

**LOCAL FUND AUDIT, ANGUL, ODISHA**

CATEGORY : Municipality/Municipal Corporation,General

Audit Report No : 412698/AR/2018-2019-ANGUL

**PARA: 1 TITLE SHEET**

1	Name of the Institution :	<b>Anugul Municipality</b>
2	Year of Accounts under Audit :	<b>2017-2018</b>
3	Name of the Local Authority during the year of A/Cs :	SRI PRAFULLA KUMAR SAHU
	Name of the Local Authority at the time of Audit :	SRI SUVENDU KUMARA JENA ORS
4	Duration of Audit :	12-10-2018 To 21-01-2019 (Mandays Consumed :- 52.5)
5	Name of the Auditors :	AKHILA KUMAR ROUT - Lead Auditor(12-10-2018 to 21-01-2019) ASWINI KUMAR MISHRA - Auditor(12-10-2018 to 21-01-2019)
6	Name of the Reviewing Officer :	BEBIN KUMAR MISHRA(Audit Superintendent)
7	Date of submission of report by Reviewing officer :	26-04-2019
8	Entry Conference Date :	01-05-2019
9	Exit Conference Date :	28-05-2019
10	Name of the District Audit Officer :	RAJESH KUMAR RAY
11	Date of approval of report by District Audit Officer :	31-05-2019

**PARA: 2 PHYSICAL VERIFICATION**

S/no	Items	Date Of Physical verification Before / After Transaction	Physical Balance	Balance As per Cash Book / Stock Register	Reference To The Page No Of Cash Book / Stock Register	Discrepancies If Any
1	Cash in hand	12.10.2018	39636.00	39626.00	nil	
2	Measurement Books	12.10.2018	23	23	62	
3	Miscellaneous Receipt Books	12.10.2018	83	83	26	
4	ServicePostage Stamps	12.10.2018				
5	Others	Holding Tax	27	27	04	
6	Parking Fee Bus stand RS.15.00 Rs.20.00	12.10.18 12.10.18	480 170	480 170	30 101	
7	Parking Fee Bus stand RS.15.00 Rs.20.00 Foot path Rs.5.00 Rs.10.00 Rs.20.00 ECO Park RS.5.00	12.10.18 12.10.18 12.10.18 12.10.18 12.10.18 12.10.18	480 170 490 480 290 145	480 170 490 480 290 145	30 101 70 121 23 50	

**Comments**

The physical verification of cash balance, unused postage stamps and holding tax receipt books, miscellaneous receipt books, other fees collection receipt books etc was conducted on the day of commencement of audit i.e on dt. 12.01.18 and found agreed with the book balance of the day and result there of as detailed above has been recorded in respective book of account.

From the aforesaid table it would be seen that a good amount of cash of Rs39626.00 is retained in Subsidiary Cash Book on the date of commencement of Audit ie on 12.10.2018 before Transaction as follows. The E.O is advised to minimize the cash balance to the prescribed limit to avoid the loss of interest , misappropriation and embezzlement .

**PARA: 3 LIST OF VERIFIED RECORDS**

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

Sino	List Records/Register	Rules	Form No
1	Register of Works	Rule 345	Form W-VI
2	Stock & Store Register of Municipality	Rule 346	Form W-VII
3	Measurement Book	Rule 365	Form W-VIII
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	Tax collector's daily collection register	Rule 192	Form K
9	Tax collector's Ledger	Rule 198	Form M
10	Stock account of Receipt Forms	Rule 196	Form L
11	Arrear Demand Register	Rule 187	Form H
12	Tax Receipt Form	Rule 188	Form I
13	Stock Register of Stationery	Rule 172	Form No. XLIV
14	Assessment List	Rule 177	Form A
15	Tax Ledger (personal A/C of Tax Payers)	Rule 178	Form B(I)
16	Demand and Collection Register	Rule 178	Form B
17	Stamp Account	Rule 172	Form No. XLIV
18	Stock account of Tickets used for daily collection of Market fees	Rule 171	Form No. XLIII
19	Register of Grants	Rule 80	Form No. XLII
20	Register of Interest Bearing Securities	Rule 147	Form No. XLI
21	Daily Collection Register	Rule 171	Form No. XL
22	Register of Rents for which there is fixed demand	Rule 163	Form No. XXXVI
23	Miscellaneous Receipts	Rule 157	Form No. XXXIV
24	Cash Book of the municipality	Rule 125	Form No. XIV
25	Periodical Increment Certificate	Rule 99	Form No. XI
26	Salary Bills	Rule 97	Form No. IX
27	Subsidiary Cash Book	Rule 128 A	Form No. V-A
28	Cashier's Cash Book	Rule 81	Form No. V
29	Schedule for the Budget Estimate	Rule 77	Form No. III
30	Abstract of the Budget Estimate	Rule 74	Form No. I-A
31	Budget Estimate	Rule 74	Form No. I

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

Sino	List Records/Register	Rules	Form No
1	Register of Distrained property & sales	Rule 204	Form S
2	Warrant register	Rule 202	Form R

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

Sino	List Records/Register	Rules	Form No
1	Register of Estimates & Allotments	Rule 332	Form W-I
2	Distraint Warrant Register	Rule 202	Form P
3	Form of inventory & Notice	Rule 203	Form Q
4	Progress statement of collection of taxes	Rule 200	Form N
5	Notice of demand for tax u/s-161 of OM Act	Rule 202	Form O
6	Register of writes off of demands	Rule 190	Form J
7	Register of Petitions	Rule 183	Form F
8	Mutation Register	Rule 184	Form G
9	Form of appeal petition	Rule 183	Form E
10	Arrear List	Rule 170	Form No. XXXIX
11	Ledger of Lessees	Rule 170	Form No. XXXVIII
12	Jamabandi Register	Rule 170	Form No. XXXVII
13	Register of Lands	Rule 160	Form No. XXXV

14	License Register for Drivers and Owners of Carriages plying for hire	Rule 156	Form No. XXXIII
15	Stock account of License Number Plates	Rule 155	Form No. XXXII
16	License for Carriages, Carts, Horses Other and animals	Rule 154	Form No. XXX
17	Application for License for Carriage, Cart, Horses and Other animals	Rule 152	Form No. XXXI
18	Register of the Tax on Carriages, Carts, Horses and Other animals	Rule 151	Form No. XXIX
19	Establishment Audit Register	Rule 146	Form No. XXV
20	Register of Investments	Rule 148	Form No. XXVI
21	Loan Register	Rule 149	Form No. XXVII
22	Appropriation Register of Loan Funds	Rule 150	Form No. XXVIII
23	Annual Account of Receipts and Expenditure	Rule 145	Form No. XXIV
24	Register of Quarterly & Annual account of Expenditure	Rule 144	Form No. XXIII
25	Register of outstanding deposits	Rule 143	Form No. XXI
26	Register of Quarterly & Annual account of Receipt	Rule 144	Form No. XXII
27	Deposit Ledger	Rule 142	Form No. XX
28	Register of Outstanding Advances	Rule 140	Form No. XIX
29	Advance Ledger	Rule 136	Form No. XVIII
30	Abstract Register of Expenditure	Rule 129	Form No. XVI
31	Register of adjustments	Rule 132	Form No. XVII
32	Abstract Register of Receipts	Rule 129	Form No. XV
33	Voucher of Recoupment of Permanent Advance Account	Rule 110	Form No. XIII
34	Permanent Advance Account	Rule 108	Form No. XII
35	Absentee Statement	Rule 97	Form No. X
36	Order Book	Rule 96	Form No. VIII
37	Register of Bills	Rule 96	Form No. VII
38	Challan	Rule 87	Form No. VI
39	Subsidiary account of special taxes	Rule 79	Form No.-IV

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

Sino	List Records/Register	Rules	Form No
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**Comments**

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.During the course of audit it is noticed that following Records and Registers prescribed under Odisha Municipal Rules, 2012 are not maintained/operated during the year, 2017-18. The local authority is advised to take sincere steps towards maintenance of the same in order to observe transparency in the accounting system and compliance reported.

Sl. No.	Particulars	Provisions as per O.M. No.Rules	Corresponding Form
1	Schedule for the Budget Estimate	Rule 77	Form No. III
2	Subsidiary account of special taxes	Rule 79	Form No. IV
3	Order Book	Rule 96	Form No. VIII
4	Absentee Statement	Rule 97	Form No. X
5	Permanent Advance Account	Rule 108	Form No. XII
6	Voucher of Recoupment of Permanent Advance Account	Rule 110	Form No.XIII
7	Register of adjustments	Rule 132	Form No.XVII
8	Advance Ledger	Rule 136	Form No. XVIII
9	Register of Outstanding Advances	Rule 140	Form No. XIX

10	Deposit Ledger	Rule 142	Form No. XX
11	Register of outstanding deposits	Rule 143	Form No. XXI
12	Stock account of License Number Plates	Rule 155	Form No. XXXII
13	Jamabandi Register	Rule 170	Form No. XXXVII
14	Ledger of Lessees	Rule 170	Form No. XXXVIII

15	Arrear List	Rule 170	Form No. XXXIX
16	Mutation Register	Rule 184	Form G
17	Register of writes off of demands	Rule 190	Form J
18	Stock account of Receipt Forms	Rule 196	Form L
19	Tax collector's Ledger	Rule 198	Form M
20	Progress statement of collection of taxes	Rule 200	Form N
21	Notice of demand for tax uls-161 of OM Act	Rule 202	Form O
22	Distrait Warrant Register	Rule 202	Form P
23	Form of inventory & Notice	Rule 203	Form Q
24	Warrant register	Rule 202	Form R

**3.2 .NON MAINTENANCE OF DOUBLE ENTRY ACCRUAL BASED ACCOUNTING SYSTEM (DEABAS) AS PER ODISHA MUNICIPAL (ACCOUNTS) RULES -2012 (OMAR) IN ANGUL MUNICIPALITY W.E.F 1 ST 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 should be maintained in Angul municipality 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 31.3.2018

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**

Anugul Municipality - 2017-2018

S/no	Name of the Cash Book	OB as on Date	Opening Balance(In Rs:)	Receipt during the Year under Audit(In Rs:)	Total(In Rs:)	Expenditure during the Year under Audit(In Rs:)	Closing Balance as per Audit (DD MM YYYY)	Closing Balance(In Rs:)	Closing Balance as per (DD MM YYYY) Cash Book	Closing Balance(In Rs:)(CASH BOOK)	Difference (In Rs:)	Remarks
1	Accountant Cash Book	01-04-2017	9949190 2.00	11789691 3.00	21738881 5.00	12864660 1.25	31-03-2018	8874221 3.75	31-03-2018	8873956 3.24	2650.51	
	<b>GRAND TOTAL</b>		<b>9949190 2.00</b>	<b>11789691 3.00</b>	<b>21738881 5.00</b>	<b>12864660 1.25</b>		<b>8874221 3.75</b>		<b>8873956 3.24</b>	<b>2650.51</b>	

**Comments**

**Comments**

The Discrepancy of Rs2650.51 between cash book & audit figure is rolling since 2008-09 as per Audit Report No.22/09-10 vide Para No.- 5-A.

**Para 4.1 Detail position of Receipts & Expenditure**

The detail position of Receipts & Expenditures in respect of Angul Municipality for the year, 2017-18 is furnished separately vide Statement-A & B of this Audit Report.

The head wise receipts & expenditure is extracted from the Annual Abstract Register of Receipts & payments (U/R-130) maintained U/R-132 of O.M.Rule-1953. The chief adjustments are

Rectification of error in classification,

Adjustment Adjustments due to refunds of income or recovery of expenditure, ( U/Rule-133) as well as adjustment register of bill against an advance,

**Para 4.2 Details of cash book wise closing balance as on 31.3.18**

s/no	Name of the case book	Amount
1	Accountant case book	88454831.24
2	Subsidiary cash book	2847732.00
	Total	88739563.24

**Para 4.3. Non maintenance of personal ledger Account.**

The executive officer Angul Municipality did not maintain the personal ledger PL Account as the Decemeber -18.The PL A/c transaction has been watched through the treasury pass book .However from check of treasury pass book, it was seen that the PL account was closed with a balance of Rs. as per Mach-2018 as required the closing balance was not analysed indicating the scheme to which the amount relate and date from which the same was parked in the account.However the local authority is advised to take necessary steps for month wise analysis and the details head wise balance was reflected in the PL A/C at the end of the financial year.

**Para 4.4 Budget and estimate**

As per Section 104 of O.M.Act,1950 the Annual Budget of the Municipality should be presented by the Chairperson to the Council at least two month before the

close of the year, i.e. the Annual Budget containing the probable Receipts & Expr. For the following financial year should be presented to the Council on or before 31.1.2018. Again as per Section 107, after expiry of 14 days since the presentation of Budget the Municipality shall sanction the estimate and submit forthwith to the State Govt. for approval.

Scrutiny of the Budget file for the year, 2016-17 of Angul Municipality reveals that the Annual Budget was presented to the Municipal Council on Dated.02.4.15 which is approximately Four months be-lated than the mandatory provision prescribed under the Act.

The Annual Budget of the Municipality was approved by the Govt. . This reflects the carelessness of the local authority towards preparation of the budget and it's belated approval by the Govt. By the time of the approval of the budget by the State Govt. only one month was left behind for completion of the financial year. Hence the impact of the budget on the Annual transaction of the Municipality cannot be presumed as effective. The annual budget prepared & so approved can be treated as a periodical ritual performed by the Mpty. Which served no useful purpose of it's essence & context.

As per Rule-56 of Odisha Budget Manual the estimation of fixed revenue should be based upon the actual demand including arrear, and probabilities of their realization during the year. The Odisha budget manual read with Sec.108-A of Odisha Municipal Act, 1950 stipulates that the estimate of Income & Expenditure should be reasonable & proper.

Further the said Rule of the Odisha Budget Manual stipulates that the Budget Estimates of Revenue and receipts should be based on the existing rate of Taxes, Duties and Fees etc. and no increase or reduction in such rates and no proposal for abandonment of revenue which have not been sanctioned by the Govt. should be proposed in the estimate .

The above guideline has not at all adhered . which effects in preparation of realistic budget .

The Budget of the Mpty. has not been prepared in realistic manner. The deviation of actual receipt and expenditure from the budgeted receipt & expr. can be inferred from the table furnished below.

**ULB NAME: ANGUL MUNICIAPALITY**

**REVENUE INCOME BUDGET ESTIMATES FINANCIAL YEAR 2017-18 BUDGET FOR THE YEAR 2017-18**

Sl.No	Particulars	Amount In Rs	Grant Total
	<b>Opening Balance of 2017-18</b>		<b>22798048.00</b>
	<b>Budeted Receipts</b>		
<b>A</b>	Rates and Tax Revenue	13000000.00	
	Assigned Revenues & Compensation	55000000.00	
	Rental Income from Municipal Properties	15500000.00	
	Fees & User Charges	58,00,000.00	
	Revenue Grants, Contribution and Subsidies	1,55,00,000.00	
	Income from Investments	12,00,000.00	
	Interest Earned	20,00,000.00	
	Grants, Contribution for specific purposes	60070000.00	
	Deposits	24400000	
	Deposit works	30,00,000.00	
	<b>TOTAL REVENUE &amp; CAPITAL RECEIPTS</b>	<b>195470000.00</b>	<b>218268048.00</b>
<b>B</b>	<b>Budgeted Expenditures</b>		
	Establishment Expenses	3,50,00,000.00	
	Benefit and Allownces	90,000.00	
	Pension	10500000.00	
	Other terminal and retirement benefit	800000.00	
	Books and Periodicals	10000.00	
	Communication Expenses	70000.00	
	Printing and Stationary	1000000.00	
	Travelling and Conveyance	1,20,000.00	
	Insurance	1,50,000.00	
	Legal Expenses	2,00,000.00	
	Advertisement and Publicity	700000.00	
	Operations & Maintenance	9200000.00	
	Repair and maintainance(Infrastructure Assets)	5900000.00	
	Repair and Maintainace-Civic Amenities	1600000.00	
	Repair and maintenance-Building	3500000.00	
	Other Operating and maintenance expenses	1,31,00,000.00	
	Bank Charges	5000.00	
	Fixed Assets	10000000.00	
	Building	180,00,000.00	
	Roads and bridges	3,80,00,000.00	
	Sewerage and Drainage	70,00,000.00	
	Public lighting	11000000.00	
	Office and other equipments	3,00,000.00	
	Furniture,fixture,ittings and electrical appliances	1,70,000.00	
	Development of Urban Poor	27442500.00	
		193857500.00	
	<b>TOTAL REVENUE &amp; CAPITAL PAYMENTS</b>	<b>193857500.00</b>	<b>193857500.00</b>
	<b>Closing Balance For 2017-18</b>		<b>24410548.00</b>
	<b>Grand Total</b>		<b>218268048.00</b>





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

Anugul Municipality - 2017-2018

S/no	Name of the Bank	A/C No.	Closing Balance Date As on (dd/mm/yyyy)	Closing Balance in Pass Book(In Rs:) (A)	Closing Balance in Bank Date Cash Book (dd/mm/yyyy)	Closing Balance in Bank as mentioned in Cash Book(In Rs:) (B)	Difference(In Rs:)(A-B)	Remarks
1	All Bank & Try. Pass Book relating to a/c cash book.		31-03-2018	89077243.57	31-03-2018	88454831.24	622412.33	
	<b>GRAND TOTAL</b>			<b>89077243.57</b>		<b>88454831.24</b>	<b>622412.33</b>	

