

LOCAL FUND AUDIT, BHUBANESWAR, ODISHA

CATEGORY : Municipality/Municipal Corporation,General

Audit Report No : 395525/AR/2018-2019-BHUBANESWAR

PARA: 1 TITLE SHEET

1	Name of the Institution :	Jatni Municipality
2	Year of Accounts under Audit :	2017-2018
3	Name of the Local Authority during the year of A/Cs :	Smt.Lalita Kapoor, EO 1.04.2017 - 31.03.2018
	Name of the Local Authority at the time of Audit :	Smt.Lalita Kapoor, EO
4	Duration of Audit :	29-06-2018 To 27-09-2018 (Mandays Consumed :- 52.5)
5	Name of the Auditors :	RAJIB KUMAR SAMAL - Lead Auditor(29-06-2018 to 27-09-2018) PRAVAT KUMAR SAHOO - Auditor(29-06-2018 to 27-09-2018)
6	Name of the Reviewing Officer :	JYOTI RANJAN JENA(Audit Superintendent)
7	Date of submission of report by Reviewing officer :	15-11-2018
8	Entry Conference Date :	27-06-2018
9	Exit Conference Date :	10-01-2019
10	Name of the District Audit Officer :	SRI PRASANT KUMAR NAYAK
11	Date of approval of report by District Audit Officer :	24-01-2019

PARA: 2 PHYSICAL VERIFICATION

S/no	Items	Date Of Physical verification Before / After Transaction	Physical Balance	Balance As per Cash Book / Stock Register	Reference To The Page No Of Cash Book / Stock Register	Discrepancies If Any
1	Cash in hand	29.06.2018	5591.00	5591.00	68	
2	ServicePostage Stamps	29.06.2018	0	0	0	
3	Miscellaneous Receipt Books	29.06.2018	16	16	25	
4	Measurement Books	29.06.2018	5	5	179	
5	User Receipt Books Rs 30	29.06.2018	80	80	5	
6	User Receipt Books Rs 50	29.06.2018	80	80	15	
7	6.Holding Tax Receipt Books	29.06.2018	36	36	4	
8	User Receipt Books Rs 10	29.06.2018	90	90	12	
9	Receipt Books under section 307	29.06.2018	1384	1384	20	

Comments

The physical verification of cash balance & other items were conducted on 29.06.2018 before transaction the days and result thereof furnished above. As required physical verification of cash balance on each month was not conducted by the Head of the Office during the period under audit. The Local Authority may conduct physical verification in each month to avoid any discrepancy between physical balance and book balance.

PARA: 3 LIST OF VERIFIED RECORDS

A : List Of Verified Records/Register

Sino	List Records/Register	Rules	Form No
1	Budget Estimate	Rule 74	Form No. I
2	Abstract of the Budget Estimate	Rule 74	Form No. I-A
3	Cashier's Cash Book	Rule 81	Form No. V
4	Subsidiary Cash Book	Rule 128 A	Form No. V-A
5	Challan	Rule 87	Form No. VI
6	Register of Bills	Rule 96	Form No. VII
7	Salary Bills	Rule 97	Form No. IX
8	Periodical Increment Certificate	Rule 99	Form No. XI
9	Permanent Advance Account	Rule 108	Form No. XII
10	Voucher of Recoupment of Permanent Advance Account	Rule 110	Form No. XIII
11	Cash Book of the municipality	Rule 125	Form No. XIV
12	Register of Investments	Rule 148	Form No. XXVI
13	Stock account of License Number Plates	Rule 155	Form No. XXXII
14	Miscellaneous Receipts	Rule 157	Form No. XXXIV
15	Daily Collection Register	Rule 171	Form No. XL
16	Stock account of Tickets used for daily collection of Market fees	Rule 171	Form No. XLIII
17	Stamp Account	Rule 172	Form No. XLIV
18	Stock Register of Stationery	Rule 172	Form No. XLIV
19	Demand and Collection Register	Rule 178	Form B
20	Tax collector's daily collection register	Rule 192	Form K
21	Stock account of Receipt Forms	Rule 196	Form L
22	Tax collector's Ledger	Rule 198	Form M
23	Register of Works	Rule 345	Form W-VI
24	Stock & Store Register of Municipality	Rule 346	Form W-VII
25	Measurement Book	Rule 365	Form W-VIII

B : List of Records/Registers not Maintained

Sino	List Records/Register	Rules	Form No
1	Subsidiary account of special taxes	Rule 79	Form No.-IV
2	Abstract Register of Receipts	Rule 129	Form No. XV
3	Abstract Register of Expenditure	Rule 129	Form No. XVI
4	Register of adjustments	Rule 132	Form No. XVII
5	Advance Ledger	Rule 136	Form No. XVIII
6	Register of Outstanding Advances	Rule 140	Form No. XIX
7	Deposit Ledger	Rule 142	Form No. XX
8	Register of outstanding deposits	Rule 143	Form No. XXI
9	Register of Quarterly & Annual account of Receipt	Rule 144	Form No. XXII
10	Register of Quarterly & Annual account of Expenditure	Rule 144	Form No. XXIII
11	Establishment Audit Register	Rule 146	Form No. XXV
12	Loan Register	Rule 149	Form No. XXVII
13	Appropriation Register of Loan Funds	Rule 150	Form No. XXVIII
14	Register of the Tax on Carriages, Carts, Horses and Other animals	Rule 151	Form No. XXIX
15	License for Carriages, Carts, Horses Other and animals	Rule 154	Form No. XXX
16	Application for License for Carriage, Cart, Horses and Other animals	Rule 152	Form No. XXXI
17	License Register for Drivers and Owners of Carriages plying for hire	Rule 156	Form No. XXXIII
18	Register of Lands	Rule 160	Form No. XXXV
19	Register of Rents for which there is fixed demand	Rule 163	Form No. XXXVI
20	Jamabandi Register	Rule 170	Form No. XXXVII
21	Ledger of Lessees	Rule 170	Form No. XXXVIII

22	Arrear List	Rule 170	Form No. XXXIX
23	Register of Interest Bearing Securities	Rule 147	Form No. XLI
24	Register of Grants	Rule 80	Form No. XLII
25	Assessment List	Rule 177	Form A
26	Tax Ledger (personal A/C of Tax Payers)	Rule 178	Form B(I)
27	Form of appeal petition	Rule 183	Form E
28	Register of Petitions	Rule 183	Form F
29	Mutation Register	Rule 184	Form G
30	Arrear Demand Register	Rule 187	Form H
31	Tax Receipt Form	Rule 188	Form I
32	Register of writes off of demands	Rule 190	Form J
33	Progress statement of collection of taxes	Rule 200	Form N
34	Notice of demand for tax u/s-161 of OM Act	Rule 202	Form O
35	Distrain Warrant Register	Rule 202	Form P
36	Form of inventory & Notice	Rule 203	Form Q
37	Warrant register	Rule 202	Form R
38	Register of Distrained property & sales	Rule 204	Form S
39	Register of Estimates & Allotments	Rule 332	Form W-I
40	Nominal Muster Roll (NMR)	Rule 340	Form W-II
41	Contract Agreement Form	Rule 341	Form W-III
42	Contract Certificate	Rule 343	Form W-IV
43	Miscellaneous Supply Bill	Rule 343	Form W-V

C : List of Records/Registers not Produced to Audit

S/no	List Records/Register	Rules	Form No
1	Schedule for the Budget Estimate	Rule 77	Form No. III
2	Order Book	Rule 96	Form No. VIII
3	Absentee Statement	Rule 97	Form No. X
4	Annual Account of Receipts and Expenditure	Rule 145	Form No. XXIV

D : List of Records/Registers not Required

S/no	List Records/Register	Rules	Form No
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Comments
Maintenance of records and registers

Scrutiny of records revealed that 48 numbers of records and registers have not been maintained by the local authority. In response to the audit objection statement issued in this score, the E.O. admitted that these records were not maintained / d at their level and agreed to maintain the same at the earliest. Among these records, there are some most important registers like –

- a. Outstanding advance ledger,
- b. Warrant register,
- c. Distress warrant register,
- d. Arrears demand register,
- e. Register of lands,
- f. Annual accounts of receipt & expenditure,
- g. Registers of outstanding deposits etc.
- h. Reconciliation register

Non maintenance of these records may result in loss of municipal fund in future. So these records may please be maintained at the earliest to avoid any loss in future.

Accountant in charge of accounts section, Tax Daroga, Head Asst., Cashier are the persons responsible for non-maintenance of these records. The Executive Officer and the Chairperson are the key persons vested with overall responsibility of supervision and periodic inspection of these records.

3.2 Maintenance of register of Fixed Assets

As per Rule 71(1) of Odisha Municipal (Accounts) Rules-2012, the NAC/Municipality shall maintain the following fixed asset registers comprising of land, buildings and all other infrastructure, immovable and movable properties which belong to the NAC/Municipality:—

- a. Register of Land (Form ACNT-32)
- b. Register of Immovable Properties (Form ACNT – 30)
- c. Register of Movable Properties (Form ACNT – 31)
- d. Register of Public Lighting System (Form ACNT – 36)

Scrutiny of records revealed that the Municipality has not maintained the asset registers as prescribed above. Despite provisions in the rules, the EO has failed to ensure maintenance of the asset registers and its review once in a year. Due to non-maintenance of the asset register, the true and fair picture of the assets created under various schemes could not be ensured in the periodical reporting. There was, thus, no consolidated database on assets created. It is further suggested that

1. These registers shall be maintained category wise in respect of lands, buildings, etc.
2. The infrastructure assets like roads, bridges, culverts, drains, shall be recorded in such a manner as to identify location, measurements, etc.
3. The registers shall be maintained fund wise.
4. Any new asset that is capitalized, purchased or obtained by way of grant or gift shall be recorded in the register on the date the asset is capitalized, purchased or obtained.
5. An Asset Replacement Register shall also be maintained in Form ACNT–35 which shall record the history of the asset in use in the Municipality. This shall capture the usage and depreciation details of the asset.

PARA: 4 FINANCIAL POSITION

Jatni Municipality - 2017-2018

S/no	Name of the Cash Book	OB as on Date	Opening Balance(In Rs:)	Receipt during the Year under Audit(In Rs:)	Total(In Rs:)	Expenditure during the Year under Audit(In Rs:)	Closing Balance as per Audit (DD MM YYYY)	Closing Balance(In Rs:)	Closing Balance as per (DD MM YYYY) Cash Book	Closing Balance(In Rs:)(CASH BOOK)	Difference (In Rs:)	Remarks
1	Accountant cash book	01-04-2017	2001247 14.00	15151987 8.00	35164459 2.00	16507988 1.00	31-03-2018	1865647 11.00	31-03-2018	1865647 11.00	0.00	
	GRAND TOTAL		2001247 14.00	15151987 8.00	35164459 2.00	16507988 1.00		1865647 11.00		1865647 11.00	0.00	

Comments

c 4.1

details of C.B

Sl no	Description	As per Audit	As per cash book
1	Cash	494255.00	494255.00
2	Treasury	73113966.00	73113966.00
3	FDR	2114311.00	2114311.00
4	Bank	110842179.00	110842179.00
	Total	186564711.00	186564711.00

The Local Authority is advised not to keep such huge amount of cash in hand but deposit the same immediately in the Bank.

Para-4.2- Difference between the audit closing balance & the Cash Book closing Balance –nil.

Para-4.3—Lack of coherence between estimated receipt & actual receipt

As per Rule 156 of Odisha Budget Manual, the estimation of fixed revenue should be based upon the actual demand including arrear and the probabilities of their realization during the year. Odisha Budget Manual read with section-108(a) of the Odisha Municipal Act, 1950 stipulates that the estimate of income & expenditure should be reasonable & proper. Further, the said rule of the Odisha Budget Manual stipulates that the Budget estimates of the revenue & receipts should be based on the existing rates of taxes, duties and fees etc., and no increase or reduction in such case and no proposals for abandonment of revenue which have not been sanctioned by Government should be proposed in the estimates. 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 60.23% and expenditure to 34.49% % as per the information depicted in the table below

Receipt Expenditure

As per Budget	Actual	Percentage of Variation	As per Budget
253481815.00	151519878.00	60.23%	251984124.00

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-4.3.1-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 2017-18 has been submitted to H&UD Deptt. through the Collector, Khurda, 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.-735/dtd. 9.01.18.

Para-4.3.2-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-4.3.3-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-4.4- 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 4.5

1. As per Rule-84 of OM Rules 1953,the Executive officer shall once at least in every week examine the cashier cash book together with the pass book so as to satisfy himself that all money received without delay already been submitted to the treasury without delay. But it was seen that the practice has not been followed by the Executive Officer.

