

LOCAL FUND AUDIT, BHUBANESWAR, ODISHA

CATEGORY : Municipality/Municipal Corporation,General

Audit Report No : 120606/AR/2015-2016-BHUBANESWAR

PARA: 1 TITLE SHEET

1	Name of the Institution :	Jatni Municipality
2	Year of Accounts under Audit :	2014-2015
3	Name of the Local Authority during the year of A/Cs :	Sri Ashutosh Samal,EO.
	Name of the Local Authority at the time of Audit :	Smt. Lalita Kapoor,EO.
4	Duration of Audit :	28-07-2015 To 06-11-2015 (Mandays Consumed :- 50)
5	Name of the Auditors :	PRASANTA KUMAR ROUT - Lead Auditor(28-07-2015 to 06-11-2015) PRAVAT KUMAR SAHOO - Auditor(28-07-2015 to 06-11-2015)
6	Name of the Reviewing Officer :	PARSURAM BEHERA(Audit Superintendent)
7	Date of submission of report by Reviewing officer :	31-12-2015
8	Entry Conference Date :	28-07-2015
9	Exit Conference Date :	20-01-2016
10	Name of the District Audit Officer :	BANITA SETHI
11	Date of approval of report by District Audit Officer :	19-02-2016

PARA: 2 PHYSICAL VERIFICATION

S/no	Name	Value	Remarks
1	Miscellaneous Receipt Books	29.07.2015	nil
2	License on carts carriage	29.07.2015	nil
3	Service Postage Stamps	29.07.2015	nil
4	Seizure Book u.s-186	29.07.2015	nil
5	Holding tax receipt books	29.07.2015	nil
6	Receipt book u.s-309	29.07.2015	nil
7	Receipt book u.s-307	29.07.2015	nil
8	Serizure book u.s-311	29.07.2015	nil
9	Misc. receipt book u.s-157	29.07.2015	nil
10	Users receipt book Rs.30	29.07.2015	nil
11	Octroi transit receipt book	29.07.2015	nil
12	Octroi receipt book	29.07.2015	nil
13	Users receipt book Rs.10	29.07.2015	nil
14	Users receipt book Rs.20	29.07.2015	nil
15	Tin tokens	29.07.2015	nil
16	Measurement Books	29.07.2015	nil
17	Cash in hand	29.07.2015	nil

Comments

As per OM Rule, the retention of cash balance in hand prescribed limit is Rs. 10000.00 provided that if the head quarter is situated at a place with no Treasury or Sub-Treasury, then money can be held to a maximum of Rs.20000.00. But on verifying & Checking of the Cash book, it is found that cash amounting to Rs16095.00 is kept in hand as hard cash contravening the rule. The above mentioned practice may be avoided in future.

In response to objection memo, the Municipal Authority replied that " Out of Rs. 16095.00 (cash in hand), (1) a sum of Rs.2060.00 deposited on 29.07.15 in the Axis Bank account. (2) A sum of Rs. 10000.00 towards Harischandra Sahayata Fund has been disbursed to the concern persons on Dt.1.8.15-- Rs.2000.00, on Dt.10.8.15-- Rs.2000.00, on Dt. 9.8.15-- Rs.2000.00, on Dt.24.9.15--Rs.2000.00 and refunded Rs.2000.00 vide MR No.-550/Dtd.20.1.16. (3) Councillors Sitting Allowances of Rs. 3900.0 disbursed on Dt.29.7.15--Rs.3300.00 and on Dtd.3.8.15--Rs600.00. (4) Permanent advance of Rs.135.00 cash in hand with the Cashier.

PARA: 3 LIST OF VERIFIED RECORDS
A : List Of Verified Records/Register

Sino	List Records/Register
1	Measurement Book
2	Tax collector's daily collection register
3	Demand and Collection Register
4	Assessment List
5	Stock Register of Stationery
6	Stamp Account
7	Register of Grants
8	Daily Collection Register
9	Miscellaneous Receipts
10	Stock account of License Number Plates
11	License for Carriages, Carts, Horses Other and animals
12	Register of Investments
13	Abstract Register of Receipts
14	Cash Book of the municipality
15	Salary Bills
16	Register of Bills
17	Subsidiary Cash Book
18	Cashier's Cash Book
19	Abstract of the Budget Estimate
20	Budget Estimate

B : List of Records/Registers not Produced to Audit

Sino	List Records/Register
1	Permanent Advance Account
2	Voucher of Recoupment of Permanent Advance Account

C : List of Records/Registers not Maintained

Sino	List Records/Register
1	Stock & Store Register of Municipality
2	Register of Works
3	Miscellaneous Supply Bill
4	Contract Certificate
5	Contract Agreement Form
6	Nominal Muster Roll (NMR)
7	Register of Estimates & Allotments
8	Register of Distrainted property & sales
9	Warrant register
10	Form of inventory & Notice
11	Distraint Warrant Register
12	Notice of demand for tax u/s-161 of OM Act
13	Progress statement of collection of taxes
14	Tax collector's Ledger
15	Stock account of Receipt Forms
16	Register of writes off of demands
17	Tax Receipt Form
18	Arrear Demand Register
19	Mutation Register
20	Register of Petitions
21	Form of appeal petition
22	Tax Ledger (personal A/C of Tax Payers)
23	Stock account of Tickets used for daily collection of Market fees
24	Register of Interest Bearing Securities
25	Arrear List
26	Ledger of Lessees
27	Jamabandi Register
28	Register of Rents for which there is fixed demand
29	Register of Lands
30	License Register for Drivers and Owners of Carriages plying for hire
31	Application for License for Carriage, Cart, Horses and Other animals
32	Register of the Tax on Carriages, Carts, Horses and Other animals
33	Appropriation Register of Loan Funds

34	Loan Register
35	Establishment Audit Register
36	Annual Account of Receipts and Expenditure
37	Register of Quarterly & Annual account of Receipt
38	Register of outstanding deposits
39	Deposit Ledger
40	Register of Outstanding Advances
41	Advance Ledger
42	Register of adjustments
43	Abstract Register of Expenditure
44	Periodical Increment Certificate
45	Absentee Statement
46	Order Book
47	Challan
48	Subsidiary account of special taxes
49	Schedule for the Budget Estimate

Comments

In contravention of OM Rule 1953, the Municipal Authority have not maintained the records & registers as listed out in para 3(c) of the AR. The said records & registers may be maintained properly and shown to next audit for verification.

On verification of the Budget estimates prepared by the Municipal Council, it is noticed that the same is not realistic. Receipt has been deviated (decreased) to 38.16% and expenditure to 56% as per the information depicted in the table below.

Receipt			Expenditure		
As per Budget(in Rs.)	Actual(in Rs.)	% of variation	As per Budget(in Rs.)	Actual(in Rs.)	% of variation
174070700.00	107635514.00	38.16	166919500.00	72947896.00	56.00

As such, it is clear from the deviation shown in the above mentioned table that the Municipality has not taken appropriate & effective steps as per the rules quoted above while preparing the Budget estimates. Hence, proper care should be taken in preparation of same.

Para-4.4.1- Presentation & sanction of Budget

According to section 104 to 110 of OM Act 1950 & Rule 74 to 80 of OM Rules, 1953, the budget & the estimate of Jatni Municipal Council for the year 2014-15 has been submitted to H&UD Deptt. with council resolution dtd 20.08.2014 through the Collector, Khurda, transmission to the Govt. in H&UD Deptt. for approval. The Budget estimate of the Municipality has been approved by the Govt. In H&UD Deptt. vide Letter No.-15702/dtd. 15.11.14.

Para-4.4.2- Sinking Fund-

In contravention to Section 111 of OM Act,1950, & Rule 20(d) of O.L.F.A Rules,1951, the municipality has not maintained a sinking fund for clear off the liability.

Para-4.4.3- Parking of Municipal Fund in ineligible Banks- As instructed in the Letter No.-23301/F, dt.11.07.2013, 17 numbers of Public Sector Banks, 4 numbers of Private Sectors Banks and the Odisha Co-operative Bank are eligible to handle the business and the deposits of State Public Sector Undertakings and state level Autonomous Societies. The Municipality has been operating its Bank transactions in the Banks as prescribed by the Govt.

Para-4.5- Non-maintenance of Flexi Accounts for parking of funds of centrally sponsored schemes.

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

Centrally sponsored plan schemes implemented in this Municipality are 13th Finance Commission & IHSDP. The funds received under these two schemes are kept in the savings bank accounts since their implementation. Funds under 13th FC is kept in SB A/C No.31311363858, SBI, Jatni and funds under IHSDP is kept in SB A/C No. 909010032765431, Axis Bank, Jatni. As such, the above mentioned circular in force is deviated and the Municipality is deprived of gaining higher interest. Hence, the local authority is advised to keep the above mentioned funds in Flexi Accounts & compliance reported to audit.

Para-4.6- Liquid Assets & Liabilities

Position of liquid Assets & Liabilities in respect of Jatni Municipality is furnished as below-

Liabilities	Value(in Rs.)	Assets	Value(in Rs.)
Unspent balances of Grants	137497463.50	Cash in hand/in Treasury/in Bank Accounts/in Post Office	123499828.66
Loans refundable	0.00	Advances recoverable	21348384.85
Unremitted Govt. dues(VAT,L.Cess,Royalty,IT etc)	789307.00	Outstanding Taxes, rents & rates etc. recoverable	5973212.00
Refundable deposits(SD/EMD)	113665.00	Loans recoverable	0.00
Unpaid salary & wages	0.00		
Unpaid Bills	0.00		
Contributions payable(CPF/EPF)	850501.00		
EMI of Bank Loan(of the Employees)	1423468.00		
Total	140674404.50		150821425.51
Assets over liabilities	10147021.01		
Grand Total	150821403.51		150821425.51

Financial condition of the Municipality is average. The Municipal Council should take effective & sincere steps to increase income from the internal source.

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

Jatni Municipality - 2014-2015

S/no	Name of the Bank	A/C No.	Closing Balance Date As on (dd/mm/yyyy)	Closing Balance in Pass Book(In Rs:) (A)	Closing Balance in Bank Date Cash Book (dd/mm/yyyy)	Closing Balance in Bank as mentioned in Cash Book(In Rs:) (B)	Difference(In Rs:)(A-B)	Remarks
1	All Pass Books and PL Account		01-04-2014	119920756.34	31-03-2015	119968230.66	-47474.32	
	GRAND TOTAL			119920756.34		119968230.66	-47474.32	

Reconciliation

Para-5.1-DETAILS OF CLOSING BALANCE AS PER PASS BOOKS AS ON 31.03.2015

SI No.	Head of Account	A/C No.	Name of the Bank	Amount as on 31.03.2015	Remarks
1	PL A/C	8448	Sub-Treasury, Jatni	236364.00	
2	Current A/C	1196180418	SBI, Jatni	22594882.00	
3	IHSDP	100143020	PNB, Jatni	450997.90	
4	SSM	100130178	PNB, Jatni	123072.00	
5	Shopping Complex	10009122	PNB, Jatni	25591.00	
6	CRF/NFCR	100066855	PNB, Jatni	43234.00	
7	BSY	100058874	PNB, Jatni	0.00	
8	SD	100080606	PNB, Jatni	267277.90	
9	MLALAD	100065661	PNB, Jatni	425323.00	
10	PRR	100104207	PNB, Jatni	55274.00	
11	Water bodies	100185831	PNB, Jatni	2074094.00	
12	LFS Pension	30467623680	SBI, Jatni	18945.00	
13	Non-LFS pension	1196196734	SBI, Jatni	251916.51	
14	13 th FC	31311363858	SBI, Jatni	22801190.00	
15	RDW	30539757523	SBI, Jatni	6974842.00	
16	SJSRY	11196222961	SBI, Jatni	10716.88	
17	NRV	11196183179	SBI, Jatni	442393.29	
18	CC Road	32946068070	SBI, Jatni	4140464.00	
19	STL	1002762	Andhra Bank, Jatni	56618.00	
20	Sinking Fund	1009613	Andhra Bank, Jatni	294618.00	
21	TFC	1009609	Andhra Bank, Jatni	1182778.00	
22	MTH	18783155884	CBI, Jatni	6061.00	
23	IHSDP	909010032765431	Axis Bank, Jatni	2340058.00	
24	HSY	913010056548752	Axis Bank, Jatni	31874.00	
25	Misc.	718010100000727	Axis Bank, Jatni	2421897.14	
26	NSDP	1196180112	SBI, Jatni	0.00	
27	IHSDP	46630100000412	BOB, Jatni	5158398.00	
28	Develoment Fund	46630100000693	BOB, Jatni	3337581.00	
29	Not mentioned	24581450000029	HDFC Bank, Jatni	1244255.05	
30	OAP	0038	ICICI Bank, Jatni	15815067.19	
31	Motor Vehicle	14262191017059	OBC, Jatni	3719218.00	
32	Not mentioned	1112104000023001	IDBI, BBSR	31749.00	
33	Kalyan Mandap	198501000069	ICICI Bank, Jatni	5461132.00	
34	Own Fund	914020013314709	Axis Bank, Jatni	715314.48	
35	RD Grant	2210000100191434	PNB, Jatni	5081000.00	
36	Octroi	46630100002760	BOB, Jatni	6299000.00	
37	Roads & Bridges	3673101005276	Canara Bank, Jatni	5540831.00	
38	TDS	914020030039461	Axis Bank, Jatni	246729.00	
	Total			119920756.34	

In spite of objection memo the local authority failed to produced the Bank Reconciliation Statement. However, basing on the pass books & the Accountant Cash Book, reconciliation between the Closing Balance as per Bank pass book & the bank balance as per Accountant is furnished as follow-

Bank Reconciliation State as on 31.03.2015

Particulars	Amount(in Rs.)
i) Bank balance as per Cash Book	119968230.66
ii) Add: Cheques issued but not presented in to Bank(Detailed list given vide Para-5.3)	2507009.00
iii) Add: Amount credited in the Bank Accounts but not shown in the Accountant Cash Book(Detailed list given vide Para-5.5)	159788.00
A.Sub Total	122635027.66
i) Less: Cheques shown deposited but not credited to pass books(Detailed list given vide Para-5.2)	137200.00
ii) Less: Amount debited from the Bank Accounts but not reflected in the Accountant Cash Book(Detailed list given vide Para-5.4)	2577071.32
B.Sub Total	2714271.32
Bank Balance as per Pass Books	119920756.34

Para-5.2 -LIST OF CHEQUES SHOWN DEPOSITED BUT NOT CREDITED TO PASS BOOKSTILL 31.03.2015

Sl. No.	Cheque No./Date	A/C No. & name of the Bank into which deposited	Amount	Remarks
1	384588/24.2.15	914020013314709, Axis Bank, Jatni	1000.00	
2	384660/10.3.15		6500.00	
3	458021/27.3.15		2625.00	
4	125565/24.3.15		19500.00	
5	211776/25.3.15		51000.00	
6	72103/31.3.15		7850.00	
7	552055/25.3.15		2250.00	
8	1953/31.3.15		16500.00	
9	894664/31.3.15		9000.00	
10	548704/31.3.15		2000.00	
11	858863/30.3.15		600.00	
12	266/30.3.15		3375.00	
13	4170/31.3.15	100080606, Punjab National Bank, Jatni	5000.00	
14	4171/31.3.15		5000.00	
15	4172/31.3.15		5000.00	
Total			137200.00	

Position of regularisation of Rs. 137200.00 may be complied within next audit and compliance reported.

