

LOCAL FUND AUDIT, KHURDA, ODISHA

CATEGORY : N A C

Audit Report No : 364318/AR/2017-2018-KHURDA

PARA: 1 TITLE SHEET

1	Name of the Institution :	Khandapada NAC
2	Year of Accounts under Audit :	2016-2017
3	Name of the Local Authority during the year of A/Cs :	1. Sri Binay Ranjan Mohapatra,28.01.15 to 19.07.16, 2. Sri Amiya Ranjan Das,05.08.16 to 22.12.16, 3. Dr. Srikant Ku Dash,23.12.16 to 09.08.17, 4. Sri Trilochan Behera, 16.08.17 to 31.01.18, 5. Smt. Itishree Sarangi,01.02.18 to till now
	Name of the Local Authority at the time of Audit :	Smt. Itishree sarangi
4	Duration of Audit :	02-02-2018 To 08-03-2018 (Mandays Consumed :- 19.5)
5	Name of the Auditors :	SABITA SAHOO - Lead Auditor(02-02-2018 to 08-03-2018) AJAY KUMAR PATNAIK - Auditor(02-02-2018 to 08-03-2018)
6	Name of the Reviewing Officer :	TRILOCHAN PRADHAN(Audit Superintendent)
7	Date of submission of report by Reviewing officer :	04-05-2018
8	Entry Conference Date :	12-01-2018
9	Exit Conference Date :	
10	Name of the District Audit Officer :	Smt Arundhati Jena
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		
Khandapada NAC	20.25	13	1414	296	210	7114	9034	4334	4700

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						
2	Cash in hand	02-02-2018	0.00	0.00	188, Accountant cash book	
3	Measurement Books	02-02-2018	1	1	48	
4	Miscellaneous Receipt Books	02-02-2018	13	13	8	
5	Service Postage Stamps	02-02-2018	Rs.266.00	Rs.266.00	53	
6	Holding, Light and Water Tax book	02-02-2018	10	10	27	

Comments

As required under Rule 20 of Odisha local fund Audit Rule, 1951, the Physical verification of hand cash, Unused receipt books, Unused Measurement Books and service postage stamp has been conducted on the date of commencement of Audit i.e., on 02-02-2018 before transaction and the result of verification is given above.

PARA: 3 LIST OF VERIFIED RECORDS

A : List Of Verified Records/Register

S/no	List Records/Register	Rules	Form No
1	Measurement Book	Rule 365	Form W-VIII
2	Stock & Store Register of Municipality	Rule 346	Form W-VII
3	Contract Certificate	Rule 343	Form W-IV
4	Contract Agreement Form	Rule 341	Form W-III
5	Nominal Muster Roll (NMR)	Rule 340	Form W-II
6	Stock account of Receipt Forms	Rule 196	Form L
7	Tax collector's daily collection register	Rule 192	Form K
8	Demand and Collection Register	Rule 178	Form B
9	Stock Register of Stationery	Rule 172	Form No. XLIV
10	Stamp Account	Rule 172	Form No. XLIV
11	Stock account of Tickets used for daily collection of Market fees	Rule 171	Form No. XLIII
12	Register of Grants	Rule 80	Form No. XLII
13	Daily Collection Register	Rule 171	Form No. XL
14	Arrear List	Rule 170	Form No. XXXIX
15	Register of Rents for which there is fixed demand	Rule 163	Form No. XXXVI
16	Miscellaneous Receipts	Rule 157	Form No. XXXIV
17	Cash Book of the municipality	Rule 125	Form No. XIV
18	Periodical Increment Certificate	Rule 99	Form No. XI
19	Absentee Statement	Rule 97	Form No. X
20	Salary Bills	Rule 97	Form No. IX
21	Subsidiary Cash Book	Rule 128 A	Form No. V-A
22	Cashier's Cash Book	Rule 81	Form No. V
23	Budget Estimate	Rule 74	Form No. I

B : List of Records/Registers not Produced to Audit

S/no	List Records/Register	Rules	Form No
1	Register of Works	Rule 345	Form W-VI
2	Register of Estimates & Allotments	Rule 332	Form W-I
3	Tax collector's Ledger	Rule 198	Form M
4	Register of writes off of demands	Rule 190	Form J
5	Register of Petitions	Rule 183	Form F
6	Form of appeal petition	Rule 183	Form E
7	Tax Ledger (personal A/C of Tax Payers)	Rule 178	Form B(I)
8	Assessment List	Rule 177	Form A
9	License Register for Drivers and Owners of Carriages plying for hire	Rule 156	Form No. XXXIII
10	Application for License for Carriage, Cart, Horses and Other animals	Rule 152	Form No. XXXI
11	License for Carriages, Carts, Horses Other and animals	Rule 154	Form No. XXX
12	Register of the Tax on Carriages, Carts, Horses and Other animals	Rule 151	Form No. XXIX
13	Establishment Audit Register	Rule 146	Form No. XXV
14	Register of Quarterly & Annual account of Expenditure	Rule 144	Form No. XXIII
15	Annual Account of Receipts and Expenditure	Rule 145	Form No. XXIV
16	Register of Quarterly & Annual account of Receipt	Rule 144	Form No. XXII
17	Register of outstanding deposits	Rule 143	Form No. XXI
18	Register of Outstanding Advances	Rule 140	Form No. XIX
19	Deposit Ledger	Rule 142	Form No. XX
20	Advance Ledger	Rule 136	Form No. XVIII
21	Register of adjustments	Rule 132	Form No. XVII
22	Abstract Register of Expenditure	Rule 129	Form No. XVI
23	Abstract Register of Receipts	Rule 129	Form No. XV

24	Order Book	Rule 96	Form No. VIII
25	Register of Bills	Rule 96	Form No. VII
26	Challan	Rule 87	Form No. VI
27	Subsidiary account of special taxes	Rule 79	Form No.-IV
28	Schedule for the Budget Estimate	Rule 77	Form No. III
29	Abstract of the Budget Estimate	Rule 74	Form No. I-A

C : List of Records/Registers not Maintained

S/no	List Records/Register	Rules	Form No
1	Register of Distraigned property & sales	Rule 204	Form S
2	Warrant register	Rule 202	Form R
3	Distrain Warrant Register	Rule 202	Form P
4	Form of inventory & Notice	Rule 203	Form Q
5	Notice of demand for tax u/s-161 of OM Act	Rule 202	Form O
6	Progress statement of collection of taxes	Rule 200	Form N
7	Arrear Demand Register	Rule 187	Form H
8	Tax Receipt Form	Rule 188	Form I
9	Mutation Register	Rule 184	Form G
10	Ledger of Lessees	Rule 170	Form No. XXXVIII
11	Jamabandi Register	Rule 170	Form No. XXXVII
12	Register of Lands	Rule 160	Form No. XXXV

D : List of Records/Registers not Required

S/no	List Records/Register	Rules	Form No
1	Miscellaneous Supply Bill	Rule 343	Form W-V
2	Register of Interest Bearing Securities	Rule 147	Form No. XLI
3	Stock account of License Number Plates	Rule 155	Form No. XXXII
4	Appropriation Register of Loan Funds	Rule 150	Form No. XXVIII
5	Loan Register	Rule 149	Form No. XXVII
6	Register of Investments	Rule 148	Form No. XXVI
7	Voucher of Recoupment of Permanent Advance Account	Rule 110	Form No. XIII
8	Permanent Advance Account	Rule 108	Form No. XII

Comments
NON-PRODUCTION/NON-MAINTENANCE OF SOME IMPORTANT RECORDS

As listed above some important records prescribed in Odisha Municipal Rules-1953 are not maintained at all, some are produced and others are not produced to audit. As a result it was time taking and difficult exercise on the part of the audit to work out the mandatory data in respect of receipts, expenditures, advance, grants, Ucs and physical and financial achievement of the NAC for the year 2016-17 in the absence of required documents. The transparency in the working of the NAC is lacking due to negligency of local authority in maintenance of records.

In response to the audit objection memo, the local authority could not furnish any justified reasons.

As realised by the audit the reason behind the above lapses lies in lack of experience of the working staff and least awareness about the municipal rules/regulations and accounting procedures to be followed for the smooth running of day to day works in each sections of the NAC.

Local authority is suggested to impart regular training to the staff engaged in the NAC to perform all tasks strictly as per procedures laid down in Municipal Rules-1953

PARA: 4 FINANCIAL POSITION

Khandapada NAC - 2016-2017

S/no	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	ACCOUNTANT CASH BOOK	01-04-2016	4546921 1.00	29380768. 00	74849979. 00	24265790. 00	31-03-2017	5058418 9.00	31-03-2017	4990392 3.40	680265.60	Opening balance has been modified as per details furnished below.
	GRAND TOTAL		4546921 1.00	29380768. 00	74849979. 00	24265790. 00		5058418 9.00		4990392 3.40	680265.60	

Comments

45469210.76

4.1 Reconciliation of opening balance as on 01.04.2016

Based on the scrutiny of the available records, the audit ascertained that the actual opening balance of the NAC as on 01.04.2016 is Rs 45469210.76 instead of Rs 47067606.76 as mentioned in the previous year (2015-16) audit report.

RECONCILIATION OF OPENING BALANCE AS ON 01.04.2016	
Closing Balance as on 31.03.2016 mentioned in previous year(2015-16) Audit Report	47067606.76
Less:-Payments made during 2015-16 but not taken in expenditure figures	-1598396.00
1.Paid to CESU for electricity charge Vr.551/26.3.16 Rs 749.00	
2.Paid to CESU for electricity charge Vr.550/26.3.16 Rs 7647.00	
3.Paid to CESU for electricity charge Vr.549/26.3.16 Rs 1300000.00	
4.Paid to CESU for advertisement charge Vr.564/30.3.16 Rs 10000.00	
5.Paid to SHG Vr.554/30.3.16 Rs 10000.00	
6.Paid for computer training Vr.556/30.3.16 Rs 270000.00	
Opening Balance as on 01.04.2016 taken by present Audit	45469210.76

4.2 Reconciliation of closing balance as on 31.03.2017

RECONCILIATION OF CLOSING BALANCE AS ON 31.03.2017	
Closing Balance as on 31.03.2017 as per CASH BOOK	49903923.40
Add:-(a)The amount omitted from Opening Balance in the cash book during handing over on dt.21.10.2016	667006.76
1.Post office,Khandapada deposit	Rs 350.36
2.Civil Deposit	Rs 6050.00
3.G.P.Advance (S.Money)	Rs 4917.40
4.G.P. old investment	Rs 2310.00
5.Permanent Advance	Rs 3.00
6.TDR	Rs 653376.00
(b) Amount parked in UCO Bank,Khandapada (A/C No-4180200000219 ,Current) which is shown nil balance in the cash book since 21.10.2016	13259.00

CLOSING BALANCE as on 31.03.2017 asper AUDIT	50584189.16
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4.3 Analysis of closing balance

Particulars	Amount
1Cash	0.00
2Bank	49917182.40
3Treasury	0.00
4Post Office	350.36
5Civil Deposit	6050.00
6G.P. Advance	7227.40
7Permanent Advance	3.00
8TDR	653376.00
TOTAL	50584189.16

4.4The details of income and expenditure made during 2016-17 in respect of Khandapada NAC is given below.

RECEIPT EXPENDITURE STATEMENTS OF KHANDAPADA NAC FOR 2016-17			
Sl.no	Head of Account	Receipt during the year 2015-16	Receipt during the year 2016-17
I	Rents & Taxes		
	1.(a) Holding Tax(Arrear)	18669.00	29412.00
	(b)Holding Tax (Current)	22891.00	28671.00
	2.(a) Water Tax(Arrear)	10684.00	19097.00
	(b) Water Tax(Current	14011.00	18621.00
	3.(a) Light Tax(Arrear)	34929.00	65269.00
	(b)Light Tax (Current)	38550.00	47886.00
	4.(a) Drainage Tax(Arrear)	0.00	0.00
	(b)Drainage Tax (Current)	0.00	0.00
	TOTAL	139734.00	208956.00
II	License & Other Fees		
	1.License Fees for Projection & Erections	0.00	0.00
	2.License Fees for Offensive &Dangerous	0.00	10000.00
	3. NOC Fees for water Supply connection & others	11800.00	13800.00
	4. Empanelment & Regd. Contractors	0.00	0.00
	TOTAL	11800.00	23800.00
III	Revenue derived from municipal property & powers apart from Taxation		
	1. Rent of Lands , buildings,Dharmasalas etc.	3600.00	0.00
	2. Revenue Receipts(Utha shop Fees)	5833.00	15011.00
	3. Fees from Markets	0.00	4200.00
	4. Fees from Slaughter Houses	0.00	0.00
	5.Fees from Taxi Stand	0.00	0.00
	6.Interest	981970.00	1672881.00
	7. Building Plan Approval	24657.00	5470.00
	8.Auction tank	38000.00	0.00

	9.Auction of Patha	0.00	0.00
	10. Auction of Slaughter House	2600.00	0.00
	11. Auction of Mango orchad	45387.00	40772.00
	12. Auction of Kaju orchard	129440.00	132000.00
	TOTAL	1231487.00	1870334.00
IV	Grants & Contributions for General & Purposes(From Govt)		
	1. Motor Vehicle/Road Tax	611000.00	0.00
	2. Devolution	2487000.00	2497000.00
	3. AWC	3000000.00	0.00
	4. Octorai Compensation	5756000.00	7314828.00
	5. Maintenance of Non-Residential Building	100000.00	
	6. SGSRY/OULM/NULM	1526353.00	1298585.00
	7. Road Development	641000.00	896000.00
	8. 13 th/14 th FCA	2885122.00	6048000.00
	9. MLALAD	500000.00	50000.00
	10. MPLAD	1260000.00	500000.00
	11. Road & Bridges	3921021.00	0.00
	12. Salary Grant Accoutant & MIS	0.00	0.00
	13.Solid Waste Mnagement	0.00	0.00
	14. Metering of water supply	1500000.00	0.00
	15. 4th SFC	2892000.00	0.00
	16. Performance Incentive	1367000.00	0.00
	17. TA/DA/ Sitting allowance for Elected person	51000.00	45000.00
	18. Capital Asset Revenue Generation	960000.00	0.00
	19. Capital Asset Maintenance	457000.00	0.00
	20. NFBS	120000.00	0.00
	21.Harischandra Yojana	0.00	100000.00
	22. OAP/ODP	4523900.00	3082700.00
	23. SPF	1100000.00	2400000.00
	24. Swachha Bharat Mission	1162613.00	0.00
	TOTAL	36821009.00	24232113.00
V	MISCELLANEOUS		
	1. Pension	0.00	0.00
	2. National Population Register	0.00	29750.00
	3. Cost.of Advertisement	0.00	0.00
	4. Hire Charges of Cess poll	31200.00	31000.00
	5. Hire charges of Water Tanker	10200.00	5500.00
	6.Cost of EMD	0.00	4000.00
	7. Income Tax	71422.00	69727.00
	8. Royalty	166338.00	166935.00
	9.VAT	455651.00	371748.00
	10.EGB	23611.00	20415.00

	11. SD(works)	736781.00	385226.00
	12. Contractor license	35500.00	12000.00
	13.Census	0.00	0.00
	14.NFSA	0.00	0.00
	15.Labour Cess	90564.00	61477.00
	16. Tender Paper	0.00	138270.00
	17. Audit Recovery	38710.00	4793.00
	18. Phailin Assistance	0.00	0.00
	19.Ivestor Awareness Camp	0.00	5000.00
	20. Old News Paper	120.00	0.00
	21. CPF recovery of Staff	13750.00	341205.00
	22.PT recovery of Staff	0.00	25000.00
	23. EPF recovery of Staff	0.00	183095.00
	24. LIC recovery of Staff	0.00	401956.00
	25. Bank Personal Loan Recovery	0.00	469339.00
	26.HBA	0.00	9420.00
	27. Recovery of Festival advance of Staff	8000.00	294200.00
	28.Work Cess	0.00	1584.00
	29. Auction of Damaged Wheel	7200.00	0.00
	30.RTI	40.00	539.00
	31.Sale Tax	0.00	120.00
	32.Audit Compliance	0.00	11234.00
	33. Education Cess	0.00	1584.00
	34. Photograph	0.00	448.00
	TOTAL	1689087.00	3045565.00
VI	Extra Ordinary & Debt		
	1. Others	0.00	0.00
	2. Advance	0.00	0.00
	3. Security deposits	0.00	0.00
	TOTAL	0.00	0.00
	TOTAL RECEIPTS	39893117.00	29380768.00
	Opening Balance	32542134.76	45469210.76
	O.B + Total Receipts	72435251.76	74849978.76
SI.No	Head of Accounts	Expenditure during 2015-16	Expenditure during 2016-17
I	General Administration & Collection Charges		
	1. General Administration		
	a. Office Establishment	2345526.00	2536672.00
	b. Contingencies	148993.00	129620.00
	c. Travelling Allowance	0.00	10165.00
	d. Hon. Of CP &VCP	12600.00	23200.00

	e.Sitting Allowance	4800.00	21000.00
	TOTAL	2511919.00	2720657.00
	2. Collection of Taxes & Fees		
	a. Establishment	500542.00	650817.00
	b. Contingencies		0.00
	TOTAL	500542.00	650817.00
	3. Octroi Establishment		
	a. Establishment	0.00	0.00
	TOTAL	0.00	0.00
	4. Pension & Gratuity	146520.00	966506.00
II	Public Safety		
	a. Establishment	0.00	134120.00
	b. Contingencies	11454.00	
	c. Equipment	581650.00	197093.00
	d. Street Light Energy Charges	2207332.00	681964.00
	e. Office Building Energy Charges	12156.00	8141.00
	TOTAL	2812592.00	1021318.00
III	Public Welfare		
	1. Public Health		
	a.Establishment Charges	1344415.00	3289368.00
	b. Sanitation Contingency	13114.00	135585.00
	c. Pollution Control Charges	0.00	0.00
	TOTAL	1357529.00	3424953.00
	2. Fares, Festivals,National Day Celebration & exhibition		
	a. Independence Day	0.00	10355.00
	b. Republic Day	33738.00	12057.00
	c. Samant Jayanti	0.00	22908.00
	d. LSG Day	57098.00	177932.00
	e. Car Festival	9900.00	11610.00
	f. Assistance for cultural programme	0.00	15000.00
	TOTAL	100736.00	249862.00
	3. Drainage & Sewarage Works		
	a. Original	2464168.00	1170857.00
	b. Repair	0.00	0.00
	TOTAL	2464168.00	1170857.00
	4. Water supply & Water works		
	a. Original	0.00	0.00
	b.Repairs	0.00	0.00
	TOTAL	0.00	0.00
	5. Conservancy		
	KI DEFENCE	0.00	0.00
	TOTAL	0.00	0.00
	6. Road Clearing & Road watering		

	a. Establishment	0.00	0.00
	b. Other charges	0.00	0.00
	TOTAL	0.00	0.00
	7. Disposal of night soil & rubbish etc.		
	a. Establishment	0.00	0.00
	TOTAL	0.00	0.00
	8. Markets, Cart, stands & slaughter houses		
	a. Establishment Charges	0.00	0.00
	TOTAL	0.00	0.00
IV	MEDICAL		
	a. Establishment Charges	0.00	0.00
	TOTAL	0.00	0.00
V	PUBLIC CONVEYANCE		
	1. Planting of Trees & Maintenance of Garden		0
	a. Establishment	0.00	0.00
	b. Soil Testing	0.00	0.00
	TOTAL	0.00	0.00
	2. Public Works		
	a. Establishment	463732.00	283798.00
	b. Work Contingency	10906.00	0.00
	TOTAL	474638.00	283798.00
	3. Building		
	a. Original	3798344.00	3803315.00
	b. Repairs	115487.00	0.00
	TOTAL	3913831.00	3803315.00
	4. Roads		
	a. Original	2366127.00	2580821.00
	b. Repairs	533135.00	0.00
	TOTAL	2899262.00	2580821.00
VI	MISCELLANEOUS		
	a. Law Expenditure	12500.00	25000.00
	b. OAP/ODP	3893400.00	3699434.00
	c. NFBS	120000.00	30000.00
	d. Contingency	2050.00	0.00
	e. Loan Expenditure of Staff	331650.00	469339.00
	f. Jalachhatra	33390.00	14240.00
	g. Harischandra Yojana	141000.00	141000.00
	h. SJSRY/OULM	666321.00	588560.00
	i. E.M.D	10000.00	10000.00
	j. Census	0.00	0.00
	k. Income Tax	10680.00	75818.00
	l. Royalty	118305.00	66554.00
	m. VAT	333120.00	150688.00

	n. Advertisement	86335.00	48048.00
	o. Festival Advance to Staff	182000.00	190000.00
	p.Labour Cess	0.00	
	q. Bank Charges	0.00	1792.60
	r. Telephone	16413.00	19657.00
	s. Furnitures	96032.00	8433.00
	t.Professional Tax	23650.00	25000.00
	u.Vehicle hire charges	2100.00	8870.00
	v. Vehicle Repair	23000.00	
	w. POL	40593.00	22103.00
	x. NFSA	61354.00	1441.00
	y. Road Tax	5130.00	5130.00
	z. Salary Advance to Staff	93000.00	
	aa. CPF contribution	643442.00	678411.00
	ab. EPF of Staff	462399.00	390756.00
	ac.LIC of Staff	258938.00	401956.00
	ad.Refund of SD(Auction)	0.00	33165.00
	ae. Refund of SD(Works)	338427.00	122657.00
	af.Scavenger survey	4000.00	0.00
	ag. Computer stationery	6859.00	9368.00
	ah. Inaguration Expenditure	147920.00	0.00
	ai.Refund of License to Contractor	20000.00	1500.00
	aj.Swachha Bharat Mission	4800.00	28026.00
	ak. By- election	7000.00	0.00
	al.Installation of Iron Grill	0.00	91189.00
	am.National Population Register	0.00	29750.00
	an.Investor Awareness Camp	0.00	5000.00
	TOTAL	8195808.00	7392885.60
VII	Extraordinary & Debt		
	a.Advances	0.00	0.00
	b. Deposits	0.00	0.00
	c. Refund of Loan	0.00	0.00
	d. Security Deposit	0.00	0.00
	TOTAL	0.00	0.00
	TOTAL EXPENDITURE	25377545.00	24265789.60
	C.B as on 31.03.16/31.03.17	47067606.76	50584189.16
	Grand Total	72435251.76	74849978.76
	Revised Closing Balance as on 31.03.2016	45469210.76	

4.5 Non Implementation of Double Entry Accrual Based Accounting System(DEBAS)(AOSP-20)

As per H & UD Department Letter No.24970/HUD BBSR dated.07.08.13 and as per Odisha Municipal(Accounts) Rules 2012, double entry accrual based accounting system (DEBAS) shall be effective in all the Municipality /NAC with effect from 01.10.2013.