(ii)Analysis of closing balance at the end of every month even at the closure of the financial year never been done during the period covered under audit, hence to have proper watch on unspent balance and their subsequent utilization.

1. A consolidated cash book was not maintained for the financial position of the ULB to ascertain financial position at a glance.

Para 4.6

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(ii)Analysis of closing balance at the end of every month even at the closure of the financial year never been done during the period covered under audit, hence to have proper watch on unspent balance and their subsequent utilization.

1. A consolidated cash book was not maintained for the financial position of the ULB to ascertain financial position at a glance. Prescribed separate fund, the Municipality shall maintain separate records and the following shall be observed :

1. All books of accounts shall be maintained for each fund;

1. Separate bank accounts shall be maintained for each fund, and remittance shall be made to the relevant funds bank Account. In case any receipt or payment is recorded in another funds Bank Account, it shall be treated as an inter-fund transfer' and accounted accordingly. However, scrutiny of cash books/bank books of jatni municipality revealed that scheme-wise cash books/bank books were not maintained during the period of audit, i.e., 2010-11 to 2016-17 in absence specific cash books ,audit could not ascertain scheme-wise receipt, expenditure and closing balance of respective schemes

Non-preparation of financial statements;

As per the rule 100 of odisha Municipal (Accounting Rules) 2012 the Executive officer shall cause to prepare the financial statements for the preceding year in respect of the Accounts of the Municipality in the formats provided in Annexure-1 A and the Accountant shall be responsible for the preparation of Financial statements consisting of balance sheet, Income and Expenditure Statement, statements of cash flows, Receipts and payments on cash basis, Notes to Accounts, and other Financial Performance Indicators. Audit found that no such statements were prepared by E.O. during the year 2016-17 for which the rule was not only violated but also true and fair picture of the financial transaction at a glance could not be ensured.

Para-4.7 Liquid Assets & Liabilities

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

Liabilities	Value(Rs.)	Assets	Value(Rs.)
	0	Closing balance in all cash books	186564711.00
Loans refundable	0	Advances recoverable	21788485.00
Unremitted Govt. dues (VAT, Cess, Royalty, IT etc.)	1547290.00	Outstanding taxes, rents and rates recoverable	12487502.50
Unspent Grant	183865631.50		
Refundable deposits(SD/EMD)	3137083.00	Loans recoverable	0
Arrear Salary(5th Pay & 6th Pay)	15084413	Investment	2114311.00
Unpaid salary & wages	3145717.00		
Unpaid energy bills	9776921.00		
Contributions payable(CPF/EPF)	1019681.00		
Total	217576736.50	Total	222955009.50
Asset over liability	5378273.00		

From the above though the asset position was more than liability the financial position of the municipality could not be said to be satisfactory as the DCB position of the outstanding taxes and outstanding advance at the major contributed of the asset which has less chance for collection.

Non issue of miscellaneous receipts against cheques or BDs received from different funding agencies.

As per rule -157, of OM Rules 1953 for all receipts including those received in form of cheques or BDs, acknowledgement is to be made by issuing receipts in Form no. XXXIV. Sometimes it is found that BDs/Cheques received are recorded in the BD register but no receipts are issued against them. It is very difficult to ascertain the deposit of all cheques or BDs into concerned bank accounts. Hence, steps should be taken to issue miscellaneous MRs against cheques / BDs received from funding agencies and compliance reported.

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

Jatni Municipality - 2017-2018

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		31-03-2018	194827989.41	31-03-2018	183956145.00	10871844.41	
	GRAND TOTAL			194827989.41		183956145.00	10871844.41	

Reconciliation

SL no	Scheme Name	A/c No	Bank Name	Balance as on
1	PL a/C	8448	Sub-Treasury,Jatni	73,113,966.00
2	Current Account	1196180418	SBI,Jatni	1,344,399.50
3	IHSDP	100143020	PNB,Jatni	86,382.64
4	SSM	100130178	PNB,Jatni	134,601.00
5	Shoping Complex	10009122	PNB,Jatni	0.00
6	CRN/NFCR	100066855	PNB,Jatni	48,586.00
7	BSY	100058874	PNB,Jatni	0.00
8	SD	100080606	PNB,Jatni	3,626,424.24
9	MLA/MP LAD	2210000100065660	PNB,Jatni	477,962.00
10	PRR	100104207	PNB,Jatni	63,346.00
11	Water Bodies	2210000100185831	PNB,Jatni	653,955.00
12	LFS Pension	30467623680	SBI,Jatni	21,486.00
13	Non-LFS Pension	1196196734	SBI,Jatni	1,731,459.51
14	13TH FC	31311363858	SBI,Jatni	2,277,881.50
15	RDW	30539757523	SBI,Jatni	128,126.00
16	SJSRY	11196222961	SBI,Jatni	12,515.88
17	NRV	11196183179	SBI,Jatni	501,701.29

18	CC ROAD	32946068070	SBI,Jatni	3,649,986.00
19	STL	1002762	ANDHRA BANK	13,290.00
20	SINKING FUND	1009613	ANDHRA BANK	269,197.00
21	TFC	1009609	ANDHRA BANK	1,329,484.00
22	MTH	1878315584	CBI ,Jatni	15,284.00
23	IHSDP	909010032765431	AXIS BANK	23,801.00
24	HSY	913010056548752	AXIS BANK	144,932.00
25	MISC	718010100000727	AXIS BANK	974,839.14
26	NSDP	1196180112	SBI,Jatni	0.00
27	IHSDP	46630100000412	BoB,Jatni	45,603.50
28	Devolution Fund	46630100000693	BoB,Jatni	22,520,873.25
29	ROB	24581450000029	Hdfc,Jatni	1,354,817.48
30	OAP	198501000038	ICICI,Jatni	25,492,690.00
31	Motor Vehicle	14262191017059	Obc,Jatni	56,458.00
32	Motor Vehicle	1112104000023001	Idbi,Jatni	35,352.00
33	Kalyan Mandap	198501000069	ICICI,Jatni	6,213,189.00
34	Own Fund	914020013314709	AXIS BANK	27,448.48
35	RD Grant	2210000100191434	PNB,Jatni	18,772.00
36	Octroi	46630100002760	BoB,Jatni	321,599.00
37	Road & Beidges	3673101005276	canara, Bank	13,053,403.00
38	TDS	914020030039461	AXIS BANK	807,477.00
39	Sbm	31850110013823	Uco,Bank	0.00
40	Oulm	31850110014448	Uco,Bank	46,731.00
41	MV TAX	50100139114509	Hdfc,Jatni	577,764.00
42	MV TAX	35661248328	SBI,Jatni	2,327,737.00
43	Incentive Grant	3673101005250	canara, Bank	336,025.00

44	EPF	50100133301100	Hdfc,Jatni	198,046.00
45	Honm/DA/SA	915010062114109	Axis Bank, Jatani	59,890.00
46	Park & Greenery	915010062114141	Axis Bank, Jatani	344,831.00
47	SBM	916010052920380	Axis Bank, Jatani	7,670,475.00
48	Pension arrear	50100165398050	HDFC,Jatni	5,126,830.00
49	Maint. of Capital asset	915010062114194	Axis Bank, Jatani	1,924,552.00
50		7053024475	Bank of Baroda	0.00
51	NRB	46630100003617	Bank of Baroda	1,241,057.00
52		198501000337	ICICI,Jatni	5,571,236.00
53		198501000321	ICICI,Jatni	34,528.00
54		14262191031567	Obc,Jatni	2,044,833.00
55	Park & Greenery	1500	P & Sindh	6,732,166.00
			GT	194,827,989.41

5.1

Balance as per P.L. a/c no 8448 as on 31.03.2017 = 73113966.00

Balance as per treasury pass book as on 31.03.17 = 73113966.00

Difference=0.00

5.2

Non reconciliation of bank pass books

As per Rule 128 of Odisha Municipal Rules 1953 the cash book shall be balanced at the close of every month and signed by the Executive on token of the correctness of every entry made therein. The balance brought out shall be stated both in words and figures and shall be agreed the balance shown in the pass book of the municipality. Further as per rule 6 (6) of the odisha Municipal Accounting Rules, 2012 the actual balance periodically and at least once at the end of every month. Where books of accounts are maintained manually, the cash book and bank book may be maintained in the same register, with separate columns for cash and each bank account. Scrutiny of relevant records revealed that EO, Jatni Municipality never followed above rules during the period covered under audit. The Municipality Jatni had furnished as 55 nos. of bank accounts with the closing balance of Rs. 194827989.41 as on 31.03.2018. Whereas closing balance of Accountant cash book was Rs. 183956145.00 as on 31.03.2017. Thus there was discrepancy of Rs. 10871844.41 between bank account figures of cash book and pass book. Out of which audit worked out the reconciliation as follows:

1)Balance as per cashbook as on 31.03.2018 =Rs 183956145.00

1)Add cheque issued during the year 2017-18

but encashed in the year 2018-19 =Rs1758233.00

vide cheque no 148039/dt29.03.18 and encashed

on dt 7.04.18.

3)Add un reconciled amount =Rs 9113611.41

4)Bank balance as per passbooks as on dt 31.03.2018 =Rs 194827989.41

In spite of issue of objection memo the local authority failed to produce the bank reconciliation statement. Till production of the un reconciled amount of Rs. 9113611.41 is kept under objection.

PARA: 6 STOCK POSITION

Jatni Municipality - 2017-2018

S/no	Material/ Item	Opening Balance	Receipt	Issued	Closing Balance As per Audit	As per stock register	Remarks
1	Laptop	2	0	0	2.00	2	
2	Vehicle	00	00	00	0.00	20	
3	Computer	8	7	0	15.00	15	
4	Scanner	0	4	0	4.00	4	
5	Printer	0	1		1.00	7	
6	xerox machine	0	00	00	0.00	2	
7	steel almirah	0	00	00	0.00	2	
8	AC	0.00	6	0.00	6.00	6	--

Comments

Para-6.1

As per Rule 106 of OGFR an inventory of the dead stock should be maintained in all Govt. offices in form OGFR-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 mad available to audit inspite of issue of objection memo. The same need be maintained and shown to the next audit.

As per Rule 269 of OGFR 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 authorised 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 and compliance reported to audit.

PARA: 7 INVESTMENT

Jatni Municipality - 2017-2018

Sno	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	01-04-2017	2114311.00	0.00	2114311.00	0.00	31-03-2018	2114311.00	31-03-2018	2114311.00	0.00	
	GRAND TOTAL	2114311.00	0.00	2114311.00	0.00		2114311.00		2114311.00	0.00	

DETAILS OF CB ON INVESTMENT & Comments :

Details of Investments in respect of Jatani Municipality for the year 2017-18

Sl no	FDR NO	Name of the Bank	Date of Investment	Amount of Investment	Rate of Interest	Date of maturity	Maturity amount
1	11196357557	SBI,Jatani	17.5.15	1614311.00	8	17.5.22	2810555.00
2	06	WATCO	23.11.16	500000.00			
			Total	2114311.00			

Para-7-2-Non reflection of TDR in cash book

The following TDRs invested but not reflected in the Accountant cash book .

TDR NO	Name of Bank	Date of Deposit	Amount of Deposit	Period	Rate of Interest	Maturity Date	Maturity Value
16073031001057	OBC,Jatani	27.1.17	3284.00	1yr	7%	27.1.18	3520.00
16073031001040	OBC,Jatani	27.1.17	7197.00	1yr	7%	27.1.18	7714.00
16073031001071	OBC,Jatani	27.1.17	12614.00	1yr	7%	27.1.18	13520.00
16073031001064	OBC,Jatani	27.1.17	12481.00	1yr	7%	27.1.18	13378.00

The maturity date of above mentioned TDRs was dt 27.1.18 .But it is noticed that the above mentioned TDRs were not encashed on maturity date.In response to POM the local authority remained silent.The local authority is advised to encash the TDRs and reflect the same in the Accountant cash book.

Para-7-3-Investment in WATCO(Water Corporation Of Odisha)

On scrutiny of the WATCO file available to Audit it is noticed that as per the decision of the council in its meeting on 31.05.2016, vide resolution no 08-PUC-58/C has resolved to purchase share capital by the Jatani municipal council.By issuing a POM the local Authority was asked about the recent value of the above mentioned Investment. But the local Authority did not reply the POM.The local Authority is requested to watch the market prices of the above mentioned Investment to know about the decrease or increase in the value.