**Reconciliation**

**Details of bank position and cash book position as on 31.03.2018**

Sl No	Name of the Bank	A/C NO	Closing balance as on date	Closing Balance in pass book	Closing Balance in Bank date cash book	Closing Balance in Bank as mentioned in cash Book	Difference	Remarks
1	SBI,Angul	79946	31.03.18	4540592	31.03.2018	4376375	164217	SGSRY
2	SBI,Angul	63413	31.03.18	896799	31.03.2018	896799	0	NON LFS
3	SBI,Angul	100291	31.03.18	456980.58	31.03.2018	461384.58	-4404	MPLAD
4	SBI,Angul	25933	31.03.18	2939	31.03.2018	2939	0	LFS
5	SBI,Angul	90928	31.03.18	2223	31.03.2018	2223	0	Current
6	BOB,Angul	3118	31.03.18	734764	31.03.2018	664764	70000	
7	BOB,Angul	5423	31.03.18	2524809.5	31.03.2018	2524809.5	0	IHSDP
8	BOB,Angul	2695	31.03.18	19714	31.03.2018	19714	0	
9	BOB,Angul	1715	31.03.18	35040.5	31.03.2018	27940.5	7100	
10	BOB,Angul	4347	31.03.18	20362	31.03.2018	20362	0	
11	CBI,Angul	8680	31.03.18	503084	31.03.2018	503084	0	12th FCA
12	CBI,Angul	8691	31.03.18	13999	31.03.2018	13999	0	
13	CBI,Angul	8704	31.03.18	14676	31.03.2018	14676	0	
14	BOI,Angul	17	31.03.18	4219412	31.03.2018	4219412	0	RD
15	BOI,Angul	1843	31.03.18	2753	31.03.2018	2753	0	
16	BOI,Angul	33	31.03.18	14374	31.03.2018	24399	-10025	SRC
17	UCO	6454	31.03.18	463057.75	31.03.2018	465490.75	-2433	
18	IOB,Angul	3471	31.03.18	3361648.9	31.03.2018	3309348.9	52300	
19	IOB,Angul	6511	31.03.18	333185.3	31.03.2018	333185.3	0	
20	IOB,Angul	6735	31.03.18	5062851.5	31.03.2018	5062851.5	0	13th FCA
21	AXIS,Angul	5173	31.03.18	60605	31.03.2018	60605	0	
22	AUCCB	11804	31.03.18	49369	31.03.2018	39369	10000	
23	AUCCB	4410	31.03.18	907765	31.03.2018	907765	0	MLALAD
24	AUCCB	(FD)	31.03.18	0	31.03.2018	0	0	SHOP ROOM
25	DGB	2683	31.03.18	39213.6	31.03.2018	39213.6	0	
26	DGB	2697	31.03.18	1	31.03.2018	1	0	

27	DGB	2751	31.03.18	18293	31.03.2018	18293	0	
28	CANARA	908	31.03.18	474632.75	31.03.2018	308091.75	166541	
29	DENA	25110	31.03.18	13879.5	31.03.2018	2879.5	11000	
30	DENA	25322	31.03.18	23571	31.03.2018	23571	0	
31	DENA	25450	31.03.18	136460	31.03.2018	136460	0	
32	DENA	27220	31.03.18	74959	31.03.2018	59386	15573	
33	DENA	29790	31.03.18	1119648	31.03.2018	1119648	0	
34	DENA	(FD)	31.03.18	0	31.03.2018	0	0	
35	DENA	(FD)	31.03.18	0	31.03.2018	0	0	
36	HDFC	36	31.03.18	26235.48	31.03.2018	26235.48	0	
37	ORIENTAL	6684	31.03.18	121933	31.03.2018	121933	0	
38	ORIENTAL	13613	31.03.18	7697	31.03.2018	7697	0	
39	ORIENTAL	5204	31.03.18	90092	31.03.2018	90092	0	
40	ORIENTAL	4357	31.03.18	4883590	31.03.2018	4883590	0	ECO Park
41	INDIAN	2145	31.03.18	165246	31.03.2018	165246	0	
42	INDUSLIND	1423	31.03.18	5983.67	31.03.2018	5983.67	0	
43	KOTAK MAHINDRA	9676	31.03.18	189310	31.03.2018	174949	14361	
44	KOTAK MAHINDRA	10091	31.03.18	22362	31.03.2018	22362	0	
45	CORPORATION	555	31.03.18	484342	31.03.2018	484342	0	
46	ANDHRA	6019	31.03.18	149358	31.03.2018	149358	0	
47	UNION BANK	2373	31.03.18	14078.49	31.03.2018	14078.49	0	
48	PNB	5660	31.03.18	149548.64	31.03.2018	149548.64	0	
49	IDB	912	31.03.18	131033	31.03.2018	131033	0	
50	ICICI	1706	31.03.18	8385992.32	31.03.2018	8343492.32	42500	
51	ICICI	2622	31.03.18	206465.25	31.03.2018	114799.25	91666	
52	ICICI	1409	31.03.18	4232	31.03.2018	4232	0	
53	IOB	11350	31.03.18	671459	31.03.2018	671459	0	
54	CANARA	11465	31.03.18	9304391	31.03.2018	9304391	0	SVM
55	CANARA	11466	31.03.18	210656	31.03.2018	210656	0	SWM
56	CANARA	11603	31.03.18	133676	31.03.2018	133676	0	
57	CANARA	11813	31.03.18	0	31.03.2018	0	0	
58	PL A/C		31.03.18	37583884.51	31.03.18	37583884.51	0	
	TOTAL			89077243.57		88454831.24	622412.33	

As per Rule 128 of O.M. Rules, 1953, the cash book shall be balanced at the close of every month and signed by the Executive Officer in token of the correctness of every entry made therein. The balance brought out shall be stated both in words and figures and shall be agreed with the balance shown in the pass book of the municipality.

As per Letter No. 15847/F, dtd 27.04.2013 of Finance Department, the DDD shall maintain a Register for reconciliation of receipts and disbursements of scheme funds. The aforesaid mandatory guidelines were not observed by the local authority during the year, 2017-18. The local authority failed to produce the Register of Reconciliation of all the Scheme pass books and the reconciliation statement of the cash book to verify its correctness due to non-maintenance of the same.

The E.O is advised to reconcile the difference in bank position amounting to Rs.622412.33 and produced to audit for incorporation in Audit Report . Till than Rs.622412.33 is kept under objection .

Cash and account branch of the Municipality has been kept distinctly separate from each other .

**Para:-5.1 OPERATION OF MULTIPLE BANK ACCOUNTS FOR INDIVIDUAL SCHEME FUNDS**

As per the Govt. Guide line, all moneys received/ realised under different programmes and activities shall forthwith be deposited with the interest bearing saving bank accounts which are approved by the Govt. and the interest accrued is to be treated as additional resources of the scheme for utilisation for the concerned schemes.

On checking of the Bank Pass books w.r.t. accountant cash book the following irregularities were noticed in operation of bank accounts.

58 nos of Savings Bank accounts were operated by this municipality at different branches of the same/different banks.

Multiple bank accounts were opened under one scheme fund at different branches of different banks.

The Executive Officer of municipality is advised to look into the matter and to take effective steps to close the accounts immediately and compliance be reported to audit.

**Para:5.2:- Non-Maintenance of Flexi Accounts**

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

No Centrally sponsored Scheme fund have been kept in flexi accounts. The U.L.B. has sustained loss in shape of less accrual of interest due to parking of fund in savings bank accounts. The local authority is advised to switch over the flexi account instead of parking of funds in savings accounts for centrally sponsored schemes and compliance reported.

**PARA: 6 STOCK POSITION**

Anugul Municipality - 2017-2018

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

**Comments**

SL No	Material/Item	OB in Qntls.	RECEIPT in Qntls	TOTAL in Qntls	EXPENDITURE in Qntls	BALANCE in Qntls	Stock Register page
1	AAY	0	0	0	0		0S.R.P./05
2	AP	0	00	0	0		0S.R.P./14
3	RDP	0	0	0	0		0S.R.P./21
4	PHH Rice	0	0	0	0		0S.R.P./31
5	PHH Wheat	0	0	0	0		0S.R.P./44

As per Rule 106 of O.G.F.R., an inventory of the dead stock should be maintained in all Government offices in form O.G.F.R. 6 showing the number received, the number disposed of (by transfer, sale, loss, etc.) and the balance in hand for each kind of article.

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 properly 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 authorized by him.

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.

The above guidelines were not observed by the municipality in maintenance of stock register. No dead stock register was maintained by the Municipality during the year 2017-18. The local authority was requested to conduct the physical verification and submit report regarding present position of Dead stock. Till close of audit no Dead Stock Register was produced to audit for verification.

A Stock Register in the name of Permanent Stock Register is maintained at the Municipality. All the valuable articles purchased during the year, 2017-18 has been entered into the Stock Register. However the balance stock position of different articles are not derived at the close of the financial year. From the records made available to audit the following stock position is furnished which are of valuable in nature as on 31.3.2017.

SL No	Particulars	Quantity
1	Computer set	11 nos.
2	Xerox machine	1 no
3	Printer 10	10 nos.
4	Revolving chair	39 nos.
5	Steel Table	23 nos.
6	Wooden Table	13 nos.
7	Plastic (Fibre )Chair .	50 nos



**PARA: 7 INVESTMENT**

Anugul Municipality - 2017-2018

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	01-04-2017	5440024.00	0.00	5440024.00	0.00	31-03-2018	5440024.00	31-03-2018	5440024.00	0.00	
	<b>GRAND TOTAL</b>	<b>5440024.00</b>	<b>0.00</b>	<b>5440024.00</b>	<b>0.00</b>		<b>5440024.00</b>		<b>5440024.00</b>	<b>0.00</b>	

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

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

Sl.No.	FDR No.	Name of the Bank	Date of Investment	Amount Invested	Rate of Interest	Date of Maturity	Maturity Value
1	929311	Dena	5.3.2016	2854777.00	7.5%	6.4.2017	3085737.00
1	929311	Dena	5.3.2016	2854777.00	7.50%	6.4.17	3085737.00
2	929313	Dena	16.3.16	468423.00	7.50%	6.4.17	505713.00
3	55507	AUCCB	27.9.15	2116824.00	8.25%	27.9.16	2296940.00
			<b>TOTAL :-</b>	5440024.00			5888390.00

No new investment was made by the municipality during the year, 2017-18 The matured value of the previous investments was re-invested for the period as specified in the above table in shape of fixed deposits. No grant fund is utilized for investment during the year, 2017-18 The previous investments which were rolling since long in shape of Fixed Deposits are only re-invested including the interest accrued. No irregularity was noticed for investments during the year, 2017-18 except parking of the fund in ineligible banks as discussed in the Financial Para.

It would be seen from the above table that a sum of Rs. 2116824.00 was invested on dt.27.09.15 vide AUCCB FDR No.55507 and was matured on dt.27.09.16. But the matured amount of Rs.2296940.00 was not found to have been encashed or reinvested during the year 2017-18. The local authority was asked through objection memo Whether the matured value of Rs.2296940.00 was re-invested or encashed during the year 2017-18. But the local authority replied that the matured value of Rs.2296940.00 had neither been encashed nor been reinvested during the year 2017-18.

The total amount shown as kept in shape of investment amounting to Rs.5888390.00 was matured during the year 2017-18 which were not re invested . This reflects the carelessness of the local authority which would invite loss of interest to the municipality for not timely dealing with the fixed deposits .

**PARA: 8 ADVANCE**

Anugul Municipality - 2017-2018

S/no	Advance Outstanding as on (DD MM YYYY)	Cashbook Name	Advance Outstanding (In Rs:)	Advance Paid during the Year under Audit(In Rs:)	Total(In Rs:)	Advance adjusted during the Year under Audit(In Rs:)	Advance Outstanding as per (DD MM YYYY) Audit	Advance Outstanding Audit (In Rs:)	Advance Outstanding as per (DD MM YYYY) Cash Book	Advance Outstanding Cash Book(In Rs:)	Difference (In Rs:)	Remarks
1	01-04-2017	accountant cash book	10315096.50	330000.00	10645096.50	330000.00	31-03-2018	10315096.50	31-03-2018	10315096.50	0.00	
	<b>GRAND TOTAL</b>		<b>10315096.50</b>	<b>330000.00</b>	<b>10645096.50</b>	<b>330000.00</b>		<b>10315096.50</b>		<b>10315096.50</b>	<b>0.00</b>	

**Comments :**

It can be seen from the above table that huge amount of Advance amounting to Rs.10315096.50 is remaining un-adjusted till 31.3.2018 which defeats the very purpose of grant of Advance. The Executive Officer is advised to take early step for adjustment of outstanding Advance and compliance reported.

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 the 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.

Position of Advance as per Rule 136 of OM Rule 1953 all advance paid out of the municipal fund for what ever purpose needs to be entered in advance ledger in XVIII with separate account for each person to whom advances are paid. Further as per Rule 140 of OM Rules 1953 it shall be the duty of E.O to reconcile the advance position with respect to cash books and advance ledger in each quarter and at the close of every quarter a list in the form No XIX shall be prepared of out standing advances with certificate enclosed in it in token of correctness of outstanding advance position. But scrutiny of the cash book and advance ledger revealed that the adjustment of advance were not shown properly in the cash book also the register of out standing advances in the form no XIX was not mentioned during 2017-18 as such the detailed person wise and category wise out standing advance could not be furnished in this report .Also the correctness of outstanding advance as worked out in audit could not be reconciled with the outstanding advance register which should have been maintained. For such lapses the Accountant and EO both are responsible.

As per rule 37 of odisha treasury code Vol-I advances given to officials /Firm /Contractors accredited agencies are not final expenditure and they should be written in red ink the right hand side of the inner column of the cash book and should be noted in Register of advance which would be periodically reviewed. The provision has been highlighted by the H & UD department vide letter No. Audit U 74/2009/28808/HUD dt.25.11.2009.

As it could be ascertained from the cash book and previous year report total advance outstanding as on dated 31.03.2018 was worked out to be Rs 10315096.50. Once again the local authority is impressed upon to initiate early steps to get the said advance adjusted by way of obtaining vouchers or by making cash recovery from the person concerned.

Sl.No.	Year	Against Employees	Against Executant	Others	Total
1	As on dt. 31.03.2000	1545700.00	525500.00	1253472.50	3324672.50
2	2000-01	268494.00	0.00	73850.00	342344.00
3	2001-02	210950.00	310000.00	1000.00	521950.00
4	2002-03	135185.00	187000.00	110000.00	432185.00
5	2003-04	25000.00	165000.00	32000.00	222000.00
6	2004-05	84500.00	360000.00	29000.00	473500.00
7	2005-06	20100.00	71532.00	4169.00	95801.00
8	2006-07	8400.00	300000.00	63313.00	371713.00
9	2007-08	89200.00	515200.00	51851.00	656251.00
10	2008-09	66744.00	967000.00	57622.00	1091366.00
11	2009-10	126500.00	0.00	78063.00	204563.00
12	2010-11	32500.00	0.00	129037.00	161537.00
13	2011-12	79384.00	0.00		79384.00
14	2012-13	15100.00	0.00		15100.00
15	2013-14	32300.00	0.00	95000.00	127300.00

16	2014-15	408430.00	400000.00		808430.00
17	2015-16	50000.00	400000.00		450000.00
18	2016-17	937000.00	0.00		937000.00
19	2017-18	0.00	0.00	0.00	0.00
	TOTAL:-	4135487.00	4201232.00	1978377.50	10315096.50

**Para-8.3: Advanced outstanding for more than one year (Surcharge able Advance)**

Details of Advance paid during the year 16-17 but remained unadjusted for more than one year as on 31-03-2018

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

The following are the details of such advances paid during the year 2016-17 as mentioned in the last audit report, but remained unadjusted for more than one year i.e., till 31-03-18 which is surchargeable

Sl. No.	NAME WITH DESIGNATION	VR.NO/DATE	ADVANCE PAID	PURPOSE
1	Atal Bihaari Debata	285(c)/17.06.16	10000.00	SBM Advance
2	Susil Pradhan	644/22.09.16	2000.00	Legal Fees
3	Pradeep Ku. Sahu	1035/21.01.17	5000.00	Postage stamp
4	Champak Pradhan ,J.E	1100/16.02.17	550000.00	IHSDP Home
	TOTAL:-		567000.00	

**Person(s) Responsible for this paragraph**

Sno	Name	Designation	Adress	Amount(In Rs.)
1	Champak Kumar Pradhan	JE	Anugl Municipality, Angul PO. Dist-Angul	275000
2	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist-Angul	284500
3	Atal Bihari Debata Sr Clerk	Sr Clerk	AT-Angul Municipality Angul	5000
4	Pradeep Ku Sahu JC DLR	JC DLR	AT. Angul Municipality Angul.	2500



**PARA: 9 GRANTS**

Anugul Municipality - 2017-2018

S/no	Grants Outstanding as on (DD MM YYYY)	Grants Outstanding (In Rs:)	Grants Received during the Year under Audit(In Rs:)	Total(In Rs:)	Grants Spent during the Year under Audit(In Rs:)	Grants unspent as on (DD MM YYYY)	Grants unspent (In Rs:)	Remarks
1	01-04-2017	59180574.00	85023250.00	144203824.00	78934385.00	31-03-2018	65269439.00	
	<b>GRAND TOTAL</b>	<b>59180574.00</b>	<b>85023250.00</b>	<b>144203824.00</b>	<b>78934385.00</b>		<b>65269439.00</b>	

**Comments :**

**Details of Grant position**

SI No	Head of Account	G.O No and date	OB as on 01.04.2017	Receipt during the Year	TOTAL	Expenditure during 2017-18	Closing Balance as on 31.03.2018
1	Octrai Companssion		0				
		13852/20.06.17/HUD		17952000	17952000	17952000	0
		30385/HUD/23.12.17		17880000	17880000	17880000	0
	TOTAL			35832000	35832000	35832000	0
2	SJSRY		985892	0	985892	0	985892
	TOTAL		985892	0	985892	0	985892
3	M.V.Tax		1549000				
		18979/HUD/19.08.17		1763000		1763000	0
		18417/HUD/15.02.18		1762000		1452242	309758
	TOTAL			3525000	3525000	3215242	309758
4	Road Development						
			2375000	2375000	2375000	944965	1430035
	Total		2375000	2375000	2375000	944965	1430035
5	MP LAD						
			311400				
		1142/DRDA/21.12.17		1700000		753141	
		1501/DRDA/12.01.18		600000		0	
	Total		311400	2300000	2611400	753141	1858259
6	13th FCA						
7	14th FCA						
			15427408		15427408	11391956	4035452
		14473/HUD/16.08.17		9468000	9468000	0	9468000
		18448/HUD/30.12.17		9365000	9365000	0	9365000
	Total		15427408	18833000	34260408	11391956	22868452
8	Road & Bridges						

			2375000	0	2375000	0	2375000	
	Total		2375000	0	2375000	0	2375000	
9	NALCO PDF							
		RTGS		250000	250000	250000	0	
	Total			250000	250000	250000	0	
10	Constn. Of DHH							
			28209	0	28209	0	28209	
	Total		28209	0	28209	0	28209	
11	Festival Grant							
			0	0	0	0	0	
	Total		0	0		0	0	
12	Revolving Fund							
			120000		120000	0	120000	
	Total							
13	Dist. Consumer Forrum Bldg.							
			25922		25922	0	25922	
	Total		25922		25922	0	25922	
14	IHSDP							
			2099802		2099802	636610	1463192	
	Total		2099802		2099802	636610	1463192	
15	Accounting Reforms							
			239500		239500	0	239500	
	Total		239500		239500	0	239500	
16	Creation of urban Assets							
			198459					
		20278/Hud/04.09.17		949000				
		8245/Hud/15.03.18		949000				
	Total		198459	1898000	2096459	0	2096459	
17	PDF Monnet							
			581596		581596	179513	402083	
	Total		581596		581596	179513	402083	
18	NULM							
			2398947		2398947	960000	1438947	
	Total		2398947		2398947	960000	1438947	
19	Devolution Fund Capital Natuew							
			6641098		6641098	4882852	1758246	
		18503/HUD/16.08.17		5994000	5994000		5994000	
		18844/HUD/15.0		5994000	5994000		5994000	