But from verification of Accounts, it was found that DEBAS has not been implemented in full fledged manner during the year under audit.

As per Rule 67 of Odisha Municipal(Accounts) Rules 2012,cheque signing authorities and the Executive officer should ensure maintenance of

all records and registers as per requirement under DEBAS before signing and issue of cheques. It has been categorically instructed that any payment /issue of cheques without resorting to DEBAS w.e.f 01.10.2013 shall attract disciplinary action against the erring official concerned. It has also been directed in the said letter that non implementation of the DEBAS in accordance to Odisha Municipal(Accounts) Rules 2012 as stated above shall also attract with holding of grants-in –aid by Govt. to the defaulting ULBs.

On issue of audit objection statement the local authority replied that accounting in DEBAS is under progress.

The reply of the local authority is not satisfactory.

Hence the local authority is suggested to maintain all the important records and registers in prescribed forms as per O.M rule 2012.

4.6-BUDGET OF THE NAC

Under Rule-104 of OM Rules,1953 at least two months before the close of the year, the chair person shall present before the Municipality/ NAC a complete account of its probable receipts and expenditure for the following financial year together with that of the actual of the current year. Under Rule-107 of OM Rules,1953,after expiry of 14 days(since presentation before the Municipality) the Municipality/ NAC shall sanction the estimate and submit forthwith to the State Government for its approval as provided under Rule-109 of OM Rules,1953 .

But on scrutiny of the Budget Estimate it was seen that

1.The preliminary Budget Estimate for the year 2016-17 has been approved by the Council vide Resolution No- dated and it was published for inviting suggestion or recommendation for a period of 14 days. The council approved the budget and finally sent to the Collector,Nayagarh vide office letter no- dated for onward transmission to Govt. The Budget Estimate for the year 2016-17 has been approved by the Govt. in H & UD department.

4.7- Preparation of Unrealistic Budget Estimate(Lack of Coherence between estimated receipt and actual receipt and Minimum Closing balance)

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 realization during the year.Odisha Budget Manual read with section-108(a) of Odisha Municipal Act,1950 stipulates that the estimate of income and expenditure should be reasonable and proper. Further, as per section-56 of Odisha Budget Manual ,the estimation of fixed revenue should be based upon the actual demand including arrear and the probabilities of their realization 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.

Further,Rule 78 of 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.

But on scrutiny of the budget estimate for the year 2016-17, it is seen that there is a variation in receipt and expenditure as details

RECEIPT				EXPENDITURE			
As per Budget	Actual	Deviation		As per Budget	Actual	Deviation	
		Amount	Percentage			Amount	Percentage
24657116.00	29380768.00	4723652.00	19.15	22113456.00	24265789.60	2152333.00	9.73

As seen from the above table,the variation of actual receipt to that of budgeted receipt is 19.15% where as the deviation of actual expenditure from budgeted expenditure stands at 9.73% which proves that the budget is not realistic in nature. No revised budget has been made by this NAC to regularize the same and got approval from Govt. in H & UD Department.

Therefore the local authority is suggested to prepare the realistic budget henceforth.

4.8- Non Creation of Sinking fund

As per Section 11 of O.M Act,1950 read with Rule-20(d) of O.M Rules,1951 a provision should have been made for creation of Sinking Fund which is to be utilized for redemption of huge outstanding loan.

On scrutiny of the account of Khandapada NAC,it was seen that there is no provision of sinking fund in this NAC.

Hence the local authority is suggested to constitute a sinking fund to meet the liabilities of NAC.

4.9-Creation of depreciation fund

No such fund has been created by this NAC to replenish assets.

4.10-Parking of Municipal Funds in Ineligible Banks

On scrutiny of the accountant cash book with reference to different pass books, it was seen that all pass books belong to eligible banks as instructed vide letter no-2330/F/11.07.13.

Hence no money has been parked outside the eligible banks.

4.10-Non-maintenance of Flexi Account (AOSP-25)

As per letter no. 35425/F, dtd. 12-10-12, all Departments were asked to instruct the implementing agencies which are authorized to keep the central share or only central share of 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 effecting fund flow for the scheme.

Verification of the cash book revealed that the fund of centrally sponsored schemes are also kept in the Saving Bank Accounts instead of Flexi Accounts by not adhering to the instructions of the Govt. so that N.A.C lost the accrual of higher rate of interest.

On issue of audit objection statement the local authority furnished no reply.

So the local authority is suggested to maintain the Flexi Accounts in the Banks for the fund relating to centrally sponsored schemes so as to get the benefit of higher rate of interest.

4.11- Non issue of Misc receipts against Cheques/ BDs

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 the issuing receipts in Form no.XXXIV.

On verification of BD register with Misc.receipt books, it was seen that cheques and BDs were received without issuing misc.receipts. Though receipts were not issued, there is chance of not accounted for in cash book which leads to loss to the institution.

Hence the local authority is suggested to issue misc.receipt against cheque and BD received from other sources.

4.12. Transactions not made through PL Account (AOSP-87)

As per Rule 85(1) of the OM Rules, 1953, all moneys received on account of the Municipality should be remitted intact to the Treasury immediately.

But during the year under audit, it was seen that funds collected through receipt of NAC were directly deposited in bank account without the same being remitted to the P.L account deviating the above provision of the said rule.

4.13. Appropriation of funds towards expenditure, out of funds received without depositing the same (AOSP-87)

As per Rule 85(2) of the OM Rules, 1953, all moneys received on account of the Municipality should be remitted intact to the Treasury and shall on no account be appropriated directly towards expenditure.

But during the year under audit, it was seen that funds collected through receipt of NAC were directly shown as expenditure without the same being remitted to the P.L account deviating the above provision of the said rule.

4.14- NON-PRODUCTION OF DOCUMENTS RELATING TO ADVANCE, TDR, POSTAL DEPOSIT & CIVIL DEPOSIT (AOSP-95)

On scrutiny of the Cash books of the NAC, it is revealed that a total sum of Rs 667006.76 has been rolling in the closing balance figure of the consolidated NAC Fund for long time as per the details furnished below. In spite of issue of written memo and several verbal requests, the local authority failed to produce the relevant records pertaining to the said amounts to verify the physical existence and ascertain current status of the same.

Sl.No.	Details of Deposits/Advance/Investments	Documets required for scrutiny	Amount
1	Postal deposits at Khandapada Post Office	Updated pass book	350.36
2	Civil Deposit	Receipts & Updated value documents	6050.00
3	GP Advance (S.Money)	Advance details	4917.40
4	GP Advance (S.Money)	Advance details	2310.00
5	Permanent Advance	Advance details	3.00
6	TDR	Receipt/Bond	653376.00
		TOTAL	667006.76

In response to audit objection memo, the local authority furnished no reply.

4.15-DESCREPANCY IN OPENING BALANCES OF CASH BOOK ON 21.10.2017 (AOSP-96-97)

On verification of Accountant cash book, the opening balance difference of Rs 680265.76 is detected on 21.10.2016 cash book page No-03 (New) as per details furnished below during handing over of charge.

Page No of cash book	Date	Amount	Page No of cash book	Next Date	Amount	Difference
P-44 (Old cash book)	20.10.2017 (Closing balance)	45347386.28	P-03 (New cash book)	21.10.2017(Opening balance)	44667120.52	680265.76

Sl.No.	Particulars	Status	Amount
1	UCO Bank,Khandapada,A/C No-418020000219 (Current A/C)	Taken nil balance in place of Rs 13259.00	13259.00
2	Postal deposits at Khandapada Post Office	Omitted	350.36
3	Civil Deposit	Omitted	6050.00
4	GP Advance (S.Money)	Omitted	4917.40
5	GP Advance (S.Money)	Omitted	2310.00
6	Permanent Advance	Omitted	3.00
7	TDR	Receipt	653376.00
		TOTAL	680265.76

In response to audit objection memo, the local authority furnished no reply.

Para-4.15

Hence the local authority is suggested to reconcile the same and produce to next audit.

4.16 Liquid Assets and Liabilities

The asset and liabilities of Khandapada N.A.C for the year 2016-17 is furnished below.

LIABILITIES	VALUE	ASSETS	VALUE
Salary payable to Staff	379156.00	Investments	2310.00
Deposits Refundable	256569.00	Outstanding Advance	789517.00
Unremitted govt dues	702005.00	Closing Balance as on 31.3.2017	50584189.16
Unspent Grants	48351936.00	Outstanding Taxes & Rents	435695.00
TOTAL	48987661.00	TOTAL	51811711.16
Assets over liability	2824050.16	Liability over asset	0.00

From the above matrix of assets and liabilities, it is seen that the assets of this NAC is excess over liability by a tune of Rs.2824050.16 only, which speaks that the financial position of this NAC is not sound enough. However the local authority is suggested to take adequate steps for better collection of taxes, rent and fees etc. so as to enhance financial status of the NAC. Further the assessment and collection of taxes need to be regulated in accordance with Rule-175 to 206 of O.M Rules -1953. The council is suggested to take effective steps for revaluation of holding, light and water taxes as required under section 145 of OM ACT 1950. Apart from that no wasteful expenditure should be incurred by the council without prior approval of the Govt. as per section 117(A) of said OM Act.

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

Khandapada NAC - 2016-2017

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	UCO,khandapada	04180100005023	31-03-2017	1286438.00	31-03-2017	1286438.00	0.00	Road Maintenance
2	UCO, Khandapada	041801000063736	31-03-2017	39936.00	31-03-2017	39936.00	0.00	Salary
3	UCO,Khandapada	04180100063729	31-03-2017	1052152.00	31-03-2017	1119555.00	-67403.00	Deduction
4	UCO,khandapada	.4180100058923	30-03-2017	29963.00	31-03-2017	29963.00	0.00	MLA LAD
5	UCO,Khandapada	04180100005503	31-03-2017	1796457.00	31-03-2017	1796457.00	0.00	OULM
6	UCO,Khandapada	04180100009785	31-03-2017	12030548.00	31-03-2017	12030548.00	0.00	TFC
7	UCO,Khandapada	04180100091425	31-03-2017	1161187.40	31-03-2017	1161187.00	0.40	SBM
8	UCO,Khandapada	04180100005818	31-03-2017	1874974.00	31-03-2017	1874974.00	0.00	Devolution Fund
9	UCO,Khandapada	04180100000769	31-03-2017	599511.00	31-03-2017	37823.00	561688.00	NULM
10	UCO,Khandapada	04180200000219	31-03-2017	13050.00	31-03-2017	0.00	13050.00	Current account
11	NDCCB,Khandapada	003053003197	31-03-2017	483060.00	31-03-2017	483060.00	0.00	Own Source
12	SBI,Khandapada	31044804193	31-03-2017	1253854.00	31-03-2017	1253854.00	0.00	OAP,ODP
13	SBI,Khandapada	31387210756	31-03-2017	12218019.00	31-03-2017	12218019.00	0.00	13th FCA
14	HDFC,Nayagarh	50100059326004	31-03-2017	1442892.00	31-03-2017	1442892.00	0.00	Road Development
15	HDFC,Nayagarh	50100059325961	31-03-2017	4756564.00	31-03-2017	4756564.00	0.00	AWC
16	HDFC,Nayagarh	50100083139720	31-03-2017	1459202.00	31-03-2017	1459202.00	0.00	MPLAD
17	HDFC,Nayagarh	50100083156181	31-03-2017	3116641.00	31-03-2017	3116641.00	0.00	SPF
18	Post office, Khandapada	49055	31-03-2017	350.36	31-03-2017	350.00	0.36	
19	Sub Treasury,Khandapada	8448	31-03-2017	5796810.00	31-03-2017	5796810.00	0.00	Octoroi Compensation
	GRAND TOTAL			50411608.76		49904273.00	507335.76	

Reconciliation
5.1 Reconciliation

1. As per Rule 128 of O.M 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.

2. As per Letter No.15847/F, dtd 27.04.2013 of Finance Department, the DDO shall maintain a Register for reconciliation of receipts and disbursements of scheme funds.

The local authority failed to produce the register of reconciliation.

1. Account No -04180110100769,UCO Bank, Khandapada (NULM)

Closing balance as per cash book as on 31-03-17				37823.00
Add: Cheque issued but not debited from pass book till 31-03-17				(+)561688.00
Vr no/date	Cheque no	Amount(Rs)	Date of debit from pass book	
-/17.01.17	877804	494285.00	15.04.17	
-/17.01.17	877805	67403.00	15.04.17	
Total		561688.00		
C.B as per pass book as on 31-03-17				599511.00

2.Account No -04180110063729,UCO Bank, Khandapada (Deduction)

Closing balance as per cash book as on 31-03-17				1119555.00
deduct: Cheque deposited but not credited in pass book till 31-03-17				(-)67403.00
Date	Particulars	Amount(Rs)	Date of credit in pass book	
17.01.17	TRF from 04180110100769	67403.00	15.04.17	
C.B as per pass book as on 31-03-17				1052152.00

3. Account No -04180200000219,UCO Bank, Khandapada (Current Account)

Closing balance as per cash book as on 31-03-17				0.00
Add: Opening balance of pass book not taken into the O.B of cash book				(+)13259.00
Deduct: Bank charges debited from pass book not from cash book till 31-03-17				(-)209.00
Date of Debit		Amount(Rs)		
20.03.17		52.00		
24.03.17		157.00		
C.B as per pass book as on 31-03-17				13050.00

Para-5.2 Transactions not made through PL Account

As per Rule 85(1) of the OM Rules,1953,all moneys received on account of the Municipality should be remitted intact to the Treasury immediately.

But during the year under audit, it was seen that funds collected through receipt of NAC were directly deposited in bank account without the same being remitted to the P.L account deviating the above provision of the said rule.

On issue of audit objection statement the local authority replied that noted for future guidance.

The reply of the local authority is not satisfactory.

Hence the local authority is suggested to deposit all money received on behalf of NAC in P.L account as per provision of the above Municipal Rule.

Para-5.3 Appropriation of funds towards expenditure ,out of funds received without depositing the same

As per Rule 85(2) of the OM Rules,1953,all moneys received on account of the Municipality should be remitted intact to the Treasury and shall on no account be appropriated directly towards expenditure.

But during the year under audit, it was seen that funds collected through receipt of NAC were directly shown as expenditure without the same being remitted to the P.L account deviating the above provision of the said rule.

On issue of audit objection statement the local authority replied that noted for future guidance.

The reply of the local authority is not satisfactory.

Hence the local authority is suggested to deposit all money received on behalf of NAC in P.L account as per provision of the above Municipal Rule and shown expenditure accordingly.

Para-5.4 Cash and account branch of Municipal office shall be kept distinct

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 officers who,for the purpose of these Rules, shall be termed respectively ,cashier and account.

In this NAC the same has been followed and the local authority is suggested to continue the same in future.

PARA: 6 STOCK POSITION

Khandapada NAC - 2016-2017

S/no	Material/ Item	Opening Balance	Receipt	Issued	Closing Balance As per Audit	As per stock register	Remarks
1	Tractor	02	0	0	2.00	02	Page-03
2	Cess Poll Tanker	01	0	0	1.00	01	SRP-03
3	Water Tanker	01	0	0	1.00	01	SRP-03
4	Water Pump Set 5HP	02	0	0	2.00	02	SRP-20
5	Cycle	01	0	0	1.00	01	SRP-106
6	Jet Water Pump Set	01	0	0	1.00	01	SRP-20
7	Almirah wooden	01	0	0	1.00	01	SRP-35
8	Steel Almirah	23	0	0	23.00	23	SRP-35
9	Wooden Table	07	0	0	7.00	07	SRP-35
10	Iron Table	15	0	0	15.00	15	SRP-35
11	Ceiling Fan	16	0	0	16.00	16	SRP-30
12	Stand Fan	02	0	0	2.00	02	SRP-30
13	Moving Chair	01	0	0	1.00	01	SRP-35
14	Plastic Chair	68	0	0	68.00	68	SRP-35
15	AC machine	01	0	0	1.00	01	SRP-30
16	Computer	05	0	0	5.00	05	SRP-09
17	Meeting Hall Round Table	01	0	0	1.00	01	SRP-15
18	Meeting Hall lock almirah	02	0	0	2.00	02	SRP-15
19	Meeting Hall Councillors chair	14	0	0	14.00	14	SRP-15
20	Water Pump Set 3HP	01	0	0	1.00	01	SRP-20
21	Iron Racks	04	0	0	4.00	04	SRP-50
22	Invertor	01	0	0	1.00	01	SRP-30
23	Kent Water Filter	01	0	0	1.00	01	SRP-50
24	Foam Chair	15	0	0	15.00	15	SRP-35
25	wooden Chair	17	0	0	17.00	17	SRP-35
26	Type machine	01	0	0	1.00	01	SRP-50
27	Gas Light	01	0	0	1.00	01	SRP-50
28	Petromax Light	01	0	0	1.00	01	SRP-50
29	High Mask Light	02	0	02	0.00	0	
30	Coupling	01	0	0	1.00	01	SRP-03
31	Printer	4	0	0	4.00	4	SRP-09
32	Camera	0	1	0	1.00	01	SRP - 193
33	calculator	0	2	0	2.00	02	SRp-63
34	Tiffin Carrier	0	2	0	2.00	02	SRP-159,168
35	Almirah, NULM	0	1	0	1.00	01	SRP-163
36	Belcha	0	1	0	1.00	01	SRP-192

Comments
6.1 Non conduct of physical verification of cash and stock and stores

i. 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.

ii. 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.

iii. As per Rule-106(iv) of O.G.F.R., articles of dead stock should be verified at least once a year and 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.

iv. 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 authorised by him.

But neither the physical cash has been verified by the Head of Office concerned nor the physical verification of stores has been conducted by the Head of Office concerned or such other as may be specially authorised by him as required under rule as mentioned above.

On issue of audit objection statement the local authority replied that as per suggestion of audit the physical verification of cash and stock will be carried out regularly.

The reply of the local authority is not satisfactory.

Hence the local authority is suggested to follow the above guidelines.

6.2 Not Keeping Security Deposit

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.

But no security has been kept from the cashier, store-keeper and other subordinate who is entrusted with the custody of cash or stores as required under rule as mentioned above.

On issue of audit objection statement the local authority replied that as per suggestion of audit steps to be taken on the matter and comply in next audit.

The reply of the local authority is not satisfactory.

Hence the local authority is suggested to follow the above guidelines.

PARA: 7 INVESTMENT

Khandapada NAC - 2016-2017

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	01-04-2016	2310	0	2310.00	0	31-03-2017	2310.00	31-03-2017	2310	0.00	
	GRAND TOTAL	2310.00	0.00	2310.00	0.00		2310.00		2310.00	0.00	

DETAILS OF CB ON INVESTMENT & Comments :
7.1

It is revealed from the last and previous audit reports that the following investments were made by the Gram Panchayat before formation of NAC. The details of which are given below.