PARA: 8 ADVANCE

Jatni Municipality - 2017-2018

S/no	Advance Outstanding as on (DD MM YYYY)	Cashbook Name	Advance Outstanding (In Rs:)	Advance Paid during the Year under Audit(In Rs:)	Total(In Rs:)	Advance adjusted during the Year under Audit(In Rs:)	Advance Outstanding as per (DD MM YYYY) Audit	Advance Outstanding Audit (In Rs:)	Advance Outstanding as per (DD MM YYYY) Cash Book	Advance Outstanding Cash Book(In Rs:)	Difference (In Rs:)	Remarks
1	01-04-2017	All	21668685.00	216800.00	21885485.00	100000.00	31-03-2018	21785485.00	31-03-2018	21785485.00	0.00	
	GRAND TOTAL		21668685.00	216800.00	21885485.00	100000.00		21785485.00		21785485.00	0.00	

Comments :

As per Rule-37 of Orissa Treasury Code-vol-1, advance given to official/firm/contractors/accredited agencies are not final expenditures and they should be written in red ink in the right hand side of the inner column of the cash book and should be noted in "Register of Advance" which should be periodically reviewed. This provision has been highlight by the H&UD department vide letter No. Audit(U)74/28808/HUD dtd.25.11.2009.

Scrutiny of cash books/bank books of Jatni Municipality for the year 2017-18 revealed that the advance made to various employees and others for various purpose was treated as final payment and booked as expenditure in the cash books. In contravention of the above rule, the details of the advance paid was not noted in red ink in the inner of column the cashbooks. Thus , many advances remained unadjusted for prolonged period due to lapses in non-following of the aforesaid rules.

Year wise break up of outstanding advances

Year	Amount
Up to 2013-14	19669037.85
2013-14	575350
2014-15	1089997.00
2015-16	50000.00
2016-17	284300.00
2017-18	116800.00
Total	21785485.00

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.

8.1 Details of outstanding advances for the year 2017-18

Sl no	Name of the Advance holder	Vr no/date	Amount of Advance outstanding	Purpose	Sanctioning Authority
01	Ramesh chandra Das	1015/30.01.18	76800.00	Capacity Building	Smt Lalita Kapoor,E.O
02	Sri Sabyasachi Baral	474/5.09.17	40000.00	Ganesh puja	Smt Lalita Kapoor,E.O
		Total	116800.00		

Para8.2 Details of outstanding advances adjusted during the year 2017-18

Sl no	Name	Adv paid vr no/dt	purpose	Amount	Adjustment vrno /dt
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1	sri Ramesh chandra Das,jr Asst	665/13.11.17	childrens day	100000.00	718/22.11.17
			Total	100000.00	

8.3 Advance outstanding for more than 01 year

On verification of the year wise break up of outstanding advance position in respect of Jatni Municipality, it is noticed that advance amounting to Rs. 284300.00 relating to the year 2016-17 was outstanding for adjustment at the end of financial year 2017-18. The details of advance outstanding for the year 2016-17 (more than 01 year) is furnished below :

sno	Name of the Advance holder	vr no/date	Amount of Advance outstanding	purpose	Name of the sanctioning Authority
1	Sri Ajay Kumar Sahoo,jr Asst	389/20.8.16	200000.00	LSG day	Smt Lalita Kapoor,E.O
2	Sri Subasish Pattnaik,Advocate	404/29.8.16	8000.00	Legal charge	Smt Lalita Kapoor,E.O
3	Sri Ajay Kumar Sahoo,jr Asst	418(a)/03.9.16	45000.00	LSG day	Smt Lalita Kapoor,E.O
4	Sri Ajay Kumar Sahoo,jr Asst	454/15.09.16	1300.00	Ganesh puja	Smt Lalita Kapoor,E.O
5	Sri Ajay Kumar Sahoo,jr Asst	505(a)/22.09.16	30000.00	LSG day	Smt Lalita Kapoor,E.O
		Total	284300.00		

8.4 Surchargeable advance exceeding 01 year

It is seen from the above mentioned table that advance amounting Rs. 284300.00 which was paid during the financial year 2016-17 & still remains outstanding during the financial year 2017-18. 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. Accordingly the responsible persons are

sl no	Name	Amount
1	Sri Ajay Kumar Sahoo,jr Asst	138150.00
2	Smt Lalita Kapoor,E.O	146150.00

Person(s) Responsible for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs.)
1	Sri Ajay Kumar Sahoo	Jr Asst	Jatani Municipality	138150
2	Smt. Lalita Kapoor	Executive Officer	Jatani Municipality	146150

PARA: 9 **GRANTS**

Jatni Municipality - 2017-2018

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	01-04-2017	191321481.50	132572350.00	323893831.50	140028200.00	31-03-2018	183865631.50	
	GRAND TOTAL	191321481.50	132572350.00	323893831.50	140028200.00		183865631.50	

Comments :

Details of receipt and expenditure of grants for the year 2017-18 is furnished below.

Sl no	Name of the scheme	OB as on 01.4.17	Received during the year 2017-18	Total available fund	Expenditure during the period 2017-18	C.B as on 31.3.18
1	Road Dev grant	9256677.00	0.00	9256677.00	6376497.00	2880180.00
2	Road Maintainance(N)	964848.00	0.00	964848.00	1566317.00	-601469.00
3	Road and Bridges(Hardcase)	7630524.00	0.00	7630524.00	0.00	7630524.00
4	Roads and Bridges (General)	10430562.00	3032000.00	13462562.00	899371.00	12563191.00
5	SJSRY	-2783696.50	0.00	-2783696.50	0.00	-2783696.50
6	MPLAD/MLALAD	231226.00	0.00	231226.00	0.00	231226.00
7	Nonresidential Building	1634185.00	474000.00	2108185.00	464719.00	1643466.00
8	Boundary wall	500000.00	0.00	500000.00	0.00	500000.00
9	Public toilet	306000.00	0.00	306000.00	0.00	306000.00
10	Accounts reform	80000.00	0.00	80000.00	0.00	80000.00
11	Census operation	562160.00	0.00	562160.00	0.00	562160.00
12	Entry tax	46000.00	0.00	46000.00	0.00	46000.00
13	Octri compensation	4531221.00	45756000.00	50287221.00	41093755.00	9193466.00
14	Incentive	3958545.00	0.00	3958545.00	0.00	3958545.00
15	OAP/ODP/MBPY	8598495.00	14617000.00	23215495.00	13218400.00	9997095.00
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	10th Fc	2553405.00	0.00	2553405.00	0.00	2553405.00
19	Election	799805.00	341450.00	1141255.00	502250.00	639005.00
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 Busstop	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	11th 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	IHSDP	4659396.00	0.00	4659396.00	3398360.00	1261036.00
30	UBS	411000.00	0.00	411000.00	0.00	411000.00
31	Dev of Park and greenery	7290000.00	0.00	7290000.00	499433.00	6790567.00
32	Local festival grant	350000.00	0.00	350000.00	0.00	350000.00
33	Matching contribution	104000.00	0.00	104000.00	0.00	104000.00
34	Water Bodies	2545607.00	0.00	2545607.00	0.00	2545607.00
35	Various Dev grants	812000.00	0.00	812000.00	0.00	812000.00
36	MV Tax	12901270.00	4501000.00	17402270.00	5866696.00	11535574.00
37	Street light maintainance	-297274.00	0.00	-297274.00	0.00	-297274.00
38	Slum house survey	23085.00	0.00	23085.00	0.00	23085.00
39	13th FC(Incl SWM)	12894481.00	0.00	12894481.00	647822.00	12246659.00
40	Devolution of fund	29150129.00	15308000.00	44458129.00	2505377.00	41952752.00
41	Devolution of fund of capital nature	4299166.00	0.00	4299166.00	0.00	4299166.00
42	OULM	0.00	0.00	0.00	76800.00	-76800.00
43	Construction of cc Road	2433831.00	0.00	2433831.00	0.00	2433831.00
44	Incentive for Urban Services	149000.00	0.00	149000.00	0.00	149000.00
45	Harichandra sahayata Yojona	-7000.00	0.00	-7000.00	0.00	-7000.00
46	Capacity Dev(salary of cont mis	278540.00	0.00	278540.00	0.00	278540.00
47	Manual scavenger grant	15000.00	0.00	15000.00	0.00	15000.00
48	Arrear Pension	13196780.00	21128000.00	34324780.00	16043587.00	18281193.00
49	Non lfs person	1000000.00	0.00	1000000.00	0.00	1000000.00
50	14 th FC	25322286.00	24049000.00	49371286.00	35503855.00	13867431.00
51	Honararium	48945.00	77250.00	126195.00	55650.00	70545.00
52	Capital Asset	3840000.00	1898000.00	5738000.00	0.00	5738000.00
53	Maintainance of capital Asset	1830000.00	906000.00	2736000.00	0.00	2736000.00
54	Performance grant	1774000.00	0.00	1774000.00	0.00	1774000.00
55	ROB	9629931.00	0.00	9629931.00	10000000.00	-370069.00
56	SBM	7734912.00	484650.00	8219562.00	1309311.00	6910251.00
	Total	191321481.50	132572350.00	323893831.50	140028200.00	183865631.50

9.2

YEAR WISE BREAK UP OF UNSPENT GRANT

The Grant register is maintained in haphazard manner. The Local authority was failed to produce the year wise and scheme wise breakup of outstanding grants ason 31.3.2018 . However, basing on the records & registers available and previous audit report year wise break up of unspent grant is worked out and the same is furnished below-

Year	Amount in Rs
Up to 2014-15	72454740.50
2015-16	11194064.00
2016-17	31840277.00
2017-18	68376550.00
Total	183865631.50

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. 183865631.50 has been remained unspent till 31.03.2018. 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.

PARA no.9.4

Expenditure incurred out of previous year grants.

During the year under audit expenditure was incurred out of previous year grants without obtaining fresh sanction from the sanctioning authority. So till obtaining ex post facto approval from competent authority Rs. 21160968.00 is kept under objection.

Head of Account	Expenditure in Rs
RD	6376497.00
IHSDP	3398360.00
OULM	76800.00
ROB	10000000.00
SBM	1309311.00
Total	21160968.00

PARA: 10 UTILISATION CERTIFICATE

Jatni Municipality - 2017-2018

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	01-04-2017	380685145.00	140028200.00	520713345.00	24374719.00	31-03-2018	496338626.00	
	GRAND TOTAL	380685145.00	140028200.00	520713345.00	24374719.00		496338626.00	

Comments :

Details of UC submitted during the year 2017-18

S/no	Name of the scheme	Year of grant	Amount	Letter no/Date	To whom submitted
1	13th FC	2014-15	4134000.00	5376/23.12.17	AFA ,H&UD Department
2	Arrear pension and basic schemes	2015-16	169780.00	5376/23.12.17	AFA ,H&UD Department
3	Road development	2014-15	417777.00	5368/21.12.17	AFA ,H&UD Department
4	Road development	2014-15	312222.00	5368/21.12.17	AFA ,H&UD Department
	Road development	2014-15	1157777.00	5368/21.12.17	AFA ,H&UD Department
	Road development	2014-15	832222.00	5368/21.12.17	AFA ,H&UD Department
	Road development	2014-15	621111.00	5368/21.12.17	AFA ,H&UD Department
	Road development	2015-16	10853000.00	5368/21.12.17	AFA ,H&UD Department
	Road development	2015-16	5876830.00	5368/21.12.17	AFA ,H&UD Department
		Total	24374719.00		

year wise break up of pending UC

Year	Amount
prior to 2013-14	175395930.00
2013-14	43345544.00
2014-15	20047268.00
2015-16	42720241.00
2016-17	74801443.00
2017-18	140028200.00
Total	496338626.00

AS per Rule 170 &171 ofOGFR Volume-1.grants received should be utilised with in the same Financial Year in which it was received and UCs should be submitted by 30th june ofthe subsequent year to the funding Authority as wellas to the Principal Accountant General(A&E),odisha.But the above rule is not followed by the Municipal Authority.The executive officer of the Municipality is requested to take special drive to clear up the pending UCs and compliance reported to the Audit,

PARA: 11 MISAPPROPRIATION & DEFALCATION

11.1 -

On checking of the Miss receipts book No-74 from receipt No-7345 to 7378 the sum of total amount is Rs 25,188.00 deposited on 20.03.2018. Vide Cashier Cash book page No-258. But as per cashier cash the amount deposited is Rs 17838.00.

Dt. of credit in Cashier cash book	DCR page no.	Actual amount collected	Amount shown in DCR/Cashiers cash book	Less shown	Person Responsible
258		25188.00	17838.00	7350.00	Smt. Mamatamayee Mishra
			Total	7350.00	

In response to POM the Local Authority recovered amount of Rs. 7350.00 vide MR No. 8889/11.09.2018 from person concerned. The same amount was credited in the Cashier's cash book vide page No-117. Hence the para is dropped.

