

**LOCAL FUND AUDIT, BOLANGIR, ODISHA**

CATEGORY : N A C,General

Audit Report No : 302791/AR/2017-2018-BOLANGIR

**PARA: 1 TITLE SHEET**

1	Name of the Institution :	<b>Patnagarh N A C</b>
2	Year of Accounts under Audit :	<b>2016-2017</b>
3	Name of the Local Authority during the year of A/Cs :	SRI KULAMANI KHATUA EXECUTIVE OFFICER PATNAGARH N.A.C. 01.04.2016 TO 31.03.2017
	Name of the Local Authority at the time of Audit :	SRI KULAMANI KHATUA EXECUTIVE OFFICER PATNAGARH N.A.C.
4	Duration of Audit :	02-06-2017 To 29-06-2017 (Mandays Consumed :- 19)
5	Name of the Auditors :	SHYAMA SUNDAR BHOI - Lead Auditor(02-06-2017 to 29-06-2017) ANIL KUMAR SAHOO - Auditor(02-06-2017 to 29-06-2017)
6	Name of the Reviewing Officer :	DILLIP KUMAR CHHATRIA(District Audit Officer)
7	Date of submission of report by Reviewing officer :	28-10-2017
8	Entry Conference Date :	24-05-2017
9	Exit Conference Date :	13-09-2017
10	Name of the District Audit Officer :	DILLIP KUMAR CHHATRIA
11	Date of approval of report by District Audit Officer :	28-10-2017

**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	Misc Receipt Books	Dt 02.06.2017 Before transaction.	103 nos	103 nos	SR page 13	
2	Measurement Books	Dt 02.06.2017 Before transaction.	03 nos	03 nos	SR page 41	
3	ServicePostage Stamps	Dt 02.06.2017 Before transaction.	Rs 161.00	Rs 161.00	SR page 60	
4	Holding Tax Receipt Books	Dt 02.06.2017 Before transaction.	85 nos	85 nos	SR page 05	
5	Guda Tax Receipt Books	Dt 02.06.2017 Before transaction.	54 nos	54 nos	SR page 10	
6	CMET Tax Receipt Books Rs 1.00	Dt 02.06.2017 before transaction.	24 nos	24 nos	SR page 03	
7	CMET Receipt books	02.06.2017 before transaction.Rs 2.00	44 nos	44 nos	SR page 25	
8	Park receipt books Rs 3.00	Dt 02.06.2017 Before transaction.	97 nos	97 nos	SR page 72	
9	Cattle market receipt books	Dt 02.06.2017 Before transaction.	23 nos	23 nos	SR page 33	
10	Weekly market receipt books Rs 3.00	Dt 02.06.2017 Before transaction.	92 nos	92 nos	SR page 52	
11	Daily market receipt books	Dt 02.06.2017 Before transaction.	44 nos	44 nos	SR page 16	
12	Weekly market receipt books Rs 5.00	Dt 02.06.2017 Before transaction.	33 nos	33 nos	SR page 62	
13	Cash in hand	Dt 02.06.2017 Before transaction.	nil	nil	Cashier cash book page 138,sub-sidiary cash book page 44	

**Comments**

As per Rule-20(A) OLFA rules 1951 physical verification was conducted on 02.06.2017 before transaction and result there of has been furnished above.

**PARA: 3 LIST OF VERIFIED RECORDS**

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

Sino	List Records/Register	Rules	Form No
1	Measurement Book	Rule 365	Form W-VIII
2	Stock & Store Register of Municipality	Rule 346	Form W-VII
3	Register of Works	Rule 345	Form W-VI
4	Miscellaneous Supply Bill	Rule 343	Form W-V
5	Contract Certificate	Rule 343	Form W-IV
6	Contract Agreement Form	Rule 341	Form W-III
7	Nominal Muster Roll (NMR)	Rule 340	Form W-II
8	Register of Estimates & Allotments	Rule 332	Form W-I
9	Register of Distraigned property & sales	Rule 204	Form S
10	Warrant register	Rule 202	Form R
11	Form of inventory & Notice	Rule 203	Form Q
12	Tax collector's Ledger	Rule 198	Form M
13	Stock account of Receipt Forms	Rule 196	Form L
14	Tax collector's daily collection register	Rule 192	Form K
15	Tax Receipt Form	Rule 188	Form I
16	Arrear Demand Register	Rule 187	Form H
17	Register of Petitions	Rule 183	Form F
18	Form of appeal petition	Rule 183	Form E
19	Demand and Collection Register	Rule 178	Form B
20	Tax Ledger (personal A/C of Tax Payers)	Rule 178	Form B(I)
21	Assessment List	Rule 177	Form A
22	Stock Register of Stationery	Rule 172	Form No. XLIV
23	Stamp Account	Rule 172	Form No. XLIV
24	Stock account of Tickets used for daily collection of Market fees	Rule 171	Form No. XLIII
25	Register of Grants	Rule 80	Form No. XLII
26	Daily Collection Register	Rule 171	Form No. XL
27	Arrear List	Rule 170	Form No. XXXIX
28	Register of Lands	Rule 160	Form No. XXXV
29	Miscellaneous Receipts	Rule 157	Form No. XXXIV
30	Stock account of License Number Plates	Rule 155	Form No. XXXII
31	Application for License for Carriage, Cart, Horses and Other animals	Rule 152	Form No. XXXI
32	License for Carriages, Carts, Horses Other and animals	Rule 154	Form No. XXX
33	Register of the Tax on Carriages, Carts, Horses and Other animals	Rule 151	Form No. XXIX
34	Annual Account of Receipts and Expenditure	Rule 145	Form No. XXIV
35	Register of Quarterly & Annual account of Expenditure	Rule 144	Form No. XXIII
36	Register of Quarterly & Annual account of Receipt	Rule 144	Form No. XXII
37	Abstract Register of Expenditure	Rule 129	Form No. XVI
38	Abstract Register of Receipts	Rule 129	Form No. XV
39	Cash Book of the municipality	Rule 125	Form No. XIV
40	Periodical Increment Certificate	Rule 99	Form No. XI
41	Absentee Statement	Rule 97	Form No. X
42	Salary Bills	Rule 97	Form No. IX
43	Order Book	Rule 96	Form No. VIII
44	Register of Bills	Rule 96	Form No. VII
45	Challan	Rule 87	Form No. VI
46	Subsidiary Cash Book	Rule 128 A	Form No. V-A
47	Cashier's Cash Book	Rule 81	Form No. V
48	Subsidiary account of special taxes	Rule 79	Form No.-IV
49	Schedule for the Budget Estimate	Rule 77	Form No. III

50	Abstract of the Budget Estimate	Rule 74	Form No. I-A
51	Budget Estimate	Rule 74	Form No. I

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

Sino	List Records/Register	Rules	Form No
1	Register of Interest Bearing Securities	Rule 147	Form No. XLI
2	Appropriation Register of Loan Funds	Rule 150	Form No. XXVIII
3	Loan Register	Rule 149	Form No. XXVII
4	Register of Investments	Rule 148	Form No. XXVI
5	Establishment Audit Register	Rule 146	Form No. XXV
6	Register of outstanding deposits	Rule 143	Form No. XXI
7	Deposit Ledger	Rule 142	Form No. XX
8	Register of Outstanding Advances	Rule 140	Form No. XIX
9	Advance Ledger	Rule 136	Form No. XVIII
10	Register of adjustments	Rule 132	Form No. XVII
11	Voucher of Recoupment of Permanent Advance Account	Rule 110	Form No. XIII
12	Permanent Advance Account	Rule 108	Form No. XII

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

Sino	List Records/Register	Rules	Form No
1	Distrain Warrant Register	Rule 202	Form P
2	Notice of demand for tax u/s-161 of OM Act	Rule 202	Form O
3	Progress statement of collection of taxes	Rule 200	Form N
4	Register of writes off of demands	Rule 190	Form J
5	Mutation Register	Rule 184	Form G
6	Ledger of Lessees	Rule 170	Form No. XXXVIII
7	Jamabandi Register	Rule 170	Form No. XXXVII
8	Register of Rents for which there is fixed demand	Rule 163	Form No. XXXVI
9	License Register for Drivers and Owners of Carriages plying for hire	Rule 156	Form No. XXXIII

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

Sino	List Records/Register	Rules	Form No
------	-----------------------	-------	---------

**Comments**
**PARA 3.1. Non-Maintenance of Prescribed documents, Registers**

In spite of repeated objections and suggestion imparted in last and previous audit reports the following irregularities in maintenance of records and registers are found still persisting .No sincere steps appear to have been taken to maintain the same . The Executive Officer is therefore once again impressed upon to look into the matter personally and to ensure early maintenance of following registers and records in order to have a better shape of accounts in future.

- i) Register of Outstanding Advances
- ii) Deposit Ledger
- iii) Register of un-disbursed Pay & Allowances
- iv) Assets Register.
- v) Surcharge Register & Audit check register.

Apart from the above following irregularities of activities in preparation of accounts and registers were noticed. 1) Expenditure on office establishment and general administration was not restricted to 5% of the income of the municipality as required under Rule 174 of OM Rule-1953. 2) Half yearly Physical verification of Stock & Stores have not been conducted as required under Rule 346 of OM Rules 1953 , which should be conducted at a regular intervals of 6 months. 3) D C B Register of taxes both arrear & Current have not been maintained properly since long. 4) Reconciliation of accounts figures with collection figures of D C B was not done as required under Rules 199 to 201 of OM Rules 1953. 5) Demand List of Licence fees as required under section 290 of the Odisha Municipality Act 1950 were not prepared before the beginning of the year. 6) Arrear demand were not checked by the E.O as required under Rule 187 of OM Rules 1953. 7) Annual accounts of receipts & expenditure as required under Rule 144 & 145 of OM Rule has not been maintained. In response to Audit objection memo issued on the

above score the Executive Officer replied that steps are being taken to follow the audit instructions which is felt traditional in view of the last and past Audit Reports. All the aforementioned aspects of Audit observation may be followed & ensured at the earliest under intimation to the next Audit.

**PARA 3.2 Nonmaintenanc of DOUBLE ENTRY ACCRUAL BASED ACCOUNTING SYSTEM (DEABAS) as per Odisha Municipal (Accounts ) Rules -2012 (OMAR) inthis NAC w.e.f. 1st. October 2013**

As per the directive of Govt. in H&UD Deptt (O) issued vide Letter No-24970 /HUD,BBSR Dtd 7.8.2013 Double entry accrual based accounting system (DEABAS) as per Odisha Municipal (Accounts) Rules 2012 shall be maintain in this NAC with effect from October 2013. But on verification of accounts It was found that DEABAS has not been maintained in full fledged manner as on 31.3.2015. As such the audit work was conducted on Manual cash books, Due to non-maintenance of the DEABAS as per Odisha Municipal Rule-2012 the very purpose of the above directive of the Govt. has been defeated. Hence the Executive Officer is advised to ensure early maintenance of the above accounting system prescribed by the Govt and produce before next audit.

