

**LOCAL FUND AUDIT, BOLANGIR, ODISHA**

CATEGORY : N A C,General

Audit Report No : 102797/AR/2015-2016-BOLANGIR

**PARA: 1 TITLE SHEET**

1	Name of the Institution :	<b>Patnagarh N A C</b>
2	Year of Accounts under Audit :	<b>2014-2015</b>
3	Name of the Local Authority during the year of A/Cs :	SRI KULAMANI KHATUA, EXECUTIVE OFFICER
	Name of the Local Authority at the time of Audit :	SRI KULAMANI KHATUA, EXECUTIVE OFFICER
4	Duration of Audit :	15-05-2015 To 25-07-2015 (Mandays Consumed :- 19)
5	Name of the Auditors :	SANDEEP PAIRA - Lead Auditor(15-05-2015 to 25-07-2015) MUKESH KUMAR SAHU - Auditor(15-05-2015 to 25-07-2015)
6	Name of the Reviewing Officer :	CHANDRA SEKHAR MOHAPATRA(Audit Superintendent)
7	Date of submission of report by Reviewing officer :	11-09-2015
8	Entry Conference Date :	15-05-2015
9	Exit Conference Date :	09-12-2015
10	Name of the District Audit Officer :	DILLIP KUMAR CHHATRIA
11	Date of approval of report by District Audit Officer :	22-12-2015

**PARA: 2 PHYSICAL VERIFICATION**

S/no	Name	Value	Remarks
1	HOLDING TAX RECEIPT BOOKS	16-05-2015 Before Transaction	NIL

**Comments**

The details of result of physical verification conducted on 16.05.2015 before transaction is as below-

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
HOLDING TAX	16.05.2015 after Transaction	22	22	Stock register of receipt book page- 03	-
RECEIPT BOOKS WORTH RS. 3	16.05.2015 after Transaction	4	4	Stock register of receipt book page- 60	-
RECEIPT BOOKS WORTH RS. 5	16.05.2015 after Transaction	15	15	Stock register of receipt book page- 84	-
CATTLE MARKET	16.05.2015 after Transaction	55	55	Stock register of receipt book page- 31	-
MISC. RECEIPT BOOKS	16.05.2015 after Transaction	20	20	Stock register of receipt book page- 07	-
LIQUID CASH	16.05.2015 after Transaction	NIL	NIL		-
POSTAGE STAMP	16.05.2015 after Transaction	60	60	Stamp Account Register book page - 12	-

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

Sino	List Records/Register
1	Measurement Book
2	Stock & Store Register of Municipality
3	Register of Works
4	Miscellaneous Supply Bill
5	Contract Certificate
6	Contract Agreement Form
7	Nominal Muster Roll (NMR)
8	Tax collector's Ledger
9	Stock account of Receipt Forms
10	Tax collector's daily collection register
11	Tax Receipt Form
12	Demand and Collection Register
13	Tax Ledger (personal A/C of Tax Payers)
14	Stock Register of Stationery
15	Stamp Account
16	Stock account of Tickets used for daily collection of Market fees
17	Daily Collection Register
18	Register of Rents for which there is fixed demand
19	Miscellaneous Receipts
20	Stock account of License Number Plates
21	License for Carriages, Carts, Horses Other and animals
22	Register of the Tax on Carriages, Carts, Horses and Other animals
23	Register of Quarterly & Annual account of Expenditure
24	Register of Quarterly & Annual account of Receipt
25	Register of Outstanding Advances
26	Advance Ledger
27	Register of adjustments
28	Abstract Register of Expenditure
29	Abstract Register of Receipts
30	Absentee Statement
31	Salary Bills
32	Register of Bills
33	Challan
34	Subsidiary Cash Book
35	Cashier's Cash Book

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

Sino	List Records/Register
1	Register of Grants
2	Annual Account of Receipts and Expenditure
3	Cash Book of the municipality

**C : List of Records/Registers not Maintained**

Sino	List Records/Register
1	Register of Estimates & Allotments
2	Register of Distrainted property & sales
3	Warrant register
4	Form of inventory & Notice
5	Distraint Warrant Register
6	Notice of demand for tax u/s-161 of OM Act
7	Progress statement of collection of taxes
8	Register of writes off of demands
9	Arrear Demand Register
10	Mutation Register
11	Register of Petitions
12	Form of appeal petition
13	Assessment List
14	Register of Interest Bearing Securities
15	Arrear List
16	Ledger of Lessees
17	Jamabandi Register

18	Register of Lands
19	License Register for Drivers and Owners of Carriages plying for hire
20	Application for License for Carriage, Cart, Horses and Other animals
21	Appropriation Register of Loan Funds
22	Loan Register
23	Register of Investments
24	Establishment Audit Register
25	Register of outstanding deposits
26	Deposit Ledger
27	Voucher of Recoupment of Permanent Advance Account
28	Permanent Advance Account
29	Periodical Increment Certificate
30	Order Book
31	Subsidiary account of special taxes
32	Schedule for the Budget Estimate
33	Abstract of the Budget Estimate
34	Budget Estimate

**Comments**

Rule-70 of Odisha Municipal Rules 1953 envisages the list of forms , records and registers relating to Municipal Account which shall be maintained in proper form and shall be kept by the local authority. But during the course of audit it was revealed that some important records and registers as furnished above were not made available to audit and consequently the audit was put into illusion to assess the financial implication of such records w.r.t. Municipal Account. Moreover, on being asked as regards the maintenance of such document the local authority did not pay any heed for which it is clear that the said records/registers are not being maintained by the dealing assistants of concerned section.

The E.O. being the head of office is held responsible because of having not taken any initiative to get those prescribed records maintained.

**PARA: 4 FINANCIAL POSITION**

Patnagarh N A C - 2014-2015

S/no	Name of the Cash Book	OB as on Date	Opening Balance(In Rs:)	Receipt during the Year under Audit(In Rs:)	Total(In Rs:)	Expenditure during the Year under Audit(In Rs:)	Closing Balance as per Audit (DD MM YYYY)	Closing Balance(In Rs:)(AUDIT)	Closing Balance as per (DD MM YYYY) Cash Book	Closing Balance(In Rs:)(CASH BOOK)	Difference (In Rs:)	Remarks
1	ACCOUNTANT CASH BOOK	01-04-2014	6987719 6.28	64032153. 10	13390934 9.38	78455117. 00	31-03-2015	5545423 2.38	31-03-2015	0.00	55454232. 38	
	<b>GRAND TOTAL</b>		<b>6987719 6.28</b>	<b>64032153. 10</b>	<b>13390934 9.38</b>	<b>78455117. 00</b>		<b>5545423 2.38</b>		<b>0.00</b>	<b>55454232. 38</b>	

**Comments**

The details of Receipt Expenditure for the year 2014-15 has been furnished below-

Receipt for the year 2014-15

Sl. No.	Head of receipt	2013-14	2014-15
1	2	3	4
I	Taxes		
1	Holding Tax	1,89,156.17	1,42,505.58
2	Lighting tax	1,86,102.63	1,43,041.43
3	Tax on cart & Carriages	34,000.00	4,282.00
4	Water Tax	1,72,689.54	1,21,268.82
	<b>T o t a l :</b>	<b>5,81,948.34</b>	<b>4,11,097.83</b>
II	Licence & Other fees		
1	Building plan approved fees	1,56,287.00	2,74,033.00
2	Licence U/S 290	8,340.00	4,506.00
3	Parking fees	60,500.00	62,090.00
4	Birth & Death Certificate	12,200.00	27,800.00
5	Slougher house fees		1,620.00
6	User fees	33,440.00	13,950.00
7	Cycle licence/Stand	50,000.00	78,170.36
8	Water connection fees	67,800.00	9,800.00
9	Tower fees		3,000.00
10	Marriage certificate	6,000.00	1,020.00
	<b>T o t a l :</b>	<b>3,94,567.00</b>	<b>4,75,989.36</b>
III	Revenue derived from council property		
1	Rent on land & Building	11,67,700.00	8,84,540.00
2	Daily market	1,50,585.00	-
3	Weekly market	63,959.00	73,880.00
4	Cattle market	3,59,127.00	3,64,017.00
5	Sulabha Souchalaya	44,000.00	40,588.00
6	Lease of Tank	1,22,828.00	42,680.00
7	Water tanker	6,800.00	90,500.00
8	Rent and stall	-	2,72,765.00
9	Rent on Kalyan mandap	20,500.00	20,900.00
10	RTI Fees	680.00	3,864.00

11	NOC	14,400.00	2,800.00
	T o t a l :	19,50,579.00	17,96,534.00
IV	Govt. Grants & Contribution		
1	Incentive grant	12,37,000.00	
2	Octroi compensation grant	1,96,26,766.00	2,40,93,000.00
3	WODC	-	13,97,500.00
4	MLALAD	10,21,978.00	14,00,000.00
5	MPLAD	9,00,000.00	2,00,000.00
6	Road Development	21,20,000.00	10,32,000.00
7	SGSRY	50,000.00	-
8	OAP/ODP/NOAP	24,71,004.00	68,08,500.00
9	NFBS	2,20,000.00	40,000.00
10	TFC GRANTS	-	35,99,000.00
11	SOLID WASTE MANAGEMENT	-	4,89,083.00
12	Non-residential building	10,00,000.00	4,00,000.00
13	BRGF	44,00,000.00	49,28,000.00
14	Accounting Reform	-	1,21,500.00
15	Protection and conservation of water bodies	-	-
16	Road & Bridges	62,68,000.00	-
17	Motor vehicle tax	-	12,81,000.00
18	Development of park greenery	-	-
19	C.C.Road	25,30,000.00	-
20	FESTIVAL GRANT		50,000.00
21	DEVOLUTION FUND		34,59,000.00
22	Debas	6,11,600.00	-
23	Constrn.of Kalyan Mandap	30,02,000.00	-
24	Street light	12,00,000.00	-
25	Pension Grant		1,70,000.00
26	IHSDP	1,53,02,000.00	-
	T o t a l :	6,19,60,348.00	4,94,68,583.00
V	Miscellaneous		
1	Misc. receipt	676.89	77,858.91
2	Withheld amount	38,110.00	-
3	EGB	27,458.00	50,200.00
4	Bank interest	19,36,778.00	19,59,867.00
5	Cost of Tender paper	3,56,311.00	3,09,880.00
6	Cess pool	-	43,450.00
7	Guda Tax	-	75,200.00
8	Cost of Electrol roll	120.00	-
9	RTI	580.00	-
	T o t a l :	23,60,033.89	25,16,455.91
VI	Extra ordinary debt.		
1	Personal loan of Staff	30,500.00	10,400.00
2	L.I.C. of staff	4,03,465.00	5,01,916.00
3	C.P.F. of staff	7,61,400.00	9,89,500.00
4	Professional Tax	51,775.00	55,475.00
5	Income Tax	80,410.00	2,22,247.00
6	Royalty	1,25,958.00	4,10,682.00
7	Security deposit	13,20,454.00	12,70,268.00
8	VAT	3,04,300.00	6,75,518.00
	TDS deposite	-	57,817.00