11.2 - Less credit due to totaling Mistake

On totaling of cashier's cash book on dated 13.06.2018 a sum of Rs 2889.00 was not taken into cashier's cash book deposited by Sri Kabindra Kumar Mohapatra (Tax Collector) of Holding tax from SI No-26038 to 26043.

The said amount may be recovered from Smt. Mamatamayee Mishra, Ex-Cashier.

In response to POM the Local Authority recovered amount of Rs.2889.00 vide MR No. 8890/11.09.2018 from person concerned. The same amount was credited in the Cashier's cash book vide page No-117. Hence the para is dropped.

11.3 - Less credit due to totaling mistake

On checking of the Miss receipts book No-68 from receipt No-6771 to 6778 the sum of total amount is Rs 5025.00 But on scrutiny of D.C.R the amount is Rs 1842.00.

Dt. of credit in Cashier cash book	DCR page no.	Actual amount collected	Amount shown in DCR/Cashiers cash book	Less shown	Person Responsible
256	23	5025.00	1842.00	3183.00	Sri Bharati Bhusan Mishra
			Total	3183.00	

In response to POM the person concerned deposited the said amount vide M.R No-9698/10.01.2019 and the same was credited vide page No-216

of Cashier' s cash book.Hence the para is dropped.

11.4 - Amount not taken into cashier's cash book

On checking of D.C.R w.r to User book No-198 (Rs 50/-) of SI No- 19606 to 19617 a sum total of Rs 600.00 (Rs 50/- X 12) was not taken into cashier's Cash book by Sri Jaya Krushan Das, Tax Collector. In response to POM the local authority recovered the said amount from the person concerned vide M.R No-9649 dated 10.12.2018 and the same was reflected in the page No-190 of Cashier' s cash book. Hence the para is dropped.

11.5 - Amount not taken into cashier's cash book

On Checking of Cashier's cash book w.r to D.C.R a User book No- 1089 of Rs 20/- from SI No-108801 to 108900 a sum total of Rs 2000.00 (Rs 20/- X 100) was not taken into cashier's cash book.

In response to POM the local authority recovered the said amount from the person concerned vide M.R No-9649 dated 10.12.2018 and the same was reflected in the page No-190 of Cashier' s cash book.

11.6 - Amount not taken into cashier's cash book

On checking of D.C.R w.r to User book No-294 (Rs 10/-) of SI No- 29301 to 29400 a sum total of Rs 1000.00 (Rs 10/- X 100) was not taken into cashier's Cash book by Sri Rohinikanta Mardharaj, Tax Collector.

In response to POM the local authority recovered the said amount from the person concerned vide M.R No-9695 dated 09.01.2019 and the same was reflected in the page No-215 of Cashier' s cash book.

PARA: 12 LOSS OF STOCK & STORE

PARA: 13 AUDIT OF RECEIPTS

13.1 - Demand, Collection & Balance position of Taxes for 2017-18

Demand, Collection & Balance position of Taxes for 2017-18

Nature of Tax	Demand			Collection			Balance		
	Arrear	Current	Total	Arrear	Current	Total	Arrear	Current	Total

Holding Tax	3787366	2178859	5966225	364972	1345727	1710699	3422394	833132	4255526
Lighting Tax	4836717	2250260	7086977	371553	1372222	1743775	4465164	878038	5343202
Water Tax	1120173	910146	2030319	124488	485428	609916	995685	424718	1420403
Service Tax	974660	1686387	2661047	167777	1024899	1192676	806883	661488	1468371
Total	10718916	7025652	17744568	1028790	4228276	5257066	9690126	2797376	12487502

Reconciliation of DCB figure

Particulars	Holding Tax	Light Tax	Water Tax	Service Tax
Collection as per Account Cash book	1674939	1683562	576014	1192676
Less collection made during for 2016-17 but credited to accountant cashbook during 2017-18	27536	27976	13189	0
Add. collection made during 2017-18 credited but credited to accountant cash book during 2018-19	63296	88189	47091	0
Total				
Position as per DCB	1710699	1743775	609916	1192676

Percentage of collection of holding tax in respect of Jatni Municipality for the year 2017-18

Particulars	Total Demand	Total collection including rebate	% of collection with that of demand
Holding Tax	5966225	1710699	28.67%
Light Tax	7086977	1743775	24.60%
Water Tax	2030319	609916	30.04%
Service Tax	2661047	1192676	44.81%

From the above it is revealed that, the percentage of collection towards Holding Tax and Light Tax is very low and it reflects that, the Municipal authority have a poor sincerity towards collection. Hence, the local authority is advised to take sincere effective and special drive to collect the dues and enhance the revenue of the Municipality and compliance reported.

Year-wise break-up of outstanding Tax

The year wise break up of outstanding tax is not available in the office in-spite of objection memo issued(OSP-28). Basing on the last Audit Report for the year 2017-18 the year wise break up of outstanding tax is furnished below:

Up to 2016-17	Rs.	9690126.00
2017-18	Rs.	2797376.00
Total	Rs.	12487502 .00

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

As per section 161 (1) of the Orissa Municipal Act, 1950 if the sum due on account of any tax is not paid within sixty one days from the date on which it became due, the Executive Officer shall cause to be served on the person liable to pay the same a notice in the prescribed form. If still the

dues are not collected, the Municipality is armed with section 162 of the act to levy by distress and sale of any movable property belonging to the defaulter wherever found, or of any movable property belonging to any other person which may be found within the holding in respect of which such defaulter is liable to such tax. In spite of all these provision under Section 161 (1), 162,163,164,165 and 166, if the municipality fails to realize the arrear tax by distress and sale, according to Section 169 the Municipality may at any time apply to the District Collector for the recovery of the whole or any part of any arrear as an arrear of Land Revenue. Again as per Section 170 of the Act, the Municipality instead of proceeding by distress and sale or in case of failure to realize the whole or any part of any tax, the municipality may sue the person liable to pay the same in any court competent jurisdiction. Further it was found that though the system penalty was there, yet there was no dictation of breach of tax rule as per Rule 553 of the O.M. rules 1953.

On scrutiny of the DCB register of individual holdings and information furnished to audit it was seen that, the Municipality had failed to take appropriate action under various sections of the Orissa Municipal Act, 1950. As a result, arrears to the tune of Rs. 12487502.00 remained uncollected from years together. Steps may be taken to collect above stated outstanding dues at the earliest.

13.2 -

Despite issue of POM the local authority did not produce the DCB register of shop rent before the audit. Due to which the demand collection balance position of shop room rent for the year 2017-18 could not be worked out by the audit. In response to POM the Local Authority provided information about current year demand and collection during the year 2017-18. But did not give information about the current collection and arrear collection. Due to which the DCB position of shop rent could not be given in proper format.

However, basing on the information given by the local authority and previous audit report the position of shop rent is given below.

Demand			Collection			Balance			Rmks.
Arrear	Current	Total	Arrear	Current	Total	Arrear	Current	Total	
299526.00	180000.00	479526.00	28736.00	133207.00	161943.00	270790.00	46793.00	317583.00	

As stated above Rs.317583.00 was pending for realisation from the lease holder of shop room of the council. As per agreement the lease holder has to pay the rent within 7th of each month failing which council may take necessary steps as per clauses of the agreement. But no such action has been taken by the council. So the non realisation of rent is treated as loss of municipal fund. So Rs. 317583.00 needs to be realised from the lease holder of the shop and compliance reported to audit. As non collected amount up to 2016-17 was previously surcharged current balance of Rs. 46793.00 needs to be recovered from the lease holder. failing which the Executive Officer is held responsible for the same as she failed to monitor the revenue collection properly.

1- Smt. Lalita Kapoor, Executive Officer - Rs. 46793.00

Person(s) Responsible for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Smt. Lalita Kapoor	Executive Officer	Jatani Municipality	46793

13.3 - Non realization of Holding Tax or Service charges from railway.OSP-2

It is learnt from the last Audit Report(362504/AR/2017-2018,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, a POM was issued for production of the records/registers pertaining to the demand, collection & balance of Railway holding tax/service tax and reasons of non-co

lection of of the same.In response to POM the local authority replied that Khordha Road Railway land comes with in the boundary limit of Jatani Municipal council.The tax has also been assessed.But despite of several correspondence the Railway authority did not pay Municipal dues.But the local authority did not produce the Assessment register.So the demand on the Railway land is taken on the basis of Audit report for the period of 2016-17.

As such, the Municipality has sustained a loss towards the revenue to the tune of Rs Rs.4730824.00.00 till the end of the financial year 2016-17 as below including current demand of Rs. 364883.00 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 follows:

Amount up to 2015-16	Rs.. 4730824.00
Service charges due for the year 2016-17	Rs. 364883.00
Total -Rs.5095707.00	

Hence, the Municipal Authority is advised to take appropriate & early steps 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. 364883.00(pertaining to the year 2017-18) is kept under objection.

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.

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 hindrances.

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

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13.4 - - DCB of mobile towerOSP-10

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The demand, collection and balance in respect of license fees of mobile towers installed in Municipality during 2017-18 was not produced by the local authority inspite of POM issued vide page no.-10 . Hence, present audit could not furnish the DCB position for the year 2017-18. The same may be produced to next audit.

The Local Authority replied that there was no mobile tower during 2017-18 and there is no record available regarding mobile tower. Hence no collection is made. The answer of the Local Authority is not convincing. The Local Authority may verify the no. of towers installed within the municipality area and collect necessary renewal license fees within exit conference failing which the tower position as per audit report 2015-16 will be taken as final and amount of renewal license fees will be calculated on that basis.

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PARA: 14 AUDIT OF EXPENDITURE

14.1 - Production of SOAP/NOAP/ODP Acquaintance Rolls, OSP-17

On checking of the OAP Subsidiary cash book, a sum of Rs 4, 57, 300. 00 was paid to Jayabharati Pattanaik for disbursement of old age pension scheme for the month of April, May, June & July. But the acquaintance rolls for the above months could not be made available to audit till the closure of audit. The Local Authority did not reply the POM. Hence the amount of Rs. 457300.00, is held under objection. It is the responsibility of the cashier and the EO to collect the acquittance & keep it in safe custody in the present case the same has not been done.

14.2 - Production of SOAP/NOAP/ODP Acquaintance Rolls, OSP-32

On checking of the OAP Subsidiary cash book, a sum of Rs 5, 50,600. 00 was paid to Rohinikant Mardharaja for disbursement of old age pension scheme for the month of December-2017, January-2018, February-2018, March-2018 & April-2018. The Local Authority did not reply the POM. Hence the amount of Rs. 550600.00, is held under objection.

14.3 -

On checking of Pay Acquittance rolls w.r to Accountant cash book a sum of Rs 1, 33, 190.00 was paid to Sri Ramesh Kumar Mishra for 5th pay Arrear of O/R No-373//13.02.2018 vide Vr No-1042/13.02.2018. But the same amount was again paid vide Vr no1139/dt14.03.2018 to Sri Ramesh Kumar Mishra. In response to POM issued in this regards the during the exit conference the Local Authority clarified that the said amount has been deducted from the outstanding arrear salary from Sri Ramesh Kumar Mishra. In support of this the Local Authority produced to the concerned file, but it is found that though the sanction has been made to pay arrear salary to Sri Mishra deducting Rs. 133190.00 but the same has not been charged to the cash book. So the para stands good. The Local Authority should recover the amount from Sri Mishra and compliance reported. In case of non recovery the E.O. is held responsible for the same.

1. Srimati Lalita Kapoor, Executive officer.

Person(s) Responsible for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Smt. Lalita Kapoor	Executive Officer	Jatani Municipality	133190

14.4 - Excess payment towards service tax. OSP-57

Excess and Irregular payment in sanitation work

On checking of the paid vouchers it is noticed that Sri Surendra Barik was paid Rs 8104498.00 during the period 2017-18 vide following voucher

- 1. Vr no 58/3.10.17 Rs 20009559.00
- 2. Vr No 800/5.12.17 Rs 2417499.00
- 3. Vr no 1117/27.2.18 Rs 3677440.00

On verification of concerned records it is noticed that the Superintendent Engineer ,PH circle ,Bhubaneswar vide his letter no 1267/dt 30.3.17 has approved the estimate amounting to Rs 17418000.00 under the head "sanction work for lifting and garbage clearing of roads and drains for Jatani Municipality for the year 2016-17.