**PARA: 4 FINANCIAL POSITION**

Patnagarh N A C - 2016-2017

Sno	Name of the Cash Book	OB as on Date	Opening Balance(In Rs:)	Receipt during the Year under Audit(In Rs:)	Total(In Rs:)	Expenditure during the Year under Audit(In Rs:)	Closing Balance as per Audit (DD MM YYYY)	Closing Balance(In Rs:)(AUDIT)	Closing Balance as per (DD MM YYYY) Cash Book	Closing Balance(In Rs:)(CASH BOOK)	Difference (In Rs:)	Remarks
1	ACCOUNTANT CASH BOOK	01-04-2016	6376607 4.00	81723614. 65	14548968 8.65	78022061. 00	31-03-2017	6746762 7.65	31-03-2017	6746762 8.06	-0.41	
	<b>GRAND TOTAL</b>		<b>6376607 4.00</b>	<b>81723614. 65</b>	<b>14548968 8.65</b>	<b>78022061. 00</b>		<b>6746762 7.65</b>		<b>6746762 8.06</b>	<b>-0.41</b>	

**Comments**

Liabilities	Value	Assets	Value
Unspent Balance of Grants	63268867.57	Cash in hand/in Treasury/in Bank Accounts/in Post Office	0.00
Loans Payble	0.00	Investments(included in cash book figure)	0.00
Salary payble including EPF & pension etc.	973231.00	Outstanding Taxes,rents and rates etc recoverable	706972.60
Unremitted Govt. dues(VAT,Cess,Royalty,I.T . etc.)	465779.00	Outstanding Advance	3963822.00
Energy Charges payable	0.00	Balance of all cash books	67467628.06
Deposits refundable	7598812.62	Amount Surchrged	0.00
Contributions payable	0.00	Loans Recoverable	0.00
<b>Total</b>	<b>72306690.19</b>	<b>Total</b>	<b>72138422.66</b>
<b>Asset Over Liability</b>	<b>168267.53</b>	<b>Liability Over Asset</b>	<b>0.00</b>

It would be seen from above position of Assets and Liabilities that the liabilities of the NAC exceed to the tune of Rs.168267.53 as on 31.03.2017. from which it is cleared that the financial position of the NAC is very not sound.It is suggested to the NAC authorities to increase the own source of income for the interest of the NAC.

**Annual Budget**

As per rule 76 of Odisha municipality rule 1953 the annual budget should be placed before council on or before 1st February and the pass copy of budget need be sent to Government through the District Magistrate. Accordingly the annual budget estimate for the financial year 2016-17 has been approved by the council vide its resolution of No-1394 /dt 06.08.2016 and transmitted to Govt.in H & UD Department through the District Collector, Bolangir. The budget estimate approved by the H & UD Department vide letter no 28222/HUD/dt 30.11.2016 and communicated to the executive officer Patnagarh NAC which produced before Audit for necessary record and reference. The details of budgetary provision in respect of receipt, & expenditure has been furnished below along with figures of actual receipt, expenditure for a comparative study.

Budget for the year 2016-17		
Receipts		
SI No	Head of Account	Amount (Rs.)
1	Rates & Taxes	1,193,200.00
2	License Fees & Other	549,390.00
3	Receved under Special Act	1,150.00
4	Received from Municipal Property	2,648,000.00

5	Hiring & Lease	3,140,000.00
6	Govt Grants	91,554,762.00
7	Miscellaneous	6,004,000.00
8	Extra Ordinary Debt	6,135,149.00
	<b>Total</b>	<b>111,225,651.00</b>
	<b>As per Actual Receipts</b>	<b>81,723,614.65</b>
	<b>Difference</b>	<b>29,502,036.35</b>

**Payments**

SI No	Head of Account	Amount (Rs.)
1	General Purpose	8,780,042.00
2	Collection Estt.	594,749.00
3	Octroi Estt	5,639,766.00
4	Public Safety	12,455,248.00
5	Public Health	9,010,000.00
6	Water Supply	1,070,000.00
7	Conservancy	2,381,676.00
8	Contribution Of General Purpose	265,000.00
9	Public Works	51,058,465.00
10	Public Institutions	20,000.00
11	OULM	2,299,680.00
12	Misc	2,421,500.00
13	Extra Ordinary Debts	7,244,800.00
	<b>Total</b>	<b>103,240,926.00</b>
	<b>As per Actual Expenditure</b>	<b>78,022,060.65</b>
	<b>Difference</b>	<b>25,218,865.35</b>

**BUDGET COPARATIVE COMMENTS**

It would be revealed from the above comparative statements that the achievement of receipts and collections of funds is about Rs 29502036.35 which is 26.52 % less than the provisions kept in annual budget estimate for the year 2016-2017. Similarly the total expenditure ,incurred on different heads during the year under audit Rs25218865.35 which is 24.42 % less than the figures determined in annual budget estimate . As such the budget estimate of the municipality cannot be said a realistic one. In keen sense of observations of the aforesaid discrepancies occurred between the figures of Annual accounts & Budget Estimate of the Municipality. It would be revealed that the amounting figures of the budget estimates was actually not determined basing upon the actual amounts of receipts and expenditure incorporated in the Annual accounts of preceding year as well as current year up to months of September-2014. In query it was intimated that the annual accounts of the Municipality was not prepared properly due to lack of maintenance of cash book in time. It is worthwhile to mention here that such un-realistic budget estimate can't help to fulfill the coverage of financial policies adopted by the local authority during a financial year. Since budget is considered as an instrument, which insists the authorities of an organization for management of financial administrations elaborately, sincere efforts should therefore be taken by the Municipality Authority to prepare a more realistic and streamlined budget. Hence the local authority is advised to take the suitable steps henceforth to prepare more realistic and streamlined budget for the coming years in order to achieve better result from the financial strategies adopted therein.

**Maintenance of Annual Accounts**

The Annual Accounts of receipts and expenditure as require under Rule-144 & 145 of OM Rules was not maintained properly for the year 2016-17. The maintenance of same need be ensured henceforth & compliance reported to audit.

**Sinking fund:-**

As per sec-III of OM Act 1950 Rule 20(d) of OLFA Rule -1951 provision should be made for sinking fund ,where loan has been incurred by the ULB to clear off the liability. But no such fund has been created by the Municipality during the year under audit.

**Non-maintenance of Flexi Account in Bank for parking of Funds of centrally sponsored scheme.**

During the period under audit it was observed that a total sum of Rs.24463981.00 as detailed below has been kept in Saving bank account deposit as on 31.03.2017 towards unutilized funds of centrally sponsored schemes implemented in the municipality.

Sl. Name of Scheme Funds detained

1. BRGF Fund Rs 10296998.00
2. TFC Fund Rs 12229179.00
3. NULM Fund Rs 1937804.00 (SWM)

Total Rs 24463981.00

The above amounts are kept in different nationalized banks in shape of deposits in S. B. accounts instead of keeping them in flexi accounts. In this context it may be pointed out that the Govt. in Finance Department (O) has instructed vide their Letter No. 35425/ F. Dt.12.10.2012 to keep the funds of centrally sponsored plan schemes in Flexi Accounts so that higher interest accruals from such funds can be achieved to expand the coverage of the scheme. without affecting fund flow for scheme. On issue of audit objection memo the EO replied that noted for future guidance. Hence attention of the local Authority is invited in this regard and suggested to do the needful as per the above instruction in order to achieve high return towards interest money in order to expand the coverage of the scheme without affecting fund flow for scheme and fact reported to audit.

**Operation of multiple bank accounts for individual scheme funds:-**

As per Govt. guide line all money received under different program and activities shall forth with be deposited with the interest bearing saving bank accounts which are approved by the Govt. and the interest occurred is to be treated as additional resources of the scheme for utilization of the concern schemes. On checking of the bank pass book w. r. t accountant cash book the following irregularities were noticed on operation of bank account.

- 1- 49 saving bank accounts were operated by the municipality at different branches of the same /different banks.
- 2- Multiple bank accounts were opened under one scheme funds in excess of single account in the scheme namely CRF, BRGF,, IHSDP, OAP and MV Tax



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

Patnagarh N A C - 2016-2017

S/no	Name of the Bank	A/C No.	Closing Balance Date As on (dd/mm/yyyy)	Closing Balance in Pass Book(In Rs:) (A)	Closing Balance in Bank Date Cash Book (dd/mm/yyyy)	Closing Balance in Bank as mentioned in Cash Book(In Rs:) (B)	Difference(In Rs:)(A-B)	Remarks
1	ALL CASH BOOK	0.00	01-04-2016	70804292.20	31-03-2017	67467628.06	3336664.14	Detailed are furnished below.
	<b>GRAND TOTAL</b>			<b>70804292.20</b>		<b>67467628.06</b>	<b>3336664.14</b>	

**Reconciliation**

**Non working of reconciliation of un-classified amount**

In vide Finance Dept. Lt No- 690/XIV-AUD-1/2003 dated 21.01.2009 and Lt. No. 15847/F dt. 27.04.2013 it has categorically been instructed to all the auditee Institutions to work out the reconciliation figure between bank balance & that of Cash book Balance in every month, which should have been produced to audit for necessary verification. But the said Instruction has been ignored by the municipality. For such practice, misutilisation or misappropriation of Govt. as well as municipality fund cannot be over ruled. But till the close of Audit the reconciliation statement could not be produced to Audit. However the local authority is advised to reconcile the differential amount between the pass book balance and cash book balance and compliance be reported. While making reconciliation of bank pass book account taking total bank figure of Accountant Cash Book for the year 2016-2017, it was noticed that an amount of **Rs3336664.14 00** was remained un reconciled due to want of records. Once again requested to the local authority to reconciled the difference amount of Rs .00 compliance reported to next audit till than **Rs. 3,3,36,664.14 .00** is kept under objection.

Sl.No.	Name of the Bank	Name of A/C	A/C No.	C.B. as on Pass Book	CB as per Cash Book	Difference
1	2		3	4	5	6
1	S.B.I., Patnagarh	CRF	11263176847	423683.30		
2	S.B.I., Patnagarh	EIEUS	11263176814	10862.18		
3	S.B.I., Patnagarh	Road Dev.	30675046647	4401852.00		
4	S.B.I., Patnagarh	Non-LFS Pension	11263177670	47446.26		
5	S.B.I., Patnagarh	M.L.A. LAD	11263176803	1401735.78		
6	S.B.I., Patnagarh	BRGF	31839825313	10100821.00		
7	S.B.I., Patnagarh	LFS Pension	30716836494	155543.00		
8	S.B.I., Patnagarh	S/R Account	11263176825	189502.90		
9	S.B.I., Patnagarh	13th F.C.& 14th F/C	31264703831	12229179.00		
10	S.B.I., Patnagarh	OAP	11263178539	2529961.87		
11	S.B.I Bazar Branch	Octroi Compensatrimon	34047990818	1000086.00		

	Patnagarh	(New A/C)				
12	S.B.I Bazar Branch Patnagarh	M.V Tax	35937953788	2648027.50		
13	S.B.I Bazar Branch Patnagarh	Swachh Bharat Mission (SBM)	35974439520	4162231.00		
14	SBI Current Account	Current Account	11263175334	30706.50		
15	U.G. Bank , Patnagarh	SWM State Plan	84002407214	1937804.00		
16	U.G. Bank , Patnagarh	CRF	12008125730	472707.00		
17	U.G. Bank , Patnagarh	CRF	12008132282	14542.00		
18	U.G. Bank , Patnagarh	12th F.C.	12008132816	2680.00		
19	U.G. Bank , Patnagarh	EFC	12008132351	39154.00		
20	U.G. Bank , Patnagarh	Souchalaya	12008132486	525546.00		
21	U.G. Bank , Patnagarh	M.P. LAD	12008132180	530675.00		
22	U.G. Bank , Patnagarh	W.O.D.C.	12008132408	2294938.00		
23	U.G. Bank , Patnagarh	BRGF	12008127737	196177.00		
24	U.G. Bank , Patnagarh	SD Account	12008132827	229545.00		
25	U.G. Bank , Patnagarh	Own Source	12008132362	53015.00		
26	U.G. Bank , Patnagarh	Protection of Water Bodies	84003229920	180079.00		
27	U.G. Bank , Patnagarh	Boundary Wall	84003857693	687734.00		
28	U.G. Bank , Patnagarh	Non-Residential Buliding	84003876740	1008349.00		
29	U.G. Bank , Patnagarh	Road & Bridges (Normal)	84004104137	2428203.00		
30	U.G. Bank , Patnagarh	Park Greenery Aforestation	84004474642	38046.00		
31	U.G. Bank , Patnagarh	Rent & Stall	84004686704	3618.00		
32	U.G. Bank , Patnagarh	IHSDP	84005777678	10199098.00		
33	U.G. Bank , Patnagarh	Const. of C.C. Road with Drain	84007719603	771951.00		

34	Bank of Baroda	Double Entry Account System	35940100006492	7201.00		
35	Bank of Baroda	PDS	35940100006474	213873.00		
36	Bank of Baroda	IHSDP	35940100006961	1814.00		
37	Bank of Baroda	T.A D.A of Elected Representatives	35940100009691	57633.00		
38	Panjab National Bank	Electrical Account	7415000100003425	57973.84		
39	Panjab National Bank	Devolution of Fund	7415000100016894	4171964.94		
40	Panjab National Bank	OULM	7415000100020426			
41	Panjab National Bank	NULM	7415000100031060	30093.00		
42	DCB Bank,Patnagarh	IHSDP Account	14811100000453	4328.00		
43	DCB Bank,Patnagarh	M.V Tax Account	14813300001342	7236.00		
44	DCB Bank,Patnagarh	Swachha Bharat Mission (SBM)	14813300001458			
45	Andhra Bank ,Patnagarh	Performance Based Incentive Grant	239910100010077	17942.00		
46	Axis Bank, Patnagarh	O.A.P Account	916010009191120	1895202.00		
47	Axis Bank, Patnagarh	Maintenance of Capital Asset	916010064700727	818747.00		
48	Axis Bank, Patnagarh	Creation of Capital Asset	916010065571209	1183102.00		
49	P.L.Account			1391683.13		
			<b>TOTAL</b>	<b>70804292.20</b>	67467628.06	3336664.14

Reconciliation of bank account w. r. t. cash book of different pass book as on 31.3.2017 are furnished below.