9	Audit Recovery	17,832.00	79,822.00
10	Pension contribution	77,294.00	5,09,679.00
11	Labour cess	93,783.00	1,46,936.00
12	Advance adjustment	17,58,375.00	10,69,774.00
13	Refund of OAP/ODP	1,30,600.00	78,600.00
14	PDS	19,54,984.00	32,84,859.00
15	SUDA	-	
16	USP Subsidy	-	
	T o t a l :	71,11,130.00	93,63,493.00
	Grand Total :	7,43,58,606.23	6,40,32,153.10

Expenditure for the year 2014-15

Sl.No.	Head of receipt	2013-14	2014-15
I	OFFICE ESTABLISHMENT		
1	Salary	37,03,147.00	36,56,560.00
2	Arrear pay	-	18,33,759.00
3	pension	8,42,755.00	13,42,923.00
4	TA	57,547.00	98,242.00
5	Allowance to chair man & Vice Chairman	-	19,620.00
	TOTAL	46,03,449.00	69,51,104.00
II	COLLECTION ESTT		
1	pay & DA of collection staff	5,82,266.00	5,01,132.00
2	pay & DA Of octroi staff	36,23,387.00	49,70,748.00
3	DLR/NMR/WORK CHARGED	6,55,922.00	8,08,051.00
	TOTAL	48,61,575.00	62,79,931.00
III	LIGHT ESTABLISHMENT		
1	Pay, DA, HRA	1,77,753.00	2,48,316.00
	TOTAL	1,77,753.00	2,48,316.00
IV	P.H.&SANITATION		
1	Pay, DA, HRA	16,97,748.00	21,50,409.00
2	Pension		-
3	sanitary materials	2,48,673.00	23,52,890.00
4	Drainage		7,23,512.00
5	sanitation	26,05,652.00	55,84,986.00
	TOTAL	45,52,073.00	1,08,11,797.00
VI	PUBLIC WORK		
1	Remuneration to engg staff	1,74,059.00	2,23,200.00
2	WODC	10,85,227.00	4,69,086.00
3	MLALAD	12,78,499.00	12,92,585.00
4	MPLAD	18,29,692.00	8,18,914.00
5	Road maintainance	-	1,09,957.00
6	Road development	41,64,822.00	5,24,849.00
7	CC Road	-	53,49,230.00
8	SJSRY	-	3,36,110.00
9	repair of bathing ghat	-	33,131.00
10	non res bldg	2,35,616.00	2,10,910.00
11	BRGF	1,67,416.00	4,58,669.00
12	Boundary wall for conservation of govt land	2,71,767.00	4,00,227.00
13	13th FC	21,66,809.00	52,52,094.00
14	road & bridges	10,89,003.00	-

15	Park & greenary	1,35,538.00	8,23,413.00
16	building original		-
17	cross bondh		93,300.00
18	IHSDP	1,82,10,000.00	81,75,451.00
19	Street light&Electrification	60,13,280.00	77,65,170.00
20	Octroi Grant	7,31,185.00	7,21,075.00
21	Kalyan mandap	23,403.00	90,545.00
22	Own Sources		8,24,393.00
23	OAP/ODP/NOAP/MBPY	39,96,040.00	87,06,000.00
24	NFBS	50,88,900.00	1,00,000.00
	TOTAL	4,66,61,256.00	4,27,78,309.00
	MISCELLANEOUS		
1	MISCELLANEOUS	21,600.00	6,02,887.00
2	Fair & fastival	9,000.00	10,000.00
3	Electricity bill	33,207.00	4,00,000.00
4	telephone bill	11,401.00	15,171.00
5	stationary&printing	98,429.00	-
6	census	2,29,350.00	-
7	advertisement	2,74,585.00	3,47,635.00
8	cost of cycle/rickshaw token	22,000.00	24,600.00
9	election	2,12,970.00	50,028.00
10	observation of LSG/Republic day	-	78,535.00
11	pollution control cess	5,220.00	-
12	Hire charges of vehicle	1,21,532.00	1,26,580.00
13	jal chhatra	57,289.00	1,43,346.00
14	law charges	17,392.00	1,13,200.00
15	bank commission	-	-
16	other miscellaneous	-	-
17	Motor vehicle	2,79,032.00	-
18	water tanker	-	1,17,440.00
19	compuer rep/purchase	-	-
20	mv tax	2,63,698.00	42,000.00
21	Bore well	-	-
22	ECB	-	-
23	Donation	69,000.00	55,000.00
24	Contigency	2,41,217.00	6,32,806.00
25	RTI	-	980.00
26	Welcome gate	4,53,660.00	-
27	Cremation	-	-
28	MISCELLANEOUS	4,07,072.00	1,07,408.00
29	badminton pad	-	-
30	Rent & stall	7,64,940.00	-
31	liveries	-	-
32	statue	-	-
33	DEASP	1,43,759.00	-
34	Water tax PHD	1,57,860.00	-
35	PDS	14,69,732.00	31,19,503.00
	TOTAL	53,63,945.00	59,87,119.00
VII	EXTRAORDINARY DEBT		-
1	cold drink project	-	-
2	CPF of staff	-	-



3	TDS	-	9,816.00
4	income tax	89,910.00	1,14,561.00
5	Deposit Royalty	1,63,586.00	6,06,595.00
6	refund of SD/EMD/PSD	1,02,500.00	16,59,557.00
7	Deposit of VAT	3,63,415.00	10,15,991.00
8	Deposit of Cess	1,23,769.00	2,20,581.00
9	Payment for Audit	-	54,000.00
10	pension & contribution	-	-
11	advance payments	22,12,875.00	17,17,440.00
12	LIC	-	-
13	Office Stationary	-	-
14	SWM	1,00,000.00	-
15	Transfer of Funds	600.00	-
	TOTAL	31,56,655.00	53,98,541.00
	GRAND TOTAL	6,86,53,090.00	7,84,55,117.00

Details of Closing Balance -

1. Accountant Cash Book = 55454232.38
2. Subsidiary Cash Book = 0.00

Total = 55454232.38

During audit it is observed that the Accountant Cash book of this NAC was maintained haphazardly. Many receipts such as collection of cost of tender paper etc was not taken in Accountant cash book. Further Balancing of accountant Cash Book had not been worked out monthly or annually. However the Cashiers Cash Book and subsidiary Cash book were maintained. And all expenditures were recorded in a register naming Bill register. On issue of objection statement the local authority supplied an annual receipt expenditure statement which was checked with the available records and the financial statement furnished herewith.

The maintenance of accounts (Cash Book of the Municipality/NAC under Rule-125,129) in this NAC is in deviation from the prescribed rules than observance.

Hence the Local authority is impressed upon to maintain the Cash Books and accounts as prescribed under Rule- 79, 81, 128 A, 108,110,125,129,132,136,140,142, 143,144,145.

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

Patnagarh N A C - 2014-2015

S/no	Name of the Bank	A/C No.	Closing Balance Date As on (dd/mm/yyyy)	Closing Balance in Pass Book(In Rs:) (A)	Closing Balance in Bank Date Cash Book (dd/mm/yyyy)	Closing Balance in Bank as mentioned in Cash Book(In Rs:) (B)	Difference(In Rs:)(A-B)	Remarks
1	SBI,Patnagarh	11263176807	31-03-2015	391337.30	31-03-2015	0.00	391337.30	CRF
2	SBI,Patnagarh	11263176814	31-03-2015	10034.18	31-03-2015	0.00	10034.18	EIEUS
3	SBI,Patnagarh	30675046647	31-03-2015	1173017.00	31-03-2015	0.00	1173017.00	ROAD DEVELOPMENT
4	SBI,Patnagarh	11263177670	31-03-2015	5804.26	31-03-2015	0.00	5804.26	NON LFS PENSION
5	SBI,Patnagarh	11263176803	31-03-2015	787270.78	31-03-2015	0.00	787270.78	MLA LAD
6	SBI,Patnagarh	31839825313	31-03-2015	17070948.00	31-03-2015	0.00	17070948.00	
7	SBI,Patnagarh	30716836494	31-03-2015	3511.00	31-03-2015	0.00	3511.00	LFS PENSION
8	SBI,Patnagarh	11263176825	31-03-2015	10434.90	31-03-2015	0.00	10434.90	S/R ACCOUNT
9	SBI,Patnagarh	31264703831	31-03-2015	6794235.00	31-03-2015	0.00	6794235.00	13TH FC
10	SBI,Patnagarh	30675047266	31-03-2015	892795.00	31-03-2015	0.00	892795.00	SJSRY
11	SBI,Patnagarh	11263178539	31-03-2015	151394.87	31-03-2015	0.00	151394.87	OAP
12	SBI,Patnagarh	34047990818	31-03-2015	38061.00	31-03-2015	0.00	38061.00	OCTROI COMPENSATION
13	UGB, Patnagarh	84002407214	31-03-2015	517864.00	31-03-2015	0.00	517864.00	SWM STATE PLAN
14	UGB, Patnagarh	12008125730	31-03-2015	432093.00	31-03-2015	0.00	432093.00	CRF
15	UGB, Patnagarh	12008132282	31-03-2015	13301.00	31-03-2015	0.00	13301.00	CRF
16	UGB, Patnagarh	12008132816	31-03-2015	2452.00	31-03-2015	0.00	2452.00	12TH FC
17	UGB, Patnagarh	12008132351	31-03-2015	35816.00	31-03-2015	0.00	35816.00	EFC
18	UGB, Patnagarh	12008132486	31-03-2015	480391.00	31-03-2015	0.00	480391.00	SOUCHALAYA
19	UGB, Patnagarh	12008132180	31-03-2015	737649.00	31-03-2015	0.00	737649.00	MP LAD
20	UGB, Patnagarh	12008132408	31-03-2015	6629522.00	31-03-2015	0.00	6629522.00	WODC
21	UGB, Patnagarh	12008127737	31-03-2015	179448.00	31-03-2015	0.00	179448.00	BRGF
22	UGB, Patnagarh	12008132827	31-03-2015	127666.00	31-03-2015	0.00	127666.00	SD ACCOUNT
23	UGB, Patnagarh	12008132362	31-03-2015	27884.00	31-03-2015	0.00	27884.00	OWN SOURCES
24	UGB, Patnagarh	84003229920	31-03-2015	334261.00	31-03-2015	0.00	334261.00	PROTECTION OF WATER BODIES
25	UGB, Patnagarh	84003857693	31-03-2015	806621.00	31-03-2015	0.00	806621.00	BOUNDARY WALL
26	UGB, Patnagarh	84003876740	31-03-2015	1189251.00	31-03-2015	0.00	1189251.00	NON RESIDENTIAL BUILDING
27	UGB, Patnagarh	84004104137	31-03-2015	1049.00	31-03-2015	0.00	1049.00	ROAD AND BRIDGES (NORMAL)
28	UGB, Patnagarh	84004474642	31-03-2015	31694.00	31-03-2015	0.00	31694.00	PARK GREENERY AFORESTATION
29	UGB, Patnagarh	84004686704	31-03-2015	12931.00	31-03-2015	0.00	12931.00	RENT AND STALL
30	UGB, Patnagarh	84005777678	31-03-2015	3711313.00	31-03-2015	0.00	3711313.00	IHSDP
31	UGB, Patnagarh	84007719603	31-03-2015	2685916.00	31-03-2015	0.00	2685916.00	CONSTRUCTION O C C ROAD WITH DRAIN
32	UGB, Patnagarh	12008132135	31-03-2015	20275.10	31-03-2015	0.00	20275.10	SJSRY
33	UGB, Patnagarh	12008132191	31-03-2015	140969.00	31-03-2015	0.00	140969.00	SJSRY
34	UGB, Patnagarh	12008132317	31-03-2015	7510.00	31-03-2015	0.00	7510.00	SJSRY
35	UGB, Patnagarh	12008132373	31-03-2015	0.00	31-03-2015	0.00	0.00	SJSRY
36	P L ACCOUNT	8448 - DEPOSIT OF LOCAL FUND - 102 MUNICIPAL FUND	31-03-2015	2134534.13	31-03-2015	0.00	2134534.13	SUB-TREASURY, PATNAGARH