Sl.No	Particulars	With whom invested	Amount(Rs)
1	Loan Bond No.CA-019245 of Govt. of Odisha	Govt. of Odisha	100
2	P.S Sugar Factory share no.-49/13.11.1963	Sugar Factory, Khandapada	200
3	N.D.C No.-B-7/340597	Section Officer,Electrical.Khandapada	10
4	Co-Operative Sugar Factory share Receipt no.-154/23.06.83	Co-Operative Sugar Factory,Nayagarh	2000
	Total		2310

Section 115 of 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.

No fresh investment has been made during the year under audit.

Steps may be taken to receive the dividends of the above share as well as the matured value of investment and compliance be reported to audit.

7.2 Non-maintenance of Investment Register

As per Rule 148 of 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 (O) should be verified along with custody of the Chairman himself.

The register of investment in form no.XXV has not been maintained.

Hence the local authority is suggested to maintain the register properly.

PARA: 8 ADVANCE

Khandapada NAC - 2016-2017

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	01-04-2016	Accountant Cash Book	1097587	272688	1370275.00	580758	31-03-2017	789517.00	31-03-2017	789517	0.00	
	GRAND TOTAL		1097587.00	272688.00	1370275.00	580758.00		789517.00		789517.00	0.00	

Comments :
8.1 Details of outstanding advance

The details of outstanding advances as on 31.03.17 are furnished below.

Sl.No	Name & Designation of Advance Holder	Vr No./Date	Amount of Outstanding Advance			Purpose of Advance	Name & Designation of the sanctioning Authority
			Amt .of Advance outstanding for more than 1 year	Amt .of Advance outstanding for less than 1 year	Total		
1	Unclassified Adv.as on 31.03.12		399587	0	399587		
2	Kishore Chandra Nayak,NW	131/14.06.13	10000	0	10000	Medical	Kartik Chandra Mishra, E.O
3	Sumitra Mukhi, Sweeper	355/07.10.13	6000	0	6000	F.A	Kartik Chandra Mishra, E.O
4	Halu Mukhi, Sweeper	355/07.10.13	7000	0	7000	F.A	Kartik Chandra Mishra, E.O
5	Halu Mukhi, Sweeper	45/28.11.13	5600	0	5600	Medical	Kartik Chandra Mishra, E.O
6	Kartik Chandra Mishra, E.O	383/12.10.13,390/23.10.13, 405/12.11.13,444/19.11.13	100000	0	100000	Phailin Restoration Work	Kartik Chandra Mishra, E.O
7	Saroj kumar Sahoo ,TC	214/28.08.14	40000	0	40000	LSG Day	Kunjaban Pradhan ,E.O
8	Saroj kumar Sahoo ,TC	224/01.09.14	30000	0	30000	LSG Day	Kunjaban Pradhan ,E.O
9	Nibedita Mishra, Councillor	298/01.10.14	300	0	300	TA adv	Kunjaban Pradhan ,E.O
10	Saroj kumar Pradhan ,Councillor	298/01.10.14	300	0	300	TA adv	Kunjaban Pradhan ,E.O
11	Pradipta Kumar Sahoo, Councillor	298/01.10.14	300	0	300	TA adv	Kunjaban Pradhan ,E.O
12	Gitanjali	298/01.10.14	300	0	300	TA adv	Kunjaban Pradhan

	Choudhury,Councillor						E.O
13	Subas Ch.Das,Peon	546/13.03.15	40000	0	40000	Marriage	Binay Ranjan Mohapatra, E.O
14	Lal Mohan Pattanaik,Jr.Assistant	540/11.03.16	11000	0	11000	Salary	Binay Ranjan Mohapatra, E.O
15	Prakash Chandra Barik, Jr.Assistant	541/11.03.16	12000	0	12000	Salary	Binay Ranjan Mohapatra, E.O
16	Ajit Mukhi,Sweeper	333/14.10.15	2000	0	2000	F.A	Binay Ranjan Mohapatra, E.O
17	Bishu Mukhi,Sweeper	333/14.10.15	2000	0	2000	F.A	Binay Ranjan Mohapatra, E.O
18	Kunja Bihari Nayak,Sweeper	333/14.10.15	2000	0	2000	F.A	Binay Ranjan Mohapatra, E.O
19	L.M Pattanaik, Jr.Assistant	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
20	Prakash Chandra Barik, Jr.Assistant	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
21	Harihar Mishra,work sarkar	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
22	Raja kishore Mohanty,Driver	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
23	Laxmi Narayan Sahoo, ,Tax Collector	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
24	Prasanti Devi,Peon	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
25	Kishore Ch Nayak,Night watcher	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
26	Subash Chandra Das,Peon	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
27	Champa Naik,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
28	Chandra Mukhi,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
29	Indumati Parida,C.O	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
30	S.S Mishra,MIS	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
31	Rajani Dei,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
32	Laxmi Naik,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
33	Mahendra Mahar,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
34	Dillip Kumar Acharya,Tax Collector	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
35	Mohit Ranjan Rath,Tax Collector	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
36	Ramesh Kumar Mohanty,Tax Collector	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
37	Prasant Ku Rout,Computer Operator	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
38	Raj Kishore Mishra,Peon	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
39	Raj Kishore Sahoo,Peon	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
40	Rabindra Barik,Electrical helper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
41	Samarendra Barik,store Keeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
42	Laxman Das,Driver	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
43	Rabindra Naik,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
44	Mini Dei,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
45	Subasi Dei,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
46	Sara Mukhi,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
47	Sita Naik,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
48	Sanatan Naik,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
49	Pankaj Naik,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O
50	Laxmidhar Naik,Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das,E.O

51	Sadasiva Naik, Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das, E.O
52	Sanju Naik, Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das, E.O
53	Suma Mahar, Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das, E.O
54	Bharati Naik, Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das, E.O
55	Janaki Mukhi, Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das, E.O
56	Gauri Naik, Sweeper	400/06.10.16	0	2500	2500	F.A	Amiya Ranjan Das, E.O
57	Subash Chandra Das, Peon	58/07.03.17	0	20000	20000	Harischandra	Dr. Srikant Kumar Dash, E.O
58	Prakash Ch. Barik, Jr. Assistant	69/21.03.17	0	1000	1000	Postage stamp	Dr. Srikant Kumar Dash, E.O
59	Raj Kishore Mohanty, Driver	72/29.03.17	0	5130	5130	Road Tax	Dr. Srikant Kumar Dash, E.O
	Total		668387	121130	789517		

8.2 Year wise break up outstanding advances

The year wise break up outstanding advances as on 31-03-17 is given below.

Year	Amount of Outstanding Advance
Prior to 2010-11	390022
2010--11	9565
2011-12	0
2012-13	0
2013-14	128600
2014-15	111200
2015-16	29000
2016-17	121130
Total	789517

8.3 Details of Advance paid during the year 2015-16 which were remained unadjusted for more than one year as on 31-03-17

In pursuance of G.O No-2221/F, Dt.08-03-2002 read with letter no.15179/DLFA,28-09-13 of Director, Local Fund Audit, Odisha, advances remaining outstanding for more than one year is to be treated as loss to the govt. fund. Such unadjusted advances are to be suggested for recovery through surcharge proceedings as per the said G.O by fixing up responsibility on the sanctioning authority who have sanctioned the advance but failed to adjust the same and the advance payee jointly.

The followings are the details of such advances amounting to Rs.29000.00 paid during the year 2015-16 as mentioned in the last audit report, but remained unadjusted for more than one year i.e on 31.03.2017.

Un-recouped Advance for more than 1 year as on 31.03.17							
Sl.No	Name of the Advance Payee	Vr.No/Date	Amount Paid	Amount adjusted during 2016-17	Amount outstanding	Purpose	Name of the Sanctioning Authority
1	Lal Mohan Pattanaik, Jr. Assistant	540/11.03.16	11000	0	11000	Salary adv	Binay Ranjan Mohapatra, E.O
2	Prakash Chandra Barik, Junior Assistant	541/11.03.16	12000	0	12000	Salary adv	Binay Ranjan Mohapatra, E.O

3	Ajit Mukhi,NMR sweeper	333/14.10.15	2000	0	2000	FA	Binay Ranjan Mohapatra, E.O
4	Bishu Mukhi,NMR Sweeper	333/14.10.15	2000	0	2000	FA	Binay Ranjan Mohapatra, E.O
5	Kunja Bihari Nayak,NMR Sweeper	333/14.10.15	2000	0	2000	FA	Binay Ranjan Mohapatra, E.O
	Total		29000	0	29000		

On the issue of audit objection statement, the local authority replied that necessary steps are being taken to recovery the outstanding advance of the NAC.

The reply of the local authority is not satisfactory.

Rs.29000.00 is suggested for recovery from the following persons.

8.4 Non adjustment of long outstanding advance

As per provisions of SR-509 of Orissa Treasury Code (Vol-I) and Rule 136 to 140 of OM Rules,1953 and instruction of the Finance Department, advance granted to contractors and individuals for departmental and other purpose were required to be promptly adjusted within one month from the date of its disbursement of advance by submitting detailed accounts and refunding balances, if any. An advance ledger is to be maintained in each ULB recording person wise separate accounts of such advance as the same is to be balanced and signed by the Executive Officer on quarterly basis. The Drawing and Disbursing Officer is responsible for any deviation of the same. Rule 14 of OGFR –I provides that every officer whose duties to render accounts on returns in respect of public money is responsible for their completeness and strict accuracy. According to the Govt. instructions, each item of out standing advances as appearing in the cash book of DDO is to be analysed and get adjusted within one month as delay in tendering detailed accounts may lead to misappropriation of funds.

Besides this, the Govt. in Finance Deptt. in their Circular No.114/f. dt.05.01.2004 has clearly instructed that advance against Govt. transaction cash book of P.s, ULBs and other organization is also come under surcharge proceedings.

On checking of the advance position, it is revealed that Rs.789517.00 remained unadjusted as on 31.03.2017 though the period of pending ranges from 1 to 20 years and even more.

Hence the Executive Officer is suggested to take effective steps for advance adjustment either through voucher adjustment or by effecting recovery.

8.5 Irregular sanction and payment of pay advance to Staff of the NAC

As per the provisions of Rule 259(1) of O.G.F.R Vol- I, read with F.D.O.M.No.29686-Codes-57/59/F Dt.20.06.1979, pay advance equal to one month basic pay is admissible to an employee in case of transfer and the same will be recovered in 3 equal monthly instalments commencing from the succeeding months.

Besides above, the H & UD Department instructed all the Urban Local Bodies vide its Letter No.Audit(U)74/2009/28808/HUD dt.25.11.2009 that " Salary advances to the staff except on transfer should be stopped forthwith. Since the municipality is facing fund constraints and unable to pay monthly salary to the staff in due time and govt. grant is being encroached for day to day activities,the payment of such unauthorised advance negatively affects the developmental work as well as the basic core activities of the municipality. "

On verification of the relevant records and registers , it was seen that Rs.83000.0 was paid as salary advance during 2015-16 and Rs.60000.0 was adjusted during 2016-17. The balance amount of Rs.2300.00 is not adjusted till now which is suggested for recovery in para-8.3.

The local authority is suggested to follow the above guide line.

8.6 Details of advance adjusted during the year 2016-17 is furnished below.

Details of Advance Adjusted During 2016-17						
Sl.No	Name & Designation of Advance Holder	Vr. No/date of payment of advance	Amount of advance paid	Vr.no /Date of Adjustment of Advance	Amount of Advance Adjusted	Purpose
1	Joginath Panigrahi,Contractor	93/03.06.15	160000	259/02.07.16	160000	Works

2	Kishore Chandra Nayak,NW	461/05.01.16	18000	Sal bill of 2/16 to 10/16	18000	Sal advance
3	Ramesh Kumar Mohanty, TC	463/03.07.16	18000	Sal bill of 5/16 to 1/17	18000	Sal advance
4	Binay Ranjan Mohapatra,EO	494/25.01.16	24000	Sal bill of 3/16 to 7/16	24000	Sal advance
5	Subash Chandra Das ,Peon	555/30.03.16	10000	245/12.07.16	10000	Jalachhatra
6	Festival Advance to Staff	333/14.10.15,349/19.10.15,325/14.10.15	205200	Salary bills of 15-16 7 16-17	199200	F.A
7	Festival Advance to Staff	400/06.10.16	190000	Salary bills of 16-17	95000	F.A
7	Subash Chandra Das ,Peon	53/06.05.16	13650	257/12.07.16	13650	Jalachhatra
8	Laxmi Narayan Sahoo,TC	506/21.12.16	22908	23.02.17	22908	Samanta Jayanti
9	Lal Mohan Pattanayak, Jr.Assistant	06.02.17	20000	62/07.03.17	20000	Harischandra sahayata
	Total				580758	

Out of total advance of Rs 272688.00 paid during 2016-17, Rs 190000.00 has been shown as expenditure in financial statement. Others are shown as expenditure in the statement. Similarly out of total adjustment of Rs 580758.00,only festival advance recovery Rs 294200.00 is taken as receipt in the financial statement. Rest advance adjustment is within the financial statements in other heads.

8.6 Non Maintenance of Advance and Outstanding advance ledger

As per Rule 136 to 140 of Odisha Municipal Rules,1953 an 'Advance ledger' is to be maintained in each ULB recording person wise separate accounts of such advances. Advances shall be regularly and promptly adjusted and any unspent balance of an advance shall be immediately refunded. The different accounts in the advance ledger shall be balanced quarterly and signed by the Executive Officer & thus an 'Outstanding Advance ledger' is to be maintained on quarterly basis .

But neither advance ledger nor outstanding advance ledger has been maintained by this NAC.

The local authority is suggested to maintain the above mandatory records and produce to next audit.

8.7 Irregularities in maintenance of advance account

On checking of the Accountant cash book and payment of advance , the following major irregularities are noticed in the maintenance of advance account.

1. Advances are booked as final expenditure in the cash book.
2. Adjustment of advances were not reflected in the cash book.
3. Outstanding advances has not been shown in the closing balance of the cash book.

The local authority is suggested to maintain the advance account properly.

Responsible Person for this paragraph

Sln0	Name	Designation	Adress	Amount(In Rs.)
1	Prakash Chandra Barik	Jr.Asst.	Khandapada NAC AT,PO-Khandapada Dist-Nayagarh	6000
2	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	14500
3	Sri Lalmohan Patnayak	Jr.Asst.	Khandapada NAC AT,PO-Khandapda Dist-Nayagarh	5500
4	Sri Ajit Mukhi	NMR Sweeper	Khandapada NAC AT,PO-Khandapada Dist-Nayagarh	1000
5	Bisu Mukhi	NMR Sweeper	Khandapada NAC AT,PO-Khandapada Dist-Nayagarh	1000
6	Kunjabihari Nayak	NMR Sweeper	Khandapada NAC AT,PO-Khandapada Dist-Nayagarh	1000

PARA: 9 GRANTS

Khandapada NAC - 2016-2017

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	01-04-2016	44779654.00	24232113	69011767.00	20659831	31-03-2017	48351936.00	
	GRAND TOTAL	44779654.00	24232113.00	69011767.00	20659831.00		48351936.00	

Comments :

9.1-DETAILS OF RECEIPT AND EXPENDITURE OF GOVT GRANTS OF KHANDAPADA NAC FOR THE YEAR 2016-17

Sl.No	Name of the Grant	O.B as on 01.04.16	Receipt during 2016-17	Total	Expenditure during 2016-17	C.B as on 31.03.17	% of expenditure out of available fund
1	113/14th FCA	10223969	6048000	16271969	2464007	13807962	15.14
2	SRC	582328	0	582328	0	582328	0
3	Octorai Compensation	1569450	7314828	8884278	8676375	207903	97.65
4	Incentive	2367524	0	2367524	0	2367524	0
5	SJSRY/OULM	1101605	792585	1894190	655963	1238227	34.63
6	MLA LAD	2249582	50000	2299582	600000	1699582	26.09
7	RD	1429609	896000	2325609	618823	1706786	26.6
8	Parking	-54230	0	-54230	0	-54230	0
9	FDR	37993	0	37993	0	37993	0
10	Town Hall	116386	0	116386	0	116386	0
11	Office Building	303270	0	303270	0	303270	0
12	Maintenance of NRB	1107444	0	1107444	378616	728828	34.18
13	Unclassified	188962	0	188962	0	188962	0
14	MV Tax	-2199209	0	-2199209	0	-2199209	0
15	Devolution Fund	6144818	2497000	8641818	2610260	6031558	30.2
16	Spl. Grant UAG	-300764	0	-300764	0	-300764	0
17	Road & Bridges	2609324	0	2609324	354669	2254655	13.59
18	SWM	-569439	0	-569439	0	-569439	0
19	Spl.Dev.Programme	-769672	0	-769672	0	-769672	0
20	Scavanger Awareness	13000	0	13000	0	13000	0
21	Election	194771	0	194771	0	194771	0
22	Salary	291600	0	291600	0	291600	0
23	Harischandra	119000	100000	219000	141000	78000	64.38
24	Pension	-1165	0	-1165	0	-1165	0
25	OAP/ODP	7302871	3082700	10385571	3691300	6694271	35.54
26	MPLAD	-62056	500000	437944	394618	43326	90.1
27	AWC	4500000	0	4500000	0	4500000	0
28	NFBS	-100000	0	-100000	30000	-130000	-30

29	Swachha Bharat Mission	1157813	0	1157813	0	1157813	0
30	4th SFC	2477694	0	2477694	0	2477694	0
31	SPF	600000	2400000	3000000	0	3000000	0
32	TA/DA/SF of CP & VCP	33600	45000	78600	44200	34400	56.23
33	Capital Asset Revenue Generation	156576	0	156576	0	156576	0
34	Capital Asset Maintenance	457000	0	457000	0	457000	0
35	Metering of Water Supply	1500000	0	1500000	0	1500000	0
36	NULM	0	506000	506000	0	506000	0
	Total	44779654	24232113	69011767	20659831	48351936	29.93

9.2- Low Level of Utilisation of Grants (AOSP-98-100)

As per Rule 171(2) of O.G.F.R, unless it is otherwise ordered by Government, the grant will be spent upon the object within a reasonable time ,if no time has been fixed by the sanctioning authority.

As per Rule 171(3) (a) of O.G.F.R the reasonable time means 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 duly surrendered to government.

On going through the previous year audit report, it is noticed that on 01.04.16 a huge amount of unspent balances of Rs.44779654.00 was lying with this NAC under various schemes. Fresh grants to a tune of Rs 24232113.00 Were also released without verifying the unspent position of earlier grants. From the above table , it would be seen that the expenditure incurred was only Rs20659831.00 And Rs.48351936.00 was pending for utilization with NAC account as on 31.03.17. The percentage of utilization of grants for the year 2016-17 is 29.93 % . Non utilization of grant leads to non achievement of govt target and does not fulfill the aim & objectives of the grant in aid.

On issue of audit objection statement, the local authority did not furnish any reply.

The local authority is suggested to take effective steps for early utilization of grants with due permission.

9.3- Expenditure incurred without having funds

It would be seen from the table given below that expenditure has been incurred in some of the schemes without having funds.

On issue of audit objection statement, the local authority did not furnish any reply.

The local authority is suggested to make the grant register up to date and obtain fund from the concerned departments in order to regularize the excess expenditure. Till then a sum of Rs 30000.00 spent towards NFBS is held under objection.

9.4- Year Wise Break up of unspent Grant

The year wise break up of out standing advances was not furnished in the previous audit report. Basing on the available records , the position of unutilized grants as on 31.03.2017 is categorised as follows.

Up to 2015-16	31246748.00
2016-17	17125188.00
Total	48371936.00

SUMMARY OF GRANT EXPENDITURES		
A	13/14 FCA	
1	Drainage	785623
2	Building	319821
3	Road	1039691
4	Street Light Electricity Charge	318872
	Total	2464007

B	Octroi Compensation	
	1Salary	6904940
	2Un-recouped Festival Advance	95000
	3CPF/EPF	1676435
	Total	8676375
C	NULM/OLM	
	1Net	588560
	2TDS	56169
	3Audit Recovery	11234
	Total	655963
D	MLA LAD	
	1Building	100000
	2Road	0
	3Drainage	0
	Total	100000
E	SDP	
	1Building	0
	2Road	500000
	3Drainage	0
	Total	500000
F	RD	
	1Building	0
	2Road	373806
	3Drainage	245017
	Total	618823
G	NRB	
	1Building	378616
	2Road	0
	3Drainage	0
	Total	378616
H	Devolution	
	1Building	2610260
	2Road	0

	3Drainage	0
	Total	2610260
I	R&B	
	1Building	0
	2Road	214452
	3Drainage	140217
	Total	354669
J	MP LAD	
	1Building	394618
	2Road	0
	3Drainage	0
	Total	394618
K	OAP/ODP	
	1OAP/ODP	3691300
	2Contingency-8134.00	
	Total	3691300
L	TA/DA	
	1Hon of CP/VCP	23200
	2Sitting Allowance	21000
	Total	44200
M	Harischandra	141000
N	NFBS	30000
	G.TOTAL	20659831

PARA: 10 UTILISATION CERTIFICATE

Khandapada NAC - 2016-2017

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	01-04-2016	74557008	8076956	82633964.00	5587916	31-03-2017	77046048.00	
	GRAND TOTAL	74557008.00	8076956.00	82633964.00	5587916.00		77046048.00	

Comments :

The details of U.C due during 2016-17 is given below.