		2.18						
	Total		6641098	11988000	18629098	4882852	13746246	
20	Control of Manual Scavenger							
			8000		8000	0	8000	
	Total		8000		8000	0	8000	
21	PDF MCL							
			226964		226964	0	226964	
	Total		226964		226964	0	226964	
22	Swatchha Bhatat Mission							
			4614223		4614223		4614223	
	Total		4614223	0	4614223	0	4614223	
23	Solid waste Management							
			287000	0	287000	668000	(-) 381000	
24	Hon.& Sitting fee							
			16000		16000	0		
		17435/HUD/01.08.17	0	17250	17250	0		
	Total		16000	17250	33250	0	33250	
25	MLA LAD							
			518695		518695	453993	64702	
		Online Transfer		500000	500000	0	500000	
	Total		518695	500000	1018695	453993	564702	
26	Arr. Pension and Basic Service							
		20539/HUD/07.09.17		838000				
		5632/HUD/26.02.18		8136000				
	Total		0	8974000	8974000	8974000	0	
27	Main capital asset and Rev. Gen							
			458000			458000		
		5576/HUD/26.02.18		453000		0	453000	
		8448/HUD/03.09.17		453000		0	453000	
	Total		458000	906000	1364000	458000	906000	
28	Creation of Capital Asset and Revenue Generation							
			969750	0	969750	0	969750	
	Total		969750	0	969750	0	969750	
29	ECO Park							
			16724709	0	16724709	9305905	7418804	
	Total		16724709	0	16724709	9305905	7418804	

An abstract position of grant is furnished below

	Scheme	OB	Receipt	Total	Exp
1	O.C	0	35832000	35832000	35832000
2	MV Tax	1549000	3525000	5074000	3215242
3	SJSRY	985892	0	985892	0
4	Road Dev	2375000	0	2375000	944965
5	MP Lad	311400	2300000	2611400	753141
6	13th FCA	15427408	18833000	34260408	11391956
7	Road and Bridge	2375000	0	2375000	0
8	NALCO PDF	0	250000	250000	250000
9	Const of DHH	28209	0	28209	28209
10	Revolving Fond	120000	0	120000	0
11	Dist Cong Foram	25922	0	25922	0
12	Accounting Foram	239500	0	239500	0
13	Creat Of Urban Assset	198459	1898000	2096459	0
14	IHSDP	2099802	0	2099802	636610
15	PDF Monet	581596	0	581596	179513
16	NULM	2398947	0	2398947	960000
17	Devol Fund Capital	6641098	11988000	18629098	4882852
18	Cont of manual scaven	8000	0	8000	0
19	swascha bharat misson	4614223	0	4614223	0
20	SWM	287000	0	287000	668000
21	Hon and sitting fee	16000	17250	33250	0
22	MLA LAD	518695	500000	1018695	453993
23	Arr Pen and basic serv	0	8974000	8974000	8974000
24	Maint Capital assest	458000	906000	1364000	458000
25	Creation of Cap asset	969750	0	969750	0
26	ECO Park	16724709	0	16724709	9305905
27	PDF MCL	226964	0	226964	0
	<b>TOTAL</b>	<b>59180574</b>	<b>85023250</b>	<b>144203824</b>	<b>78934386</b>

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 Municipality without refund of same to the funding authorities as the stipulated period of utilisation of the said grants has already been passed away. Hence the local authority is suggested to refund the unspent balance of grants pertaining to the previous years to the sanctioning authorities, if there is no prospect of utilization as per the terms and conditions adhere to the sanction orders, otherwise utilize the same at the earliest after obtaining the fresh approval from the sanctioning authorities of the respective grants and compliance reported to audit

As per Section IV of Appendix 10 of OGFR, the following guidelines are prescribed.

For Non-recurring Grant:-

In the sanction order, the period within which and the object / purpose for which the grant is to be utilised is to be mentioned; (b) If the grant is actually paid towards the end of the financial year, the time limit for 6 months or 1 year from the date of drawal or some other fixed time should be prescribed; If the local body feels that the grant cannot be spent within such prescribed period for reasons to be assigned by them, the local body concerned should move the Govt. to extend the period already fixed; If it is found in audit that there are unspent balance without any sanction of Govt. for their retention, the Examiner of Local Accounts shall make a special report To Govt. in the Administrative Department concerned at the conclusion of each audit.

Recurring Grants:-

The local bodies should keep an account of the receipt and expenditure of recurring grants year by year for production to audit and the Examiner of Local Accounts should bring to the notice of the Govt. the cases where the expenditure is less than the grant in order to enable the Govt. to examine the position, if necessary.

- As per Rule 171 of the Odisha General Financial Rules (OGFR) (Volume I) and instructions contained in the sanction orders, scheme funds were to be utilised in the year of receipt. Un-utilised fund, if any, may either be refunded to the Government or utilised in subsequent year with prior approval of the Government.

As per Rule 171 (1) (a) of O.G.F.R., before any grants-in-aid is sanctioned by any Department of Government in favour of any private individual or local body or institution for specific purposes the Administrative Department should, well in advance, take steps to provide funds.

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

- As per Rule 171 (3) (a) of D.G.F.R., the expression 'reasonable time' should ordinarily be interpreted to mean one year from the date of issue of the letter sanctioning the grant even though the period extends beyond the financial year. Immediately on the expiry of the period of one year from the date of sanction, any unspent balance out of the grant should be duly surrendered to government
- As per Rule 171 (4) of O.G.F.R., before a grant is paid to any public body or institution, the sanctioning authority should, as far as possible, insist on obtaining an audited statement of the account of the body or institution concerned in order to see that the grants-in-aid is justified by the financial position of the grantee and to ensure that any previous grant was spent for the purpose for which it was intended.

As per Rule 171 (5) (i) of O.G.F.R., the grantee institutions should maintain a register in form No.[O.G.F.R. 30-A] of the permanent and semi-permanent assets acquired wholly or substantially out of Government grants. The register should be maintained by the grantee institutions separately in respect of each sanctioning authority and a copy thereof furnished to the sanctioning authority annually.

As per Rule 80 of the Odisha Municipal Rules, 1953 ULB shall maintain a separate account in respect of each grant. The above stipulations were not observed by the Municipality during the year, 2015-16 in respect of utilization of the grants.

The overall utilization of grants with respect to it's availability is found to be 55.77%. Therefore the local authority is found to be not sincere enough to utilize the available grants within the stipulated period prescribed by OGFR.

Hence the general public were deprived of the social benefits intended by the sanctioning authority of Govt. for years together. The local authority is advised to utilize the grant at an early date by obtaining fresh sanction from the competent authorities wherever required or refund the same if there is no possibilities of its utilization and compliance reported.

**PARA: 10 UTILISATION CERTIFICATE**

Anugul Municipality - 2017-2018

S/no	U.C Outstanding as on (DD MM YYYY)	U.C Outstanding(In Rs:)	U.C due for submission during the period under Audit(In Rs:)	Total(In Rs:)	U.C Submitted during the period under Audit(In Rs:)	U.C needs to be submitted as on outstanding as on (DD MM YYYY)	U.C needs to be submitted as on outstanding (In Rs:)	Remarks
1	01-04-2017	175673723.00	78934385.00	254608108.00	68887277.00	31-03-2018	185720831.00	
	<b>GRAND TOTAL</b>	<b>175673723.00</b>	<b>78934385.00</b>	<b>254608108.00</b>	<b>68887277.00</b>		<b>185720831.00</b>	

**Comments :**

**Details of Uc submitted to different quarter during the financial year 2017-18**

Sl no	Name of the grant	Letter no/date	Amount	To whom sent	Year of Grant
1	NULM	5732/216.12.17	820000.00	PD DRDA Angul	17-18
2	14 <sup>th</sup> FC	1537/20.06.17	1883888.00	US ti Govt. H&UD	16-17
3	Devolution of fund	1543/20.06.17	1831725.00	-do-	16-17
4	Companssion in lieu of Octri	1541/20.06.17	30521000.00	-do-	15-16
5	Const. of public toilet	1535/20.06.17	1239664.00	-do-	15-16
6	Companssion in lieu of Octri	1539/20.06.17	32591000.00	-do-	16-17
7	Total		68887277.00		

Wear wise break of outstanding UC is furnished below

	YEAR	AMOUNT		
up to 2010-11		253766110		
2011-12		1123665.00		
2012-13		2512459		
2015-16		18196575		
2016-17		60397082		
2017-18		78114439		
TOAL		185720831.00		

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 UC 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. 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.

As per Rule-170 to 173 of O.G.F.R. Vol-I provision on sanctioning Grant-in-Aid interalia stipulates for submission of U.Cs. to Grant sanctioning authority, H.& U.D. Department, A.G.Odisha, by the end of the year of sanction of grant or by stipulated dates as mentioned in the sanction order but not latter than one year from the date of sanction. Effective action was taken in time for timely submission of U.C. in support of utilization of grants. As a result of which the pendency position of U.Cs. is not reduced substantially. Pending Utilization Certificate.

As per Rule-170 & 171 of O.G.F.R. grants received should be utilized within the same financial year in which it was received and U.C. should be submitted by the 30 th June of the subsequent year to the funding agency as well as Principal A.G.( A & E) Odisha.

**PARA: 11 MISAPPROPRIATION & DEFALCATION**

<b>11.1 -</b>				
<b>LESS AMOUNT SHOWN IN DCR DUE TO WRONG TOTALING</b>				
While checking the receipt book to the reference to DCR of Sri Binod Kumar Behera, TC, it was seen that , a sum of Rupees Two hundred only has been shown less in DCR vide Page 87. The details of which given below. The reason of less amount shown in DCR may be clarified.				
Actual Amount	:	4700.00/		
Amount shown in DCR	:	4500.00/-		
Less Amount Shown	:	200.00/-		
On issue of objection memo the local authority replied that amount will be recovered from persons responsible, Hence the objection holds good.				
<b>Person(s) Responsible for this paragraph</b>				
Slno	Name	Designation	Adress	Amount(In Rs:)
1	Binod Kumar Behera	Tax Collector	Angul Municipality Dist.-Angul.	200
<b>11.2 -</b>				
<b>LESS AMOUNT SHOWN IN DCR DUE TO WRONG TOTALING</b>				
While checking the receipt book to the reference to DCR of Sri Binod Kumar Behera, TC, it was seen that , a sum of Rupees Two hundred only has been shown less in DCR vide Page 31. The details of which given below. The reason of less amount shown in DCR may be clarified.				
Actual Amount	:	4550.00		
Amount shown in DCR	:	4350.00		
Less Amount Shown	:	200.00/-		
On issue of objection memo the local authority replied that amount will be recovered from persons responsible, Hence the objection holds good.				
<b>Person(s) Responsible for this paragraph</b>				
Slno	Name	Designation	Adress	Amount(In Rs:)
1	Binod Kumar Behera	Tax Collector	Angul Municipality Dist.-Angul.	200
<b>11.22 -</b>				

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

<b>12.1 -</b>
During course of audit no loss of stock and stores was detected.
<b>12.4 -</b>

**PARA: 13 AUDIT OF RECEIPTS**

<b>13.1 -</b>
<b>13.1 - Assessment and determination of Rate of Taxes.</b>
As stipulated in Sec.143 of OM Act.1950 and Rule .516 of OM Rule 1953 the valuation officer a wing of a HUD Dept. prepares valuation list of holding in a new municipality area and as per the section .143 A OM .1950 . the executive officer municipality shall until the appointment avaluation officer excersice the power and perform the duty of the valuation officer in respect of the municipal area. Further as per sec-146 of OM Act . new valuation of assessment list shall ordinary be prepare once in every five years and as per the sex-143 143C,134.D,135E of OM Act.1950. and rule .516 and 201 of OM rule of 1953. The municipality area to be regularly verified the new holdings to be incorporated in holding tax. Provision for supervise inspection of holding taxes paid by owner need to be monitor periodically. The new assessment of holding ,light and water taxes were by the valuation officials on dt.28.1.14 which was effected from March-2015.The new rate of Holding,light,and water Taxes are collected in the following rate as per detailed below.
1.Holding-4%
2.Light - 2.5.%
3.Water-3%.
<b>13.2 -</b>
<b>13.2- Non return of duplicate copy</b>
In course of checking of collection of holding tax receipt it was found that in none of the classes the duplicate copy of collection receipt are returned to the parties after signature of the executive officer. Out of three copies of collection receipt the first copy of the receipt is to be furnished to the party at the time of collection of taxes by the tax collector ,the 2nd copy is to be furnished to the party after obtaining the signature of executive officer and the third party to be the retained in office for verification and future reference.But it is seen that the 2nd copy has been retained in the receipt books which is irregular and objectionable. Moreover the 2nd and third of the receipts are not signed by the executive officer.The executive officer as well as tax Daroga should instruct the tax collect for accordingly to follow the provision strictly and compliance reported to audit.



**13.3 -**

As per Section 161(1) of the Orissa Municipal Act, 1950 if the sum due on account of any tax is not paid within sixty one days from the date on which it became due, the Executive Officer shall cause to be served on the person liable to pay the same a notice in the prescribed form. If still the dues are not collected, the Municipality is armed with Section 162 of the Act to levy by distress and sale of any movable property belonging to the defaulter wherever found, or of any movable property belonging to any other person which may be found within the holding in respect of which such defaulter is liable to such tax. In spite of all these provisions under Section 161(1), 162,163,164,165 and 166, if the municipality fails to realize the arrear tax by distress and sale, according to Section 169 the Municipality may at any time apply to the District Collector for the recovery of the whole or any part of any arrear as an arrear of Land Revenue. Again as per Section 170 of the Act, the Municipality instead of proceeding by distress and sale or in case of failure to realize the whole or any part of any tax, the municipality may sue the person liable to pay the same in any court 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 was seen that, the Municipality has failed to take appropriate action under various sections of the Orissa Municipal Act, 1950.As a result, arrears to the tune of Rs78801709towards Holding Tax, Rs5074637 towards Light Tax & Rs.1039192 towards Water Tax is remaining uncollected from years together as on 31.3.2018. The Municipality took no step towards collection of the Arrear dues in accordance with the provisions stated above.

**13.4 -**

Preparation of budget for receipts generated from the Municipality own resources need to be accurate as it is the basic instrument of planning for allocation of funds for providing services to the individual tax payers. The budget estimates for holding tax includes current demand and arrear dues. Analysis of the budget estimates showed there were wide variations between the annual dues, budget estimates and actual collection as shown below:-

Kind of Tax	Budget Estimate	Actual collection	% of Collection
HOLDING	5000000.00	3685574	73.71%
WATER	3500000.00	121325	3.47%
LIGHT	3500000.00	2313968	66.11%
TOTAL	12000000.00	6120867	51.1%

As seen from the above analysis it is evident that the collection of holding tax, Light tax and water tax is not satisfactory and is not up to the mark.How ever the local authority is advised to take necessary steps to achieve 100% of collection and compliance to audit.

**13.5 -**

As per section 143, 133(e),134(d), 135(e) of OM Act, 1950 and Rule 516 & 201 of OM Rule 1953, the Municipal areas were to be regularly verified to pick up the holding on which taxes were not imposed, due care is to be given whether tax was paid as per actual area of holdings. Sufficient man power is to provide to conduct surprise inspection of holdings and taxes paid by the owners regularly. Further, regular audit of

Municipality was to be conducted by the L.F.A. and their observations were duly complied timely and properly to ensure correctness and to safeguard the leakage in assessment, collection and deposit of revenue. No tax (water tax, lighting tax ) was to be levied by the Municipality without rendering actual services to that area and for any quarter or portion of quarter antecedent to the provision of such facility/services.

On test check of records such as Inspection Report, Internal Audit Report , etc revealed that the Municipal areas were not regularly checked to pick up the holdings on which taxes were not imposed and due care was also not given to verify whether tax was paid as per the actual area of holdings.

Scrutiny of the Tax Establishment reflects that the post of Tax Daroga is Vacant. There is only one Tax Sarkar & One Assistant Tax Sarkar besides One Junior Assistant, One Amin, Three Peons, Five D.L.Rs.,One Helper, One Bus Conductor, One Work Charge were engaged for collection of Taxes during the year, 2017-18.

Shortage of staff and consequently the weak Manpower utilized for collection of Taxes is found to be disproportionate to the assigned task. The Municipality should look into the matter and appraise the Govt. to take remedial steps

**13.6 -**

As per section 153 of OM Act, 1950 any person who is dissatisfied with amount assessed upon him or with the valuation or assessment of anholding or who disputes his occupation of any holding or his liability to be assessed may prefer an appeal to the district Magistrate or to suchother officer, as may be empowered by the State Govt. in this behalf. No such appeal shall be preferred after one month from the date of the publication or the notice required under sub-section (1) & (2) of section 152 or after expiration of one month from the date of service of the first notice of demand for payment in respect of which the appeal is preferred, whichever period shall last expire. Further as per Section 153 (3) & (4) the municipality may, if it is dissatisfied with the valuation or assessment of any holding, prefer an appeal to the authority mentioned above and no such appeal shall be disposed of without giving the appellant and municipality an opportunity of being heard. As per rule 183 of OM Rules 1953 appeal petitions against the assessment under section 153 shall be presented in form E and a register of such petition shall be maintained in Form F. Before an appeal petition is taken up for consideration, the Executive Officer shall report on the correctness of entries incolumns 1 to 6 in form E.

Scrutiny of records revealed that no such Register of Appeal petition was maintained by the EO, Angul Municipality. As per information furnished no such holding prefer an appeal to the district Magistrate or to such other officer, as may be empowered by the State Govt. in this behalf. The Executive Officer, had adopted rate chart prepared by the Valuation Organisation, a wing of H&UD Department in the year 1972 basing on 1964 SR which leads to under valuation of holdings for which the municipality sustained loss of revenue due to under valuation of holdings.

**13.7 -**

As per Section 161(1) of the Orissa Municipal Act, 1950 if the sum due on account of any tax is not paid within sixty one days from the date on which it became due, the Executive Officer shall cause to be served on the person liable to pay the same a notice in the prescribed form. If still the dues are not collected, the Municipality is armed with Section 162 of the Act to levy by distress and sale of any movable property belonging to the defaulter wherever found, or of any movable property belonging to any other person which may be found within the holding in respect of which such defaulter is liable to such tax. In spite of all these provisions under Section 161(1), 162,163,164,165 and 166, if the municipality fails to realize the arrear tax by distress and sale, according to Section 169 the Municipality may at any time apply to the District Collector for the recovery of the whole or any part of any arrear as an arrear of Land Revenue. Again as per Section 170 of the Act, the Municipality instead of proceeding by distress and sale or in case of failure to realize the whole or any part of any tax, the municipality may sue the person liable to pay the same in any court of competent jurisdiction.