37	Bank of Baroda	359401000064 92	31-03-2015	307626.00	31-03-2015	0.00	307626.00	DOUBLE ENTRY ACCOUNT SYSTEM
38	Bank of Baroda	359401000064 74	31-03-2015	553265.00	31-03-2015	0.00	553265.00	PDS
39	Bank of Baroda	359401000069 61	31-03-2015	5298871.00	31-03-2015	0.00	5298871.00	IHSDP
40	Panjab National Bank	741500010000 3425	31-03-2015	0.00	31-03-2015	0.00	0.00	ELECTRICAL ACCOUNT
41	Panjab National Bank	741500010001 6890	31-03-2015	0.00	31-03-2015	0.00	0.00	DEVOLUTION OF FUND
42	DCB Bank, Patnagarh	148111000004 53	31-03-2015	4084935.00	31-03-2015	0.00	4084935.00	IHSDP ACCOUNT
43	DCB Bank, Patnagarh	148133000013 42	31-03-2015	640912.00	31-03-2015	0.00	640912.00	MV TAX ACCOUNT
	<b>GRAND TOTAL</b>			<b>58474862.52</b>		<b>0.00</b>	<b>58474862.52</b>	

**Reconciliation**

Closing Balance As per Audit = 55454232.38

Balance As per Pass Book = 58474862.52

Difference = 3020630.14 (Excess in Pass Book)

As the Bank pass book wise balance figure at the end of the every month as well as at the end of the financial year 2014-2015 has not been mentioned in the cash book, so the Bank pass book wise closing balance as per cash book figure could not be furnished. Moreover, because of not furnishing the pass book wise closing balance in the cash book the actual bank pass book wise difference in the closing balance after the end of financial year could not be ascertained without which bank reconciliation would not be possible. However by way of taking the total figure of closing balance furnished in the Accountant Cash Book and total figure of closing balance in individual bank pass book, the aggregate difference in the closing balance as on 31.03.2015 was ascertained as Rs. 3020630.14

Owing to the non working of individual bank account wise position in the cash book as on dt.31.3.2015, the difference of Rs.3020630.14 could not be reconciled in audit.

Hence, the local authority is impressed upon to reflect/mention the pass book wise balance figure after making transaction in the Accountant cash book every month as well as at the end of the financial year so as to ascertain the actual closing balance after transaction and thereafter reconcile the difference in the closing balance between the cash book figure and that of bank pass books figure as furnished above and compliance be reported to audit till then the same difference amount of Rs.3020630.14 is kept under objection.

**PARA: 6 STOCK POSITION**

Patnagarh N A C - 2014-2015

S/no	Material/ Item	Opening Balance	Receipt	Issued	Closing Balance As per Audit	As per stock register	Remarks
1	AAY RICE	177.95	1881.70	1982.65	77.00	77	
2	APL RICE	780	5821	6548.30	52.70	52.70	
3	BPL RICE	231.95	4137.85	4304.00	65.80	65.80	
4	RDP RICE	3.2	62	48.95	16.25	16.25	
5	PLO RICE	9.5	127.50	128.75	8.25	8.25	
6	WHEAT	128.95	2758.55	2871.73	15.77	15.77	
7	AP RICE	12	45.10	43.10	14.00	14	

**Comments**

Rule 106 and Rule 111 to 113 of OGFR (Vol.1) provides the provision for conduct of necessary inventory/physical verification of stores by head of office and record the certificate of verification of store with it's result on the list of inventory or account as the case may be and shortage and damages as well as unserviceable stores be reported to the competent authority to write off the loss.

The EO is impressed upon to physically verify the stock position w.r.t. stock register at least in every six month in token of his having done so, he shall record a certificate and make note of any other facts regarding excess , shortage, unusual depreciation of stores, etc. in order to avoid loss of stock and store.

**PARA: 7 INVESTMENT**

Patnagarh N A C - 2014-2015

S/no	Opening Balance of Investment as on (DD MM YYYY)	Opening Balance(In Rs:)	Amount Encashed during the Year under Audit(In Rs:)	Total(In Rs:)	Amount Invested during the Year under Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Audit	Closing Balance Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Investment Ledger	Closing Balance Investment Ledger(In Rs:)	Difference(In Rs:)	Remarks
	<b>GRAND TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	

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

No investment had been made during the year under audit.

PARA: 8 **ADVANCE**

Patnagarh N A C - 2014-2015

S/no	Advance Outstanding as on (DD MM YYYY)	Cashbook Name	Advance Outstanding (In Rs:)	Advance Paid during the Year under Audit(In Rs:)	Total(In Rs:)	Advance adjusted during the Year under Audit(In Rs:)	Advance Outstanding as per (DD MM YYYY) Audit	Advance Outstanding Audit (In Rs:)	Advance Outstanding as per (DD MM YYYY) Cash Book	Advance Outstanding Cash Book(In Rs:)	Difference (In Rs:)	Remarks
1	01-04-2014	ACCOUNTANT CASH BOOK	4093493.00	1717440.00	5810933.00	1069774.00	31-03-2015	4741159.00	31-03-2015	4741159.00	0.00	
<b>GRAND TOTAL</b>			<b>4093493.00</b>	<b>1717440.00</b>	<b>5810933.00</b>	<b>1069774.00</b>		<b>4741159.00</b>		<b>4741159.00</b>	<b>0.00</b>	

**Comments :**

**Irregular system of advance without maintaining advance ledger & advance register-**

As per the Rules 136 to 140 of O.M Rules, 1953 and instructions of the Finance Deptt., advance granted to any contractor and individuals for departmental and allied purpose were required to be promptly adjusted within one month from the date of advance payment by way of obtaining detailed vouchers and cash recovery if any. Advance Ledger is to be maintained in each ULB recording person wise separate accounts of such advance as the same is to be balanced and signed by the E.O. on quarterly basis. The DDO is responsible for any deviation of the same. But, scrutiny of the advance position revealed that a huge amount of money was advanced to the different employees for different purpose without maintaining the details and appropriate accounts of the same in advance ledger.

Following defects were noticed in this NAC in advance system.

- 1) In all cases advance were shown as final payments instead of showing it as a advance (in red ink).
- 2) Advance figure is not included in details of C.B. in the cash book at the end of each month and year.
- 3) Advance Ledger and Register of outstanding advances are not maintained to monitor the advance system.
- 4) No steps by the DDO being the head of the local body have been taken to regularize the same.
- 5) In absence of details, the possibility of misappropriation of amount cannot be ruled out.

**The details of advance paid and adjusted during the year -2014-15 has been furnished below –**

From the statement it is found that a sum of Rs.17,17,440.00 was advance paid and a sum of Rs.10,69,774.00 adjusted during the year 2014-15. Out of the total advance adjusted a sum of Rs. 9,58,774.00 for the year 2014-15 and Rs.1,11,000.00 relates to the year 2013-2014. As such Rs. 7,58,666.00 are still outstanding as unadjusted advance for the year 2014-2015.

Name & Designation	Vr.No./Date	Purpose	PAID	ADJUSTED	BALANCE
Sri Sudam Meher	528/27.08.14	Festival Adv.	10000	5000	5000
Sri Gunamani Bariha	528/27.08.14	Festival Adv.	10000	5000	5000
Manju Kadam	528/27.08.14	Festival Adv.	10000	5000	5000
Ramakanta Bag		Festival Adv.	10000	8000	2000
B.P. Singhababu	528/27.08.14	Festival Adv.	10000	5000	5000
M.B. Sahu	528/27.08.14	Festival Adv.	10000	5000	5000
S.S. Mishra	528/27.08.14	Festival Adv.	10000	5000	5000
B.R. Jena		Salary Adv.	25000	15000	10000
B.B. Dehuri	528/27.08.14	Festival Adv.	10000	5000	5000
Sri P.C. Barik	528/27.08.14	Festival Adv.	10000	5000	5000

Supal Meher	Vr.No.853/dt.15.03.14	Salary Adv.	67000	39000	28000
Supal Meher	528/27.08.14	Festival Adv.	10000	5000	5000
Chitrasen Saraf	528/27.08.14	Festival Adv.	10000	5000	5000
A.P.Singhbabu	528/27.08.14	Festival Adv.	10000	5000	5000
J.D PANIGRAHI	528/27.08.14	Festival Adv.	10000	5000	5000
J.D DASH	528/27.08.14	Festival Adv.	10000	5000	5000
B.D NAG	528/27.08.14	Festival Adv.	10000	5000	5000
S.KUMBHAR	528/27.08.14	Festival Adv.	10000	5000	5000
B.D MISHRA	528/27.08.14	Festival Adv.	10000	5000	5000
J.D SARAF	726/29.10.14	Salary Adv.	30000	4000	26000
J.D.SARAF	528/27.08.14	Festival Adv.	10000	5000	5000
T.PASSAYAT	528/27.08.14	Festival Adv.	10000	5000	5000
C.SABAR	528/27.08.14	Festival Adv.	10000	5000	5000
H.K. seth	528/27.08.14	Festival Adv.	10000	5000	5000
P.K. Mishra		Festival Adv.	10000	5000	5000
S.K.Ishak Mahammad	766/01.11.2014	Salary Adv.	40000	5334	34666
M.K.Rana	17/dt.05.04.14	Salary Adv.	50000	25000	25000
M.K.Rana	528/27.08.14	Festival Adv.	10000	5000	5000
Khada Kumbhar	528/27.08.14	Festival Adv.	10000	5000	5000
B.Sandha	528/27.08.14	Festival Adv.	10000	5000	5000
Ashok Sendria	727/29.10.14	Salary Adv.	15000	4000	11000
Ashok Sendria	528/27.08.14	Festival Adv.	10000	5000	5000
Bimla Suna	728/29.10.14	Salary Adv.	15000	4000	11000
Bimla Suna	528/27.08.14	Festival Adv.	10000	5000	5000
Pazal Nag	528/27.08.14	Festival Adv.	10000	5000	5000
M/S Bijayalaxmi & Pallavi Pest Control BBSR	592/17.09.2014	Being advance paid towrds purchase of Dustbin vide vr no-592	100000	50000	50000
M/S Bijayalaxmi & Pallavi Pest Control BBSR	902/28.11.2014	Being advance paid towrds supply of dustbin vide vr no-902	100000		100000
Barun Kumar Sa JE	99/22.05.2014	WORKS	6000		6000
Barun Kumar Sa JE		WORKS	35000	35000	0
Barun Kumar Sa JE	157/11.06.2014	WORKS	6000		6000
Barun Kumar Sa JE	158/11.06.2014	WORKS	6000		6000
Barun Kumar Sa JE	159/11.06.2014	WORKS	6000		6000
Barun Kumar Sa JE	160/11.06.2014	WORKS	6000		6000
Barun Kumar Sa JE	161/11.06.2014	WORKS	6000		6000
Bisworanjan Jena		WORKS	30000	30000	0
Bisworanjan Jena		WORKS	7500	7500	0
Bisworanjan Jena		WORKS	6500	6500	0
Bisworanjan Jena		WORKS	200000	200000	0
Bisworanjan Jena	337/07.08.2014	WORKS	25000		25000
Bisworanjan Jena		WORKS	5000	5000	0
Bisworanjan Jena		WORKS	329000	329000	0
Khada Kumbhar	219/03.07.2014		100000		100000
Sk Ishak	766/01.11.2014		40000		40000

