

LOCAL FUND AUDIT, RAYAGADA, ODISHA

CATEGORY : N A C

Audit Report No : 457328/AR/2018-2019-RAYAGADA

PARA: 1 TITLE SHEET

1	Name of the Institution :	Gudari NAC
2	Year of Accounts under Audit :	2017-2018
3	Name of the Local Authority during the year of A/Cs :	SMT GAYATREE DEVI SAHU,EXECUTIVE OFFICER FROM 1.4.17 TO TILL DATE
	Name of the Local Authority at the time of Audit :	SMT GAYATREE DEVI SAHU,EXECUTIVE OFFICER FROM 1.4.17 TO TILL DATE
4	Duration of Audit :	21-03-2019 To 06-04-2019 (Mandays Consumed :- 12)
5	Name of the Auditors :	NUTAN KUMAR BEHERA - Lead Auditor(21-03-2019 to 06-04-2019) ASHOK KUMAR SETHY - Auditor(21-03-2019 to 06-04-2019)
6	Name of the Reviewing Officer :	BIBHU PR. MISHRA-A(Audit Superintendent)
7	Date of submission of report by Reviewing officer :	18-04-2019
8	Entry Conference Date :	
9	Exit Conference Date :	
10	Name of the District Audit Officer :	MITOSHNA ROUT
11	Date of approval of report by District Audit Officer :	23-04-2019

Para1.1 :- Demographic information:-

Name Of The Institution	Area In sq Km	No of Ward	Population of the Institution					Female Population	Male Population
			S.C	S.T	Minority	General	Total		
Gudari NAC	17.35	11	1423	3986	0	273	5682	2857	2825

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	21.3.19 Before transaction	2000.00	2000.00	PA CASH BOOK PAGE NO-1	0.00
2	Measurement Books	21.3.19 Before transaction	19	19	SRP-21	0
3	Miscellaneous Receipt Books	21.3.19 Before transaction	2	2	SRP-11	0.00
4	Service Postage Stamps	21.3.19 Before transaction	878.00	878.00	SRP-74	0.00
5	Holding tax receipt books	21.3.19 Before transaction	7	7	SRP-3	0
6	Stall rent receipt books	21.3.19 Before transaction	6	6	SRP-35	0
7	Red cross receipt books	21.3.19 Before transaction	4	4	SRP-55	0
8	Daily market receipt books	21.3.19 Before transaction	100	100	SRP-47	0
9	Trolley token	21.3.19 before transaction	15	15	SRP-58	0
10	Cycle token	21.3.19 before transaction	300	300	SRP-58	0

Comments
PHYSICAL VERIFICATION: - (POM NO -1 PAGE .NO-1)

As per Rule 20(a) of OLFA Rules, 1951, physical verification of cash and other materials of Gudari NAC was conducted on 21.3.19 before transaction and result thereof has been recorded above. It is revealed from the result of physical verification that Rs 2000.00 cash has been kept as cash in hand. It was observed that cash analysis of closing balance as per PR Deptt OM No-5352/PR Dt -11.02.2009 was not done. The cash books have been maintained as prescribed under Rule -58 of PSAP rules 1961 Denomination wise cash in hand is furnished as follows. Similarly Rs 878.00 of postage stamps was also presented before audit for verification. The denomination wise details of service postage stamps is furnished as follows.

Denomination wise details of cash in hand

Sl no	Denomination	Nos of currency	Amount
1	Rs 100	7	Rs 700.00
2	Rs 50.00	18	Rs 900.00
3	Rs 20.00	15	Rs 300.00
4	Rs 10.00	10	Rs 100.00
		Total	Rs 2000.00

Denomination wise details of Service postage stamps

SL NO	Denomination	Nos of stamps	Amount
1	Rs 10.00	65	Rs 650.00
2	Rs 5.00	42	Rs 210.00
3	Rs 2.00	9	Rs 18.00
		Total	Rs 878.00

Regular Physical verification of cash in hand(POM NO-6 Page no-20)

As per Rule 36(e) of OPSAP Rules 2002, at the end of each month, the E.O shall verify cash balance in the chest with the balance in the cash book and record a certificate to that effect. But, it is seen that, monthly cash verification has not been conducted during the year under audit i.e 2017-18. Non conduct of Physical verification of cash in hand is a serious financial irregularity which creates favourable condition for misappropriation and mismanagement of public fund.

On issue of objection memo the local authority replied that "henceforth regular physical verification of cash in hand will be conducted"

Hence the Executive officer is advised to conduct physical verification of cash in hand and record the result of physical verification thereof with dated signature and compliance be reported to audit

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

S/no	List Records/Register	Rules	Form No
1	Tax collector's daily collection register	Rule 192	Form K
2	Stock account of Receipt Forms	Rule 196	Form L
3	Tax collector's Ledger	Rule 198	Form M
4	Register of Estimates & Allotments	Rule 332	Form W-I
5	Nominal Muster Roll (NMR)	Rule 340	Form W-II
6	Contract Agreement Form	Rule 341	Form W-III
7	Contract Certificate	Rule 343	Form W-IV
8	Measurement Book	Rule 365	Form W-VIII
9	Register of Works	Rule 345	Form W-VI
10	Stock & Store Register of Municipality	Rule 346	Form W-VII
11	Demand and Collection Register	Rule 178	Form B
12	Stock Register of Stationery	Rule 172	Form No. XLIV
13	Stamp Account	Rule 172	Form No. XLIV
14	Stock account of Tickets used for daily collection of Market fees	Rule 171	Form No. XLIII
15	Register of Grants	Rule 80	Form No. XLII
16	Daily Collection Register	Rule 171	Form No. XL
17	Miscellaneous Receipts	Rule 157	Form No. XXXIV
18	Stock account of License Number Plates	Rule 155	Form No. XXXII
19	Establishment Audit Register	Rule 146	Form No. XXV
20	Annual Account of Receipts and Expenditure	Rule 145	Form No. XXIV
21	Register of Quarterly & Annual account of Expenditure	Rule 144	Form No. XXIII
22	Register of Quarterly & Annual account of Receipt	Rule 144	Form No. XXII
23	Register of Outstanding Advances	Rule 140	Form No. XIX
24	Advance Ledger	Rule 136	Form No. XVIII
25	Register of adjustments	Rule 132	Form No. XVII
26	Abstract Register of Expenditure	Rule 129	Form No. XVI
27	Abstract Register of Receipts	Rule 129	Form No. XV
28	Cash Book of the municipality	Rule 125	Form No. XIV
29	Voucher of Recoupment of Permanent Advance Account	Rule 110	Form No. XIII
30	Permanent Advance Account	Rule 108	Form No. XII
31	Periodical Increment Certificate	Rule 99	Form No. XI
32	Absentee Statement	Rule 97	Form No. X
33	Salary Bills	Rule 97	Form No. IX
34	Register of Bills	Rule 96	Form No. VII
35	Challan	Rule 87	Form No. VI
36	Subsidiary Cash Book	Rule 128 A	Form No. V-A
37	Cashier's Cash Book	Rule 81	Form No. V
38	Schedule for the Budget Estimate	Rule 77	Form No. III
39	Abstract of the Budget Estimate	Rule 74	Form No. I-A
40	Budget Estimate	Rule 74	Form No. I

B : List of Records/Registers not Maintained

S/no	List Records/Register	Rules	Form No
1	Arrear Demand Register	Rule 187	Form H
2	Register of writes off of demands	Rule 190	Form J
3	Progress statement of collection of taxes	Rule 200	Form N
4	Notice of demand for tax u/s-161 of OM Act	Rule 202	Form O
5	Form of inventory & Notice	Rule 203	Form Q
6	Distraint Warrant Register	Rule 202	Form P
7	Register of Distrainted property & sales	Rule 204	Form S

8	Warrant register	Rule 202	Form R
9	Miscellaneous Supply Bill	Rule 343	Form W-V
10	Tax Receipt Form	Rule 188	Form I
11	Mutation Register	Rule 184	Form G
12	Register of Petitions	Rule 183	Form F
13	Form of appeal petition	Rule 183	Form E
14	Tax Ledger (personal A/C of Tax Payers)	Rule 178	Form B(l)
15	Register of Interest Bearing Securities	Rule 147	Form No. XLI
16	Arrear List	Rule 170	Form No. XXXIX
17	Ledger of Lessees	Rule 170	Form No. XXXVIII
18	Register of Rents for which there is fixed demand	Rule 163	Form No. XXXVI
19	Jamabandi Register	Rule 170	Form No. XXXVII
20	Register of Lands	Rule 160	Form No. XXXV
21	License Register for Drivers and Owners of Carriages plying for hire	Rule 156	Form No. XXXIII
22	Application for License for Carriage, Cart, Horses and Other animals	Rule 152	Form No. XXXI
23	License for Carriages, Carts, Horses Other and animals	Rule 154	Form No. XXX
24	Register of the Tax on Carriages, Carts, Horses and Other animals	Rule 151	Form No. XXIX
25	Appropriation Register of Loan Funds	Rule 150	Form No. XXVIII
26	Loan Register	Rule 149	Form No. XXVII
27	Register of Investments	Rule 148	Form No. XXVI
28	Register of outstanding deposits	Rule 143	Form No. XXI
29	Deposit Ledger	Rule 142	Form No. XX
30	Order Book	Rule 96	Form No. VIII
31	Subsidiary account of special taxes	Rule 79	Form No.-IV

C : List of Records/Registers not Produced to Audit

S/no	List Records/Register	Rules	Form No
1	Assessment List	Rule 177	Form A

D : List of Records/Registers not Required

S/no	List Records/Register	Rules	Form No
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Comments

However as per the requisition, the record in full fledged manner was not produced. This can be seen from the above table showing the details of records and registers produced to audit that Audit compliance register was not maintained which was a mandatory requirement of accounts and book keeping. The work register which was not found in the above scroll was maintained, produced and verified. The asset register which kept the account of all the development work year to year, helps in planning, useful during preparation of annual action plan, prevents doubling of certain piece of work and prevent doubling of expenditure was not

maintained which was highly irregular. Now once again the local authority was advised to take immediate steps in this regards and compliance reported to the audit.

Non maintenance of records and registers(POM NO-6 Page no-19)

During course of audit of Gudari NAC for the year 2017-18 it was noticed that the following records and registers have not been maintained by the NAC.

1. Miscellaneous supply bills
2. Register of Distress property & sales
- 3 Distress Warrant Register
4. Form of inventory & Notice

5. Warrant register
 6. Notice of demand for tax u/s-161 of OM Act
 7. Progress statement of collection of taxes
 8. Register of writes off of demands
 9. Mutation Register
 10. Register of Petitions
 11. Form of appeal petition
 12. Tax Ledger (personal A/C of Tax Payers)
 13. Register of Interest Bearing Securities
 14. Jamabandi Register
 15. Register of Rents for which there is fixed demand
 16. Register of Lands
 17. Application for License for Carriage, Cart, Horses and Other animals
 18. License for Carriages, Carts, Horses Other and animals
 19. Register of the Tax on Carriages, Carts, Horses and Other animals
 - 20.. Appropriation Register of Loan Funds
 21. Register of Investments
 22. Establishment Audit Register
 - 23.. Register of outstanding deposits
 24. Deposit Ledgers
 - 25.. Register of adjustments
 - 26.. Subsidiary accounts of special taxes
- On issue of objection memo the executive officer assured to maintain these records and registers during next audit.