**13.8 -**

As per Rule-175 of Odisha Municipal Rules, 1953, the municipality 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 Municipality 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 instalment and every such instalment shall be deemed to be due on the first day of the quarter in respect of which payable. u/s 159-A(1)&(2) a resolution may be passed in the Municipal Council to grant a rebate in r/o tax paid within stipulated period i.e. the rebate may be allowed exceeded 10 per cent (paid within 30 days) and 5 per cent (paid within 60 days) and the Municipality may in like manner, provide for grant rebate at such percentage not exceeding 20% for the tax due for any year paid before 30th April and not exceeding 10 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 Municipality may establish a system of punishments and rewards to tax collector to ensure best results in collection of tax. On test check of Resolution Book of the Municipality, Establishment File and Receipt book of Holding Tax and from information furnished to audit, it was revealed that the Angul Municipality consists of 23 wards and no specific circle was exist fixing jurisdiction for collection of taxes. The taxes are collected ward wise. The taxes were received throughout the year and no notification was made declaring day(s) and time for receipt of taxes. No computer data base related to assessment of holding tax, number of holdings, demand of tax, collection of tax and arrear taxes outstanding. However, the quarterly instalment payable on the first day of the quarter was calculated in r/o each holding. If fruitful steps could be taken by Municipal Council providing attractive rebate to Tax Payer who could pay taxes in advance (other than payment of advance tax of current year paid on or before April), target to tax collector by reward or punishment to ensure best result in collection of tax and sending of demand notice regularly, it might have impact on holdings for early payment of tax and on the tax collector to take interest for collection of Tax. The demand notice was not issued to all the tax payers. As, no remedial measures for effective realisation of revenue are taken, huge arrears are rolling years together with owners of the houses. It indicated that the recovery of Holding Tax was not made efficiently and effectively.

**13.9 -**

**13.9- In proper scrutiny lead in adequate maintenance of tax account**

As per Rule-188 of O.M. Rule 1953, the Executive Officer shall conduct checks and sign the duplicate and counter sign the triplicate copy of Receipt which forms office copy. The duplicate shall then be issued as the final receipt. The said O.M. Rule 1953 u/r 189 stipulated that the receipt form shall be numbered consecutively for the year and shall bound up in books in 100 triplicate forms each and same serial number is to be printed in the original, duplicate & triplicate copies. The E.O shall sign on the back of each receipt book a certificate standing the numbers on forms contained therein. Only one receipt book shall be given to a tax collector at a time. Further, the Rule 190 & 191 of O.M. Rule 1953 stipulates that every admission sanctioned under section 150 and cases of write off u/s 171 shall be entered in a Register in form 7. All remission orders shall be serially filed in a guard book and the index to file of remission order was kept in the remissions register in Form-J. Copies of the remission orders shall be communicated to the collector concerned. As per Rule-192 of O.M. Rule 1953, the tax collector shall maintain a daily collection register in Form-K in which the details of collection of the day are entered and the total of each day's collection struck. The Rule-193 stipulates that the tax collector shall deposit all the money collected by him during the day to the cashier along with the daily collection register in Form-K and the receipt book. The cashier has to check the account by comparing the credits with the duplicate & triplicate receipts and tallied them with the daily collection register and cash given to him. The cashier has to sign certificate stating in both words & figure the amount actually received by him. In the Rule-194 also mentioned that each case of collection or remission shall be posted daily in the demand and collector register in Form-B. The E.O shall check the postings of the collection & remission in that register and the posting of taxes in that register shall not in arrears. The tax collector shall not be allowed to have access to the Demand and Collection Register (DCR).

**13.10 -**

**13.10-Avoidable loss due to non collection of users fee**

As per housing and urban development department (HUDD) instructions (12/08) all ULB shall take necessary steps for door to door collection of solid waste in every ward of ULB in phased manner starting from 1/09. Further in gazette notification of 7/12, HUDD reiterated that it was mandatory for the ULB to collect user fee from the house holds. As per above notification Rs. 10 to 20 / month per house hold could be charged by ULB authority for collection of garbage and solid waste from door to door. Checking of records of Angul Municipality reveals that door to door collection of garbage/solid waste of all the 23 nos of wards with 9778 house hold under the municipality out sourced from 2010-11. But it was found that the municipality had not taken any steps to levy any user fee from the house hold in contraventions to the above notifications. Due to non imposition of user charges by the municipality there was a loss of revenue in shape of users fee amounting to Rs.97780.00(9778x10/H.H) /Month and Rs.1173360.00(97780x12) of the municipality. How ever

the EO is advised to take necessary steps to collect the users fee for increase of financial condition of the municipalit

**13.11 -**
**13.11-Non collection of holding tax**

As per sec-131 of Odisha municipal Act.(OM)1950 empower the municipality to impose holding tax latrine , tax drainage tax and water tax based on the annual value of holding as per Sec-146(l) Act the valuation is to be revised once in every five years.Further U/S -168 of Act any arrear tax due for any person shall be recovered as an arrear of land revenue OPDR .Act.

Scrutiny of the demand collection and balance (DCB) register of Angul municipality for the year 2017-18 revealed that huge amount of Rs.7880170.00 was outstanding towards collection of holding tax out of which Rs.4749275.00 related to arrear .

Those the municipality is performing the obligatory activities like sanitation ,lighting and water etc by incurring substantial expenditure from its own fund ,but the collection of revenue of taxes was very negligible .However local authority is advised to take necessary steps to collect the arrear dues along with the current dues to increase the financial condition of the municipality.

**13.12 -**
**13.12:- Collection of licence fee and renewal fee in respect of Telecom Tower within Mincipal Area (Memo-18)**

With reference to letter no.-6875-Gen.(TEL)-06/2007-Com.-16.08.2007 read with letter . no.-35742-1357-150010/2013H&UD.-17.12.2013relating to 'special regulation for installation of Telecom Towers in Urban area of Odisha, 2013' As per the serial No13 of the Gazzete on, The renewal of 'permission' shall be done on submission of prescribed application(Annexure-II) before three months of expiry of the permission with all required documents& renewal fees as stipulated by the Government. Theconcerned Urban Local Body shall sanction the same within 30 days of receipt of application but in no case later than the expiry of the permission issued. Provided in case of no response is received from the Local Body/authority, after 30 days of submission of application by the service provider, therenewal permission applied for shall be deemed to have been granted automatically. Provided further that, in case the service provider fails to apply for renewal of license in time, penalty at the rate of Rs.10,000/- per month of delay shall be levied in addition to the renewal fees. The renewal clause shall also be applicable to thetowers which are regularized as stated under these regulations. Therefor the no of telecom towers erected in the Municipal area and there date of errection/permission and subsequent renewal may be produced to audit for verification.

Scrutiny of the files reveals that 18 numbers of Telecom Towers were installed in the Previous years as found from the previous Audit Report. No new Telecom tower was installed at the

Municipality during the year, 2017-18. No Record has been maintained for collection for dues from Telecom Towers during the year, 2017-18 This has resulted in loss of revenue to the Municipality to the tune of Rs.58,574.00 during the year, 2017-18

Sl.No.	Company	Plot No.	India ID No.	Renewal fee	Fine
1	M/s.ATC Telecom	337/195	OR-3039	1000.00	1200.00
2	Tower Corporation	1/866	OR-3056	1000.00	1200.00
3	...do...	1671/2	OR-3074	1000.00	1200.00
4	...do...	543(2)	OR-3087	1000.00	1200.00
5	...do...	1570(P)	OR-3088	1000.00	1200.00
6	ATCTIPLRTT	861/2384	OR-0008	1000.00	1200.00
7	...do...	1215		1000.00	1200.00
8	Bharati Infra	1456/2516	OR-0069	1000.00	1200.00
9	...do...	915		1000.00	1200.00
10	VIOM Network	HN-160	OR-491	2000.00	2400.00
11	...do...	188		1000.00	1200.00
12	...do...	785/2030		1000.00	1200.00
13	...do...	543(P)		1000.00	1200.00
14	...do...	1196/3		1000.00	1200.00
15	PRIMA India AIRCEL	836/1946		3000.00	1200.00
16	RTT,Archana	1679/2449		12744.00	1200.00
17	GBT Udit	1578(P)		2000.00	1200.00
18	...do...	1196		3000.00	1200.00
19	TOTAL;-			35744.00	22800.00

In response to audit objection memo the local authority failed to furnish the required information regarding number of Towers, & Licence fee due for collection from them. No authentic register in connection with Telecom Towers installed within the Municipal area is available in the Municipality. Therefore as found from the previous year's Audit Report and available records a total sum of Rs.58,574.00 is lost in shape of Renewal & Penal Charges from Telecom Companies .Due to non production of information regarding the collection of renewal an penal charges. During the year, 2017-18 Rs. 58574.00 due for last year is treated as the demand of current year. Due to non collection of renewal and penal charges of Rs.58574.00 needs recovery from the person responsible.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Prafulla Kumar Sahoo	EO	Anugl Municipality,Angul PO.Dist-Angul	29287
2	Akshya Kumar Samant	Chair person	At-Amalapada PO and Dist-Angul	29287

**13.13 -**

**13.13-Absence of mechanism to increase**

Scrutiny of the DCB register revealed that the municipality had been generating income from the sairat sources like Daily market ,foot path,Bus stand ,etc during 2017-18 amounting Rs3297215was collected from the above sources .But audit found that though such revenue was collected no assessment of revenue collection was made .There was no list of vendor with the municipality too. The revenue was collected by the municipal staff on daily basis without any assessment or survey from the existing vendor /transports etc. The ULB had no depend on the staff concerned for collection of sairat reveune.  
Thus in the absence any full proof mechanism of planning by the municipality ,transparency in collection could not be ensured as well as scope for augmenting the collection was not explored.

**13.14 -**

**13.14-Non asscemet of trade liceance leading to loss of revenue of the municipality**

Trade license is one of the significant sources of revenue of the ULBs required to augment the financial independence of the ULBs .Angul municipality started collecting trade license from the year 2012-13.  
Scrutiny of records of the municipality for the year 2017-18 revealed that the ULB had not assessed the scope of earning from the collection of license fee from the traders categorizing the big business houses like Hotels and small and seasonal traders like tea/betel shops and fire works/colours stalls etc .Further ,as per odisha gazette No.11318- Legis- 3-2012/HUD dated 27 April 2012 and published by housing and urban Development Department ,All Urban local bodies should conduct a comprehensive survey to identify street vendors within their area and the natural markets developed over the year through street vendors. A town vending committee should be constituted and registration of the vendors should be made. The registration fee should be nominal .The vendors would be charged a monthly fee for access to various services. There should be direct linking between the ULBSs and hawkers for collection of registration fee monthly maintenance charges /differentiated according to location /type of business and fines.  
Audit found that no such steps had ever been taken by the municipality . On issue of objection memo in this regards the local authority replied ,steps will be taken to increase the revenue by proper assessment of trade license .

**13.15 -**

Scrutiny of records relating to trade license fee revealed that ortel communication Ltd had been using street light of Angul municipality for cable network purpose for which it had to take permission of municipality and pay license fees .Scrutiny of records relating to trade license revealed that in municipality council meeting dated 3.5.10 it was decided to collect @ of Rs.20/- per pole used and @ Rs.25/- per instrumental box installation and the rate would increase @5% annually . In demand note dated 23.8.10 .It was mentioned that 2117 street light poles were used and 275 number of instrumental boxes were installed by ortel communication ltd. As per the terms and condition for issuing No objection certificate to the Ortel communication ltd. the company has to pay license fee @Rs.2000/- per annum for terms and conditions by the company the permission with be treated as cancelled without further reference .During placing of first demand note .Executive officer of Angul municipality had instructed Ortel communication ltd to renew permission every year. Audit found that the number of street light poles used and number of instrumental boxes installed by ortel communicationltd. was never verified by the executive officer after 2010 .It was further revealed that for the financial year 2013-14 demand not No.717/15.2.14 of Rs.58973/- was placed (Rs,56973 as users charges andRs.2000/- as license fees) and for the financial year 2014-15 demand note No 4970 dt .25.3.15 ofRs.61822/- was placed for users charges and license fees. However during the financial year 2015-16 demand note has been placed by the council towards collection of user charges and license fee. The due of user charges and license for the year 2015-16 comes to Rs.64913.00(61822 for the year2014-15 + 5% of 61822/- ) the financial year 2016-17 The due of user fee and licence fee for the financialyear 2016-17 Rs.68159.00 ( 64913 for the year 2015-16 + 5% of 64913 )and for the year 2017-18 Rs.71566.00(68158 ( 68158 + 5% of 68158)a sum of Rs.253867.00(58973+61822+64913 +68158+71566 ) was not collected by the municipality towards user and license as on 31.3.2018 Due to in activeness of the local authority the municipality had sustained a loss of Rs.71566.00 towards collection of users and license fee for the financial year 2017-18 Therefore the local authority is advised to take necessary step to collect the amount as soon as possible.

In response to audit objection memo the local authority failed to furnish the required information regarding number of Towers, & Licence fee due fo collection from them. No authentic register in connection with Telecom Towers installed within the Municipal area is available in the Municipality. Therefore as found from the previous year's Audit Report and available records a total sum of Rs.71566.00 is lost in shape of Renewal & Penal Charges from Telecom Companies .Due to non production of information regarding the collection of renewal an penal charges of Rs.71566.00 needs recovery from the person responsible

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Prafulla Kumar Sahoo	EO	Anugl Municipality,Angul PO,Dist-Angul	35783
2	Akshya Kumar Samant	Chair person	At-Amalapada PO and Dist-Angul	35783

**13.16 -**

**13.16-The DCB Position of Holdingtax,Warer tax,and Light taxes of the year 2017-18 is furnished below**

Name of the taxes	Demand			Collection					Balance		
	Arrear	Current	Total	Arrear	Current	Total	Rebate	Rebate +Collection	Arrear	Current	Total
Holding	6630955	4934789	11565744	1881680	1803894	3685574	291012	3976586	4749275	3130895	7880170
Water	608522	551995	1160517	6292	58413	121325	5180	126505	545610	493582	1039192
Light	4286559	3102046	7388605	1204773	1109195	2313968	184795	2498763	3081786	1992851	5074637
Total	11526036	8588830	20114866	3146365	2971502	6120867	480987	6601854	8376671	5617328	13993999

The DCB register of Holding,light and water for the year 2017-18 has not been maintained properly as required under rule 178 of OM RULE 1953

**13.17 -**

**13.17-Year wise break of outstanding taxes of holding light and water**

Sl no	Year of account	Holding	Light	Water	Total
1	Proir to 2000-2001	580711	399349	578077	1558137
2	2001-02	20347	32114	3380	55841
3	2002-03	23948	34679	23948	82575
4	2003-04	33759	53160	26373	113292
5	2004-05	80527	73854	51742	206123
6	2005-06	86855	114132	53646	264633
7	2006-07	97057	107002	38064	242123
8	2007-08	0.00	0.00	5609	5609
9	2008-09	149436	70533	6634	226603
10	2009-10	33945	4558	13852	52355
11	2010-11	142096	95572	11371	249039
12	2011-12	122370	123542	21984	267896
13	2012-13	113744	79177	11802	204723
14	1013-14	87548	88660	10604	186812
15	2014-15	166508	37579	13603	217690
16	2015-16	2999620	1813420	18772	4831812
17	2016-17	1000188	921945	73142	1995275
18	2017-18	2141511	1025361	76589	3243461
	Total	7880170	5074637	1039192	13993999

As per section 346 of the Odisha Municipal Act, 1950, no distraint shall be made, no suit shall be instituted and no prosecution shall be commenced in respect of any sum due to a municipality under this Act, after the expiration of a period of five 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 maybe in respect of such sum. From the above year wise breakup it was ascertained that towards non collection of holding tax since long, the components of holding tax relating to 2013-14 for Rs.186812.00 was became barred by time and ultimately as per OM Rule -1950 such amount was treated as loss to this municipality & for which Sri Padmanav Nayak , Ex - Executive officer for the period from dt.01.04.2013 to 31.03.14 was held responsible for such huge loss to the Municipality as they failed to initiate actions against the defaulters as empowered under the O.M Rules.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Padmanava Behera	Ex-EO	Ex-Executive Officer Angul Municipality	186812

**13.18 -**

As per section 346 of the Odisha Municipal Act, 1950, no distraint shall be made, no suit shall be instituted and no prosecution shall be commenced in respect of any sum due to a municipality under this Act, after the expiration of a period of three years from the date on which distraint might first have been made, 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 seen from the last and previous audit report that a sum of Rs.267896.00 has became barred by limitation by taking more than three years. But as per guide line issued by DLFA the audit should consider the outstanding dues relating to the year from barred by limitation from the year from 5th years and on wards starting from the current under audit as time barred. As the previous audit has taken from three year on wards as time barred hence there is no necessary during the year under audit for the year 2015-16.