Surya Deep	909/29.11.2014		25000		25000
B.B Dehury	1325/24.03.2014		100000		100000
MISC			56440	56440	0
		TOTAL	1717440	958774	758666

**Advance outstanding for more than one year i.e. on dt.31.03.15 (Surcharge able)-**

Name & Designation	Vr.No./Date	Purpose	PAID	ADJUSTED	BALANCE
P.S.Mohakud	/04.12.13	T.A.Advance	2000		2000
A.K.Pattnaik,M.E.	/25.02.14	T.A.Advance	5000		5000
A.K.Pattnaik,M.E.	388/25.09.13	T.A.Advance	5000		5000
Barun Kumar Sa, JE	10/04.04.13	Constn.of Guest house	50000		50000
Baikuntha Sandha,Sweeper	-/17.02.14	Salary Advance	20000		20000
S.K.Ishaq Mohammad,T.C.	207/03.07.13	Salary Advance	50000	50000	0
S.K.Ishaq Mohammad,T.C.	285/12.08.13	Salary Advance	10000	10000	0
Darpa Ganjan Pattnaik,Advocate	37/17.04.13	Flying of Cases	15000		15000
S.K.Ishaq Mohammad,T.C.	65/04.05.13		50000		50000
S.K.Ishaq Mohammad,T.C.	375/06.09.13		84000		84000
S.K.Ishaq Mohammad,T.C.	63/26.04.13		15000		15000
Jayasingh Matari	729/05.11.13		50000		50000
Chintamani Thanapati	-/03.10.13	F.A.	2000		2000
Tikeswar Pasayat,T.C.	--/28.03.14	Jala Chhatra	10000		10000
Raja Behera.Driver	12/04.04.13	M.V.	3500		3500
B.Suna	203/03.07.13	Salary Advance	20000		20000
Bibhuti Bhusan Dehury,L.M.	143/13.06.13	Election	1000		1000
Bibhuti Bhusan Dehury,L.M.	169/28.06.13		7000		7000
Bibhuti Bhusan Dehury,L.M.	230/15.07.13		2000		2000
Bibhuti Bhusan Dehury,L.M.	-/28.10.13		6000		6000
Bibhuti Bhusan Dehury,L.M.	—/04.11.13		8000		8000
Bibhuti Bhusan Dehury,L.M.	205/03.07.13	Salary Advance	30000	28500	1500
R.K.Patel	149/16.06.13	J.C.B.	100000		100000
Smt.Bisnupriya Mishra,E.O	299/12.08.13	Medical Advance	100000		100000
Smt.Bisnupriya Mishra,E.O	202/03.07.13	Salary Advance	30000		30000
Nakula Nag,Sweeper	--/27.03.14	Salary Advance	30000		30000
Dillip Meher	409/28.09.13	Postage Stamp	500		500
Tikelal Nag,Sweeper	204/03.07.13	Salary Advance	15000		15000
Jayadev Saraf,O.P.	206/03.07.13	Salary Advance	25000	22500	2500
S.Deep	209/03.07.13	Salary Advance	20000		20000
S.Deep	210/03.07.13	F.A. to DLR/NMR	21000		21000
		TOTAL	787000	111000	676000

**YEARWISE BREAKUP OF ADVANCE AS ON 31.03.2015**



YEAR	AMOUNT OF ADVANCE OUTSTANDING AS ON 31.03.2015
perior to 2010-11	7,69,439.00
2010-11	3,57,000.00
2011-12	5,93,720.00
2012-13	15,86,334.00
2013-14	6,76,000.00
2014-15	7,58,666.00
<b>TOTAL</b>	<b>47,41,159.00</b>

Rule 14 of OGFR(vol-i) provides that every officer whose duties are to render accounts or returns in respect of public money is responsible for their completeness and strict accuracy.. As per G.O.No.2221/FD.dt .8 th March 2002, any advance remained unadjusted for more than one year without having any valid reason will be treated as loss to the auditee organisation as well as to the Government and surcharge proceeding will be initiated against the officials who caused the above loss.

Audit observed that the system of adjustment of advance in this local institution was found to be ineffective . The Executive Officer of this NAC did not follow the guiding principles for sanction and payment of advances and their adjustment which resulted to the irregularities and cannot be admitted in audit.

As such total amount of Rs.6,76,000.00 is advance outstanding against different employees and others which remained unadjusted for more than one year i.e. on dt.31.3.15 without having any valid reasons as furnished below and caused loss to the municipal fund and thereby come under the ambit of audit objection.

The local authority is impressed upon to initiate early steps maintain the advance ledger as per Rule 136, 137 and 140 of OM Rules 1953 (as applicable) and to get the said advance adjusted by way of obtaining vouchers or by making cash recovery from the person concerned.

**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs.)
1	SRI PARTHA SARATHI MAHAKUD	MIS COMPUTER PROGRAMMER	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	1000.00
2	SRI A K PATTANAIAK	ME	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	5000.00
3	SRI BARUN KUMAR SA	JE	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	25000.00
4	SRI BAIKUNTHA SANDHA	SWEEPER	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	10000.00
5	SK.Ishaq Mohammad	TC	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	74500.00
6	SRI CHINTAMANI THANAPATI	TC	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	1000.00
7	SRI TIKESWAR PASAYAT	TC	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	5000.00
8	SRI RAJA BEHERA	DRIVER	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	1750.00
9	SMT BIMALA SUNA	SWEEPES	AT - PATNAGARH NAC, PATNAGARH, DIST-	10000.00

			BALANGIR	
10	SRI BIBHUTI BHUSAN DEHUY	LM	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	12750.00
11	SRI NAKUL NAG	SWEEPER	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	15000.00
12	SRI DILIP KUMAR MEHER	PEON	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	250.00
13	SRI TIKELAL NAG	SWEEPER	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	7500.00
14	SRI JAYDEV SARAF	OP	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	1250.00
15	SMT SURYA DEEP	SWEEPRESS	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	20500.00
16	SRI KULAMANI KHATUA	EO	PATNAGARH NAC, PATNAGARH, BALANGIR	5000.00
17	SMT BISHNUPRIYA MISHRA	EO	AT - PATNAGARH NAC, PATNAGARH, DIST-BALANGIR	480500.00

PARA: 9 GRANTS

Patnagarh N A C - 2014-2015

S/no	Grants Outstanding as on (DD MM YYYY)	Grants Outstanding (In Rs:)	Grants Received during the Year under Audit(In Rs:)	Total(In Rs:)	Grants Spent during the Year under Audit(In Rs:)	Grants unspent as on (DD MM YYYY)	Grants unspent (In Rs:)	Remarks
1	01-04-2014	48328016.57	50449749.00	98777765.57	53801141.00	31-03-2015	44976624.57	
	<b>GRAND TOTAL</b>	<b>48328016.57</b>	<b>50449749.00</b>	<b>98777765.57</b>	<b>53801141.00</b>		<b>44976624.57</b>	

**Comments :**

It can be observed from the Statement that govt grant amounting to Rs. 4,49,76,624.57 is remain unspent as on 31.03.2015 which reveals the lack of interest of the municipal authority in utilization of grant. As per Rule- 171 of OGFR (Vol- I) and the instructions contained in the sanction orders, scheme funds were to be utilised in the year of receipt. Unutilised fund, if any, may either be refunded to the Government or utilised in the subsequent year with prior approval of the Government. The Executive Officer impressed upon to take immediate step to refund unspent grant or obtain fresh approval to spend the previous year's grants.

The Details of Govt Grants for the year 2014-15 has been furnished below-

PARTICULARS	LETTER NO/DATE	OPENING BALANCE	RECEIPT	MATCHING CONTRIBUTION	TOTAL RECEIPT	TOTAL	EXPENDITURE	CLOSING BALANCE
Road Development	133/HUD/01.01.15		6,33,000.00	70,333.00				-
Road Development	130/HUD/01.01.15		1,71,000.00	19,000.00				-
Road Development	127/HUD/01.01.15		2,28,000.00	25,333.00				-
<b>TOTAL Road Development</b>		-6,42,179.34	10,32,000.00	1,14,666.00	11,46,666.00	5,04,486.66	5,24,849.00	-20,362.34
Festival Grant	27747/27.12.14		50,000.00					
<b>TOTAL Festival Grant</b>		-	50,000.00	-	50,000.00	50,000.00	-	50,000.00
M.V Tax for the Year 2014-15	19587/HUD/26.09.14		6,41,000.00					-
M.V Tax for the Year 2014-15	3820/HUD/06.02.15		6,40,000.00					-
<b>TOTAL M.V Tax for the Year 2014-15</b>		19,17,596.00	13,81,000.00	-	13,81,000.00	32,98,596.00	-	32,98,596.00
Devolution of Fund	22518/HUD/11.11.14		34,59,000.00					
<b>TOTAL Devolution of Fund</b>		-	34,59,000.00	-	34,59,000.00	34,59,000.00	-	34,59,000.00
Octroi Compensation	9301/HUD, Dt.02.05.14		41,63,000.00					
Octroi Compensation	14501/HUD, Dt.19.07.14		41,63,000.00					
Octroi Compensation	19509/HUD, Dt.25.09.14		41,63,000.00					
Octroi Compensation	2016/HUD, Dt.20.01.15		1,01,04,000.00					