Para -5.3-LIST OF CHEQUES ISSUED BUT NOT PRESENTED FOR PAYMENT TILL 31.03.2015

Sl.No.	A/C No. & Name of the Bank	Cheque No./Date	Amount	Remarks
01	14709,Axis Bank, Jatni	19623/19.3.15	4590.00	
		19655/31.3.15	20595.00	
		18659/13.10.14	13890.00	
		19652/31.3.15	215650.00	
		19653/31.3.15	3000.00	
		19657/31.3.15	48662.00	
		19660/31.3.15	3380.00	
		19654/31.3.15	8832.00	
		19659/31.3.15	3000.00	
		19629/23.2.15	1000.00	
		19628/23.2.15	1000.00	
Total			323599.00	
02	80606,PNB, Jatni	503318/19.2.15	2000.00	
		503317/19.2.15	4000.00	
		503321/19.2.15	2000.00	
		503310/2.1.15	2000.00	
Total			10000.00	
03	63858,SBI, Jatni	439480/31.3.15	40870.00	

Total			40870.00	
04	2760,BOB,Jatni	161/31.3.15	1250000.00	
		162/31.3.15	250000.00	
Total			1500000.00	
05	5431, Axis Bank, Jatni	110306/16.3.15	5000.00	
		110321/4.2.15	40000.00	
		116059/17.3.15	13860.00	
		110327/4.2.15	10000.00	
		110322/4.2.15	20000.00	
		110309/17.3.15	10680.00	
		116056/17.3.15	15680.00	
		116065/31.3.15	60000.00	
		116068/31.3.15	60000.00	
		116051/17.3.15	15680.00	
		110310/17.3.15	15680.00	
		11606731.3.15	60000.00	
		116066/31.3.15	60000.00	
		116070/31.3.15	8900.00	
		11607131.3.15	15680.00	
		116057/17.3.15	10680.00	
		116069/31.3.15	5000.00	
		116054/17.3.15	15680.00	
		116073/31.3.15	10680.00	
		116072/31.3.15	10680.00	
		116074/31.3.15	680.00	
		116064/31.3.15	60000.00	
Total			524560.00	
06	727, Axis Bank, Jatni	12577/10.3.15	100000.00	
		109181/31.3.15	17980.00	
Total			117980.00	
Grand Total			2507009.00	

Position of regularisation of Rs. 2507009.00 may be complied within next audit and compliance reported.

Para-5.4-Amount debited from the bank accounts having no corresponding entries in the Accountant Cash Book(OSP-34.35)

On scrutiny & verification of the Bank Pass Books/Scrolls with reference to the Accountant Cash Book, it is found that a sum of Rs. 2577071.32 has been debited from different Bank Accounts, as detailed below, against which no corresponding expenditure entries are found in the Accountant Cash Book. As such, the expenditures against the same could not be verified. It violates the guidelines of the Govt. in enforce and is an offense as it may lead to misappropriation as well as misutilisation of the Municipal Fund.

DETAILS OF AMOUNT DEBITED FROM THE BANK ACCOUNTS

Account No.	Name of the Bank	Date	Amount debited	Remarks
14709	Axis Bank, Jatni	15.11.14	86.52	
		15.11.14	700.00	
		19.09.14	4000.00	Ch.no.18636
		Total	4786.52	
80606	Punjab National Bank, Jatni	22.04.14	16.85	
		18.07.14	16.85	
		21.10.14	16.85	
		07.01.15	16.85	
		Total	67.40	
5276	Canara Bank, Jatni	31.03.15	169.00	
		Total	169.00	
43020	Punjab National Bank, Jatni	22.04.14	16.85	
		18.07.14	16.85	
		21.10.14	16.85	
		07.01.15	16.85	
		Total	67.40	
727	Axis Bank, Jatni	02.04.14	15000.00	
		02.04.14	6000.00	
		03.04.14	8241.00	Ch.no.84404
		07.04.14	10200.00	84405
		11.04.14	20000.00	84406

		15.04.14	5902.00	84391
		17.05.14	179106.00	84369
		09.09.14	3105.00	
		18.09.14	3105.00	
		18.09.14	2000.00	
		16.10.14	1105.00	
		16.10.14	3105.00	
		21.10.14	1605.00	
		17.11.14	1605.00	
		29.12.14	3105.00	
		23.03.15	3105.00	
		23.03.15	4500.00	
		Total	270789.00	
5431	Axis Bank, Jatni	24.12.14	1261200.00	
		27.12.14	1039992.00	
		Total	2301192.00	
Grand Total			2577071.32	

5.4.1. During exit conference an amount of Rs. 2487388.32 as detailed below was verified with ref. to connected records and accountant cash book and found the same amount have been reflected in the cash book.

Date of entry in cash book	Amount	CB page No.
20.08.15	786.52	90
20.08.15	67.40	91
20.08.15	169.00	95
20.08.15	67.40	98
20.08.15	2301192.00	93
Total:	2302282.32	

5.4.2.: -Further it was found that a sum of Rs. 179106.00 encashed on 17.05.14 vide ch. No. 84369 was paid towards LIC premium of the staff for the month of November & December 2013 vide vr. No. 1070/27.01.14 i.e. during the year 2013-14. The same was verified during exit conference with ref. to the Audit report for the year 2013-14.

5.4.3: - A sum of Rs. 6000.00 was credited in a/c No. 727, Axis bank, Jatni on 02.04.14 and the said amount was debited on 02.04.2014 due to wrong entry. The same was verified with ref. to concerned Bank scroll.

As such a total sum of Rs. 2487388.32 (Rs. 2302282.32+179106.00+6000.00) WAS VERIFIED during exit conference with ref, to connected records.

5.4.4:- An amount of Rs. 59343.00 was shown to be debited from a/c No. 727, Axis bank, Jatni has detailed below.

Ch. No.	Amount	Date of encashment
84403	15000.00	02.04.14
84404	8241.00	03.04.14
84405	10200.00	07.04.14
84406	20000.00	11.04.14
84391	5902.00	15.04.14
Total	59343.00	

In reply to objection memo the local authority replied that the cheques were issued during 2013-14 & have been deducted during April 2014 . the accountant cash book on the said period has been seized by vigilance, Bhubaneswar. As such the expenditure of Rs. 59343.00 could not be verified by audit during exit conference. However Rs. 59343.00 is kept under objection till production of records and register relating to such expenditure to next audit.

5.4.5: - Out of total objection of Rs. 2577071.32 a sum of Rs. 30340.00 has not been produced to exit conference of the detail vouchers for verification. The Local Authority is silent regarding the balance amount of Rs. 30340.00 (2577071.32 -2487388.32-59343.00) needs recovery. The following persons are held responsible.

- 1) Asutosh Samal, EO Rs. 15170.00
- 2) Sri Sarat Chandra Das, Acct. Rs. 15170.00

Para- 5.5- Amount credited in the Bank Account having no corresponding receipt in the Accountant Cash Book(OSP-36,37).

On scrutiny & verification of the Bank Pass Books/Scrolls with reference to the Accountant Cash Book & other relevant records/registers, it is found that a sum of Rs. 129788.00,as detailed below, has been credited into different Bank Accounts of the Municipality, against which no corresponding receipt entries are found in the Accountant Cash Book. As such, the source of such receipt could not be ascertained.

DETAILS OF AMOUNT CREDITED INTO THE BANK ACCOUNTS

Account No.	Name of the Bank	Date	Amount credited	Remarks
14709	Axis Bank, Jatni	27.03.15	177.00	
		Total	177.00	
727	Axis Bank, Jatni	28.08.14	3105.00	
		28.08.14	1605.00	
		29.08.14	3105.00	
		01.09.14	1605.00	
			1105.00	
			3105.00	
			3105.00	
			1105.00	
			3105.00	
			3105.00	
			2000.00	
		02.09.14	54500.00	
		05.09.14	1605.00	
		17.01.15	1500.00	
		27.01.14	3600.00	
		18.02.15	1500.00	
		03.03.15	29356.00	
		12.03.15	1500.00	
		20.03.15	10000.00	
		02.02.15	30000.00	A/c No. 48752, Axis Bank, Jatni.
Total	159611.00			
Grand Total			159788.00	

On issue of objection memo in this regard, the local authority failed to comply. Hence, the objection stands on its own merit. In absence of corresponding receipt entries in the Accountant Cash Book, the source of receipt of the same cannot be ascertained. Hence the entire amount of Rs. 159788.00 is kept under objection till showing the same to next audit.

Para-5.6-Parking of collection amount in other than PL Account(OSP-14)

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.

On verification & checking of the collections of the Municipality with reference to deposits of the same into the PL account, it is revealed that most of the collection amount has been deposited in the Bank bearing A/C No. 914020013314709, Axis Bank, Jatni deviating the above mentioned Rule.

Appropriate authority in favour of such parking of collection money in the Bank other than Treasury Bank was asked through objection memo. The local authority failed to return the original objection memo. Hence, it is construed that the local authority has nothing to comply. As such, it is irregular to park the collection amount in other than PL A/C. The local authority is advised to make necessary & early arrangement to remit all the collection amount of the Municipality to the Treasury & compliance reported to Audit.

Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs.)
1	Sarat Ch. Dash	Ex-Accountant	Jatni Municipality, Jatni	15170.00
2	Ashutosh Samal	Ex. Eo	Now BDO at Jatni PS.	15170.00

PARA: 6 STOCK POSITION

Jatni Municipality - 2014-2015

S/no	Material/ Item	Opening Balance	Receipt	Issued	Closing Balance As per Audit	As per stock register	Remarks
1	NA	0	0	0	0.00	0	

Comments

The stock position of the Municipality could not be made available to audit.

Para- 6.1- As per Rule 106 of O.G.F.R., an inventory of the dead stock should be maintained in all Govt. 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 of article. But the dead stock register was not made available to audit in spite of issue of objection memo. The same need be maintained & shown to the next audit.

As per Rule 269 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 or such other as may be specially authorized by him. But stores are not being verified by the Municipal authority deviating the above mentioned rule. Hence, the local authority is advised to take effective steps for conducting physical verification of all stores & compliance reported to Audit.

Para-6.2- Stock position of durable items(OSP-13)

Objection memo was issued to produce the present stock position of the durable items like computers, printers, scanners, Xerox machines, Vehicles, Building materials, Steel almirah & other costly machineries. But the local authority could neither produce the same nor return the original objection memo. Hence, the local authority is advised to maintain the stock position of the durable items & produce the same to the next Audit.

PARA: 7 INVESTMENT

Jatni Municipality - 2014-2015

S/no	Opening Balance of Investment as on (DD MM YYYY)	Opening Balance(In Rs:)	Amount Encashed during the Year under Audit(In Rs:)	Total(In Rs:)	Amount Invested during the Year under Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Audit	Closing Balance Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Investment Ledger	Closing Balance Investment Ledger(In Rs:)	Difference(In Rs:)	Remarks
1	01-04-2014	9237950.00	5858307.00	3379643.00	0.00	31-03-2015	3379643.00	31-03-2015	3379643.00	0.00	
	GRAND TOTAL	9237950.00	5858307.00	3379643.00	0.00		3379643.00		3379643.00	0.00	

DETAILS OF CB ON INVESTMENT & Comments :

TDR No.- 913040017065444 was encashed during the year 2014-15 for Rs.6213628.00 & the interest amount of Rs.355321.00(Rs. 6213628.00-Rs. 5858307.00) was taken to account. The encashed amount of Rs. 6213628.00 was credited to A/C no.- 5431,Axis Bank, Jatni, as follow-

Date of credit	Amount
24.12.14	835310.00
27.12.14	5378318.00
Total	6213628.00

Para-7.1-Details of closing balance of investments in respect of Jatni Municipality for the year 2014-15

Sl. No.	FDR No.	Name of the Bank	Date of investment	Amount of investment	Rate of interest	Date of maturity	Matured value
1	1196357557	SBI, Jatni	29.03.10	948380.00	8.5%	17.05.15	1708757.00
2	511300167	Nilachal Gramya Bank, Jatni	26.06.12	2431263.00	9.5%	26.06.13	2670593.00
Total				3379643.00			

Para-7.2- FDR No.-511300167 was not encashed on its maturity in spite of objection raised in the previous Audit Report. But on verification of the investment register with reference to the TDR, it was noticed that the same TDR was reinvested without mentioning the date of investment having the date of maturity on 1.10.15 i.e. during 2015-16. As such, interest accrued on this TDR could not be ascertained for the year 2014-15. Details of the same is furnished below-

FDR No.	Name of the Bank	Date of investment	Amount of investment	Rate of interest	Date of maturity	Matured value
511300167	Nilachal Gramya Bank, Jatni	-	2670593.00	9.1%	1.10.15	3273966.00

As such the interest amount of Rs. 239330.00(Rs.2670593.00-Rs. 2431263.00) was not accounted for in the cash book. Hence the same need be taken to cash book & compliance reported to audit.

PARA: 8 ADVANCE

Jatni Municipality - 2014-2015

Sno	Advance Outstanding as on (DD MM YYYY)	Cashbook Name	Advance Outstanding (In Rs:)	Advance Paid during the Year under Audit(In Rs:)	Total(In Rs:)	Advance adjusted during the Year under Audit(In Rs:)	Advance Outstanding as per (DD MM YYYY) Audit	Advance Outstanding Audit (In Rs:)	Advance Outstanding as per (DD MM YYYY) Cash Book	Advance Outstanding Cash Book(In Rs:)	Difference (In Rs:)	Remarks
1	01-04-2014	Accountant Cash Book	20349387.85	1302000.00	21651387.85	303003.00	31-03-2015	21348384.85	31-03-2015	21348384.85	0.00	
	GRAND TOTAL		20349387.85	1302000.00	21651387.85	303003.00		21348384.85		21348384.85	0.00	

Comments :

Year wise break up of outstanding advances

Year	Amount
Up to 2010-11	14147277.85
2011-12	2887000.00
2012-13	2648760.00
2013-14	575350.00
2014-15	1089997.00
Total	21348384.85

Para-8.1- Details of outstanding advances for the financial year 2014-15

Sl. No.	Voucher no./Dt	Amount	To whom paid	Purpose
1	283/14.8.14	3000.00	Ajay Ku. Sahoo,Jr.Asst.	Observation of Independence Day' 2014
2	333/28.8.14	20000.00	Ajay Ku. Sahoo,Jr.Asst.	Observation LSG Day' 2014
3	405/24.9.14	2000.00	Dharmendra Satapathy, Sanitary Supervisor	Purchase of sanitary material
4	811/14.1.15	7000.00	Ajay Ku. Sahoo,Jr.Asst.	Legal expenses
5	815/15.1.15	15000.00	Suresh Naik,sweeper	Treatment of son
6	5/9.4.14	35000.00	Ramesh Das,OTC	Pay advance
7	79/9.5.14	50000.00	Chakradhar Brahma,OTC	Pay advance
8	80/9.5.14	50000.00	Bijay Padhi,OTC	Pay advance
9	24/9.5.14	40000.00	Bhagirathi Mangaraj,OTC	Pay advance
10	25/9.5.14	60000.00	Ranjan Pradhan,OTC	Pay advance
11	26/9.5.14	30000.00	Amulya Pradhan	Pay advance
12	27/9.5.14	15500.00	Suresh Naik,sweeper	Pay advance
13	28/9.5.14	50000.00	Rajkishore Sahoo	Pay advance
14	29/9.5.14	14000.00	Nirmal Mohanty,OTC	Pay advance
15	30/9.5.14	36000.00	Nirmal Mohanty,OTC	Pay advance
16	31/9.5.14	50000.00	Bijay Barik	Pay advance
17	149/19.6.14	12497.00	Pranati Mallik	Pay advance
18	495/24.10.14	20000.00	Rekha Die	Pay advance
19	895/13.2.15	100000.00	Subash Subudhi	Retirement benefit
20	1020/10.3.15	50000.00	Satyabadi Srichandan	Pay advance
21	308/25.8.14	30000.00	Sushila Naik	Pay advance
22	309/25.8.14	20000.00	Subash Sahoo	Pay advance
23	310/25.8.14	50000.00	Gouranga Pratap	Pay advance
24	311/25.8.14	30000.00	Bikram Sundaray	Pay advance
25	312/25.8.14	50000.00	Sarat Sahoo	Pay advance
26	313/25.8.14	20000.00	J.K.Sahoo	Gratuity
27	315/25.8.14	20000.00	Sanju Naik	Pension Arrear
28	316/25.8.14	20000.00	Laxman Sahoo	Pay advance
29	317/25.8.14	20000.00	Prafulla Jagdev	Pay advance

30	318/25.8.14	20000.00	Khirod Mallik	Pension
31	319/25.8.14	10000.00	Karunakar Mohanty	Pension
32	320/25.8.14	40000.00	Krushna Ku. Paikray	Unutilised leave salary
33	321/25.8.14	20000.00	Sahadev Swain	Unutilised leave salary
34	324/25.8.14	30000.00	Akshay Mangaraj	Pay advance
35	325/25.8.14	30000.00	Manju Naik	Pay advance
36	326/25.8.14	20000.00	Surendra Sethi	Pay advance
Total		1089997.00		

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. Advance shall be regularly & promptly adjusted & 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 no Advance ledger (Form No.-XVIII, Rule-136) & Outstanding Advance ledger (Form No.-XIX, Rule-140) are being maintained by the Municipal authority deviating the above mentioned "Rules" which is highly irregular. Hence, the same need be maintained & shown to next audit.