**13.19 -**

On checking of the Misc. receipt books with reference to Stock register it was revealed that some of the misc. receipt books bearing no 339,345,,360,363,369 were not produced to audit for verification till the close of audit. Hence the said money receipt books should be produced at the time of Exit conference and compliance reported. It was ascertained from previous Audit Report that Sri Yudhistir Behera, who has received these books is a habitual defaulter in depositing the collection made under these receipt books. Hence there is a reason to believe that Sri Behera would have retained the collections of the above receipts in hand without depositing in the office Cash-counter. The Chairman as well as the Executive Officer is advised to look into the matter and take suitable steps for depositing the collection by Sri Behera and compliance reported to audit

**13.20 -**

Scrutiny of DCB register and files reveals that 652 no of shops /Hotels located at different sides of municipality were put to rent by the municipality to increase to its own source of income . As seen an amount of Rs.3304391.00. How ever the EO is advised steps may be taken to realisation of the amount of Rs.3304391.00 immediately without making further loss of interest to the municipality

**SHOP ROOM ANGUL MUNICIPALITY, DCB -2017-18**

Sl. No.	Name of the Shop Room	No. of Rooms	ARREAR			CURRENT			(Arrear + Current) Balance
			Demand	Collection	Balance	Demand	Collection	Balance	
1	New Market Building	63	478527	300988	177539	427464	278964	148500	326039
2	Old Market Bus-Stand	5	169750	96250	73500	147000	112700	34300	107800
3	Bus-Stand ACC Room	2	9728	6912	2816	11520	9984	1536	4352
4	Hotel Neel Kamal	1	189000	141750	47250	189000	0	189000	236250
5	Hotel Building	6	90865	23225	67640	104580	80185	24395	92035
6	Infront Front R.I. Office	5	51618	13932	37686	74424	60158	14266	51952
7	Behind Neel Kamal Hotel	18	362669	291115	71554	376584	352341	24243	95797
8	Infront Front S.D.O Office	76	122281	116527	5754	710478	578780	131698	137452
9	Meat Stall Building	7	9968	9968	0	36624	32228	4396	4396
10	Old Fish Market	5	2968	2968	0	32088	29484	2604	2604
11	Bazar Market Building	32	26334	24822	1512	270144	231672	38472	39984
12	Sanjeebani Market Building	35	72338	72338	0	269064	214898	54166	54166
13	Daily market Building	78	615045	577464	37581	890208	577399	312809	350390
14	Smith Club Side Building	30	223222	153840	69382	233712	141718	91994	161376
15	Central Lodge Side Building	21	15820	15820	0	223860	204435	19425	19425
16	College Chhack Building	75	285277	113481	171796	328380	121800	206580	378376
17	Maa Budhi Market	5	51305	41974	9331	35634	14730	20904	30235
18	Sanjeebani	7	66914	56159	10755	102516	90471	12045	22800



	Market Building (1ST Floor)								
19	Snacks Bar	1	20664	20664	0	20664	0	20664	20664
20	Fish Market (Block A+B)	22	90298	84688	5610	134640	71400	63240	68850
21	Laxmi Bazar Pindi	24	29127	18753	10374	114912	72618	42294	52668
22	SBI ATM	1	12500	12500	0	73750	68750	5000	5000
23	Jits(M.Guest House)	1	176000	176000	0	1056000	968000	88000	88000
24	Amalapada Market Building	32	70308	62508	7800	234000	171000	63000	70800
25	Similipada Market Building	16	131040	63240	67800	118800	48600	70200	138000
26	Super Market(1st Floor)	13	51744	51744	0	169092	107646	61446	61446
27	Super Market(Ground Floor)	13	143780	87000	56780	283080	200060	83020	139800
28	Similipada Market Building (1st)	16	96960	51660	45300	100800	41220	59580	104880
29	Slum Hospital	1	20115	20115	0	241380	221265	20115	20115
30	Kadampadia Market Building	32	453180	233000	220180	365400	282450	82950	303130
31	NKC Market Building	31	36461	31174	5287	119850	70880	48970	54257
32	B.Ed Chhack Market	3	0	0	0	10800	5200	5600	5600
33	Bus Owner Association	1	18438	18438	0	73752	18000	55752	55752
	<b>TOTAL</b>	<b>678</b>	<b>4194244</b>	<b>2991017</b>	<b>1203227</b>	<b>7580200</b>	<b>5479036</b>	<b>2101164</b>	<b>3304391</b>

**13.21 -**

As per section 346 of the Odisha Municipal Act, 1950, no distraint shall be made, no suit shall be instituted and no prosecution shall be commenced in respect of any sum due to a municipality under this Act, after the expiration of a period of three years from the date on which distraint might first have been made, 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 was seen from the year wise break of taxes a sum of Rs186812.00 relating to the year 2013-14 was become barred by time and ultimately as per rule 1950 such amount was treated as loss to the municipality for which sri Padmanav Nayak EO is held responsible and suggested for recovery from him.

**13.22 -**

**RECEIPT AND EXPENDITURE OF MUNICIPALITY HIGH SCHOOL, ANGUL**

SI No	Name of the Subsidiary	OB	Receipt	Total	Expenditure	C.B
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1	admission	2829.75	0.00	2829.75	0.00	2829.75
2	Science	3213.25	0.00	3213.25	0.00	3213.25
3	SUPW	362.00	0.00	362.00	0.00	362.00
4	Scout	4771.50	0.00	4771.50	4250.00	521.50
5	Teaching Aid	239.00	0.00	239.00	0.00	239.00
6	P.B.F.	1835.75	0.00	1835.75	0.00	1835.75
7	Game	1543.50	0.00	1543.50	0.00	1543.50
8	Library	2598.20	0.00	2598.20	0.00	2598.20
9	Magazine	754.00	0.00	754.00	0.00	754.00
10	Medical	960.40	0.00	960.40	0.00	960.40
11	Examination	4498.50	0.00	4498.50	0.00	4498.50
12	Deveopment	537.80	0.00	537.80	0.00	537.80
13	Red Cross	980.00	0.00	980.00	0.00	980.00
14	Cultural	2641.00	0.00	2641.00	0.00	2641.00
15	Garden	827.00	0.00	827.00	0.00	827.00
16	Furniture	12948.25	0.00	12948.25	0.00	12948.25
17	Common Room	1477.00	0.00	1477.00	0.00	1477.00
18	Misc	1019.00	0.00	1019.00	0.00	1019.00
19	Interest	22555.10	3169.00	25724.10	5780.00	19944.10
20	Other	3218.00	0.00	3218.00	0.00	3218.00
21	SC/ST	0.00	0.00	0.00	0.00	0.00
Total		69809.00	3169.00	72978.00	10030.00	62948.00

**PARA: 14 AUDIT OF EXPENDITURE**

14.1 -
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**Detail staff position of Angul Municipality during the year 2017-18**

Sl no	Name of the post	Sanction ed post	Men on position	Remarks
1	Executive Officer	1	1	
2	Head Assistant	1	0	
3	Asst. Executive Enginer	1	1	
4	Junior Enginer	1	1	
5	Community Organiser	1	1	
6	Sr. Asst.	4	4	
7	Jr. Asst.	11	7	
8	Music Teacher	2	2	
9	Bus Driver	3	3	
10	Tractor Driver	1	1	
11	Minitruck Driver	1	0	
12	OTC	2	1	
13	TS	1	1	
14	Amin	1	1	
15	Bus conductor	3	3	

16	Peon	14	13	
17	Majdoor	7	6	
18	Bus Helper	2	2	
19	ATS	1	1	
20	Khalasi	1	1	
21	Mali	1	1	
22	Jamadar	1	1	
23	Sweeper	12	10	
24	W.C	14	13	
25	Accountant	1	1	Contactual
26	Misc. Programmer	1	1	
27	NMR/DLR	0	49	

**14.2 -**

**Irregular Engagement of Hired J.C.B. for lifting of Garbage (Memo page 45)**

The Municipality has made Agreement with Job contractors in three zones covering all the wards for lifting of garbage etc. on daily basis. As per the agreement the contractors are required to perform the sanitary works in specified zones of the municipality involving Collection of garbage, Door to door service, Cleaning of drains, Cutting of bushes, Loading of garbage in Municipal vehicle etc. on daily basis. The Contractors are paid on the basis of certificates issued by Sanitary section that the work performed by them is Satisfactory. Hence there is no necessity of engagement for extra Manpower or Machinery for Lifting of garbage in different wards. Scrutiny of the paid vouchers reflects that a sum of Rs.461580.00 was paid to a particular Contractor for Lifting of garbage using J.C.B. and Tractors machine. This shows that the work performed by the Job Contractors is not Satisfactory so accordingly amount should be deducted from the job contractors. Why above amount shall not be treated as loss to the Municipality. The details are given below.

Vr No/date	Gross Amount paid	To whom paid	Purpose	Deduction of IT	Remarks
393/25.07.2018	237300.00	Ranjeet kumar Jena	Lifting of garbage	2373.00	
989/05.02.2018	200760.00	do	do	2007.00	
990/05.02.2018	23520.00	do	do	235.00	
<b>Total</b>	<b>461580.00</b>			4615.00	

In response to audit objection memo the no reply was furnished by the local authority nor returned the objection memo hence the objection holds good and Rs.461580.00 is kept under objection.

**14.3 -**

**IRREGULAR AND INADMISSIBLE EXPENDITURE TOWARDS HIRE CHARGES OF VEHICLE BY EO (Memo page 54)**

- As per Rule 393 of Municipal Rules 1953 " With PRIOR sanction of Govt., the E.O. shall be paid Conveyance allowance for maintaining or hiring a conveyance for the due discharge of his duties"
- As per Rule 395 of Municipal Rules 1953 " Journeys of the E.O., outside the limits of the Municipality shall be sanctioned by the council and the travelling allowance bill shall be countersigned by the Chairman"
- As per Finance Deptt. Lr. No. 34085/F. Dt. 29.09.2012 the A.C. car is not admissible for Executive Officer for official use. The resolutions stated above are not in consistent with the Municipal Act 1950 and Municipal

Rules 1953. As per rule the Executive Officer is admissible for conveyance allowance for tour within the jurisdiction of the Municipality and travelling allowance/ mileage allowance for tour outside the area of the Municipality.

Following expenditures were incurred by the Municipality during the year, 2017-18 towards hire charges of vehicle used by the E.O. Why the amount shall not be recovered may be clarified to audit.

Sl.No	Vr No/date	Amount paid	Name of the travel Agency	Purpose
1	282/09.06.2017	1500.00	Chandan Travels	
2	489/16.08.2017	1920.00	Rahul Travels 409/08.08.17	
3	490/16.08.2017	2540.00	-do 01/20.08.17	
4	491/16.08.2017	2660.00	-do 02/03.08.17	
5	635/04.10.2017	2540.00	-do- 160/05.09.17	
6	636/04.10.2017	2560.00	-do- 159/12.09.17	
	Total	13720.00		

On issue of objection statement the local authority furnished no replay hence the the objection stands good and Rs.13720/- need be recovered from the person responsible.

**Person(s) Responsible for this paragraph**

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist- Angul	13720

**14.4 -**

**SANCTION OF MEDICAL ALLOWANCE TO EMPLOYEES OF THE MUNICIPALITY (Memo page22)**

As per Rule 415 of the O.M. Rules -1953, the conditions of the employees of a Municipal Council shall not be more favourable than those of Government servants of the similar standing and status in respect of (a) salary and allowances, (b) leave and leave salary (c) travelling allowance and superannuation and retirement. The State Government employees are not getting Medical allowance. Hence the employees of the Municipality are not eligible to get the Medical allowances. The same was also clarified by the Housing and Urban Development Deptt. vide his Lr. No. 14965 Dt. 27.5.08 addressed to the Addl. District Magistrate, Ganjam, Chhatrapur with copy to All District Magistrates /All Urban Local Bodies /Examiner, Local Fund Accounts, Finance Deptt., BBSR, //All District Audit Officers. But on checking of the paid acquaintance rolls of salary it reveals that Medical allowance was allowed to employees of the municipality, on the basis of Council Resolution which violates the govt guide line stated above. The details of inadmissible payment of Medical allowance to a tune of Rs.324000.00 w.e.f.0 3/2017 to 2/2018 ( paid during the year under audit) is furnished below.

Sl. No.	Name of the Employees	Medical allowance paid per month	No of months paid	Total
1	Smt. Sulochana Sahu, S.A	200	12	2400
2	Sri Atal Bihari Debata, S.A.	200	12	2400
3	Smt. Pratima Behera, Peon	200	12	2400
4	Sri Ashis Kumar Das, S.A.	200	12	2400
5	Sri Sarat Ch. Samal, Conductor	200	12	2400
6	Sri Binod Ku. Gochhayat, OTC Annual increment	200	12	2400
7	Sri Dharanidhar Nayak, O. Peon	200	12	2400
8	Sri Dillip Ku. Sahu, Peon	200	12	2400
9	Sri Prasanta Ku. Sahu, Peon	200	12	2400
10	Sri Jagamohan Mishra, Peon	200	12	2400
11	Sri Bishnu Ch. Nanda, Peon	200	12	2400
12	Sri Binod Ku. Behera, Helper	200	12	2400

13	Sri Simanchala Mishra,M.E	200	12	2400
14	Sri Satya Prakash Tripathy, CO	200	12	2400
15	Sri Siba Prasad Dash, Conductor.	200	12	2400
16	Sri Ramanath Naik, Conductor	200	12	2400
17	Sri Hrudananda Naik, Majdoor	200	12	2400
18	Srimati Naik,majdoor.	200	12	2400
19	Sri Kartika Naik, Majdoor	200	12	2400
20	Smt. Swarnaprava Mohanty, Majdoor	200	12	2400
21	Sri Dharmaraj Sahu, Peon	200	12	2400
22	Sri Debaraj Badatia, Khalasi	200	12	2400
23	Sri Prahallad Pradhan, Peon	200	12	2400
24	Sri Kailash Rout, Mali	200	12	2400
25	Sri Dandadhar Behera, Peon	200	12	2400
26	Sri Gobinda Ch. Pradhan, Peon	200	12	2400
27	Chitta Ranjan Pradhan, Sr. Asst.	200	12	2400
28	Sri Prasanta Ku. Sarangi, Peon	200	12	2400
29	Sri Bhimasen Behera, Majdoor	200	12	2400
30	Sri Babuli Muduli, Majdoor.	200	12	2400
31	Sri Dharmendra Pradhan, Helper	200	12	2400
32	Smt. Pramila Das, H.M.	200	12	2400
33	Sri Bipin Bihari Das, M.T.	200	12	2400
34	Sri Babuli Dalei,Driver	200	12	2400
35	Sri Tikayat Singh, Driver	200	12	2400
36	Sri Bhaskar Parida,Driver Increment raising pay from 11280/- to 11680/- w.e.f 01.07.17.	200	12	2400
37	Sri Manu Mukhi,Jamadar	200	12	2400
38	Sri Raja Mukhi,Sweeper.	200	12	2400
41	Sri Sujan Behera, Sweeper	200	12	2400
44	Sri Duryodhan Behera,	200	12	2400
45	Sri Suresh Ch. Behera,	200	12	2400
46	Sri Bira Gochhayat, sweeper	200	12	2400
47	Sri Alekha Gochhayat, Sweeper	200	12	2400
48	Gita Mukhi,Sweypress	200	12	2400
49	Smt. Shanti Mukhi, Sweeypress	200	12	2400
50	Smt. Mina Mukhi, Sweeypress	200	12	2400
56	Sri Bipin Gochhayat, sweeper	200	12	2400
57	Pradeep Ku.Sahu(B)	200	12	2400
58	Amarbahadur Ghale	200	12	2400

59	Sabitri Sahu	200	12	2400
60	Prasanta Kumar Pattanayak	200	12	2400
61	Sri Biraja Prasanna Tripathy.	200	12	2400
62	Sri Jayanta Kumar Panda.	200	12	2400
63	Sri Jyoti Ranjan Pattanayak.	200	12	2400
64	Sri Bholeswar Sahu. U.A. from 1 to 19, Pay for 10 days.	200	12	2400
65	Sri Syama Sundar Sasmal.	200	12	2400
66	Sri Sunaram Singh. U.A. on 10,21,31, Pay for 23 days	200	12	2400
67	Sri Bhimsen Khilar.	200	12	2400
68	Sri Shyama Naik.	200	12	2400
69	Gopal Krlshna Pani	200	12	2400
70	Sri Hemanta Ku. Mahakhuda	200	12	2400
71	Sri Rabindra Kumar Mohanty.	200	12	2400
72	Sri Ranjan Kumar Sahu.	200	12	2400
73	Sri Bijaya Kumar Dehury.	200	12	2400
74	Sri Sudhakar Naik.	200	12	2400
75	Sri Binaya Kumar Sahu.	200	12	2400
76	Sri Abani Kumar Pradhan.	200	12	2400
77	Smt. Mami Amanta.	200	12	2400
78	Smt. Jayanti Alakananda.	200	12	2400
79	Miss Anjana Pany.	200	12	2400
80	Smt. Krishna Priya Mishra.	200	12	2400
81	Sri Sribatsa Mahapatra.	200	12	2400
82	Sri Akhila Kumar Samal.	200	12	2400
83	Smt. Sujata Pattanayak.	200	12	2400
84	Smt. Radharani Samanta.	200	12	2400
85	Sri Raj Narayan Sahu.	200	12	2400
86	Sri Biswaranjan Das.	200	12	2400
87	Sri Kumar Dehury.	200	12	2400
88	Sri Saroj Kanta Singh.,	200	12	2400
89	Sri Hrudananda Biswal.	200	12	2400
90	Sri Sandeep Kumar Sahu.	200	12	2400
91	Sri Kailash Das .	200	12	2400
92	Sri Tripura Behera.	200	12	2400
93	Sri Ranjan Kumar Dash.	200	12	2400
94	Sri Maharga Gochhayat.	200	12	2400
95	Sri Pitabasa Gochhayat.	200	12	2400
96	Sri Girish Gochhayat ,	200	12	2400
97	Sri Dabu Mukhi	200	12	2400
98	Sri Pratap Gochhayat.	200	12	2400
99	Sri Dandua Gochhayat.	200	12	2400
100	Sri Bandhua Gochhayat	200	12	2400
101	Sri Mukesh Mukhi,	200	12	2400

102	Sri Sarat Behera	200	12	2400
103	Sri Gopa Gochhayat.	200	12	2400
104	Sri Laxman Gochhayat	200	12	2400
105	Sri Nirmala Behera, Accountant	200	12	2400
106	Swagatika Singh,	200	12	2400
107	Sri Giridhari Naik,Mazdoor	200	12	2400
108	Sri Adikanda Mohapatra,Peon	200	12	2400
109	Smt. Bhagabati Pattanaik,Peon	200	12	2400
110	Sri Surendra Moharana,Peon	200	12	2400
111	Sri Gagan Bihari Sahu,Peon	200	12	2400
112	Smt Sailabala Sethi,Peon	200	12	2400
113	Sri Bipin Garnayak, Electrical Helper	200	12	2400
114	Sri Debaraj Sahu, Peon	200	12	2400
115	Sri Suresh Behera, Sweeper	200	12	2400
116	Sri Kisan Behera,Sweeper	200	12	2400
117	Sri Ashok Mukhi,Sweeper	200	12	2400
118	Sri Pira Gochhayat,Sweeper.	200	12	2400
119	Sri Kabi Gochhayat,Sweeper	200	12	2400
120	Sri Champak Ku. Pradhan, J.E.	200	12	2400
121	Sri Sridhar Kumar Bhukta, Amin	200	12	2400
122	Sri Lalit Mohan Naik, Peon	200	12	2400
123	Sri Subhasis Mishra, J.A	200	12	2400
124	Sri Gouri Sankar Pradhan, J.A	200	12	2400
125	Smt. Sanghamitra Bala, J.A	200	12	2400
126	Smt. Sagarika Priyadarshini, J.A Maternity leave Pay (Rs.5640/- P.M)	200	12	2400
127	Sri Bibhuti Bhusan Maharana, J.A.	200	12	2400
128	Sri Pradeep Kumar Sahu, J.A.	200	12	2400
129	Sri Yudhistir Behera, J.A.	200	12	2400
130	Sri Prakash Kumar Pal, T.S.	200	12	2400
131	Sri Padmanava Panda, ATS.	200	12	2400
132	Sri Kulamani Nayak, Peon	200	12	2400
133	Sri Durga Ch. Senapati, Driver	200	12	2400
	Total			324000

On issue of audit objection memo issued in this regard the local authority replied "The medical allowance to the employees has been sanctioned by the Municipal Council. The reply furnished by the local authority is not acceptable as it violates the above mentioned guidelines/instructions. As such the following persons are responsible for the above inadmissible payment and is suggested for recovery from them.