<b>TOTAL Octroi Compensation</b>		-23,19,695.00	2,25,93,000.00	-	2,25,93,000.00	2,02,73,305.00	2,15,19,438.00	-12,46,133.00
Compensation & Assignment to Local Bodies in Lieve of Octroi (Voted) for Clearance of Arrear Energy dues,SWM, & Establishment.	4343/HUD/10.02.15		15,00,000.00					
<b>TOTAL Compensation &amp; Assignment to Local Bodies in Lieve of Octroi (Voted) for Clearance of Arrear Energy dues,SWM, &amp; Establishment.</b>		-	15,00,000.00	-	15,00,000.00	15,00,000.00	-	15,00,000.00
<b>13 th FCA</b>	14916/25.07.14		14,51,000.00					
<b>13 th FCA</b>	6908/HUD/28.02.15		17,22,000.00					
<b>13 th FCA</b>	9812/HUD/02.04.15		4,26,000.00					
<b>TOTAL 13 th FCA</b>		19,30,546.00	35,99,000.00	-	35,99,000.00	55,29,546.00	52,52,094.00	2,77,452.00
Non Residential Building	01991/HUD,Dt.20.01.15		4,00,000.00					
<b>TOTAL Non Residential Building</b>		3,14,989.00	4,00,000.00	-	4,00,000.00	7,14,989.00	2,10,910.00	5,04,079.00
Solid Waste Management under State Plan	5986/HUD/25.02.15		4,89,083.00					
<b>TOTAL Solid Waste Management under State Plan</b>		-	4,89,083.00	-	4,89,083.00	4,89,083.00	-	4,89,083.00
WODC	19315		2,00,000.00					
WODC	19342		1,99,700.00					
WODC	19339		1,99,200.00					
WODC	19340		1,99,500.00					
WODC	19341		1,99,600.00					
WODC	19343		1,99,500.00					
WODC	19338		2,00,000.00					
<b>TOTAL WODC</b>		58,86,043.00	13,97,500.00	-	13,97,500.00	72,83,543.00	4,69,086.00	68,14,457.00
MPLAD	08.05.2014 BANK DEPOSITE		2,00,000.00					
<b>TOTAL MPLAD</b>		6,80,279.00	2,00,000.00	-	2,00,000.00	8,80,279.00	8,18,914.00	61,365.00
MLALAD			14,00,000.00					
<b>TOTAL MLALAD</b>		-13,32,113.00	14,00,000.00	-	14,00,000.00	67,887.00	12,92,585.00	-12,24,698.00
BRGF	BANK DEPOSITE		49,28,00					

			0.00					
<b>TOTAL BRGF</b>			49,28,000.00	-	49,28,000.00	49,28,000.00	4,58,669.00	44,69,331.00
Road Maintanance Grant			-					
<b>TOTAL Road Maintanance Grant</b>		85,964.00	-	-	-	85,964.00	1,09,957.00	-23,993.00
Road & Bridges	7344/HUD/04.03.15		10,98,000.00					
<b>TOTAL Road &amp; Bridges</b>		89,69,478.00	10,98,000.00	-	10,98,000.00	1,00,67,478.00	-	1,00,67,478.00
<b>Miscellaneous grant</b>								
Constn.of Drain		-7,40,186.91	-	-				
Constn.& repair of Staff Quarters		-81,444.00	-	-				
Constn.of E.O. Quarters		1,974.00	-	-				
Constn.of Rest house at Bus Stand		-1,863.00	-	-				
Constn.of ME & UGME School		11,656.00	-	-				
Constn.of SC/ST house		77,000.00	-	-				
Shopping complex for SC People		25,000.00	-	-				
Constn.of Town Hall		42,579.55	-	-				
Constn.of Souchalaya		-34,339.00	-	-				
Constn.of Library room		-561.00	-	-				
Digging of Borewell		-71,241.00	-	-				
Tree Plantation		-9,931.80	-	-				
Market complex		-3,87,391.31	-	-				
Constn.of Pry.School		-11,080.00	-	-				
Stationary		-1,64,994.97	-	-				
Purchase of Tractor		-64,746.00	-	-				
Tourism & Park		-7,72,156.00	-	-				
Election Grant		-21,997.00	-	-				
Repair of Tanker		-3,72,077.00	-	-				
Kalyan Mandap		23,21,318.00	-	-			90,545.00	
C.C.Road		58,24,000.00	-	-			53,49,230.00	
IHSDP		66,12,000.00	-	-			81,75,451.00	
<b>TOTAL Miscellaneous grant</b>		1,21,81,518.56	-	-	-	1,21,81,518.56	1,36,15,226.00	-14,33,707.44

<b>Performance based incentive</b>								
<b>TOTAL Performance based incentive</b>		80,05,874.00	-	-	-	80,05,874.00	-	80,05,874.00
<b>Entertainment Tax</b>			-					
<b>TOTAL Entertainment Tax</b>		3,385.00	-	-	-	3,385.00	-	3,385.00
<b>Constn.of Boundary wall</b>			-					
<b>TOTAL Constn.of Boundary wall</b>		11,67,100.00	-	-	-	11,67,100.00	-	11,67,100.00
<b>Protection &amp; conservation of water bodies</b>			-					
<b>TOTAL Protection &amp; conservation of water bodies</b>		4,73,931.00	-	-	-	4,73,931.00	-	4,73,931.00
<b>Public toilet with water facility</b>			-					
<b>TOTAL Public toilet with water facility</b>		14,07,000.00	-	-	-	14,07,000.00	-	14,07,000.00
<b>Grant for other purpose</b>			-					
NRY		7,891.00	-					
OAP/ODP/NOAP		11,13,135.00	68,08,500.00	-	68,08,500.00	79,21,635.00	87,06,000.00	-7,84,365.00
NFBS		-4,54,940.00	-					
Interest from Bank Accounts		200.35	-					
Remuneration		-5,592.00	-					
MDM		35,730.00	-					
Land A.P.		32,846.00	-					
CRF		-4,80,835.00	-					
Renovation of Tank		-2,93,934.00	-					
B.R.G.F.		1,17,86,952.00	-					
SGSRY		11,67,316.00	-					
Fourth Economic census		-6,700.00	-					
Census 2001/2011		1,19,038.00	-					
NSDP		-5,111.00	-					
NCLP		-19,200.00	-					
Untied fund		-78,417.00	-					
<b>TOTAL Grant for other purpose</b>		1,29,18,379.35	68,08,500.00	-	68,08,500.00	1,97,26,879.35	87,06,000.00	1,10,20,879.35
<b>Dev.of Park Greenery &amp; Aforestation</b>								

<b>TOTAL Dev.of Park Greenery &amp; Aforestation</b>		8,41,593.00	-	-	-	8,41,593.00	8,23,413.00	18,180.00
<b>Maintenance &amp; Improvement of Street Light</b>								
<b>TOTAL Maintenance &amp; Improvement of Street Light</b>		-76,29,513.00	-	-	-	-76,29,513.00	-	-76,29,513.00
<b>Imp.of water supply</b>								
<b>TOTAL Imp.of water supply</b>		30,00,000.00	-	-	-	30,00,000.00	-	30,00,000.00
<b>DEBAS</b>								
<b>TOTAL DEBAS</b>		4,67,841.00	-	-	-	4,67,841.00	-	4,67,841.00
<b>GRAND TOTAL</b>		4,83,28,016.57	5,03,35,083.00	1,14,666.00	5,04,49,749.00	9,87,77,765.57	5,38,01,141.00	4,49,76,624.57

**Year wise break up of unspent Grants:**

Due to non maintenance head of account wise grant register and non updation of year wise figure of grant position after utilisation of funds, the year wise break up of unspent grants cannot be worked out.

The local authority may be instructed to get the same figures and records and compliance be reported.

**PARA: 10 UTILISATION CERTIFICATE**

Patnagarh N A C - 2014-2015

S/no	U.C Outstanding as on (DD MM YYYY)	U.C Outstanding(In Rs:)	U.C due for submission during the period under Audit(In Rs:)	Total(In Rs:)	U.C Submitted during the period under Audit(In Rs:)	U.C needs to be submitted as on outstanding as on (DD MM YYYY)	U.C needs to be submitted as on outstanding (In Rs:)	Remarks
1	01-04-2014	189596977.70	53801141.00	243398118.70	30118500.00	31-03-2015	213279618.70	
	<b>GRAND TOTAL</b>	<b>189596977.70</b>	<b>53801141.00</b>	<b>243398118.70</b>	<b>30118500.00</b>		<b>213279618.70</b>	

**Comments :**

As per Rule-170 and 171 of OGFR(vol-1) , grants received should be spent within same financial year in which it was received by the local authority and UC should be submitted by the end of 30 th June of the subsequent year to the funding authority as well as to the Principal A. G .(A&E), Odisha. But it was revealed from the aforementioned abstract that pending figure of UC due as on 31.03.2015 is Rs.21,22,79,618.78

The local authority is impressed upon to expedite the expenditure process and ensure to clear the pendency by way of submission of UCs to proper quarter .

The details of U.C.submitted during the year under audit is furnished below.

LETTER NO/ DATE	AMOUNT	SCHEME	YEAR
633/24.10.14	6,50,000.00	Maintenance of Roads & Bridges	2012-13
633/24.10.14 & 746/16.12.14	51,59,000.00	Maintenance of Roads & Bridges	2013-14
637/24.10.14	6,41,500.00	CC Road	2012-13
637/24.10.14 & 1600/08.12.14	4,66,000.00	CC Road	2012-13
1600/08.12.14	18,05,000.00	CC Road	2012-13
127/06.05.14	75,72,000.00	Octroi Compensation	2012-13
864/28.07.14	41,63,000.00	Octroi Compensation	2014-15
635/24.10.14	41,63,000.00	Octroi Compensation	2014-15
1633/11.12.14	41,63,000.00	Octroi Compensation	2014-15
971/31.12.13 & 125/06.05.14	11,98,000.00	13th Finance Commission	2012-13
1037/Dt. 06.09.2014	1,38,000.00	Harishchandra yojana	2013-14
<b>TOTAL</b>	<b>3,01,18,500.00</b>		

**Year wise break-up of pending UCs for submission as on 31.03.2015**

The year wise break-up of pending UCs as ascertained from the records made available to audit was furnished below. The department wise break-up of UCs could not be worked out due to non maintenance of grant in aid register and UCs register. The same may be maintained immediately.

Year	UC Pending	UC Submitted during the year	Balance UC to be Submitted as on 31.03.2015
1968-69	20,000.00		20,000.00
1970-71	22.00		22.00
1973-74	24,864.00		24,864.00
1977-78	25,158.70		25,158.70



1978-79	10,000.00		10,000.00
1980-81	1,07,378.30		1,07,378.30
1981-82	54,588.00		54,588.00
1982-83	7,920.00		7,920.00
1983-84	14,496.00		14,496.00
1985-86	14,363.00		14,363.00
1986-87	21,759.20		21,759.20
1987-88	1,64,964.30		1,64,964.30
1988-89	86,195.00		86,195.00
1989-90	3,97,201.70		3,97,201.70
1991-92	3,28,297.19		3,28,297.19
1994-95to2003-04	2,23,034.00		2,23,034.00
1999-2000to2003-04	1,29,57,828.35		1,29,57,828.35
2004-05	54,57,053.00		54,57,053.00
2005-06	68,85,177.00		68,85,177.00
2006-2007	97,78,795.00		97,78,795.00
2007-08	34,20,620.00		34,20,620.00
2008-09	1,96,57,568.00		1,96,57,568.00
2009-10	1,48,91,661.00		1,48,91,661.00
2010-11	94,06,670.00		94,06,670.00
2011-12	3,07,25,518.00		3,07,25,518.00
2012-13	3,57,35,599.04	1,23,32,500.00	2,34,03,099.04
2013-14	3,81,80,247.00	52,97,000.00	3,28,83,247.00
2014-15	5,38,01,141.00	1,24,89,000.00	4,13,12,141.00
<b>TOTAL</b>	<b>24,23,98,118.78</b>	<b>3,01,18,500.00</b>	<b>21,22,79,618.78</b>

**PARA: 11 MISAPPROPRIATION & DEFALCATION**

<b>11.1 - MIS-APPROPRIATION OF CASH</b>
On checking of the PDS account it is observed that on dated 30.09.2014 the cost of 100 qtl of wheat @ Rs.700/- per qtl. Amounting Rs. 70,000/- was kept without depositing the same in NAC account. However on issue of objection memo the amount of Rs.70,000/- was recovered vide MR. No.- 16 Book No.- 195 dated 30.09.2014 and deposited in the account.