All the advances paid have been booked as final expenditure & the above figure has been worked out basing on the facts & figures reflected in the Accountant Cash Book. Suitable steps may be taken towards recoupment of the outstanding advance amount & compliance reported to audit.

Para-8.2- Advance outstanding for more than one year

On verification of the advance position in respect of Jatni Municipality, it is noticed that advance amounting to Rs.666350.00 was paid during the year 2013-14. Out of the same only Rs.91000.00 has been adjusted during the year 2014-15 leaving a balance amount of Rs.575350.00 unadjusted till the end of the financial year 2014-15.

STATEMENT SHOWING THE DETAILS OF ADVANCE OUTSTANDING IN RESPECT OF JATNI MUNICIPALITY AS ON 31.03.2015 FOR MORE THAN ONE YEAR i.e. RELATING TO THE YEAR 2013-14.

Sl. No.	Name of the advance holder with designation	Voucher No./Dt	Amount of advance outstanding	Purpose	Name of the sanctioning Authority
01.	Naresh Ku. Mohanty, DLR	43/8.4.13	5000.00	For treatment	Saroj Kumar Mohapatra, Ex-EO
02.	Ramesh Ch. Das, OTC	148/1.5.13	10000.00	Contingent	Saroj Kumar Mohapatra, Ex-EO
03.	Bharatibhusan Mishra, LI	276/30.5.13	5000.00	Electrification of Gandhi Park	Saroj Kumar Mohapatra, Ex-EO
04.	Sripati Kumar Sahoo	699/8.8.13	60000.00	Gratuity	Saroj Kumar Mohapatra, Ex-EO
05.	Jaykrishna Das, DLR	558/17.7.13	20000.00	Marriage Ceremony	Saroj Kumar Mohapatra, Ex-EO
06.	Ajay Kumar Sahoo, Jr. Asst.	671/8.8.13	2000.00	Observation of Independence Day	Saroj Kumar Mohapatra, Ex-EO
07.	Ajay Kumar Sahoo, Jr. Asst	711/30.8.13	10000.00	Observation of LSG Day	Ashutosh Samal, EO.
08.	Ramesh Ch. Das, OTC	738/4.9.13	50000.00	Municipal Election	Ashutosh Samal, EO.
09.	Ramesh Ch. Das, OTC	753/16.9.13	262410.00	Municipal Election	Ashutosh Samal, EO.
10.	Ramesh Ch. Das, OTC	764/27.9.13	100000.00	Municipal Election	Ashutosh Samal, EO.
11.	Suresh Naik, Sweeper	907/19.11.13	20000.00	Pay advance	Ashutosh Samal, EO
12.	Ajay Kumar Sahoo, Jr. Asst	978/19.12.13	3440.00	Contingent	Ashutosh Samal, EO.
13.	Satrugna Pradhan	1059/22.1.14	10000.00	Treatment	Ashutosh Samal, EO.
14.	Ajay Kumar Sahoo, Jr. Asst	1063/25.1.14	2000.00	Observation of Republic Day	Ashutosh Samal, EO.
15.	Ramesh Ch. Das, OTC	1386/27.3.14	10000.00	Contingent	Ashutosh Samal, EO.
16.	Satyabrata Tripathy, Driver	1049/20.1.14	5000.00	Repair of water tanker	Ashutosh Samal, EO
17.	Surendra Ku. Sethi, ATC	872/1.11.13	500.00	Purchase of Stamp	Ashutosh Samal, EO
Total			575350.00		

Para-8.3- Details of adjustment of advance during the year under audit(2014-15) in respect of Jatni Municipality relating to previous year(2013-14)

Sl.No.	Name & designation of the advance holder	Reference to the voucher No. & Date/Year of payment of advance	Reference to the voucher no. & date of adjustment of advance	Amount of advance adjusted
01.	Dharmendra	916/22.11.13	406/24.9.14	4000.00

	Satapathy, Sanitary Supervisor			
02.	Suchismita Puhan, JE	824/17.10.13	389/19.9.14	12675.00
03.	Suchismita Puhan, JE	825/17.10.13	387/11.9.14	37350.00
04.	Suchismita Puhan, JE	826/17.10.13	388/11.9.14	36975.00
Total				91000.00

Para-8.4-SURCHARGEABLE ADVANCE EXCEEDING ONE YEAR

It is seen from the above mentioned table that advance amounting Rs.575350.00 which was paid during the financial year 2013-14 & still remains outstanding during the financial year 2014-15. As required under Govt. Order No. 2221/F,XIV-AUD-II/2009,BBSR;Dtd. 8th March 2002, any advance paid and remained outstanding for more than one year is to be treated as unsecured advance and a loss to the auditee institution and need to be recovered from the officer who granted the same and the payees squarely vide DLFA Order No.15179/DLFA/dt. 28.09.2013. Further, in the above said circular, it is mentioned that in case the detailed information regarding the advance holder & the amount of advance paid is not provided by the auditee institution, the officer/personnel responsible for payment of the advance for the relevant periods should be recommended for surcharge action for the total amount of advance outstanding & will be initiated against them accordingly. It would be seen from the figure furnished below that an amount of Rs. 575350.00, in respect of Jatni Municipality, paid as advance during the year 2013-14 is treated as a loss to the institution and suggested for recovery from the persons responsible as detailed below.

Sl. No.	Name of the advance holder with designation	Voucher No./Dt	Amount of advance outstanding	Purpose	Name of the sanctioning Authority
01.	Naresh Ku. Mohanty, DLR	43/8.4.13	5000.00	For treatment	Saroj Kumar Mohapatra, Ex-EO
02.	Ramesh Ch. Das, OTC	148/1.5.13	10000.00	Contingent	Saroj Kumar Mohapatra, Ex-EO
03.	Bharatibhusan Mishra, LI	276/30.5.13	5000.00	Elctricification of Gandhi Park	Saroj Kumar Mohapatra, Ex-EO
04.	Sripati Kumar Sahoo	699/8.8.13	60000.00	Gratuity	Saroj Kumar Mohapatra, Ex-EO
05.	Jaykrishna Das, DLR	558/17.7.13	20000.00	Marriage Ceremony	Saroj Kumar Mohapatra, Ex-EO
06.	Ajay Kumar Sahoo, Jr.Asst.	671/8.8.13	2000.00	Observation of Independence Day	Saroj Kumar Mohapatra, Ex-EO
07.	Ajay Kumar Sahoo, Jr.Asst	711/30.8.13	10000.00	Observation of LSG Day	Ashutosh Samal, EO.
08.	Ramesh Ch. Das, OTC	738/4.9.13	50000.00	Municipal Election	Ashutosh Samal, EO.
09.	Ramesh Ch. Das, OTC	753/16.9.13	262410.00	Municipal Election	Ashutosh Samal, EO.
10.	Ramesh Ch. Das, OTC	764/27.9.13	100000.00	Municipal Election	Ashutosh Samal, EO.
11.	Suresh Naik, Sweeper	907/19.11.13	20000.00	Pay advance	Ashutosh Samal, EO
12.	Ajay Kumar Sahoo, Jr.Asst	978/19.12.13	3440.00	Contingent	Ashutosh Samal, EO.
13.	Satrugghna Pradhan	1059/22.1.14	10000.00	Treatment	Ashutosh Samal, EO.
14.	Ajay Kumar Sahoo, Jr.Asst	1063/25.1.14	2000.00	Observation of Republic Day	Ashutosh Samal, EO.
15.	Ramesh Ch. Das, OTC	1386/27.3.14	10000.00	Contingent	Ashutosh Samal, EO.
16.	Satyabrata Tripathy, Driver	1049/20.1.14	5000.00	Repair of water tanker	Ashutosh Samal, EO
17.	Surendra Ku. Sethi, ATC	872/1.11.13	500.00	Purchase of Stamp	Ashutosh Samal, EO
Total			575350.00		

PERSONS RESPONSIBLE WITH AMOUNT

Sl. No.	Name & designation of the official responsible	Amount
01.	Saroj Kumar Mohapatra, Ex-EO	51000.00
02.	Ashutosh Samal, EO.	236675.00
03.	Naresh Ku. Mohanty, DLR	2500.00
04.	Ramesh Ch. Das, OTC	216205.00
05.	Bharatibhusan Mishra, LI	2500.00
06.	Sripati Kumar Sahoo	30000.00
07.	Jaykrishna Das, DLR	10000.00
08.	Ajay Kumar Sahoo, Jr.Asst.	8720.00
09.	Satyabrata Tripathy, Driver	2500.00
10.	Suresh Naik, Sweeper	10000.00
11.	Surendra Ku. Sethi, ATC	250.00
12.	Satrugghna Pradhan	5000.00
Total		575350.00

Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs.)
1	Naresh Ku. Mohanty	DLR	Jatni Municipality	2500.00
2	Ramesh Ch. Das	OTC	Jatni Municipality	216205.00
3	Ajay Ku. Sahoo	Jr.Asst.	Jatni Municipality	8720.00
4	Surendra Ku. Sethi	ATC	Jatni Municipality	250.00
5	Bharati Bhusan Mishra	Light Inspector	Jatni Municipality	2500.00
6	Sripoti Ku. Sahoo	DLR	Jatni Municipality	30000.00
7	Jayakrishna Das	DLR	Jatni Municipality	10000.00
8	Suresh Naik	Sweeper	Jatni Municipality	10000.00
9	Satyabrata Tripathy	Driver	Jatni Municipality	2500.00
10	Satrugghna Pradhan	OTC	Jatni Municipality	5000.00
11	Saroj Ku. Mohapatra	Ex-EO	Now as Asst. Engineer,Bhubaneswar Municipal Corporation	51000.00
12	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	236675.00

PARA: 9 GRANTS

Jatni Municipality - 2014-2015

S/no	Grants Outstanding as on (DD MM YYYY)	Grants Outstanding (In Rs:)	Grants Received during the Year under Audit(In Rs:)	Total(In Rs:)	Grants Spent during the Year under Audit(In Rs:)	Grants unspent as on (DD MM YYYY)	Grants unspent (In Rs:)	Remarks
1	01-04-2014	106713002.50	89636892.00	196349894.50	58852431.00	31-03-2015	137497463.50	
	GRAND TOTAL	106713002.50	89636892.00	196349894.50	58852431.00		137497463.50	

Comments :

Para- 9.1

Position of Grant for the year 2014-15.

SI No.	Name of the Scheme	O.B. as on 01.04.2014	Receipt during 2014-15	Total (available fund)	Expenditure during 2014-15	C.B. as on 31.03.2015
01	Road Dev. Grant	5058141.00	5083000.00	10141141.00	274930.00	9866211.00
02	Road Maintenance(N)	964848.00	0.00	964848.00	0.00	964848.00
03	Road & Bridges(Hard case)	7630524.00	0.00	7630524.00	0.00	7630524.00
04	Road & Bridges(General)	3602757.00	3000000.00	6602757.00	0.00	6602757.00
05	STSTRY	(-) 2085446.50	0.00	(-) 2085446.50	698250.00	(-) 2783696.50
06	MPLAD/MLALAD	231226.00	0.00	231226.00	0.00	231226.00
07	Non-residential Building	1298000.00	700000.00	1998000.00	0.00	1998000.00
08	Boundary Wall	500000.00	0.00	500000.00	0.00	500000.00
09	Public Toilet	306000.00	0.00	306000.00	0.00	306000.00
10	Accounts reforms	80000.00	0.00	80000.00	0.00	80000.00
11	Census operation	780160.00	0.00	780160.00	0.00	780160.00
12	Entry Tax	46000.00	0.00	46000.00	0.00	46000.00
13	Octroi Compensation	17555506.00	24187000.00	41772506.00	23890836.00	17851680.00
14	Incentive	3958545.00	0.00	3958545.00	0.00	3958545.00
15	OAP/ODP/MBPY	(-)3384997.00	17268792.00	13883795.00	12251200.00	1632595.00
16	EIUS	9214.00	0.00	9214.00	0.00	9214.00
17	Shop room to TSC	(-) 100735.00	0.00	(-) 100735.00	0.00	(-) 100735.00
18	10 th FC	2553405.00	0.00	2553405.00	0.00	2553405.00
19	Election	799805.00	0.00	799805.00	0.00	799805.00
20	JAMBABA	131000.00	0.00	131000.00	0.00	131000.00
21	Untied Fund	(-) 5500.00	0.00	(-) 5500.00	0.00	(-) 5500.00
22	BSY	9397.00	0.00	9397.00	0.00	9397.00
23	Construction of Bus stop	107634.00	0.00	107634.00	0.00	107634.00
24	FCR/NFCR/SRC	152108.00	0.00	152108.00	0.00	152108.00
25	NSDP	(-) 723098.00	0.00	(-) 723098.00	0.00	(-) 723098.00
26	11 th FC	10420.00	0.00	10420.00	0.00	10420.00
27	Mushroom Training	41000.00	0.00	41000.00	0.00	41000.00
28	VAMBAY	1000.00	0.00	1000.00	0.00	1000.00
29	Solid Waste Management	2158764.00	4799000.00	6957764.00	0.00	6757764.00
30	IHSDP	16459152.00	14042000.00	30501152.00	3287660.00	27213492.00
31	UBS	411000.00	0.00	411000.00	0.00	411000.00
32	Dev. of park & greenery	7290000.00	0.00	7290000.00	0.00	7290000.00
33	Local festival Grant	350000.00	0.00	350000.00	0.00	350000.00
34	Matching Contribution	104000.00	0.00	104000.00	0.00	104000.00
35	Water Bodies	3650000.00	0.00	3650000.00	0.00	3650000.00
36	Various Dev. Grant	812000.00	0.00	812000.00	0.00	812000.00
37	MV Tax	5184329.00	1115000.00	6299329.00	0.00	6299329.00
38	Street light maint.	(-) 297274.00	0.00	(-) 297274.00	0.00	(-) 297274.00
39	Slum house survey	23085.00	0.00	23085.00	0.00	23085.00

40	13 th FC	13450439.00	11959000.00	25409439.00	7602539.00	17806892.00
41	Devolution of fund	6000000.00	4293000.00	10293000.00	5566729.00	4726271.00
42	Devolution of fund of capital nature	4299166.00	0.00	4299166.00	0.00	4299166.00
43	NFBS	(-) 310000.00	650000.00	340000.00	340000.00	0.00
44	Construction of CC Road	5996988.00	0.00	5996988.00	2610289.00	3386699.00
45	Incentive for Urban Service	149000.00	0.00	149000.00	0.00	149000.00
46	Harischandra Sahayata Yojana	6000.00	55000.00	61000.00	30000.00	31000.00
47	Capacity Dev. (Salary of Cont. Acct. & misc.)	93440.00	185100.00	278540.00	0.00	278540.00
48	Manual Scavenger Grant	15000.00	0.00	15000.00	0.00	15000.00
49	Energy (Compensation Grant)	0.00	1500000.00	1500000.00	1500000.00	0.00
50	Non-LFS pension	0.00	800000.00	800000.00	800000.00	0.00
	Total	106713002.50	89636892.00	196349894.50	58852431.00	137497463.50

Para-9.2- YEAR WISE BREAK UP OF UNSPENT GRANT-

Year wise break up of unspent grant position is not available in the previous Audit Report. Further, the local authority failed to produced the same in spite of issue of objection memo. The Grant register is maintained in haphazard manner. However, basing on the records & registers available, year wise break up of unspent grant is worked out and the same is furnished below-

Year wise break up of unspent Grant:

Grant for the year	Amount
Up to 2013-14	62485597.50
2014-15	75011866.00
Total	137497463.50

Para-9.3- COMMENTS ON UNSPENT GRANTS_

As per Rule-171 of the Odisha General Financial Rule(OGFR, Volume-I) and instructions contained in the sanction orders, scheme funds are to be utilized in the year of receipt. Un-utilised fund, if any, may either be refunded to the Govt. or utilized in the subsequent year with prior approval of the Government. But Govt. grants amounting to Rs.137497463.50 has been remained unspent till 31.03.2015. Hence, it is suggested to take necessary steps for obtaining fresh sanction from the competent authority & early utilization or refund the same to proper quarter and compliance reported.