PARA: 4 FINANCIAL POSITION

Gudari NAC - 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:)(AUDIT)	Closing Balance as per (DD MM YYYY) Cash Book	Closing Balance(In Rs:)(CASH BOOK)	Difference (In Rs:)	Remarks
1	Accountant cash book	01-04-2017	5290083 4.70	31031002. 00	83931836. 70	37282531. 02	31-03-2018	4664930 5.68	31-03-2018	4664930 5.68	0.00	
	GRAND TOTAL		5290083 4.70	31031002. 00	83931836. 70	37282531. 02		4664930 5.68		4664930 5.68	0.00	

Comments

Details of closing balance as on 31.3.18

SL NO	Particulars	Amount
1	In shape of cash	Rs 0.00
2	Cash at bank	Rs 33260929.06
3	Cash in P/L(Treasury account)	Rs 13388376.62
	Total	Rs 46649305.68

It may be seen from last and previous A/Rs that cash in Hand of Rs. 2000.00 was kept in P.A. Cash Book Separately which is not included in the C.B of Accountant Cash Book. The Bank and P.L. Position is furnished as per main Cash Book. Hence in this case also Cash shown separately as per physical verification. The Cash of Rs. 2000.00 is not included in C.B of Financial Statement basing on Accountant Cash book.

Details of Bank balance as on 31.3.18

S.L No.	Particulars	Closing balance
1	Axis Bank	Rs 5655076.99
2	Axis Bank,DSWO A/C-1986	Rs 1821357.00
3	Axis Bank, Devolution Fund	Rs 4287768.00
4	Axis Bank (SBM)	Rs 3853012.00
5	Indian Overseas Bank,RD	Rs 781518.68
6	Indian overseas Bank,1035(Main)	Rs 5243.00
7	IOB,Odisha Urban Livelood Mission	Rs 0.00
8	SBI (12th FCA)7804	Rs 12893.82
9	SBI (13th FCA)5747	Rs 596458.00
10	SBI 14th FCA	Rs 525929.75
11	SBI BIJU KBK	Rs 1029466.50
12	SBI (BRGF) 8467	Rs 2170086.00
13	SBI(CRF) 8150	Rs 20312.52
14	SBI(CRF II) 8116	Rs 1478.18
15	SBI-DAY NULM	Rs 86195.00
16	SBI(DSWO) 3140	Rs 5178242.04
17	SBI Harischandra Sahayata (0081)	Rs 110653.75
18	SBI (LFS Pen) 9880	Rs 3182.00
19	SBI (MLALAD) 3167	Rs 91816.65

20	SBI (MPLAD) 9061	Rs 411809.00
21	SBI(MVT)	Rs 112352.75
22	SBI (NON-LFS) 3139	Rs 46283.09
23	SBI (OWN A/C)	Rs 1163460.84
24	SBI (Road Development)9030	Rs 4167603.00
25	Sbi (RTI) 8149	Rs 3441.00
26	SBI,SECC-33914266119	Rs 2253.00
27	UGB District Mineral Fund	Rs 312914.50
28	UGB Own Account	Rs 810122.00
	Total	Rs 33260929.06

Non maintenance of cash book in Double entry accrual based accounting system (POM NO-2 Page 22)

It is to be mentioned here that adoption of modern accrual based, double entry system of accounting was first mandatory for ULB level reform set by the Govt. of India. The State Govt. decided to introduce double entry system of accrual based accounting in ULBs across the state during the year 2007. The Odisha Municipal (Accounts) Rules, 2012 was notified in July 2012 requiring all U.L.B. to maintain their Books of Account on accrual basis under the double entry system of book-keeping and data based formats. Govt. in H & UD Department has instructed all the ULBs for implementation of Double Entry Accrual Based Accounting System (DEABAS) as per Odisha Municipal Accounts Rules -2012 in ULBs w. e.f 1.10.2013.

But during the course of audit it is seen that the same has not yet been practically implemented in this U.L.B.

On issue of objection memo the local authority replied that "All the accounts has already been introduced in DEABAS system of accounts in this NAC" However it was noticed that all transactions are maintained in manual cash book. Hence the local authority is advised to follow the audit instruction and maintain the cash book in DEABAS and compliance be reported to audit

Liquid Assets & Liabilities for the year 2016-17(POM NO-6 Page no-22)

From the above it can be seen that the financial condition of the N.A.C is not sound. The taxes and rents should be collected as per the present market rate to enhance the financial condition of this municipality. Also internal source of income should be raised and administrative & other avoidable and extravagant expenditure should be curtailed for betterment of financial condition of this municipality and to reduce the position of liabilities.

On issue of objection memo the local authority replied that "Audit instructions will be followed"

Hence the local authority is advised to enhance the level of tax collection for betterment of NAC and compliance be reported to audit.

Annual budget

The annual budget of the NAC was produced before audit for verification. On scrutiny of the annual budget it was noticed that the budget was prepared and placed in council and was approved by the council on 6.5.17. Further the same was sent to PDDRDA Rayagada for approval and was approved by the PD DRDA vide office letter no-1426/24.5.17. The budget was sent to HUD Deptt for approval and was approved by Govt vide letter no-16438/HUD BBSR on 21.7.17.

The probable receipt of the budget for the year 2017-18=Rs 51431700.00 and probable expenditure of the budget for the year 2017-18 = Rs 52635518.00

Comparison between budget figure and actual receipt expenditure figure

SL O	Head of account	Budgeted amount	Actual amount	Difference	SL NO	Head of account	Budgeted amount	Actual amount	Difference
1	Rates and taxes	5963000.00	745070.00	5217930.00	1	General administration	1790000.00	7426113.00	
2	Licence and other fees	245000.00	217183.00	27817.00	2	Collection establishment	4152788.00		-1483325.00

3	Receipt under special act	55000.00	0.00	55000.00	3	Public safety	1900000.00	1263302.00	636698.00
4	Revenue derived from Municipal properties apart from taxation	1088000.00	2073995.00	-985995.00	4	Public health	3345000.00	296893.00	3048107.00
5	Govt grants	40920000.00	19333700.00	21586300	5	Medical	7000.00	0.00	7000.00
6	Miscellaneous	1675700.00	5593002.00	-3917302.00	6	Public conveyance	122000.00	0.00	122000.00
7	Extraordinary debt	1485000.00	3068052.00	-1583052.00	7	Public works	34017600.00	20868792.00	13148808.00
	Total	51431700.00	31031002.00	20400698.00	8	Public instruction	15000.00	0.00	15000.00
					9	Miscellaneous	6936130.00	4954971.02	1981158.98
					10	Extraordinary debt	350000.00	2472460.00	-2122460.00
						Total	52635518.00	37282531.02	15352986.98

The income & expenditure for the year 2017-18 as per Budget is Rs. 51431700.00 & 52635518.00 respectively and income & expenditure as per actual are Rs 31031002.00 & Rs 37282531.02 respectively. The huge difference in budgeted and actual receipts for 2017-18 is furnished above to gauge how an unrealistic approach is there in preparation of the budget. From above position it may be seen that the budget has not been prepared basing on realistic fact & figure as the difference between Actual and Budet figures is very high. Hence the local authority is advised to prepare annual budget in a realistic manner henceforth comparing actual figures from previous years.

Non maintenance of Sinking fund(POM NO-6 PAGE NO-21)

No sinking fund is operating at NAC level.As per the section 111 of O.M Act 1950 Rule 20(d) of OLFA Rules 1951 local authority is instructed to maintain a sinking fund in order to clear off the liability.

On issue of objection memo the local authority replied that“ Steps will be taken to maintain sinking fund in this NAC“;

Hence the local authority is advised to maintain sinking fund and compliance be reported to audit.

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

Gudari NAC - 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	ACCOUNTANT CASH BOOK	1-28	01-04-2017	48170598.76	31-03-2018	46649305.68	1521293.08	
	GRAND TOTAL			48170598.76		46649305.68	1521293.08	

Reconciliation

The Closing balance between pass books and cash book as on 31.3.18 is given below:-

S.L No.	Name of the Banks	A/C No.	Closing balance as on date	Closing balance of pass book	Closing balance as on date	Closing balance of cash book	Difference	Remarks
1	Axis Bank,	10038706257	31-03-18	6339738.99	31-03-18	5655076.99	684662.00	Deduction
2	Axis Bank, Gunpur NSAP	10014231986	31-03-18	1801757.00	31-03-18	1821357.00	-19600.00	NSAP
3	IOB, OULM	1000024429	31-03-18	4287768.00	31-03-18	4287768.00	0.00	OULM
4	Axis Bank, Gunpur	10032585214	31-03-18	3853012.00	31-03-18	3853012.00	0.00	SBM
5	IOB, Padmapur	1000011816	31-03-18	1629591.98	31-03-18	781518.68	848073.30	RD
6	IOB, Padmapur	2000001035	31-03-18	5243.00	31-03-18	5243.00	0.00	Main
7	PL Account	8448	31-03-18	13388376.62	31-03-18	13388376.62	0.00	PL Account
8	SBI, Gudari	11729477804	31-03-18	12893.82	31-03-18	12893.82	0.00	12th FCA
9	SBI, Gudari	31443065747	31-03-18	596458.00	31-03-18	596458.00	0.00	13th FCA
10	SBI, Gudari	11729478469	31-03-18	2170086.00	31-03-18	2170086.00	0.00	BRGF
11	SBI, Gudari	11729478150	31-03-18	20312.52	31-03-18	20312.52	0.00	CRF-I
12	SBI, Gudari	11729478116	31-03-18	1478.18	31-03-18	1478.18	0.00	CRF-II
13	SBI, Gudari	11729473140	31-03-18	5178242.04	31-03-18	5178242.04	0.00	DSWO
14	SBI, Gudari	35061660281	31-03-18	110653.75	31-03-18	110653.75	0.00	Harish ch. Sahayata
15	SBI, Gudari	30725089880	31-03-18	3182.00	31-03-18	3182.00	0.00	LFS Pension
16	SBI, Gudari	11729473151	31-03-18	91816.65	31-03-18	91816.65	0.00	MLALAD
17	SBI, Gudari	32504899064	31-03-18	411809.00	31-03-18	411809.00	0.00	MPLAD
18	SBI, Gudari	35168795382	31-03-18	112352.75	31-03-18	112352.75	0.00	MVT
19	SBI, Gudari	11729473139	31-03-18	46283.09	31-03-18	46283.09	0.00	NON-LFS
20	SBI, Gudari	11729473128	31-03-18	1170912.34	31-03-18	1163460.84	7451.50	Own Account
21	SBI, Gudari	30470549030	31-03-18	4167603.00	31-03-18	4167603.00	0.00	RD
22	SBI, Gudari	11729478149	31-03-18	3441.00	31-03-18	3441.00	0.00	RTI
23	SBI, Gudari	33914266119	31-03-18	2253.00	31-03-18	2253.00	0.00	SECC

24	SBI, Gudari	35409362414	31-03-18	1029466.50	31-03-18	1029466.50	0.00	Biju KBK
25	SBI, Gudari	35409141008	31-03-18	525929.75	31-03-18	525929.75	0.00	14 th FC
26	UGB, Minaral Fund	84029260495	31-03-18	312914.50	31-03-18	312914.50	0.00	Mineral Fund
27	UGB own account	84029878353	31-03-18	810828.28	31-03-18	810122.00	706.28	Own account
28	SBI, Gudari	35789275616	31-03-18	86195.00	31-03-18	86195.00	0.00	NULM
	GRAND TOTAL			48170598.76		46649305.68	1521293.08	