Scheme	Amount(Rs)
13 th FCA	2464007.00
OULM	655963.00
MLA LAD	600000.00
RD	618823.00
NRB	378616.00
Devolution Fund	2610260.00
R&B	354669.00
MP LAD	394618.00
TOTAL	8076956.00

Para-10.1 Non submission of U.C in due time (AOSP-100)

As per Rule 170,171 and 173 of OGFR Vol –I grants received should be utilized within the same financial year in which it was sanctioned and UCs should be submitted by 30th June of the subsequent year to the funding agency as well as Principal Accountant General (A&E) Odisha. The F.D.L No.029539 dated 20.10.2014 gives emphasis upon submission of UCs to proper quarter by 30th June of the succeeding year. As timely submission of UC is relative to receipt of subsequent grants from GOI and non- submission / delay in submission of UC affects the amount of grant.

Non-submission of UC of Rs.77046048.00 as on 31.03.17 speaks about the improper management of manpower and lack of supervision of the local authority.

On issue of audit objection statement, the local authority furnished no reply.

The local authority is suggested to look into the matter personally to clear up all the pending UCs.

10.2 Details of submission of UC

Sl no	Scheme	Name of the Grant	Year of Grant	Letter No/date of Submission of U.C	To whom sent	Amount(Rs)
1	OULM	CO Remuneration	2015-16	303/02.04.16	P.D,DRDA,Nayagarh	114000
2		EST &P				300000
3		Revolving Fund to SHG				10000
4		EST &P				1068/08.09.16
5		RD	2013-14	29/13.01.17		516000
6		RD	2013-14	29/13.01.17		495000

7	RD	2013-14	29/13.01.17	651000
8	Dev.fund	2013-14	29/13.01.17	1538656
9	TFC(R&B)	2013-14	29/13.01.17	520000
10	TFC(GAGB)	2013-14	29/13.01.17	665000
11	TFC(GAGB)	2013-14	29/13.01.17	673510
	Total			5587916

10.3-YEAR WISE BREAK UP OF PENDING UTILIZATION CERTIFICATES

Year wise Break up of Pending U.C	
Financial Year	Amount of Pending U.C
Upto 2013-14	27578337.00
2014-15	18769152.00
2015-16	22621603.00
2016-17	8076956.00
Total	77046048.00

PARA: 11 MISAPPROPRIATION & DEFALCATION

11.1 - TAXES COLLECTED BY THE TAX COLLECTOR BUT NOT DEPOSITED IN NAC FUND AOSP-20				
<p>On checking of the counterfoils of Receipt Books with reference to DCR of the concerned Tax collector, it was seen that although the following taxes were collected by the Tax collector in shape of cash, neither entered in the DCR nor deposited in the NAC fund resulting loss of Rs 512.00 as per details furnished below.</p>				
Name of the Tax Collector	Receipt Book No	Receipt No/Date	Tax collected from whom	Amount(Rs)
Ramesh Kumar Mohanty,TC	24	2465/9.10.17	Bansidhar Das	180.00
	24	2466/9.10.17	Debraj Rath	88.00
	24	2467/9.10.17	Harihar Dash	128.00
	24	2468/9.10.17	Gopinath Nayak	116.00
			TOTAL	512.00
<p>On issue of audit objection statement, the local authority replied that collected and entered in cashier cash book vide page no-43 dated 20.02.18 and deposited in bank(a/c no-3197) on 22.02.18.</p> <p>It was verified and found correct.Hence the para is dropped.</p>				

11.2 - LESS RECEIPT TAKEN TO DCR/CASHIER CASH BOOK AOSP-21

On checking of the counterfoils of Receipt Books with reference to DCR of the concerned Tax collector, it was seen that although the following taxes were collected by the Tax collectors in shape of cash, a less receipt of Rs 15.00 entered in the DCR as well as in the Cashier Cash Book as per details given below.

Name of the Tax Collector	Receipt Book No	Receipt No/Date	Tax collected from whom	Amount Collected(Rs)	Amount Shown in DCR/CCB	Less Receipt taken to DCR/CCB
Ramesh Kumar Mohanty,TC	17	1620/11.1.2018	OD02H 9865,Electric	20	05	15.00
					TOTAL	15.00

On issue of audit objection statement, the local authority replied that collected and entered in cashier cash book vide page no-43 dated 20.02.18 and deposited in bank(a/c no-3197) on 22.02.18.

It was verified and found correct.Hence the para is dropped.

11.3 - LESS CREDIT OF TAX COLLECTION DUE TO TOTALING ERROR IN CASHIER CASH BOOK AOSP-38

On scrutiny of the Daily Collection Register with reference to cashier cash book, it is revealed that due to totaling errors in cashier cash book a total sum of Rs 3383.00 as per details furnished below is less deposited in NAC Fund by cashier after receipt of the same from tax collectors.

Sl.No	Date & Page No of cashier cash book	Actual Receipt from Tax Collectors	Amount Deposited in NAC Fund	Less Deposited
01	8.7.16/13	19368.00	16285.00	3083.00
02	23.2.17/16	22943.00	22643.00	300.00
	TOTAL			3383.00

On issue of audit objection statement, the local authority replied that collected vide MR no-769 dated 24.02.18 and entered in cashier cash book vide page no-44 dated 28.02.18 and deposited in bank(a/c no-3197) on 28.02.18.

It was verified and found correct. Hence the para is dropped.

11.4 - NON-DEPOSIT OF CASH RECEIVED THOROUGH MR IN NAC FUND AOSP-81

On scrutiny of MRs with reference to cashier cash book, it is noticed that a sum of Rs 2706.00 as per details furnished below is collected through MRs but not deposited in NAC fund.

Name of the official who collected cash through MR	Receipt Book No	Receipt No/Date	Purpose	Collected from	Amount(Rs)
Lalmohan Patnayak,JC	4	342/5.4.16	Water Tanker	Sahaspur committee	500.00
	4	356/21.5.16	RTI	Saroj Kumar Pradhan	34.00
	4	371/14.9.16	RTI	Sadanand Pradhan	10.00
	4	372/27.9.16	Arrear Shop Rent	Prasan Kumar Rout	2100.00
	4	373/29.9.16	RTI	Pramod Kumar Sahoo	10.00
	4	374/4.10.16	RTI	Surendra Kumar Sahoo	10.00
	4	395/16.3.17	Tender Paper	Binay Kumar Pradhan	30.00
	4	396/30.3.17	Audit Recovery	Rajkishore Mohanty	33.00

	4	397/30.3.17	Audit Recovery	Dillip Kumar Acharya	03.00
	4	398/11.5.17	RTI	Dandapani Sahoo	10.00
TOTAL					2706.00

On issue of audit objection statement, the local authority replied that collected vide MR no-771 dated 03.03.18 and entered in cashier cash book vide page no-45 dated 13.03.18 and deposited in bank(a/c no-3197) on 28.03.18.

It was verified and found correct. Hence the para is dropped.

PARA: 12 LOSS OF STOCK & STORE

12.1 -
No cases of loss of stock and stores was detected during the audit.

PARA: 13 AUDIT OF RECEIPTS

13.1 - NON-AUCTION OF PUBLIC PROPERTIES AOSP-28																																			
During verification of auction (Public Property) files, it is observed that out of 51 nos of public properties owned by the NAC, auction was made for only 29 nos as per details furnished below. As a result the own source income of the ULB has been reduced.																																			
<table border="1"> <thead> <tr> <th>Sl.No</th> <th>Name of Property</th> <th>Quantity</th> <th>Quantity of property for which auction made</th> <th>Quantity of property not auctioned</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tota</td> <td>44</td> <td>18</td> <td>26</td> </tr> <tr> <td>2</td> <td>Kaju & Mango Tota</td> <td>3</td> <td>3</td> <td>0</td> </tr> <tr> <td>3</td> <td>Kine house</td> <td>1</td> <td>0</td> <td>1</td> </tr> <tr> <td>4</td> <td>Slaughter House</td> <td>1</td> <td>1</td> <td>0</td> </tr> <tr> <td>5</td> <td>Daily Market</td> <td>1</td> <td>1</td> <td>0</td> </tr> <tr> <td>6</td> <td>Pond</td> <td>1</td> <td>0</td> <td>1</td> </tr> </tbody> </table>	Sl.No	Name of Property	Quantity	Quantity of property for which auction made	Quantity of property not auctioned	1	Tota	44	18	26	2	Kaju & Mango Tota	3	3	0	3	Kine house	1	0	1	4	Slaughter House	1	1	0	5	Daily Market	1	1	0	6	Pond	1	0	1
Sl.No	Name of Property	Quantity	Quantity of property for which auction made	Quantity of property not auctioned																															
1	Tota	44	18	26																															
2	Kaju & Mango Tota	3	3	0																															
3	Kine house	1	0	1																															
4	Slaughter House	1	1	0																															
5	Daily Market	1	1	0																															
6	Pond	1	0	1																															

On issue of audit objection statement, the local authority replied that no person was interested to take lease due to poor crops during the year under audit.

The local authority is suggested to reduce the upset price of the properties considering the crops output. All the properties should be auctioned to enhance the own source revenue of the N.A.C.

13.2 - LESS AMOUNT COLLECTED THAN THE UPSET PRICE AOSP-28-29

On checking of the demand register and the upset price, it is seen that the following properties are auctioned at lower price than the price fixed by the council.

Sl.No	Name of the Properties	Upset price for 2016-17	Auction value	Amount collected during 2015-16 for 2016-17
1	Trusa Haran Tota	3000	500.00	500.00

2	Padhiary Tota	500	200.00	200.00
3	Batakhati Tota	800.00	320.00	320.00
4	Upar Kantha Mala Tota	1400	450.00	450.00
5	Bahadasuni Tota	700	200	200.00
6	Behur Tota	350	200	200.00
7	Ratha Tota	200	151	151.00
8	Andhari Tota	3000	550	550.00
9	Hatapada Tota	400	352	352.00
10	Slaughter House	3500	1323.00	1323.00

On issue of audit objection statement, the local authority replied that no person was interested to take lease due to lesser crops output during the year under audit.

The local authority is suggested to reduce the upset price of the properties considering the crops output. All the properties should be auctioned to enhance the own source revenue of the N.A.C.

13.3 - NON-COLLECTION OF LICENSE FEES FOR INSTALLATION OF TELE COM.TOWERS AOSP-76-79

1.As per Notification No.6875-Gen(Tel)-06/2007.com dated 16.08.2007 vide Annexure A-clause-3, the fee structure(Non refundable) of Notified Area Concl for permission to erect and operate TIT as follows

“ The License fee was Rs.10000.00 per tower and the annual Renewal fee was Rs.1000.00 per year.As per clause-7, in case the service provider fails for renewal of license in time,penalty @100/-per month shall be levied in addition to the renewal fee.”

1.As per Lr. no.-35742-1357-150010/2013/H&UD relating to ‘special regulation for installation of Telecom Towers in Urban area of Odisha, 2013’

“The service provider has to obtain the permission from the Urban local body concerned before installation of towers and deposit the prescribed fees. The initial permission is valid for a period of three years from the date of permission accorded. In case the service provider wants to continue the facilities he has to apply for renewal before three months of the expiry of the period of validity. It is further to mention here that, in case the service provider fails to apply for renewal of license in time, penalty at the rate of Rs 10,000/- per month of delay shall be levied in addition to the renewal fees”.

3.The License fee and Annual Renewal fee for permission & operate TIT has been changed vide HUD Notification No.28334/31.12.14 in which it was stated that the fees for granting permission for new approval in a N.A.C area was Rs.50000/- & as required vide para 13 of the above G.O, the renewal licence fee for interval of 3 years was 10% of the installation charges i.e Rs.5000/- for N.A.C area. Further it was stated in the above G.O that the penalty in case of non deposit of renewal license fee in time was rupees Rs.10000/- per month.

On issue of the audit objection statement vide Memo no- 6 dated 15.02.2018, the local authority replied that there are 7 numbers of Towers owned by different telecom service providers are operating in this N.A.C area. On scrutiny of the related file, it was seen that nothing is mentioned against date of erection of towers, collection of installation charges & collection of renewal fees from service providers. On verification of the file, Vodafone Spacetel Ltd. BBSR had given renewal fees from 2015-16 to 2017-18 vide N.A.C M.R no-2983/31.03.15.In case of other telephone towers, the actual date of installation, collection of license fees and other related records were not produced to audit by the local authority. In future if any proof regarding collection of fee towards TIT is available, the officials involved in this case will be responsible for such collection.

The details of which are given below.

				Amount of revenue to be collected					Amount collected				Less Collection of License Fee	Remarks	
Sl.no	Name of the Telephone Tower	No.of towers	Particulars of Telecom tower Location,Name,holding No.,Ward No	License fee for granting permission	Penalty for regularisation in case of delayed license fee	Annual Renewal Fee	Penalt	Total	Installati on Charges	Penalt y for Licens e fee	Renew al Fees	Penalty for Annual Renew al Fee	Total		

Provider			Rs.1000 0/-& Rs.5000 0/- per tower	for interval of 3 yrs Rs.5000/- per tower	year										
1Vodafone Spacotel Limited	1Rama Chandra Surjagdev,45,5	10000	0	1000	0	11000	0	0	1000	0	1000	10000	M.R No-2983/3 1.03.15 -4000.00 for 2015-16 to 2017-18		
2Bharati Infratel Limited	1Prativa Rani Singh Samant,31,3	10000	5000	1000	12000	136000	0	0	0	0	0	136000	M.R No-2318/0 9.05.14 -1000.00 for 2014-15		
3Tata Docomo	1Late Sibaprasad Singh Samanta,39,7	50000	5000	1000	12000	176000	0	0	0	0	0	176000			
4Aircel	1Late Sibaprasad Singh Samanta,39,7	50000	5000	1000	12000	176000	0	0	0	0	0	176000			
5Reliance	1Bibhuti Bhusan Singh Mardaraj,72,5	50000	5000	1000	12000	176000	0	0	0	0	0	176000			
6Aircel	1Subarna Pradhan,20,12	50000	5000	1000	12000	176000	0	0	0	0	0	176000			
7BSNL	1Govt of India,936	50000	5000	1000	12000	176000	0	0	0	0	0	176000			
Toral		270000	30000	7000	72000	102700	0	0	1000	0	1000	102600			

						0	0								0
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On issue of audit objection statement, the local authority replied steps are to be taken to rectify the irregularities and recover the amount and comply in next audit.

The local authority is suggested to collect the above said amount . Hence Rs.1026000.00 is kept under objection till collection of the same.

13.4 - NON-COLLECTION OF GROUND RENT FROM CESCO/CESU AOSP-80

As per letter No-27638/HUD Dt.06.10.1975 addressed to State Electricity Board regarding payment of ground rent, it was clearly stated that all the roads and road margins are Municipal properties as provided under Section-121 of OM Act-1950. As such the municipal council is competent to levy license fees and ground rent for erection of electric polls by the board.

On checking of the M.R with reference to DCRs, it was seen that no such amount has been collected from CESU which is a loss to N.A.C.

On issue of audit objection statement, the local authority replied steps are to be taken in this matter and comply in next audit.

The local authority is suggested to take immediate steps to collect the ground rent .

13.5 - NON-DEPOSIT OF AMOUNT RECEIVED IN SHAPE OF DD IN NAC FUND AOSP-91-92

On scrutiny of MRs with reference to cashier cash book/Accountant cash book, it is noticed that a sum of Rs 18900.00 as per details furnished below is collected towards cost of tender paper in shape of DD. But the same is not taken as receipt of the NAC in the cash book.

Book No.	M.R.No./Date	Received from	Purpose	DD No	Received by	Amount
	4375/17.10.16	Jyotiranjana Mishra	Tender Paper	563039/5.10.16	Ghanashyam Tripathy,J.E.	6300.00
	4376/17.10.17	Akhaya Kumar Das	Tender Paper	079850/8.10.16	Ghanashyam Tripathy,J.E.	6300.00
	4377/17.10.17	Dillip Ranjan Das	Tender Paper	631660/1.10.16	Ghanashyam Tripathy,J.E.	6300.00
					TOTAL	18900.00

On issue of audit objection statement, the local authority replied the said DDs are deposited in S.B.I account-31044804193 on date 18.10.16.

It was verified and found correct. Hence the para is dropped.

13.6 - AUDIT RECOVERY AMOUNT NOT TAKEN TO CASH BOOK AOSP-92-93

On scrutiny of MRs with reference to cashier cash book/Accountant cash book, it is noticed that a sum of Rs 28859.00 was collected from the executants of development works towards Audit Recovery as per details furnished below. But the same is not taken as receipt of the NAC in the cash book.

Book No.	M.R.No./Date	Received from	Purpose	Received by	Amount
	10901/24.4.17	Dillip Ranjan Das	Audit Recovery	Ghanashyam Tripathy,J.E.	549.00

10902/24.4.17	Satyanarayan Pradhan	Audit Recovery	Ghanashyam Tripathy,J.E.	1941.00
10903/24.4.17	Satyanarayan Pradhan	Audit Recovery	Ghanashyam Tripathy,J.E.	1319.00
10904/25.4.17	Durgamadhab Panda	Audit Recovery	Ghanashyam Tripathy,J.E.	5813.00
10905/25.4.17	Shyamsundar Ram	Audit Recovery	Ghanashyam Tripathy,J.E.	2379.00
10906/25.4.17	Shyamsundar Ram	Audit Recovery	Ghanashyam Tripathy,J.E.	1602.00
10907/25.4.16	Shyam sundar Ram	Audit Recovery	Ghanashyam Tripathy,J.E.	1252.00
10908/25.4.16	Shyamsundar Ram	Audit Recovery	Ghanashyam Tripathy,J.E.	2523.00
10909/25.4.16	Shyamsundar Ram	Audit Recovery	Ghanashyam Tripathy,J.E.	3291.00
10910/25.4.16	Sambit bhusan Senapati	Audit Recovery	Ghanashyam Tripathy,J.E.	3957.00
10912/25.4.17	Satyanarayan Mohanty	Audit Recovery	Ghanashyam Tripathy,J.E.	1952.00
10913/25.4.17	Bibhuprasad Pani	Audit Recovery	Ghanashyam Tripathy,J.E.	886.00
10914/25.4.17	Surendra Kumar Mohanty	Audit Recovery	Ghanashyam Tripathy,J.E.	1335.00
10915/25.4.17	Harihar Sahoo	Audit Recovery	Ghanashyam Tripathy,J.E.	60.00
			TOTAL	28859.00

On issue of audit objection statement, the local authority replied that steps to taken entry in cash book by Accountant.

Since audit recovery has been effected against S.D refund , the same should be entered in the cash book and S.D refund ledger.

The reply of the local authority is not satisfactory.

Hence Rs.28859.00 is suggested for recovery fro m the following officials

Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Ghanashyam Tripathy	J.E	At-Khandapada N.A.C,P.O-Khandapada,D ist-Nayagarh	28859

13.7 - NON-COLLECTION OF DEMAND MONEY AOSP-102

On checking of the DCB register , it was seen that auction price of Nua pokhari was Rs. 58000.00 for 3 years from 2014-15 to 2016-17. It was further seen that Rs.36000.00 was collected from the bidder vide the following receipts.

MR No/Date	Amount collected
1595/16.07.14	22000.00
2985/02.04.15	14000.00
Total collection	36000.00

The reason of non-collection of balance amount = Rs.58000.00-Rs.36000.00 = Rs.22000.00 could not be clarified to audit.

On issue of audit objection statement, the local authority furnished no reply.

The local authority could not take any step to collect the balance amount till date. There is little chance of collection of the left over dues in the absence of deeds/agreements. Therefore there is a loss of Rs.22000.00 to N.A.C.due to negligency of the N.A.C officials. Rs.22000.00 is suggested recovery from the following officials.

Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Binaya Ranjan	Ex-Executive	Executive Officer,Hindol	11000

	Mohapatra	Officer, Khandapada NAC	NAC	
2	Sri Lalmohan Patnayak	Jr. Asst.	Khandapada NAC AT, PO-Khandapda Dist-Nayagarhpada	11000

13.8 - DEMAND, COLLECTION & BALANCE POSITION OF TAXES AOSP-08-09

The Demand, Collection and Balance Position of the NAC in respect of Holding, Water and Light taxes as on 31.03.2017 is furnished below.

Sl.No	Particulars	Demand			Collection			Rebate	Current + Rebate	Balance		
		Arrear	Current	Total	Arrear	Current	Total			Arrear	Current	Total
1	2	3	4	5	6	7	8	9	10(7+9)	11	12	13
1	Holding Tax	160201	50314	210515	29412	28671	58083	4334	33005	130789	17309	148098
2	Light Tax	255472	84924	340396	65269	47886	113155	7223	55109	190203	29815	220018
3	Water Tax	73371	34814	108185	19097	18621	37718	2888	21509	54274	13305	67579
	TOTAL	489044	170052	659096	113778	95178	208956	14445	109623	375266	60429	435695

It would be seen from the above DCB figure that out of total demand of taxes of Rs 659096.00, only a sum of Rs 113778.00 and Rs 95178.00 (excluding rebate amount of Rs 14445.00) have been collected in arrear and current tax heads respectively during the year under audit (i.e. 2016-17), leaving a balance outstanding dues of Rs 435695.00. Thus the collection is 33.89% only which is far below the average expectations revenue. Such a poor collection of tax, proves beyond doubt how ineffective and inefficient mechanism of tax collection and supervision in this place is

The local authority is suggested to collect the outstanding taxes by implementing the methods such as allowing time bound rebate to defaulters willing to clear their dues and incentives to sincere and dedicated tax collectors putting extra efforts for collection with due resolutions of the council. To some extent this process may help increasing tax collection and considerably reducing the volume of out standing tax dues of the NAC

YEAR WISE BREAK UP OF OUT STANDING DUES

Based on the information available in previous audit report and verification of records available to audit the year wise break up of the out standing tax dues is worked out as below.

YEAR	AMOUNT
Up to 2010-11	242626.00
2011-12	31125.00
2012-13	34917.00
2013-14	39105.00
2014-15	27493.00
2015-16	0.00
2016-17	60429.00
TOTAL	435695.00

13.9 - TIME BARRED FOR RECOVERY OF DUES

As per section 346 of the Odisha Municipal Act, 1950, no distraint shall be made, no suit shall be instituted and no prosecution shall be commenced in respect of any sum due to a municipality under this Act, after the expiration of a period of three years from the date on which distraint might first have been made suit might first have been instituted, or prosecution might first have been commenced as the case may be

in respect of such sum.

It was revealed from the available records that no demand notice U/S 161 or distress warrant U/S 162 ,163 was issued during the year 2016-17 by NAC authorities to check the loss to the Municipal Fund. No demand notice has been issued to the tax defaulters after expiry of 61 days of tax due date during the financial year 2016-17.

As per information provided by local authorities and previous audit report, it is ascertained that there is a time barred sum of Rs 34917.00 (Non-collected tax demand for the year 2012-13) which can neither be recovered nor any legal action be initiated against defaulters. As a result the NAC sustained a loss attributed to indifference attitude and inefficiency of the ULB staff, entrusted with the task of revenue collection.

On issue of audit objection statement, the local authority replied that steps will be taken to recover the time barred dues.

The above reply of the local authority is not satisfactory. Rs.34917.00 is kept under objection till collection of the same.

13.10 - NON-PRODUCTION OF FILES & REGISTERS IN SUPPORT OF NEW HOLDINGS, AOSP-01-02

In spite of written memo and several verbal requests, the local authority failed to submit, Assessment Register of holding tax for the year 2016-17.No information regarding number of new holding tax holders added in to the tax kit of the NAC during 2016-17 could not be gathered by the audit in the absence of requisite records /registers in this regard.

13.11 - Details wanting regarding Assessment of Holding Tax on agriculture land - AOSP-11

According to Sec.131 (3) (a) of the Orissa Municipal Act 1950, in case of lands situated within the ULB area which are used exclusively for agriculture purpose, Holding Tax is to be levied, based on its annual value.

In response to audit objection memo, the local authority replied that no holding tax levied on agricultural land located in the NAC area.

The local authority is suggested to assess and levy appropriate taxes on agricultural land in the NAC area to augment the own source of income which is declining year by year.

13.12 - Ineffective and Inefficient recovery of Holding Tax and Inadequate system of collection of Holding tax from defaulters

As per Rule-175 of Odisha Municipal Rules-1953 , the municipality shall be divided into circle for the purpose of collection of taxes. Each circle shall be numbered and a Tax Collector shall be appointed in charge of one or more circles. The O.M Act,1950 stipulated u/s 158,that notification shall be made and posted in the office of the Municipality declaring day(s) and time of receipt of taxes,u/s159(2) any tax on the annual value of holdings shall be payable quarterly installment and every such installment shall be deemed to be due on the first day of the quarter in respect of which payable . U/S 159-A(1) & (2) a resolution may be passed in the Municipal Council to grant a rebate in respect of tax paid within stipulated period i.e the rebate may be allowed not exceeding 10 percent (paid within 30 days) and 5 percent(paid beyond 30 days and within 60 days) and the Municipality may in like manner, provide for grant rebate at such percentage not exceeding 20% for the tax due for any year paid before 30th April and not exceeding 10% where it is paid on or before 31st May of that year . Further ,u/s 160 of the Act, a receipt signed by the tax collector or any other officer authorized by the E. O was to be given against each payment of tax. Also as per Rule-201(2) and Rule-202 of O. M Rules,1953, the Municipality may establish a system of reward and punishment to tax collector to ensure best results in collection of tax.

On checking of Resolution Book of the NAC, Establishment File and receipt books of Holding Tax and from the information furnished to audit by the local authority, it was revealed that Khandapada NAC consists of 13 wards and no specific tax circle exists for collection of taxes. The taxes are collected ward wise by engaging Tax Collectors. The taxes are received through out the year and no notification has been made declaring day(s) and time for receipt of taxes. No computer data base has been made relating to assessment of holding tax, number of holdings , demand of tax, collection of tax and arrear taxes outstanding for collection.

The details of demand, collection & % of collection are furnished below.

Sl.No	Name of the Tax	Demand	Collection	% of collection
1	Holding Tax	210515.00	62417.00	29.65

2	Light Tax	340396.00	120378.00	35.36
3	Water Tax	108185.00	40606.00	37.53
	Total	659096.00	223401.00	33.90

It is to mention here that the NAC has not yet established any system of rewards and punishments to tax collectors to ensure best results in collection of tax. As no remedial measures for effective realization of revenue has been taken, huge arrears are rolling for years together with owners of the houses which indicates the inefficiency and ineffectiveness of collection of holding taxes.

As per Section 161(1) of the Orissa Municipal Act, 1950 if the sum due on account of any tax is not paid within sixty one days from the date on which it became due, the Executive Officer shall cause to be served on the person liable to pay the same a notice in the prescribed form. If still the dues are not collected, the Municipality/ NAC is armed with Section 162 of the Act to levy by distress and sale of any movable property belonging to the defaulter wherever found, or of any movable property belonging to any other person which may be found within the holding in respect of which such defaulter is liable to such tax. In spite of all these provisions under Section 161(1), 162, 163, 164, 165 and 166, if the Municipality fails to realize the arrear tax by distress and sale, according to Section 169 the Municipality may at any time apply to the District Collector for the recovery of the whole or any part of any arrear as an arrear of Land Revenue. Again as per section 170 of the Act, the Municipality in stead of proceeding by distress and sale or in case of failure to realize the whole or any part of any tax, the municipality may sue the person liable to pay the same in any court of competent jurisdiction. Further it was found that though the system of penalty was there, yet there was no dictation of breach of tax rule as per Rule 553 of the OM Rules 1953.

Hence the Executive Officer as well as Council of the NAC is suggested to take effective steps efficiently to improve the collection of the pending as well as current taxes.

13.13 - DCB position of Fees & Fines and other receipts

The details of Demand, Collection and Balance of License Fees, Rents and Fixed demands for the year 2016-17 is given below.

Sl.No	Particulars	Demand			Collection			Balance			Remarks
		Arrear	Current	Total	Arrear	Current	Total	Arrear	Current	Total	
1	Trade License U/S-290	0	10000	10000	0	10000	10000	0	0	0	
2	Lease of Daily Market	0	15011	15011	0	15011	15011	0	0	0	
3	Shop rent	9600	7200	16800	2100	4200	6300	7500	3000	10500	
4	L.F of Ortel	9200	10000	19200	0	0	0	9200	10000	19200	
5	Kaju orchard	0	129400	129400	0	129400	129400	0	0	0	0132000.00 collected for 2017-18 on 28.03.17
6	Mango orchad	0	45387	45387	0	45387	45387	0	0	0	040772.00 collected for 2017-18 on 27.03.17
7	Tank	2666	19334	22000	0	0	0	2666	19334	22000	

Total	21466	236332	257798	2100	203998	206098	19366	32334	51700
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As per the last audit report Rs.129400.00 was collected towards auction of Kaju orchard and Rs.45387.00 was collected towards auction of mango orchard. Since DCB register was not maintained properly, last year,s collection was now taken as current year,s demand and accordingly the DCB position is furnished above.

It is noticed from the above table that Rs.51700.00 was outstanding for collection for the year 2016-17. But no effective steps has been taken to realize the pending dues. Due to non-collection of revenue in time the council has sustained a loss of Rs.51700.00 for which no such effective action seems to have been taken.

Out of Rs.51700.00 Rs.2100.00 suggested for recovery vide para no-11.4 and Rs.22000.00 vide para no-13.7 .So rest amount of Rs.27600.00 is not collected till closure of audit.

This is a loss to the N.A.C. The said amount is recovered from the following official.

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	9200
2	Dr.Srikant Kumar Dash	Ex-Executive Officer,Khandapada NAC	Directorate of Economics and Statistics,Bhubaneswar	9200
3	Amiya Ranjan Das	Ex-E.O,Khandapada N.A.C	C.M.C,Cuttack	9200

PARA: 14 AUDIT OF EXPENDITURE

14.1 - EXCESS PAYMENT SHOWN IN SUBSIDIARY CASH BOOK AOSP-33

On checking of the vouchers of the subsidiary cash book with reference to its expenditure, it was seen that excess expenditure was shown in the cash book than the available vouchers.

Voucher No/date	Purpose of expenditure	Amt of expenditure shown in cash book	Vouchers available	Excess payment shown	Name of the cashier
1/05.04.16	Refund of auction SD to bidders	26210.00	32635.00	430.00	Lal Mohan Pattanayak
7/18.04.16		6855.00			
Total		33065.00			
127/25.05.16	Telephone bill	2330.00	1165.00	1165.00	
325/20.08.16	Electricity bill	496.00	488.00	8.00	
327/25.08.16	Telephone bill	2320.00	1170.00	1150.00	
394/06.10.16	Electricity bill	565.00	536.00	29.00	
406/06.10.16	Council meeting expd	630.00	625.00	5.00	
Total				2787.00	

On issue of audit objection statement, the local authority replied that steps to be taken for collection of the said amount and comply in next audit.

The above reply of the local authority is not satisfactory for which it is not acceptable.Hence the objection para stands.

Hence Rs.2787.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Lalmohan Patnayak	Jr.Asst.	Khandapada NAC AT,PO-Khandapda	2787

			Dist-Nayagarh
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14.2 - DOUBLE EXPENDITURE SHOWN IN SUBSIDIARY CASH BOOK AOSP-33

On checking of the vouchers of the subsidiary cash book with reference to its expenditure, it was seen that double expenditure was shown in the cash book towards advance adjusted and balance jalachhatra programme.

1 st time voucher no/date	2 nd time voucher no/date	Purpose	Amount
245/12.07.16	257/12.07.16	Advance adjusted and balance jalachhatra programme	295.00

On issue of audit objection statement, the local authority replied that necessary steps to be taken for collection of the said amount and comply in next audit.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Hence Rs.295.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

Sino	Name	Designation	Adress	Amount(In Rs:)
1	Sri Lalmohan Patnayak	Jr.Asst.	Khandapada NAC AT,PO-Khandapda Dist-Nayagarh	295

14.3 - IRREGULAR PAYMENT OF ADVERTISEMENT CHARGES AOSP-31-32

- As per advertisement policy of Odisha 1998 (Odisha Gazette no. 1708, dt. 23-12-1998) vide item no.-6, it is clearly mentioned that all commercial classified and display advertisement by state govt. agencies under takings, corporations, Boards etc. will be routed through the Information and Public relation departments to eligible news papers/periodicals in the approved list, the budger provision of the under takings will be communicated to the information & P.R. department at the beginning of the year for keeping an effective watch on release of advertisements. Such budget provisions must be communicated with the first advertisement of the year if not communicated earlier. I. & P.R. department shall communicate approved rate in respect of each news paper or periodical to such advertisers in order to enable them to make payment directly to the news papers under intimation to I. & P.R. Department.
- As per section 17(A) of Odisha Municipal Act, 1950, unless provision has been made in that behaf in the Municipal Budget as approved by the State Govt. no expenditure shall be incurred by the council without prior approval of the Director.

From the above, it is clear that all the advertisements have to routed through the I. & P.R. department. But by violating the above guideline, advertisemrnt was made and payment was allowed. The details pf payments is given below.

Vr. No./Date	To whom paid	Amount
40/05.05.16	Sambad	2000.00
237/11.07.16	Samaj	9108.00
238/11.07.16	Samaj	28940.00
440/27.10.16	Prameya	3000.00
445/27.10.16	Panorama Multimedia	5000.00
Total		48048.00

On issue of audit objection statement, the local authority replied that as per suggestion of audit ,all advertisement will be executed through I & P.R Department in future.

The local authority is suggested to follow the above guideline in future.Till follow the above guideline, Rs.48048.00 is kept under objection.

14.4 - EXCESS EXPENDITURE SHOWN TOWARDS DISBURSEMENT OF OAP OASP-82

On verification of voucher and acquittance rolls of OAP/ODP/MBPY disbursements with reference to cash book, it is noticed that an excess expenditure of Rs 500.00 as per details furnished below has been booked in the cash book than that of actual.

Sl.No.	Vr.No/Date	Pension for the month	Actual exp.as per acq.roll/Vr.	Exp. Shown in cash book	Excess exp. shown
01	285/17.8.16	Jul 2016	170800	171000	200.00
02	366/15.9.16	Aug 2016	163800	163900	100.00
03	436/12.10.16	Sep 2016	159800	160000	200.00
	TOTAL				500.00

On issue of audit objection statement, the local authority replied that steps to be taken for collection of the said amount and comply in next audit.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Hence Rs.500.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

Sln	Name	Designation	Adress	Amount(In Rs.)
1	Sri Lalmohan Patnayak	Jr.Asst.	Khandapada NAC AT,PO-Khandapada Dist-Nayagarh	500

14.5 - EXCESS PAYMENT OF HRA AOSP-82-83

On checking of pay acquittance of NAC staff, it is noticed that a sum of Rs (@3500.00/month) has been paid to Sri Binay Ranjan Mohapatra,E.O. in addition to normal HRA @5% of basic pay +GP as per details furnished below. Due to the above excess payment, the NAC sustained loss to the tune of Rs 12953.00 which is not allowed at all and needs recovery.

Period of HRA	Vr.No/Date	HRA Due	HRA Paid	Excess Paid
March 2016	15/22.4.16 & 54/6.5.16	1047	4547	3500.00
April 2016	54/6.5.16 &71/21.5.16	1047	3500	2453.00
May 2016	131/2.6.16 & 270/18.7.16	1047	4547	3500.00
June 2016	189/2.7.16 & 270/18.7.16	1047	4547	3500.00
TOTAL				12953.00

On issue of audit objection statement, the local authority replied that council body has passed to pay extra HRA@3500/- per month from February,2015 vide C.R no-08 date 27.05.15 .

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Hence Rs.12953.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

Sln	Name	Designation	Adress	Amount(In Rs.)
1	Smt. Amita kumari Das	Ex-Chairman,Khandapada N.A.C	W.o-Trilochan Das,Ward No-04,Khandapada N.A.C,Dist-Nayagarh	6477
2	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	6476

14.6 - EXCESS PAYMENT OT CONSOLIDATED STAFF OF NAC AOSP-84-86

The following circulars have been issued by the Govt. in Finance and H. & U.D. departments from time to time for engagement of employee on the basis of consolidated remuneration.

- i. **Govt. in H & UD Department vide his letter No. 16880/HUD Dt.15.05.1999** has issued instruction to local bodies for allowing consolidated pay who have served less than ten year from the cutoff date i.e. **19.5.1997**.
- ii. For adoption of uniform scale of monthly remuneration for contractual employees Govt. in Finance Department has issued an instruction vide his **Lr. No. 32986(255)/F. Dt. 7.7.2008** that, the consolidated salary/ remuneration for such employees shall be the sum equivalent to the minimum of the pay scale admissible to the regular post against which such contractual engagement has been made. The same was communicated to all the Executive Officer of the Municipalities and NAC for information by the Govt. in H & UD Deptt. vide his **Lr. No.23894/HUD Dt. 6.9.2008**.
- iii. The **Circular No. 32986/F Dt. 7.7.2008** was amended by Finance Department Lr. No. **40545(255)/F. Dt. 29.8.2009**. On the said order Govt in Finance Department has pleased to decide that the minimum pay of the corresponding post in the revised scale of pay in the corresponding pay band as indicated in **column 5** of the first schedule of ORSP Rule 2008 notified vide **SRO No. 638/2008 Dt. 24.12.2008** shall hence forth be applicable as contractual remuneration to contractual appointees engaged in different govt. Departments and government offices.
- iv. The service condition of the employees of the ULBs are regulated with the rules and provisions of O.M. Act/Rules, which is governed under rules/ provisions applicable to the employees of the State Government. As per Rule 415 of the O.M. Rules-1953, the conditions of the employees of a municipal council shall not be more favorable than those of Government servants of similar standing and status in respect of
 - a. Salary and allowances,
 - b. Leave and leave salary
 - c. Travelling allowance and superannuation and retirement.

On checking of the Pay acquittance roll of the Contractual employees of the NAC, it reveals that 03 Nos. of employees are allowed enhanced remuneration by NAC resolution. The details of such payment are furnished below. The excess payment of Rs.174800.00 made during the year under audit i.e 2016-17 in contravention to above mentioned Govt. orders is loss to NAC fund and not admissible in audit.

Sl.No	Name of the Employee	Post assigned	Basic pay admissible as per Govt. of Odisha	Feb,16 /V.N-2 2/22.04.16	March,16 /V.No-3 23/22.04.16	April,16 /V.No-7 8/21.05.16	May,16 /V.No-1 38/02.06.16	June,16 /V.No-6 19/02.07.16	July,16 /V.No-3 30/02.08.16	Aug,16 /V.No-3 33/03.09.16	Sept,16 /V.No-3 89/06.10.16	Oct,16 /V.No-4 55/08.11.16	Nov,16	Dec,16	Jan,17	Feb,17	Total amount paid	Admissible Rate Basic	Total amount admissible	Excess Paid
1	Dillip Kumar Acharya	OTC	5200	14400	14400	14400	14400	14400	14400	14400	14400	14400	14400	14400	14400	14400	187200	5200	67600	119600
2	Mohit ranjan Rath	OTC	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	14400	14400	14400	95200	5200	67600	27600
3	Ramesh Kumar Mohanty	OTC	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	5200	14400	14400	14400	95200	5200	67600	27600
			Total	24800	24800	24800	24800	24800	24800	24800	24800	24800	24800	43200	43200	43200	377600	15600	202800	174800

On issue of audit objection statement, the local authority furnished no reply.

Since the local authority furnished no reply, such excess payment was made violating the Govt. guideline.

Hence the objection para stands.

Rs.174800.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	Dr.Srikant Kumar Dash	Ex-Executive Officer,Khandapada NAC	Directorate of Economics and Statistics,Bhubaneswar	46000
2	Amiya Ranjan Das	Ex-E.O,Khandapada N.A.C	C.M.C,Cuttack	18400
3	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	23000
4	Smt.Sabita Das	Ex-Chairman ,Khandapada N.A.C	At,P.O-Khandapada,Dist-Nayagarh	87400

14.7 - EXCESS SALARY PAID TO NAC STAFF AOSP-91

On scrutiny of the pay acquittance rolls of the N.A.C staff , it is noticed that an excess amount of Rs.6170.00 has been paid to the employees of the N.A.C towards monthly salary as per details furnished below.