As per Rule 171(5)(i) of the O.G.F.R, the grantee institution should maintain a Register in Form No.{O.G.F.R. 30-A} of the permanent and semi-permanent assets acquired wholly or substantially out of the Government Grants. The register should be maintained by the grantee institutions separately in respect of each sanctioning authority and a copy thereof furnished to the sanctioning authority annually. But the same is not being followed by the Municipal Authority deviating the above mentioned Rule in force. Hence, the local authority is advised to maintain separate register in respect of each sanctioning authority & compliance reported to audit.

PARA: 10 UTILISATION CERTIFICATE

Jatni Municipality - 2014-2015

S/no	U.C Outstanding as on (DD MM YYYY)	U.C Outstanding(In Rs:)	U.C due for submission during the period under Audit(In Rs:)	Total(In Rs:)	U.C Submitted during the period under Audit(In Rs:)	U.C needs to be submitted as on outstanding as on (DD MM YYYY)	U.C needs to be submitted as on outstanding (In Rs:)	Remarks
1	01-04-2014	243251485.00	58852431.00	302103916.00	22818311.00	31-03-2015	279285605.00	
	GRAND TOTAL	243251485.00	58852431.00	302103916.00	22818311.00		279285605.00	

Comments :

DETAILS OF UC SUBMITTED DURING THE YEAR 2014-15 IN RESPECT OF JATNI MUNICIPALITY

Sl.No.	Name of the Schemes	Year of Grant	Amount	Submitted vide Letter No./Date	Authority to whom UC submitted
1	Salid waste management under State plan	2013-14	122934.00 457202.00 163628.00	1840/15.12.14	FA-cum-Joint Secretary to Govt., H & UD Deptt., Govt. of Odisha
2	Devolution of fund	2013-14	1704443.00	1840/15.12.14	FA-cum-Joint Secretary to Govt., H & UD Deptt., Govt. of Odisha
3	Data base management under 12 th FC	2009-10	34650.00	1840/15.12.14	FA-cum-Joint Secretary to Govt., H & UD Deptt., Govt. of Odisha
4	CC Road	2013-14	1397401.00	1730/27.11.14	FA-cum-Joint Secretary to Govt., H & UD Deptt., Govt. of Odisha
5	13 th FC(General Area Basic Grant)	2013-14	3133053.00	1730/27.11.14	FA-cum-Joint Secretary to Govt., H & UD Deptt., Govt. of Odisha
6	13 th RC(Sweeper & Driver)	2012-13	812000.00	1730/27.11.14	FA-cum-Joint Secretary to Govt., H & UD Deptt., Govt. of Odisha
7	Festival Grant	2013-14	150000.00	1730/27.11.14	FA-cum-Joint Secretary to Govt., H & UD Deptt., Govt. of Odisha
8	Performance base incentive (for providing basic urban service)	2013-14	2750000.00	1730/27.11.14	FA-cum-Joint Secretary to Govt., H & UD Deptt., Govt. of Odisha
9	Compensation in lieu of Octroi	2013-14	12093000.00	1730/27.11.14	FA-cum-Joint Secretary to Govt., H & UD Deptt., Govt. of Odisha
Total			22818311.00		

Year wise break up of pending UCs.

Sl No.	Grants relating to the year	Amount
1	Upto 2012-13	175395930.00
2	2013-14	45037244.00
3	2014-15	58852431.00
Total		279285605.00

Comments:-

As per Rule 170 & 171 of OGFR Volume-I, grants received should be utilized within the same Financial Year in which it was received and UCs should be submitted by 30th June of the subsequent year to the Funding Authority as well as to the Principal Accountant General(A&E),Odisha. But the above rule is not being followed by the Municipal Authority. Hence, the position of the pending UC is very alarming. However, the Executive Officer of the Municipality is requested to take

special drive to clear up the pending UCs & compliance reported.

PARA: 11 MISAPPROPRIATION & DEFALCATION

11.1 -

-Collection amount not credited to Municipal Fund(OSP-6)

On checking of the Holding Tax collection receipt books with reference to DCR & Cashier's Cash book, it is revealed that a sum of Rs. 7779.00 as detailed below, was collected by Sri Braja Kishore Swain,TC, towards holding tax on the dates as mentioned against each. But the same has neither been taken to the concerned DCR nor been deposited in the Cashier's Cash Book.

Details:-

Receipt book no.	Receipt no.	Date of Collection	Amount collected(Rs.)	Name of the TC
104	10375	17.05.14	924.00	Sri Brajakishore Swain
	10376	20.05.14	85.00	
	10377	20.05.14	78.00	
	10378	23.05.14	7.00	
	10379	26.05.14	340.00	
	10380	29.05.14	100.00	
	10381	29.05.14	193.00	
	10382	29.05.14	35.00	
	10383	07.06.14	77.00	
	10384	21.06.14	1323.00	
	10385	21.06.14	1862.00	
	10386	21.06.14	308.00	
	10387	21.06.14	964.00	
	10388	21.06.14	1483.00	
Total			7779.00	

As such, the collected amount has not been credited to the Municipal Fund.

The original memo issued in this regard was returned without reply. Hence, the para stands on its own merit & Rs. 7779.00 needs recovery from Sri Brajakishore Swain, TC. & compliance reported to audit.

At the time of Exit Conference, the Local Authority replied that "Step is being taken to recover the amount from Sri B.K.Swain,OTC." However, Rs.7779.00 needs recovery from Sri B.K.Swain & compliance reported to audit.

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Brajakishore Swain	TC	Jatni Municipality, Jatni	7779.00

11.2 -

Less deposit of collection money(OSP-15)

On checking the collections in the Cashier's Cash Book with reference to the Accountant Cash Book & the Bank scroll, it is noticed that a sum of Rs.145461.00 was collected from different sources on dt.30.04.2014 vide Cashier's Cash Book page no. 24 and the same is reflected in the Accountant Cash Book at page no. 24(vol.-1). But on verification of the deposit in the bank scroll of A/C no. 914020013314709, Axis Bank, Jatni, it is found that Rs.139461.00 has been credited on the same date against the same deposit. As such, Rs.6000.00(Rs.145461.00-Rs.139461.00) has been less deposited.

The local authority could neither comply nor return the original memo issued in this regard. Hence, the para stands on its own merit & Rs. 6000.00 needs recovery from Sri Bisnuprasad Mishra, Ex-Cashier & compliance reported to audit.

At the time of Exit Conference, the Local Authority replied that, "Step is being taken to recover the amount from Sri B.P.Mishra." However Rs.6000.00 needs recovery from Sri B.P.Mishra & compliance reported to Audit.

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs.)
1	Blsnu Prasad Mishra	Pharmacist	Jatni Municipality, Jatni	6000.00

11.3 -

-Non-credit of collection money in the Bank

On checking the Bank deposits & withdrawals with reference to Cashier's Cash book & Accountant Cash Book, it is revealed that a sum of Rs. 12414.00 was collected towards different heads on dt. 25.06.2014 vide Cashier's Cash Book page-77 which was taken to Subsidiary Cash Book page-95 & Accountant Cash Book page-97(vol-I). The same amount is shown to be deposited in A/C No.- 14709, Axis Bank, Jatni. But on cross verification with reference to the concern Bank scroll, it is found that the deposited amount of Rs.12414.00 has not been credited to the same account on that date. As such, the collection amount of Rs.12414.00 has not been credited to the Municipality fund. Hence, objection memo was issued to show reasons of such lapses to audit & it may be explained why the amount of Rs.12414.00 will not be suggested for recovery.

Details of collection-

Head of collection	Amount
User fee	6070.00
U/S-307	194.00
Water tanker	300.00
Town Hall	2250.00
Cess Pool	3600.00
Total	12414.00

In response to objection memo in this regard, the local authority deposited the amount in the concerned Account and produced before audit . It was verified that the amount of Rs. 12414.00 has been credited to the concerned Bank Account on 14.09.2015 which was deposited on 26.06.14. The attention of the competent authority is drawn ,herewith,and action as deem proper against the erring persons.

11.4 -

Short Credit of collection money-

On scrutiny of the users fee collection receipt books w.r to Daily collection register and cashier's cash book, it is noticed that book no-124 (Receipt No-12301 to 12400) was issued to Sri Shiba Prasad Mishra, TC towards collection of users fees @30/- each receipt . On verification it was found that Rs 2210.00 as detailed below was collected & deposited towards the same against the actual collection of Rs 3000.00 (Rs.30/- X 100). As such Rs 990.00 (3000.00 – 2010.00) has been less credited to the Municipal Fund. Hence it may be clarified to audit why the amount of Rs 990.00 will not be suggested for recovery.

The details are given below.

DCR Page	Date	Receipt No	Amount Deposited
--	--	12301 – 12330	--
5	2.8.14	12331—12335	150.00
5	3.8.14	12336—12338	90.00
5	4.8.14	12339—12342	120.00

6	5.8.14	12343—12346	120.00
6	6.8.14	12347—12350	120.00
6	7.8.14	12351—12352	30.00
7	8.8.14	12353—12354	30.00
7	11.8.14	12355—12356	30.00
7	12.8.14	12357—12359	90.00
7	13.8.14	12360—12361	60.00
8	14.8.14	12362—12365	120.00
8	15.8.14	12366—12370	150.00
8	16.8.14	12371—12375	150.00
8	18.8.14	121376—13380	150.00
9	19.8.14	12381—12385	150.00
9	20.8.14	12386—12392	210.00
9	21.8.14	12393—124000	240.00

Total 2010.00

On issue of objection memo in this regard, Rs. 990.00 was recovered from Sri Shiba Prasad Mishra,TC, vide MR No.-9666/Dtd.19.10.2015. Hence the para is dropped.

However,administrative action may be taken against the responsible persons.

11.5 -

Non credit of collection amount

On checking of the users fee collection receipt books w.r to connected D.C.R and cashier's cash book ,it is found that an amount of Rs 13000.00 as detailed below was collected by Sri Nirmal Chandra Mohanty, TC towares users fees during the year 2014-15. But the same has neither been taken to DCR nor deposited in the cashier's cash book. Hence it may be clarified to audit why the amount of Rs 13000.00 will not be suggested for recovery.

The details are given below:

Receipt book No	Receipt SI No	Amount collected
707	70671-70700 @ 10/-	10/- X 30 = 300.00
413	41233-41300 @ 20/-	20/- X 68 =1360.00
227	22601-22611 @ 30/-	30/- X 11 = 330.00
714	71301 @ 10/-	10/- X 1 = 10.00
318	31701 - 31800 @ 30/-	30/- X 100 = 3000.00
483	48201 -48300 @ 20/-	20/- X 100 =2000.00

655	65401- 65500 @ 20/-	20/- X 100 =2000.00
658	65701 - 65800 @ 20/-	20/- X 100 =2000.00
670	66901 – 67000 @ 20/-	20/- X 100 = 2000.00

Total = Rs. 13000.00

On issue of objection memo in this regard, Rs. 13000.00 was recovered from Sri Nirmal Ch. Mohanty, TC, vide MR No.-9650/Dtd.14.10.2015. Hence the para is dropped.

11.6 -

Non credit of collection amount(OSP-22 to 24)

On checking of the users fee collection receipt books w.r to connected D.C.R and cashier's cash book, it is noticed that the following receipt books were issued to Sir Nirmal Moharana, TC. But the amount of collection against the same was neither credited to DCR nor taken to cashier's cash book. Hence it may be clarified to audit why the amount of Rs 40930.00 will not be suggested for recovery.

The details are given below:

Receipt book No	Receipt SI No	Amount collected
170	16931 – 17000 @ 30/-	30/- X 70 = 2100.00
330	32906 – 33000 @20/-	20/- X 95 = 1900.00
689	68808 - 68900 @ 10/-	10/- X 93 = 930.00
681	68001 – 68100 @ 10/-	10/- X 100 =1000.00
697	69601 – 69700 @ 10/-	10/- X 100 =1000.00
241	24001 – 24100 @ 20/-	20/- X 100 = 2000.00
242	24101 – 24200 @ 20/-	20/- X 100 = 2000.00
335	33401 – 33500 @ 20/-	20/- X 100 = 2000.00
343	34201 – 34300 @ 20/-	20/- X 100 = 2000.00
345	34401- 34500 @ 20/-	20/- X 100 = 2000.00
348	34701 – 34800 @ 20/-	20/- X 100 = 2000.00
359	35801 – 35900 @ 20/-	20/- X 100 = 2000.00
362	36101- 36200 @ 20/-	20/- X 100 = 2000.00
369	36801 – 36900 @ 20/-	20/- X 100 = 2000.00
381	38001 - 38100 @ 20/-	20/- X 100 = 2000.00
382	38101- 38200 @ 20/-	20/- X 100 = 2000.00
180	17901- 18000 @ 30/-	30/- X 100 = 3000.00
195	19401 – 19500 @ 30/-	30/- X 100 = 3000.00
203	20201 – 20300 @ 30/-	30/- X 100 = 3000.00

209 20801 – 20900 @ 30/- 30/- X 100 = 3000.00

Total = Rs. 40930.00

The local authority could neither comply nor return the original memo issued in this regard. Hence, the para stands on its own merit & Rs. 40930.00 needs recovery from Sri Nirmal Maharana,TC, & compliance reported to audit.

At the time of Exit Conference the Local Authority replied that, "A sum of Rs.31788.00(Rupees thirty one thousand seven hundred eighty eight) only has been deposited vide MR No.-229/Dtd.30.11.15 by Sri Nirmal Maharana,DLR. Rest of the amount of Rs.9142.00 shall be deducted from his salary bill." However, Rs 9142.00 needs recovery from Sri Nirmal Maharana,DLR, & compliance reported to audit.

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Nirmal Maharana	DLR	Jatni Municipality,Jatni	9142.00

11.7 -

Non credit of collection amount

On checking of the users fee collection receipt books w.r to connected D.C.R and cashier's cash book, it is noticed that the following receipt book was issued to Sir Dhiren Kumar Mohanty , TC, towards collection. But the amount of collection against the same was neither credited to DCR nor taken to cashier's cash book. Hence it may be clarified to audit why the amount of Rs 110.00 will not be suggested for recovery.

The detail is given below:

Receipt book No	Receipt SI No	Amount collected
539	53855 – 53900 @ 10/-	10/- X 46 = Rs. 460.00

Amount deposited- Rs.350.00

Less deposited –Rs.110.00

On issue of objection memo in this regard, Rs. 110.00 was recovered from Sri Dhiren Ku. Mohanty,TC, vide MR No.-9696/Dtd.04.11.2015. Hence the para is dropped.

11.8 -

Non credit of collection amount

On checking the Stock & Issue register of User fee collection receipt books, it is noticed that receipt book no.-780 @ Rs.10/ each receipt was entered at page-14 of the concerned stock register. But neither the book was shown to be issued to the TC nor the collection amount against the same was credited to the Municipal Fund. Hence, it may be clarified to audit why the amount of Rs. 1000.00 (i.e. 100 nos of receipts Rs 10/ each) will not be suggested for recovery from the official in charge of the receipt books.

On issue of objection memo in this regard, Rs. 1000.00 was recovered from Sri Chakradhar Brahma,ATC, vide MR No.-9695/Dtd.03.11.2015. Hence the para is dropped.

The attention of the competent authority is here by drawn to take necessary steps to avoid recurrence of such type of misappropriation in future.

PARA: 12 LOSS OF STOCK & STORE

12.1 -

Stock entry & utilization wanting(OSP-17 & 18)

On scrutiny of the paid vouchers with reference to the Accountant Cash Book & other connected records/registers/files, it is noticed that a sum of Rs.48452.00 was paid to Southern Furnishers, Bhubaneswar, towards purchase of furniture, vide voucher no.-813/dt.15.01.2015, cheque no.-109609 of A/C no.-14709,Axis Bank, Jatni, against the payee's bill no.-6891/dt15.01.2015. In support of such purchase, the stock entry certificate on the body of the voucher , concerned stock register & utilization of the items purchased was not made available to audit.

On issue of objection in this regard, the local authority could neither comply nor returned the original memo. So, the para stands on its own merit & in absence of stock entry & utilization of the materials so purchased, the expenditure against the same cannot be admitted in the audit. Hence. Rs.48452.00 may be recovered & compliance reported to audit. For ths, the following persons are held responsible-

- 1)- Sri Ashutosh Samal,EO Rs.24226.00
- 2)- Sri Sarat Ch. Dash, Accountant Rs.24226.00

At the time of Exit Conference, the Local Authority returned the original memo & replied that, "Stock entry of the said materials has been entered vide Stock register page no.-98, Vol-II, on 20.1.16 and utilised in different sections." However, basing on the above reply, the stock entry & the utilisation of the said materials has been verified & the para is dropped.