Bank Reconciliation:-

(1)AXIS BANK GUNUPUR A/C No. – 913010038706257

A	As per cash book as on 31.3.2018	5655076.99
B	Add cheque Issued for debited after 31.3.2017	(+) 90,999.00
		(+) 5,93,663.00
	<u>Cheque No & Date</u> <u>Encased On</u>	
	069428/ 26.03.18 24.04.18	
	069427/19.03.18 03.04.18	
C	As per Pass book as on 31.3.2018	6339738.99

(2)Indian Overseas Bank , SB A/c No – 048301000011816

A	As per cash book as on 31.3.2018	781518.68
B	Add Cheque issued but debited after 31.3.2018	(+) 850073.30
	<u>Cheque No & Date</u> <u>Encased On</u> <u>Amount</u>	(-) 2000.00
	226598/29.03.18 19.04.18 746065.00	
	226599/29.03.18 20.04.18 81850.00	
	Add Cheque Issued But Returned	
	232557/07.06.17 22124.00	
	Add Excess Bank charges taken in cash book 34.30	
	Less Amount Rs.2000.00 wrongly taken as 341853 instead of 343853 Vr No- 369 dated 20.03.17	
C	As per Pass book as on 31.3.2018	1629591.98

(3)UGB Own, SB A/c No – 81029878353

A	As per cash book as on 31.3.2018	810122.00
B	Add Interest amount credited by bank but not taken to Cash book till 31.3.18.	(+) 706.28
C	As per Pass book as on 31.3.2018	810828.28

(4)SBI Own, SB A/c No – 11729473128

A	As per cash book as on 31.3.2018	1163460.84												
B	Add Cheque issued but not debited by bank.	(+) 6495.00												
		(+) 956.50												
	<table border="1"> <thead> <tr> <th>Cheque No & Date</th> <th>Encased On</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>403780/ 12.10.17</td> <td>05.04.17</td> <td>2000.00</td> </tr> <tr> <td>403781/12.10.17</td> <td>05.04.17</td> <td>2000.00</td> </tr> <tr> <td>403785/12.10.17</td> <td>06.04.17</td> <td>2495.00</td> </tr> </tbody> </table>	Cheque No & Date	Encased On	Amount	403780/ 12.10.17	05.04.17	2000.00	403781/12.10.17	05.04.17	2000.00	403785/12.10.17	06.04.17	2495.00	
Cheque No & Date	Encased On	Amount												
403780/ 12.10.17	05.04.17	2000.00												
403781/12.10.17	05.04.17	2000.00												
403785/12.10.17	06.04.17	2495.00												
	Add Interest amount credited by bank but not taken to Cash book till 31.3.18.													
C	As per Pass book as on 31.3.2018	1170912.34												

(5)Axix Bank, NSAP A/c No - 915010014231986

A	As per cash book as on 31.3.2018	1821357.00
B	Deduct the amount shown receipt in cash book vide Vr No.198/22.9.17 but not credited in pass book till 31.3.18	(-) 19600.00
C	As per Pass book as on 31.3.2018	1801757.00

Non-maintenance of Flexi account(POM NO-6 PAGE NO-21)

These days Banks are offering facilities to earn higher returns on Savings Account through Flexi Deposit. It helps to earn high returns of a fixed deposit on surplus money in the Saving Account. The Principal Secretary to Govt. in Finance Department in his Letter NO-35425 (42)/F Dt.12.10.12 instructed on investment of scheme funds in bank account by the implementing agency of centrally sponsored plan schemes above a threshold limit in fixed deposit through flexi account system, which may be immediately adopted. By the Flexi accounting system the entire fund besides a nominal amount like Rs.100000.00/- only will be converted to temporary fixed deposits while remaining in savings banks accounts. On requirements the entire amount can be drawn and utilized as good as like a Savings Bank account, but this process will incur more Bank interests and enrich the receipt of the Block automatically.

During the course of audit, it is observed that funds under centrally sponsored schemes have been kept in S.B account instead of flexi account resulting in loss of revenue by way of less accrual of interest against scheme funds in saving Bank accounts which is a clear cut contravention of above Govt. order.

On issue of objection memo the local authority replied that "Flexi accounts will be opened in major scheme funds after consultation of bank authorities"

Hence the local authority is advised to convert all major savings accounts of the NAC into flexi account so as to enhance the financial wellbeing of the NAC and compliance be reported to audit.

Non adherence to the Principle of one scheme one account

While checking bank pass books wrt cash book it was noticed that in contravention to state govt guidelines in Gudari NAC multiple bank accounts have been maintained for one scheme and in some other cases one account has been maintained for multiple schemes. Maintenance of one scheme multiple account creates difficulties in preparation of bank reconciliation statement obstructs to observe clear fund position of different schemes.

The local authority is advised to follow the principle of one scheme one account so as to ensure transparency in financial accounting system

PARA: 6 STOCK POSITION

Gudari NAC - 2017-2018

S/no	Material/ Item	Opening Balance	Receipt	Issued	Closing Balance As per Audit	As per stock register	Remarks
1	Tractor	2	0	0	2.00	2	SRP-116
2	Water tanker	1	0	0	1.00	1	SRP-126
3	Cesspoll machine	1	0	0	1.00	1	SRP-38
4	Mixture machine	1	0	0	1.00	1	SRP-86
5	Computer	5	0	0	5.00	5	SRP-17
6	Printer	2	0	0	2.00	2	SRP-96
7	Scanner cum Printer	3	0	0	3.00	3	SRP-96
8	Kent water purifier	1	0	0	1.00	1	SRP-156

Comments

Physical verification of stock and store.(POM NO-8 Page no-34)

As per rule 69 of the Odisha Panchayat Samiti Accounting Procedure Rule-2002,the physical verification of stock & store is to be conducted at least once in every six month & result there of needs to be recorded in the stock register. However it is seen from the stock registers that physical verification of stock and store materials has not been conducted since long.

On issue of objection memo the local authority replied that"Physical verification of stock and store will be conducted regularly"

Hence the local authority is advised to conduct physical verification of stock and store at regular interval and compliance be reported to audit

PARA: 7 INVESTMENT

Gudari NAC - 2017-2018

Sno	Opening Balance of Investment as on (DD MM YYYY)	Opening Balance(In Rs:)	Amount Encashed during the Year under Audit(In Rs:)	Total(In Rs:)	Amount Invested during the Year under Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Audit	Closing Balance Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Investment Ledger	Closing Balance Investment Ledger(In Rs:)	Difference(In Rs:)	Remarks
1	01-04-2017	0.00	0.00	0.00	0.00	31-03-2018	0.00	31-03-2018	0.00	0.00	
	GRAND TOTAL	0.00	0.00	0.00	0.00		0.00		0.00	0.00	

DETAILS OF CB ON INVESTMENT & Comments :

No investment has been made in Gudari NAC during the year 2017-18

PARA: 8 ADVANCE

Gudari NAC - 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	1013591.00	4682900.00	5696491.00	4407900.00	31-03-2018	1288591.00	31-03-2018	1288591.00	0.00	
	GRAND TOTAL		1013591.00	4682900.00	5696491.00	4407900.00		1288591.00		1288591.00	0.00	

Comments :

Details of outstanding advance for the year 2017-18 is furnished below:-

SI No.	Name of the Holder	Purpose of Advance	VR. & Date	Amount	Sanctioning Authority
1	L . Bairagi (Contractor)	Development Work	141/24.08.96	7000	
2	L . Bairagi (Contractor)	Development Work	216/18.10.96	3000	
3	L . Bairagi (Contractor)	Development Work	182/07.10.97	15000	
4	L Bairagi (Contractor)	Development Work	262/17.12.97	15000	
5	J. Pattnaik (EX-JE)	Development Work	161/12.09.96	10000	
6	J. Pattnaik (EX-JE)	Development Work	208/16.10.96	10000	
7	J. Pattnaik (EX-JE)	Development Work	222/18.10.96	3000	
8	J. Pattnaik (EX-JE)	Development Work	261/31.12.96	5000	
9	L Manmath (Contractor)	Development Work	176/28.05.96	5000	
10	L Manmath (Contractor)	Development Work	240/21.11.96	5000	
11	P. Mohan Rao (Contractor)	Development Work	219/13.10.96	5000	
12	K.C Senapati	Development Work	203/16.10.96	1000	
13	K.C Senapati	Development Work	262/31.12.96	1000	
14	M.K Panigrahi (Contractor)	Development Work	65/20.05.03	20000	
15	M.K Panigrahi (Contractor)	Development Work	301/12.01.04	15000	
16	P. Ramesh (Contractor)	Development Work	316/07.03.98	3000	
17	P. Ramesh (Contractor)	Development Work	247/22.02.01	15000	
18	Trilochan Patra (EX-JE)	Development Work	53/30.05.00	16300	
19	Principal Science College	Const. of College Libra	217/18.03.00	100000	
20	Principal Science College	Const. of College Libra	116/26.07.01	20000	
21	Principal Science College	Const. of College Libra	94/15.07.02	17712	
22	J. Mallik (Ex-SI)	Repair of Wheel Barrow	48/20.05.00	400	
23	P. K Mishra (Peon)	Repair of Tractor	115/02.08.00	2055	
24	P.L Nayak (Ex EO)Court Matter	Court Matter	201/01.12.00	1000	
25	S.B Panda (Ex-EO)	TA Adv	240/11.02.01	2604	

26	S.B Panda (Ex-EO)	TA Adv	282/24.03.01	5000	
27	S.B Panda (Ex-EO)	Court Matter	05/30.04.01	1000	
28	S.B Panda (Ex-EO)	Court Matter	50/26.06.01	2000	
29	S.B Panda (Ex-EO)	TTA	93/17.07.01	5600	
30	Dayanidhy Gouda (LM)	T.A Adv	251/09.03.01	1000	
31	Dayanidhy Gouda (LM)	T.A Adv	259/24.10.03	458	
32	Dayanidhy Gouda (LM)	T.A Adv	343/19.12.07	3000	
33	Ch Mohan Rao (Contractor)	Const of Statue	162/30.10.01	5000	
34	S.C Panigrahi (Advocate)	Court Matter	143/04.09.10	2000	
35	Chaitany Pattnaik, Ex SA	NCPL Dress	03/12.04.05	10000	
36	Dillip Kumar Sethy (Ex- Chair P)	TA Adv	277/01.11.03	2000	
37	Dillip Kumar Sethy (Ex- Chair P)	TA Adv	342/19.12.03	1500	
38	Dillip Kumar Sethy (Ex- Chair P)	TA Adv	215/06.01.04	1500	
39	Rajeswar Padhi (Ex-EO)	TA Adv	121/23.07.04	1000	
40	Rajeswar Padhi (Ex-EO)	TA Adv	135/05.08.04	1000	
41	Jagdish Ch. Panda (Ex Eo)	Pay Adv	158/13.08.04	15000	
42	Jagdish Ch. Panda (Ex Eo)	Pay Adv	191/10.09.04	12900	
43	Bansidhar Sethy (Ex-JE)	Purchase of GCI Sheet	347/24.02.07	80000	
44	B.C. Nanda (OTC)	TA Adv	345/02.03.07	1000	
			TOTAL	449029	
	2016-17				
45	Executive Engineer , PHD, Rayagada	Const. of Stand Post	219/28.10.16	180000	Gayatri Devi Sahu,E.O
46	Executive Engineer , SOUTH CO, Rayagada	Extension of poll	228/8.11.16	319562	Gayatri Devi Sahu,E.O
	2017-18		TOTAL	499562	
47	Sanjaya Kumar Samal,J.E	Installation of Gandhi Statue	108/4.8.17	100000	Gayatri Devi Sahu,E.O
		Installation of Gandhi Statue	144/7.9.17	85000	Gayatri Devi Sahu,E.O
		Earth cutng and levelling the bed	315/16.3.18	60000	Gayatri Devi Sahu,E.O
48	Niranjan Sahu,Cashier	To meet Misc expenditure	203/25.10.17	20000	Gayatri Devi Sahu,E.O
49	Bidyadhar Nayak,Electrician	Electrification of NAC town hall	284/9.2.18	15000	Gayatri Devi Sahu,E.O
50	Girish Ch.Mishra,J.E	Clearing of Drain	305/12.3.18	30000	Gayatri Devi Sahu,E.O
		Clearing of Drain	306/12.3.18	30000	Gayatri Devi Sahu,E.O
			TOTAL	340000	
			GRANT TOTAL	1288591.00	

Year-wise break up advance is furnished below.