<b>Cheques issued But not encashed as on 31.03.17</b>		Closing Balance as per Cash book as on 31.3.2017
<b>(1) BRGF SBI A/c No-30839825313</b>		Rs 67467628.06
<b>Ch NO/Date</b>	<b>Amount (Rs.)</b>	
<b>616751/28.03.17</b>	<b>101,134.00</b>	
<b>616758/31.03.17</b>	<b>99,656.00</b>	
<b>616756/31.03.17</b>	<b>97,974.00</b>	

616754/31.03.17	127,167.00	
616757/31.03.17	12,563.00	
616753/31.03.17	1,012,226.00	
611489/28.03.17	14,089.00	
616759/31.03.17	12,801.00	
<b>Total</b>	<b>1,477,610.00</b>	add (+) 1477610.00
<b>(2) MLA LAD SBI A/c No-11263176803</b>		
<b>Ch NO/Date</b>	<b>Amount (Rs.)</b>	
556254/31.03.17	83,724.00	
556255/31.03.17	15,678.00	
556253/31.03.17	13,290.00	
556251/22.02.17	12,499.00	
556249/22.02.17	18,492.00	
556247/2.02.17	32,299.00	
<b>Total</b>	<b>175,982.00</b>	Add Rs 175982.00
<b>(3) Octroi SBI A/c No-34047990818</b>		
<b>Ch NO/Date</b>	<b>Amount (Rs.)</b>	
931138/31.03.17	786,346.00	
931143/31.03.17	22,985.00	
931140/31.03.17	1,327.00	
931141/31.03.17	29,237.00	
931142/31.03.17	52,536.00	
931144/31.03.17	80,800.00	
<b>Total</b>	<b>973,231.00</b>	Add Rs 973231.00
<b>(4) 14th F C SBI A/c No-31264703831</b>		
<b>Ch NO/Date</b>	<b>Amount (Rs.)</b>	
448384/31.03.17	685,681.00	
448385/31.03.17	26,749.00	
<b>Total</b>	<b>712,430.00</b>	Add Rs 712430.00
(5) Bank commission debited by bank		Deduct Rs 2966.86
but not reflected in cash book till 31.3.2017		
Un classified amount		0.00
C B as per pass book as on 31.3.2017		Rs 70803914.20

PARA: 6 **STOCK POSITION**

Patnagarh N A C - 2016-2017

S/no	Material/ Item	Opening Balance	Receipt	Issued	Closing Balance As per Audit	As per stock register	Remarks
1	A A Y RICE	77.03	1361.85	1313.85	125.03	125.03	SR PAGE 13
2	PHH RICE	490.18	5294.75	5259.75	525.18	525.18	SR PAGE 30
3	wheat	148.75	443.57	539.55	52.77	52.77	SR Page 48

**Comments**

As per Rule 106 (iii) of O.G.F.R., the inventory should be checked by the Competent administrative authority once a year and a certificate of the result of check recorded. As per Rule 106 (iv) of O.G.F.R., articles of dead stock should be verified at least once a year and the result of verification recorded on the inventory. All discrepancies noticed must be proper investigated and brought to account immediately so that the inventory may represent the true account. As per Rule 111 of O.G.F.R., a physical verification of all stores should be made at least once in every year by the Head of Office concerned or such other as may be specially authorised by him and shortage and damages as well as unserviceable stores be reported to the competent authority to write off the loss.

As per Rule 269 of O.G.F.R., subject to any special rules or order made by Government in this behalf, every cashier, store-keeper and other subordinate who is entrusted with the custody of cash or stores should be required to furnish security, the amount being regulated according to circumstances and to local conditions in each case under the sanction of competent authority and to execute bond setting forth the conditions under which government will hold the security and may ultimately refund or appropriate it.

**Position of Major Stock items :-**

The details stock position of furnitures as on 31.3.2017 of Patnagarh NAC are furnished below.

SI No.	Goods	O.B. as on dt.01.04.2016	Purchased by dt.31.03.2017	Total as on dt.31.03.2017	Remarks
1	Steel Almirah	25 Nos.	7 Nos.	32 Nos.	
2	Computer Chair	Nil	4 Nos.	4 Nos.	
3	Executive VIP Chair	Nil	3 Nos.	3 Nos.	
4	Capsule Chair	Nil	7 Nos.	7 Nos.	
5	Nilkamal Chair	Nil	15 Nos.	15 Nos.	
6	Office Table	14 Nos.	2 Nos.	16 Nos.	
7	Almirah 10 Locker Keys	Nil	1 No.	1 No.	
8	Computer	12 Nos.	1 No.	13 Nos.	Govt. supply 1 No.
9	Laptop	1 No.	Nil	1 No.	

**PARA: 7 INVESTMENT**

Patnagarh N A C - 2016-2017

S/no	Opening Balance of Investment as on (DD MM YYYY)	Opening Balance(In Rs:)	Amount Encashed during the Year under Audit(In Rs:)	Total(In Rs:)	Amount Invested during the Year under Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Audit	Closing Balance Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Investment Ledger	Closing Balance Investment Ledger(In Rs:)	Difference(In Rs:)	Remarks
1	01-04-2016	0.00	0.00	0.00	0.00	31-03-2017	0.00	31-03-2017	0.00	0.00	
	<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 was found in the previous year or in the year under audit i.e. during 2016-17.

**PARA: 8 ADVANCE**

Patnagarh N A C - 2016-2017

S/no	Advance Outstanding as on (DD MM YYYY)	Cashbook Name	Advance Outstanding (In Rs:)	Advance Paid during the Year under Audit(In Rs:)	Total(In Rs:)	Advance adjusted during the Year under Audit(In Rs:)	Advance Outstanding as per (DD MM YYYY) Audit	Advance Outstanding Audit (In Rs:)	Advance Outstanding as per (DD MM YYYY) Cash Book	Advance Outstanding Cash Book(In Rs:)	Difference (In Rs:)	Remarks
1	01-04-2016	Accountant cash book	4687142.00	548000.00	5235142.00	1276320.00	31-03-2017	3958822.00	31-03-2017	0.00	3958822.00	Outstanding Advance has not reflected in cash book.
<b>GRAND TOTAL</b>			<b>4687142.00</b>	<b>548000.00</b>	<b>5235142.00</b>	<b>1276320.00</b>		<b>3958822.00</b>		<b>0.00</b>	<b>3958822.00</b>	

**Comments :**

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

**Advance paid during 2016-2017 and not adjusted till 31.03.2017 :-**

On checking of the advance ledger w .r. t. cash book for the year 2016-17, it was found that an amount of Rs 5,48,000.00 as advance was paid during the year, but out of the said advance Rs 29,000.00 has not been adjusted till 31.3.2017. The details are furnished below.

**Statement showing the details of advance paid to staff of Patnagarh NAC for the year 2016-17 but not adjusted till 31.03.2017**

Sl.No.	Name of the employees	Vr.No./Date	Amount	Purpose
1	2	3	4	5
1	Sri Sudam Meher,H.A.	168/01.06.16	12000.00	NAC MAP
2	Sri Sudam Meher,H.A.	580/02.11.16	8000.00	High Court Case & TA
3	Sri Barun Kumar Sa, J.E.	643/06.11.16	3000.00	T.A.
4	Sri Tikeswar Pasayat, T.C.	916/28.02.17	6000.00	Haris Chandra
<b>Total</b>			<b>29000.00</b>	

The local authority is impressed upon to take steps to get the advance adjusted at an earliest by way of making cash recovery or by obtaining details vouchers from the advance holder. Till then Rs 29000.00 is kept under objection.

**The year wise break-up of outstanding advance as on 31.3.2017:-**

The year wise break-up of outstanding advance as on 31.3.2017 is furnished below.

**YEAR WISE BRACK-UP OF OUTSTANDING ADVANCE**

Prior to 2010-11	769439.00
2010-11	357000.00
2011-12	593720.00
2012-13	1586334.00
2013-14	479500.00
2014-15	41329.00
2015-16	102500.00
2016-17	29000.00
<b>Total</b>	<b>3958822.00</b>

It would be revealed from the above break up of outstanding advances that the outstanding balance of advances as on 31.3.2017 has been accumulated high due to pending of un-adjusted amount of advances year after year. It is construed from the fact that maintenance of advance position in the advance ledgers and outstanding ledger of advance, as prescribed in Rules 136 & 140 respectively of Om rule 1953 has not been ensured properly in accordance with the transactions occurred in the cash book. As a result the detailed list of advances outstanding against different staff, others and outsider Agency has not been prepared by the Municipality authority, due to which follow up actions for adjustment of such outstanding balance of advances are badly neglected. It is a serious lapse on the part of local authority for not maintaining 'Advance Ledger'. The attention of the higher authority is invited in this regard for taking needful action. Further attention of the council is invited in this regard and suggested to instruct the EO to ensure at first the detailed list of advance and then execute a special drive to adjust such unsecured balance of advances either by cash recovery or by obtaining authenticated vouchers from the defaulters, as early as possible, otherwise the municipality will sustain the loss, action taken on this score need be intimated to audit.

**Advance outstanding for more than one year as on 31.03.2017(Surchargable):-**

As per G.O. no. 2221/F, Dt. 08-03-2002 read with letter no. 15179/DLFA, 28-09-13 of Director, Local Fund audit, Odisha, advances remaining outstanding for more than one year is to be treated as loss to the govt. fund. Such unadjusted advances are to be suggested for recovery through surcharge proceedings as per the said G.O. by fixing up responsibility on the sanctioning authority who have sanctioned the advance but failed to adjust the same and the advance payee jointly. Further, in case where the auditee organization does not disclose the information with regard to outstanding advances with supporting vouchers before audit, the officials and personnel in position of the relevant periods are also to be surcharged for total amount of outstanding advances. Subsequently the Govt. in Finance Deptt. In their Circular No. 114/ F. Dt. 5.1.2004 has clearly instructed that advance against Govt. transaction cash book of P.S., ULBs and other organization is also come under surcharge proceedings.

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

On being asked the local authority failed to furnish any valid reasons for lying such a huge amount of outstanding advance for more than one year. Hence the above amount of Rs. 102500.00 needs recovery from the person concerned and compliance reported to audit

SL NO	Name of the employees	Vr no/date	Amount	Purpose
1	Sri Bibhuti B. Dehury, LM	317/24.06.2015	40000	Baldev Bihar Park
		716/17.10.2015	30000	JCB removal of cable wire
		764/04.11.2015	5000	Tree plantation of BB Park
		1008/09.02.2016	17500	Purchase of Summersable pump
		<b>Total</b>	<b>92500</b>	
2	Sri Kulamani Khatua, E.O.	615/11.09.2015	10,000	High Court Case & TA
		<b>Total</b>	<b>10,000</b>	
		<b>G.TOTAL</b>	<b>102,500</b>	

On issue of audit objection memo the local authority replied that the same advance would be adjusted during 2017-18 but failed to produce any records for verification before audit.