12.2 -

Loss of fuel due to balancing mistake in the log book

On checking the balancing & totaling of fuel in the log book of the vehicle bearing no.-OR-02AT-7713, it is noticed that, total quantity of fuel was 39 lit as OB on 27.04.14 & the consumption on that date was 12 lit. As such, balance quantity of fuel should be 27 lit(i.e. 39-12). But the balance shown in the log book is 17 lit. resulting a less balance of 10 lit.

On issue of objection in this regard, the local authority could neither comply nor returned the original memo.

Hence the cost of 10 lit of HSD @ Rs. 53.70 amounting Rs. 537.00 needs recovery from Sri Satyabrata Tripathy, Driver & compliance to audit.

At the time of Exit conference, the amount of Rs. 537.00 has been recovered from Sri Satyabrata Tripathy, driver vide Book No. 6, receipt No. 551 dtd. 20.01.2016 and accounted for in cash book. Hence,the para is dropped.

12.3 -

Certificate of verification of stores wanting- As per Rule 124 of OGFR the Municipal Authority has not recorded the periodically certificate of verification of stock & stores. Hence, the same need be maintained & shown to next audit.

PARA: 13 AUDIT OF RECEIPTS

13.1 -

Non- realization of holding tax/service charges from Railway

It is learnt from the last Audit Report(47160/AR/2014-15,BBSR), that & quot. Vide letter no.-4(7)PF/1/Dtd.25.08.1997 of Govt. of India in the Ministry of Finance(Department of Co-ordination & Planning), the building of East Coast Railway, Khordha Road Division have been included in the Jatni Municipality area by UD Department w.e.f. 01.07.1975 & accordingly service charges have been charged. But, on verification of the holding tax collection receipts & other receipts, it is noticed that no such collection towards holding/service charges was realized from the Railway. Hence, the records/registers pertaining to the demand, collection & balance of Railway holding tax/service tax may be produced and reasons of non-collection of the same may be clarified to audit.

On issue of objection in this regard, the local authority failed to comply & returned the original memo having no reply.

As such, the Municipality has sustained a loss towards the revenue to the tune of Rs. 4092279.00 till the end of the financial year 2014-15 as below including current demand of Rs. 273662.00 that have been fixed on the Railways on the basis of the valuation data sheet prepared by the Valuation Organization of Housing & Urban Development Department, Govt. of Odisha.

Details of assessment of service tax on Railway holding is as follow-

Amount up to 2013-14-	Rs.3818617.00
<u>Service charges due for the year 2014-15</u>	<u>Rs. 273662.00</u>
Total	Rs.4092279.00

Hence, the Municipal Authority is advised to take appropriate & early step[s] for finalization of the same & compliance reported to audit. Further, steps need be taken to produced all the records & registers pertaining to the Demand, Collection and Balance on the Railway holding tax/service charges to the next audit. Till then Rs.4092279.00 is kept under objection.

13.2 -

-)- Assessment of new holdings

The number of holdings that have newly come under the ambit of holding tax for the year 2014-15 is furnished as below-

Sl No.	No. of new holdings assessed	No. of new holding completed during the year 2014-15	No. of new electricity connections provided to the newly constructed buildings	Remarks
1	2	3	4	5
1	111	111	111	

The demand amount in respect of the above mentioned new assessment comes to Rs. 163930.00 as detailed below-

Name of the Tax	Amount of demand (in Rs.)
Holding Tax	68455.00
Light Tax	68485.00
Water Tax	26990.00
Total	163930.00

As per Section 146 of Odisha Municipal Act,1950, holding tax is determined on the basis of annual value of the property calculated on the basis of construction cost of the building and a reasonable ground rent for the land on which the building is situated.

On verification of the assessment register/files, it is found that the assessment is being determined on the basis of the plinth area of the building violating the above mentioned Act in force.

Hence, the Municipal authority is advised to take necessary steps to determine the holding tax on the basis as envisaged by the Act.

AS per Section 132 of OM Act,1950, the tax on holding shall not be imposed at a rate exceeding 10% on the annual value of holdings. The municipality has imposed holding tax at a rate of 7% on the annual value of holdings composing 3% as holding tax, 3% as light tax & 1% as water

tax.

As per Section-159-A of the OM Act, 1950, the Municipality may by resolution, provide for grant of rebate in respect of the tax. The Municipality has granted a rebate on the current collection @10% during the month of April & @5% during the month of May.

As per Section 161 of the OM Act,1950, if the sum due on account of any tax is not paid within 61 days, the Executive Officer shall cause to be served the demand notices on the defaulters. But the Municipal Authority has not served any demand notice on the defaulter during the year 2014-15.

Further, the Municipality authority has not followed the instructions depicted as per section 162, section 170 of OM Act, 1950.

13.3 -

-Non revision of rate chart for assessment of Holding Tax

As per Section 146 of Odisha Municipal Act, 1950, new valuation & assessment list should be prepared once in every five years. Further Holding Tax is determined on the basis of annual value of the property calculated on the basis of the construction cost of the building and a reasonable ground rent for the land on which the building is situated.

As per Section 143-A of the Odisha Municipal Act, 1950, the Executive Officer of the ULB concerned shall, until the appointment of a Valuation Officer thereof, exercise the powers and performs the duties of the Valuation Officer in respect of the Municipality.

On verification of the records/registers/files relating to valuation & assessment of Holding Tax, it is noticed that the last assessment of Holding Tax was conducted by the Valuation Officer of H&UD Department during the year 2004-05 and the same was implemented during the year 2005-06. As such, next assessment was due during the year 2010-11(i.e. five years interval). But the same has not been exercised till date violating the Act enforced for which the Municipality has sustained a great loss.

On issue of objection memo in this regard to seek clarification of such lapses, the local authority could neither clarify nor return the original memo.

Hence, it is construed that the Municipal Authority have not taken sincere & effective steps for revision of rate chart for assessment of Holding Tax for which the revenue of the Municipality is facing hinderances.

However, the local authority is advised to take sincere & early steps for revision of rate chart for assessment of Holding Tax & compliance reported to audit.

13.4 -

DCB position

DCB position in respect of Jatni Municipality for the year 2014-15

Name of Tax	Demand			Collection			Rebate allowed	Current collection + Rebate	Balance		
	Arrear	Current	Total	Arrear	Current	Total			Arrear	Current	Total
Holding Tax	2126763.00	1379036.00	3505799.00	100853.00	794457.00	895310.00	22402.00	816859.00	2025910.00	562177.00	2588087.00
Light Tax	2184956.00	1401424.00	3586380.00	130803.00	799274.00	930077.00	22532.00	821806.00	2054153.00	579618.00	2633771.00
Water Tax	641205.00	367123.00	1008328.00	29775.00	219710.00	249485.00	7489.00	227199.00	611430.00	139924.00	751354.00
Total	4952924.00	3147583.00	8100507.00	261431.00	1813441.00	2074872.00	52423.00	1865864.00	4691493.00	1281719.00	5973212.00

Reconciliation between collection figures of DCB and Accounts figure-

Sl.No.	Particulars	Holding Tax	Light Tax	Water Tax	Total
01	Collection as per accounts	857230.00	891879.00	236800.00	1985909.00
02	Less:-Collection during the year 2013-14 taken to Cash Bokk in 2014-15	0.00	0.00	0.00	0.00
03	Add:-Collection during the year taken to Cash Book in the next year	38080.00	38198.00	12685.00	88963.00
04	Collection as per DCB	895310.00	930077.00	249485.00	2074872.00

Percentage of collection of holding tax in respect of Jatni Municipality for the year 2014-15

Name of the tax	Total demand	Total collection + rebate	% of collection with that of demand
Holding Tax	3505799.00	917712.00	26.17
Light Tax	3586380.00	952609.00	26.56
Water Tax	1008328.00	256974.00	25.48

From the fact depicted in the above table, it is revealed that the percentage of collection towards holding tax is very low and it reflects that the Municipal authority have a poor sincerity towards the same.

Hence, the local authority is advised to take sincere & special drive to collect the dues & enhance the revenue of the Municipality

13.5 -

Limitation of 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 commenced, as the case may be, in respect of such sum.

On issue of objection, the local authority could not produce the Distraint Warrant Register(Rule-202, Form-P) & the Warrant Register(Rule-202,Form-R). As such, the position of the same could not be ascertained.

Hence, the local authority is advised to maintain the same & compliance reported to audit.

13.6 -

Year-wise break-up of outstanding Tax

Year-wise break-up of outstanding Tax is not available in the previous Audit Report. Further, the same could not be produced by the local authority in spite of issue of objection memo.

However, basing on the DCB position for the year 2014-15, the year-wise break-up of outstanding tax is furnished as below-

Year	Amount of outstanding Tax(in Rs.)
Up to 2013-14	4691493.00
2014-15	1281719.00
Total	5973212.00

13.7 -

Non conducting of Auction sale of Municipal Sairat(OSP-18,19)

On verification & scrutiny of the Auction sale of the Municipality Sairat (file no.-IX-03), it is revealed that there are 11 numbers of ponds & 2 numbers of kine houses under Jatni Municipality. Out of the same only 4(four) ponds namely Khali pokhari, Pichchuli pokhari, Sandhapur Gaon pokhari & Gandhagadia pokhari were auctioned to the highest call bidders on 04.06.2014. Remaining 7 numbers of ponds & 2 numbers of kine houses could not be auctioned on that date. As such, concerned file was moved to the EO for fixation of another date for auction sale of the remaining ponds & kine houses and accordingly the EO moved the file for the same on 06.06.2014. But, no action was taken thereafter for conducting auction sale of the same resulting a loss to the Municipality. Details of the ponds & kine houses that were not auctioned during the year 2014-15 is as below:-

Sl. No.	Name of the ponds/kine houses	Auction rate for Year 2014-15
PONDS		
01	Milu pokhari	2009.00
02	Godadhama pokhari	1452.00
03	Hada Gadia	2057.00
04	Nilakanthswar pokhari	884.00
05	Pathar kata chua	642.00
06	Dukhima chua	1041.00
07	Bachchara Nuapokhari	992.00
KINE HOUSES		
01	Kudiary kine house	617.00
02	Ramachandrapur kine house	757.00
TOTAL		10451.00

On issue of objection of objection, the local authority could not return the same.

As such, the Municipality sustained a loss to the tune of Rs. 10451.00 for which the following persons are held responsible-

1)- Sri Ashutosh Samal,EO Rs. 10451.00

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	10451.00

13.8 -

-)- Non-realization of shop room rent u/s-295(OSP-38 to41)

On verification of the shop room rent collection u/s-295 with reference to the receipt book, DCB register of shop room collection & other relevant records/registers, it is noticed that the demand towards the same for the year under audit is Rs. 844320.00 which includes Rs. 242376.00 towards arrear & Rs. 601944.00 towards current demand. Total collection towards shop rent u/s-295 during the year 2014-15 comes to Rs. 569046.00 which includes Rs.53010.00 towards arrear collection & Rs.516036.00 towards current collection. Adjustment was made for Rs. 9870.00 including arrear amount of Rs.598.00 & current amount of Rs.9272.00. As such, total amount of collection comes to Rs. 578916.00(i.e. Rs. 569046.00 + Rs. 9870.00) during the year 2014-15 leaving a balance of Rs. 265404.00, which is detailed below,(i.e. Rs.844320.00 – Rs.578916.00) as outstanding till the end of the year. Pending arrear collections towards shop room rent u/s-295 is accumulating year to year which leads to a huge loss to the Municipality. Hence reasons of such lapses/inefficiency in collection towards the same may be clarified to audit.

DETAILS OF SHOP ROOM RENT U/S-295 OUTSTANDING TILL 31.03.2015

Sl. No.	Shop Room No.	Name of the allottee	Monthly rent (in Rs.)	Amount outstanding till 31.03.2015.		Total
				Arrear	Current	
01	003	Prahallad Behera	172.00	4871.00	2064.00	6935.00
02	004	Manguli Pradhan	172.00	6517.00	2064.00	8581.00
03	005	Manguli Pradhan	172.00	6517.00	2064.00	8581.00

04	007	Lalit Kumar Mohapatra	172.00	-	2064.00	2064.00
05	052	Sarat Kumar Swain	290.00	-	700.00	700.00
06	053	Arjun Ch. Samantray	290.00	-	700.00	700.00
07	085	Smt. Soubhagini Mohapatra	520.00	-	6240.00	6240.00
08	097	Pawan Kumar Tiwarwalla	344.00	-	984.00	984.00
09	100	Anil Kumar Ray	382.00	2440.00	4584.00	7024.00
10	101	Laxmikanta Satapathy	-	7986.00	-	7986.00
11	102	Ullash Ch. Jena	-	1910.00	-	1910.00
12	104	Trinath Kar	-	861.00	-	861.00
13	109	Sanjay Kumar Jagdev	382.00	-	2454.00	2454.00
14	111	Satyabadi Pradhan	382.00	13976.00	4584.00	18560.00
15	113	Debraj Champati	382.00	44395.00	4584.00	48979.00
16	114	Smt. Manjulata Pahadsingh	382.00	-	4584.00	4584.00
17	116	Smt. Trupti Mohanty	382.00	7258.00	4584.00	11842.00
18	118	Khetrabasi Sahoo	382.00	27611.00	4584.00	32195.00
19	119	Balaram Samantray	382.00	3584.00	4584.00	8168.00
20	122	Isack Khan	382.00	-	4584.00	4584.00
21	123	B. Srinibas Rao	382.00	-	382.00	382.00
22	125	Sudarsan Jena	287.00	-	1444.00	1444.00
23	126	B. Durgaprasad Ray Samant	532.00	3512.00	6384.00	9896.00
24	136	Sibasankar Panigrahi	74.00	-	296.00	296.00
25	137	Adweita Sundaray	74.00	1745.00	888.00	2633.00
26	142	Trinath Behera	-	4930.00	-	4930.00
27	143	Bansidhar Sethi	-	11110.00	-	11110.00
28	152	Jagabandhu Jena	-	132770.00	-	132770.00
29	TH/2	B. Rabindra Kumar Rayt	333.00	2661.00	3996.00	6657.00
30	BS/5	Smt. Santilata Mohanty	146.00	1606.00	1752.00	3358.00
31	BS/7	Suryakanta Behera	146.00	13868.00	1752.00	15620.00
32	BS/8	Smt. Parmita Mishra	146.00	6299.00	1752.00	8051.00
33	SF/4	Rabindra Sundaray	133.00	-	532.00	532.00
34	RS/1	Mukunda Madhab Jena	121.00	1924.00	1452.00	3376.00
Total				188768.00	76636.00	265404.00

On issue of objection memo for clarification, it fetched no reply.

As such, the Municipality sustained a loss to the tune of Rs.265404 .00 for which the following persons are held responsible-

- 1)- Sri Ashutosh Samal, EO Rs.132702.00
- 2)- Sri Susanta Kumar Sahoo, License Inspector Rs. 132702.00

Responsible Person for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	132702.00
2	Susanta Kumar Sahoo	License Inspector	Jatni Municipality, Jatni	132702.00

13.9 -

Less collection of license fees in respect of telephone towers(OSP-56,57)

On verification & scrutiny of the Mobile tower file with reference to the collections & other relevant records, it is found that 18 Mobile towers have been installed and activated in the Municipal area prior to the period under audit i.e. 2014-15. No new mobile tower has been installed during the year 2014-15. As such, annual demand towards collection of the same @ Rs. 8500(Rs.1000.00 towards renewal fees + Rs. 7500.00 towards additional charges) per mobile tower comes Rs. 153000.00(i.e. Rs.8500.00 x 18). The collection against the same during the year is only Rs. 52000.00 leaving a balance amount of Rs. 101000.00. On the above mentioned fact, it is clear that the collection towards mobile tower license fees is below satisfaction which is only 34% resulting in minimizing the income of the Municipality. The reason of such poor collection may be clarified to audit.