The estimate has been prepared as per H&UD circular no 28708/dt7.12.2016.Accordingly e-procurement notice was floated vide letter no 1409/dt5.8.17. In the process Sri Surendra Barik was the L-1 bidder.Accordingly the work order was issued vide letter no 1938/dt11.7.2017 in favour of sri Surendra Barik .He was instructed to execute the work in accordance with condition of e-tender notice.

As per e-tender notice clause no 25 the manpower service provider shall also be liable for deposition of all taxes,levies,cess etc.As per clause no 35 the claim in the bill regarding ESI,EPF,and service tax should be necessarily accompanied with documents pertaining to concerned bill month.

The above two clauses are incorporated in the agreement executed at clause no 21 and 28. But on checking of the paid vouchers it is noticed that labour cess of 1% was not deducted from the bills. Further service tax @14.5% /day paid to man power supplier i.e @41.10/per day in case of drivers and @34.25/per day in case of laborers was added to the bill. But no documentary evidence regarding deposit of service tax by contractor is attached in the concerned file. It is to be noted that as per item no 25 of notification no 25/2012 dt 20.6.2012 "sanitation ,conservancy,solid wastemangement work carried out by the Municipality are exempted from service tax. So the service tax paid in the bill needs recovery. The details of mandays and service tax paid in the bill is given below.

A)

Month	Labour mandays	Driver mandays
July	2069	128
August	3518	216
September	3398	208
October	3406	208
November	3399	208
December	3398	208
January	2839	184

The total mandays from July to October of labour comes to 12391 mandays

The service tax comes to $12391 \times 34.25 = \text{Rs } 424392.00$

The total man days from July to October of drivers comes to 760 mandays

The service tax comes to $760 \times 41.10 = \text{Rs } 31236.00$

The total man days from July to October of labourers comes to 9636 mandays

The service tax comes to $9636 \times 36.56 = \text{Rs } 352292.00$

The total man days from July to October of drivers comes to 600 man days

The service tax comes to $600 \times 43.41 = \text{Rs } 26046.00$

So the total service tax paid to contractor comes to Rs 833966.00. This is in violation of notification no 25/2012 dt 20.06.2012. So amounts of Rs 833966.00 was excess paid.

B) It is all so noticed that cess was not deducted from the bill amounting to rs 75450.00. The details are given below.

Sl no	Month	Amount in Rs
1	July	6937.00
2	August	11771.00
3	September	11358.00
4	October	11148.00
5	November	12049.00
6	December	12206.00
7	January	9981.00
8	Total	75450.00

So the less realised labor cess amount of Rs 75450.00 needs recovery.

In response to POM the local authority recovered amount of Rs 909416.00 from the claim bill of the concerned contractor vide vr no 617/dt 22.10.18. The same was reflected in the Accountant cash book Vide Page No-9. Hence the para is dropped.

14.5 - Non production of EPF/ESI deposit Acknowledgement.OSP-54

On checking of the paid vouchers it is noticed that Sri Surendra Barik was paid Rs 8104498.00 during the period 2017-18 vide following voucher

- 1.Vr no 58/3.10.17 Rs 20009559.00
- 2.Vr No 800/5.12.17 Rs 2417499.00
- 3. Vr no 1117/27.2.18 Rs 3677440.00

On verification of concerned records it is noticed that the Superintendent Engineer ,PH circle ,Bhubaneswar vide his letter no 1267/dt 30.3.17 has approved the estimate amounting to Rs 17418000.00 under the head "sanction work for lifting and garbage clearing of roads and drains for Jatani Municipality for the year 2016-17.

The estimate has been prepared as per H&UD circular no 28708/dt7.12.2016.Accordingly e-procurement notice was floated vide letter no 1409/dt5.8.17. In the process Sri Surendra Barik was the L-1 bidder.Accordingly the work order was issued vide letter no 1938/dt11.7.2017 in favour of sri Surendra Barik .He was instructed to execute the work in accordance with condition of e-tender notice.

As per e-tender notice clause no 25 the manpower service provider shall also be liable for deposition of all taxes,levies,cess etc.As per clause no 35 the claim in the bill regarding ESI,EPF,and service tax should be necessarily accompanied with documents pertaining to concerned bill month.

The details of monthwise mandays are given below

Month	Labour mandays	Driver mandays		
July	2069	128		
August	3518	216		
Serptember	3398	208		
october	3406	208		
November	3399	208		
December	3398	208		
January	2839	184		

A)The total mandays from July to october of labour comes to 12391 mandays

The EPF comes to $12391 \times 26.72 = 331088.00$

The total mandays from July to october of drivers comes to 760 mandays

The EPF amount comes to $760 \times 32.06 = \text{Rs } 24366.00$

The total mandays from July to october of labourers comes to 9636 mandays

The EPF amount to $9636 \times 28.52 = \text{Rs } 274819.00$

The total mandays from July to october of drivers comes to 600mandays

The EPF amount comes to $600 \times 33.87 = \text{Rs } 20322.00$

So the total EPF paid in the bills comes to Rs 650595.00

B)The total mandays from July to october of labour comes to 12391 mandays

The total ESI amount comes to $12391 \times 9.50 = \text{RS } 11771.00$

The total mandays from July to october of drivers comes to 760 mandays

The ESI amount comes to $760 \times 11.040 = \text{Rs } 8664.00$

The total mandays from July to october of labourers comes to 9636 mandays

The ESI amount comes to 9636x10.14= Rs 97709.00

The total mandays from July to october of drivers comes to 600mandays

The ESI amount comes to 600x12.04=Rs 7224.00

So the total ESI paid in bills comes to Rs 125368.00

In the concerned file no document could be found in support of deposit of ESI and EPF with the concerned Authority. The Local Authority didnot furnish any reply in response to the POM in this regard. So till production of the same Rs. 7,75,963.00 is kept under objection.

14.6 - Irregular E-filing of TDS,OSP-8

On checking of paid vouchers it is noticed that Rs 15308.00 was paid to Canny advisery services private limited towards filing of Incometax return vide vouchers no 136/dt17.5.2017. But as per Finance Department cicular no 21630/dt25.6.2013 the DDO should file e-TDS by himself/herelf.A POM was issued to the local authority to clarify about the above mentioned payment.The local authority replied that as per previous practice Canny Advisory private ltd was paid for e-filing of tax ,the observation of audit is noted for future guidance.The reply of the local authority is not convincing..So the amount of Rs 15308.00 is held under objection.

14.7 - - Irregular payment of wages to DLRs/NMRs/ Osp-15

On checking the paid vouchers w.r.t. Accountant cash book it was seen that, DLRs were engaged and a sum of Rs. 974425/- was paid towards their wages during the year 2017-18. Lt. No.-20133/HUD, dt-28.9.04 addressed to all E.O.s of the ULBs and memo to all Dist. Magistrate & Collectors under the subject "Ban on engagement of work charged/NMRs/DLRs in ULBs" clearly mentioned that Fin. Deptt. vide It.no.-46707/F, dt-01.11.73 & Lt No.-17815/F, dt-12.4.19 imposed ban on such engagement and it will be done only with the written sanction of Finance Deptt. Further, H & U.D. Deptt. will further allow the engagement of DLRs. However, the sanction order/permission letter for Govt. Need to produce for engagement of such NMRs/DLRs and compliance reported.

The information regarding details of engagement of CLR/DLRs and NMRs are called for in the following format which was not produced by the local authority till closer of audit.Also through a POM information sought about NMR/DLRs regularised during the period 2017-18(OSP -33)

Sl. No.	Name of the	Date of	Monthly	Total	Remarks
	DLRs	appointment	remuneration		
1	2	3	4	5	6

In absence of the same Rs.974425.00 as detailed below is treated as inadmissible payment.

Month wise details of payment towards DLR/NMR is given below.

Sl no	Month	Salary paid in RS
1	March	81391.00
2	April	81391.00
3	May	81391.00
4	June	81391.00
5	July	81391.00
6	August	81390.00
7	September	81390.00
8	October	81390.00
9	November	81390.00
10	December	81390.00
11	January	81390.00
12	February	79130.00
	Total	974425.00

In response to POM issued the Local Authority neither produced related payment file of DLR/NMR nor furnished any reply. In absence of the same

the engagements are considered to be irregular/ inadmissible. So Rs. 974425.00 is suggested for recovery from the following person.

Person(s) Responsible for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Smt. Lalita Kapoor	Executive Officer	Jatani Municipality	974425

14.8 - - Unauthorised payment of Medical Allowance

On scrutiny pay acquittance roll of employees of JMC w.r.t. cash book it was noticed that the employees were allowed medical allowance @ 100/- per month. As such a total amount of Rs. 195052.00 was paid to the employees of JMC towards medical allowance during the year 2017-18. As per Lt. No.-14965/H & UD, Dt-27.05.2008, the staff salary of Municipal staff can not be more than that of State Govt. Employees. As there is no provision to pay medical allowance to the state Govt. employees, payment of medical allowance to the municipal staff is not genuine and is a loss to the municipal fund.

The details of payment during 2017-18 towards medical allowance is furnished below:

Month	Medical allowance paid in Rs
March	17647.00
April	16595.00
May	16347.00
June	16447.00
July	16447.00
August	16147.00
September	16347.00
October	16087.00
November	16147.00
December	15577.00
January	15677.00
February	15627.00
Total	195092.00

Hence, the amount of Rs. 195052.00 is suggested for recovery from the following official.

1. Smt. Lalita Kapoor, E.O.- Rs. 195052.00									
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Person(s) Responsible for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Smt. Lalita Kapoor	Executive Officer	Jatani Municipality	195052

14.9 - Non production of purchase file.OSP-26

During the audit it is noticed that a sum of Rs 481473.00 was paid for purchase of Air conditioners.The details of which are given below.

Sl no	Vrno/Date	Purpose	Amount in Rs
1	372/4.08.2017	Purchase of AC	342000.00
2	373/4.08.2017	Purchase of AC	19650.00
3	610/13.10.17	Purchase of AC	119823.00
		Total	481473.00

a POM was issued for production of concerned purchase file.But the local authority produced the concerned vouchers and cuttings of news paper in support of advertisement of tender call notice in support of above mentioned purchase.The local authority did not produce the concerned purchase file.

The Local Authority replied that the concerned file has been misplaced somewhere at the time of renovation. However the invoice copy and the paper advertisement has been attached with the reply memo for perusal of audit. Though part documents in support of purchase procedure and stock entry produced , the Local Authority is requested to trace out the purchase file and produced the same to next audit till production of the same Rs. 481473.00 is kept under objection.

14.10 - Non production of purchase file and stock register .OSP-61

During the audit it is noticed that electrical equipments were purchased amounting to Rs 2925547.00 from Tech mech Odisha.

A POM was issued to produce the concerned purchase files and stock register before the audit for verification.But the local authority did not produce all the purchase files and also didnot produce the concerned stock register.The details of purchases are given below.

Sl no	Vr no/date	Item	Agency	Amount in Rs
1	1/5.04.17	Electrical equipments	Tech mech odisha	613520.00
2	50/11.04.17	Electrical equipments	Tech mech odisha	776064.00
				1389584.00

The local authority is requested to produce the above mentioned concerned records to the next audit .Till then the amount of Rs 1389584.00 is held under objection.

14.11 - Staff position of Jatani Municipality

Sanction strenght & men-in-position as on dtd.31.03.2018

Sl No	Category of post	Sanction Strenght	Men In Position	Remarks
1	Asst Executive Officer		1	1
2	Asst Engineer		2	2
3	Head Asst		1	0
4	Sr.Asst		5	1
5	Jr.Asst		10	11
6	Medical Officer		1	0
7	Surveyor		1	0

8	Pharamacist	1	1
9	OTC	29	5
10	Holding Tax-Sarkar	3	1
11	Work Sarkar	2	0
12	License Supervisor	1	0
13	Treasury Sarkar	1	0
14	ATC	30	8
15	Peon	8	6
16	Sweeper	40	21
17	Night Watcher	2	1
18	Attendant	2	0
19	Massion	1	1
20	Light Checker	1	1
21	Cycle Siezer	1	1
22	Saniatary Zamadar	1	0
23	AMIN	1	0
24	ANM	1	
25	PUMP Driver	1	1
26	Driver	3	2
	Total	150	64
1	DLR	10	10
2	Data Entry Operator	1	1

PARA: 15 AUDIT ON WORKS

<p>15.1 - Non deduction of VAT due to delay of payment.OSP-41</p> <p>Name of the Work:-C.C. road and drain from Gadadhar Behera house to Ram Sahoo Shop</p> <p>Scheme- RD(2013-14)</p> <p>Estimated Cost:-Rs.3,00,000/-</p> <p>Junior Engineer:-Sudhakar Dash</p> <p>Municipal Eng.:- Dusmanta Mahanta</p> <p>MB No.-216 Page-40 to 46</p> <p>On checking of this Bill ,it is noticed that the first and final bill was prepared by the JE on 28.04.2015 which was check measured</p>
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and put up to Executive Officer for payment on dt.29.05.2017

The EO mark the bill to Accountants Section on dt.19.6.2017 and

The bill was passed by the EO and countersigned by the Chairperson

On dt.19.06.2017 .The bill comes to Rs.2,13,068/- .

