB page No. 48 to 54.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.3850.00 as detailed below was paid excess to the executant than the amount actually due for payment due to calculation error in measurement book in respect of item No.4 of the work i.e.(CC 1:2:4 with 12 mm size hard granite chips including all cost)

Quantity of work actually executed (as per measurement) CC 1:2:4 with 12 mm size hard granite chips including all cost	
1 x 30.0 x 3.3 x 0.10	9.9 cum
1x 21.6 x 3.8 x 0.075	6.15 cum
1 x 30.0 x 3.36 x 0.10	10.08 cum
1 x 18.6 x 2.2 x 0.075	3.06 cum
1 x 31.2 x 1.8 x 0.10	5.61 cum
Total	34.80 cum
Quantity of work actually allowed and paid	35.70 cum
Quantity excess allowed and paid	0.90 cum

Rate per unit	4278.06 per cum
Amount excess allowed and paid	Rs.3850.00

Due to excess payment the municipality has sustained a loss of Rs.3850.00 which needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.105, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.3850.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Address	Amount(In Rs.)
1	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	963.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	963.00
3	SMT. PRANGYA PARIMITA PANIGRAHI	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	962.00
4	SRI AJAYA KUMAR SAHA	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT,PO-BARGARH, DISTRICT-BARGARH	962.00

**15.15 - Loss to Municipal fund due to excess payment in work bill POM page No. 106, dated 09.12.2015-**

Name of the work: - Construction of CC road back side of Chamar pada road Ward No.17

Estimated cost: - Rs.200000.00

Agreement value: - Rs.193012.00

Head of account:- BRGF 2013-14

Agency/Executant: - Sri Amit Kumar Panigrahi, Contractor

Name of the JE: - Smt. Aruna Manjari Singh

Name of the ME:- Sri Ram Chandra Nayak

Name of the EO: - Sri Dillip Kumar Mohanty

Voucher No.10/30.07.2014 (BRGF) Rs.193012.00 (Net amount Rs.167445.00) Ist R/A, MB No. 1/14, MB page No. 33 to 40.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.613.00 as detailed below was paid excess to the executant than the amount actually due for payment due to calculation error in measurement book in respect of item No.2 of the work i.e. (filling in foundation and plinth with sand watered and rammed)

Quantity of work actually executed (as per measurement) filling in foundation and plinth with sand watered and rammed	
Cut off road 2 x 70.40 x 0.20 x 0.03	0.84 cum
1x 15.0 x ½(2.60 + 2.60) x 0.075	2.93 cum
1x 15.0 x ½(2.60 + 2.60) x 0.075	2.93 cum
1x 15.0 x ½(2.60 + 2.60) x 0.075	2.93 cum

1x 10.40 x ½(2.65 + 2.60) x 0.075	2.05 cum
Total	11.68 cum
Quantity of work actually allowed and paid	14.63 cum
Quantity excess allowed and paid	2.95 cum
Rate per unit	207.69 per cum
Amount excess allowed and paid	Rs.613.00

Due to excess payment the municipality has sustained a loss of Rs.613.00 which needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.106, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.613.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs.)
1	SRI RAMA CHANDRA NAYAK	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	153.00
2	SMT. ARUNA MANJARI SINGH	EX-JUNIOR ENGINEER	BARGARH MUNICIPALITY, PRESENTLY JUNIOR ENGINEER, BARGARH PANCHAYAT SAMITI, AT, PO- BARGARH, DISTRICT- BARGARH	153.00
3	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	153.00
4	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	154.00

**15.16 - Loss to Municipal fund due to excess payment in work bill POM page No. 107, dated 09.12.2015-**

Name of the work: - Construction of CC road back side of Circuit house road at Ward No.17

Estimated cost: - Rs.200000.00

Agreement value: - Rs.194478.00

Head of account:- BRGF 2013-14

Agency/Executant:- Sri Amit Kumar Panigrahi, Contractor

Name of the JE:- Smt. Aruna Manjari Singh

Name of the ME:- Sri Ram Chandra Nayak

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.11/30.07.2014 (BRGF) Rs.187050.00 (Net amount Rs.162183.00) Ist R/A, MB No. 1/14, MB page No. 42 to 49.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.645.00 as detailed below was paid excess to the executant than the amount actually due for payment due to calculation error in measurement book in respect of item No.1 of the

work i.e.(earth work excavation in hard soil or gravel soil within initial lead and lift etc. completed)

Quantity of work actually executed (as per measurement) earth work excavation in hard soil or gravel soil within initial lead and lift etc. completed	
Cut off 2 x 58.30 x 0.20 x 0.30	7.00 cum
Road surface 1 x 58.30 x 3.0 x 0.30	52.47 cum
Total	59.47 cum
Quantity of work actually allowed and paid	68.21 cum
Quantity excess allowed and paid	8.74 cum
Rate per unit	Rs.7380.41 per 100 cum
Amount excess allowed and paid	Rs.645.00

Due to excess payment the municipality has sustained a loss of Rs.645.00 which needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.107, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.645.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT, PO- PARADIP, DISTRICT- JAGATSINGHPUR	162.00
2	SMT. ARUNA MANJARI SINGH	EX-JUNIOR ENGINEER	BARGARH MUNICIPALITY, PRESENTLY JUNIOR ENGINEER, BARGARH PANCHAYAT SAMITI, AT, PO- BARGARH, DISTRICT- BARGARH	161.00
3	SRI RAMA CHANDRA NAYAK	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	161.00
4	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	161.00

**15.17 - Loss to Municipal fund due to excess payment in work bill POM page No.108, dated 09.12.2015-**

Name of the work: - Construction of CC road from Khajurkata Kalyan Mandap to Bishipada at Ward No.8

Estimated cost: - Rs.349300.00

Agreement value: - Rs.310864.00

Head of account:- BRGF 2013-14

Agency/Executant:- Sri Tapan Kumar Surujal, Contractor

Name of the JE:- Smt. Aruna Manjari Singh

Name of the ME:- Sri Ram Chandra Nayak

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.14/30.07.2014 (BRGF) Rs.302261.00 (Net amount Rs.259985.00) Ist R/A, MB No. 1/14, MB page No. 13 to 21.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.551.00 as detailed below was paid excess to the executant than the amount actually due for payment due to calculation error in measurement book in respect of item No.2 of the work i.e.(filling foundation and plinth with sand watered and rammed etc. complete)

Quantity of work actually executed (as per measurement) filling foundation and plinth with sand watered and rammed etc. complete	27.23 cum
Quantity of work actually allowed and paid	30.24 cum cum
Quantity excess allowed and paid	3.01 cum
Rate per unit	Rs.183.04 per cum
Amount excess allowed and paid	Rs.551.00

Due to excess payment the municipality has sustained a loss of Rs.551.00 which needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.108, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.551.00 is suggested for recovery from the following officials.

## Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO- PARADIP, DISTRICT- JAGATSINGHPUR	138.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	138.00
3	SRI RAMA CHANDRA NAYAK	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	138.00
4	SMT. ARUNA MANJARI SINGH	EX-JUNIOR ENGINEER	BARGARH MUNICIPALITY, PRESENTLY JUNIOR ENGINEER, BARGARH PANCHAYAT SAMITI, AT, PO- BARGARH, DISTRICT- BARGARH	137.00

## 15.18 - Loss to Municipal fund due to excess payment in work bill POM page No. 109, dated 09.12.2015-

Name of the work: - Construction of CC road and drain from Santoshi Mandir to Shiva Mandir at Ward No.3

Estimated cost: - Rs.229200.00

Agreement value: - Rs.238881.00

Head of account:- Road & Bridges(Normal)

Agency/Executant:- Sri Bibhu Bhushan Panda, Contractor

Name of the JE:- Smt. Prangya Parimita Panigrahi

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.139/23.05.2014 (Accountant Cash Book) Rs.166740.00 (Net amount Rs.145452.00) Ist R/A, MB No. 3/13, MB page No. 172 to 179.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.5402.00 was due for deduction from the work bill as detailed below, but as against this Rs.3897.00 was deducted towards royalty. So, Rs.1505.00 i.e. (Rs.5402.00 – Rs.3897.00) was less deducted towards royalty than the royalty actually due. As a result of which the executant has been paid Rs.1505.00 excess than the amount payable to him. Due to less realization of royalty the government has sustained loss of revenue. So, Rs.1505.00 may be recovered from the person(s) responsible and compliance reported to audit.

Item of work	Quantity of work executed	Sand consumed	Metal consumed	Chips consumed	Total
Sand filling	24.58 cum	24.58 cum			
CC (1:4:8)	24.58 cum	11.79 cum	23.59 cum		
CC (1:2:4)	20.49 cum	9.22 cum		18.44 cum	
Total		45.59 cum	23.59 cum	18.44 cum	
Rate per cum		27.44	98.78	98.78	
Amount		1250.98	2330.22	1821.50	5402.00

Due to excess payment the municipality has sustained a loss of Rs.1505.00 which needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.109, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.1505.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs:)
1	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	502.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	502.00
3	SMT. PRANGYA PARIMITA PANIGRAHI	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	501.00

**15.19 - Loss to Municipal fund due to excess payment in work bill POM page No. 110, dated 09.12.2015-**

Name of the work: - Construction of CC road from Santosh Barik house front side Ward No.3

Estimated cost: - Rs.114100.00

Agreement value: - Rs.103551.00

Head of account: - Road & Bridges (Normal)

Agency/Executant: - Sri Raja Suna, Contractor

Name of the JE: - Smt. Prangya Parimita Panigrahi

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO: - Sri Dillip Kumar Mohanty

Voucher No.141/23.05.2014 (Accountant Cash Book) Rs.103551.00 (Net amount Rs.90644.00) Ist R/A, MB No. 14/12, MB page No. 138 to



145.

On checking of the above case record w.r.to M.B. and other relevant record, it was found that a sum of Rs.102.00 as detailed below was paid excess to the executant than the amount actually due for payment due to calculation error in measurement book in respect of item No.2 of the work i.e. (filling in foundation with sand watered and rammed)

Quantity of work actually executed (as per measurement) filling in foundation with sand watered and rammed	10.65 cum
Quantity of work allowed and paid	11.15 cum
Quantity of work excess allowed and paid	0.50 cum
Rate allowed and paid per unit	203.36 per cum
Amount excess allowed and paid	Rs.102.00

Due to excess payment the municipality has sustained a loss of Rs.102.00 which needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.110, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.102.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO-PARADIP, DISTRICT-JAGATSINGHPUR	26.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	26.00
3	SMT. PRANGYA PARIMITA PANIGRAHI	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO-BARGARH, DISTRICT-BARGARH	25.00
4	SRI AJAYA KUMAR SAHA	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT,PO-BARGARH, DISTRICT-BARGARH	25.00

**15.20 - Loss to Municipal fund due to excess payment in work bill POM page No. 111 and 112, dated 09.12.2015-**

Name of the work: - Completion of incomplete boundary wall at fencing ground near Reserve Police Line at Ward No. 15 (Dumping yard)

Estimated cost: - Rs.993000.00

Agreement value: - Rs.907213.00

Head of account:- 13<sup>th</sup> FCA 2014-15

Agency/Executant:- Sri Prem Kumar Ratha, Contractor

Name of the JE:- Smt. Prangya Parimita Panigrahi

Name of the ME:- Sri Ajaya Kumar Saha

Name of the EO:- Sri Dillip Kumar Mohanty

Voucher No.22/18.09.2014 (TFC Cash Book) Rs.601236.00 (Net amount Rs.83631.00) Ist R/A, MB No. 4/14, MB page No. 1 to 12.