<b>Person(s) Responsible for this paragraph</b>				
Sno	Name	Designation	Adress	Amount(In Rs:)
1	Akshya Kumar Samant	Chair person	At-Amalapada PO and Dist-Angul	162000
2	Prafulla Kumar Sahoo	EO	Anugl Municipality,Angul PO.Dist-Angul	162000

**14.5 -**

**SANCTION OF INCENTIVE TO DLR EMPLOYEES OF THE MUNICIPALITY (Memo page 19)**

As per Rule 415 of the O.M. Rules -1953, the conditions of the employees of a Municipal Council shallnot be more favourable than those of Government servants of the similar standing and status inrespect of (a) salary and allowances, (b) leave and leave salary (c) travelling allowance andsuperannuation and retirement. The State Government employees are not getting Medical allowance.Hence the employees of the Municipality are not eligible to get the Medical allowances. The samewas also clarified by the Housing and Urban Development Deptt. vide his Lr. No. 14965 Dt. 27.5.08addressed to the Addl. District Magistrate, Ganjam, Chhatrapur with copy to All District Magistrates /All Urban Local Bodies /Examiner, Local Fund Accounts, Finance Deptt., BBSR, //All District AuditOfficers. But on checking of the paid acquaintance rolls, it reveals that incentive of Rs.2000.00was allowed to each DLR of the municipality, on the basis of Council Resolution which violates thegovt guide line stated above. The details of inadmissible payment of incentive to a tuneof Rs.324000.00 w.e.f.0 3/2017 to 2/2018 ( paid during the year under audit) is furnished below.

Sl No	Name of the DLR Staff	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	18-Jan	18-Feb	Total
1	Pradeep Ku.Sahu(B)	2000	200	2000	2000	1840	538	2000	2000	12578
2	Amarbahadur Ghale	4280	200	2000	2000	1840	2000	2000	2000	16320
3	Sabitri Sahu	2000	200	2000	2000	1840	538	2000	2000	12578
4	<b>TAX SECTION(DLR)</b>	0								0
5	Prasanta Kumar Pattanayak	2000	2000	1692	2000	2000	2000	2000	2000	15692
6	Sri Biraja Prasanna Tripathy.	2000	2000	2000	2000	2000	2000	2000	2000	16000
7	Sri Jayanta Kumar Panda.	2000	2000	2000	2000	2000	2000	2000	2000	16000
8	Sri Jyoti Ranjan Pattanayak.	2000	2000	2000	2000	1846	2000	2000	2000	15846
9	Sri Bholeswar Sahu.	710	710	2000	2000	1846	538	2000	2000	11804
10	<b>WORKS SECTION(DLR)</b>	0								0
11	Sri Syama Sundar Sasmal.	2000	2000	2000	2000	1846	538	2000	2000	14384
12	Sri Sunaram Singh.	1806	1806	1846	2000	1846	0	2000	2000	13304
13	Sri Bhimsen Khilar.	2000	2000	2000	2000	1846	385	2000	2000	14231
14	Sri Shyama Naik.	2000	2000	2000	2000	1846	769	2000	2000	14615
15	Gopal Krishna Pani	2000	2000	2000	2000	1846	538	2000	2000	14384
16	Sri Hemanta	2000	2000	2000	2000	1846	1769	2000	2000	15615



	Ku. Mahakhuda									
17	<b>STREET LIGHT(DLR)</b>	0								0
18	Sri Rabindra Kumar Mohanty.	2000	2000	2000	2000	1846	538	2000	2000	14384
19	Sri Ranjan Kumar Sahu.	2000	2000	2000	2000	1846	1385	2000	2000	15231
20	Sri Bijaya Kumar Dehury.	2000	2000	2000	2000	1846	1385	2000	2000	15231
21	Sri Sudhakar Naik	1548	1548	1231	1835	1154	769	2000	2000	12085
22	<b>U.B.S.P(DLR)</b>	0								0
23	Sri Binaya Kumar Sahu.	2000	2000	2000	2000	1846	1923	2000	2000	15769
24	Sri Abani Kumar Pradhan.	2000	2000	2000	2000	1846	1923	2000	2000	15769
25	Smt. Mami Amanta.	2000	2000	2000	2000	1846	538	2000	2000	14384
26	<b>SANITATION(DLR)</b>	0								0
27	Sri Kailash Das .	2000	2000	2000	2000	1846	538	2000	2000	14384
28	Sri Tripura Behera.	2000	2000	2000	2000	1846	538	2000	2000	14384
29	Sri Ranjan Kumar Dash.	2000	2000	2000	2000	1846	538	2000	2000	14384
30	Sri Maharaga Gochhayat	1871	1871	2000	2000	1846	462	2000	1667	13717
31	Sri Pitabasa Gochhayat.	2000	2000	1846	2000	1846	538	2000	2000	14230
32	Sri Girish Gochhayat	1677	1677	2000	1769	1846	462	2000	1750	13181
33	Sri Dabu Mukhi	2000	2000	2000	2000	1846	538	2000	2000	14384
34	Sri Pratap Gochhayat.	2000	2000	2000	2000	1846	538	2000	2000	14384
35	Sri Dandua Gochhayat	1871	1871	2000	2000	1923	538	2000	2000	14203
36	Sri Bandhua Gochhayat	1667	1677	1846	1692	1308	538	2000	1833	12561
37	Sri Mukesh Mukhi	1290	1290	1000	1154	1231	538	1481	1500	9484
38	Sri Sarat Behera	1161	1161	846	1231	1000	538	1037	1750	8724
39	Sri Gopa Gochhayat.	1484	1484	2000	1769	1846	538	2000	1583	12704
40	Sri Laxman Gochhayat	1871	1871	2000	1462	1846	538	2000	1583	13171
	<b>Total</b>	<b>67236</b>	<b>59566</b>	<b>66307</b>	<b>66912</b>	<b>62440</b>	<b>31454</b>	<b>68518</b>	<b>67666</b>	<b>490099</b>

On issue of objection statement the local authority that "The incentive to the employees has been sanctioned by the Municipal Council. The reply furnished by the local authority is not acceptable as it violates the above mentioned guidelines/instructions. As such the following persons are responsible for the above inadmissible payment and is suggested for recovery from them.

<b>Person(s) Responsible for this paragraph</b>				
Slno	Name	Designation	Adress	Amount(In Rs:)
1	Akshya Kumar Samant	Chair person	At-Amalapada PO and Dist-Angul	245050
2	Prafulla Kumar Sahoo	EO	Anugl Municipality,Angul PO.Dist-Angul	245049

14.6 -

**SANCTION OF INCENTIVE TO DLR OF MUNICIPAL HIGH SCHOOL EMPLOYEES OF THE MUNICIPALITY (Memo page 42)**

As per Rule 415 of the O.M. Rules -1953, the conditions of the employees of a Municipal Council shallnot be more favourable than those of Government servants of the similar standing and status inrespect of (a) salary and allowances, (b) leave and leave salary (c) travelling allowance andsuperannuation and retirement. The State Government employees are not getting Medical allowance.Hence the employees of the Municipality are not eligible to get the Medical allowances. The samewas also clarified by the Housing and Urban Development Deptt. vide his Lr. No. 14965 Dt. 27.5.08addressed to the Addl. District Magistrate, Ganjam, Chhatrapur with copy to All District Magistrates /All Urban Local Bodies /Examiner, Local Fund Accounts, Finance Deptt., BBSR, //All District AuditOfficers. But on checking of the paid acquaintance rolls, it reveals that incentive of Rs.2000.00was allowed to each DLR of the municipality, on the basis of Council Resolution which violates thegovt guide line stated above. The details of inadmissible payment of incentive to a tuneof Rs.88800.00 w.e.f.0 1/2018 to 2/2018 ( paid during the year under audit) is furnished below.

SI No	Name of the DLR	18-Jan	18-Feb	Total
<b>MUNICIPALITY HIGH SCHOOL(DLR)</b>				
1	Smt. Jayanti Alakananda.	4200	4200	8400
2	Miss Anjana Pany.	4200	4200	8400
3	Smt. Krishna Priya Mishra.	4200	4200	8400
4	Sri Sribatsa Mahapatra.	2800	2800	5600
5	Sri Akhila Kumar Samal.	4200	4200	8400
6	Smt. Sujata Pattanayak.	4200	4200	8400
7	Smt. Radharani Samanta.	4200	4200	8400
8	Sri Raj Narayan Sahu.	4200	4200	8400
9	Sri Biswaranjan Das.	4200	4200	8400
10	Sri Kumar Dehury.	2000	2000	4000
11	Sri Saroj Kanta Singh.,	2000	2000	4000
12	Sri Hrudananda Biswal.	2000	2000	4000
13	Sri Sandeep Kumar Sahu.	2000	2000	4000
Total		44400	44400	88800

On issue of objection memo the local authority replied that“The incentive to the employees has been sanctioned by the Municipal Council. The reply furnished by the local authority is not acceptable as it violates the above mentioned guidelines/instructions. As such the following persons are responsible for the above inadmissible payment and is suggested for recovery from them.

<b>Person(s) Responsible for this paragraph</b>				
Slno	Name	Designation	Adress	Amount(In Rs:)
1	Akshya Kumar Samant	Chair person	At-Amalapada PO and Dist-Angul	44400

2	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist-Angul	44400
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**14.7 -**

**Acknowledgement Wanting (Memo page 49)**

On checking of the paid vouchers with reference to the Accountant cash book for the year 2017-18, it is found that a total sum of Rs.1199513.00 has been deposited towards different

SHGs during the financial year 2017-18 In support of the deposit the original acknowledgement could not made available to audit for checking the authentication of deposit.

Hence, the acknowledgement towards the deposit to SHG may be produced to audit for verification. The details of which are furnished as below.

Sl No	VR No/date	Amount paid	Purpose	To whom paid
1	171/11.05.17	600000.00	Financial Assistance under NULM	SHG
2	2666/11.10.17	360000.00	Revolving Fund	36 nos of SHG
3	73/16.10.17	360000.00	Financial Assistant under NULM	SHG
	Total	1320000.00		

On issue of objection memo the local authority could not produced the acknowledgement to audit hence Rs.1320000.00 is kept under objection till production of the same.

**14.8 -**

**In admissible payment of Medical Assistance to Staff (Memo page 51)**

On checking of the paid vouchers with reference to the accountant cash book it was seen that financial assistance Rs.55000.00 have been paid to the following officials for medical treatment of self /family members. As there is no provision to make payment on such medical assistance as per Govt. Service code Municipal Rule-1953 and no such provision on such expenditure has been approved in Annual budget. Besides any resolution by the municipal council on such payment and got approved by H & UD is not found. Hence such payment may be clarified to audit. The details of which are given below.

Sl No	VR No/date	Amount paid	Purpose	To whom paid
1	191/18.05.17	5000.00	Financial Assistance	Gumar Garnaik
2	518/28.08.17	5000.00	Financial Assistance	Amar Mohanty
3	717/03.11.17	20000.00	Financial Assistant	Bhagabati Pattnaik
4	777/27.11.17	5000.00	Financial Assistant	Sarat Behera Sweeper
5	823/06.12.17	20000.00	Financial Assistant	Adikanda Mahapatra
	Total	55000.00		

In response to audit objection memo, the local authority replied that the medical assistance was paid to employees as per approval of the council and chair person and the amount of Rs.55000.00 was being adjusted from their salary. However till recovery of the said amount by installment basis from their salary amounting to Rs.55000.00 is held under objection.

PARA: 15 **AUDIT ON WORKS**

**15.1 -**

CR.No 95/17-18 Estimated cost.Rs.25000/-  
 Spreading of crusher dust from canal embankment to Namita dalabehera house near Naresh Behera house in word no-19  
 Contractor-Ranjeet Jena. Vr.no 1027/ 27.02.18  
 JE-Kailash Chandra Behera MB No.394 Page 180 to 182  
 On checking of the above case record w.r.to MB it was noticed that Rs. 25000/-was sanctioned for this project which was technically sanctioned and administratively approved by the competent authority But Rs.28000/ was paid to the contractor .HenceRs.3000/-(28000-25000) paid in excess to the contractor which needs recovery from the contractor failing which same shall be recovered from the persons responsible.On issue of objection memo in this regard the local authority agreed to recover the amount from SD of concerned work.Hence the objection holds good.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Kailash Chandra Bebera	JE	,AnuglMunicipality,Angul PO.Dist-Angul	1000
2	Simanchala Panda	ME	Anugl Municipality,Angul PO.Dist-Angul	1000
3	Prafulla Kumar Sahoo	EO	Anugl Municipality,Angul PO.Dist-Angul	1000

**15.2 -**

CR No.240/2016-17 Estimated cost.Rs.400000/  
 Impovement of road from Mamata Pradhan house to Girls High School word no-18  
 Contractor-Biraja Kumar Jani Vr.No-243/07.06.17  
 JE- Champak Kumar Pradhan MB No-384 Page-126 to 144  
 Excess payment due less deduction of ocst of Bitumen drum  
 On checking of the above work case record w.r.to MB it was noticed that Rs.720/-(5670-4950) was excess paid to the contractor towards less deduction of cost of bitumen drum. Hence Rs.720/- needbe recovered from the contractor failing which same may be recovered from the person responsible.On issue of objection memo in this regard the local authority agreed to recover theamount from SD of concerned work.Hence the objection holds good.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Champak Kumar Pradhan	JE	Anugl Municipality,Angul PO.Dist-Angul	240
2	Simanchala Panda	ME	Anugl Municipality,Angul PO.Dist-Angul	240
3	Prafulla Kumar Sahoo	EO	Anugl Municipality,Angul PO.Dist-Angul	240

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**15.3 -**

CR No240/2016-17 Estimated cost.Rs.600000/

Impovement of BT road from Somanath Gadnaik house to words Netaji Park word no-10

Contractor-Biraja Kumar Jani Vr.No-/30.06.17

JE- Champak Kumar Pradhan MB No-363 Page-195 to 200

Excess payment due less deduction of ocst of Bitumen drum

On checking of the above work case record w.r.to MB it was noticed that Rs.702/-(3402-2700) was excess paid to the contractor towards less deduction of cost of bitumen drum. Hence Rs.702/- need be recovered from the contractor failing which same may be recovered from the person responsible.On issue of objection memo in this regard the local authority agreed to recover the amount from SD of concerned work.Hence the objection holds good.

**Person(s) Responsible for this paragraph**

Sln0	Name	Designation	Adress	Amount(In Rs:)
1	Champak Kumar Pradhan	JE	Anugl Municipality,Angul PO.Dist-Angul	234
2	Simanchala Panda	ME	Anugl Municipality,Angul PO.Dist-Angul	234
3	Prafulla Kumar Sahoo	EO	Anugl Municipality,Angul PO.Dist-Angul	234

**15.4 -**

CR.No 138/17-18 Estimated cost.Rs.25000/-

Spreading of crusher dust from Bhakari Barik house to NH -55 word no-23

Contractor-Ranjeet Jena.

JE-Champak Kumar Pradhan MB No.303 Page 180 to 183

**Excess payment due to less realisation of royalty**

On checking of the above case record w.r.to MB it was noticed that Rs746/-(823-77)was excess paid to the contractor to words less realisation of royalty which needs recovery from

the contractor failing which same shall be recovered from the persons responsible.On issue of objection memo in this regard the local authority agreed to recover the

amount from SD of concerned work.Hence the objection holds good.

**Person(s) Responsible for this paragraph**

Sln0	Name	Designation	Adress	Amount(In Rs:)
1	Champak Kumar Pradhan	JE	Anugl Municipality,Angul PO.Dist-Angul	249
2	Simanchala Panda	ME	Anugl Municipality,Angul PO.Dist-Angul	249
3	Prafulla Kumar Sahoo	EO	Anugl Municipality,Angul PO.Dist-Angul	248

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**15.5 -**

CR.No 223/2016-17 Estimated cost.Rs.402000/- (memo page 65)

Constn of drain from public sochalaya new Govt. Bus stand to words Govt. High School word No-120,21

Contractor-Tankadhara Majhi Vr.no 531/30.08.17

JE-Champak Kumar Pradhan MB No340 Page 137 to 167

**Excess payment on constn. of display board**

On checking of the above work case record w.r.to MB it was noticed that as per terms and condition/agreement of contract payment for display it is to be paid as per actual but it was seen from the case record and MB that no voucher/photograph showing display of board was available in case record nor any measurement is recorded in MB to ascertain the actual amount spent to words display board but Rs.3000/- as per estimate paid to the contractor to words construction of display board which is not admissible in audit and why Rs.3000/- shall not be recovered from the contractor may be complied to audit. On issue of objection memo in this regard the local authority replied that photograph of display board affixed in the case record but there was no photograph found in the case record nor any measurement taken for construction of display board. Hence the objection holds good.

**Penalty not imposed for delay in completion.**

Secondly after negotiation the work order was issued on dt.25.02.17 to complete the work within three month but The work was completed on 25.06.17 and final measurement was taken on dt.25.06.17. For one month delay neither contractor applied for extension nor any order was given. As per terms and condition of agreement and work order 1.5% of project cost per month of delay shall be imposed but no penalty was imposed and deducted from the bill. Therefore Municipality sustain a loss of Rs.6030/- (1.5% of Rs.402000 for one month ) Hence the local authority is requested to comply Why above amount of Rs.6030/- shall not be recovered from the contractor and failing which same may be recovered from the persons responsible.

On issue of objection memo in this regard the local authority agreed to recover the amount from SD of concerned work. Hence the objection holds good.

Therefore a total sum of Rs.9030.00 (6030+3000 ) is suggested for recovery from the persons responsible.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Champak Kumar Pradhan	JE	Anugl Municipality, Angul PO. Dist-Angul	3010
2	Simanchala Panda	ME	Anugl Municipality, Angul PO. Dist-Angul	3010
3	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist-Angul	3010

**15.6 -**

CR.No 257/16-17 Estimated cost.Rs.500000/- (memo page 66)

Constn of roof casting of community centre near Sai Mandir word No-10

Contractor-Prasant Kumar Das Vr.no -617/20.09.2017

JE-Kailash Chandra Behera MB No395 Page 60 to 66

**Penalty not imposed for delay in completion.**

Secondly after negotiation the work order was issued on dt..23.03.17 to complete the work within three month but The work was completed and final measurement was taken on dt.14.09.17. For two and half month delay neither contractor applied for extension nor any order was given. It

was seen from the case record that notices were issued for not starting the work vide letter no 2114 dt.22.04.17. As per terms and condition of agreement and work order 1.5% of project cost per month of delay shall be imposed but no penalty was imposed and deducted from the bill. Therefore Municipality sustain a loss of Rs.15938/- (1.5% of Rs.425050 \*2.5 months) Hence the local authority is requested to comply Why above amount of Rs.15938/- shall not be recovered from the contractor and failing which same may be recovered from the persons responsible.