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

<b>12.1 -</b>
NIL

**PARA: 13 AUDIT OF RECEIPTS**

<b>13.1 - DEMAND, COLLECTION AND BALANCE POSITION</b>
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The demand , collection and balance position of holding , light and water taxes for the year 2014-15 has not been maintained properly and also the DCB register of taxes is not being maintained . Hence basing on the records and registers made available to audit , the demand , collection and balance position of different taxes has been furnished below.

**DCB Position of Patnagarh NAC for the year 2014-15**

Particulars	Demand			Effective Demand				Collection			Balance		
	Arrear	Current	Total	Rebate	Arrear	Current	Total	Arrear	Current	Total	Arrear	Current	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Holding Tax	271977.70	141822.10	413799.80	14184.82	271977.70	127637.28	399614.98	52970.61	89534.97	142505.58	219007.09	38102.31	257109.40
Light Tax	346163.65	146870.02	493033.67	10726.03	346163.65	136143.99	482307.64	53450.95	89590.48	143041.43	292712.70	46553.51	339266.21
Water Tax	254076.51	122046.94	376123.45	8655.42	254076.51	113391.52	367468.03	49561.68	71707.14	121268.82	204514.83	41684.38	246199.21
<b>Total :</b>	<b>872217.86</b>	<b>410739.06</b>	<b>1282956.92</b>	<b>33566.27</b>	<b>872217.86</b>	<b>377172.79</b>	<b>1249390.65</b>	<b>155983.24</b>	<b>250832.59</b>	<b>406815.83</b>	<b>716234.62</b>	<b>126340.20</b>	<b>842574.82</b>
Cattle Market	-	3,64,017.00	364017.00	-	-	3,64,017.00	364017.00	-	3,64,017.00	364017.00	-	-	-
Licence U/S 290	-	4,506.00	4506.00	-	-	4,506.00	4506.00	-	4,506.00	4506.00	-	-	-
Rent on land & Building	382690.00	843977.00	1226667.00	-	3,82,690.00	8,43,977.00	1226667.00	234070.00	650470.00	884540.00	56013.00	326677.00	13,42,127.00
Weekly Market	-	73,880.00	73880.00	-	-	73,880.00	73880.00	-	73,880.00	73880.00	-	-	-

Sulabha Souchalaya	-	40,588.00	40588.00	-	-	40,588.00	40588.00	-	40,588.00	40588.00	-	-	-
Water Tanker	-	90,500.00	90500.00	-	-	90,500.00	90500.00	-	90,500.00	90500.00	-	-	-
Lease of Tank	-	42,680.00	42680.00	-	-	42,680.00	42680.00	-	42,680.00	42680.00	-	-	-
Daily Market	-	-	0.00	-	-	-	0.00	-	-	0.00	-	-	-
User Fees	-	13,950.00	13950.00	-	-	13,950.00	13950.00	-	13,950.00	13950.00	-	-	-
Building plan approved fees	-	2,74,033.00	274033.00	-	-	2,74,033.00	274033.00	-	2,74,033.00	274033.00	-	-	-
Cycle licence/Stand	-	78,170.36	78170.36	-	-	78,170.36	78170.36	-	78,170.36	78170.36	-	-	-
Security deposit	-	5,57,013.00	557013.00	-	-	12,70,268.00	1270268.00	-	12,70,268.00	1270268.00	-	-	-
Parking fees	-	62,090.00	62090.00	-	-	62,090.00	62090.00	-	62,090.00	62090.00	-	-	-
Tax on cart & Carriages	-	4,282.00	4282.00	-	-	4,282.00	4282.00	-	4,282.00	4282.00	-	-	-
Birth & Death Certificate	-	27,800.00	27800.00	-	-	27,800.00	27800.00	-	27,800.00	27800.00	-	-	-
Marriage Certificate	-	1,020.00	1020.00	-	-	1,020.00	1020.00	-	1,020.00	1020.00	-	-	-
Water Connection fees	-	9,800.00	9800.00	-	-	9,800.00	9800.00	-	9,800.00	9800.00	-	-	-
Cost of Tender paper	-	3,09,880.00	309880.00	-	-	3,09,880.00	309880.00	-	3,09,880.00	309880.00	-	-	-
Audit Recovery	-	760.00	760.00	-	-	79,822.00	79822.00	-	79,822.00	79822.00	-	-	-
Rent on Kalyan mandap	-	20,900.00	20900.00	-	-	20,900.00	20900.00	-	20,900.00	20900.00	-	-	-
RTI Fees	-	3,864.00	3864.00	-	-	3,864.00	3864.00	-	3,864.00	3864.00	-	-	-
Guda Tax	-	75,200.00	75200.00	-	-	75,200.00	75200.00	-	75,200.00	75200.00	-	-	-
NOC	-	2,800.00	2800.00	-	-	2,800.00	2800.00	-	2,800.00	2800.00	-	-	-
Misc. receipt	-	77,860.58	77860.58	-	-	77,858.91	77858.91	-	77,858.91	77858.91	-	-	-
<b>Total :</b>	<b>382690.00</b>	<b>2979570.94</b>	<b>3362260.94</b>	<b>0.00</b>	<b>382690.00</b>	<b>3771886.27</b>	<b>4154576.27</b>	<b>234070.00</b>	<b>3578379.27</b>	<b>3812449.27</b>	<b>56013.00</b>	<b>326677.00</b>	<b>342127.00</b>
<b>Grand Total :</b>	<b>1254907.86</b>	<b>3390310.00</b>	<b>4645217.86</b>	<b>33566.27</b>	<b>1254907.86</b>	<b>4149059.06</b>	<b>5403966.92</b>	<b>390053.24</b>	<b>3829211.86</b>	<b>4219265.10</b>	<b>772247.62</b>	<b>453017.20</b>	<b>1184701.82</b>

However, the Executive Officer is impressed upon to get the DCB maintained and properly to watch the proper collection of taxes and to watch the loss and commission of demand.

**COLLECTION OF RECEIPTS:-**

The revenue of the NAC comprises shares of taxes and grants from State Government and Central Government and revenue generated from its

own sources namely holding tax, lighting tax, water tax, lease of stall, fees for trade and profession and plan sanction fees.

Budgeting for receipt generated from their own sources by the NAC need to be accurate as it is the basic instrument of planning for allocation of expenditure for providing services to the tax payers. The budget estimate should include the Current demand as well as arrear dues.

But it is observed that no budget estimate was prepared in this NAC. Also it is observed that the basic records such as demand register were prepared manually and haphazardly. The records have to be d periodically and summary statements have to be prepared monthly /quarterly/annually of realization against the dues. As the NAC did not maintain complete and accurate database there is very little scope to figure out the defaulting tax payers and actual amount due for analysis and remedial measures for effective realization of revenue.

The Demand and Collection (Current as well as total including arrear) and percentage of collection has been furnished below:-

PARTICULARS	CURRENT DEMAND	CURRENT COLLECTION	% OF COLLECTION
Holding Tax	141822.10	89534.97	63.13
Light Tax	146870.02	89590.48	61.00
Water Tax	122046.94	71707.14	58.75

PARTICULARS	TOTAL DEMAND INCLUDING ARREAR	TOTAL COLLECTION INCLUDING ARREAR	% OF COLLECTION
Holding Tax	399614.98	142505.58	35.66
Light Tax	482307.64	143041.43	29.66
Water Tax	367468.03	121268.82	33.00

The above statement shows that the collection of collection of Tax revenues i.e. Holding Tax, Lighting Tax, and Water Tax for current year is 63.13%, 61.00% and 58.75% respectively and collection of tax revenues as a whole is 35.66%, 29.66%, and 33% respectively. As holding tax is a major sources of revenue for ULB which is utilised to provide basic civic amenities to the residents in the municipal area. But this NAC has failed to increase the tax revenues by way of collection raised as demand against holdings. This is due to lack of proper planning (non-preparation and analysis of Budget estimate), Poor maintenance of Database (Non-maintenance of d records and monthly /quarterly /annually summary statements), Lacunae in the system of collection of revenue like raising and issue of demand bills to all the tax payers, absence of periodical monitoring and persuasion of recovery.

Therefore it is recommended to make proper planning for collection of revenues, maintenance of proper database (computerization of demand register preparation of monthly /quarterly /annually summary statements for analysis and monitoring) raise the demand in advance and issue the demand bill to the all tax payers and raise awareness among the tax payers so that they pay their dues.

**Legal Action:**

No legal action was found to have been taken by the local authority against the defaulting tax payers during the period under audit. The Executive Officer is requested to initiate legal action as per law against the defaulting tax payer for long time.

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**PARA: 14 AUDIT OF EXPENDITURE**

**14.1 - Excess Payment towards Advertisement charges**

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On checking of the Cashbook with ref to paid voucher it is observed that vide vr. no.- 06/02.04.2014 a sum of Rs. 18111.00 was shown paid to DINALIPI, Barmunda. Bhubaneswar. But on checking four bills amounting Rs. 15945.00 was available in the voucher guard file as details below. so why the amount of Rs.2166.00 shall not be suggested for recovery may be pointed out to audit. During exit conference the above voucher of Rs.2166.00 was produced .Hence the para may be dropped.

Bill no.	Date	Amount Due
5821	01.04.2013	2,000.00
5579	01.01.2013	5,171.00
6417	08.09.2013	3,900.00
5691	26.01.2013	4,874.00
	<b>TOTAL</b>	<b>15,945.00</b>
	Amount paid	18,111.00
	Excess Paid	2,166.00

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**14.2 - IRREGULAR AND UNAUTHORISED DLR/NMR PAYMENT**

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During the year under audit it was noticed that, a total sum of Rs.748707.00 was shown as expenditure towards DLR and NMR payment . As per G.O.No.36051/HUD/Dt..19.0597 no DLR and NMR should be engaged without the prior concurrence of the Govt. in HUD Department. But, by violating the instruction of Govt, the above payments were made which can not be admitted in audit. On being asked about the production of post facto approval from the competent authority no such approval could be made available to audit. However, the total amount of Rs.748707.00 is held under objection till the ex-post facto approval of Govt. is obtained and produced to audit.