On checking of the above case record w.r.to M.B. and other relevant record, it was noticed that agreement was made for Rs.907213.00 As per the field visit and recommendation of the JE, advance amounting to Rs.500000.00 was sanctioned and paid to the contractor vide voucher No. 16, dated 28.08.2014 (13<sup>th</sup> FC Cash Book). The JE has submitted the first running account bill gross amounting to Rs.601236.00 with the following deductions amounting to Rs.517605.00 as against the deduction due amounting to Rs.567605.00 from the work bill:-

Sl. No.	Particular of deduction	Amount due for deduction	Amount deducted from the work bill	Amount less deducted from the work bill
1	Advance	500000.00	500000.00	0.00
2	Royalty	6122.00	6122.00	0.00
3	S.D. @ 3%	18037.00	3037.00	15000.00
4	I.T. @ 1%	6012.00	1012.00	5000.00
5	VAT/OST @ 5%	30062.00	5062.00	25000.00
6	Cess @ 1%	6012.00	1012.00	5000.00
7	ECB	1360.00	1360.00	0.00
	Total	567605.00	517605.00	50000.00

Voucher No./Date	Gross amount of the bill	Net amount due for payment	Net amount actually paid	Amount excess paid to the Contractor
22, dt.18.09.2014 of 13 <sup>th</sup> FC Cash Book	601236.00	33631.00 i.e. (601236.00 – 567605.00)	83631.00 i.e. (601236.00 – 517605.00)	50000.00 i.e. (83631.00 – 33631.00)

Due to the carelessness of the JE, ME, Accountant and the Executive Officer to determine the quantum of deduction from the work bill Rs.50000.00 i.e. (Rs.567605.00 – Rs.517605.00) or say (Rs.83631.00 – Rs.33631.00) was excess paid to the executant which is a loss to the Municipality. Due to less deduction of IT, VAT/OST and labour Cess, the government has also sustained loss of revenue. The amount excess paid to the executant needs immediate recovery.

No reply was furnished by the local authority in response to POM page No.111 and 112, dated 09.12.2015. So, it was held that the local authority has nothing to reply the objection raised by audit. Hence, the objection stands on its own merit. The officials involved in the process of payment are considered responsible for the said loss and Rs.50000.00 is suggested for recovery from the following officials.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs.)
1	SRI DILLIP KUMAR MOHANTY	EXECUTIVE OFFICER	EX- EXECUTIVE OFFICER, BARGARH MUNICIPALITY, PRESENTLY EXECUTIVE OFFICER, PARADIP MUNICIPALITY, AT,PO- PARADIP, DISTRICT- JAGATSINGHPUR	12500.00
2	SRI RAMA CHANDRA SAHU	ACCOUNTANT	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	12500.00
3	SMT. PRANGYA PARIMITA PANIGRAHI	JUNIOR ENGINEER	BARGARH MUNICIPALITY, AT, PO- BARGARH, DISTRICT- BARGARH	12500.00
4	SRI AJAYA KUMAR SAHA	MUNICIPAL ENGINEER	BARGARH MUNICIPALITY, AT,PO- BARGARH, DISTRICT- BARGARH	12500.00

**PARA: 16 AUDIT ON UNITS / DEPARTMENT**

16.1 -

There are no separate units or departments in the Municipality audit of which can be conducted. So, audit on units or departments were not conducted by the present audit.

**PARA: 17 AUDIT ON SCHEMES / PROGRAMMES**

**17.1 - Backward Region Grant Fund BRGF-**

Backward Regions Grant Fund (BRGF) is a Central Scheme launched in 20 (Twenty) Districts viz: Balangir, Bargarh (included in 2012-13), Boudh, Deogarh, Dhenkanal, Gajapati, Ganjam, Jharsuguda, Kalahandi, Kandhamal, Keonjhar, Koraput, Malkangiri, Mayurbhanj, Nabarangpur, Nuapada, Rayagada, Sambalpur, Subarnapur & Sundargarh of the State. 3921 Gram Panchayats (GPs), 217 Panchayat Samitis (PSs), 1 Municipal Corporation, 22 Municipalities and 50 NACs are covered under this scheme.

The scheme is aimed to redress the regional imbalances in development, bridge critical gaps in local infrastructure and other developmental requirements, strengthen Panchayat and Municipality level governance with more appropriate capacity building, provide professional support to local bodies for planning and improve the performance of Panchayats.

Under this scheme, Annual Plan is prepared by Panchayats through Gram Sabhas and ULBs through Ward Sabhas and District Planning Committee (DPC) consolidate these plans into District Plan in keeping with the "Vision" of the District set out in the Planning Commission's guidelines. Special care is taken for SCs/ STs by preparing a separate Sub-plan within the Plan of each Panchayat and ULB showing the scheme-wise allocations for SCs/ STs.

Panchayati Raj Institutions (PRIs) and ULBs use BRGF funds of any purpose within the items that are devolved to them respectively as listed in the 11th & 12th Schedule of the Constitution respectively. 100% fund is provided by the Ministry of Panchayati Raj, Govt. of India as Central Grant. Provision of Rs.305.67 Cr. have been made till 2010-11, Rs.320.96 Cr. during 2011-12 and Rs.340.03 Cr. (including Rs.19.07 Cr. Of Bargarh district) during 2012-13 towards developmental work. Rs.9.00 Cr. was earmarked annually for Capacity Building for 19 districts till 2011-12 and from 2012-13 it has been raised to Rs.20.00 Crore including Rs.1.00 Cr. for Bargarh. During 2013-14, Govt. of India has again raised the annual entitlement of 20 BRGF Districts to Rs.417.01 Cr. under BRGF Development Grant. As per orders of State Govt., instructions have been issued to earmark funds in the following manner: The amount of fund for Urban Areas will be – "Percentage of urban population in the District + 15% extra or 40% of the total fund for the District, whichever is lower". The balance amount of fund shall be earmarked for Rural Areas and distributed amongst the PRIs as indicated below: a) GP - 50%; b) PS (Block) - 30%; (c) ZP - 20%

All BRGF works in Rural Areas worth up to Rs.5.00 Lakh only shall be taken up through Village Labour Leader (VLL) system. However, works worth of more than Rs.5.00 Lakh, which demand technical competency, shall be executed through open tender process. In case, where BRGF fund is dovetailed with NREGS fund, the mode of execution shall be as per the NREGS guideline. Projects not less than Rs.4.00 lakh at District level and not less than Rs.2.00 lakh at Panchayat Samiti (Block) and Gram Panchayat (GP) levels shall be taken up. In the Urban Local Bodies (ULB) areas, projects not less than Rs.2.00 lakh shall be executed and the mode of execution will be through open tender process.