Sl.No.	Vr.No./Date	Month	Acq.Page	Name of the Employee	Net sal.Due	Net sal.Drawn	Excess Paid
	1390/6.10.16	16-Sep	20	Sanatan Nayak,Sweeper	2952.00	3452.00	500.00
	210/22.4.16	16-Feb	144	Bhabani Sankar Behera,JE	13500.00	16335.00	2835.00
3	17/22.4.16	16-Mar	147		13500.00	16335.00	2835.00
						G.TOTAL	6170.00

On issue of audit objection statement, the local authority furnished no reply.

Since the local authority furnished no reply, such excess payment was made by the N.A.C officials.

Hence the objection para stands.

Rs.6170.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Lalmohan Patnayak	Jr.Asst.	Khandapada NAC AT,PO-Khandapda Dist-Nayagarh	3085
2	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	3085

14.8 - NON-PRODUCTION OF ACKNOWLEDGEMENT RECEIPT AOSP-94

On checking of the vouchers of the Accountant cash book with reference to connected records and registers, it was seen that no acknowledgement receipts were found in the voucher guard file against the following bank /cash payments.

Voucher No/Date	To whom paid	Particulars	Amount(Rs)	Cheque no/Bank
40/05.05.16	Sambad	Advertisement	2000.00	Cash
237/11.07.16	Samaj		9108.00	876690,UCO,5023

238/11.07.16	Sambad		28940.00	876691, UCO,5023
284/29.07.16	N.C Rout	Court Fee	13000.00	876697, UCO,5023
330/26.08.16			12000.00	Cash
494/23.11.16	Prameya	Advertisement	3000.00	874455, NDCCB,3197
495/25.11.16	Panorama Multimedia		5000.00	874456, NDCCB,3197
577/29.03.17	Sales Tax,Nayagarh	VAT	150688.00	8777189,UCO,63729
579/31.03.17	Tehsildar, Khandapada	Royalty	66554.00	877190, UCO,63729
Total			290290.00	

On issue of audit objection statement, the local authority furnished no reply.

The local authority is suggested to obtain the same and produce to next audit. Till then a sum of Rs.290290.00 is kept under objection.

14.9 - IRREGULARITIES IN PURCHASE OF ELECTRICAL GOODS AOSP-95-96

On verification of vouchers and purchase files with reference to cash book, it is revealed that a sum of Rs 131393.00 has been spent towards purchase of electrical equipments from S.S Engineering,Jgamara,Bhubaneswar vide Vr.No-395/06.10.16 . Following irregularities committed during process of procurement of the items proves beyond doubt that the local authority has flouted the Govt laid down purchase norms.

Supply order was placed without

1. Invitation of quotation call notice.
2. Comparative statement by purchase committee

On issue of audit objection statement, the local authority furnished no reply.

The local authority is suggested to follow the Govt. guideline for procurement of goods.

14.10 - Staff position of N.A.C, AOSP-12

Sl.No	Category of Posts	Govt. Sanctioned Strength	Staff in position	Remarks
1	Executive Officer	01	01	
2	Junior Assistant	02	02	
3	Tax-Collector	01	04	03 consolidated
4	Work Sarakar	01	01	
5	Office Peon	01	03	02 consolidated
6	Orderly Peon to E.O	01	01	
7	Tractor Driver	01	02	01 consolidated
8	Night Watcher	01	01	
9	Sweeper	05	22	14 consolidated,3 muster roll
10	Junior Engineer	01	01	Contractual
11	Community Organiser	01	01	Contractual
12	MIS(Computer)	01	01	Contractual
13	Accountant	01	01	Contractual
14	Data Entry Operator	01	01	Contractual
15	Municipal Engineer	0	01	Part time
16	Store Keeper	0	01	consolidated
17	Electrician Helper	0	01	consolidated
Total		18	45	

14.11 - List of Incumbents in all posts of the N.A.C , AOSP-12

The detailed information in the following format furnished by the local authority is given below.

Sl.no	Name of the post	Full name of the incumbent	Period of incumbency during the year	G.P.F /C.P.F A/C no	Contact no	Station to which transferred in case of transfer
1	2	3	4	5	6	7
1	E.O	Binay Ranjan Mohapatra	28.01.15 to 19.07.16		8338884221	Hindol NAC
2		Amiya Ranjan Das	05.08.16 to 22.12.16		7008445005	CMC,Cuttack
3		Dr. Srikant Kumar Dash	23.12.16 to 09.08.17		8249219727	Directorate of Economics and Statistics, Bhubaneswar
4		Trilochan Behera	16.08.17 to 31.01.2018		9437091404	P.H Section, Khandapada
5		Itishree Sarangi	01.02.2018 to till date		9438779591	
6	Jr.Asst	Lal Mohan Pattanaik	27.09..1993 to		9777554655	
7		Prakash Ch. Barik,JC	08.07.14 to			
8	TC	Laxmi Narayan Sahoo,TC	27.07.1993 to			
9	Driver	Rajkishore Mohanty,Driver	18.09.1996 to			
10	Peon	Subash Ch.Dash,Tr.Peon	21.05.1996 to			
11	Peon	Prasanti Devi,Peon	27.07.1993 to			
12	NW	Kishore Ch Nayak,NW	27.07.1993 to			
13	TC	Dillip Kumar Acharya,TC	27.07.1993 to			

14	TC	Mohit ranjan Ratha,TC	27.07.1993 to		
15	TC	Ramesh Kumar Mohanty	27.07.1993 to		
16	DEO	Prasant Kumar Rout,DEO	10.10.2007		
17	Peon	Rajkishore Mishra.Peon	19.02.2010		
18	Peon	Rajkishore Sahoo, Peon	15.08.2097		
19	Helper	Rabindra Barik ,Elect help	19.02.2010		
20	Store Keeper	Samarendra Barik, Store k	01.10.2010		
21	Driver	Laxman Das, Driver	01.10.2010		
22	Sweeper	Rajani Dei,Sweeper	15.08.1989 to		
23		Champa Nayak	15.08.1989 to		
24		Laxmi Nayak	15.08.1989 to		
25		Chandramukhi	01.09.1993 to		
26		Mahendra Mahar	01.06.1994		
27		Rabindra Nayak, Sweeper	26.07.1994		
28		Mini Dei	26.12.1994		
29		Subasi Dei	20.12.94		
30		Sara mukhi	30.06.2004		
31		Sita Nayak	30.06.2004		
32		Sanatan Nayak	18.10.1997		
33		Pankaj Nayak	01.09.2012		
34		Laxmidhar Nayak	01.09.2012		
35		Sadasiba Nayak	01.09.2012		
36		Sanju Nayak	01.09.2012		
37		Suma Mahar	01.09.2012		
38		Bharati Nayak	01.09.2012		
39		Janaki Mukhi	01.09.2012		
40		Gauri Nayak,Sweeper	01.09.2012		
41	CO	Indumati Parida	04.06.2010		
42	MIS	Sushree Santwana Mishra	19.02.2016		
43	Accountant	Satyajit Pani	21.10.2016		
44	JE	Bhabani Shankar Behera	01.08.15 to 30.06.16		Chikiti N.A.C
45	Work Sarakar	Harihar Mishra	27.07.1993 to		

 PARA: 15 **AUDIT ON WORKS**

15.1 - EXCESS PAYMENT TOWARDS TRACTOR & JCB HIRE CHARGES AOSP-35-37

Name of the project	Jhola rasta in ward no-04,05 & 06
C.R.No	
Vr.No/Date	93/03.06.15,259/12.07.16
Scheme	Own
Estimate	384420.00
Name of the agency	Joginath Panigrahi
Name of the E.O	Binay Ranjan Mohapatra

On checking of the file, it was seen that as per Council Resolution no-5 dated 05.09.14 & District Office Letter No.1975 dated 29.11.14 and councilors representation on 10.04.15, the Jhola road on Mangalajahi was executed on contract basis.As per comparative statement, the lower bid rate is given below

Sl.no	Engagement of Machanical Means	No.of Mechanical Means	Rate per hour(Rs)/vehicle
1	JCB	1	840.00
2	Tractor	2	230.00

On checking of the log books ,it was seen that the vehicles are used for excavation work and the details of which are given below.

Lengh of Road	Date	JCB used for hrs	Tractor 1 used for hrs	Tractor 2 used for hrs
0-36m	17.04.15	8	8	8
	18.04.15	8	8	8
	19.04.15	8	8	8
	20.04.15	8	8	8
	21.04.15	8	8	8
	22.04.15	8	8	8
	23.04.15	8	8	8
	24.04.15	8	8	8
	25.04.15	8	8	8
	26.04.15	4	4	4
36-85m	27.04.15	8	8	8
	28.04.15	8	8	8
	29.04.15	8	8	8
	30.04.15	8	8	8
	02.05.15	8	8	8
	03.05.15	8	8	8
	04.05.15	8	8	8
	05.05.15	8	8	8
	06.05.15	8	8	8
	07.05.15	4	4	4
85-139m	08.05.15	8	8	8
	09.05.15	8	8	8
	10.05.15	8	4	4
	11.05.15	8	8	8
	12.05.15	8	8	8
	13.05.15	8	8	8
	14.05.15	8	8	8
	15.05.15	8	8	8
	16.05.15	8	8	8
	17.05.15	3	3	0
Total		227	223	220

Name of Mechanical means	Total no. of hrs used	Rate per Hour	Total admissible rate	Payment to the executant		Excess paid
				Vr.no/date	Amount	
JCB	227	840.00	190680.00	93/03.06.15	160000.00	1430.00
Tractor 1	223	230.00	51290.00	259/12.07.16	98648.00	
Tractor 2	220	230.00	50600.00			
Total			292570.00		258648.00	
Deduct	SD,VAT,IT,Cess		(-)35352.00			

Net payable		257218.00	Net paid	258648
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On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Hence Rs.1430.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer, Khandapada NAC	Executive Officer, Hindol NAC	715
2	Sri Lalmohan Patnayak	Jr. Asst.	Khandapada NAC AT, PO-Khandapada Dist-Nayagarh	715

15.2 - EXCESS PAYMENT TOWARDS MATERIAL TESTING & CENTERING, SHUTTERING AOSP-39-41

Name of the project	Construction of balance C.C drain from Madhuban sahi to REO office
Vr.No/Date	68/11.05.16
M.B no/ Page no	02/64-71
Scheme	13th FC
Estimated cost	292879.00
Name of the Executant	Satya Narayan Pradhan
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

Details of Measurement given in Measurement Book

Item No	Details	No.	L(m)	B	H(m)	Total sqm	Rate	Amount
5	Providing smooth centering & shuttering	4	21		0.75	63.00	300.92	53262.84
		4	38		0.75	114.00		
		Total				177		
6	Provision for material testing							2900.00

1. On checking of the following case record, it was seen that Rs.2900.00 was paid to the executant towards material testing charge against which no voucher and no proof against material testing was available in the case record.
2. Excess payment made towards centering and shuttering charges

On checking of the case record with reference to measurement book, it was seen that excess payment was shown in the Estimate ,M.B as well as in the work bill towards centering and shuttering charges.

Rate allowed for smooth centering, shuttering for R.C.C works as per estimate and bill

RCC floor, Roof Slab, Balcony, Landing , Projecting sun shade and Chajja upto 4.3m height(as per data for 9.00sqm)

Non Sal scanting 0.112 Cum 17989.00 2014.77

Plank of 38mm 0.34 Cum 17989.00 6116.26

120mm dia sal bullah 56.00 Cum 92.00 5152.00

Carriage of wood 5 Km	1.142 Cum	117.60	<u>134.30</u>
			13417.33
Considering 10 times use of materials for use once			1341.73
Carpenter 2 nd class	2.75 Each	190.00	522.50
Semi Skilled Mulia	2.75 Each	170.00	<u>467.50</u>
			2331.73
O.H.C 7.5%			174.88
Contractor's Profit 7.5%			174.88
			2681.49
			Or 297.74
Add cess 1%			<u>2.98</u>
			T 300.92

Rate admissible for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC foundation and plinth band, Footings, bases of Columns, mass concrete, pre slab etc.(as per data for 10.00sqm)

25mm thick non Sal planks	0.267 Cum	17989.00	4803.06
80mm dia bullah	12.60 RM	44.00	554.40
Carriage of wood 5 Km	0.3284 Cum	117.60	<u>38.62</u>
			5396.08
Considering 10 times use of materials for use once			539.61
Carpenter 2 nd class	0.50 Each	190.00	95.00
Semi Skilled Mulia	0.50 Each	170.00	<u>85.00</u>
			719.61
O.H.C 7.5%			53.97
Contractor's Profit 7.5%			53.97
			827.55/10sqm
			Or 82.75 / 1sqm
Add cess 1%			<u>0.83</u>
			T 83.58

Excess payment for 1 sqm of centering and shuttering charges = 300.92 – 83.58 = 217.34

Excess payment for 177 sqm of centering and shuttering charges = 217.34 x 177 =38469.00

Total Excess payment = 2900.00+38469.00 =41369.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable.Hence the objection para stands.

Hence Rs.41369.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	966
2	Sri Sisir Kumar Mohanty	Ex-M.E, Khandapada N.A.C	Khandapada N.A.C, At,P.O-Khandapada, Dist-Nayagarh	19234
3	Subhasmita Prusty	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist- Nayagarh	19235
4	Bhabani Shankar Behera	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Khandapada	967
5	Rajesh Kumar Mandal	M.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Nayagarh	967

15.3 - EXCESS PAYMENT TOWARDS MATERIAL TESTING AOSP-42

Name of the project	Construction of balance C.C drain from P.W.D road to society in Ward no-12
Vr.No/Date	69/11.05.16
M.B no/ Page no	02/57-62
Scheme	13th FC
Estimated cost	110639.00
Name of the Executant	Jyoti Ranjan Mishra
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

On checking of the following case record, it was seen that Rs.1095.00 was paid to the executant towards material testing charge vide item no-5 against which no voucher and no proof against material testing was available in the case record.

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable.Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment.

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	365
2	Bhabani Shankar Behera	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Khandapada	365
3	Rajesh Kumar Mandal	M.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Nayagarh	365

15.4 - EXCESS PAYMENT TOWARDS CENTERING & SHUTTERING AOSP-43-45

Name of the project	Construction of balance C.C drain from Giri Hanuman lower step to Umadevi in ward. No-13
Vr.No/Date	70/11.05.16
M.B no/ Page no	02/49-55
Scheme	13th FC
Estimated cost	230950.00
Name of the Executant	Akshyaya Kumar Das
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

Details of Measurement given in Measurement Book

Item No	Details	No.	L(m)	B	H(m)	Total sqm	Rate	Amount
5	Providing smooth centering & shuttering	4	26		0.70	72.80	300.92	49134.217
		4	34		0.65	90.48		
		Total				163.28		

1. Excess payment made towards centering and shuttering charges

On checking of the case record with reference to measurement book, it was seen that excess payment was shown in the Estimate ,M.B as well as in the work bill towards centering and shuttering charges.

Rate allowed for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC floor, Roof Slab, Balcony, Landing , Projecting sun shade and Chajja upto 4.3m height(as per data for 9.00sqm)

Non Sal scanting	0.112 Cum	17989.00	2014.77
Plank of 38mm	0.34 Cum	17989.00	6116.26
120mm dia sal bullah	56.00 Cum	92.00	5152.00
Carriage of wood 5 Km	1.142 Cum	117.60	<u>134.30</u>
			13417.33
Considering 10 times use of materials for use once			1341.73
Carpenter 2 nd class	2.75 Each	190.00	522.50
Semi Skilled Mulia	2.75 Each	170.00	<u>467.50</u>
			2331.73
O.H.C 7.5%			174.88
Contractor's Profit 7.5%			174.88
			2681.49
			Or 297.74
Add cess 1%			<u>2.98</u>
			T 300.92

Rate admissible for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC foundation and plinth band, Footings, bases of Columns, mass concrete, pre slab etc.(as per data for 10.00sqm)

25mm thick non Sal planks	0.267 Cum	17989.00	4803.06
80mm dia bullah	12.60 RM	44.00	554.40
Carriage of wood 5 Km	0.3284 Cum	117.60	<u>38.62</u>

	5396.08
Considering 10 times use of materials for use once	539.61
Carpenter 2 nd class	0.50 Each 190.00 95.00
Semi Skilled Mulia	0.50 Each 170.00 <u>85.00</u>
	719.61
O.H.C 7.5%	53.97
Contractor's Profit 7.5%	53.97
	827.55 /10sqm
	Or 82.75 / 1sqm
Add cess 1%	<u>0.83</u>
	T 83.58

Excess payment for 1 sqm of centering and shuttering charges = 300.92 – 83.58 = 217.34

Excess payment for 163.28 sqm of centering and shuttering charges = 217.34 x 163.28 =35487.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Hence Rs.35487.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

Sino	Name	Designation	Adress	Amount(In Rs:)
1	Subhasmita Prusty	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada, Dist- Nayagarh	17744
2	Sri Sisir Kumar Mohanty	Ex-M.E, Khandapada N.A.C	Khandapada N.A.C, At,P.O-Khandapada, Dist- Nayagarh	17743

15.5 - EXCESS PAYMENT DUE TO NON-DEDUCTION OF LABOUR CESS FROM WORK BILL AOSP-46-47

Name of the project	Construction of rest shed at Tinkachua cremation ground at Khandapada
Vr.No/Date	274/18.07.16
M.B no/ Page no	02/49-55
Scheme	13 th FC
Estimated cost	178718.00
Name of the Executant	Rakesh Kumar Mishra
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

On checking of the above case record with reference to connected measurement book and other related items like analysis of rates and estimate,

it was seen that 1% cess was added in every item. While preparing the bill, the estimated rate (including 1% cess) was taken into account and accordingly the bill was prepared. When payment was made to the executant, the amount of cess should be deducted from the pay bill and the deducted amount should be deposited in Govt. account towards labour welfare. But in this case the amount of labour cess was not deducted and that amount was paid to the executants which was in excess.

Total amount of the bill =Rs.64491.00
 Amount of labour cess@1% not deducted = Rs.644.91 = Rs.645.00

As a result Rs.645.00 was excess paid to the executant.

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment of Rs.645.00.

- 1.Sri Bhabani Shankar Behera,J.E-Rs.323.00
2. Sri Rajesh Kumar Mandal ,M.E- Rs.322.00

15.6 - EXCESS PAYMENT DUE TO NON-DEDUCTION OF LABOUR CESS & MATERIAL TESTING CHARGE FROM WORK BILL AOSP-48-49

Name of the project	Repairing of C.C road at Gaudasahi in ward no-9
Vr.No/Date	275/18.07.16
M.B no/ Page no	02/126-130
Scheme	13 th FC
Estimated cost	104419.00
Name of the Executant	Bharat Chandra Padhiary
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

1. On checking of the above case record with reference to connected measurement book and other related items like analysis of rates and estimate, it was seen that 1% cess was added in every item. While preparing the bill, the estimated rate (including 1% cess) was taken into account and accordingly the bill was prepared. When payment was made to the executant, the amount of cess should be deducted from the pay bill and the deducted amount should be deposited in Govt. account towards labour welfare. But in this case the amount of labour cess was not deducted and that amount was paid to the executants which was in excess.

Total amount of the bill =Rs.88406.00
 Amount of labour cess@1% not deducted = Rs.884.06 = Rs.884.00

As a result Rs.884.00 was excess paid to the executant.

2. On checking of the following case record, it was seen that Rs.1034.00 was paid to the executant towards material testing charge against which no voucher and no proof against material testing was available in the case record.

Total Excess payment = 884.00+1034.00 = 1918.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment of Rs.1918.00.

Hence Rs.1918.00 is suggested for recovery from the following persons out of which Rs.1034.00 is surchargeable.

- 1.Sri Bhabani Shankar Behera,J.E-Rs.442.00
2. Sri Rajesh Kumar Mandal ,M.E- Rs.442.00

Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	344
2	Bhabani Shankar Behera	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Khandapada	345
3	Rajesh Kumar Mandal	M.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Nayagarh	345

15.7 - EXCESS PAYMENT DUE TO NON-DEDUCTION OF LABOUR CESS & MATERIAL TESTING CHARGE FROM WORK BILL AOSP-50-51

Name of the project	Repairing of C.C road from Rabi Sahoo Res towards Sunamunhi
Vr.No/Date	276/18.07.16
M.B no/ Page no	02/49-55
Scheme	Road Development
Estimated cost	13184.00
Name of the Executant	Akshya Kumar Das
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

1.On checking of the above case record with reference to connected measurement book and other related items like analysis of rates and estimate, it was seen that 1% cess was added in every item. While preparing the bill, the estimated rate (including 1% cess) was taken into account and accordingly the bill was prepared. When payment was made to the executant, the amount of cess should be deducted from the pay bill and the deducted amount should be deposited in Govt. account towards labour welfare. But in this case the amount of labour cess was not deducted and that amount was paid to the executants which was in excess.

Total amount of the bill =Rs.130184.00

Amount of labour cess@1% not deducted = Rs.1301.84 = Rs.1302.00

As a result Rs.1302.00 was excess paid to the executant.