SL No.	Year	Amount

1	1996-97	55000
2	97-98	33000
3	98-99	0
4	99-2000	100000
5	2000-01	43359
6	2001-02	33600
7	2002-03	17712
8	2003-04	38958
9	2004-05	31400
10	2005-06	10000
11	2006-07	81000
12	2007-08	3000
13	2008-09 & 2009-10	0
14	2010-11	2000
15	2011-12	0
16	2012-13	0
17	2013-14	0
18	2014-15	0
19	2015-16	0
20	2016-17	499562
21	2017-18	340000
	Total	1288591

Advance paid during the year 2017-18 is furnished below.

S.L No.	Name and Designation and of Advance Holder	Ref: to Voucher No and Date/Year of Advance	Amount	Purpose	Sanctioning Authority
1	Girish Ch.Mishra,J.E	5/20.4.17	10000	Preservation of Water at River Bank	Gayatri Devi Sahu,E.O
		93/19.7.17	35000	Repair & maintenance of Kalyan mandap	Gayatri Devi Sahu,E.O
		94/20.7.17	30000	Clearing of Drain	Gayatri Devi Sahu,E.O
		136/4.9.17	30000	Clearing of Drain	Gayatri Devi Sahu,E.O
		305/12.3.18	30000	Clearing of Drain	Gayatri Devi Sahu,E.O
		306/12.3.18	30000	Clearing of Drain	Gayatri Devi Sahu,E.O
2	Subashis Swain,MIS	62/21.6.17	20000	Purchase of Digital Camera	Gayatri Devi Sahu,E.O
3	Sanjaya Kumar Samal,JE	108/4.8.17	100000	Installation of Gandhi Statue	Gayatri Devi Sahu,E.O
		144/7.9.17	85000	Installation of Gandhi Statue	Gayatri Devi Sahu,E.O
		315/16.3.18	60000	For earth cutting &levelling the bed	Gayatri Devi Sahu,E.O
6	Niranjan Sahu,Cashier	131/24.8.17	20000	Arrangement of Self Govt	Gayatri Devi Sahu,E.O
		230/25.10.17	20000	To meet Misc expenditure	Gayatri Devi Sahu,E.O

9	Shakti Shankar Sahu	274/11.1.18	45000	New trolley of Tractor	Gayatri Devi Sahu,E.O
10	Bidyadhar Nayak,Electrician	284/9.2.18	15000	Electrification of NAC town hall	Gayatri Devi Sahu,E.O
11	Anil Kumar Satpathy	3/14.4.17	326300	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		23/9.5.17	333800	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		56/9.6.17	335900	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		68/28.6.17	53100	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		90/14.7.17	333400	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		117/17.8.17	338400	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		146/12.9.17	346400	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		178/10.10.17	338200	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		200/25.10.17	339900	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		237/13.12.17	339900	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		269/10.1.18	341100	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		280/2.2.18	34200	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		285/9.2.18	344200	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		309/14.3.18	348100	OAP DSTRIBUTION	Gayatri Devi Sahu,E.O
		TOTAL	4682900.00		

Advance adjusted during the year 2017-18 is furnished below.

Sl.No	Name & Designation of the advance holder	Reference to the Voucher No. & Date/Year of payment of advance	Reference to the Voucher No. & Date of adjustment of advance	Amount of advance adjusted
1	Girish Ch.Mishra,J.E	5/20.4.17	8/26.4.17	10000
2	Girish Ch.Mishra,J.E	93/19.7.17	121/22.8.17	35000
3	Girish Ch.Mishra,J.E	94/20.7.17	122/22.8.17	30000
4	Girish Ch.Mishra,J.E	136/4.9.17	196/24.10.17	30000
5	Subashis Swain,MIS	62/21.6.17	253/21.12.17	20000
6	Niranjan Sahu,Cashier	131/24.8.17	264/4.1.18	20000
7	Shakti Shankar Sahu	274/11.1.18	308/23.2.18	45000
8	Sanjay Kumar Samal,J.E	327/31.01.17	R/81/11.1.18	40000
9	Sanjay Kumar Samal,J.E	390/30.03.17	R/81/11.1.18	25000
10	Anil Kumar Satpathy	3/14.4.17	19/31.5.17	326300
11	Anil Kumar Satpathy	23/9.5.17	35/24.7.17	333800
12	Anil Kumar Satpathy	56/9.6.17	35/24.7.17	335900
13	Anil Kumar Satpathy	68/28.6.17	J/1/12.3.18	53100
14	Anil Kumar Satpathy	90/14.7.17	35/24.7.17	333400
15	Anil Kumar Satpathy	117/17.8.17	45/19.8.17	338400
16	Anil Kumar Satpathy	146/12.9.17	56/23.9.17	346400
17	Anil Kumar Satpathy	178/10.10.17	62/24.10.17	338200
18	Anil Kumar Satpathy	200/25.10.17	65/22.11.17	339900
19	Anil Kumar Satpathy	237/13.12.17	73/23.12.17	339900

20	Anil Kumar Satpathy	269/10.1.18	94/23.2.18	341100
21	Anil Kumar Satpathy	280/2.2.18	J/1/12.3.18	34200
22	Anil Kumar Satpathy	285/9.2.18	106/19.3.18	344200
23	Anil Kumar Satpathy	309/14.3.18	41/28.3.18	348100
			TOTAL	4407900

Non adjustment of outstanding advance:-(POM No-^{105/4.4.19} Page No.18

While checking advance position of Gudari NAC it was noticed that a sum of Rs. **1288591.00** has remained unadjusted as outstanding advance as on 31.3.2018. Unadjustment of outstanding advance is a serious financial irregularity which should be discouraged at any level of financial management. On issue of objection memo the local authority replied that the concerned advance holders will be intimated to adjust the advance. Hence the reply of the local authority is not satisfactory hence the local authority is advised to adjust such outstanding advance as early as possible and compliance be reported to audit.

UNCLASSIFIED ADVANCE:-

There is no unclassified advance of this NAC as noticed from the outstanding advance statement as furnished above.

Unsecured Advance:-POM No.^{105/4.4.19} Page No.17

As per G.O.No.2221/F., dated 08.03.2002 of Finance Department followed with Lr.No.15179/dated 28.09.2013 of Director of Local Fund Audit, the outstanding advance remaining unadjusted for more than one year is treated as unsecured advance and liable for surcharge action. As such the concerned sanctioning authority & advance holder are equally responsible for that unsecured advance. It is revealed from the year wise break-up of outstanding advance position in respect of Gudari NAC that, a total sum of Rs. 499562.00 has been paid during 2016-17 but has not been adjusted as on 31.3.18. That means the amount of advance has remained unadjusted for more than one year. Hence the said amount is surcharge able from the advance holder and sanctioning authority on equal share. The details of which are given below.

S.L No.	Name of the Delinquent	Amount	Purpose
1	Gayatri devi Sahu,E.O	249781	
2	Executive Engineer , PHD, Rayagada	90000	Const. of Stand Post
3	Executive Engineer , SOUTH CO, Rayagada	159781	Extension of poll
	TOTAL	499562.00	

On issue of objection memo the local authority replied that the concerned advance holders will be intimated to adjust the advance.Hence the reply of the local authority is not satisfactory hence the local authority is advised to adjust such outstanding advance as early as possible and compliance be reported to audit.

Improper maintenance advance ledger.

During the course of audit of Gudari NAC for the year 2017-18, it is seen that, advance ledger and outstanding advance ledger were produced but not properly maintained before audit for checking.However, the E.O Gudari NAC is requested to maintain the advance ledger & outstanding advance ledger properly to work out details of outstanding advance relating to the previous years .

Person(s) Responsible for this paragraph

Sln0	Name	Designation	Adress	Amount(In Rs.)
1	Executive Engineer,P.H.D Rayagada	Executive Engineer	Now Executive Engineer,P.H.D Rayagada	90000
2	Gayatri devi Sahu,E.O	E.O	Now E.O at Gudari NAC At-Po-Gudari Dist-Rayagda	249781
3	Executive Engineer,South Co,Rayagada	Executive Engineer	Now Executive Engineer,South Co,Rayagada	159781

PARA: 9 GRANTS

Gudari NAC - 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	43773772.00	19333700.00	63107472.00	26486654.00	31-03-2018	36620818.00	
	GRAND TOTAL	43773772.00	19333700.00	63107472.00	26486654.00		36620818.00	

Comments :
Grants statement of Gudari NAC for the year 2017-18

Sl No	Head of Account	GO No. & Date	OB as On 01.04.16	Received during the Year 2016-17	Total	Expenditure During the Year 2016-17	C.B As on 31.03.17
1	Assignment out of Entry Tax	30392/HUD Dt 23.12.17	0.00	1415000.00	1415000.00		
		5207/HUD DT23.2.18		1414000.00	1414000.00		
				2842000.00	2842000.00		
		Sub total		5671000.00	5671000.00	4230971.00	1440029.00
2	Pension Arrear and basic services	5626/HUD Dt26.2.18		1256000.00			
		20550/HUD Dt-7.9.17		1332000.00			
		Sub total	2309000.00	2588000.00	4897000.00	1458691.00	3438309.00
3	Road Maint. HC		69905.00	0.00	69905.00	0.00	69905.00
4	Devolution of Fund	3441/HUD Dt-5.2.18		949000.00			
		18509/HUD Dt 16.8.17		948000.00			
		Sub total	4768183.00	1897000.00	6665183.00	1027287.00	5637896.00
5	Creation of Capital Asset	20272/HUD Dt-4.9.17		475000.00			
				474000.00			
		Sub total	960000.00	949000.00	1909000.00	950745.00	958255.00
6	Maintenance of capital asset	5582/HUD-Dt-26.2.18		227000.00			
		19688/HUD-29.8.17		226000.00			
		Sub total	458000.00	453000.00	911000.00	457000.00	454000.00