On issue of objection memo in this regard the local authority agreed to recover the amount from SD of concerned work. Hence the objection holds good.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Address	Amount(In Rs:)
1	Kailash Chandra Bebera	JE	,Anugl Municipality, Angul PO. Dist-Angul	5313
2	Simanchala Panda	ME	Anugl Municipality, Angul PO. Dist-Angul	5313
3	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist-Angul	5312

**15.7 -**

CR.No 249/2016-17 Estimated cost.Rs.198000/- Tender-Rs.168319/- (memo page 67)

Constn of CC road from Ajaya Das house to Sontosh Das house word No-12

Contractor-Narayan Nayak

Vr.no 537/30.08.17

JE-Champak Kumar Pradhan

MB No359 Page 169 to 176

**Excess payment over and above the tender value**

On checking of the above work case record w.r.to MB it was noticed that Rs.3001/-(171320 -168319 )was excess paid to the contractor over above the tender/agreement value due to calculation mistake of JE Hence Municipality sustain a loss of Rs.3001/- which need be recovered from the persons responsible for such payment.

**Excess payment on constn. of display board**

On checking of the above work case record w.r.to MB it was noticed that as per terms and condition/agreement of contract payment for display it is to be paid as per actual but it was seen from the case record and MB that no voucher/photograph showing display of board was available in case record nor any measurement is recorded in MB to ascertain the actual amount spent to words display board but Rs.2674/- as per estimate paid to the contractor to words construction of display board which is not admissible in audit and why Rs.2674/- shall not be recovered from the contractor may be complied to audit.

**Penalty not imposed for delay in completion.**

Secondly after negotiation the work order was issued on dt.25.02.17 to complete the work within three months i.e on 24.05.17 but the work was not started till leaps 130 days and a letter was given to the contractor to start the work vide this office letter No.3060 dt. 28.06.17 The work was completed on 25.06.17 and final measurement was taken on dt.25.06.17. For one month delay penalty 1.5% of project cost per month of delay shall be imposed but no penalty was imposed and deducted from the bill. Therefore Municipality sustain a loss of Rs.2525/- (1.5% of Rs.168319 for one month) Hence the local authority is requested to comply Why above amount of Rs.2525/- shall not be recovered from the contractor. On issue of the objection memo in this regard the local authority agreed to recover the amount from SD of concerned work. Hence the objection holds good.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Address	Amount(In Rs:)
1	Champak Kumar Pradhan	JE	Anugl Municipality, Angul PO. Dist-Angul	2734
2	Simanchala Panda	ME	Anugl Municipality, Angul PO. Dist-Angul	2733

3	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist- Angul	2733
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**15.8 -**

CR.No 41/2017-18 Estimated cost.Rs.400000/- Tender-Rs.340040/-

Constn of CC road from Ajaya Das house to Sontosh Das house word No-12

Contractor-Dileswar Pradhan Vr.no 584/13.09.17

JE-Champak Kumar Pradhan MB No380 Page 138 to 150

**Excess payment by way of showing extra work done than the contract agreement**

On checking of the above work case record w.r.to MB it was notices that in item no 08 supplying and conveying 1" dia HP and positioning was executed but there is no such provision in the approved estimate nor in the contract agreement and no revised estimate was available. Moreover no such order taken for such deviation of work and the purpose of above work. Hence Rs.5550/- (3 nos of HP @ Rs.1850/-) paid for above work is not admissible and needs recovery from the contractor. On issue of objection memo in this regard the local authority agreed to recover the amount from SD of concerned work. Hence the objection holds good.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Champak Kumar Pradhan	JE	Anugl Municipality, Angul PO. Dist- Angul	1850
2	Simanchala Panda	ME	Anugl Municipality, Angul PO. Dist- Angul	1850
3	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist- Angul	1850

**15.9 -**

CR.No 208/17-18 Estimated cost.Rs.300000/- (Meno page 61)

Constn of CC road from Dr. Majhi babu house Butu Panigrahi house in word No-01

Contractor-Ahwan Kumar Routroy Vr.no 1066/15.03.18

JE-Kailash Chandra Behera MB No.405 Page

**Excess payment over and above the agreement value**

On Checking of the above work case record w.r.to MB it was noticed that Rs.27325/- was excess paid to the contractor over and above the agreement value as 12% GST was added

to the bill but same was not deducted from the bill to deposit to proper quarter of Govt. By adding Rs.27325/- extra financial benefit extended to the contractor. Why above amount shall

not be recovered from the contractor may please be complied to audit.. On issue of the objection statement the local authority replied that as per instruction of the Govt. GST 12% has added to the estimate. Simultaneously the same has to be deposited by the executants to Govt.. It is the responsibility of the accountant to comply the same whether the contractor has deposited the same to Govt. or not. But there was no proof of deposit the same to Govt. And local authority agreed to recover from the SD of executants. Hence the objection holds good. and Rs.27325/- need be recovered.

**Excess payment on constn. of display board**



Secondly as per terms and condition/agreement of contract payment for display it is to be paid as per actual but it was seen from the case record and MB that no voucher/photograph showing display of board was available in case record nor any measurement is recorded in MB to ascertain the actual amount spent towards display board but Rs.3000/- paid to the contractor towards construction of display board which is not admissible in audit and why Rs.3000/- shall not be recovered from the contractor may be complied to audit. On issue of objection statement the local authority on issue of the objection statement the local authority replied that photograph has been affixed in the case record but no photograph was found in the case record. Hence the objection holds good.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Address	Amount(In Rs:)
1	Kailash Chandra Bebera	JE	,Anugl Municipality, Angul PO. Dist-Angul	10109
2	Simanchala Panda	ME	Anugl Municipality, Angul PO. Dist-Angul	10108
3	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist-Angul	10108

**15.10 -**

CR.No 230/17-18 Estimated cost.Rs.300000/- (memo page 62)

Constn of CC road from Laxmipriya house to Ganeswar babu house in word No-06

Contractor-Harapriya Mohanty Vr.no 1057/09.03.18

JE-Kailash Chandra Behera MB No.395Page 150 to 154

**Excess payment over and above the agreement value**

On Checking of the above work case record w.r.to MB it was noticed that Rs.31426/- was excess paid to the contractor over and above the agreement value as 12% GST was added

to the bill but same was not deducted from the bill to deposit to proper quarter of Govt. By adding Rs.31426/- extra financial benefit extended to the contractor. Why above amount shall

not be recovered from the contractor may please be complied to audit. On issue of the objection statement the local authority replied that as per instruction of the Govt. GST 12% has added to the estimate. Simultaneously the same has to be deposited by the executants to Govt.. It is the responsibility of the accountant to comply the same whether the contractor has deposited the same to Govt. or not. But there was no proof of deposit the same to Govt. And local authority agreed to recover from the SD of executants. Hence the objection holds good. and Rs.31426/- need be recovered.

**Person(s) Responsible for this paragraph**

S/no	Name	Designation	Address	Amount(In Rs:)
1	Kailash Chandra Bebera	JE	,Anugl Municipality, Angul PO. Dist-Angul	10476
2	Simanchala Panda	ME	Anugl Municipality, Angul PO. Dist-Angul	10475
3	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist-Angul	10475

**15.11 -**

CR.No88/17-18 Estimated cost.Rs.49545/-

Constn. of sump at Auditorium in word No-22

Contractor-Ranjeet Kumar Jena Vr.no 885/02.01.18

JE-Kailash Chandra Behera MB No394 Page 113 to 117

**Excess payment over and above the agreement value**

On Checking of the above work case record w.r.to MB it was noticed that Rs.15000/-(64000-49000) was excess paid to the contractor over and above the agreement value of

Rs.49000/-It was noticed from the case record that above project was technically sanctioned and administratively approved for Rs.49595/-and put on tender and lowest bidder awarded

the work for Rs.49000/-and work order issued accordingly to complete the work in one calendar month. But Rs.64000/- was paid to the contractor over and above the tender value without

any reason of excess payment. Hence Rs.15000/-extra financial benefit extended to the contractor which is not admissible in audit. Why above amount shall not be recovered from the

contractor may please be complied to audit. On issue of objection statement the local authority replied that initially Rs.49000/- was administratively approved by the competent authority. Considering the demand of public the size of the sump was increased as a result Rs.64000/- was technically approved and administratively approved by the council. A revised estimate to that effect was also prepared by ME, EO, and Chair person. The reply of the local authority is not helpful to drop the objection as the tender was already finalised agreement was made and work order was issued to start the work. If demand from public then the tender would have been cancelled and new tender would have been invited for enhance project cost. Hence the objection holds good.

Secondly as per agreement and term and condition of work order 1.5% penalty of project cost shall be charged per month of delay. The work order was issued on dt.01.08.2017 to complete

the work within one calendar month. But the work was completed on dt. 16.12.2017. For the delay neither the contractor applied for the same nor any permission was given but the project

was delayed by three months for which penalty comes to RS.2700/- ( 1.5% of 60000 = 900\*03 months ) Hence the local authority may comply to audit why above amount shall not be

recovered from the contractor. On issue of objection memo the local authority agreed to recover Rs.2700/- from the SD of concerned work. hence the objection holds good.

**Person(s) Responsible for this paragraph**

Sno	Name	Designation	Address	Amount(In Rs:)
1	Kailash Chandra Behera	JE	,Anugl Municipality, Angul PO. Dist-Angul	5900
2	Simanchala Panda	ME	Anugl Municipality, Angul PO. Dist-Angul	5900
3	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist-Angul	5900

**15.12 -**

CR.No 167/17-18 Estimated cost.Rs.50000/- (Memo page 64)

Constn of roof casting of community centre near Sai Mandir word No-10

Contractor-Shakti Prasad Mishra Vr.no 1058/09.03.18

JE-Kailash Chandra Behera MB No395 Page 124 to 127

**Excess payment to words constn. of display board**

On checking of the above work case record w.r.to MB it was noticed that as per terms and condition/agreement of contract payment for display it is to be paid as per actual but it was seen from the case record and MB that no voucher/photograph showing display of board was available in

case record nor any measurement is recorded in MB to ascertain the actual amount spent to words display board but Rs.2985/- as per estimate paid to the contractor to words construction of display board which is not admissible in audit and why Rs.2985/- shall not be recovered from the contractor may be complied to audit. On issue of objection memo in this regard the local authority replied that the photograph was affixed in case record before passing the bill but there was no photograph nor any measurement was taken for display board. Hence the objection holds good.

**Person(s) Responsible for this paragraph**

Sino	Name	Designation	Adress	Amount(In Rs:)
1	Kailash Chandra Bebera	JE	,Anugl Municipality, Angul PO. Dist-Angul	995
2	Simanchala Panda	ME	Anugl Municipality, Angul PO. Dist-Angul	995
3	Prafulla Kumar Sahoo	EO	Anugl Municipality, Angul PO. Dist-Angul	995

**15.13 -**

**Non production of work case record**

In spite of several verbal request and objection memo issued in this the local authority fail to produced the following work case record for verification. Hence the local authority requested to produced the following work case record to the exit conference. Till production of the same entire amount of Rs.3483986.00 is kept under objection.

Sl no	Vr.no/date	Amount	Name of the work	Executant
1	01/03.04.17	43051	Grading plaster of slum quarter	Pratap Majhi
2	2/03.04.17	51821	Constn. Of CC road from dhurba pradhan house to Hrusikesha Sahoo house	Pratap Majhi
3	03.04.17	23250	Colour washing to Basant patharara	do
4	4/03.04.17	22250	Colourin to Amalapada jaya durga Club	do
5	49/20.04.17	64529	Constn of cc road and drain from Rohita Behera house to Athani Behera house	Renubala Parida
6	200/24.5.17	735285	Const. of cc road from Dist court to Treasury	Sarat Nayak
7	207/27.5.17	145804	CC road from Tripura Pradhan house to Goura Pradhan house	Amiya Ranjan Pradhan
8	243/7.6.17	344085	Impv. of BT road from Mamata Pradhan house to giria Biraja Kumar Janio school	
9	378/24.07.17	122181	Const. of cc road and drain from Pari Pradhan house to Dubei Pradhan house w-8	Bichitra Naik
10	632/21.09.17	150000	Con of com. Cent. At Maharana sahi Temple	Binod Bihari Sahu
11	662/11.10.17	321324	cont. of cc rd from prasana pradhan house to sagar pradhan house	Santhos sahu
12	663/11.10.17	336268	Imp. Of bt rd Pradhan house to Rajlaxmi hotel	Tarun naik
13	788/28.11.17	168159	Rep. of shop room at both side of bazara road	Pratap Majhi

14	859/26.12.17	131516	Constn. Of CC at Maharana sahi	Binod Bihari Sahu
15	1056/09.03.18	303443	Constn. Of CC at Nachhasahi	Pradeep kumar Das
16	1057/09.03.18	223020	Constn. Of CC road from Laxmipriya house to gress babu house	Harapriya Mohanty
17	1115/27.03.18	298000	Maint. Of park of Angul Mplyi	Suresh Chandra Biswal
	TOTAL	3483986		

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

<b>16.1 -</b>
No separate unit or department is functioning under the control of this municipality.
<b>Trading account</b>
No Trading account was maintained during the year, 2017-18 as no transaction business such as Town Bus Service, Management of Petrol Pump etc. was conducted by the Municipality during the year, 2017-18

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

<b>17.2 - Thematic audit on procurement of materials</b>
<b>SCOPE of Audit:</b>
The purchase /procurement files of Angul Municipality for the last three years i.e 2015-16, 2016-17, 2017-18 are examined with the tender files so far produced before audit.
Though the procurement vouchers relating to the year 2015-16 & 2016-17 were produced before audit but the connecting procurement file were not produced till close of the audit.
<b>Objectives:</b>
The objective of the thematic audit is to examine the records and ascertain if:
1. Due tender procedure have been adopted for procurement of high value goods/equipment
2. Sanction from competent authority for purchase and floating of tender has been obtained as per the provisions of OGFR and Municipal/Corporation Rules and Acts.
3. Purchase orders have been split up to avoid the necessary for obtaining the sanction of higher authority required with reference to the total amount of the order.
4. Irregular purchases have been made according to previous years tender without floating fresh tender.
<b>Criteria:</b>
The criteria to be followed while examining the records are as follows:
1. The Odisha Municipal Corporation Act, 2003 (Section 277-279)
2. The Odisha Municipal Rules, 1953 (Rule 352-364)

3.Rule 53,96,97 & 98 of OGFR,Vol 1 on purchase of stores.

4.Finance Department Guidelines for procurement of goods vide OM No 4939/ F Dated 13.02.2012

**Audit Findings:**

While examining the procurement files, the following irregularities are noticed.

1. On checking of procurement files for the year 2016-17 it is found that no tender / quotation has been done for the following

Vr No/date	Amount	To whom paid	Remarks
563/25.08.16	232675.00	Maharana cement andtiles for RCC works	
721/07.10.16	267100.00	Jugal Traders	
722/07.10.16	150000.00	Jugal Traders	
1186/10.03.17	253750.00	Gagan Chemical	
1187/10.03.18	328500.00	Biraja Chemicals	
Total	1232025.00		

**Conclusion**

Purchase of goods shall be made on open tender basis particularly from the manufacturers and authorised dealers following the OPWD Code and OGFR. In case of purchase of

electrical items from the registered manufacturers the details of discount on MRP should be clearly disclosed. The details of price list and discount etc. should be made available in the

ULBs. But during procurement of goods above guideline have not been followed. Hence, total amount of Rs. 16759442.85 spent towards purchase of goods during 2015-16 to 2017-18 is kept under objection.

**Suggestion:**

The procedure as described in the criteria of this para should be adhered to on procurement of goods. The stock register should be maintained onsuch procurement with the prescribe

format in OGFR and should be duly be verified in accordance to rule 106 of the OGFR. The files relating tothe procurement of goods or to any expenditure to be kept in sincere manner

that can be produced before the inspecting authority as when required. Annual indent should be prepared for procurement stationary articles/sanitation materials etc and purchase the same followed by above rules mentioned in creteria and this practicewill lead a better financial management and propriety.

**17.3 -**

**Finicial Target and achievement**

The details of physical and financial achievement of different scheme as available is furnished below.

Name of the Scheme	Amount available at	Amount Received	Total	Fund Utilised	Un spent Balance	% of utilisation
	the begining of the	during yhe year		during the	as on	
	year ie, as on dt	2016-17		year2016-17.	dt.31.03.17.	
	01.04.2016					

MV	1549000.00	3525000.00	5070000.000	3215242.00	1858758.00	63%
RD	2375000.00	0.00	2375000.00	944965.00	1458758.00	40%
MPLAD	311400.00	2300000.00	2611400.00	753141.00	18259.00	29%
MLALAD	518695.00	500000.00	1018695.00	453993.00	564702.00	45%
13th FCA	0.00	0.00	0.00	0.00.00	0.00	
14th FCA	15427408.00	18833000.00	34260408.00	11391956.00	22868452.00	33%
R & B	2375000.00	0.00	2375000.00	0.00	2375000.00	
Devolution fund of Kalyan	0.00	0.00	0.00	0.00	0.00	
Devolution fund of Auditorium and capital nature	6641098.00	11988000.00	18629098.00	4885852.00	13746246.00	26%
Nalco periphery	0.00	250000.00	250000.00	250000.00	0.00	
ECO Park	16724709.00	0.00	16724709.00	9305905.00	7418801.00	

**Physical Target and achievement**

Sl.No.	Name of the scheme	Physical Target No of Spil Over Project from the previous year	No of project taken up during 2017-18	TOTAL	Achiementment No of project completed during 2017-18.	No of spil over project to the next year	% of Achiement
1	MV	2	26	28	22	6	78%
2	RD	9	11	20	16	4	80%
3	MPLAD	3	9	12	9	3	75%
4	MLALAD	1	4	5	4	1	80%
5	13th FCA	0	0	0	0	0	100%
6	14th FCA	19	34	53	35	19	66%
7	R & B	2	9	11	9	2	82%
8	Devolution fund of Kalyan	0	0	0	0	0	100%
9	Devolution fund of Auditorium and cpital nature	2	0	2	2	0	71.42%

10	Nalco periphery	0	0	0	0	0	0
11	ECO Park	0	1	1	1	0	100%

**1-SJSRY**

The Scheme of SJSRY has been discontinued with effect from dt.30.11.2013 and the unspent balance as on 30.11.2013 under SJSRY amounting to Rs.14,10,892.00 as on 1.4.2014 available with the municipality should have been refunded to the sanctioning authority as per L.No.32430/HUD/ dated 11.11.13.