Name of the Scheme	Financial achievement						Physical achievement					
	O.B.	Funds received during the year	Total funds available	Expenditure	Unspent Balance at the end of the year	Percentage of expenditure to that of available fund	No. of spill over projects from previous years	No. of projects planned for the current year as per annual action plan	Total	No. of projects completed during the year	No. of spill over projects to the next year	Percentage of achievement
1	2	3	4	5	6	7	8	9	10	11	12	13
BRGF	31398588.00	3033521.00	34432109.00	16697813.00	17734296.00	51.50						

**Conclusion:**

BRGF scheme has been closed during the year 2014-15. It would be seen from the above table that during the year 2014-15, only Rs.3033521.00 was received towards grants under BRGF. Out of the available funds Rs.34432109.00 was incurred expenditures leaving a balance of Rs.17734296.00. The percentage of utilization of funds is 51.50 %.

The local authority could not furnish information relating to physical achievement of the scheme. However, he is suggested to furnish information at the time of Exit Conference.

The overall progress of BRGF Scheme in this Municipality is far from satisfaction. Due to non-utilization grants, the very purpose for which the scheme was meant is defeated causing hindrance to welfare of the common people as well as the country as a whole. However, the local authority is suggested to utilize the balance funds under BRGF and submit utilization certificate to proper quarter.

## 17.2 - Member of Parliament Local Area Development MP LAD Scheme-

The scheme was announced by the Prime Minister in the parliament on 23<sup>rd</sup> December, 1993. It is a scheme fully funded by the Government of India.

The objective of the scheme is to enable MPs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs to be taken up in their Constituencies. Right from inception of the Scheme, durable assets of national priorities viz. drinking water, primary education, public health, sanitation and roads, etc. are being created.

In 1993-94, when the Scheme was launched, an amount of Rs.5 lakh per Member of Parliament was allotted which became Rupees one crore per annum per MP constituency from 1994-95. This was stepped up to Rs.2 crore from 1998-99 and now it has been increased to Rs.5 crore from the financial year 2011-12.

All works to meet locally felt infrastructure and development needs, with an emphasis on creation of durable assets in the constituency are permissible under MPLADS except those prohibited in Annex-II. Expenditure on specified items of non-durable nature is also permitted as per list in the Annex-IIA.

MPs are to recommend every year, works costing at least 15 per cent of the MPLADS entitlement for the year for areas inhabited by Scheduled Caste population and 7.5 per cent for areas inhabited by S.T. population.

Each MP will recommend works up to the annual entitlement during the financial year in the format at Annex-III to the concerned District Authority. The District Authority will get the eligible sanctioned works executed as per the established procedure of the State Government".

Each MP shall recommend eligible work on the MPs letter head dully signed by the MP. Recommendations by third parties and representatives of M.Ps are not admissible and cannot be acted upon.

The work and the site ed for the work execution by the MP shall not be changed, except with the concurrence of the MP concerned, but change will not be allowed once the work has commenced and expenditure liability incurred.

The work, once recommended by the MP and sanctioned by the District Authority may be cancelled if so desired by the MP, only if the execution of the work has not commenced and the cancellation does not lead to any contractual financial liability/ cost on the Government.

Funds from Member of Parliament Local Area Development Scheme (MPLADS) can be converged with MGNREGA with the objective of creating more durable assets.

"The minimum amount sanctioned under the MPLAD Scheme for any project or work should normally not be less than Rs.1 lakh. If, however, the District Authority is of the considered view that the work of lesser amount will be beneficial to the public at large, he/she may sanction the same, even if the cost of the work is less than Rs.1 lakh"

The annual entitlement of Rs 5 crore shall be released, in two equal installments of Rs 2.5 crore each, by Government of India directly to the District Authority of the Nodal District of the Member of Parliament concerned.

The District Authority and Implementing Agencies will properly maintain MPLADS accounts. District Authority will furnish Utilization Certificate every year in the form prescribed in the Guidelines (Annex- VIII) to the State Government and the Ministry of Statistics and Programme Implementation.

It will be the responsibility of the officers of the Implementing Agencies to regularly visit the works spots to ensure that the works are progressing satisfactorily as per the prescribed procedure and specifications and the time schedule.

The Implementing Agencies shall furnish physical and financial progress of each work to the District Authority every month with a copy to the concerned State Department. The Implementing (22) Agencies should provide the report also in the soft format. A work register should also be maintained by the implementing agencies showing details of the physical and financial progress of projects being undertaken by them. This register should also contain the details of spot visit made by the implementing agencies. Implementing Agency must inspect 100% of the works.

The Implementing Agencies shall furnish completion report/certificates and utilization certificates to the District Authority within one month of completion of the works.

Name of	Financial achievement	Physical achievement
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the Scheme	O.B.	Funds received during the year	Total funds available	Expenditure	Unspent Balance at the end of the year	Percentage of expenditure to that of available fund	No. of spill over projects from previous years	No. of projects planned for the current year as per annual action plan	Total	No. of projects completed during the year	No. of spill over projects to the next year	Percentage of achievement
1	2	3	4	5	6	7	8	9	10	11	12	13
MP LAD	871839.83	1875000.00	2746839.83	0.00	2746839.83	0.00 %						0.00 %

**Conclusion:-**

It would be seen from the above table that Rs.871839.83 was unspent grant by the end of financial year 2013-14. During the financial year 2014-15, grants amounting to Rs.1875000.00 were received. Thus, funds to the tune of Rs.2746839.83.00 were available during the financial year 2014-15 for utilization. No fund was utilized during the financial year 2014-15. The percentage of utilization of funds is 0.00 %. No reason was attributed by the local authority for non-utilization of the scheme fund.

The local authority could not furnish information relating to physical achievement of the scheme. However, he is suggested to furnish information at the time of Exit Conference.