2. On checking of the following case record, it was seen that Rs.1289.00 was paid to the executant towards material testing charge against which no voucher and no proof against material testing was available in the case record.

Total Excess payment = 1302.00+1289.00 =2591.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment of Rs.2591.00.

Hence Rs.2591.00 is suggested for recovery from the following persons out of which Rs.1289.00 is surchargeable.

1.Sri Bhabani Shankar Behera,J.E-Rs.651.00

2. Sri Rajesh Kumar Mandal ,M.E- Rs.651.00

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs.)
1	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	429
2	Bhabani Shankar Behera	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Khandapada	430
3	Rajesh Kumar Mandal	M.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Nayagarh	430

15.8 - EXCESS PAYMENT DUE TO NON-DEDUCTION OF LABOUR CESS & CENTERING/SHUTTERING AOSP-52-55

Name of the project	Construction of C.C drain from Nilachal sahi to Arjun Swain back side in ward No-05
Vr.No/Date	277/18.07.16,30/02.02.17
M.B no/ Page no	02/107-114,4/80-86
Scheme	Road Development
Estimated cost	13184.00
Name of the Executant	Akshya Kumar Das
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra,Srikanta Kumar Das
Name of the J.E	Bhabani Shankar Behera, Ghanashyam Tripathy
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

Details of Measurement given in Measurement Book

Item No	Details	No.	L(m)	B	H(m)	Total sqm	Rate	Amount
5	Providing smooth centering & shuttering	2	12.6		(1.6+.45)/2	25.83	300.92	164539.352
		2	1		0.30	0.600		
		2	1		0.60	1.200		
		4	11.30		(0.7+0.6)/2	29.38		
		4	11.6		(0.75+0.70)/2	33.64		
		4	5.90		(0.80+0.75)/2	18.29		
		Total						
6	Providing smooth centering & shuttering	2	27		0.65	35.10	300.92	17772.00
		2	25.60		0.65	33.28		
		Total						

1. On checking of the above case record with reference to connected measurement book and other related items like analysis of rates and estimate, it was seen that 1% cess was added in every item. While preparing the bill, the estimated rate (including 1% cess) was taken into account and accordingly the bill was prepared. When payment was made to the executant, the amount of cess should be deducted from the pay bill and the deducted amount should be deposited in Govt. account towards labour welfare. But in this case the amount of labour cess was not deducted and that amount was paid to the executants which was in excess.

Total amount of the bill (1st R/A) =Rs.164539.00

Amount of labour cess@1% not deducted = Rs.1645.39 = Rs.1646.00

As a result Rs.1646.00 was excess paid to the executant.

2. Excess payment made towards centering and shuttering charges

On checking of the case record with reference to measurement book, it was seen that excess payment was shown in the Estimate ,M.B as well as in the work bill towards centering and shuttering charges.

Rate allowed for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC floor, Roof Slab, Balcony, Landing , Projecting sun shade and Chajja upto 4.3m height(as per data for 9.00sqm)

Non Sal scanting	0.112 Cum	17989.00	2014.77
Plank of 38mm	0.34 Cum	17989.00	6116.26
120mm dia sal bullah	56.00 Cum	92.00	5152.00
Carriage of wood 5 Km	1.142 Cum	117.60	<u>134.30</u>
			13417.33
Considering 10 times use of materials for use once			1341.73
Carpenter 2 nd class	2.75 Each	190.00	522.50
Semi Skilled Mulia	2.75 Each	170.00	<u>467.50</u>
			2331.73
O.H.C 7.5%			174.88
Contractor's Profit 7.5%			174.88
			2681.49
			Or 297.74
Add cess 1%			<u>2.98</u>
			T 300.92

Rate admissible for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC foundation and plinth band, Footings, bases of Columns, mass concrete, pre slab etc.(as per data for 10.00sqm)

25mm thick non Sal planks	0.267 Cum	17989.00	4803.06
80mm dia bullah	12.60 RM	44.00	554.40
Carriage of wood 5 Km	0.3284 Cum	117.60	<u>38.62</u>
			5396.08
Considering 10 times use of materials for use once			539.61
Carpenter 2 nd class	0.50 Each	190.00	95.00
Semi Skilled Mulia	0.50 Each	170.00	<u>85.00</u>
			719.61
O.H.C 7.5%			53.97
Contractor's Profit 7.5%			53.97
			827.55 /10sqm
			Or 82.75 / 1sqm

Add cess 1%

0.83

T 83.58

Excess payment for 1 sqm of centering and shuttering charges = 300.92 – 83.58 = 217.34

Running Bill	Qty of C & S in sqm	Rate allowed (Rs)	Rate admissible (Rs)	Excess rate	Excess payment
1 st	108.94	300.92	83.58	217.34	23667
2 nd	59.06	300.92	83.58	217.34	12836
Total					36503

Total Excess payment = 1646.00+36503.00 =38149.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment of Rs.38149.00.

Hence Rs.38149.00 is suggested for recovery from the following persons out of which Rs.36503.00 is surchargeable.

- 1.Sri Bhabani Shankar Behera,J.E-Rs.823.00
2. Sri Rajesh Kumar Mandal ,M.E- Rs.823.00

Responsible Person for this paragraph

Sino	Name	Designation	Adress	Amount(In Rs:)
1	Subhasmita Prusty	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist- Nayagarh	18252
2	Sri Sisir Kumar Mohanty	Ex-M.E, Khandapada N.A.C	Khandapada N.A.C, At,P.O-Khandapada, Dist- Nayagarh	18251

15.9 - EXCESS PAYMENT DUE TO NON-DEDUCTION OF LABOUR CESS & MATERIAL TESTING CHARGE FROM WORK BILL AOSP-56-57

Name of the project	Construction of C.C road from canal to Bandha Mahadeb road in ward No-01
Vr.No/Date	278/18.07.16
M.B no/ Page no	02/88-93
Scheme	13 th Fc
Estimated cost	196631.00
Name of the Executant	Jyoti Ranjan Mishra
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

1. On checking of the above case record with reference to connected measurement book and other related items like analysis of rates and estimate, it was seen that 1% cess was added in every item. While preparing the bill, the estimated rate (including 1% cess) was taken into account and accordingly the bill was prepared. When payment was made to the executant, the amount of cess should be deducted from the pay bill and the deducted amount should be deposited in Govt. account towards labour welfare. But in this case the amount of labour cess was not deducted and that amount was paid to the executants which was in excess.

Total amount of the bill =Rs.195766.00

Amount of labour cess@1% not deducted = Rs.1957.66 = Rs.1958.00

As a result Rs.1958.00 was excess paid to the executant.

2. On checking of the following case record, it was seen that Rs.1947.00 was paid to the executant towards material testing charge against which no voucher and no proof against material testing was available in the case record.

Total Excess payment = 1958.00+1947.00 =3905.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment of Rs.3905.00.

Hence Rs.3905.00 is suggested for recovery from the following persons out of which Rs.1947.00 is surchargeable.

1.Sri Bhabani Shankar Behera,J.E-Rs.979.00

2-Sri Rajesh Kumar Mandal ,M.E- Rs 979.00

Responsible Person for this paragraph

Sino	Name	Designation	Adress	Amount(In Rs:)
1	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	649
2	Bhabani Shankar Behera	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Khandapada	649
3	Rajesh Kumar Mandal	M.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Nayagarh	649

15.10 - EXCESS PAYMENT DUE TO NON-DEDUCTION OF LABOUR CESS ,CENTERING/SHUTTERING & MATERIAL TESTING AOSP-58-61

Name of the project	Construction of C.C drain at Gadabhitarsahi in ward no-11
Vr.No/Date	279/18.07.16
M.B no/ Page no	02/72-78
Scheme	13 th Fc
Estimated cost	302010.00
Name of the Executant	Shyam Sundar Ram
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

Details of Measurement given in Measurement Book

Item No	Details	No.	L(m)	B	H(m)	Total sqm	Rate	Amount
5	Providing smooth centering & shuttering	4	85		0.60	204.00	300.92	49134.217

1. On checking of the above case record with reference to connected measurement book and other related items like analysis of rates and estimate, it was seen that 1% cess was added in every item. While preparing the bill, the estimated rate (including 1% cess) was taken into

account and accordingly the bill was prepared. When payment was made to the executant, the amount of cess should be deducted from the pay bill and the deducted amount should be deposited in Govt. account towards labour welfare. But in this case the amount of labour cess was not deducted and that amount was paid to the executants which was in excess.

Total amount of the bill =Rs.256739.00

Amount of labour cess@1% not deducted = Rs.2567.39 = Rs.2567.00

As a result Rs.2567.00 was excess paid to the executant.

2. On checking of the following case record, it was seen that Rs.2990.00 was paid to the executant towards material testing charge against which no voucher and no proof against material testing was available in the case record.

3. Excess payment made towards centering and shuttering charges

On checking of the case record with reference to measurement book, it was seen that excess payment was shown in the Estimate ,M.B as well as in the work bill towards centering and shuttering charges.

Rate allowed for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC floor, Roof Slab, Balcony, Landing , Projecting sun shade and Chajja upto 4.3m height(as per data for 9.00sqm)

Non Sal scanting	0.112 Cum	17989.00	2014.77
Plank of 38mm	0.34 Cum	17989.00	6116.26
120mm dia sal bullah	56.00 Cum	92.00	5152.00
Carriage of wood 5 Km	1.142 Cum	117.60	<u>134.30</u>
			13417.33
Considering 10 times use of materials for use once			1341.73
Carpenter 2 nd class	2.75 Each	190.00	522.50
Semi Skilled Mulia	2.75 Each	170.00	<u>467.50</u>
			2331.73
O.H.C 7.5%			174.88
Contractor's Profit 7.5%			174.88
			2681.49
			Or 297.74
Add cess 1%			<u>2.98</u>
			T 300.92

Rate admissible for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC foundation and plinth band, Footings, bases of Columns, mass concrete, pre slab etc.(as per data for 10.00sqm)

25mm thick non Sal planks	0.267 Cum	17989.00	4803.06
80mm dia bullah	12.60 RM	44.00	554.40
Carriage of wood 5 Km	0.3284 Cum	117.60	<u>38.62</u>
			5396.08
Considering 10 times use of materials for use once			539.61

Carpenter 2 nd class	0.50	Each	190.00	95.00
Semi Skilled Mulia	0.50	Each	170.00	<u>85.00</u>
				719.61
O.H.C 7.5%				53.97
Contractor's Profit 7.5%				53.97
				827.55/ 10sqm
				Or 82.75 /1 sqm
Add cess 1%				<u>0.83</u>
				T 83.58

Excess payment for 1 sqm of centering and shuttering charges = 300.92 – 83.58 = 217.34

Excess payment for 204.00 sqm of centering and shuttering charges = 217.34 x 204 =44337.00

Total Excess payment = 2567.00+2990.00 +44337.00=49894.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment of Rs.49894.00.

Hence Rs.2567.00 is suggested for recovery from the following persons out of which Rs.47327.00 is surchargeable.

- 1.Sri Bhabani Shankar Behera,J.E-Rs.1284.00
2. Sri Rajesh Kumar Mandal ,M.E- Rs.1283.00

Responsible Person for this paragraph

Sino	Name	Designation	Adress	Amount(In Rs:)
1	Subhasmita Prusty	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada, Dist- Nayagarh	22169
2	Sri Sisir Kumar Mohanty	Ex-M.E, Khandapada N.A.C	Khandapada N.A.C, At,P.O-Khandapada, Dist- Nayagarh	22168
3	Bhabani Shankar Behera	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada, Dist-Khandapada	997
4	Rajesh Kumar Mandal	M.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada, Dist-Nayagarh	997
5	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	996

15.11 - EXCESS PAYMENT DUE TO NON-DEDUCTION OF LABOUR CESS & MATERIAL TESTING CHARGE FROM WORK BILL AOSP-62-63

Name of the project	Construction of C.C flooring within NAC campus
Vr.No/Date	280/18.07.16
M.B no/ Page no	02/99-105

Scheme	13 th Fc
Estimated cost	252591.00
Name of the Executant	Dillip Ranjan Das
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

1. On checking of the above case record with reference to connected measurement book and other related items like analysis of rates and estimate, it was seen that 1% cess was added in every item. While preparing the bill, the estimated rate (including 1% cess) was taken into account and accordingly the bill was prepared. When payment was made to the executant, the amount of cess should be deducted from the pay bill and the deducted amount should be deposited in Govt. account towards labour welfare. But in this case the amount of labour cess was not deducted and that amount was paid to the executants which was in excess.

Total amount of the bill =Rs.250330.00
 Amount of labour cess@1% not deducted = Rs.2503.30 = Rs.2503.00

As a result Rs.2503.00 was excess paid to the executant.

2. On checking of the following case record, it was seen that Rs.2501.00 was paid to the executant towards material testing charge against which no voucher and no proof against material testing was available in the case record.

Total Excess payment = 2503.00+2501.00 = 5004.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment of Rs.5004.00.

Hence Rs.5004.00 is suggested for recovery from the following persons out of which Rs.2501.00 is surchargeable.

- 1.Sri Bhabani Shankar Behera,J.E-Rs.1251.00
2. Sri Rajesh Kumar Mandal ,M.E- Rs.1252.00

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs.)
1	Bhabani Shankar Behera	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada, Dist-Khandapada	834
2	Rajesh Kumar Mandal	M.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada, Dist-Nayagarh	834
3	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	833

15.12 - EXCESS PAYMENT DUE TO NON-DEDUCTION OF LABOUR CESS,MATERIAL TESTING CHARGE &CENTERING/SHUTTERING AOSP-64-67

Name of the project	Construction of C.C drain at Kundura sahi in ward no-07
Vr.No/Date	281/18.07.16
M.B no/ Page no	02/80-86
Scheme	13 th Fc

Estimated cost	159887.00
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the Executant	Surendra Kumar Mohanty
Name of the E.O	Binay Ranjan Mohapatra
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

Details of Measurement given in Measurement Book

Item No	Details	No.	L(m)	B	H(m)	Total sqm	Rate	Amount
5	Providing smooth centering & shuttering	4	45		0.60	108.00	300.92	32499.00

1. On checking of the above case record with reference to connected measurement book and other related items like analysis of rates and estimate, it was seen that 1% cess was added in every item. While preparing the bill, the estimated rate (including 1% cess) was taken into account and accordingly the bill was prepared. When payment was made to the executant, the amount of cess should be deducted from the pay bill and the deducted amount should be deposited in Govt. account towards labour welfare. But in this case the amount of labour cess was not deducted and that amount was paid to the executants which was in excess.

Total amount of the bill =Rs.135920.00

Amount of labour cess@1% not deducted = Rs.1359.20 = Rs.1359.00

As a result Rs.1359.00 was excess paid to the executant.

2. On checking of the following case record, it was seen that Rs.1583.00 was paid to the executant towards material testing charge against which no voucher and no proof against material testing was available in the case record.

3. Excess payment made towards centering and shuttering charges

On checking of the case record with reference to measurement book, it was seen that excess payment was shown in the Estimate ,M.B as well as in the work bill towards centering and shuttering charges.

Rate allowed for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC floor, Roof Slab, Balcony, Landing , Projecting sun shade and Chajja upto 4.3m height(as per data for 09.00sqm)

Non Sal scanting	0.112 Cum	17989.00	2014.77
Plank of 38mm	0.34 Cum	17989.00	6116.26
120mm dia sal bullah	56.00 Cum	92.00	5152.00
Carriage of wood 5 Km	1.142 Cum	117.60	<u>134.30</u>
			13417.33
Considering 10 times use of materials for use once			1341.73
Carpenter 2 nd class	2.75 Each	190.00	522.50
Semi Skilled Mulia	2.75 Each	170.00	<u>467.50</u>
			2331.73
O.H.C 7.5%			174.88
Contractor's Profit 7.5%			174.88
			2681.49
			Or 297.74

Add cess 1% 2.98
T 300.92

Rate admissible for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC foundation and plinth band,Footings, bases of Columns, mass concrete,pre slab etc.

25mm thick non Sal planks	0.267 Cum	17989.00	4803.06
80mm dia bullah	12.60 RM	44.00	554.40
Carriage of wood 5 Km	0.3284 Cum	117.60	<u>38.62</u>
			5396.08
Considering 10 times use of materials for use once			539.61
Carpenter 2 nd class	0.50 Each	190.00	95.00
Semi Skilled Mulia	0.50 Each	170.00	<u>85.00</u>
			719.61
O.H.C 7.5%			53.97
Contractor's Profit 7.5%			53.97
			827.55
			Or 82.75

Add cess 1% 0.83
T 83.58

Excess payment for 1 sqm of centering and shuttering charges = 300.92 – 83.58 = 217.34

Excess payment for 108.00 sqm of centering and shuttering charges = 217.34 x 108 =23472.72 =23473.00

Total Excess payment = 1359.00+1583.00 + 23473.00=26415.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment of Rs.26415.00.

Hence Rs.26415.00 is suggested for recovery from the following persons out of which Rs.25056.00 is surchargable.

- 1.Sri Bhabani Shankar Behera,J.E-Rs.679.00
2. Sri Rajesh Kumar Mandal ,M.E- Rs.680.00

Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	Subhasmita Prusty	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada, Dist- Nayagarh	11736
2	Sri Sisir Kumar Mohanty	Ex-M.E, Khandapada N.A.C	Khandapada N.A.C, At,P.O-Khandapada, Dist- Nayagarh	11737
3	Bhabani Shankar Behera	Ex-J.E,Khandapada N.A.C	Khandapada	528

			N.A.C,At,P.O-Khandapada,Dist-Khandapada	
4	Rajesh Kumar Mandal	M.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Nayagarh	528
5	Sri Binaya Ranjan Mohapatra	Ex-Executive Officer,Khandapada NAC	Executive Officer,Hindol NAC	527

15.13 - EXCESS PAYMENT DUE TO NON-DEDUCTION OF LABOUR CESS FROM WORK BILL AOSP-68-69

Name of the project	Construction of Staff quarter for NAC staff, Khandapada Part-2
Vr.No/Date	370/22.09.16
M.B no/ Page no	01/47-57
Scheme	Devolution Fund
Estimated cost	934921.00
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the Executant	Manoranjan rath
Name of the E.O	Amiya Ranjan Das
Name of the J.E	Bhabani Shankar Behera
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

1. On checking of the above case record with reference to connected measurement book and other related items like analysis of rates and estimate, it was seen that 1% cess was added in every item. While preparing the bill, the estimated rate (including 1% cess) was taken into account and accordingly the bill was prepared. When payment was made to the executant, the amount of cess should be deducted from the pay bill and the deducted amount should be deposited in Govt. account towards labour welfare. But in this case the amount of labour cess was not deducted and that amount was paid to the executants which was in excess.

Total amount of the bill =Rs.323118.00

Amount of labour cess@1% not deducted = Rs.3231.18 = Rs.3231.00

As a result Rs.3231.00 was excess paid to the executant.

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Since the following officials are involved in the process of payment, they are responsible for such excess payment of Rs.3231.00.

Hence Rs.3231.00 is suggested for recovery from the following persons.

1.Sri Bhabani Shankar Behera,J.E-Rs.1615.00

2. Sri Rajesh Kumar Mandal ,M.E- Rs.1616.00

15.14 - EXCESS PAYMENT FOR CENTERING & SHUTTERING AOSP-70-72

Name of the project	Construction of C.C drain from Sarat Kumar sahu Res to Mahila samiti in W.No-03
Vr.No/Date	11/11.01.17
M.B no/ Page no	4/48-50
Scheme	13th FC

Estimated cost	355307.00
Name of the Executant	Bharat Chandra Padhiary
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Srikant Kumar Dash
Name of the J.E	Ghanashyam Tripathy
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

Details of Measurement given in Measurement Book

Item No	Details	No.	L(m)	B	H(m)	Total sqm	Rate	Amount				
5	Providing smooth centering & shuttering	2	4		0.55	4.40	300.92	34877.00				
		2	30		0.60	36.00						
		1	30		0.70	21.00						
		1	30		0.60	18.00						
		2	30		0.50	30.00						
		2	6.5		0.50	6.50						
		Total							115.90			

1. Excess payment made towards centering and shuttering charges

On checking of the case record with reference to measurement book, it was seen that excess payment was shown in the Estimate ,M.B as well as in the work bill towards centering and shuttering charges.