**2-MP LAD**

The Member of parliament Local Area Development Scheme was introduced in December,1993. Under the scheme, each MP has the choice to suggest to the District Collector for taking up works to the tune of Rs 5 Crores per annum in his/her constituency. The Rajya Sabha Member of Parliament can recommend works in one or more districts in the state from where he/she has been elected. The nominated members of Lok Sabha

- Rajya Sabha may from any state in the country for implementation of their choice of work under the scheme. In course of Audit the following omissions and commissions were noticed in execution of different project under the scheme.

- 1- No separate account was opened and operated at the beginning of operation of the scheme..
- 2- Fund was not kept in Bank in Flexi Deposit Account to achieve high returns towards interest money.
- 3-Frequent supervisions and proper monitoring were not made by the Executive staff for completion of the projects in site successfully and timely.
- 4- No completion report & utilisation certificate were not submitted to the District Authority within 30 days of completion of each project.

Transfers of assets to the users end was not made

- 6- No asset register was maintained.

No awareness of public was created & motivated them to get utility by using the assets so far created out of utilization of such schematic fund. The target and achievement on physical & financial ground of MP LAD are given below.

It would be revealed from the above table that the achievement on targetted schemes of 2017-18 is about 29% which is absolutely tardy. In spite of availability of sufficient funds in chest of the Municipality no sincere steps are appears to have been taken by the Exectutive Authority of the Municipality to utilise the scematic funds timely to obtain a satisfactory achievement on target as fixed and planned in Annual Action Plan for the financial year 2017-18. The miserable condition on achievement is due to the fact that due to lack of proper supervision, frequent monitoring , and field visit in implemented sites, the utilization of grants on different schemes has not been expedited. Besides the guideline on cash management system, as introduced by the Govt. in Finance Deptt.(O) vide their Circular No.13081/Dt.11.04.2014 & 22521/Dt.01.08.2014. has not been followed scrupulously by the local authority, as a result budgetary grants allotted to the P.S. have not been spent timely and satisfactorily.

Hence attention of the Executive Authority of municipality is invited in this context and suggested to mobilise his staff as deemed proper fit to utilize the unspent balance of grants in stipulated time for the greater interest of the rural people so that the very purpose of sanction of Govt, grants can be fulfilled.

**PARA: 18 MISCELLANEOUS**

<b>18.1 -</b>
<b>Audit Paragraphs pending for settlement</b>
No Compliance section is functioning at this municipality. Therefore number of audit paras pending for settlement can not be derived due to non-maintenance of Compliance register. The local authority failed to produce required information sought for by the Audit in prescribed format.

The audit paragraphs pending for settlement in respect of last three audit reports of LFA are furnished below.

Sl.No.	Audit Report No. with year	Paragraphs pending for settlement relating to misappropriation of Cash and loss of stock and stores		Paragraphs pending for settlement other than misappropriation and defalcation			Total	
		No of paragraphs	Amount	No of paragraphs		Amount	No of paragraphs	Amount
1	259324/AR/2016-2017-ANGUL for the year 2015-16	0	0	37		23915527.00	37	23915527.00
2	102790/AR/2015-16-ANGUL for the year 2014-15	0	0	29		31649622.99	29	31649622.99
3	44805/AR/2014-15-ANGUL or the year 2013-14	0	0	28		1102980.00	28	1102980.00
4	39050/AR-2013-14-ANGUL for the year 2012-13	0	0	26		8350018.30	26	8350018.30

The Local Authority is advised to look in to the matter and send para wise compliance of each para to the District Audit Office,Angul for settlement.

**18.2 -**

Slno	Name of the work	E.C	Name of the exe
1	Const of ladies hostel at bajirout chhatrabas at angul	1500000	Lokanath Nayak
2	Const of cc road \$ culvert from Prakash parida house to damodar tripathy house	300000	
3	Const of drain from Athani gochhayat house towards yogesh rout house	49000	
4	Const of cc road from Babu dehury house towards Abhiram temple	200000	

**18.3 -**

**Grievance Redressal System**

The Municipality has no grievance redressal cell of it's own. Grievances received from individual persons are referred to related sections against which there is no recorded evidence in a Central register. The number of complains of individual sections with respect to it's receipts & disposal cannot be derived due to non-maintenance of any register

**18.4 -**



<p>Non availability of Death report for stoppage of Old age pension</p> <p>Rule16 of Madhu babu pension johana ,2008 states that the extension officer /EO concerned shall report every case of death of beneficiary immediately after occurrence to Sub collector concerned .</p> <p>.But there was no report of CO concerned regarding death of the beneficiary of the record from discussion with the dealing assistant audit came to know that, neither any death report was received from concerned CO nor any verification of the fact was conducted and on the basis of oral information from the ward people . Death record was maintained and pension of the concerned beneficiary was closed.Hence without any formal death report closer of pension of the beneficiary was highly irregular and the EO may necessary steps for collecting death report from authorise signatory before closer of pension. No specific reply was given by EO.</p>
<p><b>18.5 -</b></p> <p>As per rule121(3) the municipality shall prepare the opening balance sheets in the required formats for giving a clear picture of the Assets and liability of the municipality. Audit found that none of the formats as stated above was prepared by the EO for which the financial position of the municipality could not be ensured.</p>
<p><b>18.6 -</b></p> <p>As per the provision of Rule 128 A (iii) of the odisha municipal Rule1953 at the end of each month the Administrator of the found should verify the cash balance in the subsidiary cash book and record a dated certificate to that effect. He / she shall also satisfy himself regarding maintenance of the accounts by the cashier and certify that the cashier's account has been duly kept.</p> <p>Scrutiny of the subsidiary cash book maintained by the cashier revealed that the cash verification was not done during the entire period of audit at the end of each month .Thus due to such non conduct of physical verification of closing cash balance for long time temporary misappropriation of cash can not be ruled out.</p>
<p><b>18.7 -</b></p> <p>As per the municipal accounting rule the accounts Officer shall daily examine the entries and closing balance of the cash books and affix his signature in token of such examination. The cash balance on hand with the cashier shall be verified with the cash book balance on a daily basis and certificate to that effect to recorded in the cash books by the accounts officer or any person designated for the purpose, Audit found that the EO had never attested any of the entries made in the cash book except signing the cash book at the end of the month while closing the cash balance thus, deviating the rules.</p>

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

<p><b>19.1 -</b></p> <p><b>Outstanding Govt. Dues pending for deposit</b></p> <p>Rule-6 of O.T.C. Vol.1 read with Rule-4 of O.G.F.R. stipulates that all moneys received /realised on behalf of Govt. should be deposited in full into Treasury / with the competent authority within 3 days of its receipt/ realisation. Retention of Govt. money/revenue outside the Treasury is</p>
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irregular and not permissible. Scrutiny of the cash books revealed that in this Municipality. Rs.2745397.00 as mentioned below deducted from different work bills during 2017-18 out of which an amount of Rs.1796191.00 was deposited in Govt. Treasury leaving a balance of Rs.949206.00 yet to be deposited for the year, 2017-18 in Treasury/ Govt. account. On work out of the receipt and expenditure figure for the financial year 2017-18 with reference to Accountant cash book it was disclosed that a huge amount towards Royalty, VAT, Cess, and Income Tax respectively were not deposited to proper quarter of Govt. during the year under audit. The details are furnished below:

SL no	Particular	Out standing as on 01.04.2017	Receipt as per cash book	TOTAL	Deposited to Govt as per cash book	Balance to be deposited as on 31.03.2018
1	Royalty	2102735	820469	2923204	450000	2473204
2	VAT	1633666	350578	1984244	0	1984244
3	Cess	346835	793642	1140477	350000	790477
4	IT	-327145	2698394	2371249	706278	1664971
	TOTAL	3756091	4663083	8419174	1506278	6912896
						6912896

No authentic file relating to deposit of Govt. revenue in relation to its availability is found maintained in the municipality. The municipality has not taken any sincere step towards deposit of Govt. revenue for years together. At the beginning of the financial year the outstanding deposit of Govt. revenue as on dt. 1.4.2017 from previous Audit Report was found to be Rs. 3756091.00. At the close of the financial year as on 31.3.2018 the figure turned out to be Rs.6912896.00. The Municipality is regularly violating the stipulated principles and thereby a good amount of Govt. money amounting to Rs.6912896.00 is kept outside Govt. Treasury. The local authority is not paying heed to the advices rendered in previous Audit Reports for deposit of Govt. Revenue in proper quarter. However the local authority is advised to take immediate steps to deposit the outstanding Govt. dues in proper Head of account and compliance reported to audit.

**19.2 -**

**Position of Loan**

An abstract position of Loan in respect of Angul Municipality for the financial year, 2016-17 is furnished below:

SL No	Particular	Principal	Interest	Total
1	Loan out standing as on 01.04.17	3246574.00	7291500.00	10538074.00
2	Loan received during	0.00	0.00	0.00
3	Total	3246574.00	7291500.00	10538074.00
4	Loan repaid	0.00	0.00	0.00
5	Balance as on 31.3.17	3246574.00	7291500.00	10538074.00

The position on Loan and its rate of Interest, Principal amount, Interest due etc. are mentioned below:

SL No	G.O. No.	Nature of loan	Original loan Amount	Date of Drawl	Loan +Int as on 31.03.17	Int @10%	Total as on 31.03.18
1	<a href="#">12129/HUD/28.3.08@10% If not paid timely 8% otherwise to be refunded in 20 equal installments</a>	water supply loan 20 instalments closed during 2008-09	508000.00	31.03.88	1386812.00	50800.00	1437612
2	26650/HUD/10.7.91 @10% If not timely 8% otherwise to be refunded in 20 equal instalments	Water supply loan	675000.00	1.8.91	1665000	67500.00	1732500
3	27707/HUD/17.7.91 12.5% If timely payment rate of int.9.5% payment rate of int.9.5%	IDSMT	400000.00	1.11.91	1177583	38000.00	1215583

4	9215/HUD/18.3.93 Timely payment 9.75% otherwise 11.25%	REMUNERATIVE	200000.00 31.3.93	227589.00	19500.00	247089.00
5	33261/HUD/3.10.94 13% in case of default 14.5% in 10 instalments	REMUNERATIVE	100000.00 31.10.94	309042	13000.00	322042
6	33574/HUD/28.9.95 13% in case of default 14.5%	Shoping complex	150000.00 31.10.95	432813	19500.00	452313
7	6004/HUD/24.2.97 13% In case of default 14.5% in 10 instalments	Shoping complex	300000.00 31.3.97	804000	39000.00	843000
8	9083/HUD/10.3.99 13% in case of default 15.75% NSDP	NSDP	250000.00 31.3.99	228325	32500.00	260825
9	2620/HUD/20.1.2000 14% incase of default 15.75%	NSDP	350000.0016.3.2000	625625	49000.00	674625
10	9179/HUD/27.3.2000 14% in case of default 16.75%	NSDP	210000.0031.3.2000	209185	29400.00	238585
11	1110099/HUD/31.3.2000 14% in case default 16.75%	NSDP	350000.0031.3.2000	625625	49000.00	674625
12	1213570/HUD/11.3.2003 14% in case of default 16.75%	NSDP	140000.0029.3.2003	112698	19600.00	132298
	Total:-		3633000.00	7823797.00	426800.00	8250597.00

No amount was refunded towards loan amount or interest money during the year, 2017-18 In response to audit objection memo the local authority replied that due to shortage of fund, the loan amount could not be refunded. The reply of the Local authority is not tenable. Early step may be taken to repay the loan amount with interest to liquidate the mounting financial burden on the Municipality.

**19.3 -**

**Position of Deposits**

The position of deposits received & refunded for the year, 2017-18 is given below basing on the previous Audit Report and records made available to audit as there is no outstanding deposit ledger maintained at this municipality as required under Rule-143 of O.M.Rule,1953.

Sl no	Particular	Amount
1	Outstanding deposit as on 01.04.17	51397801.70
2	Deposit made during 2017-18	2658394.00
3	TOTAL	54056195.70
4	Deposited refunded during 2017-18	1135322.00
5	Deposit outstanding to refund as on 31.03.2018	52920873.70

**19.4 -**

**Position of EPF and CPF**

In accordance with Rule 436 of O.M. Rules, 1953 every council shall maintain and administer a provident fund.

As per Rule 442 of O.M. Rules, 1953 a provident fund ledger in Form No. P.F. 5 is to be kept in the Municipal Office.

As per Rule 445 of O.M. Rules, 1953 the amount deducted from the pay bills as provident fund deductions and the contributions paid by the Council and other sums relating to the provident fund shall be lodged in the Government treasury and a separate cash book shall be maintained. The whole or any portion of such deduction, contributions and other sums relating to provident fund may be withdrawn from the

treasury at such intervals as may be necessary for investment in interest bearing securities or deposits.

As per Rule 446 of O.M. Rules, 1953 investments shall be made as early as practicable in the form of securities or deposits specified in the rule.

As per Rule 449 of O.M. Rules, 1953 the provident fund ledger, Abstract register, Cash Book and other records of the fund shall be examined monthly by the Executive Officer and shall be audited by the Examiner of Local Fund Accounts

No Provident Fund Ledger, Abstract Ledger, Cash book, and other records in respect of collection and deposit of EPF/ CPF was maintained at the municipality. The local authority is advised to ensure the maintenance of the same and produce the same before next audit. An abstract position of deduction & deposit towards CPF/ EPF of employee is furnished in the following format.

Particulars	Position of C.P.F. A/c.	Position of E.P.F Account
O.B. as on 1.4.2015	Nil	Nil
Amount deducted during the year, 2016-17	2735200.00	1999398.00
TOTAL	2735200.00	1999398.00
Amount deposited during 2016-17	2735200.00	1999398.00
Balance to be deposited	Nil	Nil


**PARA: 20 RESULT OF AUDIT AND CONCLUSION**

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**20.1 - Remarks On Maintenance of Account**

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**General Remarks.**

The state of maintenance of books of accounts, records and registers of the Municipality is not satisfactory. Financial transactions have not been regulated in accordance with the budgetary provisions. Advances has not been adjusted at the end of the financial year. Grants have not been utilized promptly due to which huge balance of unspent grants for amounting Rs.65269439.00 is lying at the end of the fiscal year 17-18. Submission of U.C. is also not accelerated, as a result pendency of huge amount of Rs 185720831/- UC is awaiting for clearance. Collection of statutory taxes has not been expedited and enhanced the Revenue of the Municipality. Codal provisions have not been adopted to collect huge outstanding balance of arrear dues of holding tax, for which an innovative measure should be adopted by the Municipality Authority.

Outstanding loans have not been yet redeemed. Several important accounts, and registers such as CPF cash book, outstanding ledger of advances, outstanding register of deposits, and advances, D.C.B .register of rent & fixed demands. register of utilization of grants etc. have not been maintained properly and up-dated. Hence much and more efforts should be taken by the Municipality authority to bring a reform not only in the state of collection of taxes and management of financial policies, but also to revive the state of maintenance of accounts, records and registers of the Municipality, as prescribed in OMC Rule-1953 to make the accounts of each and every individual section convenient, lucid and clear so that a steady reference can be achieved on a particular subject/account as and when required.

Hence the Local Authority is suggested to emphasis the following tips in order to achieve a magnificent account as well as performances in streamlining the provisions as made by the Govt. from time to time to provide better service delivery system to Urban people.

1. Consider preparing of annual budget keeping in view the actual requirement of funds and their utilization for developmental projects.
2. Ensure monthly reconciliation of cash book balance with that of pass book balance of Banks and maintain the records up dated regularly to solve future complications.
3. Ensure prompt and effective action for adjustment/recoupment of the outstanding advances and submission of pending U.Cs.
4. Ensure financial discipline and strengthen monitoring mechanism by putting an internal control system and its proper functioning.
5. Ensure prompt and punctual planning to accelerate the expenditure of huge unspent govt. grants.
6. Attend advice and suggestions of controlling and higher supervisory authorities punctually.
7. Ensure proper training to staffs associated with accounts. Suitable cadre on accounts may be created for the Cashier and Accountant in the Municipality.
8. Proper and timely maintenance of accounts and returns.
9. Submit proper compliances to outstanding audit paragraphs for their early settlement.
10. Proper

As a result of this Audit transactions involving a sum of Rs 7247859.00 are held under objection which include an amount of Rs 1927293.00 suggested for recovery. Besides, a sum of Rs 0 was recovered at the instance of audit. The details are furnished in the following tables.

**Result Of Audit**

SI No	Paragraph No.	Amount suggested for recovery(In Rs:)	Amount kept under objection including amount suggested for recovery (In Rs:)	Amount Surchargeable(In Rs:)	Amount Embezzlement(In Rs:)	Amount Othercases(In Rs:)	Remarks
1	8.1	567000.00	567000.00	567000.00	0.00	0.00	
2	11.1	200.00	200.00	200.00	0.00	0.00	
3	11.2	200.00	200.00	200.00	0.00	0.00	
4	13.12	58574.00	58574.00	58574.00	0.00	0.00	
5	13.15	71566.00	71566.00	71566.00	0.00	0.00	
6	13.17	186812.00	186812.00	186812.00	0.00	0.00	
7	14.2	0.00	461580.00	0.00	0.00	0.00	
8	14.3	13720.00	13720.00	13720.00	0.00	0.00	
9	14.4	324000.00	324000.00	324000.00	0.00	0.00	
10	14.5	490099.00	490099.00	490099.00	0.00	0.00	
11	14.6	88800.00	88800.00	88800.00	0.00	0.00	
12	14.7	0.00	1320000.00	0.00	0.00	0.00	
13	14.8	0.00	55000.00	0.00	0.00	0.00	
14	15.1	3000.00	3000.00	3000.00	0.00	0.00	
15	15.2	720.00	720.00	720.00	0.00	0.00	
16	15.3	702.00	702.00	702.00	0.00	0.00	
17	15.4	746.00	746.00	746.00	0.00	0.00	

18	15.5	9030.00	9030.00	9030.00	0.00	0.00
19	15.6	15938.00	15938.00	15938.00	0.00	0.00
20	15.7	8200.00	8200.00	8200.00	0.00	0.00
21	15.8	5550.00	5550.00	5550.00	0.00	0.00
22	15.9	30325.00	30325.00	30325.00	0.00	0.00
23	15.10	31426.00	31426.00	31426.00	0.00	0.00
24	15.11	17700.00	17700.00	17700.00	0.00	0.00
25	15.12	2985.00	2985.00	2985.00	0.00	0.00
26	15.13	0.00	3483986.00	0.00	0.00	0.00
<b>Total</b>		<b>1927293.00</b>	<b>7247859.00</b>	<b>1927293.00</b>	<b>0.00</b>	<b>0.00</b>

Spot Recovery

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

**Audit Certificate**

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

**District Audit Officer  
Local Fund Audit,ANGUL**