The overall progress of MP LAD Scheme in this Municipality is far from satisfaction. Due to non-utilization grants, the very purpose for which the scheme was meant is defeated causing hindrance to welfare of the common people as well as the country as a whole. However, the local authority is suggested to utilize the balance funds under BRGF and submit utilization certificate to proper quarter.

**PARA: 18 MISCELLANEOUS**

<b>18.1 - Para No.18.1- Checking of records not produced to previous audit POM page No. 55, dated 31.10.2015-</b>							
The local authority was requested vide POM page No. 55, dated 31.10.2015 to produce the records which were reported as not produced and related expenditure were held under objection in the last and previous audit report for verification. The local authority failed to produce the records. As such the present audit could not verify the records in question. However, the local authority is requested to produce the said records before the next audit for verification and settlement of audit objection.							
<b>18.2 - Audit paragraph pending for settlement-</b>							
The following audit paragraphs are not settled and are pending for settlement till close of audit.							
Sl. No.	Audit Report No. with year of account	Paragraphs pending for settlement relating to misappropriation of cash & loss of stock & store		Paragraphs pending for settlement other than misappropriation and defalcation		Total	
		No. of paragraphs	Amount	No. of paragraphs	Amount	No. of paragraphs	Amount
1	2	3	4	5	6	7	8
1	44774/AR/2014-15-BAR GARH	3	7500.00	8	21166160.78	11	21173660.78
<b>18.3 - Periodical verification of Postage Stamp POM page No. 46, dated 17.10.2015-</b>							

Postage stamp carries monetary value and as such the balance of postage stamps needs to be verified periodically at least once/twice in a year by the Executive Officer or any other officer duly authorized by him for the said purpose and record result of such verification on the body of the Stamp Account Register.

On verification of postage stamp account register for the year 2014-15, it was noticed that the Executive Officer himself or any other officer duly authorized by him for the said purpose has not conducted physical verification of postage stamp during the financial year 2014-15. Due to non-conduct of physical verification of postage stamp periodically, the possibility of misuse and loss of postage stamp cannot be ruled out.

POM page No. 46, dated 17.10.2015 was issued to the local authority to report the reason for non-conduction of periodical verification of postage stamp. No reason was attributed by the local authority for such lapses. However, the Executive Officer is suggested to conduct periodical verification of postage stamp and report compliance at the time of Exit Conference.

#### **18.4 - Grievance redressal forum POM page No. 56, dated 31.10.2015-**

POM page No. 56, dated 31.10.2015 was issued to the local authority to furnish data on the complaint/grievance pending at the beginning of the year, complaint received during the year 2014-15, complaint disposed off during the year 2014-15 and number of complaint/grievance pending for disposal at the end of the financial year 2014-15. But, the information sought for was not produced to present audit. The maintenance of grievance register of the Municipality was also not produced to audit on requisition. So, it is well understood that the grievance redressal system of the Municipality is under doubt. Every officer working under the Government of India and State Government is accountable to the duties he/she is entrusted with. The Executive Officer is suggested to maintain the Grievance/Complaint Register and keep proper watch on the disposal of the grievance/complaint timely for better accountability and good governance.

#### **18.5 - Huge arrear of energy charges leading to increase in liability of the municipality POM page No. 122 to 124, dated 09.12.2015-**

On verification of file "the payment of energy charges to WESCO" the following facts were noticed.

(1) The current energy charges of the municipality in respect of street light from April, 2014 to March, 2015 are Rs.289322.00 in each month(refer attached statement). The meter status in the body of the electricity bill is shown as code "S", which means "meter stopped". So, it is well understood that the energy charges of the municipality in respect of street light was not charged on actual consumption basis rather it was charged on average basis. So, there is every possibility of excess energy charges due. Nowhere in the file it was found that has the Executive Officer made correspondence with the Electrical authority to change the meter and charge energy charges on actual consumption basis.

(2) By the end of March,2015 the arrear energy charges due for payment was Rs.81979723.35 which consists of arrear electricity charges of Rs.31855778.33, arrear electricity duty of Rs.1166074.46, surcharge on arrear electricity charges of Rs.48957870.56. Apart from this Rs.399571.00 was charged towards D.P. surcharge for arrear electricity dues (refer attached statement). Due to non-payment of arrear electricity dues, arrear electricity duty, surcharge on arrear electricity charges and D.P. surcharge are rising rapidly and as such the liability of the municipality is increasing day by day. No significant steps have been taken by the Executive Officer or the council to reduce the arrear electricity dues. The higher authorities of WESCO are not also requested to exempt the municipality from arrear electricity duty, surcharge on arrear electricity charges and D.P. surcharge. Had the municipality paid the electricity dues in due time, it have not bother for the arrear energy charges.

(3) The Deputy Secretary to Government in H & U. D. Department, Government of Odisha in their file No.13621500012014, letter No.11279, dt.29.05.14 addressed to all Executive Officers of Municipalities/NACs have requested to submit a proposal to the department for energy audit to enhance the energy efficiency by consuming less energy with council resolution. The cost of energy audit was to be borne by the Energy department and implementation of energy efficiency shall be started with 50% grant from energy department. But, no proposal was sent by the municipality to the H U U.D. department. So, it appears that neither the Executive Officer nor the council is interested to have an audit on energy efficiency. Since the arrear electricity charges of the municipality are raising rapidly, the present audit suggests conducting a special audit on energy efficiency as well as on the huge outstanding of arrear electricity charges.

(4) No budget provision was made in the budget for the year 2014-15 to pay the arrear electricity dues.

(5) Lighting Tax is one of the components of Holding Tax. It is 4 per cent of the annual rental value. The lighting tax is collected from the households towards use of Public Street light. The last revision of holding tax was made in the year 2001. Holding Tax should be revised in each ten year. More than 15 years has been elapsed since the last revision of holding tax, but the holding tax has not been revised. Had the holding tax been revised timely, the municipality could have earned some money towards lighting fees, which could have been paid to the WESCO. This could have resulted in decreasing of arrear energy charges and the current energy charges.

The present audit, therefore, suggests the following remedial measures to be taken by the Executive Officer as well as the present council.