The deductions from the bill as follows.

- | | | |
|------|----------|-------------|
| i. | SD- | Rs.6392/- |
| ii. | Vat- | Rs.10,653/- |
| iii. | IT- | Rs. 2131/- |
| iv. | Cess- | Rs. 2131/- |
| v. | Royalty- | Rs. 4982/- |
| vi. | ECB- | Rs. 759/- |

Rs.27,048/-

Net payable amount Rs.1,86,020/-

But the Accountant had report up of the bill on 14.7.2017 citing

ltr No.15365/HUD dtd.10.7.2017.which states that

deduction of Vat at source from payment made to

works contractor shall not be made w.e.f.dt.1.7.2017

Accordingly the pay order was changed as follows

Passed for payment Rs.2,13,068/-

Deduction Rs.16,395/-

Net payable amount Rs.1,96,673/-

The vat amounting to Rs.10,653/- was not included in

the deduction

The above mentioned letter was received in Municipality Office

On dt.14.7.2017 .A POM was issued to the local authority to clarify to Audit why the bill

Was not paid on dt.19.06.2017 due to which the Govt had to

sustain a loss of Rs.10,653/-.But the local authority did not reply the memo.Hence the amount of Rs 10653.00 is suggested for recovery for which the following persons are held responsible.

- 1) Smt. Lalita Kapoor, EO Rs.5326.00
- 2) Smt. Ajay Kumar Sahoo, Jr. Asst. Rs. 5327.00

Person(s) Responsible for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Smt. Lalita Kapoor	Executive Officer	Jatani Municipality	5326
2	Sri Ajay Kumar Sahoo	Jr Asst	Jatani Municipality	5327

15.2 - Non deduction of VAT due to delay of payment OSP-46

Name of the Work:-Const. of drain from sai Baba Temple to hata bazaar chak.

Estimated Cost:-Rs.4,00,000/-

Junior Engineer:-Sudhakar Dash

Municipal Eng.:- Dushmantha Mahanta

MB No.-216 Page-26 to 39

Voucher No-792/21.10.2017

Scheme-Basic Grant 2015-16

On checking of this Bill ,it is noticed that the first and final bill has been prepared by the JE on 28.04.2017 which was check measured and putup to Executive Officer for payment on dt.28.05.2017

The EO mark the bill to Accountants Section on dt.30.5.2017 and

The bill was passed by the EO and countersigned by the Chairperson

On dt.19.06.2017 .The bill comes to Rs.3,99,897/- .

The deductions from the bill as follows.

- i. SD- Rs.11997/-
- ii. Vat- Rs.19995/-
- iii. IT- Rs. 3999/-
- iv. Cess- Rs. 3999/-
- v. Royalty- Rs. 5910/-
- vi. ECB- Rs. 1236/-

Rs.47,136/-

Net payable amount Rs.3,52,761/-

But the Accountant had reput up of the bill on 14.7.2017 citing

Itr No.15365/HUD dtd.10.7.2017.which states that

deduction of Vat at source from payment made to

works contractor shall not be made w.e.f.dt.1.7.2017

Accordingly the pay order was changed as follows

Passed for payment Rs.3,99,897/-

Deduction Rs.27,141/-

Net payable amount Rs.3,72,756/-

The vat amounting to Rs.19995/- was not included in

the deduction

The above mentioned letter was received in this Office

On dt.14.7.2017 .A POM was issued to the local authority to clarify to Audit why the bill

Was not paid on dt.19.06.2017 due to which the Govt had to

sustain a loss of Rs.19,995/- .But the local authority did not reply the memo.Hence the amount of Rs 19995.00 is suggested for recovery for which the following persons are held responsible.

- 1) Smt. Lalita Kapoor, EO Rs.9997.00
- 2) Smt. Ajay Kumar Sahoo, Jr. Asst. Rs. 9998.00

Person(s) Responsible for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Smt. Lalita Kapoor	Executive Officer	Jatani Municipality	9997
2	Sri Ajay Kumar Sahoo	Jr Asst	Jatani Municipality	9998

15.3 - Non deduction of VAT due to delay of payment

Name of the Work:-Construction of C.C.road with drain from Ullash House to

Bhagabati Temple W.No.-3.

Scheme- RD(2014-15)

Estimated Cost:-Rs.4,00,000/-

Junior Engineer:-Sudhakar Dash

Municipal Eng.:- Dusmanta Mahanta

MB No.-215 Page-74 to 80

On checking of this Bill ,it is noticed that the first and final bill has been prepared by the JE on 21.4.2017 which was check measured and putup to Executive Officer for payment on dt.9.6.2017.

The EO mark the bill to Accountants Section on dt.23.6.2017 and

The bill was passed by the EO and countersigned by the Chairperson

On dt.7.7.2017 .The bill comes to Rs.4 Lakhs .

The deductions from the bill as follows.

- | | | |
|------|----------|-------------|
| i. | SD- | Rs.12,000/- |
| ii. | Vat- | Rs.20,000/- |
| iii. | IT- | Rs. 4,000/- |
| iv. | Cess- | Rs. 4,000/- |
| v. | Royalty- | Rs. 6,091/- |
| vi. | ECB- | Rs. 1,332/- |

Rs.47,423/-

Net payable amount Rs.3,52,577/-

But the Accountant had reput up of the bill citing

ltr No.15365/HUD dtd.10.7.2017.which states that

deduction of Vat at source from payment made to

works contractor shall not be made w.e.f.dt.1.7.2017

Accordingly the pay order was changed as follows

Passed for payment Rs.4,00,000/-

Deduction Rs.27,427/-

Net payable amount Rs.3,72,577/-

The vat amounting to Rs.20,000/- was not included in

the deduction

The above mentioned letter was received in this Office

On dt.14.72017 A POM was issued to the local authority to clarify to Audit why the bill

Was not paid on dt.7.7.2017 due to which the Govt had to

sustain a loss of Rs.20,000/- .But the local authority did not reply the memo.Hence the amount of Rs 20000.00 is suggested for recovery for which the following persons are held responsible.

- 1) Smt. Lalita Kapoor, EO Rs.10000.00
- 2) Smt. Ajay Kumar Sahoo, Jr. Asst. Rs. 10000.00

Person(s) Responsible for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Smt. Lalita Kapoor	Executive Officer	Jatani Municipality	10000
2	Sri Ajay Kumar Sahoo	Jr Asst	Jatani Municipality	10000

<p>15.4 - Excess payment towards payment of cement.OSP48</p>
<p>Name of the Work:-Const. of road from krushna Chandra Routray house towards sasi house.</p> <p>Estimated Cost:-Rs.4,00,000/-</p> <p>Junior Engineer:-Sudhakar Dash</p> <p>Municipal Eng.:- Dusmanta Mahanta</p> <p>MB No.-215 Page-157 to 161</p> <p>Voucher No-631/2.11.2017</p> <p>On checking of the concerned case record it was noticed that estimate was prepared & Tender was called vide e-procurement notice no 638/8.3.17 as per estimate the rate provided for cement was Rs.673/- for Qtl. But before tender was flotted the cost of cement was fixed as Rs.651/- per qtl as per letter no 602/27.2.2017 of Executive Enigeneer (R&B) Khordha addressed to PD, DRDA Khordha wef. From Dt. 25.2.17. so it was necessary to revise the estimate accordingly as per new cement rate. But the same was not done so the excess amount paid as calculated below.</p> <p>Cement bags used- 445,</p> <p>So the excess payment made =$445 \times (673 - 651) / 2 = 4895/-$</p> <p>So the excess paid amount of rupees 4895/ - need recovery.</p> <p>In response to POM the local Authority recovered Rs 4895.00 from sri B.K.Sethi, contractor vide vr no 554/dt10.10.18. The same was credited in the Accountant cash book page No-133. Hence the para is dropped.</p>
<p>15.5 - Excess payment towards payment of cement.OSP-49</p>
<p>Name of the Work:-Const. of road from P.W.D. road to dilip Nayak shop</p> <p>Estimated Cost:-Rs.6,20,000/-</p> <p>Junior Engineer:-Sudhakar Dash</p> <p>Municipal Eng.:- Dusmanta Mahanta</p> <p>MB No.-233 Page-1 to 9</p> <p>Voucher No-1082/27.02.2018</p> <p>On checking of the concerned case record it was noticed that estimate was prepared & Tender was called vide e-procurement notice no 636/8.3.17 as per estimate the rate provided for cement was Rs.673/- for Qtl. But before tender was flotted the cost of cement was fixed as Rs.651/- per qtl as per letter no 602/27.2.2017 of Executive Enigeneer (R&B) Khordha addressed to PD Drda Khordha wef. From Dt. 25.2.17. so it was necessary to revise the estimate accordingly as per new cement rate. But the samewas not done so the excess amount paid as calculated below.</p> <p>Cement bags used- 634,</p> <p>So the excess payment made =$634 \times (673 - 651) / 2 = 6974/-$</p> <p>So the excess paid amount of rupees 6974/ - need recovery.</p> <p>Inresponse to POM the local Authority recovered Rs 6974.00 from sri P.K Baliarsingh, contractor vide vr no 565/dt10.10.18. The same was credited in the Accountant cash book page No-136. Hence the para is dropped.</p>

15.6 - Excess payment towards payment of cementOSP_50
<p>Name of the Work:-Const. of road from arjun samantray house to bulu mohanty House.</p> <p>Estimated Cost:-Rs.4,00,000/-</p> <p>Junior Engineer:-Sudhakar Dash</p> <p>Municipal Eng.:- Dusmanta Mahanta</p> <p>MB No.-224 Page-19 to 23</p> <p>Voucher No-740/28.11.2017</p> <p>On checking of the concerned case record it was noticed that estimate was prepared & Tender was called vide e-procurement notice no 680/14.3.17 as per estimate the rate provided for cement was Rs.673/- for Qtl. But before tender was flotted the cost of cement was fixed as Rs.651/- per qtl as per letter no 602/27.2.2017 of Executive Enigeneer (R&B) Khordha addressed to PD Drda Khordha wef. From Dt. 25.2.17. so it was necessary to revise the estimate accordingly as per new cement rate. But the same was not done so the excess amount paid as calculated below.</p> <p>Cement bags used- 447,</p> <p>So the excess payment made =$447 \times (673-651) / 2 = 4917/-$</p> <p>So the excess paid amount of rupees 4917/ - need recovery.</p> <p>Inresponse to POM the local Authority recovered Rs 4917.00 from sri Gautam Pattnaik, contracter vide vr no 547/dt10.10.18.But till the verification of cash book. The same was credited in the Accountant cash book page No-132. Hence the para is dropped.</p>
15.7 - Excess payment towards payment of cement.OSP-51
<p>Name of the Work:-Const. of road near kesab rout house towards P.W.D road.</p> <p>Estimated Cost:-Rs.8,30,000/-</p> <p>Junior Engineer:-Sudhakar Dash</p> <p>Municipal Eng.:- Dusmanta Mahanta</p> <p>MB No.-220 Page-155 to 157</p> <p>Voucher No-750/28.11.2017</p> <p>On checking of the concerned case record it was noticed that estimate was prepared on 9.2.17 & Tender was called vide e-procurement notice no 636/8.3.17 as per estimate the rate provided for cement was Rs.673/- for Qtl. But before tender was flotted the cost of cement was fixed as Rs.651/- per qtl as per letter no 602/27.2.2017 of Executive Enigeneer (R&B) Khordha addressed to PD DRDA, Khordha wef. From Dt. 25.2.17. so it was necessary to revise the estimate accordingly as per new cement rate. But the same was not done so the excess amount paid as calculated below.</p> <p>Cement bags used- 966,</p> <p>So the excess payment made =$966 \times (673-651) / 2 = 10626/-$</p> <p>So the excess paid amount of rupees 10626/ - need recovery.</p> <p>Inresponse to POM the local Authority recovered Rs 10626.00 from sri P.K Baliarsingh, contracter vide vr no 555/dt10.10.18.But till the verification of cash book. The same was credited in the Accountant cash book page No-134. Hence the para is dropped.</p>