**Responsible Person for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs.)
1	Sri Bibhuti Bhusan Dehury Light Muhuri	Light Muhuri	Now at Patnagarh NAC Po - Patnagarh Dist - Bolangir	92500
2	Sri Kulamani Khatua E.O.	E.O. Patnagarh NAC	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	10000

PARA: 9 GRANTS

Patnagarh N A C - 2016-2017

S/no	Grants Outstanding as on (DD MM YYYY)	Grants Outstanding (In Rs:)	Grants Received during the Year under Audit(In Rs:)	Total(In Rs:)	Grants Spent during the Year under Audit(In Rs:)	Grants unspent as on (DD MM YYYY)	Grants unspent (In Rs:)	Remarks
1	01-04-2016	60229342.57	53787000.00	114016342.57	50747475.00	31-03-2017	63268867.57	Other than grant is not included.
	<b>GRAND TOTAL</b>	<b>60229342.57</b>	<b>53787000.00</b>	<b>114016342.57</b>	<b>50747475.00</b>		<b>63268867.57</b>	

**Comments :**

The details of grant received and utilized during the year 2016-17 of Patnagarh NAC are furnished below.

Statement Showing the details of Grant received in respect of Patnagarh NAC for the year 2016-17							
SI. NO.	Particulars of Grant	G.O No./ Date	OB AS ON 01.04.2016	Received	Total	Expenditure for 2016-17	CB AS ON 31.3.2017
1	Octroi Compensation	11013/HUD/06.05.16	9,833,902.00	2,635,000.00	12,468,902.00	5,492,000.00	6,976,902.00
		16216/HUD/4.7.16		5,271,000.00	5,271,000.00	5,271,000.00	0.00
		26525/HUD/11.11.16		3,953,000.00	3,953,000.00	3,953,000.00	0.00
		4222/HUD/23.2.17		3,760,000.00	3,760,000.00	3,760,000.00	0.00
		7522/HUD/30.3.17		194,000.00	194,000.00	0.00	194,000.00
		<b>TOTAL</b>		<b>9,833,902.00</b>	<b>15,813,000.00</b>	<b>25,646,902.00</b>	<b>18,476,000.00</b>
2	Road Dev.(Grant)	29168/HUD/13.12.16	743,324.66	934,000.00	1,677,324.66	1,133,683.00	2,811,007.66
		29189/HUD/13.12.16		337,000.00	337,000.00	0.00	337,000.00
		29192/HUD/13.12.16		252,000.00	252,000.00	0.00	252,000.00
		3278/HUD/10.2.17		172,000.00	172,000.00	0.00	172,000.00
		29168/HUD/10.2.17		476,000.00	476,000.00	0.00	476,000.00
		29168/HUD/10.2.17		128,000.00	128,000.00	0.00	128,000.00
		<b>TOTAL</b>		<b>743,324.66</b>	<b>2,299,000.00</b>	<b>3,042,324.66</b>	<b>0.00</b>
3	14 th FC	17980/HUD/25.7.16	2,925,969.00	4,080,000.00	7,005,969.00	6,672,829.00	333,140.00
		30184/HUD/26.12.16		4,080,000.00	4,080,000.00	0.00	4,080,000.00
		6944/HUD/24.3.17		8,059,000.00	8,059,000.00	0.00	8,059,000.00
		<b>TOTAL</b>		<b>2,925,969.00</b>	<b>16,219,000.00</b>	<b>19,144,969.00</b>	<b>6,672,829.00</b>
4	Insetive basic service Grant	28331/HUD/2.12.16		2,190,000.00	2,190,000.00	2,124,922.00	<b>65,078.00</b>
		6077/HUD/17.3.17		1,184,000.00	1,184,000.00	0.00	<b>1,184,000.00</b>
		<b>TOTAL</b>		<b>0.00</b>	<b>3,374,000.00</b>	<b>3,374,000.00</b>	<b>2,124,922.00</b>
5	Devolution fund	16234/HUD/4.7.16	3,011,586.00	2,904,000.00	5,915,586.00	4,665,593.00	1,249,993.00
		2596/HUD/3.2.17		2,904,000.00	2,904,000.00	0.00	2,904,000.00
		<b>TOTAL</b>		<b>3,011,586.00</b>	<b>5,808,000.00</b>	<b>8,819,586.00</b>	<b>4,665,593.00</b>

6	Road & Bridges	969/HUD/13.1.17	12,475,478.00	2,408,000.00	14,883,478.00	2,408,000.00	12,475,478.00
		<b>TOTAL</b>	<b>12,475,478.00</b>	<b>2,408,000.00</b>	<b>14,883,478.00</b>	<b>2,408,000.00</b>	<b>12,475,478.00</b>
7	MV Tax	24517/HUD/19.10.16	4,487,549.00	776,000.00	5,263,549.00	366,497.00	4,897,052.00
		2763/HUD/6.2.17		777,000.00	777,000.00	0.00	777,000.00
		<b>TOTAL</b>	<b>4,487,549.00</b>	<b>1,553,000.00</b>	<b>6,040,549.00</b>	<b>366,497.00</b>	<b>5,674,052.00</b>
8	SBM		5,897,238.00	0.00	5,897,238.00	2,839,690.00	3,057,548.00
		<b>TOTAL</b>	<b>5,897,238.00</b>	<b>0.00</b>	<b>5,897,238.00</b>	<b>2,839,690.00</b>	<b>3,057,548.00</b>
9	Non Residetal Bldg	979/HUD/13.1.17	271,436.00	316,000.00	587,436.00	153,298.00	434,138.00
		<b>TOTAL</b>	<b>271,436.00</b>	<b>316,000.00</b>	<b>587,436.00</b>	<b>153,298.00</b>	<b>434,138.00</b>
10	SWM	15640/HUD/29.6.16	489,083.00	1,740,000.00	2,229,083.00	386,000.00	1,843,083.00
		<b>TOTAL</b>	<b>489,083.00</b>	<b>1,740,000.00</b>	<b>2,229,083.00</b>	<b>386,000.00</b>	<b>1,843,083.00</b>
11	Creation of capital assets	26530/HUD/11.11.16	960,000.00	480,000.00	1,440,000.00	0.00	1,440,000.00
		2775/HUD/6.2.17		480,000.00	480,000.00	0.00	480,000.00
		<b>TOTAL</b>	<b>960,000.00</b>	<b>960,000.00</b>	<b>1,920,000.00</b>	<b>0.00</b>	<b>1,920,000.00</b>
12	Maintenance of capital assets	26538/HUD/11.11.16	458,000.00	228,000.00	686,000.00	0.00	686,000.00
		3274/HUD/10.2.17		229000.00	229,000.00	0.00	229,000.00
		<b>TOTAL</b>	<b>458,000.00</b>	<b>457000.00</b>	<b>915,000.00</b>	<b>0.00</b>	<b>915,000.00</b>
13	BRGF		0.00	0.00	0.00	0.00	0.00
14	MLA LAD		-506,217.00	1,640,000.00	1,133,783.00	2,993,954.00	-1,860,171.00
15	MP LAD		172,093.00	400,000.00	572,093.00	1,140,137.00	-568,044.00
16	WODC		9,126,847.00	800,000.00	9,926,847.00	2,968,076.00	6,958,771.00
17	Performance based insentive		6,204,610.00	0.00	6,204,610.00	0.00	6,204,610.00
18	E Tax		3,385.00	0.00	3,385.00	0.00	3,385.00
19	Const of Boundary wall		783,380.00	0.00	783,380.00	68,931.00	714,449.00
20	Protection of water bodies		473,931.00	0.00	473,931.00	0.00	473,931.00
21	Public toilet		1,407,000.00	0.00	1,407,000.00	0.00	1,407,000.00
22	Devt of park		0.00	0.00	0.00	0.00	0.00
23	Improvement of water supply		3,000,000.00	0.00	3,000,000.00	0.00	3,000,000.00
24	Maintenance of street light		-7,629,513.00	0.00	-7,629,513.00	0.00	-7,629,513.00
25	OULM/ NULM		744,250.00	0.00	744,250.00	593,538.00	150,712.00
26	Metering of water supply		1,500,000.00	0.00	1,500,000.00	1,500,000.00	0.00
27	misc grant		3,396,010.91	0.00	3,396,010.91	3,390,010.00	6,000.91
		<b>TOTAL</b>	<b>18,675,776.91</b>	<b>2,840,000.00</b>	<b>21,515,776.91</b>	<b>12,654,646.00</b>	<b>8,861,130.91</b>
		<b>Grand Total</b>	<b>60,229,342.57</b>	<b>53,787,000.00</b>	<b>114,016,342.57</b>	<b>50,747,475.00</b>	<b>63,268,867.57</b>

Statement Showing the details of Other than Grant in respect of Patnagarh NAC for the year 2016-17

Sl. No	Particulars of Grant	Authority, GO No./Date	Opening Balance as on 01.04.2016	Receipt during 2016-17	TOTAL	Expenditure during 16-17	Closing Balance as on 31.03.2017
--------	----------------------	------------------------	----------------------------------	------------------------	-------	--------------------------	----------------------------------

1	Arrear Pension	29625/HUD/19.12.16	15,268,799.00	4,381,000.00	19,649,799.00	1,649,429.00	18,000,370.00
	TA/DA	21550/HUD/9.9.16	0.00	48,600.00	48,600.00	48,600.00	0.00
	TA/DA	4480/HUD/25.2.17	0.00	9,033.00	9,033.00	9,033.00	0.00
	OAP/ODP/NOAP	online	0.00	7,850,700.00	7,850,700.00	7,447,700.00	403,000.00
	NFBS	online	0.00	420,000.00	420,000.00	420,000.00	0.00
	HSY	online	0.00	350,000.00	350,000.00	285,000.00	65,000.00
		<b>TOTAL</b>	<b>15,268,799.00</b>	<b>13,059,333.00</b>	<b>28,328,132.00</b>	<b>9,859,762.00</b>	<b>18,468,370.00</b>
		<b>G TOTAL</b>	<b>75,498,141.57</b>	<b>66,846,333.00</b>	<b>142,344,474.57</b>	<b>60,607,237.00</b>	<b>81,737,237.57</b>

**Low spending of Govt.grants :-**

It would be found from the above position of Grant that a sum of Rs.60229342.57 was outstanding towards unspent balance of grants relating to previous years for utilization at the beginning of the financial year 2016-17. During the year under audit grants to the extent of Rs.57787000.00 was received from the Govt. towards different programmes. Thus a total sum of Rs.114016342.57.00 was available with the NAC during the year 2016-17 for utilization on different schemes of the government. But out of this available fund a sum of Rs.50747475.00 only was utilized leaving the balance amount of Rs.63268867.57 at the end of the year under audit. As such the utilization of grant was found low in comparison to the volume of grants available in chest of the NAC The reasons of low spending of grants were asked for to be pointed out to audit. But in response to audit objection statement issued on the score the local authority furnished no comments. However on verification of records it was learnt that no special plan was out lined to utilise the grants as per basic needs of urban people. Besides due to lack of proper supervision, and monitoring of Municipal Authority implementation of various programmes of the Govt. were not completed in stipulated time. In absence of proper and frequent monitoring ,field visit, and recommendations of supervisory staff utilization of grants has not been expedited. Hence attentions of the Municipal Authorities are invited in this context and suggested to do the needful to utilize the unspent balance of grants as early as possible for the greater interest of the urban people , so that the very purpose of sanction of grants can be fulfilled.

The Executive officer is however advised to maintain the above register with detail entries made therein forthwith and produce to next audit for record of necessary information. As per the provision made under Rule-171 of OGFR Vol-I grants received during a year should be utilized during the same financial year, or within one year from the date of their sanction. But it would be seen from the position of above pendency that unspent amounts of grants relating to previous years have been retained unduly in the chest of municipality without refund to the funding authorities , as the same have not been utilized within the stipulated period of sanction. Hence the local authority is suggested to refund the unspent balance of grants to the sanctioning authorities , if there is no prospect of utilization as per the terms and conditions adhere to the sanction orders , or utilize the same at the earliest after obtaining the fresh approval from the sanctioning authorities of the respective grants and compliance reported to audit.