Details of demand, collection & balance in respect of license fees of mobile towers installed in the Municipality

Sl. no	Name of the Service provider	No. of mobile towers	Amount of revenue due to be collected			Amount collected			Less collection of license fees
			Renewal fees	Additional charges	Total	Renewal Fees	Additional charges	Total	
01	Bharati Airtel Ltd.	04	4000.00	30000.00	34000.00	0.00	0.00	0.00	34000.00
02	Viom Network	06	6000.00	45000.00	51000.00	6000.00	45000.00	51000.00	0.00
03	Vodafone	03	3000.00	22500.00	25500.00	0.00	0.00	0.00	25500.00
04	Idea Cellular Ltd.	01	1000.00	7500.00	8500.00	1000.00	0.00	1000.00	7500.00
05	GTL Infrastructure	01	1000.00	7500.00	8500.00	0.00	0.00	0.00	8500.00
06	Quipro Telecom	01	1000.00	7500.00	8500.00	0.00	0.00	0.00	8500.00
07	TATA Wireless Tele Services	02	2000.00	15000.00	17000.00	0.00	0.00	0.00	17000.00
Total			18000.00	135000.00	153000.00	7000.00	45000.00	52000.00	101000.00

However, on verification of the reply of the local authority to the objection memo issued, it is noticed that Rs.49500.00 as detailed below has been collected against the same.

Name of the telecom agency from whom collected	Amount	MR No./Dt
Bharati Airtel Ltd.	30000.00	8389/11.06.15
VIOM Network	19500.00	8124/02.04.15
Total	49500.00	

As such balance amount yet to be recovered is Rs. 51500.00(Rs. 101000.00 – Rs. 49500.00) from the concerned telecom agencies. For this the following persons are held responsible-

- 1)- Sri Ashutosh Samal, EO Rs.25750.00
- 2)- Sri Susanta Kumar Sahoo, License Inspector Rs.25750.00

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	25750.00
2	Susanta Kumar Sahoo	License Inspector	Jatni Municipality, Jatni	25750.00

PARA: 14 AUDIT OF EXPENDITURE

14.1 -

Payment towards cost of publication & Opening of tender paper

On checking & scrutinizing the paid vouchers with reference to the Accountant Cash Book & other relevant records/registers/files, it is revealed that a sum of Rs.24640.00 was paid to "Auro e-Solutions", Chandrasekharpur, Bhubaneswar, towards the cost of publication & opening tender paper charges. It is learnt that system is available in the Municipality Office for opening tender paper & it could have been utilised for the same. Details of the payment made is as follow-

Voucher No./Dt.	Amount	Bill No./Dt. of the payee
840/04.02.2015	13860.00	145/09.04.2014
841/04.02.2015	5060.00	147/06.01.2014
842/04.02.2015	5720.00	163/16.06.2014

Total Rs. 24640.00

Hence, it may be clarified to audit why payment was made to the outsiders towards the cost of publication & opening tender paper charges whereas the system is available in the office for the same purpose. Further, the authority & basis on which the payment was made to "Auro e-Solution" may be clarified to audit.

On issue of objection memo, the local authority returned the memo having no reply. As such, Rs. 24640.00 has been paid irregularly & needs recovery. For this the following persons are held responsible-

- 1)- Sri Ashutosh Samal, EO Rs. 12320.00
- 2)- Sri Sarat Ch. Dash, Accountant Rs. 12320.00

At the time of Exit Conference, the Local authority replied that, "As the MIS was not thoroughly trained, this was taken up by the outsider one. But since now MIS is doing this task. As such the para may be dropped."

The above mentioned reply of the Local Authority is no convincing. The MIS appointed meant for that purpose to do the said task. Without utilisation of the said task from him, the amount spent out of Municipal fund is highly irregular & inadmissible. However the said amount of Rs.24640.00 needs recovery & compliance reported to Audit.

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	12320.00
2	Sarat Ch. Dash	Ex-Accountant	Jatni Municipality, Jatni	12320.00

14.2 -

Purchase of Spares for AC(OSP-10)

On checking & scrutinizing the paid vouchers with reference to the Accountant Cash Book & other relevant records/registers/files, it is revealed that a sum of Rs. 9600.00 was paid to Sukanta Ku. Satapathy, Jatni, vide voucher no.-467/13.10.2014, Ch. no.-018660, towards purchase of spares for AC. Stock entry has been made in the stock register, volume-II vide page no.-27. But the utilization of the same has not been mentioned & the stock register is silent regarding the same. Hence, the necessity of purchase of the spares for the AC & its utilization may be clarified to audit.

On issue of objection memo, the local authority returned the memo having no reply. Hence Rs.9600.00 is kept under objection till showing the utilization of the materials so purchased to audit.

At the time of Exit Conference, the stock entry & the utilisation of the materials purchased is verified & the para is dropped.

14.3 -

Audit of Establishment

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

Staff position in respect of Jatni Municipality as on 31.03.2015 is furnished as below-

Sl. No.	Name of the post	No. of sanctioned post	Men in position	Vacant	Excess	Remarks
1	Head Asst.	1	1	0	0	
2	Sr. Asst	5	2	3	0	
3	Jr. Asst	9	7	2	0	

4	Community Organiser	1	1	0	0
5	Asst. Engineer	1	1	0	0
6	JE	1	1	0	0
7	Light Inspector	1	0	1	0
8	Medical Officer	1	0	1	0
9	Pharmacist	1	1	0	0
10	Surveyor	1	1	0	0
11	Amin	1	0	1	0
12	OTC	29	11	18	0
13	ATC	30	23	7	0
14	Work Sarkar	2	0	2	0
15	Treasury Sarkar	1	0	1	0
16	Holding Tax Sarkar	3	3	0	0
17	ANM	1	0	1	0
18	Driver	3	2	1	0
19	Sanitary Zamadar	1	0	1	0
20	License Supervisor	1	0	1	0
21	Night Watcher	2	1	1	0
22	Peon	7	6	1	0
23	Cycle Seizure	1	1	0	0
24	Light Checker	1	1	0	0
25	Attendant	2	1	1	0
26	Sweeper	40	25	15	0
27	Mason	1	1	0	0
28	UCDN CO(Contractual)	3	3	0	0
29	MIS	1	1	0	0
30	Pump Driver	1	1	0	0
31	DEABAS(Accountant)	1	0	1	0
Total		154	95	59	0

14.4 - Payment made violating Govt. Rules

Payment made violating Govt. Rules

On scrutiny of the paid vouchers with reference to the Cash Book & other relevant records/files, it is noticed that a sum of Rs.1550829.00, as detailed below, was paid towards purchase of Hydraulic ladder & TATA 407 mini-truck during the year 2014-15.

Name of the item	Voucher No./Dt.	Ch. No.	Amount(Rs.)	To whom paid
Hydraulic Ladder	848/6.2.15	00005	974998.00	OSIC Ltd.,Odisha,Cuttack
TATA 407 mini-truck	845/6.2.15	00003	575831.00	TATA Motors Ltd., BBSR
Total			1550829.00	

On scrutiny of the file relating to the above mentioned purchase, it is revealed that resolution was passed by the Municipal Council, Jatni, in its meeting on 14.8.14 and unanimously resolved to purchase a TATA 407 mini-truck and install a hydraulic ladder on it. Proposal was made to purchase the mini-truck at DGS&D rate contract from TATA Motors and installation of Hydraulic ladder from OSIC Ltd.

Accordingly, orders were placed to TATA Motors,BBSR, for supply of TATA 407 mini-truck at DGS&D rate contract and quotation was received from OSIC Ltd for Hydraulic Ladder. The Chairperson Jatni Municipality has approved the same on 27.9.14. But on going through the purchase file, it was revealed that the Chairman has given his remarks on 16.10.14 for inviting tender for purchase of the same as per Govt. Rules.

In this connection, the Executive Officer vide his Letter No.-1592/Dtd.29.10.14 initiated to seek necessary approval from the DMA,Odisha,BBSR, for purchase of Hydraulic Ladder. Accordingly, approval of the Govt. was obtained vide Letter No.-21792/Dtd. 29.10.14 of the DMA & Addl. Secy. to Govt., H & UD Deptt. to purchase the TATA 407 mini-truck at DGS&D rate contract & the Hydraulic Ladder mounting on it to be done through OSIC Ltd.

Basing on the above mentioned approval of the DMA, Odisha, BBSR, the said items were purchased from the concerned firms & payment has been made through Bankers' Cheque.

But it was seen from the said file, that payment was made deviating the Govt. instructions laid in OM Rule 1953.

As per Rule 92(1) of OM Rule 1953, "Orders of payment of a sum of money in excess of Rs.100000.00(One Lakh) shall be signed both by the Chairperson & the Executive Officer or in the absence of the Chairperson by the Vice-Chairperson. The officer or officers signing the pay order should satisfy himself or themselves that the claim is just & actually due to the party."

As per Rule 92(2) of OM Rule 1953, "If a bill or the claim for payment so presented to the Chairperson is not signed or returned with reasons of non-approval within seven(7) days of its presentation, the Executive Officer shall do well to get the bill countersigned by the District Magistrate."

But the above mentioned Rule is not followed during the process of payment of the purchase of the Hydraulic Ladder & TATA 407 mini-truck.

Hence, the reasons of deviating the above mentioned Rule may be clarified to audit.

On issue of objection memo at the time of Exit Conference, the Local Authority replied that "Steps is being taken to comply the objection."

The reply of the Local Authority has no merit. The payment allowed to purchase of the above mentioned materials deviating the OM Rules is irregular. However the amount of Rs.1550829.00 is kept under objection till regularization of the matter.

PARA: 15 AUDIT ON WORKS

15.1 -

Irregular payment in works bill(OSP-42 to 43)

Name of the Project:- Construction of C.C. Road with drain from Sekhar houser to M.V. Satyanarayan house and drain repair from G. Behera house to Amit Sahu house in Ward No.- 08.

Estimated Cost:- Rs. 574000.00

Head of Account:- C.C.Road Grant

Agency- Haramohan Routray

Ref- Voucher No.-643/dt. 05.12.2014

Passed for amount- Rs. 569792.00

MB No.-187, Page No.-01. to 18

Name of the JE- Suchismita Puhan

Name of the ME- Dushmantha Kumar Mahanta

The above mentioned work is a tender piece of work. According to the measurement, term & condition, the work was entrusted to Sri Haramohan Routray who is the lowest bidder. As per the negotiation, Sri H.M.Routray agreed to execute the work at 0.5% less as the executed amount.

i)- Excess utilization of M.S. Rod.

On scrutiny of the above said work bill with reference connected records, it is revealed that, as per the item no.-07 of the agreement & estimate the requirement of M.S. rod for construction of drain is 6.00 qtl. In this connection, on verification of the measurement recorded in M.B. no- 187 at page no.- 01 to 03 and 17,total 9.84 qtl of M.S. rod has been allowed to the contractor @ Rs. 5847.32 per qtl. It is a clear evidence that, in contravention to agreement provision, excess M.S. rod has been allowed to the contractor in the measurement is inadmissible and irregular. Hence, the excess quantity allowed in the bill over the agreement and estimate provision for 3.84 qtl (i.e. 9.84qtl – 6.00qtl) is inadmissible. The cost of the same as calculated below i.e. 3.84qtl @ Rs. 5847.32 amounting to Rs.22454.00 needs recovery.

ii)-Excess rate allowed for carriage of excavated earth by MC.

As per the item no.-02 of the above mentioned MB at page no- 05 & 06, "Earth work excavation in hard soil with 50mt. initial lead & 1.5mt. Initial lift including rough dressing & breaking clods etc." work has been measured for 46.07cum @ Rs. 87.55/cum. It is seen from item no.- 11 at page no.-19 that the carriage for excavated earth by mechanical means for loading & unloading etc. @ Rs. 124.00/cum has been allowed.

On the abovementioned measurement, it is revealed that, two times loading provision has been allowed in the measurement is inadmissible. Hence Rs. 19.46/cum excess allowed as per the S/R is inadmissible. The cost of the same for 46.07cum @ Rs. 19.46/cum amounting Rs. 896.00 needs recovery.

As such, total amount of Rs. 23350.00(i.e. Rs. 22454.00 + 896.00) paid in excess needs recovery.

No compliance/reply was furnished by the local authority against the objection memo issued in this regard. As such, the para stands on its own merit & Rs. 23350.00 needs recovery. The following persons are held responsible this excess payment-

- | | |
|-----------------------------------|-------------|
| 1)- Sri Ashutosh Samal,EO | Rs. 5838.00 |
| 2)- Sri Dusmanta Kumar Mohanta,ME | Rs. 5838.00 |
| 3)- Smt. Suchismita Puhan,JE | Rs. 5837.00 |
| 4)- Sri Sarat Ch. Dash,Accountant | Rs. 5837.00 |

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	5838.00
2	Sarat Ch. Dash	Ex-Accountant	Jatni Municipality, Jatni	5837.00
3	Dusmanta Ku. Mahanta	ME	Jatni Municipality, Jatni	5838.00
4	Smt. Suchismita Puhan	JE	Jatni Municipality, Jatni	5837.00

15.2 -

Irregular payment in works bill(OSP-44 to 46)

Name of the Project:- Construction of C.C. Road with drain from PWD Road to Badanuagaon Mplty. Road in Ward No.- 10.

Estimated Cost:- Rs. 594197.00

Head of Account:- Own Fund

Agency- Badal Kumar Paschimakabat

Ref- Voucher No.-159/dt. 26.06.2014

Passed for amount- Rs. 452599.00

MB No.-177, Page No.-133 to 148

Name of the JE- Suchismita Puhan

Name of the ME- Dusmanta Kumar Mahanta

i)- Non-completion of the work in the stipulated period

The above mentioned work is a tender piece of work. According to tender paper, Sri Badal Kumar Paschimakabat is the lowest bidder with 7% less than the estimated amount to execute the work. As per the term & condition, the time of completion of the work one month from the date of agreement i.e. 05.04.2013 and the work order was issued to the contractor on 06.04.2013. Further, as per item no.-04 of the agreement condition, "Time is essence of the contract." Hence delay in execution & completion of the work enforces the Municipality to claim damages @ 2% for every month of delay.

It is revealed from the concerned case record that the work could not be completed by the contractor within the stipulated period. The 1st R/A bill was measured by the J.E. on 10.04.2014 and the bill was prepared amounting to Rs.486665.38. The said payment was made vide voucher no.-159/dtd.26.04.2014. As per the agreement, the time of completion of the work was one month. The work was not completed within

the agreement period i.e. 06.05.2013. As such, the provision in the agreement has been contravened and penalty @ 2% should have been levied on the executing agency. Hence, due to delay in execution of the said work for 11 months (i.e. from 06.05.2013 to 10.04.2014), the penalty amount @ 2% of the estimated cost of Rs. 594197.00 which comes Rs. 130723.00(Rs.594197.00 x 2% x 11) has not been realized.

ii)- Excess provision made for utilization of MS rod

As per item no.- 08 of the estimate & agreement, the provision for utilization of MS rod is 15.00qtl. and the length of the drain is 340mt. But, it is seen from the measurement recorded in MB no.- 177 at page- 138 , the length of the drain is 251mt. As such, basing on the estimate & agreement provision, the requirement of MS rod is 11.07qtl. (i.e. 15.00qtl/340mt x 251mt). But 16.29qtl. of MS rod has been utilized vide item no.-08 at page 140 of the said MB. The excess quantity of MS rod utilized & allowed is 5.22qtl.(i.e.16.29qtl. – 11.07qtl.). Hence, cost of the same needs recovery.

iii)- Excess rate allowed for carriage of excavated earth by Mechanical Means

As per item no.- 11 at page- 147 of the above said MB, carriage of 171.80cum of excavated earth by mechanical means has been allowed for Rs. 21303.00. On the above said measurement, it is noticed that two times loading provision has been allowed which is inadmissible. The cost of the same i.e. Rs.3343.00 (Rs.19.46/cum x 171.80cum) needs recovery.

Total amount of Rs. 164589.00 (Rs. 130723.00 + Rs. 30523.00 + Rs.3343.00) paid in excess needs recovery.