- (i) The Electrical authority of WESCO may be requested to change the meter and charge energy charges on actual consumption basis for each month.
- (ii) The electrical authorities of WESCO may be requested to allow special rebate on energy charges. The higher authorities of WESCO may also be requested to exempt the municipality from arrear electricity duty, surcharge on arrear electricity charges and D.P. surcharge.
- (iii) In order to reduce the liability of energy charges, the municipality may install solar lights in consultation with OREDA (Orissa Renewal Energy Development Agency).
- (iv) Since the arrear electricity charges of the municipality are raising rapidly, the present audit suggests conducting a special audit on energy efficiency as well as on the huge outstanding of arrear electricity charges.
- (v) Provision for payment of arrear energy charges may be made in the annual budget.
- (vi) The Valuation Department may be requested to conduct revision of the holding tax. The present council may also exercise its power under section 143 of the Odisha Municipal Act, 1950 for revision of holding tax.

On issue of POM page No. 122 to 124; the local authority furnished no reply. However, the local authority is requested to follow the suggestion of the audit so as to minimize the liability of the Municipality.

#### **18.6 - Non-renewal of vehicle insurance may lead to penalty POM page No. 126 and 127, dated 10.12.2015-**

It was revealed from record that the following vehicles belong to the property of the municipality. The insurance of these vehicles have not been renewed timely as detailed below. Due to non-renewal of vehicle insurance timely, penalty may be imposed on late renewal of insurance of the vehicle. Further, if insurance is not paid and if the vehicle meets any accident, the municipality may lose compensation due to accident. So, it is suggested to renew the insurance of the vehicle at the earliest and compliance reported to audit.

Sl. No.	Regd. No. of the vehicle	Type of vehicle	Date of purchase	Date of registration	Date of last insurance payment	Insurance valid up to
1	OR-17-F-2292	Minidor Pick Up			20.07.12	19.07.2013
2	OR-0001	Bulldozer			21.06.2013	22.06.2014
3	OR-17-C-8130 (Tractor) & OR-17-C-8131 (Trailer)	Tractor & Trailer			18.12.2012	17.12.2013
4	OR-17-C-8132 (Tractor) & OR-17-C-8133 (Trailer)	Tractor & Trailer			18.12.2012	17.12.2013
5	OD 17C 0306	Tata Ace HT	28.03.2014	25.04.2014	28.03.2014	27.03.2015
6	OD 17C 0307	Tata Ace HT	28.03.2014	25.04.2014	28.03.2014	27.03.2015
7	OD 17C 0308	Tata Ace HT	28.03.2014	25.04.2014	28.03.2014	27.03.2015
8	OD 17C 0309	Tata Ace HT	28.03.2014	25.04.2014	28.03.2014	27.03.2015
9	OD 17C 0310	Tata Ace HT	28.03.2014	25.04.2014	28.03.2014	27.03.2015
10	OD 17C 0311	Tata Ace HT	28.03.2014	25.04.2014	28.03.2014	27.03.2015

On issue of POM page No. 126 to 127; the local authority furnished no reply. However, the local authority is suggested to renew the insurance of the vehicle at the earliest so as to avoid future litigation.

#### **PARA: 19 AUDIT OF LOAN/DEPOSITS/CPF INCLUDING POSITIONS**

#### **19.1 - Non-Remittance of Govt. dues POM page No. 134 and 135, dated 10.12.2015-**

It would be seen from the table furnished below that royalty, VAT, labour cess, Income Tax and Professional Tax amounting to Rs.1370468.00 was outstanding for deposit as on 31.03.2014. Rs.5132928.00 has been deducted from the works bill/pay bill, out of which Rs.4339626.00 has been remitted to the govt. exchequer leaving a balance of Rs.2163770.00, which has not been remitted to proper govt. quarters. The local



authority is requested to deposit the said govt. revenues into the proper govt. quarters and compliance reported to audit.

Further, it would be noted that Labour cess has not been deposited in proper govt. quarters throughout the financial year 2014-15 and 2013-14. Due to non-remittance of labour cess to proper quarters, surcharge and late fees may be charged and legal action may be initiated against the Executive Officer. If any surcharge and late fees charged and legal action initiated against the Executive Officer for non-remittance of labour cess to proper quarters for years together, the Executive Officer will be held personally responsible for his lapses. The local authority is requested to explain the reason for non-remittance of labour cess to proper quarter's years together. However, he is suggested to remit the labour cess to proper quarters without making further delay and compliance reported to audit.

Due to non-deposit and late deposit of govt. revenue items i.e. royalty, VAT, Labour cess, Income tax etc. penal charges/surcharge may be levied by govt. and the head of the office i.e. Executive Officer will be held personally responsible for such lapses and the penal charges/surcharge amount will be recovered from the Executive Officer personally. So, penal charges/surcharge, if any, is levied, the Executive Officer will be held responsible for lapses on his part.

POM page No. 134 and 135 dated 10.12.2015 was issued on this score. The local authority is suggested to remit the non-deposited amount of government revenue items to proper quarters and report compliance at the time of Exit Conference.

Particulars	Particulars of Government Dues					
	Royalty	VAT/OST	Labour Cess	Income Tax	Professional Tax	Total
Dues outstanding for deposit at the beginning of the year	224071.00	525122.00	625484.00	-4209.00	0.00	1370468.00
Amount collected during the year	1272523.00	2570828.00	519842.00	538135.00	231600.00	5132928.00
Total	1496594.00	3095950.00	1145326.00	533926.00	231600.00	6503396.00
Amount remitted during the year	1212133.00	2591400.00	0.00	304493.00	231600.00	4339626.00
Balance to be remitted at the end of the year	284461.00	504550.00	1145326.00	229433.00	0.00	2163770.00

#### 19.2 - Audit of Loan POM page No. 57 and 58, dated 31.10.2015-

As per Rule 149 of the Odisha Municipal Rules, 1953 a loan register is to be maintained in form number XXVII. Further, Rule 150 of the OM Rules, 1953 envisages that the loan amount shall not be appropriated even temporarily to any object other than that for which the loan was raised. POM page No. 57 and 58, dated 31.10.2015 was issued to the local authority to furnish the position of loan for the financial year 2014-15. But, the position of loan was not furnished by the local authority. The last audit report is also silent about the position loan. So, the position of loan could not be furnished in the present audit. However, the local authority is suggested to furnish the position of loan and report compliance at the time of Exit Conference.