**PARA: 10 UTILISATION CERTIFICATE**

Patnagarh N A C - 2016-2017

S/no	U.C Outstanding as on (DD MM YYYY)	U.C Outstanding(In Rs:)	U.C due for submission during the period under Audit(In Rs:)	Total(In Rs:)	U.C Submitted during the period under Audit(In Rs:)	U.C needs to be submitted as on outstanding as on (DD MM YYYY)	U.C needs to be submitted as on outstanding (In Rs:)	Remarks
1	01-04-2016	213201976.70	50747475.00	263949451.70	61762692.00	31-03-2017	202186759.70	
	<b>GRAND TOTAL</b>	<b>213201976.70</b>	<b>50747475.00</b>	<b>263949451.70</b>	<b>61762692.00</b>		<b>202186759.70</b>	

**Comments :**

The details of US submitted during the year 2016-17 are furnished below.

Details of UC submitted during the year 2016-17				
Name of the scheme	Letter no. /Date		Amount	Year of Grant
Octroi Compensation	448/DUDA/30.08.16		2635000	2016-17
	585/DUDA/19.11.16		5271000	2016-17
	335/DUDA/17.06.16		2857000	2015-16
14th Finance	345/DUDA/17.06.16		2608740	2015-16
	456/DUDA/30.08.16		365260	2015-16
	456/DUDA/30.08.16		2750899	2015-16
	578/DUDA/01.11.16		115101	2015-16
Compensation Arr.Pension	92/DUDA/20.02.17		947930	2016-17
	339/DUDA/17.06.16		6535061	2015-16
	450/DUDA/30.08.16		6052912	2015-16
	487/DUDA/19.11.16		181532	2015-16
13TH Finance	88/DUDA/20.02.17		28495	2015-16
	576/DUDA/01.11.16		548628	2014-15
	341/DUDA/17.06.16		2805010	2015-16
Develution Fund	462/DUDA/30.08.16		97990	2015-16
	462/DUDA/30.08.16		785502	2015-16
	568/DUDA/01.11.16		2079880	2015-16
	86/DUDA/20.2.17		27618	2015-16
Metering of Water Supply	84/DUDA/20.2.17		1500000	2015-16
Maint.of Road & Briges	446/DUDA/30.08.16		2068668	2015-16
	572/DUDA/01.11.16		339332	2015-16
Constn.of C.C.Road	343/DUDA/17.06.16		202128	2013-14
	343/DUDA/17.06.16		1570000	2013-14

	343/DUDA/17.06.16		225595	2013-14
	452/DUDA/30.08.16		902985	2013-14
M.V.TAX	347/DUDA/17.06.16		25721	2015-16
	460/DUDA/30.08.16		233761	2015-16
	574/DUDA/01.11.16		107015	2015-16
S.B.M.	568/DUDA/01.11.16		2212200	2015-16
	30/DUDA/10.01.17		419600	2015-16
Non-Residential Building	82/DUDA/20.02.17		145680	2013-14
	82/DUDA/20.02.17		7618	2014-15
Protection of Water Bodies	454/DUDA/30.08.16		68931	2010-11
Pension & Family Pension	90/DUDA/30.02.17		1649429	2015-16
S.W.M.	94/DUDA/20.02.17		300004	2014-15
	94/DUDA/20.02.17		80845	2014-15
	94/DUDA/20.02.17		5151	2014-15
B.R.G.F.	998/DUDA/07.06.16		65939	2010-11
	1292/NAC/01.08.16		333443	2011-12
	2310/DUDA/22.12.16		216613	2011-12
	998/DUDA/07.06.16		603654	2012-13
	1862/DUDA/22.10.16		776880	2014-15
	998/DUDA/07.06.16		90796	2014-15
I.H.S.D.P.	351/DUDA/17.06.16		554116	2013-14
	458/DUDA/30.08.16		370588	2013-14
	570/DUDA/01.11.16		782051	2013-14
	32/DUDA/10.01.17		42096	2013-14
M.L.A.L.A.D.	682/DUDA/19.04.16		457761	2012-13
	682/DUDA/19.04.16		796193	2013-14
	682/DUDA/19.04.16		470000	2014-15
	1546/DUDA/18.08.16		100000	2012-13
	1548/DUDA/18.08.16		200000	2013-14
	1548/DUDA/18.08.16		370000	2014-15
M.P.L.A.D.	694/DUDA/22.04.16		540137	2015-16
	953/DUDA/02.06.16		600000	2015-16
OULM	480/DUDA/14.9.16		593538	2015-16
NFBS	2155/DSSO/25.11.16		120000	2015-16
	1716/DSSO/21.9.16		180000	2015-16
W.O.D.C.	2324/DUDA/28.12.16		2968073	2014-15
	<b>TOTAL</b>		<b>61762692</b>	

**Year wise break up off UC submitted during 2016-2017**

year wise break-up of UC			
2010-11			134870
2011-12			550056
2012-13			1161415

2013-14		5791432
2014-15		5617995
2015-16		37880401
2016-17		10626523
<b>TOTAL</b>		<b>61762692</b>

**Year wise break -up of outstanding UCs as on 31.3.2017**

The details of year wise break up position of pending UC as on 31.03.2017 is furnished below.

YEAR	UC pending as on 1.4.2016	UC due for 2016-17	Total	UC submitted during 2016-17	UC pending as on 31.3.2017
Un classified	999999.92		999999.92	0	999999.92
Prior to 1994-95	1277207.39		1277207.39	0	1277207.39
1994-95	223034		223034	0	223034
1999-2000 to 2003-04	12957828.35		12957828.35	0	12957828.35
2004-05	5457053		5457053	0	5457053
2005-06	6885177		6885177	0	6885177
2006-07	9778795		9778795	0	9778795
2007-08	3420620		3420620	0	3420620
2008-09	19657568		19657568	0	19657568
2009-10	14891661		14891661	0	14891661
2010-11	9406670		9406670	134870	9271800
2011-12	29501957		29501957	550056	28951901
2012-13	20409559.04		20409559.04	1161415	19248144.04
2013-14	24665779		24665779	5791432	18874347
2014-15	29363799		29363799	5617995	23745804
2015-16	24305269	25595520	49900789	37880401	12020388
2016-17	0	25151955	25151955	10626523	14525432
<b>TOTAL</b>	<b>213201976.70</b>	<b>50747475.00</b>	<b>263949451.70</b>	<b>61762692.00</b>	<b>202186759.70</b>

It would be revealed from the above pendency of UC that maximum amounts, for which utilization certificates are due for submission are rolling since years together. No sincere steps have been taken by the local authority to clear up such pendency by regular submission of UCs as per Rule-173 of OGFR Vol-I. In this connection it may be pointed out here that pendency of utilization certificates involves with the risk of losing fresh and further grants from the sanctioning authorities. Further Rule 173 of OGFR-vol-1 gives emphasis on submission of UCs by the grantee organisation to the administrative Deptt. by the 1st June of the succeeding year of expenditure for proper monitoring of utilization of grants for intended purposes. However on verification it was observed that UCs for total amount of Rs 202186759.70 was lying outstanding against this NAC as on 31st March, 2017. This shows the lack of promptness in submission of UCs by the local authority. Hence immediate action need be taken on most priority basis to clear up such pendency as far as possible to avoid above complication and compliance reported.

**PARA: 11 MISAPPROPRIATION & DEFALCATION**

<b>11.1 -</b>
Records verified and no misappropriation of cash was found

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

<b>12.1 - LOSS OF STOCK AND STORES</b>
Records verified and no loss of stock /store was found

**PARA: 13 AUDIT OF RECEIPTS**

<b>13.1 - D C B</b>												
<b>1. Assessment of Taxes:</b>												
Annual value of Assessment of holding tax was made by the valuation Organization during the year 1994-95 as per Lr. No. 132, dt.14.01.94 of H & UD Deptt. (Valuation department) of Govt of Orissa, which was finally published in this NAC on dt. 30.03.95 under section of 143 of Orissa Municipal Act 1950 and sub-rule - 5 of Rule- 516(B) of Orissa Municipal Rule - 1953, vide Lr. No. 533. dt.29.03.95 of valuation Organization. This was placed before the council on 15.09.95 and it was decided to be effective from dt.01.10.1995 .and it was due for revision in 2000 after a gap of 5 years. The sanction of works by the NAC was made as per latest schedules of rates and the collection of tax on the basis of holdings as per schedule of rates 1995 was bound to create financial crisis for the NAC .Action may be taken to revised the rates of annual value of holding.												
<b>2- . Assessment of New holding Tax:</b>												
No new assessment has been made during the year 2016-17.												
<b>3- D C B Position:</b>												
The Demand , Collection and Balance (DCB) position of Taxes and fees for the year 2015-16 have been furnished in Statement below. It was noticed from the table that the Tax collection achievement is very poor. The council may review the collection position periodically and strong action may be taken against the defaulters holding owners.												
<b>Collection of taxes :</b>												
The Demand, Collection and Balance (DCB) position of Taxes and fees for the year 2015-16 has been furnished below. However, an abstract position of collection of different taxes is furnished below.												
<b>DCB Position of Patnagarh NAC for the year 01.04.2016 to 31.03.2017</b>												
<table border="1"> <thead> <tr> <th>Particula</th> <th>Demand</th> <th>Rebate</th> <th>Effective Demand</th> <th>Collection</th> <th>Balance</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Particula	Demand	Rebate	Effective Demand	Collection	Balance						
Particula	Demand	Rebate	Effective Demand	Collection	Balance							



rs	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
<b>Holding Tax</b>	215990.29	313816.95	529807.24	28229.91	215990.29	285587.04	501577.33	150442.28	144107.84	294550.12	65548.01	141479.20	207027.21
<b>Light Tax</b>	295829.01	315164.71	610993.72	27959.97	295829.01	287204.74	583033.75	150442.28	144107.78	294550.06	145386.73	143096.96	288483.69
<b>Water Tax</b>	200825.14	419023.63	619848.77	36978.22	200825.14	382045.41	582870.55	178978.54	192430.31	371408.85	21846.60	189615.10	211461.70
<b>Total :</b>	<b>712644.44</b>	<b>1048005.29</b>	<b>1760649.73</b>	<b>93168.10</b>	<b>712644.44</b>	<b>954837.19</b>	<b>1667481.63</b>	<b>479863.10</b>	<b>480645.93</b>	<b>960509.03</b>	<b>232781.34</b>	<b>474191.26</b>	<b>706972.60</b>
<b>Cattle Market</b>	-	-	-	-	-	-	-	-	320,132.00	320132.00	-	-	-
<b>U/s 290</b>	-	-	-	-	-	-	-	-	4,440.00	4440.00	-	-	-
<b>Rent of Building</b>	641950.00	1296960.00	1938910.00	0.00	0.00	0.00	0.00	259309.00	948244.00	1207553.00	382641.00	348716.00	731357.00
<b>Weekly Market</b>	-	-	-	-	-	-	-	-	74815.00	74815.00	-	-	-
<b>Sulabha Souchalaya</b>	-	-	-	-	-	-	-	-	48000.00	48000.00	-	-	-
<b>Water Tanker</b>	-	-	-	-	-	-	-	-	24000.00	24000.00	-	-	-
<b>Lease of Tank</b>	-	-	-	-	-	-	-	-	446161.00	446161.00	-	-	-
<b>Lease of Daily Market</b>	-	-	-	-	-	-	-	-	44856.00	44856.00	-	-	-
<b>Building Fees</b>	-	-	-	-	-	-	-	-	423613.00	423613.00	-	-	-
<b>Marriage Certificate</b>	-	-	-	-	-	-	-	-	8000.00	8000.00	-	-	-
<b>Rent of Kalyan Mandap</b>	-	-	-	-	-	-	-	-	24250.00	24250.00	-	-	-
<b>Guda Tax</b>	-	-	-	-	-	-	-	-	71335.00	71335.00	-	-	-
<b>Cesspoll</b>	-	-	-	-	-	-	-	-	49000.00	49000.00	-	-	-
<b>Hire Charges of Tractor</b>	-	-	-	-	-	-	-	-	200000.00	200000.00	-	-	-
<b>Rent of Renewal</b>	-	-	-	-	-	-	-	-	11700.00	11700.00	-	-	-
<b>Grand Total :</b>	<b>1354594.44</b>	<b>2344965.29</b>	<b>3699559.73</b>	<b>93168.10</b>	<b>712644.44</b>	<b>954837.19</b>	<b>1667481.63</b>	<b>739172.10</b>	<b>3179191.93</b>	<b>3918364.03</b>	<b>615422.34</b>	<b>822907.26</b>	<b>1438329.60</b>

It was noticed from the above table that the overall percentage of collection of holding tax, light tax, water tax and drainage tax against demand raised was 25.5 % during 2016-17. The holding tax constitutes prime sources of municipal council but percentage of collection thereof is very poor which shows the inefficiency and lack of proper monitoring skill of the local authority. The council may review the collection position periodically and strong action may be taken against the defaulters holding owners.