MARCH' 14	66,837.00
APRIL'14	69,582.00
MAY'14	66,338.00
JUNE'14	66,338.00
JULY'14	66,068.00
AUGUST'14	64,502.00
SEPTEMBER'14	64,894.00
OCTOBER'14	63,719.00
NOVEMBER'14	55,838.00
DECEMBER'14	55,093.00
JANUARY'15	53,369.00
FEBRUARY'15	56,129.00
<b>TOTAL</b>	<b>7,48,707.00</b>

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**PARA: 15 AUDIT ON WORKS**

**15.1 - LESS DEDUCTION OF INCOME TAX TDS FROM WORKS -**

On checking of the following case records it is observed that the works were executed through contractors and contractors profit was provided in the estimate /analysis of rate whose administrative approval were given by the by the Collector, Balangir. Further on checking it is observed that the contractor has not submitted his PAN details before payment made to him. The maximum TDS rate is applicable in the case of pan is not provided by the deductee [section 206AA(1)] or pan provided by the the deductee is invalid.[section 206AA(6) read with 206AA(1)] of Income Tax Act. As such TDS rate is applicable @20% instead of 1% as deducted from the bill. As such a sum of Rs. 51918.00 was less dedeuted towards TDS.

SL NO	NAME OF THE PROJECT	HEAD OF ACCOUNT	VR NO/DATE	AMOUNT PAID	TDS DUE @ 20%	TDS DEDUCTED	LOSS DUE TO LESS DEDUCTION OF TDS
1	COMPLETION OF CC AT TIKAPALI W. NO-11 ,CONTRACTOR - SRI CHITARANJAN KHARSEL	MPLAD	908/ 28.11.2014	71,284.00	14,257.00	713.00	13,544.00
2	COMPLETION OF CC AT GADVITAR W. NO-1 , CONTRACTOR - SRI DHANESWAR MEHER	MPLAD	348/ 12.08.14	1,00,000.00	20,000.00	230.00	19,770.00
3	COMPLETION OF BOUNDARY WALL OF PRYMARY SCHOOL LINEPARA IN W NO-9 CONTRACTOR - SRI RAMCHANDRA BAG	MLALAD	196/ 26.06.2014	97,914.00	19,583.00	979.00	18,604.00
	TOTAL			2,69,198.00	53,840.00	1,922.00	51,918.00

In response to the objection memo issued the local authority remain silent.

**15.2 - CONSTRUCTION OF COMMUNITY CENTRE SABAR PADA HARIJAN PADA CHOWK W NO-8**

SCHEME	MPLAD	EST. COST	
			2,00,000.00
NAME OF THE JE	BISWARANJAN JENA	NAME OF THE EXECUTANT	JAGANNATH PUTEL
NAME OF THE EO	KULAMANI KHATUA	NAME OF THE MUNICIPAL ENGG	SUKADEVA MAHALI

Vr. No. /Date	Bill No.	MB No.	Page no.	Amount in Rs.
43/26.04.2014	1ST RA BILL	77	154-165	94,677.00

672/15.10.2014	FINAL BILL	95	26-49	1,05,323.00
TOTAL				2,00,000.00

A) Wasteful expenditure towards Excess use of Rod -

On verification of the said case record it is observed that for RCC (1:1.5:3) of 4.41 cum, 4.55 qtl of MS rod was used. Further it is observed that rod requirement was 3.087 qtl i.e.,70% of the volume of RCC as provided in the estimate. Hence why the excess rod used of 1.463 Qtl. shall not be treated as wasteful expenditure and cost of rod including cutting and bending amounting Rs.1727.00 shall not be suggested for recovery may be pointed out to audit.

Particulars		RCC WORKS	ROD USED
Bill no.	Details of work		
1 <sup>st</sup> R A Bill	RCC (1:1.5:3)	4.41cum	4.55Qtl
TOTAL		4.41cum	4.55Qtl

Excess rod used = (4.55-3.087)qtl = 1.463 qtl

Particulars	Rate/Qtl.	Quantity	Amount
The cost of Rod including cutting bending	6,347.51	1.46Qtl	9,286.41
Excess Paid			9,286.41
			OR 9,286.00

The amount of Rs. 9286.00 may be recovered and compliance reported to audit.

In response to the objection memo issued the local authority remain silent.

**Responsible Person for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	SRI BISWARANJAN JENA	JE	PATNAGARH NAC, PATNAGARH, BALANGIR	2322.00
2	SRI SUKADEVA MAHALI	MUNICIPAL ENGINEER	PATNAGARH NAC, PATNAGARH, BALANGIR	2322.00
3	SRI KULAMANI KHATUA	EO	PATNAGARH NAC, PATNAGARH, BALANGIR	2321.00
4	SRI RAKESH KUMAR BEHERA	ACCOUNTANT	PATNAGARH NAC, PATNAGARH, BALANGIR	2321.00

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

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

**17.1 -**

**MPLAD -**

The MPLAD Scheme was launched in 1993-94. The MPLAD is a plan scheme fully funded by Government of India. The annual MPLADS fundentitlement per MP constituency was raised from 5 lakhs to 1 crore from 1994-95 and Rs.2 crore from 1998-99. The objective of the

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

This scheme can be converged with the Central and State Government Schemes provided such works are eligible under MPLADS. Funds from local bodies can also be pooled for MPLADS works. Wherever such pooling is done, funds from other scheme sources should be used first and the MPLADS funds should be released later, so that MPLADS fund results in completion of the work.

During Audit it is observed that through one project was sanctioned and fund was released for the project amounting Rs.2,00,000.00 no steps has been taken to initiate the project till 31.03.2015. The Local authority is advised to taken immediate step to complete the work so that the benefit should reach the people at an early.

**PARA: 18 MISCELLANEOUS**

**18.1 - APPROVAL OF HOUSE BUILDING PLAN -**

On checking of the approval of House building plan files submitted to audit it is observed in clause-2 of the approval order it was mentioned that the validity of the approval was only for one year from the date of approval. In the following cases though one year was passed after approval of the building plan neither fresh approval order nor any renewal were issued. Further no holding tax were collected from these buildings. As such due to non collection of fresh approval fee/ renewal fee and non imposition of holding tax after lapse of building plan approval order a sum of Rs. 1,22,968.00 was lossed incurred by the NAC as calculated below.

SL NO	NAME OF THE APPLICANT	PLIN THE AREA IN SQ FT	ESTIMATED BUILDING COST	FEE FOR ONE YEAR	DATE OF APPRVAL	LOSS DUE TO NON COLLECTION OF FEE AFTER LAPSE OF ONE YEAR FROM ISSUE OF APPROVAL ORDER
1	SRI RAM CHANDRA NAIK, S/O- BISHNU NAIK, WARD NO-1	319	159500	850.00	721/13.06.13	850.00
2	SRI SARAT KUMAR PANIGRAHI, S/O-AMBARISH PANIGRAHI, WARD NO-7	1612	806000	4080	723/13.06.13	4,080.00
3	SRI TUMBESWAR MEHER, S/O- GURUBARU MEHER, WARDNO-7	1937	968500	4893	1513/17.11.12	9,786.00
4	SRI GAJENDRA KUMAR PANIGRAHI, S/O- CHANDRAMANI PANIGRAHI, WARD NO- 7	1015	507500	2588	1711/28.12.12	5,176.00
5	SRI HAKRADHAR TANDI, S/O- LATE PURANDAR TANDI, EARD NO-	1950	975000	4925	328/25.03.14	4,925.00



6	SRI PRASANNA MEHER, S/O- NETRANANDA MEHER, WARD NO-1	864	432000	2210	1744/12.12.13	2,210.00
7	SRI PANCHANAN MEHER, S/O- NETRANANDA MEHER, WARD NO-1	867	500000	2550	1746/12.12.13	2,550.00
8	SMT SABITA AGRAWAL, W/O-MANOJ KUMAR AGRAWAL, WARD NO-5	1920	1920000	9650	341/27.03.14	9,650.00
9	SRI SADANANDA CHHATRIA, S/O-RUPDHAR CHHATRIA, WARD NO-	1244.2	622100	3161	26/04.01.12	9,483.00
10	SMT SANJUKTA BAHIDAR, W/O-ROHIT KUMAR BAHIDAR, WARD NO-	1316	1316000	6630	86/21.01.13	13,260.00
11	SRI DHUBAL MEHER, S/O- BISHNU MEHER, WARD NO-	1229	614500	3123	143/01.02.13	6,246.00
12	SRI BISWAJIT MEHER, S/O- SANKAR MEHER, WARD NO-7	1013	506500	2583	239/25.02.13	5,166.00
13	SRI BINOD KUMAR MEHER, S/O- JUGAL MEHER, WARD NO-	1680	840000	4250	1663/15.12.12	8,500.00
14	SRI KISHORE CHANDRA SAHU, S/O- UPENDRA SAHU, WARD NO- 7	1390	845000	4275	141/01.02.13	8,550.00
15	SRI DASHARATHA MEHER S/O- GOVINDA MEHER, WARD NO-1	792	396000	2030	1049/04.09.12	4,060.00
16	SRI SANTOSH KUMAR DASH, S/O- LATE MURALIDHAR DASH, WARD NO-5	1013	506500	2588	11/04.01.13	5,176.00

17	SRI PREMSAGAR JOSHI, S/O-LATE GOBINDA JOSHI, WARD NO-	1500	750000	3800	1718/31.12.12	7,600.00
18	SRI SUSHANTA KUMAR SAHU, S/O-RAGHABA SAHU, WARD NO-	3120	1560000	7850	392/25.03.13	15,700.00
	TOTAL					1,22,968.00

Hence the amount of loss of Rs.1,22,968.00 is suggested for recovery.

In response to the objection memo issued the local authority remain silent.

**Responsible Person for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	SRI KULAMANI KHATUA	EO	PATNAGARH NAC, PATNAGARH, BALANGIR	30742.00
2	SRI RAKESH KUMAR BEHERA	ACCOUNTANT	PATNAGARH NAC, PATNAGARH, BALANGIR	30742.00
3	SRI SUDAM MEHER	JR. ASST, ACCOUNTS SECTION	PATNAGARH NAC, PATNAGARH, BALANGIR	30742.00
4	SRI PRIYABRATA MALIK	JR. ASST.	PATNAGARH NAC, PATNAGARH, BALANGIR	30742.00

**18.2 - NON RENEWAL OF PERMISSION OF TELECOM TOWER LEADS TO LOSS OF MUNICIPAL FUND**

Govt. of Odisha, Housing & Urban Development Department , vide NOTIFICATION No.35742/HUD,BBSR,Dtd.17-12-13 issued a regulation for installation of Telecom Towers(TT) in Urban Area of Odisha with a view to create a healthy and congenial atmosphere for the wellbeing and convenience of general public. Accordingly, the regulation titled "Special Regulation for Installation of Telecom Towers in Urban Area of Odisha-2013"(SRITTUAO-13) .

As per the SRITTUAO-13, the telecom service provider will install the Telecom Tower in the urban area after obtaining the permission from the local urban local body according to the term and condition prescribed depositing the fee fixed by the H&UD Deptt. As per point-12. the permission issued in favour of the 'service provider ' will be valid for a period of 3years from the date of issue. Point-13, the renewal of the permission shall be done on submission of prescribed application before three month of expiry of the permission with all required documents & renewal fees as stipulated by the government and sanctioned by the Urban Local Body. In case the service provider fails to apply for renewal of license in time, penalty at the rate of Rs.10,000/- per month of delay shall be levied in addition to the renewal fees.