No compliance/reply was furnished by the local authority against the objection memo issued in this regard. As such, the para stands on its own merit & Rs. 164589.00 needs recovery. The following persons are held responsible this excess payment-

- | | |
|-----------------------------------|--------------|
| 1)- Sri Ashutosh Samal,EO | Rs. 41148.00 |
| 2)- Sri Dusmanta Kumar Mohanta,ME | Rs. 41147.00 |
| 3)- Smt. Suchismita Puhan,JE | Rs. 41147.00 |
| 4)- Sri Sarat Ch. Dash,Accountant | Rs. 41147.00 |

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	41148.00
2	Dusmanta Ku. Mahanta	ME	Jatni Municipality, Jatni	41147.00
3	Smt. Suchismita Puhan	JE	Jatni Municipality, Jatni	41147.00
4	Sarat Ch. Dash	Ex-Accountant	Jatni Municipality, Jatni	41147.00

15.3 -

Irregular payment(OSP-47 to 48)

Name of the Project:- Improvement of Smasan Ghat at Sandhapur in Ward No.- 09.

Estimated Cost:- Rs. 375000.00

Head of Account:- 13th FC

Agency- Kartik Behera.

Ref- Voucher No.-162/dt. 01.07.2014

Passed for amount- Rs. 371062.00

MB No.-181, Page No.-23 to 46

Name of the JE- Suchismita Puhan

Name of the ME- Saroj Kumar Mohapatra.

The above mentioned work is a tender piece of work. According to the term & condition, the work was entrusted to Sri Kartik Behera who is the lowest bidder. As per the negotiation, Sri Behera agreed to execute the work at 1.05% less than the estimated amount.

Excess utilization of M.S. Rod.

On scrutiny of the above said work bill with reference connected records, it is revealed that, as per the item no.-05 of the agreement & estimate the requirement of M.S. rod for construction of the above mentioned project is 12.00 qtl. In this connection, on verification of the measurement recorded in M.B. no- 181 at page no.- 23 to 31 and 45, total 12.86 qtl of M.S. rod has been allowed to the contractor @ Rs. 5847.32 per qtl. It is clear evidence that, in contravention to agreement provision, excess M.S. rod has been allowed to the contractor in the measurement which is inadmissible and irregular. Hence, the excess quantity allowed in the bill over the agreement and estimate provision for 0.86 qtl (i.e. 12.86qtl – 12.00qtl) is inadmissible. The cost of the same as calculated below i.e. 0.86qtl @ Rs. 5847.32 amounting to Rs.5029.00 needs recovery.

On issue of objection memo in this regard, the local authority replied that “The quantity of MS rod 12qtl. has been provided in estimate. But the quantity of MS rod 12.86 qtl. has been paid as per the actual measurement at the site. Hence, extra amount for(12.86qtl. – 12.00qtl.) @ Rs.5847.32 amounting to Rs. 5029.00 does not arise for recovery.”

The reply of the local authority is not satisfactory as it deviates the terms & conditions of the agreement. Hence, Rs. 5029.00 needs recovery.

The following persons are held responsible this excess payment-

- | | |
|-----------------------------------|-------------|
| 1)- Sri Ashutosh Samal,EO | Rs. 1258.00 |
| 2)- Sri Saroj Kumar Mohapatra,ME | Rs. 1257.00 |
| 3)- Smt. Suchismita Puhan,JE | Rs. 1257.00 |
| 4)- Sri Sarat Ch. Dash,Accountant | Rs. 1257.00 |

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	1258.00
2	Saroj Ku. Mohapatra	ME	Jatni Municipality, Jatni	1257.00
3	Smt. Suchismita Puhan	JE	Jatni Municipality, Jatni	1257.00
4	Sarat Ch. Dash	Ex-Accountant	Jatni Municipality, Jatni	1257.00

15.4 -

Irregular payment(OSP-48 to 49)

Name of the Project:- Construction of C.C. Road with drain from Hatabazar Chhak in Ward No.- 15.

Estimated Cost:- Rs. 253500.00

Head of Account:- CC Road

Agency- Sri Lipak Kumar Mohanty.

Ref- Voucher No.-218/dt. 18.07.2014

Passed for amount- Rs. 253246.00

MB No.-183, Page No.-01 to 18

Name of the JE- Suchismita Puhan

Name of the ME- Dushmantha Kumar Mahanta

Non-completion of the work in the stipulated period

The above mentioned work is a tender piece of work. According to tender paper, Sri Lipak Kumar Mohanty is the lowest bidder. As per the negotiation rate, the total agreement value comes to 0.10% less than the estimated rate. As per the term & condition, the time of completion of the work is one month from the date of issue of work order i.e. 27.06.2013. Further, as per item no.-04 of the agreement condition, "Time is essence of the contract. Hence delay in execution is entitle the Municipality to claim damages @ 2% for every month of delay."

It is revealed from the concerned case record that the work could not be completed by the contractor within the stipulated period. The 1st & final bill was measured by the J.E. on 30.04.2014 and the bill was prepared amounting to Rs.253246.00. The said payment was made vide voucher no.-218/dtd.18.07.2014. As per the agreement, the time of completion of the work was one month. The work was not completed within the agreement period i.e. 28.07.2013. As such, the provision in the agreement has been contravened and penalty @ 2% should have been levied on the executing agency. Hence, due to delay in execution of the said work for 9 months (i.e. from 28.07.2013 to 30.04.2014), the penalty amount @ 2% of the estimated cost of Rs. 253500.00 which comes Rs. 45630.00(Rs.253500.00 x 2% x 9) has not been realized. Hence the same needs recovery.

On issue of objection memo, the local authority replied that "The agency has started the work in time. But the work could not be completed due to the objection of some land owner adjacent to the drain & road. The agency has intimated the fact to the Municipal authority. The agency has no fault due to the delay in work. Hence, the para may be dropped."

But the report appended to the concerned case record is silent regarding the dispute on the work site. Hence, the reply of the local authority is not satisfactory and Rs.45630.00 needs recovery. The following persons are held responsible for this lapse-

- | | |
|-----------------------------------|--------------|
| 1)- Sri Ashutosh Samal,EO | Rs. 11408.00 |
| 2)- Sri Dusmanta Kumar Mohanta,ME | Rs. 11408.00 |
| 3)- Smt. Suchismita Puhan,JE | Rs. 11407.00 |
| 4)- Sri Sarat Ch. Dash,Accountant | Rs. 11407.00 |

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	11408.00
2	Dusmanta Ku. Mahanta	ME	Jatni Municipality, Jatni	11408.00
3	Smt. Suchismita Puhan	JE	Jatni Municipality, Jatni	11407.00
4	Sarat Ch. Dash	Ex-Accountant	Jatni Municipality, Jatni	11407.00

15.5 -

Irregular payment(OSP-50,51)

Name of the Project:- Repair of road from Mangala Mandir to Ganesh Baliarsingh House in Ward No.- 13.

Estimated Cost:- Rs. 100000.00

Head of Account:- Roads & Bridges(Gen.)

Agency- Sri Pradip Kumar Baral.

Ref- Voucher No.-641/dt. 05.12.2014

Passed for amount- Rs. 100000.00

MB No.-176, Page No.-162 to 171

Name of the JE- P.K.Sahoo

Name of the ME- Dusmanta Kumar Mahanta

Non-completion of the work in the stipulated period

The above mentioned work is a tender piece of work. According to tender paper, Sri Pradip Kumar Baral is the lowest bidder. As per the term & condition, the time of completion of the work is 2 months from the date of issue of agreement i.e. 10.10.2012. Further, as per item no.-04 of the agreement condition, "Time is essence of the contract. Hence delay in execution is entitle the Municipality to claim damages @ 2% for every month of delay."

It is revealed from the concerned case record that the work could not be completed by the contractor within the stipulated period. The 1st & final bill was measured by the J.E. on 30.07.2014 and the bill was prepared amounting to Rs.100000.00. The said payment was made vide voucher no.-641/dtd.05.12.2014. As per the agreement, the time of completion of the work was two months. The work was not completed within the agreement period i.e. 11.12.2012. As such, the provision in the agreement has been contravened and penalty @ 2% should have been levied on the executing agency. Hence, due to delay in execution of the said work for more than 19 months (i.e. from 11.12.2012 to 30.07.2014), the penalty amount @ 2% of the estimated cost of Rs. 100000.00 which comes Rs. 38000.00(Rs.100000.00 x 2% x 19) has not been realized. Hence the same needs recovery.

On issue of objection memo, the local authority replied that "The agency has started the work in time. But the work could not be completed due to the objection of some land owner adjacent to the drain & road. The agency has intimated the fact to the Municipal authority. The agency has no fault due to the delay in work. Hence, the para may be dropped."

But the report appended to the concerned case record is silent regarding the dispute on the work site. Hence, the reply of the local authority is not satisfactory and Rs.38000.00 needs recovery. The following persons are held responsible for this lapse-

- | | |
|-----------------------------------|-------------|
| 1)- Sri Ashutosh Samal,EO | Rs. 9500.00 |
| 2)- Sri Dusmanta Kumar Mohanta,ME | Rs. 9500.00 |
| 3)- Sri Pratap Ku. Sahoo,JE | Rs. 9500.00 |
| 4)- Sri Sarat Ch. Dash,Accountant | Rs. 9500.00 |

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	9500.00
2	Dusmanta Ku. Mahanta	ME	Jatni Municipality, Jatni	9500.00
3	Pratap Ku. Sahoo	JE	Now AE at BMC, Bhubaneswar	9500.00
4	Sarat Ch. Dash	Ex-Accountant	Jatni Municipality, Jatni	9500.00

15.6 -

Irregular payment(OSP-51 to 53)

Name of the Project:- Construction of C.C. Road with drain at Vivekananda Sahi near community centre in Ward No.- 04.

Estimated Cost:- Rs. 301500.00

Head of Account:- CC Road.

Agency- Sri Surendra Kumar Samantray

Ref- Voucher No.-748/dt. 07.01.2015

Passed for amount- Rs. 301259.00

MB No.-181, Page No.-54 to 70

Name of the JE- Suchismita Puhan

Name of the ME- Dusmanta Kumar Mahanta

The above mentioned work is a tender piece of work. According to the term & condition, the work was entrusted to Sri Surendra Kumar Samantray who is the lowest bidder. As per the negotiation, Sri Behera agreed to execute the work at 0.08% less than the estimated amount.

i)-Non-completion of the work in the stipulated period

As per the term & condition, the time of completion of the work is 1 month from the date of issue of agreement i.e. 03.08.2013. Further, as per item no.-04 of the agreement condition, "Time is essence of the contract. Hence delay in execution is entitle the Municipality to claim damages @ 2% for every month of delay."

It is revealed from the concerned case record that the work could not be completed by the contractor within the stipulated period. The 1st & final bill was measured by the J.E. on 26.12.2014 and the bill was prepared amounting to Rs.301259.00. The said payment was made vide voucher no.-748/dtd.07.01.2015. As per the agreement, the time of completion of the work was one month. The work was not completed within the agreement period i.e. 04.09.2013. As such, the provision in the agreement has been contravened and penalty @ 2% should have been levied on the executing agency. Hence, due to delay in execution of the said work for more than 15 months (i.e. from 04.09.2013 to 26.12.2014), the penalty amount @ 2% of the estimated cost of Rs. 301500.00 which comes Rs. 90450.00(Rs.301500.00 x 2% x 15) has not been realized.

ii)-Excess utilization of M.S. Rod.

On scrutiny of the above said work bill with reference connected records, it is revealed that, as per the item no.-06 of the agreement & estimate the requirement of M.S. rod for construction of the drain is 5.00 qtl. In this connection, on verification of the measurement recorded in M.B. no- 181 at page no.- 55 & 67 ,total 5.20 qtl of M.S. rod has been allowed to the contractor @ Rs. 5847.32 per qtl. It is clear evidence that, in contravention to agreement provision, excess M.S. rod has been allowed to the contractor in the measurement which is inadmissible and irregular. Hence, the excess quantity allowed in the bill over the agreement and estimate provision for 0.20 qtl (i.e. 5.20qtl – 5.00qtl) is inadmissible. The cost of the same as calculated below i.e. 0.20qtl @ Rs. 5847.32 amounting to Rs.1169.00 needs recovery.

Hence, a total sum of Rs. 91619.00(i.e. Rs. 90450.00 + 1169.00) needs recovery.

On issue of objection memo, the local authority replied that (1) "The agency has started the work in time. But the work could not be completed due to the objection of some land owner adjacent to the drain & road. The agency has intimated the fact to the Municipal authority. The agency has no fault due to the delay in work. Hence, the para may be dropped.(2) The quantity of MS rod 5qtl. has been provided in estimate. But the quantity of MS rod 5.20 qtl. has been paid as per the actual measurement at the site. Hence, extra cost of (5.20qtl. – 5.00qtl.) qtl. MS Rod of Rs.1169.00 does not arise."

But the report appended to the concerned case record is silent regarding the dispute on the work site. Hence, the reply of the local authority is not satisfactory and Rs.90450.00 needs recovery.Further, The reply of the local authority regarding excess utilization of MS Rod is not satisfactory as it deviates the terms & conditions of the agreement. Hence, Rs. 5029.00 needs recovery. Hence, a total sum of Rs. 91619.00(i.e. Rs. 90450.00 + 1169.00) needs recovery. The following persons are held responsible for this irregular payment-

- | | |
|-----------------------------------|--------------|
| 1)- Sri Ashutosh Samal,EO | Rs. 22905.00 |
| 2)- Sri Dusmanta Kumar Mohanta,ME | Rs. 22905.00 |
| 3)- Smt. Suchismita Puhan,JE | Rs. 22905.00 |
| 4)- Sri Sarat Ch. Dash,Accountant | Rs. 22904.00 |

Responsible Person for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	22905.00
2	Dusmanta Ku. Mahanta	ME	Jatni Municipality, Jatni	22905.00
3	Smt. Suchismita Puhan	JE	Jatni Municipality, Jatni	22905.00
4	Sarat Ch. Dash	Ex-Accountant	Jatni Municipality, Jatni	22904.00

Irregular payment(OSP-53 to 55)

Name of the Project:- Construction of C.C. Road with drain at Mundasahi from Pradeep Pattnaik house N.B. Pattnaik house in Ward No.- 07.

Estimated Cost:- Rs. 500000.00

Head of Account:- CC Road(Spl.)

Agency- Sri Nilakantha Behera.

Ref- Voucher No.-846/dt. 05.02.2015

Passed for amount- Rs. 458129.00

MB No.-176, Page No.-162 to 171

Name of the JE- Suchismita Puhan.

Name of the ME- Dusmanta Kumar Mahanta

Non-completion of the work in the stipulated period

The above mentioned work is a tender piece of work. According to tender paper, Sri Nilakantha Behera. is the lowest bidder. As per the negotiation rate, the total agreement value comes to 2.1% less than the estimated rate. As per the term & condition, the time of completion of the work is one month from the date of issue of work order i.e. 02.08.2013. Further, as per item no.-04 of the agreement condition, "Time is essence of the contract. Hence delay in execution is entitle the Municipality to claim damages @ 2% for every month of delay."

It is revealed from the concerned case record that the work could not be completed by the contractor within the stipulated period. The 1st & final bill was measured by the J.E. on 09.01.2015 and the bill was prepared amounting to Rs.458129.00. The said payment was made vide voucher no.-846/dtd.05.02.2015. As per the agreement, the time of completion of the work was one month. The work was not completed within the agreement period i.e. 03.09.2013. As such, the provision in the agreement has been contravened and penalty @ 2% should have been levied on the executing agency. Hence, due to delay in execution of the said work for 16 months (i.e. from 03.09.2013 to 09.01.2015), the penalty amount @ 2% of the estimated cost of Rs. 500000.00 which comes Rs. 160000.00(Rs.500000.00 x 2% x 16) has not been realized. Hence the same needs recovery.

On issue of objection memo, the local authority replied that "The agency has started the work in time. But the work could not be completed due to the objection of some land owner adjacent to the drain & road. The agency has intimated the fact to the Municipal authority. The agency has no fault due to the delay in work. Hence, the para may be dropped."