7	Honorarium & Sitting Fees	17428/HUD DT-1.8.17	16495.00	43050.00	59545.00	27000.00	32545.00
8	Motor Vehicle Tax	3422/HUD DT-5.2.18		279000.00			
				279000.00			
		Sub total	796444.00	558000.00	1354444.00	901118.00	453326.00
9	Road Development		3591892.00	0.00	3591892.00	1431788.00	2160104.00
10	Maint. of Road & Bridges	3493/HUD DT-6.2.18	1781937.00	794000.00	2575937.00	1080281.00	1495656.00
11	Maint. of NRB	3498/HUD-DT-6.2.18	1135568.00	316000.00	1451568.00	145437.00	1306131.00
12	Const. of CC Road		27880.00	0.00	27880.00	0.00	27880.00
13	12 th FC Grant		1688644.00	0.00	1688644.00	1254521.00	434123.00
14	14 th FCA	30499/HUD DT-26.12.17		1482000.00			
		18479/HUD DT-16.8.17		1498000.00			
		Sub total	4616000.00	2980000.00	7596000.00	4249203.00	3346797.00
15	Construction of Public Toilet		1526475.00	0.00	1526475.00	809233.00	717242.00
16	Const of Common work shop		65403.00	0.00	65403.00	0.00	65403.00
17	MLA LAD		690371.00	0.00	690371.00	500000.00	190371.00
18	MP LAD		194307.00	0.00	194307.00	0.00	194307.00
19	DMF		300000.00	0.00	300000.00	255425.00	44575.00
20	BRGF		2933308.00	0.00	2933308.00	280546.00	2652762.00
21	SJSRY		682926.00	0.00	682926.00	0.00	682926.00
22	BKKBK		6777459.00	0.00	6777459.00	5094480.00	1682979.00
23	13 th FC Grant		1190190.00	0.00	1190190.00	561126.00	629064.00
24	Pension Grant		1112227.00	0.00	1112227.00	0.00	1112227.00
25	Performance Base Incentive		536138.00	0.00	536138.00	0.00	536138.00
26	Special Problem Fund		418506.00	0.00	418506.00	0.00	418506.00
27	Festival Grant		0.00	0.00	0.00	0.00	0.00
28	Kalyanmandap		1672518.00	0.00	1672518.00	0.00	1672518.00
29	AWC Building		501614.00	0.00	501614.00	0.00	501614.00
30	Manual Scavenger		6000.00	0.00	6000.00	0.00	6000.00
31	Solid waste Management		163969.00	0.00	163969.00	0.00	163969.00
32	Protection of Govt Land		148623.00	0.00	148623.00	0.00	148623.00

33	Protection & Conservation of water Bodies		1043452.00	0.00	1043452.00	1001929.00	41523.00
34	Swaachha Bharat Mission		1318455.00	3084650.00	4403105.00	690673.00	3712432.00
35	Odisha Urban lively hood Mission		271883.00	0.00	271883.00	79200.00	192683.00
	Total		43773772.00	19333700.00	63107472.00	26486654.00	36620818.00

Year wise break up of grants

SL NO	YEAR	AMOUNT
1	Up to 2014-15	Rs 10815097.00
2	2014-15	Rs 1030758.00
3	2015-16	Rs 2035388.00
4	2016-17	Rs 11735755.00
5	2017-18	Rs 11003820.00
	Total	Rs 36620818.00

Utilisation of unspent grants (POM NO-8 PAGE NO-34)

As per provision in the Guidelines & OGFR Vol-I Appendix-10 the Grant should be spent within the stipulated period i.e. the end of the financial year. But during course of audit of Gudari NAC for the year 2017-18 it is noticed that a sum of Rs 36620818.00 has remained as unspent grants as on 31.3.18. The said amount includes the unspent grants for 2017-18 as well as the unrefunded grants of different schemes since inception. The percentage of utilisation of grants is also not encouraging. It is only 41.97 %. The spending efficiency of grants is very low and in turn it hampers developmental activities of the NAC.

On issue of objection memo the local authority replied that "the unspent grants will be utilised during 2018-19"

The reply of the local authority is not satisfactory as non utilisation of govt grants shows the inactivity of the local authority and hampers the development of poor people for whom the govt grants is meant. Hence the local authority is advised to utilise the grants in stipulated period and compliance be reported to audit. Till then a sum of Rs 36620818.00 is held under objection.

Low spending efficiency (POM NO-8 PAGE NO-34)

While checking the grants position of Gudari NAC for the year it was noticed that an amount of Rs 43773772.00 was available grants at the beginning of the year and Rs 19333700.00 was received as grants during the year under audit. In this process a sum of Rs 63107472.00 was available to be utilised as grants during the year but out of the available grants only a sum of Rs 26486654.00 was utilised during the year which comes to 41.97% of total available grants. The low percentage of utilisation of grant shows low efficiency of local authority towards utilisation of grants. As a result the development process of the NAC has been paralysed.

On issue of objection memo the local authority replied that "Steps will be taken to enhance the spending efficiency"

Hence the local authority is advised to increase the spending efficiency and compliance be reported to audit

PARA: 10 UTILISATION CERTIFICATE

Gudari NAC - 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	57122247.00	26486654.00	83608901.00	8521774.00	31-03-2018	75087127.00	
	GRAND TOTAL	57122247.00	26486654.00	83608901.00	8521774.00		75087127.00	

Comments :

Details of UC submitted during the year 2017-18

Sl No	Letter no/Date	Amount of UC	Scheme	Year of grants
1	1125/28.11.17	794000.00	Maint. of Urban Roads	2015-16
2	1126/28.11.17	981000.00	14th FC	2015-16
3	1124/28.11.17	1217000.00	Preservation of Water Bodies	2014-15
4	1127/28.11.17	232000.00	M.V Tax	2015-16
5	1128/28.11.17	42000.00	Road Development	2015-16
6	1128/28.11.17	158000.00	Road Development	2015-16
7	1128/28.11.17	57000.00	Road Development	2015-16
8	1128/28.11.17	60000.00	Road Development	2015-16
9	1128/28.11.17	165000.00	Road Development	2015-16
10	1128/28.11.17	44000.00	Road Development	2015-16
11	1278/30.12.17	1267858.00	Construction of Public Toilet	2014-15
12	1280/30.12.17	19200.00	DAY- NULM	2017-18
13	1280/30.12.17	60000.00	DAY- NULM	2017-18
14	1276/30.12.17	362000.00	Maint. Road & Bridges	2014-15
15	1277/30.12.17	941716.00	14th FC	2015-16
16	1277/30.12.17	1345000.00	14th FC	2016-17
17	1275/30.12.17	321000.00	Road Development	2016-17
18	1275/30.12.17	116000.00	Road Development	2016-17
19	1275/30.12.17	87000.00	Road Development	2016-17
20	1275/30.12.17	252000.00	Road Development	2016-17
	TOTAL	8521774.00		

Year wise break up of Pending UCs

SL NO	YEAR	AMOUNT
-------	------	--------

1	2012-13	5400401.00
2	2013-14	4443599.00
3	2014-15	15402503.00
4	2015-16	13033830.00
5	2016-17	10399340.00
6	2017-18	26407454.00
	Total	75087127.00

Non submission of pending UC(POM NO- 8 PAGE NO-35)

On checking of expenditure of grants and submission of U.C for 2017-18 it was found that a huge sum of UC to the tune of Rs 75087127.00 has remained un submitted as on 31.03.18. One of the facets of the sound financial management and reporting is prompt utilization of grants and quick submission of utilization certificate .As per rule 173 of the OGFR Vol-1 and rule 59 of OPSAP rules 2002, UC to be submitted to proper quarter by 30th june of the succeeding year of the expenditure of grants, Non-submission of U.C means non utilization of grants which ultimately means the development of rural poor has not been paid proper attention. Hence non-submission of U.C is a highly irregular practice. Further the amount of pending UC shows an alarming position and apathy of local authority towards the issue.

On issue of objection memo the local authority replied that"Pending UCs will be submitted during 2018-19"

Hence the local authority is advised to submit the pending UCs and compliance be reported to audit.

PARA: 11 MISAPPROPRIATION & DEFALCATION

11.1 - Non/Less deposit Memo No.04/4.4.19 Page No.16

On checking of duplicate copies of receipt books with reference to concerned D.C.Rs. , it is seen that a total sum Rs.1516.00 as calculated below has not been accounted for into the concerned D.C.Rs resulted in loss of NAC fund to the tune of Rs.1516.00which needs immediate recovery from the tax collector.

S.L No	H.Tax book No.	Receipt No & Date	Amount collected	Amount taken to D.C.R.	Amount not taken to DCR	Name of tax collector
1	34	40/2.5.18	40	20	20	Gitanjali Behera
2	36	46/15.5.18	1308	NIL	1308.00	Gitanjali Behera
3	37	63/17.6.18	564.00	376.00	188.00	Gitanjali Behera
				TOTAL	1516.00	

On issue of objection Memo the local authority replied that Rs.1516.00 has been recovered From Gitanjali Behera,T.C Vide M.R No.7698 Dt.4.4.19 hence this para stands dropped

PARA: 12 LOSS OF STOCK & STORE

12.1 - Loss of stock and store
No loss of stocks is found during the course of audit.

PARA: 13 AUDIT OF RECEIPTS

13.1 - DCB position										
	Demand			Collection				Balance		
	Arrear	Current	Total	Arrear	Current	Total	Rebate	Arrear	Current	Total
Holding tax	177615	306286.00	483901	15885	132601	148486	9546	161730	164139	325869
Light tax	212849	311405.00	524254	11901	134432	146333	9546	200948	167427	368375
Water tax	57318	304485.00	361803	5944	152898	158842	0	51374	151587	202961
Drainage tax	13545	303241.00	316786	4296	153398	157694	0	9249	149843	159092
Total	461327	1225417.00	1686744	38026	573329	611355	19092	423301	632996	1056297

The above DCB Position of Gudari NAC has been prepared basing on the available records and registers produced to audit. It would be seen from the above DCB position that a sum of Rs 1056297.00 was outstanding as on 31.3.18. The present council is advised to take necessary steps towards timely collection of outstanding taxes to increase the income of the NAC..

13.2 - Poor collection of Taxes POM NO-8 PAGE NO-37

Tax is the financial backbone of ULB which should be given due importance. Holding as well as other taxes should be collected with due strategy. While checking DCB position of Gudari NAC for the year 2017-18 it was noticed that the percentage of collection of taxes is not so encouraging. Out of total demand of Rs 1686744.00 only Rs 611355.00 has been collected by the municipal authorities . The percentage of collection in total is only 36.24% . However category wise the percentage of collection of is 30.67%, 27.91%, 43.90%, and 49.77% for holding tax , light tax, water tax , and drainage tax respectively. The details of head wise demand , collection, and percentage of collection of taxes is furnished as follows.

SL NO	Type of taxes	Demand	Collection	Percentage of collection
1	Holding tax	483901.00	148486.00	30.68%
2	Light tax	524254.00	146333.00	27.91%
3	Water tax	361803.00	158842.00	43.90%
4	Drinage tax	316786.00	157694.00	49.77%
	Total	1686744.00	611355.00	

It is noticed from the above table that the percentage of collection of Holding tax, Light tax, water tax and drainage tax is not quite encouraging which needs immediate attention of local authority. The reason of poor collection of tax was asked through objection memo in reply to which the local authority replied that "steps will be taken to enhance percentage of tax collection"

Hence the local authority is advised to increase the percentage of collection of tax and compliance be reported to audit..