As the actual date of last renewal of license fee by the following telephone tower may be indicated against each tower. In absence the loss is calculated taking issue of notification as base date to last date 31.03.2015. As such due to non collection of renewal fees along with the penalty to the tune of Rs.18,24,000.00 was incurred loss in this NAC. Hence the amount of Rs. 18,24,000.00 is suggested for recovery.

SL NO	ADDRESS OF TELEPHONE TOWER	TYPE OF TOWER	DATE OF LAST RENEWAL	NO OF MONTH DELAY IN RENEWAL SINCE ISSUE OF NOTIFICATION TO 31.03.2015	YEARLY RENEWAL FEE FROM 2013-14	PENALTY @ Rs.10,000/- PER MONTH	TOTAL AMOUNT
1	SOBHA	AIRCEL	NOT AVAILABLE	15		1,50,000.00	1,52,000.00

	CHANDRA MEHER BABAJPADA PL NO. - 4373/7475 KHATA -NO678/1032				2,000.00		
2	ANANDA SAGAR THAKUR BRAHMAPURA PLOT NO- 1291, KHATA NO- 81	AIRCEL	NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
3	RANJAN KUMAR MEHER, C/O- CHANDRA BHANU MEHER PLOT NO- 312 KHATA NO- 578/421 PLOT NO- 3399	AIRCEL	NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
4	PRAMOD MEHER PLOT NO- 2032/4375 KHATA NO- 578/237 BRAHMAPURA	AIRTEL	NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
5	BHALA SAGAR MEHER DHUMABHATA ROAD		NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
6	GULAPI SETH W. NO.- 4 BADPADA		NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
7	KANTILATA MEHER W/O- SARAT CHANDRA MEHER PLOT NO- 2665 KHATA NO- 518	AIRTEL	NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
8	SASMITA RANJAN MISHRA, TIKAPALI PLOT NO- 2537/5087 KHATA NO- 678/536	AIRTEL	NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
9	MAHADEV MEHER, GADAVITAR PLOT NO- 3051/4656/4914 KHATA NO- 878/604	AIRTEL	NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
10	ISWAR MEHER, RAMPUR PLOT NO- 2981/6067 KHATA NO.- 678/1264	WIRELESS T.T INFO SERVICE LTD	NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00

11	BABITA AGARWAL W/O- A K AGARWAL PLOT -1482 &1481/6224 KHATA NO-678/1374	QUIPPO TELECOM INFRASTRUCTURE LTD	NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
12	SANJAY MEHER, KADOPADA PLOT NO-2277/258	AIRCEL	NOT AVAILABLE	15	2,000.00	1,50,000.00	1,52,000.00
	TOTAL				24,000.00		18,24,000.00

In response to the objection memo issued the local authority remain silent.

**Responsible Person for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	SRI KULAMANI KHATUA	EO	PATNAGARH NAC, PATNAGARH, BALANGIR	456000.00
2	SRI PRIYABRATA MALIK	JR. ASST.	PATNAGARH NAC, PATNAGARH, BALANGIR	456000.00
3	SRI RAKESH KUMAR BEHERA	ACCOUNTANT	PATNAGARH NAC, PATNAGARH, BALANGIR	456000.00
4	SRI SUDAM MEHER	JR. ASST, ACCOUNTS SECTION	PATNAGARH NAC, PATNAGARH, BALANGIR	456000.00

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

**19.1 - Remittance Position of VAT/Cess/Royalty & I T**

Rule-6 of OTC Vol-1 read with Rule 4 of OGFR stipulates that all moneys received or realised on behalf of Government should be deposited in full into treasury/ with the competent authority within three days of its receipt/realization. Retention of Government money/revenue outside the treasury is irregular and not permissible.

The register relating to ROYALTY/ VAT/CESS/TDS has not been maintained by the local authority as a result the opening balance and outstanding balance of same as on 31.03.2015 could not be furnished. The local authority is advised to maintained VAT ledger up-to-date and produce to next audit.

Particulars	Royalty	VAT	Cess	Income Tax
Opening Balance	-	-	-	-
Received	4,10,682.00	6,75,518.00	1,46,936.00	2,22,247.00
Total	4,10,682.00	6,75,518.00	1,46,936.00	2,22,247.00
Deposited	6,06,595.00	10,15,991.00	2,20,581.00	1,14,561.00
Closing Balance	-1,95,913.00	-3,40,473.00	-73,645.00	1,07,686.00

**19.2 - LOAN**

The position of loan for the year 2014-15 has been furnished below as per records made available to audit-

Sl.No.	Name of the loan	Rate of loan	ORDER NO/DATE	O.B. as on 01.04.2014		Loan repaid	Interest repaid	C.B. as on 31.03.2015	
				Principal	Interest			Total Principal	Total interest
1	Constn.of School Building	0.65	4298/17.12.71	1,080.28	114.14	0	0	1,080.28	114.14
2	LIC loan	0.1	7622/05.03.80	7,27,625.00	1,07,606.50	0	0	7,27,625.00	1,07,606.50
3	Repayment of over dues	0.1				0	0		
	225000	0.1	917/22.03.86	2,98,732.50	44,178.75	0	0	2,98,732.50	44,178.75
	130000	0.1	4806/01.12.86	1,84,784.60	27,327.90	0	0	1,84,784.60	27,327.90
	100000	0.1	46266/11.1.89	1,56,200.00	23,100.00	0	0	1,56,200.00	23,100.00
	100000	0.1	3058/24.01.89	1,56,200.00	23,100.00	0	0	1,56,200.00	23,100.00
	32714	0.1	12570/03.03.80	51,098.70	7,556.85	0	0	51,098.70	7,556.85
	64625	0.1	1176/07.01.91	1,00,944.96	14,928.48	0	0	1,00,944.96	14,928.48
4	Constn.of Market complex	0.65	3727/25.09.90	40,526.98	4,288.49	0	0	40,526.98	4,288.49
	Constn.of Market complex	0.1	2662/02.01.90	2,34,900.00	34,650.00	0	0	2,34,900.00	34,650.00
	Constn.of Market complex	0.1	55943/27.12.93	3,48,326.00	51,513.00	0	0	3,48,326.00	51,513.00
5	HUDCO loan	0.13	4482/09.12.83	1,07,846.00	19,219.04	0	0	1,07,846.00	19,219.04
6	NSDP loan	0.13	9097/01.03.93	89,922.08	9,277.58	0	0	89,922.08	9,277.58
	<b>Grand Total :</b>			24,98,187.10	3,66,860.73	0.00	0.00	24,98,187.10	3,66,860.73

**19.3 - DEPOSITE -**

When deductions (usually percent of the total amount of the bills) are made from the bills of contractors as security for the due performance of work in the future, the bills shall be passed by the Executive Officer and or the Chairman or the Vice-Chairman, as the case may be, for the full amount due on the bill but only the net amount paid shall be entered in the cash book (Form No.XIV). The amount deducted as security shall be brought on to the municipal accounts and into the ledger of deposits (Form No.XX) through the medium of the

adjustment register , in the manner described in Rules 133 and 134. But the Deposit Ledger which should have been maintained as per Rule 142 of OMRules 1953 , but not maintained.

The position of deposits i.e. EMD and SD for the year 2014-2015 is furnished below –

Particulars	Amount in Rs.
OB of Deposite Refundable	90,00,815.62
Deposite Received	12,70,268.00
Total	1,02,71,083.62
Deposite Refunded	16,59,557.00
CB of Deposite Refundable	86,11,526.62

**PARA: 20 RESULT OF AUDIT**

**20.1 -**

As a result of audit a total sum of Rs 64,65,634.14 is held under objection which included a sum of Rs.26,86,338.00 suggested for recovery besides. The above a sum of Rs.70,000.00 was recovered during the instant of audit the details of which are furnished in the spot recovery position.

**20.2 - GENERAL REMARKS**

In view of the objection and suggestion discussed in the foregoing paragraphs of this report the state of maintenance of records and registers by the NAC is very poor and can not said to be satisfactory and it needs much more improvement.

Despite codal provision, the Annual Budget was not prepared properly and efficiently by the local authority. Due to lack of regular monitoring, advances were remained unadjusted for long period. Due to non-preparation of bank reconciliation bank balance in the closing balance in the cash book figure are understated/ overstated and thereby depicting inaccurate picture of cash availability which needs special attention of the local authority. Huge amount of grants are remained unspent vis-a-vis pending utilisation certificate for submission in scheme fund due to lack of internal control over financial management. In view of above facts the maintenance of accounts and records are not upto the mark.

**Recommendation**

The local authority may :

- Ensure that bank reconciliation statement be worked out after end of every financial year to maintain accounts with a great deal of accuracy.
- Ensure prompt and effective action for recoument of outstanding advance to avoid temporary misappropriation of Govt money.
- Ensure preparation of annual budget keeping in view the actual requirement of funds for the developmental projects.
- Ensure that grants be spent and UC be submitted in due time.
- Ensure that funds shall not be diverted from one scheme to another.
- Ensure financial discipline and strengthen the monitoring mechanism.
- Ensure that as per scheme guidelines, the assets created out of GOI grants shall be duely entered into the asset-register showing the details of the source of fund, date of commencement and completion of works and handing over of the assets,etc.
- Ensure that Govt dues be remitted to proper quarter within three day of its receipt or realiation to maintain fiscal balance and fiscal space available for appropriate spending to accelerate growth and development.
- Ensure that all statutory records be maintained as prescribed in OM Rules 1953 and at the end of each month the EO shall verify the cash balance in the chest with that of cash book and record signed and dated certificate to that effect.

**Result Of Audit**

SI No	Name Of The Paragraph	Amount suggested for recovery(In Rs:)	Amount kept on objection(In Rs:)	Amount Surchargeable(In Rs:)	Amount Embezzlement(In Rs:)	Amount Othercases(In Rs:)	Remarks
1	5.1	0.00	3020630.14	0.00	0.00	0.00	
2	8.1	676000.00	1434666.00	676000.00	0.00	0.00	
3	14.2	0.00	748707.00	0.00	0.00	0.00	
4	15.1	51918.00	51918.00	0.00	0.00	51918.00	
5	15.2	9286.00	9286.00	9286.00	0.00	0.00	
6	18.1	122968.00	122968.00	122968.00	0.00	0.00	
7	18.2	1824000.00	1824000.00	1824000.00	0.00	0.00	
<b>Total</b>		<b>2684172.00</b>	<b>7212175.14</b>	<b>2632254.00</b>	<b>0.00</b>	<b>51918.00</b>	

**Audit Certificate**

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

**Spot Recovery**

SI No	Ref Para No/Audit Objection Statement Page No	M.R.No	Date	Amount(In Rs:)	Name of the person
1	PARA- 11.1	16/195	2014-09-30	70000	PDS in charge
				<b>Total</b>	<b>70000</b>