#### 19.3 - Position of EPF/CPF POM page No. 57 and 58, dated 31.10.2015-

In accordance with Rule 436 of O.M. Rules, 1953 every council shall maintain and administer a provident fund.

As per Rule 442 of O.M. Rules, 1953 a provident fund ledger in Form No. P.F. 5 is to be kept in the Municipal Office.

As per Rule 445 of O.M. Rules, 1953 the amount deducted from the pay bills as provident fund deductions and the contributions paid by the Council and other sums relating to the provident fund shall be lodged in the Government treasury and a separate cash book shall be maintained. The whole or any portion of such deduction, contributions and other sums relating to provident fund may be withdrawn from the treasury at such intervals as may be necessary for investment in interest bearing securities or deposits.

As per Rule 446 of O.M. Rules, 1953 investments shall be made as early as practicable in the form of securities or deposits specified in the rule.

As per Rule 449 of O.M. Rules, 1953 the provident fund ledger, Abstract register, Cash Book and other records of the fund shall be examined monthly by the Executive Officer and shall be audited by the Examiner of Local Fund Accounts.

POM page No. 57 and 58 was issued to the local authority to answer the following queries:-

(1) Whether all the CPF contributions deducted from the employees have been deposited in the proper account regularly or not deposited and



retained in the municipal account?

(2) Whether the deposited amount is routed through Government treasury or not?

(3) Whether the contribution amount of the employees are deposited in the Postal Savings account, or any amount invested in any of the schemes noted in Rule 446 for getting higher interest etc.?

But, the local authority failed to furnish any reply. However, the deposit of EPF ascertained by audit is furnished below.

Dues for the month of	Employer's share of contribution	Employee's share of contribution	Admin charges	Total	Date of deposit	Vr. No. & Date of deposit
January,14	120080.00	115277.00	10662.00	246019.00	11.07.14	311/10.07.14
February,14	119517.00	114737.00	10612.00	244866.00	11.07.14	312/10.07.14
March,14	119819.00	115027.00	10639.00	245485.00	11.07.14	313/10.07.14
April,14	119819.00	115027.00	10639.00	245485.00	11.07.14	314/10.07.14
May,14	119819.00	115027.00	10639.00	245485.00	11.07.14	315/10.07.14
June,14	115470.00	110980.00	10262.00	236712.00	15.05.15	86/12.05.15
July,14	116440.00	111911.00	10349.00	238700.00	15.05.15	87/12.05.15
August,14	117958.00	113370.00	10483.00	241811.00	15.05.15	88/12.05.15
Sept,14	115758.00	111129.00	10279.00	237166.00	15.05.15	89/12.05.15
Oct,14	116722.00	112055.00	10364.00	239141.00	15.05.15	90/12.05.15
Nov,14	115580.00	110958.00	10262.00	236800.00	15.05.15	91/12.05.15
Dec,14	118538.00	113798.00	10525.00	242861.00	15.05.15	92/12.05.15
Jan,15	116928.00	112252.00	8150.00	237330.00	15.05.15	93/12.05.15
Feb,15	113229.00	108701.00	7899.00	229829.00	15.05.15	94/12.05.15
<b>TOTAL</b>	<b>1645677.00</b>	<b>1580249.00</b>	<b>141764.00</b>	<b>3367690.00</b>		

It would be seen from the above table that EPF contributions are not deposited timely. EPF contributions for the period from June, 2014 to February 2015 amounting to Rs.2140350.00 due for deposit by the end of the financial year 2014-15 was deposit during the year 2015-16. The reason for late deposit of EPF contributions was not explained to audit. However, the local authority is suggested to deposit EPF contributions timely. Due to late deposit of EPF contributions Rs.2140350.00 is kept under objection.

An abstract position of EPF for the financial year 2014-15 worked out by present audit is furnished below.

Particulars	Position of EPF
Opening Balance	736370.00
Amount deducted during the year 2014-15	1235208.00
Employer's Contribution	1286261.00
Administrative Charge	109851.00
Total	3367690.00
Amount deposited during the year 2014-15	1227340.00
Balance to be deposited at the end of the year 2014-15 i.e. as on 31.03.2015.	2140350.00

**PARA: 20 RESULT OF AUDIT**

**20.1 - Result of audit-**

As a result of audit Rs.26419256.41 is held under objection which includes Rs.160834.00. suggested for recovery out of which Rs.160834.00 is

surchargeable. Beside this, Rs.80.00 was recovered on the spot at the instance of audit.

## 20.2 - Remark by Auditor-

Cash analysis at the end of each month has not been done. Vouchers guard files have not been dully pasted and maintained. The difference between bank pass book figures mentioned in the cash books and the actual bank passbook balances have not been reconciled. Some prescribed registers are not maintained. Grants are not utilized fully. Huge amount of utilization certificates are pending for submission. Collections of different taxes are not up to the satisfaction. Summing up, the financial account of Bargarh Municipality for the financial year 2014-15 is far from satisfaction. It needs improvement. The kind attention of the Executive Officer and the present Council is invited for better maintenance of accounts.

## 20.3 - Audit Suggestion-

In view of the above remarks, the present audit gives following suggestions/recommendations:-

1. Conduct physical verification of liquid cash, stock and store periodically.
2. Maintain all records and registers prescribed under OM Rules, 1953.
3. Make analysis of the closing balance of cash at the end of each month.
4. Prepare realistic budget.
5. Park fund in eligible banks.
6. Reconcile the cash book balance with the bank balance.
7. Adjust the advance promptly and timely.
8. Utilize the sanctioned grant fully.
9. Submit utilization certificates to proper quarters promptly.
10. Ensure cent per cent collection of different taxes fees and fines.
11. Deposit EPF of the employees timely.
12. Take special care for payment of energy charges.
13. Remit government dues to proper quarters promptly.
14. Ensure proper check and supervision in every respect.