13.3 - Revision of taxPOM NO-8 PAGE NO-37
<p>As per section 146 of Odisha Municipal Act, 1950, new valuation and assessment list should be prepared once in every five years. It is learnt from the assessment register that, the last assessment has been done on dt.22.01.2003 and no further revision has been conducted till today.</p> <p>Further as per section 143-A of O.M.A 1950, the E.O of the U.L.B concerned shall, until the appointment of a valuation officer there of , exercise the powers and performs the duties of the valuation officer in respect of that U.L.B. But, it is seen that, during 2017-18 no such revision of assessment of taxes has been made and because of which, the Gudari NAC is sustaining losses</p> <p>On issue of objection memo the local authority replied that" The reveision of tax has already been effected during 2017-18. The revision file will be produced to audit next year"</p> <p>Hence steps may be taken by the local authority for increased collection of tax.</p>
13.4 - Time barred dues
<p>It is noticed during the course of audit that no DCB register is maintained by the local authority. Further no year wise break up of pending tax to be collected is available in previous audit reports. Hence present audit failed to calculate the outstanding taxes for last five years. Hence time barred dues could not be worked out. However the executive officer is advised to maintain the DCB register in proper format in future.</p>

PARA: 14 AUDIT OF EXPENDITURE

14.1 - Inadmissible payment towards purchase of Plastic dustbinsPOM NO-8 PAGE NO-36
<p>While checking paid vouchers wrt accountant cash book and other relevant records it was noticed that an amount of Rs 59815.00 has been paid to Sarada tradings, Rayagada towards purchase of 30 nos of plastic dustbins vide voucher no-66/17-18 and drawn vide bill no-165/30.5.17. Since the amount exceeds Rs 15000.00 quotation must be called from suppliers. In the said voucher quotation documents are not available. Further the stock register of purchased materials was asked to be produced before audit for verification. Utilisation and quality check certificate of purchased materials duly attested by the executive officer of the NAC was asked to be produced before audit for verification</p> <p>But the local authority failed to produce all these records. Since the matter is a clear cut violation of OGFR Rules, the expenditure is not admissible to audit. Hence till production of all the required records the amount of Rs 59815.00 is held under objection.</p> <p>AS PER REPLY OF LOCAL AUTHORITY ALL THE QUOTATION PAPERS ARE PRODUCED BEFORE AUDIT.FURTHER MORE THE PURCHASES MADE BY THE LOCAL AUTHORITY DOES NOT VIOLATE TO G.O NO.4939/FD/13.2.2012 HENCE THE PARA IS DROPPED.</p>
14.2 - Purchase of office contingency
<p>Nominal expenditure was incurred in contingency head which were found to be genuine. The EO has adopted austerity measures in all the purchase and further it is observed that the EO has spent very less fund in purchase.Every payment was supported by vouchers as per</p> <p>Rule-66 of receipt and payment rules 1983</p>

PARA: 15 AUDIT ON WORKS

15.1 - Information on nos of work case records

SL NO	SCHEME	No of work case records	Nos of work case records produced	Nos of work case records verified	Money value
1	13th FCA	4	4	4	1459570
2	14th FCA	12	12	12	3407958
3	B.K.B.K	9	9	9	4723037
4	BRGF	2	2	2	477810
5	CWIP	8	8	8	3201148
6	Devolution fund	2	2	2	161436
7	MLALAD	1	1	1	60629
8	MVTAX	11	11	11	647430
9	Public toilet	1	1	1	154159
10	Road development	18	18	18	3396499
	Total	68	68	68	17689676

15.2 - Excess payment due to fictitious measurement in centring and shutteringPOM NO-7 Page no-25 to 26

1.Voucher no-129/P/23.8.178 Amount- Rs 145138.00

2.Name of the work-Construction of road and drain near Abhi Bidika house, Santinagar

3.C/R no-19/16-17

4.Estimated cost-Rs 170000.00

5.M.B.No-2/17-18 Page no-6 to 9

6.Name of the executants-Sri Manoj Kumar Panigrahi

7.Name of the J.E- Sri Sanjaya Kumar Samal

8.Name of the M.E- Sri Biswanath Saraka

On scrutiny of the above work case record wrt connected M.B and other relevant records it was noticed that, the measurement for drain bed has been recorded in the M.B as follows

Item no -1 E/W excavation-38.40m x 0.75 m x0.65 m

Item no-2 S/F 38.40 m x 0.75 m x 0.10 m

Item no-3 C.C(1:4:8) 38.40m x 0.75m x 0.10m

After execution of C.C ((1:4:8) drain wall has been executed in both sides of drain bed with breadth 0.15 m and thickness 0.45m and a gap for drain bed between two drain wall 0.45m (0.75m -2x0.15m). Hence the measurement itself proves that there is no gap between earthen wall of the trench and drain wall for centring and shuttering work to be executed . Further the net height of drain wall =(-0.65m (E/W) + 0.10m(S/F) + 0.10m(C.C(1:4:8))+ 0.45m (CC (1:2:4)= 0.00m. Hence the drain wall is still below the G/L . Hence centring and shuttering work for outer side of the drain wall is not allowed . Only inner side of the drain wall allowed for centring and shuttering .

Hence total centring and shuttering work allowed comes to $2 \times 38.40m \times 0.45m = 34.56 m^2$ but measurement for centring and shuttering for for drain wall has been taken as $69.12 m^2$ allowing $34.56m^2$ excess centring and shuttering wall, the cost of which @ $90.11/m^2 = Rs 3114.00$ needs recovery.

Further the net height of wall above G/L comes to as follows

(-) $0.30E/W + 0.10S/F + 0.40(CC (1:4:8)) = 0.20m$.

Since E/W, S/F, and CC(1:4:8) has been executed with equal breadth , centring and shuttering work inside the G/L is not allowed .Only that part part of the wall remaining above the G/L is allowed for centring and shuttering work.

Hence total centring and shuttering wall allowed for wall = $2 \times 32.00m \times 0.20 = 12.80m^2$ but centring and shuttering work allowed in the work bill = $25.60m^2$ allowing $12.80m^2$ excess of centring and shuttering work the cost of which @ $Rs 90.11/ m^2 = Rs 1153.00$ needs recovery. Hence a total sum of $Rs 4267.00$ ($Rs 3114.00 + Rs 1153.00$) has been paid to the executant which nrrds recovery.

An audit objection memo was issued suggesting recovery of $Rs 4267.00$ from concerned J.E and M.E on equal share in reply to which the local authority replied that "the amount will be recovered from the security deposit amount from the concerned contractor"

Since the local authority has admitted the objection ,it stands and the entire amount is suggested for recovery from concerned J.E and M.E on equal share $Rs 2134.00$ from Sri Biswanatha Saraka M.E and $Rs 2133.00$ from Sri Sanjay Kumar Samal J.E

Person(s) Responsible for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Biswanath Saraka	ME	Now AT-Gunupur Municipality PO- Gunupur Dist-Rayagada	2134
2	Sri Sanjaya Kumar Samal	JE	At-Gudari NAC Po-Gudari Dist-Rayagada	2133

15.3 - Loss due to futile execution of workPOM NO-7Page no-27 to 28

1.Voucher no-128//P/ 23.8.17 Amount- Rs 332466.00

2.Name of the work-Construction of road from bank sahi end towards old bus stand of Gudari NAC

3.Agreement no-12/16-17/16.3.17

4.Estimated cost-Rs 460000.00

5.M.B.No-2/17-18 Page no-11 to 14

6.Name of the executants-Sri Bishnu Prasad Deo

7.Name of the J.E- Sri Sanjaya Kumar Samal

8.Name of the M.E- Sri Biswanath Saraka

On scrutiny of the above work case record wrt connected M.B and other relevant records it was noticed that,

Vide item no-1 E/W excavation has been executed for wall with measurement

38.00m x0.30m x 0.40m and sand filling and CC (1:2:4) has been executed with same measurement as item no-1 vide item no-2 and 4 respectively. Further vide item no-4 (CC (1:2:4) a separate measurement 1 xx15.00m x 0.15m x 0.15m has been taken which does not match with measurement taken in E/W,S/F,and CC(1:4:8) . Hence it is concluded that the CC (1:2:4) has been executed without execution of E/W, S/F, and CC(1:4:8) and no information has been provided in the case record about the condition of work site. Without E/W, S/F,and CC(1:4:8) execution of CC (1:2:4) is meaningless and will not sustain for long for public purpose. Hence from audit point of view it is treated as a futile expenditure. Hence expenditure made towards this part of work is not admissible to audit which is calculated as follows

1.CC(1:2:4)=1 X 15.00m x 0.15m x0.15m =0.33m³ @5825.08/ m³=Rs 1922.00 needs recovery.

2.Centring and shuttering=2 x 15.00m x 0.15m =4.50m² @ Rs 90.11/m² =Rs 405.00 needs recovery. Hence in total a sum of Rs 2327.00(Rs 1922.00 +Rs 405.00) needs recovery.

An audit objection memo was issued suggesting recovery of Rs 2327.00 from concerned J.E and M.E on equal share in reply to which the local authority replied that "the amount will be recovered from the security deposit amount from the concerned contractor"

Since the local authority has admitted the objection ,it stands and the entire amount is suggested for recovery from concerned J.E and M.E on equal share Rs 1164.00 from Sri Biswanatha Saraka M.E and Rs 1163.00 from Sri Sanjay Kumar Samal J.E

Person(s) Responsible for this paragraph

Sino	Name	Designation	Adress	Amount(In Rs:)
1	Sri Biswanath Saraka	ME	Now AT-Gunupur Municipality PO- Gunupur Dist-Rayagada	1164
2	Sri Sanjaya Kumar Samal	JE	At-Gudari NAC Po-Gudari Dist-Rayagada	1163

15.4 - Excess payment towards excess execution of road breadth POM NO-7 Page no-28 and 29

1.Voucher no-125/P/23.8.17 Amount- Rs 341302.00

2.Name of the work-Construction of CC road and culvert from NAC office towards Hanuman temple

.3.Agreement no-15/16-17/18.3.17

4.Estimated cost-Rs 400000.00

5.M.B.No-2/17-18 Page no-28 to 31

6.Name of the executants-Sri Balaram Panigrahi

7.Name of the J.E- Sri Sanjaya Kumar Samal

8.Name of the M.E- Sri Biswanath Saraka

On scrutiny of the above work case record wrt connected M.B and other relevant records it was noticed that, Vide item no-1 E/W excavation in hard soil the measurement has been taken as 1 x35.00m x 4.20 mx 0.30m

Vide item no-2 S/F The area of road has been taken for sand filling is 152.62m² with height 0.30m. Similarly vide item no-3 area of road has been taken for PCC 9 1:4:8) is 152.62 m² with height 0.125m and CC(1:2:4) has been executed for road area 152.62 with height 0.10m

From above measurement it is observed that E/W has been executed for road area $35.00m \times 4.20m = 147.00m^2$. Hence for other items of work maximum area for road allowed is $147.00m^2$ But for S/F, CC (1:4:8), CC (1:2:4), the area of road has been taken as $152.62m^2$. Hence for S/F, CC(1:4:8) and CC(1:2:4) excess area has been taken $152.62m^2 - 147.00m^2 = 5.62m^2$ which is not admissible to audit and expenditure made towards this excess area is treated as excess payment which is calculated as follows.

1.S/F- $5.62m^2 \times 0.30m = 1.68m^3$ @ $289.23/m^3 = 488.00$

2.CC (1:4:8)= $5.62m^2 \times 0.125m = 0.70m^3$ @ $3467.52/m^3 = Rs 2436.00$

3.CC(1:2:4)= $5.62m^2 \times 0.10m = 0.562m^3$ @ $5825.08/m^3 = Rs 3274.00$

Total Rs 6198.00 needs recovery.

An audit objection memo was issued suggesting recovery of Rs 6198.00 from concerned J.E and M.E on equal share in reply to which the local authority replied that "the amount will be recovered from the security deposit amount from the concerned contractor"

Since the local authority has admitted the objection ,it stands and the entire amount is suggested for recovery from concerned J.E and M.E on equal share Rs 3099.00 from Sri Biswanatha Saraka M.E and Rs 3099.00 from Sri Sanjay Kumar Samal J.E

IN SOME CASES CC 1:2:4 MAY EXCEED TO BASE LEVEL IN CC 1:4:8 AS PER AGREEMENT. THE PARA IS SILENT ABOUT QUANTUM OF WORK AS PER AGREEMENT.HENCE THE PARA IS DROPPED.