<p>15.8 - Excess payment towards payment of cement.OSP-52</p>
<p>Name of the Work:-Impv. Of protection wall on jatni pipili main road.</p> <p>Estimated Cost:-Rs.8,00,000/-</p> <p>Junior Engineer:-Sudhakar Dash</p> <p>Municipal Eng.:- Dusmanta Mahanta</p> <p>MB No.-230 Page-</p> <p>Voucher No-967/08.1.2018</p> <p>On checking of the concerned case record it was noticed that estimate was prepared on 20.5.17.17 & Tender was called vide e-procurement notice no 1573/26.5.17 as per estimate the rate provided for cement was Rs.673/- for Qtl. But before tender was flotted the cost of cement was fixed as Rs.651/- per qtl as per letter no 602/27.2.2017 of Executive Enigeneer (R&B) Khordha addressed to PD DRDA, Khordha wef. From Dt. 25.2.17. so it was necessary to revise the estimate accordingly as per new cement rate. But the same was not done so the excess amount paid as calculated below.</p> <p>Cement bags used- 461,</p> <p>So the excess payment made =$461 \times (673-651) / 2 = 5071/-$</p> <p>So the excess paid amount of rupees 5071/ - need recovery.</p> <p>Inresponse to POM the local Authority recovered Rs 5071.00 from sri P.K Baliarsingh, contractor vide vr no 557/dt10.10.18. The same was credited in the Accountant cash book page No-134. Hence the para is dropped.</p>
<p>15.9 - Excess payment towards payment of cement.OSP-53</p>
<p>Name of the Work:-Impv. Repaire of road & drain from aurobindo mohanty house.</p> <p>Estimated Cost:-Rs.5,67,000/-</p> <p>Junior Engineer:-Sudhakar Dash</p> <p>Municipal Eng.:- Dusmanta Mahanta</p> <p>MB No.-232 Page-1 to 9</p> <p>Voucher No-1102/27.2.2018</p> <p>On checking of the concerned case record it was noticed that estimate was prepared on 9.2.17.17 & Tender was called vide e-procurement notice no 636/8.3.17 as per estimate the rate provided for cement was Rs.673/- for Qtl. But before tender was flotted the cost of cement was fixed as Rs.651/- per qtl as per letter no 602/27.2.2017 of Executive Enigeneer (R&B) Khordha addressed to PD Drda Khordha wef. From Dt. 25.2.17. so it was necessary to revise the estimate accordingly as per new cement rate. But the same was not done so the excess amount paid as calculated below.</p> <p>Cement bags used- 639,</p> <p>So the excess payment made =$461 \times (673-651) / 2 = 7029/-$</p> <p>So the excess paid amount of rupees 7029/ - need recovery.</p> <p>In response to POM the LLocal Authority recovered the above mentioned amount from Sri Bijay Jena, Vide voucher No. 570/10.10.2018. The same was credited in the Accountant cash book page No-137. Hence the para is dropped.</p>

15.10 - less recovery towards cement EGB POM-40

On scrutiny of the following work Bills w.r.t.case records and MBs ,it is noticed that the cost of empty Cement Gunny Bag @3/- were deducted from the Bill and the same were deposited in Municipal Fund.As per scheduled of rates ,2014 onwards the cost of E.G.B. is Rs.3.80 per bag.Due to less realization of Rs.0.80 (Rs.3.80-Rs.3.00) the Municipality sustained loss .The details of which is given below.

Sl No	Name of the Work	Estimated Cost	Vr No/Date	Executants	EGB used	EGB cost due	EGB Collected	Less collection
1	Repair of Jatni Municipality Council Hall	9,42,800/-	317/22.07.2017	Nilakantha Behera	63	240	189	51
2	C.C.road with drain at Nati Mangala Lane.	2,57,000/-	605/21.10.2017	Rabindra Ku.Routray	301	1144	903	241
3	Repair of Toilet Room	80,000/-	1063/16.02.2018	Nihar Ranjan Routray	14	53	42	11
4	Constn of road at ward no 8	800000/-	344/18-8-17	Satrughna Majhi	687	2611	2061	550
							Total	Rs 853

The Local Authority is requested to recover the above mentioned lessed collected amount of Rs.853/- and compliance reported to Audit.In response To POM the local authority recovered the amount from concerned contacters. The details are given below.

Sl no	Executant	Vrno/date	Amount
1	Nilakantha Behera	574/10.10.18	51.00
2	Rabindra Ku Routray	575/10.10.18	241.00
3	Nihar Ranjan Routray	576/10.10.18	11.00
4	Satrughna Majhi	572/10.10.18	550.00

The same was credited in the Accountant cash book page No-138 139. Hence the para is dropped.

15.11 - less recovery towards cement EGB POM-37

On scrutiny of the following work Bills w.r.t.case records and MBs ,it is noticed that the cost of empty Cement Gunny Bag @3/- were deducted from the Bill and the same were deposited in Municipal Fund.As per scheduled of rates ,2014 onwards the cost of E.G.B. is Rs.3.80 per bag.Due to less realization of Rs.0.80 (Rs.3.80-Rs.3.00) the Municipality sustained loss .The details of which is given below.

Sl.No.	Name of the Work	E.C.	Vr.No./Date	Executant	Qty.of Cement Utilised in Bags	Cost of EGB due In Rs.	Cost of EGB realised	Less Collection
1	C.C.Road from Bhalu Samal House W.No.-19	6,00,000/-	814/5.12.2017	Satya Ranjan Behera	601	2283	1803	480
2	Drain from Mangaraj house to Bapi Jena	4,00,000/-	961/8.1.2018	Surya Narayan Mohapatra	378	1436	1134	302

	house							
3	Repairing of road from Bipin Paikaray House to Jayakrushna House	6,00,000/-	329/28.7.2017	Goutam Patnaik	650	2470	1950	520
4	Road from Gobinda Behera house to Jayakrushna House	5,00,000/-	1005/30.1.2018	Goutam Patnaik	592	2250	1776	474
5	Drain from Abhaya Dalei house W.No.-22	4,00,000/-	1049/15.2.2018	Surendra Behera	354	1345	1062	283
6	Improvement of Community Centre W.No.-23	2,50,000/-	1178/23.3.2018	Surendra Behera	106	403	318	85
7	C.C.road and drain at Kudiary Bhoi Sahi	9,96,000/-	128/10.05.2017	Surendra Behera	1429	5430	4287	1143
8	Road from Sazid house to Ashok house W.No.-22	4,00,000/-	1112/27.2.2018	Bijay Ku.Sethi	409	1554	1227	327
9	Drain from Chatrubedi house W.No.-9	8,00,000/-	485/16.9.2017	Bijay Ku.Sethi	711	2702	2133	569
10	C.C.road from Ashram to Bapi pal house W.No.-11	2,10,000/-	921/4.1.2018	Bijay Ku.Sethi	901	711	190	521
11	Road from Shanti Ashram to end of Banamali Colony W.No.-11	7,20,000/-	588/11.10.2017	Sushant Ku.Sethi	825	3135	2475	660
12	Construction of Balance work of road at W.No.-8	4,00,000/-	423/1.9.2017	Pradip Ku.Baral	399	1516	1197	319
13	Drain from Nagalia house to BB Dash house W.No.-8	2,75,000/-	448/1.9.2017	Pradip Ku.Baral	246	935	738	197
14	Road from Behera Babu house to Bibhuti house	6,00,000/-	951/8.1.2018	Pradip Ku.Baral	692	2693	2076	617
15	Renovation of Gopbandhu Park	5,00,000/-	1199/29.3.2018	Nagen Samantray	114	433	342	91
16	C.C.road and drain from Bhaskar Swain house W.No.-14	6,00,000/-	956/8.1.2018	Pramod Ku.Baliarsingh	521	1980	1563	417
17	Road from Sai Baba Temple W.No.-15	8,00,000/-	443/1.9.2017	Pramod Ku.Baliarsingh	882	3352	2646	706

18	Road from Sidha Chikistalaya to Prafulla Patnaik W.No.-10	2,00,000/-	931/4.1.2018	Pramod Ku.Baliarsingh	226	859	678	181
19	Road from Ratani house to Dilu house W.No.-6	6,00,000/-	1087/26.2.2018	Bibhudatta Pradhan	501	1904	1503	401
20	Road from Buna Patnaik house to Bulu House W.No.-6	5,00,000/-	977/9.1.2018	Bibhudatta Pradhan	532	2022	1596	426
21	Drain from Bhabani Temple to Ramdas Hosue W.No.-14	9,98,000/-	313/22.07.2017	Bijay Ku.Jena	901	3424	2703	721
22	Road from Anu Sethi house W.No.-13	6,00,000/-	1092/27.2.2018	Bijay Ku.Jena	567	2155	1701	454
23	Road from M.Rao house W.No.-5	2,50,000/-	100/27.4.2017	Haramohan Rout	283	1075	849	226
24	Road from Manas Sahoo house W.No.-3	8,00,000/-	344/18.8.2017	Satrughan Majhi	31	118	93	25
25	Improvement of road at W.No.-5	5,00,000/-	1204/29.3.2018	Satrughan Majhi	517	1965	1551	414

In response To POM the local authority recovered the amount from concerned contarcters.The details are given below.Hence the para is dropped..

Sno	Executant	Vr no/dt	Amount in Rs	Accountant cash book Page No
1	Satya Ranjan Behera	543/10.10.18	480.00	131
2	SuryaNarayan Mohapatra	544/10.10.18	302.00	132
3	Goutam Patnaik	545/10.10.18	520.00	132
4	Goutam Patnaik	546/10.10.18	474.00	132
5	Surendra Behera	548/10.10.18	283.00	132
6	Surendra Behera	549/10.10.18	85.00	133
7	Surendra Behera	550/10.10.18	1143.00	133
8	Bijay Ku sethi	551/10.10.18	327.00	133
9	Bijay Ku sethi	552/10.10.18	569.00	133
10	Bijay Ku sethi	553/10.10.18	521.00	133
11	Susanta Ku Sethi	556/10.10.18	660.00	134
12	Pradip Ku Baral	558/10.10.18	319.00	134
13	Pradip Ku Baral	559/10.10.18	197.00	135
14	Pradip Ku Baral	560/10.10.18	617.00	135
15	Nagen Samantray	561/10.10.18	91.00	135
16	Pramod Ku Baliarsingh	562/10.10.18	417.00	136
17	Pramod Ku Baliarsingh	563/10.10.18	706.00	136
18	Pramod ku Baliarsingh	564/10.10.18	181.00	136
19	Bibhudata Pradhan	566/10.10.18	401.00	136
20	Bibhudata Pradhan	567/10.10.18	426.00	137
21	Bijay Ku Lenka	568/10.10.18	721.00	137
22	Bijay Ku Lenka	569/10.10.18	454.00	137
23	Harmohan Rout	571/10.10.18	226.00	137
24	Satrughna Majhi	572/10.10.18	25.00	138
25	Satrughna Majhi	573/10.10.18	414.00	138

15.12 -
15.13 -

PARA: 16 AUDIT ON UNITS / DEPARTMENT

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PARA: 17 AUDIT ON SCHEMES / PROGRAMMES

17.1 - Procurement of Goods/ without following due process of Tender
<p>Para 17.1.1-Scope</p> <p>The purchase/procurement file of the ULB for yhe last three years i.e 2015-16,2016-17,2017-18 were examined along with tender files.</p> <p>Para17.1.2-Objective.</p> <p>The objective of this thematic Audit is to examine whether due tender procedure havebeen followed for procurement of high value goods/equipment.Cases of irregular purchases without following due procedure laid down in OGFR and relevant Rules are to be identified and reported.</p> <p>Para17.1.3 Criteria.</p> <p>The criteria to be followed while examing the records are as follows</p> <ul style="list-style-type: none"> (i) TheOdisha Municipal Corporation Act,2003(section 277to 279) (ii) TheOdisha MunicipalRules,1953(Rules352 to 364) (iii) Rules53,96,97 and 98 ofOGFR,Vol-1 on purchase of stores. (iv) Finance Department Guidelines for procurement ofGoods vide O.M No4939/Fdtd 13.02.12 <p>Para 17.1.4-Audit findings.</p> <p>While examining procurement files the following irregularities are found</p> <ul style="list-style-type: none"> (i) Itis noticed that Rs 3399452.00was paid to Techmech Industries vide voucher no 499/dt 22.09.2015 towards purchase of electrical goods. <ul style="list-style-type: none"> But it is found that no fresh tender was called for the above mentioned purchase.The purchase was made on the basis of previous year tender no 252/dt 12.02.2014. This procedure of procurement is irregular as it doesnot encourage /ensure transparency.The purchase was not in accordance with Rule 53 of OGFR Vol-1. A POM was issued to the local Authority to clarify about such irregularity(OSP-60).But the local authority did not reply the memo. (ii) The purchase file related to following purchase were not produced before the Audit.