## Result Of Audit

SI No	Name Of The Paragraph	Amount suggested for recovery(In Rs:)	Amount kept on objection(In Rs:)	Amount Surchargeable(In Rs:)	Amount Embezzlement(In Rs:)	Amount Othercases(In Rs:)	Remarks
1	5.1	0.00	17718119.41	0.00	0.00	0.00	
2	8.1	0.00	127000.00	0.00	0.00	0.00	
3	11.2	0.00	60.00	0.00	0.00	0.00	
4	11.3	120.00	120.00	120.00	120.00	0.00	
5	11.4	20.00	20.00	20.00	20.00	0.00	
6	11.5	0.00	3.00	0.00	0.00	0.00	
7	11.6	0.00	90.00	0.00	0.00	0.00	

8	11.7	0.00	10.00	0.00	0.00	0.00
9	11.8	0.00	10.00	0.00	0.00	0.00
10	11.10	10000.00	10000.00	10000.00	10000.00	0.00
11	13.15	0.00	20.00	0.00	0.00	0.00
12	13.16	0.00	2.00	0.00	0.00	0.00
13	13.17	0.00	11.00	0.00	0.00	0.00
14	13.18	10.00	10.00	10.00	0.00	0.00
15	13.19	4.00	4.00	4.00	0.00	0.00
16	13.20	32.00	32.00	32.00	0.00	0.00
17	13.21	8.00	8.00	8.00	0.00	0.00
18	13.22	600.00	600.00	600.00	0.00	0.00
19	13.23	0.00	8.00	0.00	0.00	0.00
20	13.24	0.00	2.00	0.00	0.00	0.00
21	13.25	0.00	9.00	0.00	0.00	0.00
22	14.3	35449.00	35449.00	35449.00	0.00	0.00
23	14.4	0.00	1212133.00	0.00	0.00	0.00
24	14.5	14375.00	14375.00	14375.00	0.00	0.00
25	14.12	0.00	2896825.00	0.00	0.00	0.00
26	15.2	5100.00	5100.00	5100.00	0.00	0.00
27	15.3	5999.00	5999.00	5999.00	0.00	0.00
28	15.4	167.00	167.00	167.00	0.00	0.00
29	15.5	1194.00	1194.00	1194.00	0.00	0.00
30	15.6	15986.00	15986.00	15986.00	0.00	0.00
31	15.7	12391.00	12391.00	12391.00	0.00	0.00
32	15.8	233.00	233.00	233.00	0.00	0.00
33	15.9	940.00	940.00	940.00	0.00	0.00
34	15.10	121.00	121.00	121.00	0.00	0.00
35	15.11	224.00	224.00	224.00	0.00	0.00
36	15.12	406.00	406.00	406.00	0.00	0.00
37	15.13	189.00	189.00	189.00	0.00	0.00
38	15.14	3850.00	3850.00	3850.00	0.00	0.00
39	15.15	613.00	613.00	613.00	0.00	0.00
40	15.16	645.00	645.00	645.00	0.00	0.00
41	15.17	551.00	551.00	551.00	0.00	0.00
42	15.18	1505.00	1505.00	1505.00	0.00	0.00
43	15.19	102.00	102.00	102.00	0.00	0.00
44	15.20	50000.00	50000.00	50000.00	0.00	0.00
45	19.1	0.00	2163770.00	0.00	0.00	0.00
46	19.3	0.00	2140350.00	0.00	0.00	0.00
<b>Total</b>		<b>160834.00</b>	<b>26419256.41</b>	<b>160834.00</b>	<b>10140.00</b>	<b>0.00</b>

## Audit Certificate

Certified that the accounts of Bargarh Municipality. Bargarh for the financial year 2014-2015 have been covered under audit and found correct subject to the comments / remarks offered in the foregoing paragraphs .

## Spot Recovery

Sl No	Ref Para No/Audit Objection Statement Page No	M.R.No	Date	Amount(In Rs.)	Name of the person
1	Para No.13.25/POM page No.81	Money Receipt No.11429, Money Receipt Book No.40	2015-12-03	9	Sri Surendra Kumar Pradhan, OTC
2	Para No.13.24/POM page No.74	Money Receipt No.9880, Money Receipt Book No.24	2015-11-16	2	Sri Gokul Pradhan, OTC
3	Para No.13.23/POM page No.73	Money Receipt No.9881, Money Receipt Book No.24	2015-11-16	8	Sri Gokul Pradhan, OTC
4	Para No.11.8/POM page No. 92	Money Receipt No.11434, Money Receipt Book No.40	2015-12-09	10	Sri Hema Chandra Meher, Cashier
5	Para No.13.15/POM page No.61	Money Receipt No.9875, Money Receipt Book No.24	2015-11-03	20	Sri Ananta Kumar Meher, Tax Collector
6	Para No.13.16/POM page No.66	Money Receipt No.9882, Money Receipt Book No.24	2015-11-16	2	Sri Jayamani Surujal, OTC
7	Para No.13.17/POM page No.67	Money Receipt No.9883, Money Receipt Book No.24	2015-11-16	11	Sri Jayamani Surujal, OTC
8	Para No.11.7/POM page No. 84	Money Receipt No.11430,	2015-12-03	10	Sri Siddheswar Mahananda,

		Money Receipt Book No.40			OTC
9	Para No.11.2/POM page No.60	Money Receipt No.9873, Money Receipt Book No.24	2015-11-03	40	Sri Ananta Kumar Meher, Tax Collector
10	Para No.11.5/POM page No. 82	Money Receipt No.11428, Money Receipt Book No.40	2015-12-03	3	Sri Hema Chandra Meher, Cashier
11	Para No.11.6/POM page No. 83	Money Receipt No.11431, Money Receipt Book No.40	2015-12-03	90	Sri Siddheswar Mahananda, OTC
12	Para No.11.2/POM page No.60	Money Receipt No.9874, Money Receipt Book No.24	2015-11-03	20	Sri Ananta Kumar Meher, Tax Collector
13			0000-00-00	0	
14			0000-00-00	0	
<b>Total</b>				<b>225</b>	