15.5 - Excess payment in centring and shuttering workPOM NO-7 Page no-30 and 31

1.Voucher no-193/P/24.10.17 Amount- Rs 379561.00

2.Name of the work-Construction of CC road and drain at Sriram Nagar word no-11 of Gudari NAC.

3.C/R No- 02/17-18

4.Estimated cost-Rs 500000.00

5.M.B.No-2/17-18 Page no-52 to 55

6.Name of the executants-Sri B.Trinath Rao

7.Name of the J.E- Sri Sanjaya Kumar Samal

8.Name of the M.E- Sri Biswanath Saraka

On scrutiny of the above work case record wrt connected M.B and other relevant records it was noticed that, the resultant height of cut off wall and road surface after execution of different items of work is as follows

<u>Item of work</u>	<u>Cut off wall</u>	<u>Road surface</u>
1 E/W	(-) 0.20m	0.00m
2.S/F	(+) 0.05	(+) 0.10m
3.PCC (1:4:8)	(+) 0.00	(+) 0.10m
4.PCC (1:2:4)	(+) 0.45m	(+) 0.10m
	(+) 0.10m	

Total (+) 0.40m (+) 0.30m

From above measurement it is observed that the cut off wall is 0.10m higher than the height of road surface as compared with the G/L. Hence for outer side of the road maximum 0.40m height of centring shuttering work is allowed but for inner side of the road only 0.10 m height of centring and shuttering work is allowed. Hence total centring and shuttering work to be allowed is furnished as follows.

1.Outer side- 2x113.00m x 0.40m= 90.40m²

2.Inner side -2 x 113.00m x 0.10m =22.60m²

Total 113.00m²

But as per measurement taken in the M.B at page no-53 total quantity of centring and shuttering waork 158.20m² has been allowed in the work bill by allowing excess amount of 45.20m² towards centring and shuttering work. Hence for excess quantity of centring and shuttering work 45.20m² @ 90.10/m² = Rs 4072.52 or say Rs 4073.00 needs recovery from concerned J.E and ME on equal share.

An audit objection memo was issued suggesting recovery of Rs 4073.00 from concerned J.E and M.E on equal share in reply to which the local authority replied that "the amount will be recovered from the security deposit amount from the concerned contractor"

Since the local authority has admitted the objection ,it stands and the entire amount is suggested for recovery from concerned J.E and M.E on equal share Rs 2037.00 from Sri Biswanatha Saraka M.E and Rs 2036.00 from Sri Sanjay Kumar Samal J.E

Person(s) Responsible for this paragraph

Sino	Name	Designation	Adress	Amount(In Rs:)
1	Sri Biswanath Saraka	ME	Now AT-Gunupur Municipality PO- Gunupur Dist-Rayagada	2037
2	Sri Sanjaya Kumar Samal	JE	At-Gudari NAC Po-Gudari Dist-Rayagada	2036

15.6 - Excess payment due to non deduction for witness pillar.POM NO-7 PAGE NO-31 to32

1.Voucher no-7/26.4.17 Amount- Rs 430242.00

2.Name of the work-Construction of pond for preservation of water bodies

3. Agreement no-3/16-17/6.5.16

4.Estimated cost-Rs 2000000.00

5.M.B.No-13/14-15 Page no-94 to 102

6.Name of the executants-Sri Manoj Kumar Panigrahi

7.Name of the J.E- Sri Girish Chandra Mishra

8.Name of the M.E- Sri Biswanath Saraka

On scrutiny of the above work case record wrt connected M.B and other relevant records it was noticed that total quantity of earth excavated is 6248.43 cum. Since no deduction has been made towards witness pillar2% of 6248.43 cum =124.96cum @ 106.98 / cum =Rs 13368.22 or Rs 13368.00 is treated as excess payment and needs recovery from concerned J.E and ME on equal share.No certificate towards removal of witness pillar has been furnished by J.E/M.E.

An audit objection memo was issued suggesting recovery of Rs 13368.00 from concerned J.E and M.E on equal share in reply to which the local authority replied that "the amount will be recovered from the security deposit amount from the concerned contractor"

Since the local authority has admitted the objection ,it stands and the entire amount is suggested for recovery from concerned J.E and M.E on equal share Rs 6684.00 from Sri Biswanatha Saraka M.E and Rs 6684.00 from Sri Girish Chandra Mishra J.E

Person(s) Responsible for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Biswanath Saraka	ME	Now AT-Gunupur Municipality PO- Gunupur Dist-Rayagada	6684
2	Sri Girish Chandra Mishra	JE	AT-Gudari NAC PO-Gudari Dist-Rayagada	6684

15.7 - Excess payment towards excess measurement in DPCPOM NO-7 PAGE NO-32 to 33

1.Voucher no-227/21.11.17 Amount- Rs 122852.00

2.Name of the work-Construction of CC road and drain at the left side of Baratam street.

3.C/R No- 15/2017-18

4.Estimated cost-Rs 162000.00

5.M.B.No-13/14-15 Page no-180 to 185 and MB NO-5/2017-18 Page no-27 to 28

6.Name of the executants-Sri Balaram Panigrahi

7.Name of the J.E- Sri Girish Chandra Mishra

8.Name of the M.E- Sri Biswanath Saraka

On scrutiny of the above work case record wrt connected M.B and other relevant records it was noticed that, vide item no-1 E/W excavation has been executed for 119.85 mtrs length of drain with 0.60 mtr breadth. Vide item no-2 Sand filling and vide item no-3 has been executed with equal length and breadth as item no-1 . Vide item no -4 CC (1:2:4) drain wall has been executed in two sides of the drain bed with breadth 0.10m. Hence remaining breadth of drain bed after execution of drain wall is $0.60-2 \times 0.10=0.40\text{m}$ over which DPC has been executed. But vide item no-4 for execution of DPC over drain bed the breadth of drain bed has been measured as as 0.55m taking 0.15m (0.55-0.40) excess over actual breadth of 0.40m. The excess payment due to this fictitious measurement is calculated as follows.

$119.85\text{m} \times 0.15\text{m} \times 0.05\text{m}=0.898 \text{ m}^3 @5785.40 = \text{Rs } 5200.00$ needs recovery.

An audit objection memo was issued suggesting recovery of Rs 5200.00 from concerned J.E and M.E on equal share in reply to which the local authority replied that "the amount will be recovered from the security deposit amount from the concerned contractor"

Since the local authority has admitted the objection ,it stands and the entire amount is suggested for recovery from concerned J.E and M.E on equal share Rs 2600.00 from Sri Biswanatha Saraka M.E and Rs 2600.00 from Sri Girish Chandra Mishra J.E

Person(s) Responsible for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs:)
1	Sri Biswanath Saraka	ME	Now AT-Gunupur Municipality PO- Gunupur Dist-Rayagada	2600
2	Sri Girish Chandra Mishra	JE	AT-Gudari NAC PO-Gudari Dist-Rayagada	2600

15.8 - IMPORTANT IRREGULARITIES /DEFECTS NOTICED DURING SCRUTINY OF WORKS ACCOUNTS

The following lapses are noticed during scrutiny of work case records along with M.B and other connected records.

1. The register of works has not been maintained in proper format showing the payment made, status of projects, estimated cost, scheme etc. This register should be positively maintained scheme wise.

2. Analysis of Rates provided in the estimate is not found in all case records.
3. Photocopy of the site prior to the beginning of the project and after completion is not found in all the cases.
4. Display Board is not found to have been provided in all cases at the worksite which must be there to convey information to public about the work details.
5. It is found the J.E who executes the work has taken measurement himself which is not free from ambiguity. In such case, the Assistant Engineer should check measure all items but the same is not done. It is suggested that the work departmentally done by one J.E should be measured by another J.E and vice-versa to maintain the transparency.
6. In most of works executed in this P.S, major deviation is found not only in quantity but also in items of works. This has happened due to making estimate without pre-site visit. In fact, the J.E/A.E should visit the site to know the actual need of the situation.
7. Muster rolls submitted by the executants are found improperly filled up i.e without BPL registration number, showing the date of engagement etc.
8. Time efficiency has not been maintained in doing almost all works like buildings, roads, excavation of tanks etc. This is an important factor which should be strictly adhered to in completion of the project by proper supervising or monitoring.
9. A census may be made every year to keep the account of newly created Assets like roads, building, drain, bridges, tanks etc for easy accessibility of common people as well as District/State Administration. 10. As per Rule 77(4) of Panchayat Samiti Accounting Procedure Rule 2002 The estimate for a work will consist of a report, a design wherever necessary, a specification and a detailed statement of measurements, quantity titts and sates quantity of materials and their rates and cost, with an abstract showing the total estimated cost of each item. In case of repairs or maintenance, details of existing structures shall be indicated.
11. It is noticed in almost all cases of construction of C.C road that cambering has not been given due attention as a result there is possibility of water logging on the road surface which may damage the road and reduce the longevity of the road significantly. This point should be given due care in future.
12. After construction of C.C Road bern filling has not been done in almost all cases. This may allow water to enter into the CC Road from side and damage the road in rainy season. This must be given due importance in future.

PARA: 16 AUDIT ON UNITS / DEPARTMENT

PARA: 17 AUDIT ON SCHEMES / PROGRAMMES

17.1 - Thematic audit on retention of defunct scheme funds

Introduction-Govt. announces welfare scheme for a cross section of the society from time to time. These schemes are either central, state specific or a joint collaboration between the centre and the state. ULB is a unit to implement the various schemes as per the

direction of the Govt., to achieve the mission, the ULB performs the following duties:-

1. To plan & execute development programme, scheme and works relating to community development
2. To provide social scrutiny to weaker section
3. Management & control of the public distribution
4. To provide wages employment with the goal of reducing un-employment, provide food scrutiny against hunger
5. To create durable assets

Details of service rendered

- a. Rural connectivity under C.C road and other schemes

- b.Rural housing for BPL families under IAY schemes
- c.Rural housing under Mo-kudia/BPGY for rural non-BPL poor families
- d.Creation and supply of drinking water under RWSS schemes
- e.Sponsoring loan application under income generating scheme
- f.Training Programme for swarojagara under OLM scheme
- g.Distribution of OPAP/ODP/NOAP
- h.Distribution of PMS to SC/ST students
- i.Construction of AWC building
- j.Providing job seekers under MGNREGS schemes
- k.Providing food security under PDS
- l.Overall development of all section

SCOPE OF AUDIT:- The Audit on retention of funds in defunct/diverted schemes implemented in Gudari NAC till 31.03.18 has been conducted under the scope of following records and registers as made available to audit.

- 1.All scheme cash books related to the year 15-16,16-17 and 17-18.
- 2.All scheme paid vouchers for2015-16, 16-17 and 17-18
- 3.Bank pass book for20 15-16 16-17& 17-18.
- 4.UC file for the year 2015-16 to 16-17 &17-18
- 5.Approved Audit report DLFA for the year 15-16 and 16-17.
- 6.Grant and financial statement relating to the year 2015-16,16-17 and 17-18.
- 7.Cash book wise analysis of Govt Grants ,bank interest ,security deposits, own source of income,non deposited govt dues and amount collected towards audit recovery
- 8.Closing balance analysis of Accountant. cash book.
- 10.Scheme wise Interest accrued and refunded to Govt.

AUDIT OBJECTIVES:-The objective of this audit is as to ascertain the quantum of unutilized Govt. funds under defunct/merged/diverted scheme kept with Gudari,NAC till 31.03.18.

AUDIT CRITERIA:-The following criteria are followed by examining the available records.