As per Rule-175 of Odisha Municipal Rules, 1953, the NAC shall be divided into circles for the purpose of collection of taxes. Each circle shall be numbered and a Tax Collector shall be appointed in charge of one or more circles. The O.M. Act, 1950 stipulated u/s 158, that notification shall be made and posted in the office of the NAC declaring day(s) and time for receipt of taxes, u/s 159(2) any tax on the annual value of holdings shall be payable quarterly installment and every such installment shall be deemed to be due on the first day of the quarter in respect of which payable. u/s 34 / 48 .

The rebate may be allowed not exceeding 10 per cent (paid within 30 days) and 5 per cent (paid beyond 30 days and within 60 days) and the NAC may in like manner, provide for grant rebate at such percentage not exceeding 20% for the tax due for any year paid before 30th April and not exceeding 10 per cent where it is paid on or before 31st May of that year. Further, u/s 160 of the Act, a receipt signed by the tax collector or any other officer authorized by the E.O. was to be given against each payment of tax. Also as per Rule-201(2) and Rule-202 of O.M. Rules, 1953, the

NAC may establish a system of reward and punishment to tax collector to ensure best results in collection of tax .

**13.2 - Time Barred Tax .**

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 NAC is armed with Section 162 of the Act to levy by distress and sale of any movable property belonging to the defaulter wherever found, or of any movable property belonging to any other person which may be found within the holding in respect of which such defaulter is liable to such tax. In spite of all these provisions under Section 161(1), 162,163,164,165 and 166, if the NAC fails to realize the arrear tax by distress and sale, according to Section 169 the NAC 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 NAC instead of proceeding by distress and sale in case of failure to realize the whole or any part of any tax, the NAC may sue the person liable to pay the same in any court of competent jurisdiction. Further it was found that though the system of penalty was there, yet there was no dictation of breach of tax rule as per Rule 553 of the OM rules 1953.

On scrutiny of the DCB register of individual holdings and files it is seen that, the NAC has failed to take appropriate action under various sections of the Orissa Municipal Act, 1950. As a result, arrears to the tune of Rs 7,06,972.60 as detailed below are remaining uncollected for years together. The year wise breakup of outstanding taxes is furnished below.

Year -wise and category-wise break-up of balance of taxes as on 31.03.2017

Time Barred Tax as on 31.3.2017				
YEAR	Holding Tax	Light Tax	Water Tax	Total
2012-13	14751.52	40805.34	4751.18	60308.04
2013-14	14795.97	40453.31	4551.58	59800.86
2014-15	16102.31	41945.51	4572.38	62620.20
2015-16	19898.21	22182.57	7971.46	50052.24
2016-17	141479.20	143096.96	189615.10	474191.26
Total	207027.21	288483.69	211461.70	706972.60

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 NAC under this Act, after the expiration of a period of three years from the date on which distraint might first have been made, a suit might first have been instituted, or prosecution might first have been commenced, as the case may be in respect of such sum.

It would be seen from the year wise break up of outstanding taxes that the taxes of Rs.7,06,972.60 is lying as outstanding balance as on 31.3.2017. Out of which a sum of Rs.60,308.04 has become barred by limitation (**tax outstanding for more than 5 years i.e. for the year 2012-13) during the year 2016-17**. But not a single demand notice U/s 161 or distress warrant u/s 162, 163 has been issued during the year 2016-17 by NAC authorities which resulted loss to the NAC Fund. For the above loss the EO ,HC and Tax Daroga are held responsible. Time Barred amount already suggested for recovery by the previous audit in vide AR No.19235/AR/2016-17-BOLANGIR , thereby the same amount is merely held under objection till the recovery has been effected.

**PARA: 14 AUDIT OF EXPENDITURE**

**14.1 - IRREGULAR AND UNAUTHORISED EXPENDITURE TOWARDS DLR/NMR PAYMENT**

During the year under audit it was found that a sum of Rs.183900.00 was shown expenditure towards DLR payment. As per G.O.No. 36051/HUD/Dt.19.05.97 no DLR and NMR should be engaged without the prior concurrence of the Govt. in HUD department , but by violating the instruction of the Government the above payments were made which cannot 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.183900.00 is held under objection till the ex-post facto approval of Govt.is obtained and produced to audit.

Month	Vr.No./Date	Amount
3/16	21/06.04.16	13400
4/16	103/06.05.16	13400
5/16	170/06.06.16	13800
6/16	377/28.07.16	13400
7/16	411/09.08.16	15300
8/16	510/07.10.16	15300
9/16	510/07.10.16	24400
10/16	667/24.12.16	15300
11/16	669/24.12.16	14900
12/16	821/10.1.17	15300
1/17	882/22.2.17	15300
2/17	933/25.3.17	14100
	<b>Total :</b>	<b>183900</b>

On issue audit objection memo the local authority replied that for the interest of public work NMR and DLR has been engaged.

**14.2 - Non deposit of Govt. due VAT collected at the time of sale of Tender papers,OMP 19**

On checking of financial statement of receipt w.r. to accountant cash book for the year 2016-2017, it was seen that an amount of Rs.179515 .00 has been shown collected towards sale of tender papers including @ 5% of VAT .But the VAT amount of RS.8975.75 @ of 5 % has not yet been deposited in proper head of account, which is highly illegal. As per Rule- 6 of OTC Vol- ( I ) amount collected towards revenue of the state should be remitted in to Govt. Treasury within 3 days from the date of receipt of the said amount.

On issue of audit objection memo the local authority replied that action are being taken to deposit the Govt. due.Till the amount deposited in Govt. treasury Rs 8976.00 is kept under objection.

PARA: 15 **AUDIT ON WORKS**

**15.1 - Common irregularities on works.**

1. Neither the work register as prescribed under rule nor GIA register has been maintained to find out the position or status of the project executed under various scheme at any time.
2. In most cases execution of works found to have been deviated completely from the estimate not only in terms of quantity but also in items of works. Such deviations should be regularized by getting revised estimate sanctioned by the competent authority with proper reason.
3. No technical report is found submitted with the estimates clarifying the existing status of the project and balance work to be done.
4. Non deduction of penalty @ 1.5 % due to non completion of the project in time.

**15.2 - Non Realisation of penalty /Liquidated Damages due to delay in completion of work.OM page 27**

Name of the work-- Constn.of 2 nos. of Bathing Ghat at Hirasagar in W.No.10  
 Estt.Cost- Rs.3,00,000/-  
 C.R.No.152/2016(WODC)  
 Name of the JE- B.R.Jena  
 MB No.98 page-146 to 150  
 Vr.No.231/22.6.16  
 Work order issue-16.4.16  
 Work completed-22.6.16

On checking of the above work case records w.r.to MBs for the year 2016-17, it was revealed that , the above works have not been completed by the respective Contractors within the stipulated time as per agreement accorded by them. On further checking it was observed that neither the contractors have applied for extension of time for completion of their projects, nor the E.O. has allowed the time for completion of the work or not a single show cause notice were issued in this matters to contractor. Hence as per the provision contained in para- 2.3.1. of OPWD code liquidated damage at the rate of 1.5 % per month subject to the maximum of 10% of the contract value of the project should be deducted from the work bill of the defaulting contractor for delay in completion of the project. But the local authority have been deducted @ 1 % instead of 1.5 % .The details calculation are furnished below.

Particulars	Contract value	No of month	Penalty <u>due@of1.5</u> % or maximum 10%	Amount	Agency
1	2	3	5	6	7
Constn.of 2 nos. of Bathing Ghat at Hirasagar in W.No.10  Estt.Cost- Rs.3,00,000/- C.R.No.152/2016(WODC) Name of the JE- B.R.Jena MB No.98 page-146 to 150  Vr.No.231/22.6.16  Work order issue-16.4.16 Work	255030	1	3825	3825	Sudhanshu Sekhar Naik

completed-22.6.16

Due to non realization of such penalty a total sum of Rs.3825.00 as above has been paid towards undue financial benefit to the contractors in their work bills which cannot be admitted in audit and suggested for recovery from EO, ME and JE . However on issue of audit objection memo the local authority replied that the recovery amount would be adjusted from SD and balance amount realised from JE & ME.

**Responsible Person for this paragraph**

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Ujala Jain,ME	ME	Now at Patnagarh Block Po -Patnagarh Dist- Bolangir	1275
2	Sri Kulamani Khatua E.O.	E.O. Patnagarh NAC	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	1275
3	Sri Biswaranjan Jena JE	JE	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	1275

**15.3 - Non Realisation of penalty /Liquidated Damages due to delay in completion of work.OMpage 27**

Name of the work - Repair of Sulabha Souchalaya inside of Bus Stand in W.No.3

Estt.Cost- Rs.118,618.00

C.R.No.1025/NRB

Name of the JE- B.R.Jena

MB No.121 page-24 to 29

Vr.No.1025/28.3.17

Work order issue-16.4.16

Work completed-28.3.17

On checking of the above work case records w.r.to MBs for the year 2016-17, it was revealed that , the above works have not been completed by the respective Contractors within the stipulated time as per agreement accorded by them. On further checking it was observed that neither the contractors have applied for extension of time for completion of their projects, nor the E.O. has allowed the time for completion of the work or not a single show cause notice were issued in this matters to contractor. Hence as per the provision contained in para- 2.3.1. of OPWD code liquidated damage at the rate of 1.5 % per month subject to the maximum of 10% of the contract value of the project should be deducted from the work bill of the defaulting contractor for delay in completion of the project. But the local authority have been deducted @ 1 % instead of 1.5 % .The details calculation are furnished below.

Particulars	Contract value	No of month	Penalty <u>due@of1.5</u> % or maximum 10%	Amount	Agency
1	2	3	5	6	7
Repair of Sulabha Souchalaya inside of Bus Stand in W.No.3  Estt.Cost- Rs.118,618.00  C.R.No.1025/NRB  Name of the JE- B.R.Jena  MB No.121 page-24 to 29	100837	10	1513	10183	Sudhanshu Sekhar Naik

Vr.No.1025/28.3.17

Work order issue-16.4.16 Work completed-28.3.17

Due to non realization of such penalty a total sum of Rs.10183.00 as above has been paid towards undue financial benefit to the contractors in their work bills which cannot be admitted in audit and suggested for recovery from EO, ME and JE . However on issue of audit objection memo the local authority replied that the recovery amount would be adjusted from SD and balance amount realised from JE & ME.