Rate allowed for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC floor, Roof Slab, Balcony, Landing , Projecting sun shade and Chajja upto 4.3m height(as per data for 9.00sqm)

Non Sal scanting	0.112 Cum	17989.00	2014.77
Plank of 38mm	0.34 Cum	17989.00	6116.26
120mm dia sal bullah	56.00 Cum	92.00	5152.00
Carriage of wood 5 Km	1.142 Cum	117.60	<u>134.30</u>
			13417.33
Considering 10 times use of materials for use once			1341.73
Carpenter 2 nd class	2.75 Each	190.00	522.50
Semi Skilled Mulia	2.75 Each	170.00	<u>467.50</u>
			2331.73
O.H.C 7.5%			174.88
Contractor's Profit 7.5%			174.88
			2681.49
			Or 297.74
Add cess 1%			<u>2.98</u>
			T 300.92

Rate admissible for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC foundation and plinth band, Footings, bases of Columns, mass concrete, pre slab etc.(as per data for 10.00sqm)

25mm thick non Sal planks	0.267 Cum	17989.00	4803.06
80mm dia bullah	12.60 RM	44.00	554.40

Carriage of wood 5 Km	0.3284 Cum	117.60	<u>38.62</u>
			5396.08
Considering 10 times use of materials for use once			539.61
Carpenter 2 nd class	0.50 Each	190.00	95.00
Semi Skilled Mulia	0.50 Each	170.00	<u>85.00</u>
			719.61
O.H.C 7.5%			53.97
Contractor's Profit 7.5%			53.97
			827.55/10sqm
			Or 82.75 /1sqm
Add cess 1%			<u>0.83</u>
			T 83.58

Excess payment for 1 sqm of centering and shuttering charges = 300.92 – 83.58 = 217.34

Excess payment for 115.90 sqm of centering and shuttering charges = 217.34 x 115.90 =25189.70 =25190.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Hence Rs.25190.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Subhasmita Prusty	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada, Dist- Nayagarh	12595
2	Sri Sisir Kumar Mohanty	Ex-M.E, Khandapada N.A.C	Khandapada N.A.C, At,P.O-Khandapada, Dist- Nayagarh	12595

15.15 - EXCESS PAYMENT TOWARDS CENTERING/SHUTTERING & MATERIAL TESTING AOSP-73-75

Name of the project	Construction of C.C drain at Kundurasahi in ward No-7
Vr.No/Date	13/11.01.17
M.B no/ Page no	4/45-47
Scheme	13th FC
Estimated cost	248716.00
Name of the Executant	Surendra Kumar Mohanty
Estimate Prepared by the JE	Subhasmita Prusty
Estimate Prepared by the ME	Sisir Kumar Mohanty
Name of the E.O	Srikant Kumar Dash
Name of the J.E	Ghanashyam Tripathy
Name of the M.E	Rajesh Kumar Mandal
Name of the chair person	Sabita Das

Details of Measurement given in Measurement Book

Item No	Details	No.	L(m)	B	H(m)	Total sqm	Rate	Amount
5	Providing smooth centering & shuttering	2	80		0.60	96.00	300.92	28888.00

1. Excess payment made towards material testing charges

On checking of the case record with reference to vouchers and connected measurement book, it was seen that Rs.2500.00 was billed towards material test report vide Item no-6, M.B no-4 and page no-46. But ALFA TESTING LABORATORY received Rs. 2000.00 from Surendra Kumar Mohanty towards construction of C.C drain at Kundurasahi in Ward No-7 vide its Sl.no-5424.

Excess payment made to the executant = 2500.00-2000.00 =500.00

1. Excess payment made towards centering and shuttering charges

On checking of the case record with reference to measurement book, it was seen that excess payment was shown in the Estimate ,M.B as well as in the work bill towards centering and shuttering charges.

Rate allowed for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC floor, Roof Slab, Balcony, Landing , Projecting sun shade and Chajja upto 4.3m height(as per data for 9.00sqm)

Non Sal scanting	0.112 Cum	17989.00	2014.77
Plank of 38mm	0.34 Cum	17989.00	6116.26
120mm dia sal bullah	56.00 Cum	92.00	5152.00
Carriage of wood 5 Km	1.142 Cum	117.60	<u>134.30</u>
			13417.33
Considering 10 times use of materials for use once			1341.73
Carpenter 2 nd class	2.75 Each	190.00	522.50
Semi Skilled Mulia	2.75 Each	170.00	<u>467.50</u>
			2331.73
O.H.C 7.5%			174.88
Contractor's Profit 7.5%			174.88
			2681.49
			Or 297.74
Add cess 1%			<u>2.98</u>
			T 300.92

Rate admissible for smooth centering,shuttering for R.C.C works as per estimate and bill

RCC foundation and plinth band, Footings, bases of Columns, mass concrete, pre slab etc(as per data for 10.00sqm).

25mm thick non Sal planks	0.267 Cum	17989.00	4803.06
80mm dia bullah	12.60 RM	44.00	554.40
Carriage of wood 5 Km	0.3284 Cum	117.60	<u>38.62</u>
			5396.08
Considering 10 times use of materials for use once			539.61
Carpenter 2 nd class	0.50 Each	190.00	95.00
Semi Skilled Mulia	0.50 Each	170.00	<u>85.00</u>

719.61

O.H.C 7.5% 53.97

Contractor's Profit 7.5% 53.97

827.55/10sqm

Or 82.75 /1 sqm

Add cess 1% 0.83

T 83.58

Excess payment for 1 sqm of centering and shuttering charges = 300.92 – 83.58 = 217.34

Excess payment for 96sqm of centering and shuttering charges = 217.34 x 96 =20864.00

Total Excess payment = 500.00+20864.00 =21364.00

On the issue of audit objection statement, the local authority replied that objections are accepted. Necessary steps to be taken to recovery the said amount.

The above reply of the local authority is not satisfactory for which it is not acceptable. Hence the objection para stands.

Hence Rs.21364.00 is suggested for recovery from the following persons.

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Dr.Srikant Kumar Dash	Ex-Executive Officer,Khandapada NAC	Directorate of Economics and Statistics,Bhubaneswar	166
2	Subhasmita Prusty	Ex-J.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist- Nayagarh	10432
3	Sri Sisir Kumar Mohanty	Ex-M.E, Khandapada N.A.C	Khandapada N.A.C, At,P.O-Khandapada, Dist- Nayagarh	10432
4	Rajesh Kumar Mandal	M.E,Khandapada N.A.C	Khandapada N.A.C,At,P.O-Khandapada,Dist-Nayagarh	167
5	Ghanashyam Tripathy	J.E, Khandapada N.A.c	Khandapada N.A.C,At,P.O-Khandapada,DiSt-Nayagarh	167

15.16 - Verification of case records

Particulars	No.of records	Amount(Rs)	Remarks (Reason of non-verification)
Total no. of records		347554993.00	
No.of records verified		347554993.00	
No.of records not verified		00.00	

PARA: 16 AUDIT ON UNITS / DEPARTMENT

16.1 - Audit on Units/ Department
No other unit is due for audit.

PARA: 17 AUDIT ON SCHEMES / PROGRAMMES

17.1 - Schemes,AOSP-08

A number of schemes such as MP LAD,MLA LAD, Road Development, Road Maintenance, Motor Vehicle Tax, Finance Commission ,SJSRY etc have been implemented in this N.A.C during the year 2016-17 for the improvement of socio- economic condition of the urban people.

1. Physical and Financial Target and Achievements

The physical and financial target and achievements in respect of different schemes implemented in this N.A.C during the year 2016-17 could not be furnished as neither the work register maintained and produced to audit nor the local authority produced the same to audit in spite of written memo and several verbal reminder. However the number of works taken up during the year under audit along with its financial achievements has been worked out from the cash book which is furnished below.The work register as well as the grant register has not been maintained in this N.A.C due to which the exact position of physical and financial target and achievement could not be ascertained. However the local authority is suggested to maintained the work register and the grant register in order to know the exact figure and maintain the transparency.

Sl.No	Name of the Scheme	No. taken up	Receipt	Expenditure	Remarks
1	MPLAD	1	500000	394618	
2	FC	13	6048000	2464000	
3	RD	4	896000	618823	
4	NRB	1	0	378616	Expenditure made out of previous grant
5	MLA LAD&SDP	2	50000	600000	Expenditure made out of previous grant
6	R & B	9	0	354669	Expenditure made out of previous grant
7	Devolution Fund	3	2497000	2610260	Expenditure made out of previous grant

Comments on execution of different schemes

The mode of execution of schemes such as MPLAD and SGSRY is given below basing on the records and registers made available to audit.

1. MPLAD

The project under MPLAD scheme is approved by the Collector, Nayagarh as per the recommendation of the concerned MP. During the year under audit 1 project has been taken up and a sum of Rs.394618.00 has been incurred expenditure under this scheme.

1. SJSRY

The scheme SJSRY has been implemented with its 5 components such as

1. USWP : Urban Women Self Help Programme

Under this scheme ,women self-help groups are formed and the groups are financed as group loan for different activities.

1. USEP : Urban Self Employment Programme

Under this scheme ,finance as loan is made for individual persons for different activities.

1. USDN : Urban Community Development Network

Under this head, the salary of the employee is paid.

1. STEP UP : Skill Training Employment Programme for Urban Poor

Under this programme, skill development training in different trades are imparted to the urban poor.

1. T & C s : Thrift and Credit Society

Under this programme, revolving funds are given to various WSHG for their activities.

Implementation of schemes in Khandapada NAC

In this NAC, only the following two programmes were implemented during the year under audit.

1. USDN : The salary of the community organizer of this NAC was paid during the year under audit.
2. STEP UP : Under this programme Computer Hardware Assistant training has been imparted during the year under audit and details of that is given below.

Sl.No	Name of the trade	No.of participants	Period of training	Total amount paid
1	Computer Hardware Assistant	95	3 months	666438

3.MLA LAD

With a view to increasing the participation of local people and their representatives in the planning process, which is one of the main objectives of decentralized planning the scheme of MLA LAD Fund has been introduced in the state of Odisha since 1997 to 1998.

a. As per GO No-18430,dtd 22.12.2005,the concerned MLA will have to recommend a priority list of projects to be taken up within his jurisdiction in the district under MLA LAD scheme during the year indicating the broad details against each in the proforma as in Annexure-II provided that construction of important district level infrastructure which would benefit all the constituency located inside the district from their MLA LAD.

b. As per G.O.No-4279,dtd 8.3.2007/Letter No-121000/P,dtd 6.6.2009, the competent authority will automatically provide the balance amount from the concerned MLA LAD from the next year allotment to complete the incomplete projects.

c. During the year under audit 2 projects has been taken up and a sum of Rs.600000.00 has been incurred expenditure under this scheme.

It would be seen from the receipt and expenditure statement that the financial achievement of the scheme in this N.A.C is 26.09 %, which is very low.

The priority list of projects and the list of incomplete projects should be produced to next audit. The local authority is suggested to follow the guideline and work accordingly.

PARA: 18 MISCELLANEOUS

18.1 - AUDIT PARAGRAPHS PENDING FOR SETTLEMENT AOSP-18.1

The details of outstanding para of last audit and previous audit reports which is awaiting for settlement due to non submission of compliance report by the local authority is given below.

Audit paragraphs pending for settlement									
The details of the paragraphs which are not yet settled are furnished below.									
Sl. No	Year of accounts	Audit report No.	Paragraphs pending for settlement relating to misappropriation of cash & loss of stock and stores		Paragraphs pending for settlement other than misappropriation		Total		Remarks
			No.of paragraphs	Amount involved	No.of paragraphs	Amount involved	No.of Paragraphs	Amount involved	
1	2	3	4	5	6	7	8	9	10
1	2009-10	42/2010-11	0	0	23	2671560	23	2671560	
2	2010-11	27/2011-12	0	0	30	2412271	30	2412271	
3	2011-12	8703/2012-13	0	0	17	653407	17	653407	
4	2012-13	30772/2013-14	0	0	8	641385	8	641385	
5	2013-14	59375/2014-15	0	0	26	2221983	26	2221983	
6	2014-15	154764/2015-16	7	68128	22	6284881	29	6353009	
7	2015-16	279865/2016-17	0	0	32	1734003	32	1734003	
	Total		7	68128	158	16619490	165	16687618	

On issue of audit objection statement , the local authority replied that steps to be taken for comply the audit report and present in next audit.

The reply of the local authority is not satisfactory.

The local authority is suggested to submit the parawise compliance of previous audit reports with a copy of council resolution for settlement of Audit paragraphs and then the aim of Audit can be fulfilled.

18.2 - Non production of records of Previous audit

As per last audit report, all records were produced to audit.

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

19.1 - LESS REMITTANCE OF GOVT. DUES ROYALTY,VAT,CESS,PT,IT,S.TAX & OTHERS AOSP-100-101

Rule-4 of Odisha Treasury Code,Vol-I read with Rule -4 of OGFR stipulate that all money received or realized on behalf of Govt. should be deposited in full into treasury or with competent authority within 3 days of its realization .Retention of Govt. money or revenue outside the treasury is irregular and not permissible and responsibility to be fixed against the defaulting officer.

As per data of last audit report and financial statement for the year 2016-17, it is revealed that a total sum of Rs702005.00 as detailed below is outstanding for deposits towards Royalty, VAT ,Labour Cess and IT as on 31.3.2017.

Particulars	Royalty	VAT	Labour Cess	P.T	I.T	Service Tax	Others(Edn Cess+Work Cess)	Total
Dues outstanding for deposit at the beginning of the year	48033	122531	90564	0	60742	0	0	321870
Amount Collected during the year	166935	371748	61477	25000	69727	120	3168	698175
Total	214968	494279	152041	25000	130469	120	3168	1020045
Amount remitted during the year	66554	150668	0	25000	75818	0	0	318040
Balance to be remitted at the end of the year	148414	343611	152041	0	54651	120	3168	702005

From the above table, it would be seen that a sum of Rs. 702005.00 is remaining outstanding for remittance of Govt. dues.

On issue of audit objection statement , the local authority furnished no reply.

The local authority is suggested to take immediate steps for deposit of Govt. dues as soon as possible and compliance be reported to audit.

Till deposit of Rs.702005.00 in Govt heads, Rs.702005.00 is kept under objection

19.2 - Position of Loan

As per Rule 89 of Odisha Municipal Accounting Rules 2012 all loan received by the Municipality shall be recorded each on a page in a register of Loans.each instalment of loan as it is taken shall be recorded therein,and particulars of payment and interest shall also be recorded in appropriate columns till the loan is finally paid.

As seen from the last and previous Audit Reports that there is no loan outstanding against the NAC and as the NAC has no loan register,the actual position of loans could not be ascertained.

19.3 - Position of Deposit

As required U/R 143 and U/R of Odisha Municipal Rules 1953 the deposit ledger and register of outstanding deposit should be maintained. But the same has not been maintained by this NAC. Due to non maintenance of above register, there is a possibility of refund of excess deposit or double refund of deposits which could cause the loss of NAC fund.

Basing upon the position of last Audit Report the following information is furnished below.

The position of deposits for the year 2016-17 is furnished below.

Sl.no	Item	Outstanding deposit as on 01-04-16	Received during the year 2016-17	Total	Refunded during the year 2016-17	Balance to be refunded as on 31-03-2017
1	2	3	4	5	6	7
1	S.D/EMD	452496.00	389226.00	841722.00	165822.00	675900.00

19.4 - Position of CPF

1. 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.
2. 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 logged 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.
3. As per Rule 449 of O.M Rules, 1953 the provident fund ledger, Abstract ledger, Cash Book and other records of the fund shall be examined monthly by the Executive Officer.

On scrutiny of the records it is noticed that

1. Neither separate cash book nor provident fund ledger is maintained in this NAC.
2. 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 not be logged in the Government treasury in contravention of O.M Rule 442 rather the CPF fund has been kept in savings bank accounts of individual employee.
3. Guideline has not been followed in case of withdrawal of money from pass books. Withdrawal has been made by the employee as per their good will.

On issue of audit objection statement, the local authority furnished no reply. Therefore the local authority is suggested to adhere the codal provisions while maintaining CPF accounts and compliance reported.

The abstract position of CPF basing upon the data available in the cash book is given below.

Particulars	Amount of credit
Amount deducted and deposited towards Employee share during the year 2016-17	341205.00
Amount deposited towards Council share during the year 2016-17	337206.00
Total amount deposited during the year 2016-17	678411.00

19.5 - Position of EPF

The abstract position of EPF basing upon the data available in the cash book is given below

Particulars	Amount of credit
Amount deducted and deposited towards Employee share during the year 2016-17	183095.00
Amount deposited towards Council share during the year 2016-17	207661.00
Total amount deposited during the year 2016-17	390756.00

PARA: 20 RESULT OF AUDIT

20.1 - General Remarks

1. The Budget Estimate of the N.A.C for the year 2016-17 has not been prepared properly.
2. The cash book figures are not reconciled with the figure of the pass books.
3. Neither the Register of receipts and expenditure nor the analysis of closing balance on the basis of supporting documents was maintained by the local authority.
4. Physical verification of cash at the end of the month is not done by the local authority.
5. Grants register was also not maintained in this N.A.C. So the year wise break-up could not be ascertained.

6. Register of Immovable property was also not maintained in this N.A.C.
7. Asset Register was not maintained.
8. The N.A.C has not adopted the computerized accounting system till date.
9. The internal sources of income is too low in comparison with the expenditure.

20.2 - Suggestion by Audit

1. Some important registers have not been maintained as required under different rules of Municipal Act. Efforts should be taken to maintain all the statutory records in accordance with the Rules in proper form.
2. Preparation of Budget properly may be ensured henceforth.
3. The utilization of Govt. grants is very poor. Steps may be taken for maximum utilization of Govt. grants within the stipulated period followed by submission of U.Cs to proper quarter.
4. Accounting system should be supervised and monitored properly to avoid irregularities in accounts.

It is seen that no compliance has been given to settle the outstanding paras of last and previous year audit reports. Effective steps need be taken for submission of compliance to settle the outstanding paras

20.3 - Result of Audit

After conduction of general audit on the accounts of Khandapada N.A.C for the year 2016-17, a sum of Rs. 505547.00 is suggested for recovery, Rs. 2863276.00 is held under objection and Rs. 490097.00 has been surcharged in the report. The local authority is suggested to take follow up action for compliance of the unsettled paragraph. It is suggested to strengthen the financial accounting system, inspection, monitoring, supervision, internal control mechanism, and cash management & grievance redressal mechanism in the institution.

Result Of Audit

Sl 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	8.1	29000.00	29000.00	29000.00	0.00	0.00	
2	13.3	0.00	1026000.00	0.00	0.00	0.00	
3	13.6	0.00	28859.00	28859.00	0.00	0.00	
4	13.7	22000.00	222000.00	22000.00	0.00	0.00	
5	13.9	0.00	34917.00	0.00	0.00	0.00	
6	13.13	0.00	27600.00	27600.00	0.00	0.00	
7	14.1	2787.00	2787.00	2787.00	0.00	0.00	
8	14.2	295.00	295.00	295.00	0.00	0.00	
9	14.3	0.00	48048.00	0.00	0.00	0.00	
10	14.4	500.00	500.00	500.00	0.00	0.00	
11	14.5	12953.00	12953.00	12953.00	0.00	0.00	
12	14.6	174800.00	174800.00	174800.00	0.00	0.00	
13	14.7	6170.00	6170.00	6170.00	0.00	0.00	
14	14.8	0.00	290290.00	0.00	0.00	0.00	
15	15.1	1430.00	1430.00	1430.00	0.00	0.00	
16	15.2	41369.00	41369.00	41369.00	0.00	0.00	
17	15.3	1095.00	1095.00	1095.00	0.00	0.00	
18	15.4	35487.00	35487.00	35487.00	0.00	0.00	
19	15.6	1918.00	1918.00	1034.00	0.00	0.00	

20	15.7	2591.00	2591.00	1289.00	0.00	0.00
21	15.8	38149.00	38149.00	36503.00	0.00	0.00
22	15.9	3905.00	3905.00	1947.00	0.00	0.00
23	15.10	49894.00	49894.00	47327.00	0.00	0.00
24	15.11	5004.00	5004.00	2501.00	0.00	0.00
25	15.12	26415.00	26415.00	25056.00	0.00	0.00
26	15.13	3231.00	3231.00	0.00	0.00	0.00
27	15.14	25190.00	25190.00	25190.00	0.00	0.00
28	15.15	21364.00	21364.00	21364.00	0.00	0.00
29	19.1	0.00	702005.00	0.00	0.00	0.00
Total		505547.00	2863266.00	546556.00	0.00	0.00

Audit Certificate

Certified that the accounts of Khandapada NAC for the financial year 2016-2017 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	11.1	Page-43 cashier cash book	2018-02-20	512	Ramesh Kumar Mohanty
2	11.4	771	2018-03-03	2706	Lal Mohan Pattanaik
3	11.3	769	2018-02-24	3383	Lal Mohan Pattanaik
4	11.2	Page-43, Cashier cash book	2018-02-20	15	Ramesh Kumar Mohanty
				Total	6616