But the report appended to the concerned case record is silent regarding the dispute on the work site. Hence, the reply of the local authority is not satisfactory and Rs.160000.00 needs recovery. The following persons are held responsible for this lapse-

- | | |
|-----------------------------------|--------------|
| 1)- Sri Ashutosh Samal,EO | Rs. 40000.00 |
| 2)- Sri Dusmanta Kumar Mohanta,ME | Rs. 40000.00 |
| 3)- Sri Pratap Ku. Sahoo,JE | Rs. 40000.00 |
| 4)- Sri Sarat Ch. Dash,Accountant | Rs. 40000.00 |

Responsible Person for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Ashutosh Samal	Ex-EO	Now BDO, Jatni Panchayat Samiti	40000.00
2	Dusmanta Ku. Mahanta	ME	Jatni Municipality, Jatni	40000.00
3	Smt. Suchismita Puhan	JE	Jatni Municipality, Jatni	40000.00
4	Sarat Ch. Dash	Ex-Accountant	Jatni Municipality, Jatni	40000.00

16.1 -
Not applicable

PARA: 17 AUDIT ON SCHEMES / PROGRAMMES

17.1 -

Records/registers/files relating to different schemes such as CC Road, TFC, MPLAD, MLALAD, SJSRY, Road Development etc. were asked through objection memo for necessary check & verification. But the local authority failed to produce the same. However basing on the information available, target & achievement of different schemes has been worked out as follow-

Statement showing the details of target & achievement of different schemes in respect of Jatni Municipality for the year 2014-15.

Name of the schemes	Financial achievement						Physical achievement					
	O.B. as on 01.04.2014	Funds received during the year 2014-15.	Total fund available	Expenditure during the year 2014-15.	Unspent balance as on 31.03.2015.	Percentage of expenditure to that of available fund	No. of spill over projects from previous years	No. of projects planned for the year 2014-15 as per Annual Action Plan.	Total	No. of projects completed during the year 2014-15.	No. of spill over projects to the next year.	Percentage of achievement.
1	2	3	4	5	6	7	8	9	10	11	12	13
CC Road	5996988.00	0.00	5996988.00	2610289.00	3386699.00	43.5	18	2	20	5	15	25
13 th FC(R & B)	0.00	2920000.00	2920000.00	571062.00	2348938.00	19.5	0	3	3	1	2	33.33
RD Grant	5058141.00	5083000.00	1014141.00	274930.00	9866211.00	2.7	1	0	1	1	0	100
IHSDP	16459152.00	14042000.00	30501152.00	3287660.00	27213492.00	10.7	97	56	153	112	41	73.2

It is seen from the above mentioned table that development works have carried out only in the schemes CC Road, 13th FC(R& B), RD Grant & IHSDP only. Further the achievement in financial as well as in physical is very poor. As a result a huge amount of grant remained unutilized till the end of the year under audit.

Hence, effective steps need be taken to obtain fresh sanction from the Govt. in order to utilize the balance amount of the grant or refund the same to proper quarter.

17.2 -

SJSRY

As seen from the previous Audit Report, the available fund position in respect of SJSRY scheme as on 01.04.14 was negative balance i.e. (-) Rs.2085446.50.No grant has been received during the year 2014-15. An amount of Rs. 698250.00 was spent during the year 2014-15 from the available Bank Balance as detailed below-

Subsidy amount	Rs.451250.00
Salary of UCDN CO(Contractual)	Rs.247000.00

Total Rs. 698250.00

17.3 -
- MPLAD

As seen from the previous Audit Report, the available fund position in respect of MPLAD scheme as on 01.04.14 was Rs.231226.00. No grant has been received against the scheme during the year 2014-15. Similarly, no project has been taken up by the Municipality under MPLAD scheme during the year 2014-15.

PARA: 18 MISCELLANEOUS
18.1 -
Production of records relating to previous year's "Held under objection".

Records, registers & other relevant files relating to previous year's "Held under objection" vide Audit Report No.47160/AR/2014-2015-BHUBANESWAR, may be produced to audit for necessary verification/review the status of settlement of the same.

The local authority failed to produce the records, registers & other relevant files which were not produced to previous audit. Hence, the local authority is advised to produce the same to the next audit.

18.2 -
Audit Paragraphs pending for settlement

Sl. No.	Audit Report No. with year of Account.	Paragraphs pending for settlement relating to misappropriation of cash & loss of stock & store.		Paragraphs pending for settlement other than misappropriation and defalcation.		Total	
		No. of paragraphs	Amount	No. of paragraphs	Amount	No. of paragraphs	Amount
1	2	3	4	5	6	7	8
01	47160/AR/14-15-Bhubaneswar	15	3805977.00	26	43875723.00	41	47681700.00

18.3 -
Grievance redressal system

No complaint/grievance register is maintained in the Municipality. Hence, the local authority is advised to maintain the same & produce to

next Audit.

18.4 -

Non-maintenance of Subsidiary Cash Book

On verification of the Subsidiary Cash Book it is noticed that the balance & unremitted cash was Rs.18578.00 as on 15.04.2014. The same Cash Book is not maintained from 16.04.2014 to 30.04.2014. On 01.05.2014. Sri Bisnu Prasad Mishra, Ex-Cashier, handed over the detailed charge to Sri Sabyasachi Baral, Cashier as follows-

- Undisbursed Cash- Rs. 1158.00(against vr. no.-14/25.04.14)
- Axis Bank countrtfoil Rs.139461.00(In shape of challan)

As such, the transactions in the Subsidiary Cash Book from 16.04.14 to 30.04.14 are unable to be traced & verified for non-reflection of the same in the Cash Book.

As the Subsidiary Cash Book is an important & vital document for audit point of view, the same cannot be dispensed. Hence, the reason of such lapses was asked through objection memo. But the local authority failed to comply the same. As such, attention of the Higher Authority is drawn to look into the matter. The local authority is advised to the same & compliance reported to Audit. Till then Rs.140619.00(1158 + 139461) is kept under objection.

18.5 -

Production of D.C.Rs

On checking of the receipt of Municipality, it is noticed that the D.C.Rs in support of collection against the following users fees receipt books were not made available to audit. Since the collection towards user fees U/S-309 was taken together i.e Rs 10/, Rs.20/ & Rs.30/ as one amount, it is not possible to trace out the exact collection of each receipt book & item in absence of the concerned DCRs. Hence the same may be produced to audit for necessary check and verification.

Details of receipt books against which DCRs to be produced

Name of the Tax Collector to whom issued	No. of Receipt Books		
	@ Rs 10/-	@ Rs 20/-	@ Rs 30/-
D.D Badjena	598,596,602,605,608,612 618,631673	229,645,666	92
D.B Mishra	606		90
Siba Prasad Mishra	609,614,623,635,655	230, 238	74,78,100
Nirmal Chandra	616, 622,624,628,630,634	232,239,249,250,252,	101,107,108,

SOAP/NOAP/ODP acquaintance rolls of the Municipality for the month March' 2014 disbursed in the month April' 2014 along with the concerned Subsidiary Cash Book could not be produced to audit for necessary check & verification in spite of issue of objection memo. Hence, the same need be produced to next Audit.

18.10 -

Non-Production of DCR(OSP-33)

On checking of the receipt of Municipality, it is noticed that the D.C.Rs in support of collection against the following users fees receipt books were not made available to audit. Since the collection towards user fees U/S-307 was taken together i.e Rs 2/ & Rs.3/ as one amount, it is not possible to trace out the exact collection of each receipt book & item in absence of the concerned DCRs.

Details of receipt books against which DCRs to be produced

Name of the Tax Collector to whom issued	No. of Receipt Books
S.N.Panda	263,264,289,305,305,307,309,311,313,315,318,321,323,325,340
S.B.Srichandan	266,288,290,301,304,308,312,316,320
B.Mangaraj	266,302,306,310,314,317,319,322

The above mentioned records could not be made available to audit in spite of issue of objection memo. Hence, the same need be produced to next audit for verification.

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

19.1 -

- Non remittance of Government dues like Royalty, VAT, Labour Cess etc.

Rule-6 of Odisha Treasury code Volume-I read with Rule-4 of Odisha General Financial Rules stipulates that all money received/ realised on behalf of Government should be deposited in full by the competent authority within three days of receipt of the same. Retention of Government money/revenue outside the Govt. account is highly irregular and not permissible.

In violation to the above instruction the following Govt. dues such as Royalty, VAT, Labour Cess etc. realised from different work bills are yet to be deposited. An abstract position collection & deposits of royalty,VAT,labour cess etc. during the year 2014-15 is furnished below.

Outstanding dues for deposit in respect of VAT & IT as on 01.04.2014-15 was not furnished in the previous Audit Report for the year 2014-15. However the same is worked out basing on the collections & deposits in respect of VAT & IT during the year 2014-15. Further, outstanding dues for deposit in respect of royalty,labour cess as on 01.04.2014 is taken from the the previous Audit Report for the year 2014-15.

DETAILS

Particulars	Royalty	VAT	Labour Cess	PT	IT	Service Tax	Others	Total
Dues outstanding for deposits as on 1.4.14	485638.00	179853.00	209676.00	0.00	16157.00	0.00		891324.00
Amount collected during the year 2014-15	100110.00	273008.00	51712.00	94500.00	54987.00	16035.00		590352.00
Total	585748.00	452861.00	261388.00	94500.00	71144.00	16035.00		1481676.00
Amount remitted during the year 2014-15	168364.00	452861.00	0.00	0.00	71144.00	0.00		692369.00
Balance to be remitted as on 31.3.15	417384.00	0.00	261388.00	94500.00	0.00	16035.00		789307

19.2 -

- Loan position

As per Rule 149 of the Odisha Municipal Rules, 1953 a Loan Register is to be maintained (Form No.-XXVII). Further, Rule 150 of the Odisha Municipal Rules, 1953 envisages that the loan amount shall not be appropriated even temporarily to any object other than that for which the loan was raised.

The loan position & the Loan Register of the Municipality could not be made available to audit in spite of issue of objection memo for necessary verification & check. Further, the same was also not produced to the previous audit as revealed from the previous Audit Report. As such, the position of loan in respect of Jatni Municipality could not be ascertained. Hence, the local authority is advised to take appropriate & early steps to maintain the Loan Register & produce the same to the next audit.

19.3 -

Deposits & refund of SD/EMD

As per Rule 141 of the Odisha Municipal Rules, 1953 a "Deposit Ledger"(Form No. XX) and as per Rule 143 of the Odisha Municipal Rules, 1953 at the close of every quarter a list of outstanding deposits (Form No.-XXI) are to be maintained. But the same is not being followed by the local authority deviating the above mentioned Rules in spite of repeated objection & suggestions by audit. As such, the position of outstanding deposits as on 01.04.2014 could not be ascertained. However, the outstanding deposits as on 01.04.2014 is worked out basing on the balance amount to be refunded as per previous Audit Report for the year 2013-14. Hence, the local authority is once again advised to maintain the Deposit Ledger & Outstanding Deposits in the prescribed Forms for transparency of the transactions.

Positions Deposits in respect of Jatni Municipality for the year 2014-15

Name of the Deposit	Outstanding as on 01.04.2014	Deposits collected during the year 2014-15	Total	Refunded during the year 2014-15	Balance amount to be refunded as on 31.03.2015	Remarks
SD/EMD	263820.00	525011.00	788831.00	675166.00	113665.00	

19.4 -

Position of CPF/EPF of the Municipal employees in respect of Jatni Municipality for the year 2014-15

As per Rule 436 of the Odisha Municipal Rules, 1953 every council shall maintain & administer a provident

As per Rule 442 of the Odisha Municipal Rules, 1953 a provident fund ledger in Form no. P.F.5 is to be kept in the Municipal Office. But the same is not maintained by the local authority. As such, the position of CPF/EPF could not be ascertained. However, the outstanding CPF/EPF amounts as on 01.04.2014 is worked out basing on the outstanding amount as per previous Audit Report for the year 2013-14.

As per Rule 445 of the Odisha Municipal Rules, 1953 the amount deducted from the pay bills as provident fund deductions and the contributions paid by the council and other sums relating to the provident fund shall be lodged in the Govt. Treasury and a separate Cash Book shall be maintained. The whole or any portion of such deductions, contributions and other sums relating to the provident fund may be withdrawn from the treasury at such intervals as may be necessary for investment in interest bearing securities or deposits. But separate Cash Book for this purpose has not been maintained by the local authority deviating the Rule in force. Hence, the local authority is advised to maintain Provident Fund Ledger, Abstract Register, CPF Cash Book and produce the same to the next audit.

DETAILS OF DEDUCTIONS AND DEPOSITS TOWARDS CPF & EPF OF THE EMPLOYEES IN RESPECT OF JATNI MUNICIPALITY FOR THE YEAR 2014-15

Particulars	Position of CPF account	Position of EPF account
Opening Balance as on 01.04.2014	139144.00	260754.00
Amount deducted during the year 2014-15	931431.00	286946.00
Total	1070575.00	547700.00
Amount deposited during the year 2014-15	767774.00	0.00
Balance to be deposited as on 31.03.2015	302801.00	547700.00

It is seen from the above table that a total sum of Rs. 850501.00(i.e. Rs.302801.00 + Rs.547700.00) is yet to be deposited. Hence, the local authority is advised to take appropriate & early steps to deposit the same in proper quarter & compliance reported to audit.

PARA: 20 RESULT OF AUDIT

20.1 -

Suggestions-

- 1)- Accountant Cash Book has been maintained haphazard manner deviating guide lines & Govt. Instructions. Proper & adequate attention should be given towards up to date & regular maintenance the same. The Cash Book need be balanced date wise.
- 2)- Bank Account Ledger has not been maintained & the same need be maintained in order to have transparency in the Bank transactions.
- 3)-Bank wise closing balance need be reflected in the Cash Book.
- 4)-Bank reconciliation need be done regularly.
- 5)-Abstract of receipts & expenditures need be prepared on month basis & be aggregated annually.
- 6)-All the required & integral records/register pertaining to the Municipality as discussed in various para of the Audit Report need be maintained.
- 7)- Fresh sanction need be obtained from the Govt. prior to utilizing the balance Grant pertaining to the previous years.

Result Of Audit

SI No	Name Of The Paragraph	Amount suggested for recovery(In Rs:)	Amount kept on objection(In Rs:)	Amount Surchargeable(In Rs:)	Amount Embezzlement(In Rs:)	Amount Othercases(In Rs:)	Remarks
1	5.1	30340.00	89683.00	30340.00	0.00	0.00	
2	8.1	575350.00	575350.00	575350.00	0.00	0.00	
3	11.1	7779.00	7779.00	7779.00	0.00	0.00	
4	11.2	6000.00	6000.00	6000.00	0.00	0.00	
5	11.6	9142.00	9142.00	9142.00	0.00	0.00	
6	13.1	0.00	4092279.00	0.00	0.00	0.00	
7	13.7	10451.00	10451.00	10451.00	0.00	0.00	
8	13.8	265404.00	265404.00	265404.00	0.00	0.00	
9	13.9	51500.00	51500.00	51500.00	0.00	0.00	
10	14.1	24640.00	24640.00	24640.00	0.00	0.00	
11	14.4	0.00	1550829.00	0.00	0.00	0.00	
12	15.1	23350.00	23350.00	23350.00	0.00	0.00	
13	15.2	164589.00	164589.00	164589.00	0.00	0.00	
14	15.3	5029.00	5029.00	5029.00	0.00	0.00	
15	15.4	45630.00	45630.00	45630.00	0.00	0.00	
16	15.5	38000.00	38000.00	38000.00	0.00	0.00	
17	15.6	91619.00	91619.00	91619.00	0.00	0.00	
18	15.7	160000.00	160000.00	160000.00	0.00	0.00	
19	18.4	0.00	140619.00	0.00	0.00	0.00	
20	18.6	909481.00	909481.00	909481.00	0.00	0.00	
21	18.7	3087.00	3087.00	3087.00	0.00	0.00	
Total		2421391.00	8264461.00	2421391.00	0.00	0.00	

Audit Certificate

Certified that the accounts of Jatni Municipality for the financial year 2014-2015 have been covered under audit and found correct subject to the comments / remarks offered in the foregoing paragraphs .

Spot Recovery

SI No	Ref Para No/Audit Objection Statement Page No	M.R.No	Date	Amount(In Rs:)	Name of the person
1	11.6	229	2015-11-30	31788	Sri Nirmal Maharana,DLR
2	11.3	Deposited in the Bank A/c	2015-09-14	12414	Sri Sabyasachi Baral,Cashier
3	11.8	9695	2015-11-03	1000	Sri Chakradhar Brahma,Tc
4	11.7	9696	2015-11-04	110	Sri Dhiren Ku. Mohanty,TC
5	11.5	9650	2015-10-14	13000	Sri Nirmal Ch. Mohanty,TC
6	11.4	9666	2015-10-19	990	Sri Sibaprasad Mishra,TC
7	12.2	551	2016-01-20	537	Sri Satyabrata Tripathy, Driver
Total				59839	