Sino	Vrno/date	Name of the goods	Agency	Amount in Rs
1	372/4.8.17	Air conditioner	Raj electronics	361650.00
2	1/5.4.17	Electrical goods	Techmech Industries	613520.00
3	50/11.4.17	Electrical goods	Techmech Industries	776064.00
4	610/13.10.17	Air conditioner	Raj electronics	119823.00
5				

a pom (OSP-61) was issued for production of above mentioned purchase files .But the local authority did not produce the same before the audit.So the concerned files could not

be verified.

Para 17.1.5 suggestion.

The local Authority is requested to float fresh tender for new purchase and no purchase should be made on the basis of tender floated in the previous year

which violates Rule 53 of OGFR Vol-1.

17.2 -

Information on physical & financial achievement relating to different schemes such as CC Road, TFC, MPLAD, MLALAD, SJSRY, Road Development etc. were asked through POM page no.35 for necessary check & verification. But the local authority did not return the POM . So Financial achievement has been furnished below physical achievement could not furnished due to above reason.

Financial achievements of schemes during the year 2017-18

Sl no	Name of the scheme	OB as on 01.4.17	Received during the year 2017-18	Total available fund	Expenditure during the period 2017-18	C.B as on 31.3.18
1	Road Dev grant	9256677.00	0.00	9256677.00	6376497.00	2880180.00
2	Road Maintainance(N)	964848.00	0.00	964848.00	1566317.00	-601469.00
3	Road and Bridges(Hardcase)	7630524.00	0.00	7630524.00	0.00	7630524.00
4	Roads and Bridges (General)	10430562.00	3032000.00	13462562.00	899371.00	12563191.00
5	SJSRY	-2783696.50	0.00	-2783696.50	0.00	-2783696.50
6	MPLAD/MLALAD	231226.00	0.00	231226.00	0.00	231226.00
7	Nonresidential Building	1634185.00	474000.00	2108185.00	464719.00	1643466.00
8	Boundry wall	500000.00	0.00	500000.00	0.00	500000.00
9	Public toilet	306000.00	0.00	306000.00	0.00	306000.00
10	Accounts reform	80000.00	0.00	80000.00	0.00	80000.00
11	Census operation	562160.00	0.00	562160.00	0.00	562160.00
12	Entry tax	46000.00	0.00	46000.00	0.00	46000.00
13	Octri compensation	4531221.00	45756000.00	50287221.00	41093755.00	9193466.00
14	Incentive	3958545.00	0.00	3958545.00	0.00	3958545.00

15	OP/ODP/MBPY	8598495.00	14617000.00	23215495.00	13218400.00	9997095.00
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	10th Fc	2553405.00	0.00	2553405.00	0.00	2553405.00
19	Election	799805.00	341450.00	1141255.00	502250.00	639005.00
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 Busstop	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	11th 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	IHSDP	4659396.00	0.00	4659396.00	3398360.00	1261036.00
30	UBS	411000.00	0.00	411000.00	0.00	411000.00
31	Dev of Park and greenery	7290000.00	0.00	7290000.00	499433.00	6790567.00
32	Local festival grant	350000.00	0.00	350000.00	0.00	350000.00
33	Matching contribution	104000.00	0.00	104000.00	0.00	104000.00
34	Water Bodies	2545607.00	0.00	2545607.00	0.00	2545607.00
35	Various Dev grants	812000.00	0.00	812000.00	0.00	812000.00
36	MV Tax	12901270.00	4501000.00	17402270.00	5866696.00	11535574.00
37	Street light maintainance	-297274.00	0.00	-297274.00	0.00	-297274.00
38	Slum house survey	23085.00	0.00	23085.00	0.00	23085.00
39	13th FC(Incl SWM)	12894481.00	0.00	12894481.00	647822.00	12246659.00
40	Devolution of fund	29150129.00	15308000.00	44458129.00	2505377.00	41952752.00
41	Devolution of fund of capital nature	4299166.00	0.00	4299166.00	0.00	4299166.00
42	OULM	0.00	0.00	0.00	76800.00	-76800.00
43	Construction of cc Road	2433831.00	0.00	2433831.00	0.00	2433831.00
44	Incentive for Urban Services	149000.00	0.00	149000.00	0.00	149000.00
45	Harichandra sahayata Yojona	-7000.00	0.00	-7000.00	0.00	-7000.00
46	Capacity Dev(salary of cont mis	278540.00	0.00	278540.00	0.00	278540.00
47	Manual scavenger grant	15000.00	0.00	15000.00	0.00	15000.00
48	Arrear Pension	13196780.00	21128000.00	34324780.00	16043587.00	18281193.00
49	Non lfs person	1000000.00	0.00	1000000.00	0.00	1000000.00
50	14 th FC	25322286.00	24049000.00	49371286.00	35503855.00	13867431.00
51	Honararium	48945.00	77250.00	126195.00	55650.00	70545.00
52	Capital Asset	3840000.00	1898000.00	5738000.00	0.00	5738000.00
53	Maintainance of capital Asset	1830000.00	906000.00	2736000.00	0.00	2736000.00
54	Performance grant	1774000.00	0.00	1774000.00	0.00	1774000.00
55	ROB	9629931.00	0.00	9629931.00	10000000.00	-370069.00

56SBM	7734912.00	484650.00	8219562.00	1309311.00	6910251.00
Total	191321481.50	132572350.00	323893831.50	140028200.00	183865631.50

It is seen from the above mentioned table that, huge amount of grants remained unutilised till the end of the year. The percentage of expenditure is very low(43.23%). Hence, effective steps need be taken to utilise the balance fund or refund the same to proper quarter and compliance reported.

PARA: 18 MISCELLANEOUS

18.1 - Miscellaneous

a) Non production of records

The following records, registers & particulars were not produced to audit inspite of issue of POM on this score.

1. DCB of hoarding, service tax, tower license fees, trading license fess U/S 290,town hall along with connected records & registers.
2. The details of reassessed holding taxes in the following format along with connected files.

Holding No	Existing taxes	Reassessed taxes	Difference	Details of collection

3. Details of break –up of holdings:-

The details of break –up of holding in the following format may be produced to audit for verification.

Total no. of Holdings	Residential Holdings	Commercial holdings	If commercial
		On rent for residential	On rent for commercial

4.The records& files relating to assessment of new holdings may be produced to audit for verification.

5.The demand, collection & balance position regarding collection of ground rent & holding tax from CESCO along with connected file .

6.The records/file relating to auction sale/lease of Municipal sairats . In response to the issued pom no reply was furnished by the Local Authority. The POM issued(OSP-1,27,36,61) on the above score was not returned by the localauthority till close of audit. The aforesaid records may be produced to next audit for verification & compliance reported.

18.2 - Non production of grievance register.OSP-11

A POM was issued asking for production of grievance register before audit.But the local authority did not reply the memo.The local authority is advised to maintain the grievance register and produce to the next audit.

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

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

Rule-6of Odisha Treasury code Volume-I read with Rule-4 of Odisha General Financial Rules stipulates that all money received/ realized. 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 2016-17 is furnished below:

Particulars	Royalty	VAT	L.cess	PT	IT	Service tax
Dues out standing	504239.00	227639.00	450043.00	225000.00	30192.00	16035.00
Amount collected during 2017-18	919682.00	135871.00	354736.00	109450.00	354736.00	0.00
Total	1423921.00	363510.00	804779.00	334450.00	384928.00	16035.00
Amount remitted during 2017-18	919682.00	135871.00	354736.00	15308.00	354736.00	0.00
Balance as on 31.03.2018	504239.00	227639.00	450043.00	319142.00	30192.00	16035.00

So the total outstanding balance as on dt 31.03.2018 comes to Rs 1547290.00.The local authority is requested to deposit the same at the earliest.

19.2 - Non production of loan registerOSP-61

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 - Non production of deposit registerosp-61

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 thelocal authority deviating the above mentioned Rules in spite of repeated objection & suggestions by audit. As such, the position of outstanding deposits as on dt 31.03.2018 could not be ascertained. However, the outstanding deposits as on 31.03.2018is worked out basing on the balance amount to be refunded as per previous Audit Report for the year 2016-17.Hence, the local authority is once again advised to maintain the Deposit Ledger & Outstanding Deposits in the prescribed Forms for transparency of the transactions.

Name of the deposit	Outstanding as on 1.04.2017	Deposit during the period 2017-18	Total	Refunded during the year2017-18	Balance outstanding as on 31.03.2018	Remarks
Sd/EMD	2197945.00	2489638.00	4687583.00	1550000.00	3137583.00	

19.4 -

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 01.04.2016 is worked out basing on the outstanding amount as per previous Audit Report for the year 2015-16

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.

Particulars	Position of CPF account	Position of EPF account	Position of NPS account
O.B. as on 1.4.18	85591.00	1209272.00	462079.00
Amount deducted from the salary during 2016-17	569518.00	1019681.00	581022.00
Total	6555109.00	2228953.00	1043101.00
Amount deposited during 2016-17	419571.00	0.00	492870.00
Balance to be deposited as on 31.3.17	235538.00	2228953.00	550231.00

PARA: 20 RESULT OF AUDIT AND CONCLUSION

As a result of this Audit transactions involving a sum of Rs 35994098.41 are held under objection which include an amount of Rs 1684408.00 suggested for recovery. Besides, a sum of Rs 977362 was recovered at the instance of audit. The details are furnished in the following tables.

Result Of Audit

SI No	Paragraph No.	Amount suggested for recovery(In Rs:)	Amount kept under objection including amount suggested for recovery (In Rs:)	Amount Surchargeable(In Rs:)	Amount Embezzlement(In Rs:)	Amount Othercases(In Rs:)	Remarks
1	5.1	0.00	9113611.41	0.00	0.00	0.00	
2	8.1	284300.00	284300.00	284300.00	0.00	0.00	
3	9.1	0.00	21160968.00	0.00	0.00	0.00	
4	13.2	46793.00	46793.00	46793.00	0.00	0.00	
5	13.3	0.00	364883.00	0.00	0.00	0.00	
6	14.1	0.00	457300.00	0.00	0.00	0.00	
7	14.2	0.00	550600.00	0.00	0.00	0.00	
8	14.3	133190.00	133190.00	133190.00	0.00	0.00	
9	14.5	0.00	775963.00	0.00	0.00	0.00	
10	14.6	0.00	15308.00	0.00	0.00	0.00	
11	14.7	974425.00	974425.00	974425.00	0.00	0.00	
12	14.8	195052.00	195052.00	195052.00	0.00	0.00	
13	14.9	0.00	481473.00	0.00	0.00	0.00	
14	14.10	0.00	1389584.00	0.00	0.00	0.00	
15	15.1	10653.00	10653.00	10653.00	0.00	0.00	
16	15.2	19995.00	19995.00	19995.00	0.00	0.00	
17	15.3	20000.00	20000.00	20000.00	0.00	0.00	
Total		1684408.00	35994098.41	1684408.00	0.00	0.00	

Spot Recovery

SI No	Ref to Para No/Audit Objection Statement Page No	M.R.No	Date	Amount(In Rs:)	Name of the person
1	11.5	9649	2018-12-10	2000	Jay Krushna Das
2	11.2	8890	2018-09-11	2889	Mamata Mayee Mishra
3	14.4	617	2018-10-21	909416	Surendra Bark
4	15.4	554	2018-10-10	4895	B.K.Sethi
5	15.5	565	2018-10-10	6974	P.K Baliar Singh
6	15.6	547	2018-10-10	4917	Goutam Pattanak
7	15.7	555	2018-10-10	10626	P.K Baliar Singh
8	15.8	557	2018-10-10	5071	P.K.Baliar Singh
9	15.9	570	2018-10-10	7029	Bijay Jena
10	15.10	574, 575, 576, 572	2018-10-10	853	Nilakantha Behera & Others
11	15.11	543 to 23 others	2018-10-10	10559	Satya Ranjan Behera & Others
12	11.3	9698	2019-01-10	3183	Sri Bharati Bhusan Mishra
13	11.4	9649	2018-12-10	600	Jay Krushna Das
14	11.1	8889	2018-09-11	7350	Mamata Mayee Mishra
15	11.6	9695	2019-01-09	1000	Rohinikanta Mardaraj
Total				977362	

Audit Certificate

Cetrified that the accounts of Jatni Municipality for the financial year 2017-2018 have been covered under audit and found correct subject to the comments / remarks offered in the foregoing paragraphs .

Audit Officer
Local Fund Audit,BHUBANESWAR