**Responsible Person for this paragraph**

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Kulamani Khatua E.O.	E.O. Patnagarh NAC	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	3394
2	Sri Ujala Jain,ME	ME	Now at Patnagarh Block Po -Patnagarh Dist- Bolangir	3394
3	Sri Biswaranjan Jena JE	JE	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	3395

**15.4 - Non Realisation of penalty /Liquidated Damages due to delay in completion of work.OMpage 27**

Name of the work - Completion of Bhairab Kalyan Mandap in W.No.1

Estt.Cost- Rs.5,67,411/-

C.R.No.180/2015-16(WODC)

Name of the JE- B.R.Jena

MB No.113 page-142 to 147

Vr.No.1000/28.3.17

Work order issue-12.7.16

Work completed-28.3.17

On checking of the above work case records w.r.to MBs for the year 2016-17, it was revealed that , the above works have not been completed by the respective Contractors within the stipulated time as per agreement accorded by them. On further checking it was observed that neither the contractors have applied for extension of time for completion of their projects, nor the E.O. has allowed the time for completion of the work or not a single show cause notice were issued in this matters to contractor. Hence as per the provision contained in para- 2.3.1. of OPWD code liquidated damage at the rate of 1.5 % per month subject to the maximum of 10% of the contract value of the project should be deducted from the work bill of the defaulting contractor for delay in completion of the project. But the local authority have been deducted @ 1 % instead of 1.5 % .The details calculation are furnished below.

Particulars	Contract value	No of month	Penalty <a href="#">due@of1.5</a> % or maximum 10%	Amount	Agency
1	2	3	5	6	7
Completion of Bhairab Kalyan Mandap in W.No.1  Estt.Cost- Rs.5,67,411/-	439278	7	6589	43927	Umakanta Daruan

C.R.No.180/2015-16(WODC)				
Name of the JE- B.R.Jena				
MB No.113 page-142 to 147				
Vr.No.1000/28.3.17				
Work order issue-12.7.16 Work completed-28.3.17				

Due to non realization of such penalty a total sum of Rs.43927.00 as above has been paid towards undue financial benefit to the contractors in their work bills which cannot be admitted in audit and suggested for recovery from EO, ME and JE . However on issue of audit objection memo the local authority replied that the recovery amount would be adjusted from SD and balance amount realised from JE & ME.

**Responsible Person for this paragraph**

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Biswaranjan Jena JE	JE	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	14643
2	Sri Kulamani Khatua E.O.	E.O. Patnagarh NAC	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	14642
3	Sri Ujala Jain,ME	ME	Now at Patnagarh Block Po -Patnagarh Dist- Bolangir	14642

**15.5 - Non Realisation of penalty /Liquidated Damages due to delay in completion of work.OMpage 28**

Name of the work - Constn.of C.C.road from Panigrahi Medical Store to Bijaya Meher house in W.No.3

Estt.Cost- Rs.6,45,605/-

C.R.No.138/2016

Name of the JE- B.R.Jena

MB No.119 page-10 to 14 & 15 to 19

Vr.No.501/29.9.16

Work order issue-16.4.16

Work completed-29.9.16

On checking of the above work case records w.r.to MBs for the year 2016-17, it was revealed that , the above works have not been completed by the respective Contractors within the stipulated time as per agreement accorded by them. On further checking it was observed that neither the contractors have applied for extension of time for completion of their projects, nor the E.O. has allowed the time for completion of the work or not a single show cause notice were issued in this matters to contractor. Hence as per the provision contained in para- 2.3.1. of OPWD code liquidated damage at the rate of 1.5 % per month subject to the maximum of 10% of the contract value of the project should be deducted from the work bill of the defaulting contractor for delay in completion of the project. But the local authority have been deducted @ 1 % instead of 1.5 % .The details calculation are furnished below.

Particulars	Contract value	No of month	Penalty <a href="#">due@of1.5</a> % or maximum 10%	Amount	Agency
1	2	3	5	6	7

<p>Constn.of C.C.road from Panigrahi Medical Store to Bijaya Meher house in W.No.3</p> <p>Estt.Cost- Rs.6,45,605/-</p> <p>C.R.No.138/2016</p> <p>Name of the JE- B.R.Jena</p> <p>MB No.119 page-10 to 14 &amp; 15 to 19</p> <p>Vr.No.501/29.9.16</p> <p>Work order issue-16.4.16 Work completed-29.9.16</p>	548621	4	8229	32916	Kartik Meher
---	--------	---	------	-------	--------------

Due to non realization of such penalty a total sum of Rs.32916.00 as above has been paid towards undue financial benefit to the contractors in their work bills which cannot be admitted in audit and suggested for recovery from EO, ME and JE . However on issue of audit objection memo the local authority replied that the recovery amount would be adjusted from SD and balance amount realised from JE & ME.

**Responsible Person for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Sri Kulamani Khatua E.O.	E.O. Patnagarh NAC	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	10972
2	Sri Ujala Jain,ME	ME	Now at Patnagarh Block Po -Patnagarh Dist- Bolangir	10972
3	Sri Biswaranjan Jena JE	JE	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	10972

**15.6 - Non Realisation of penalty /Liquidated Damages due to delay in completion of work.OMpage 28**

Name of the work - Constn.of C.C.Road near Apsara Beauty Parlour in W.No.9( Road & Bridges)

Vr.No.249 25.6.16,

C.R.No.147/2016,

MB No.98 Page 137 to 140 ,

MB No.115 Page-52 to 54

Work order issue-16.4.16

Work completed-25.6.16

On checking of the above work case records w.r.to MBs for the year 2016-17, it was revealed that , the above works have not been completed by the respective Contractors within the stipulated time as per agreement accorded by them. On further checking it was observed that neither the contractors have applied for extension of time for completion of their projects, nor the E.O. has allowed the time for completion of the work or not a single show cause notice were issued in this matters to contractor. Hence as per the provision contained in para- 2.3.1. of OPWD code liquidated damage at the rate of 1.5 % per month subject to the maximum of 10% of the contract value of the project should be deducted from the work bill of the defaulting contractor for delay in completion of the project. But the local authority have been deducted @ 1 % instead of 1.5 % .The details calculation are furnished below.



Particulars	Contract value	No of month	Penalty <u>due@of1.5</u> % or maximum 10%	Amount	Agency
1	2	3	5	6	7
Constn.of C.C.Road near Apsara Beauty Parlour in W.No.9( Road & Bridges) Vr.No.249 25.6.16, C.R.No.147/2016, MB No.98 Page 137 to 140 ,MB No.115 Page-52 to 54 Work order issue-16.4.16 Work completed-25.6.16	482822.00	1 mo nth	7242	7242	Kumar Chandra Patra

Due to non realization of such penalty a total sum of Rs.7242.00 as above has been paid towards undue financial benefit to the contractors in their work bills which cannot be admitted in audit and suggested for recovery from EO, ME and JE . However on issue of audit objection memo the local authority replied that the recovery amount would be adjusted from SD and balance amount realised from JE & ME.

**Responsible Person for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Sri Kulamani Khatua E.O.	E.O. Patnagarh NAC	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	2414
2	Sri Ujala Jain,ME	ME	Now at Patnagarh Block Po -Patnagarh Dist- Bolangir	2414
3	Sri Biswaranjan Jena JE	JE	Now at Patnagarh NAC Po -Patnagarh Dist- Bolangir	2414

**15.7 - Excess paid due to execution of work beyond estimated provision, OM page 29**

Name of the project-Const of drain from Rana house to Mausii maa mandir in Wno 01

EC 200000/- MP LAD

Vr no 983/21.3.17

MB no 121 page 1 to 10

B K sa JE

On verification of the above work case record w r to MB, it was seen that the following items of work have been executed excess by the JE beyond estimated provision and with out preparing the work done estimate & approval of the competent administrative as well as technical authority which is highly illegal and irregular. Which has not admitted in audit .The detailed calculation of excess work beyond the provision are furnished below.

Particulars of work	Qty of work/@ Rs	Amount
As work bill in item no 5 Rcc (1:2:4)	29.66Cum @ 4838.78	143018.21
As per estimate in item no 5 Rcc (1:2:4)	25.37 cum@ 4838.78/cum	122781.47
Excess	4.29 cum @4838.78/cum	20758.36
As per the provision contain in OPWD code deviation up 10 % will be allowed.	122781.47 10 %= Excess	12278.14
		8480.22

Hence the excess execution of work beyond estimated provision comes to Rs 8480.22 is suggested for recovery. As the JE and ME is the technical persons they are responsible for such excess payment. However on issue of audit objection memo the local authority replied that the recovery amount would be adjusted from SD and balance amount realised from JE & ME.

**Responsible Person for this paragraph**

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Ujala Jain,ME	ME	Now at Patnagarh Block Po -Patnagarh Dist- Bolangir	4240
2	Sri Barun Kumar Sa,JE	JE	Now at Patnagarh Block Po -Patnagarh Dist- Bolangir	4240

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

<b>16.1 -</b>
No Comment

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

<b>17.1 - NULM</b>
<p>17.1. Introduction and Objectives</p> <p>The Employment through Skills Training &amp; Placement (EST &amp; P) Component under NULM is designed to provide skills to the unskilled urban poor as well as to upgrade their existing skills. The program will provide for skill training of the urban poor to enable them setting up self-employment ventures and for salaried jobs in the private sector. The EST &amp; P Programme intends to fill the gap between the demand and availability of local skills by providing skill training programs as required by the market.</p> <p>17.2 Aims &amp; Objectives</p> <p>The broader objective of the Employment through Skills Training &amp; Placement (EST &amp; P) Program is: –</p> <ol style="list-style-type: none"> <li>1. To provide an asset to the urban poor in the form of skills for sustainable livelihood.</li> <li>2. To increase the income of urban poor through structured, market-oriented certified Courses that can provide salaried employment and /or self-employment opportunities Which will eventually lead to better living standards and alleviation of urban poverty on a sustainable basis.</li> <li>3. Ensure inclusive growth with increased contribution of skilled urban poor to the National Economy.</li> </ol> <p>17.3. Skill Training Modules</p> <p>There are four types of Skill Training Modules provided in the scheme i e</p> <ol style="list-style-type: none"> <li>1. Skill Gap Analysis</li> <li>2. Curriculum Designing</li> </ol>

### 3. Soft Skills

#### 4. Course Duration

##### 3.1 Skill Gap Analysis

In order to achieve the above objectives, the trainings should be provided as per the industry demand and as per the curriculum recognized nationally. The industry demand for skill can be assessed only through a comprehensive Skill Gap Analysis at city level. The Skill Gap Analysis (SGA) should provide a clear picture of the industry wise demand for trained manpower, nature of skills required, trades to be ed for EST& P both for wage employment as well as for self-employment. The SGA should also state the nature and duration of the courses required for each trade. Such a study must have projections for a period of 5 years. The Skill Gap Analysis conducted by National Skill Development Corporation (NSDC) may be referred by the State Urban Livelihoods Mission (SULM).

The NULM may take help of Sector Skill Councils of NSDC, Technical Universities, State Department of Labour and Employment, State Industries Department, Government sponsored Research Institutions, State Industries Association or any other competent agency to conduct the Skill Gap Analysis. The cost of conducting Skill Gap Analysis may be booked under the A&O Expenses of NULM.

The Skill Gap Analysis should provide demand for employment in upcoming industries and also identify the scope for setting up of self-enterprises in local area. The trainings should be conducted for imparting skills with highest demand in local areas, however for candidates willing to migrate to other regions skill training courses not identified under skill gap analysis may also be conducted.

##### 3.2 Curriculum Designing

The skill trades identified through the skill gap analysis should have a formal standard curriculum which is designed in accordance to the demand of the industry, need for assessment and certification requirements.

The National Occupational Standards (NOS) have been developed by various Sector Skill Councils under NSDC. The NOS specify the standard of performance an individual must achieve for carrying out a function in the work place. The NOS are laid down by the employers through the Sector Skill Councils under NDSC. The NOS and identified Job Roles are in accordance to the standards prescribed under the National Vocational Education

Qualifications Framework (NVEQF) as mentioned in the National Skill Policy. The NULM may consider finalizing the curriculum based on the NOS and NVQEF requirements.

The Ministry of Labor & Employment has designed curriculum for a list of Modular Employable Skill (MES) courses under the Skill Development Initiative Scheme. The curriculum as provided by MOL & E may be followed for the skill training courses. However, if MES courses do not have curriculum for any particular skill training then a formal curriculum may be approved by the state.

All the standard curriculum for any training course under EST&P should be designed in consultation with a competent technical agency such as Technical University / College,

Directorate of Technical Education, National Skill Development Corporation, Sector Skill Councils of NSDC, etc. Designing of curriculum should not be left on the Skill Training Provider alone. All the courses should be approved by the NULM in consultation with any of the above agencies so as to ensure standardization and job opportunities for trainee. The Training course modules should be in accordance to local industry demand and acceptable at state / national level. The course curriculum should be designed to ensure certification of industry standards.

##### 3.3 Soft Skills

In addition to the basic skill training on specific skills, the training course modules should have the following modules integrated into the course curriculum: –

- a. Soft Skills – Basic Communication skills (in English and local language), Basic computer operations (for courses other than computer training), Professional Etiquettes, etc.
- b. Financial Literacy:– Orientation and awareness on savings, credit, subsidy, remittance, insurance and pensions.
- c. Other government schemes – the candidate may also be provided information regarding other government schemes (including other components of NULM) and entitlements for poverty alleviation. The ULB should facilitate access to such schemes and entitlements for the urban poor.

The above inputs will also assist the candidate on a longer and sustainable basis.

##### 3.4 Course Duration

It is preferred that the course duration for all the skill training programmers under EST & P would be minimum 3 months (approximately 400 hours of the technical training plus 30 hours for soft skills training) for the cost of Rs. 15,000/- (Rs. 18,000/- for North East and Special States) per candidate. However, depending on the trade and course module, SULM may define trainings with different duration. If the MES Curriculum is being followed, then the basic and advanced level skill training courses may be combined to provide 430 hours training.

5. Transition of community structures under SJSRY TO NULM:

Under the "Urban Community Development Network" (UCDN) component of SJSRY, the community structures like "Neighbourhood Groups" (NHGs), "Neighbourhood Committees" (NHCs) and "Community Development Societies" (CDS) have been formed. The SHGs/Thrift & Credit Societies were also allowed to be set up separately. The SHGs/Thrift & Credit Societies formed under SJSRY may continue to function; however, the NHGs will be encouraged to transform into SHGs and do thrift and credit activities. Similarly, NHCs and CDS can gradually migrate to community structures envisaged under NULM.

The Resource Organization engaged by the State/ULB will work with community structures formed under SJSRY to bring them in line with the three tiered structure of NULM. Also, the existing SHGs/Thrift & Credit Societies/NHGs formed under SJSRY will be given support for bank-linkages and training and capacity building etc. by the Resource Organization.

7. Utilization of fund position for 2016-17.

OB as on 01.4.2016	744250.00
Receipt	0.00
Total	744250.00
Utilize	593538.00
CB as on 31.3.2017	150712.00

8. MONITORING & EVALUATION

The SMMU at the State level and CMMU at the ULB level will closely monitor progress of activities / targets under this component, undertake reporting and evaluation. The SULM and the ULB/executing agencies shall report timely progress in formats prescribed by the Mission Directorate from time-to-time, indicating the cumulative achievement monthly and up to the end of the quarter, and key issues in implementation.

In addition, under NULM, a comprehensive and robust IT-enabled MIS will be established for tracking targets and achievements. States and ULBs will be required to submit their progress reports online and may also use this tool to monitor progress on the ground. In the spirit of proactive disclosure of information and ensuring transparency under NULM, key progress reports under SM&ID will also be made available on the public domain in a timely manner.

The above mentioned scheme is going on as per the guideline and instruction given by the Govt. of India.

PARA: 18 MISCELLANEOUS

18.1 - STAFF POSITION

The present staff position of Patnagarh NAC for the year 2016-17 are furnished below.

LFS Cadre						
SI No.	Major Head	Sanctioned Strength	Men in position	Vacancy	Total	Remarks
1	Executive Officer	1	1	Nil	1	
2	Head Assistant	1	Nil	Abolished	Nil	
3	Sr. Assistant	2	Nil	2	2	
4	Jr. Assistant	3	2	1	2	
5	Community Organizer	1	1	Nil	1	Consolidated
6	Junior Engineer	2	2	Nil	2	Contractual
7	Accountant	1	1	Nil	1	Contractual
8	MIS Computer Programmer	1	1	Nil	1	Contractual
9	ACP-Cum-DEO	1	1	Nil	1	Contractual

Non-LFS Cadre

SI No.	Major Head	Sanctioned Strength	Men in position	Vacancy	Total	Remarks
1	Tax Collector	2	2	Nil	2	
2	Light Moharir	1	1	Nil	1	
3	Octroi Moharir	9	9	Nil	9	
4	Octroi Peon	9	8	1	8	
5	Office Peon	4	4	Nil	4	
6	Office Peon	1	1	Nil	1	Consolidated
7	Sweeper	4	4	Nil	4	
8	Sweepress	4	3	1	3	
9	Driver (Tractor)	1	1	Nil	1	Work charge
10	Sweeper	2	2	Nil	2	Work Charge
11	NMR/DLR	2	2	Nil	2	Daily Wages Basis

**18.2 - Non collection of renewal fees from MOBILE TOWER ,OMP 11**

As per the information submitted by the local authority the list of Mobile Tower (Company Wise) installed within the area of Patnagarh NAC as on 31.03.2017 is furnished below. During verification it was observed that no separate file and records are being maintained by the NAC for regulation of installation of telecom tower in NAC area as per the guide line issued vide L.No.-6875-Gen(TEL) -06/2007-com-16.8.2007 & read with L.No.- 35742-1357-150010/2013/H & UD -17.12.2013. On comparison to the figure as could it be made available to audit from the Accountant Cash Book and BD register it was found that the NAC dues towards License Fees, Renewal fee & Penalty charges as required to impose as per the guideline issued in the above mention letter have not been collected for which NAC was put to sustain the loss in terms of non collection of renewal charges from the owner of mobile tower. **Hence, till the amount is collected and deposited in NAC account a sum of Rs. 847,000.00 is kept under objection.**

However, during exit conference the local authority stated that correspondence with the holding owners of telecom tower have been made by the NAC authority in different interval by way of issuing notices to deposit the renewal fees and penalty charges in the NAC account and also warned them to face the suit in case of failure. In vide letter no.1305(8)/Dated.01.08.2016, 1167/Date.01.08.2015, 312/Date.16.02.2016, 356/Date.20.02.2016, 365/Date.20.02.2016, 354/Date.20.02.2015 and 1282/Date. 18.07.2017 of NAC, Patnagarh. The E.O is impressed upon to collect the fees & penalty as per the instruction of above Govt. Instruction forthwith, and compliance be reported to audit.

The Details list of Mobile Tower under the jurisdiction of Patnagarh NAC for the year 2016-2017 are furnished below.

SI No.	Name of the land owner	Name of the tower	Renewal Fees for the year 2016-17	Fine @ Rs.10000- per month	Total
1	Sobhachandra Meher, Patnagarh (Babajipada) Ward No-07	Aircel Tower	Rs.1000.00	Rs.120000.00	Rs. 121000.00
2	Ananda Sagar Thakur, Patnagarh (Brhmapura)	Aircel Tower	Rs.1000.00	Rs.120000.00	Rs. 121000.00
3	Ranajn Kumar Meher Patnagarh ( Meherpara)	Aircel Tower	Rs.1000.00	Rs.120000.00	Rs. 121000.00
4	Bholasagar Meher, Patnagarh (Linepara)	BSNL Tower	Rs.1000.00	Rs.120000.00	Rs. 121000.00
5	Gulapi Seth,	Airtel Tower	Rs.1000.00	Rs.120000.00	Rs. 121000.00

	Patnagarh (Badpara) Ward No-5				
6	Kantilata Meher, Patnagarh (Meherpara)	Reliance Tower	Rs.1000.00	Rs.120000.00	Rs. 121000.00
7	Iswara Meher, Rampur, Patnagarh	Qiuppo Telecom	Rs.1000.00	Rs.120000.00	Rs.121000.00
8	Pramod Kumar Meher, Patnagarh (Brahmapura Chowk)	Airtel Tower	Paid upto 2016-17 to 2018-19, D.D. No.-811853, Dt.11.02.2016	Nil	Nil
9	Sasmita Ranjan Mishra, Patnagarh (Tikapali) Ward No-11	Airtel Tower	Paid upto 2016-17 to 2018-19, D.D. No.-811854, Dt.11.02.2016	Nil	Nil
10	Mahadev Meher, Patnagarh (Gadvitar)	Airtel Tower	Paid upto 2016-17 to 2018-19, D.D. No.-811855, Dt.11.02.2016	Nil	Nil
		Total :	Rs.7000.00	Rs.840000.00	Rs.847000.00

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

<b>19.1 - NON REMITTANCE OF GOVT DUE,OMP 15</b>					
As per 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 position of Govt revenue namely VAT/royalty/cess/Income tax for the 2016-17 is given below.					
Particulars	Royalty	VAT	CESS	Income Tax	Total

Dues outstanding for deposit at the beginning of the year	119283	0.00	46342	0.00	165625
Amount collected during the year	313615	538251	144079	426458	1422403
<b>TOTAL</b>	<b>432898</b>	<b>538251</b>	<b>190421</b>	<b>426458</b>	<b>1588028</b>
Amount Remitted during the year	246860	401648	109930	363811	1122249
Balance to be remitted at the end of the year	186038	136603	80491	62647	465779

Due to non-remittance of above balance the very purpose of collection of revenue of the Govt. is being defeated, and the ways and means of state as well as central Govt. exchequer are being affected unscrupulously. Retention of Govt. dues without sufficient cause is considered highly irregular. Hence such practice should be abandoned henceforth.

However immediate steps may be taken to remit the above balance of Rs.465779.00 into Govt. treasury on proper heads, and compliance reported to audit. Till than Rs 465779.00 is kept under objection.

**19.2 - DEPOSIT .**

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 37 / 39 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 2016-2017 is furnished below.

Particulars	Amount	Remarks
Balance as on 01.04.2016	8004075.62	
Deduct during the year	707768.00	
<b>Total</b>	<b>8711843.62</b>	
Refunded during the year	1113031.00	
Balance to be refunded at the end of the year 31.3.2017	7598812.62	

**PARA: 20 RESULT OF AUDIT**
**20.1 - RESULT OF AUDIT.**

As a result of this audit a total sum of **Rs. 57,87,364.14** is held under objection and **Rs 2,09,073.00** has been suggested for recovery.

**20.2 - GENERAL REMARKS**

The state of maintenance of books of account records and registers of this NAC is not satisfactory. Several important account registers such as UC Register, Grant-in-Aid Register, SD Ledger, Outstanding Advance Register, Abstract Register of Receipts and Expenditure, Project-cum-Works Register and Assets Register etc. have not been maintained. Hence more efforts should be taken by the local authority to bring a reform in the state of maintenance of account records and register.

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 cannot said to be satisfactory.

**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 recoupment 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 duly 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 spendind to accelerate growth and development.

**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	3336664.14	0.00	0.00	0.00	
2	8.1	102500.00	131500.00	102500.00	0.00	0.00	
3	13.2	0.00	706972.00	0.00	0.00	0.00	
4	14.1	0.00	183900.00	0.00	0.00	0.00	
5	14.2	0.00	8976.00	0.00	0.00	0.00	
6	15.2	3825.00	3825.00	3825.00	0.00	0.00	
7	15.3	10183.00	10183.00	10183.00	0.00	0.00	
8	15.4	43927.00	43927.00	43927.00	0.00	0.00	
9	15.5	32916.00	32916.00	32916.00	0.00	0.00	
10	15.6	7242.00	7242.00	7242.00	0.00	0.00	
11	15.7	8480.00	8480.00	8480.00	0.00	0.00	
12	18.2	0.00	847000.00	0.00	0.00	0.00	
13	19.1	0.00	465779.00	0.00	0.00	0.00	
<b>Total</b>		<b>209073.00</b>	<b>5787364.14</b>	<b>209073.00</b>	<b>0.00</b>	<b>0.00</b>	

**Audit Certificate**

Cetrified that the accounts of Patnagarh N A C for the financial year 2016-2017 have been covered under audit and found correct subject to the comments / remarks offered in the foregoing paragraphs .

**Spot Recovery**

SI No	Ref Para No/Audit Objection Statement Page No	M.R.No	Date	Amount(In Rs:)	Name of the person
				<b>Total</b>	