- 1.L.No.5566//dlfa/29.6.18
- 2.L.No.10317/PR/7.9.2004. of PR Deptt
- 3.L.No. 17112/PR/22.8.11 of PR Deptt
- 4.L.No.17189/PR/20.10.14. of PR Deptt
- 5.L.No. 6643/19.4.16 /PR Dtd 19.4.16 of PR Deptt
- 6.L. No.25080/PR&DW Dtd 20.12.17(Refund of unutilised F.C grant prior to commencement of 14th CFC & 4th SFC

AUDIT OBSERVATION AND FINDINGS:- Govt have announced various schemes from time to time towards achievement of goal of rural development in P.S and ULB level. Similarly after achievement of the goal the schemes have gone obsolete or merged with another scheme with same nature. In spite of closure of running schemes it is noticed that some part of the scheme fund along with the interest accrued in the scheme is lying with the ULB accounts which ought to have been refunded in full to the funding agency without delay as per guide lines issued by govt from time to time.

Details of unrefunded grants of Gudari NAC as on 31.3.18

Sl No	Head of Account	Grants	Interest	Total	Reason of non utilisation as ascertained from local authority	Remarks(If any genuine liability is pending against the unutilised fund or retained in violation of govt instruction without any valid reason)
1	Const. of CC Road	27880.00	0.00	27880.00	No reason cited	No genuine liability
2	12 th FC Grant	434123.00	0.00	434123.00	No reason cited	No genuine liability
3	Const of Common work shop	65403.00	0.00	65403.00	No reason cited	No genuine liability
4	BRGF	2652762.00	0.00	2652762.00	No reason cited	No genuine liability
5	SJSRY	682926.00	0.00	682926.00	No reason cited	No genuine liability
6	13 th FC Grant	629064.00	0.00	629064.00	No reason cited	No genuine liability
7	Mannual Scavenger	6000.00	0.0	6000.00	No reason cited	No genuine liability
8	Protection of Govt Land	148623.00	0.00	148623.00	No reason cited	No genuine liability
9	Odisha Urban lively hood Mission	192683.00	0.00	192683.00	No reason cited	No genuine liability
	Total	4839464.00		4839464.00		

Refund of unspent balance of defunct schemes(POM NO-9 PAGE NO-39to 41)

From above table it is clear that an amount of Rs 4839464.00 is lying with NAC account unrefunded to the funding agency as on 31.3.18 with no genuine liability pending for clearance. This sort of act is quite irregular.

On issue of objection memo the local authority replied that"the unutilised grants of defunct schemes will be refunded to concerned sanctioning authority after consultation with district level authorities"

Hence the local authority is instructed to refund the unspent grants along with the accrued interest to the funding agency and compliance be reported to audit.

SUGGESTIONS:-

Govt functions are multifarious .Hence requirement of fund is of utmost importance. Crores of rupees lying unutilised in different blocks of odisha in the form of defunct schemes ,if returned to funding agency, may be utilised to tackle various developmental issues pertaining to modern day necessity. Hence the local authority is instructed to refund the defunct scheme funds along with the interest money so that it could be utilised for more challenging issues i,e development of rural poor. It is not only an official duty of NAC officials but also a moral obligation.

17.2 - Physical and financial position of major grants

Sl No	Head of Account	OB as On 01.04.16	Received during the Year 2016-17	Total	Expenditure During the Year 2016-17	C.B As on 31.03.17	No of spill over projects as on 1.4.17	Projects sanctioned during 2017-18	Total	Projects completed during 2017-18	No of spill over projects as on 31.3.18
1	Assignment	0.00	1415000.00	1415000.00							

	out of Entry Tax										
			1414000.00	1414000.00							
			2842000.00	2842000.00							
			5671000.00	5671000.00	4230971.00	1440029.00	0	0	0	0	0
2	Pension Arrear and basic services		1256000.00								
			1332000.00								
			2309000.00	2588000.00	4897000.00	1458691.00	3438309.00				
3	Road Maint. HC	69905.00	0.00	69905.00	0.00	69905.00	0	0	0	0	0
4	Devolution of Fund		949000.00				0	2	2	2	0
			948000.00								
			4768183.00	1897000.00	6665183.00	1027287.00	5637896.00				
5	Creation of Capital Asset		475000.00								
			474000.00								
			960000.00	949000.00	1909000.00	950745.00	958255.00	0	0	0	0
6	Maintenance of capital asset		227000.00								
			226000.00								
			458000.00	453000.00	911000.00	457000.00	454000.00	0	0	0	0
7	Honorarium & Sitting Fees	16495.00	43050.00	59545.00	27000.00	32545.00					
8	Motor Vehicle Tax		279000.00				0	7	7	7	0
			279000.00								
			796444.00	558000.00	1354444.00	901118.00	453326.00				
9	Road Development	3591892.00	0.00	3591892.00	1431788.00	2160104.00	0	18	18	18	0
10	Maint. of Road & Bridges	1781937.00	794000.00	2575937.00	1080281.00	1495656.00	0	13	13	13	00
11	Maint. of NRB	1135568.00	316000.00	1451568.00	145437.00	1306131.00					
12	Const. of CC Road	27880.00	0.00	27880.00	0.00	27880.00	0	0	0	0	0
13	12 th FC Grant	1688644.00	0.00	1688644.00	1254521.00	434123.00	0	2	2	0	2
14	14 th FCA		1482000.00				0	9	9	9	0
			1498000.00								
			4616000.00	2980000.00	7596000.00	4249203.00	3346797.00				

15	Construction of Public Toilet	1526475.00	0.00	1526475.00	809233.00	717242.00					
16	Const of Common work shop	65403.00	0.00	65403.00	0.00	65403.00					
17	MLA LAD	690371.00	0.00	690371.00	500000.00	190371.00	0	1	1	1	0
18	MP LAD	194307.00	0.00	194307.00	0.00	194307.00	0	0	0	0	0
19	DMF	300000.00	0.00	300000.00	255425.00	44575.00	0	0	0	0	0
20	BRGF	2933308.00	0.00	2933308.00	280546.00	2652762.00	0	2	2	2	0
21	SJSRY	682926.00	0.00	682926.00	0.00	682926.00	0	0	0	0	0
22	BK BK	6777459.00	0.00	6777459.00	5094480.00	1682979.00	2	7	9	7	2
23	13 th FC Grant	1190190.00	0.00	1190190.00	561126.00	629064.00	0	4	4	4	0
24	Pension Grant	1112227.00	0.00	1112227.00	0.00	1112227.00	0	0	0	0	0
25	Performance Base Incentive	536138.00	0.00	536138.00	0.00	536138.00	0	0	0	0	0
26	Special Problem Fund	418506.00	0.00	418506.00	0.00	418506.00	0	0	0	0	0
27	Festival Grant	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
28	Kalyanmandap	1672518.00	0.00	1672518.00	0.00	1672518.00	0	0	0	0	0
29	AWC Building	501614.00	0.00	501614.00	0.00	501614.00	0	0	0	0	0
30	Manual Scavenger	6000.00	0.00	6000.00	0.00	6000.00	0	0	0	0	0
31	Solid waste Management	163969.00	0.00	163969.00	0.00	163969.00	0	0	0	0	0
32	Protection of Govt Land	148623.00	0.00	148623.00	0.00	148623.00	0	0	0	0	0
33	Protection & Conservation of water Bodies	1043452.00	0.00	1043452.00	1001929.00	41523.00	1	0	1	1	0
34	Swaachha Bharat Mission	1318455.00	3084650.00	4403105.00	690673.00	3712432.00	0	0	0	0	0
35	Odisha Urban lively hood Mission	271883.00	0.00	271883.00	79200.00	192683.00	0	0	0	0	0
	Total	43773772.00	19333700.00	63107472.00	26486654.00	36620818.00	3	65	68	64	4

17.3 - Audit of schemes MLALAD

MLALAD scheme was started in Odisha in 1997-98 on the lines of MPLAD scheme introduced by the Centre. Funds under the scheme were provided in the State's plan budget of planning and coordination department every year. In 1997-98, funds of Rs 5 lakh was provided per MLA. Subsequently, the amount was revised and during the years 2008-09 to 2009-10, it was Rs 75 lakh and then Rs 1 crore in 2010-11.

As per the new guidelines on MLA LAD scheme 2014 the scheme shall be developmental in nature based on locally felt needs. The work should be such that it can be completed within one financial year and lead to the creation of durable assets. Funds provided under the scheme should not be used for incurring revenue expenditure. The site ed for execution of work by the MLA shall not be changed except cocurrence of the MLA. Minimum 10% of fund allocated should be utilized for capacity building and training of unemployed youths in the state. Ref OM no PD(MLA LADS)GL-1/2003 DATED 23.01.14.

The following are the works that may be taken up under this scheme.

1. Housing assistance like roofing materials, cement etc for BPL families (Not exceeding 50% of annual allocation).
2. Const of buildings for schools, hostels, libraries, and other buildings of educational institutions belonging to the Govt.
3. providing drinking water to the people in the village, towns or cities by digging tube wells or other works which may help in this respect.
4. const of village road, approach road.
5. const of bridge on the approach road and village roads.
6. const of building for local bodies for cultural and sports activities or hospitals.
7. Social forestry, farm forestry, horticulture pastures parks and gardens in Govt and community land.
8. Const of public irrigation channels and public drainage systems.
9. Const of non conventional energy system like gohar gas plant.
10. Construction of AWC centre.
11. Crematoriums and structures on burial cremation grounds.
12. Const of public toilets and bathrooms.
13. provision of basic amenities like electricity, drinking water, public toilets in slum areas of cities, towns, and village.
14. Bus sheds, stops for public transport passengers.
15. Purchase of school furniture for Govt schools only.

However the following type of works are not allowed under this scheme.

1. Office buildings, residential buildings and other buildings of registered societies, private institutions and co-operative institutions.
2. Grants and loans.
3. Memorials or memorial building.
4. purchase of inventory or stock of any type.
5. Acquisition of land or any compensation for land acquired.
6. Places of religious worship.
7. As state matching share towards implementation of individual beneficiary oriented schemes such as IAY

On scrutiny of the scheme in respect of Gudari NAC for the year 2017-18 it was noticed that only one project with money value Rs 500000.00 was sanctioned and completed during the year.

Local authority should utilise more funds in this scheme.

18.1 - Receipt expenditure statement

Statement showing the details of receipt in respect of Gudari NAC for the year 2017-18

HEAD OF ACCOUNTS	FOR THE YEAR 2016-2017	FOR THE YEAR 2017-18
RATES AND TAXES:-		
Holding tax (Arr)	49118	15885
Holding tax (Current)	91466	132601
Lighting tax (Arr)	34587	11901
Lighting tax (current)	49754	134432
Water tax (Arr)	15971	5944
Water tax(current)	23725	152898
Drainage Tax (Arr)	0	4543
Drainage tax(current)	23341	153079
Cart & carriage	1200	2350
Service tax. (Arr)	153	77407
Service tax (Crrtent)	84027	54030
Total	373342	745070
LICENCES AND OTHER FEES:-		
Bus stand	79950	69880
D & O Trade (U/S -290)	24346	200
Building plan & fees	137597	52103
Cattle pound	0	0
Ferry Ghat	42200	50500
Contractor licence frees	4000	0
Trade Licence	74450	44500
Total	362543	217183
REVERNUD DERIVED FROM NAC PROPERTY		
Stall rent	67100	103400
Cess pool	33000	41000
Mutation fees	7600	6700
Water tanker	30500	1300
Daily Market	8460	9005
Cost of tender paper	444570	1819050
water supply	55500	30000
Auction sale	0	0
Town hall	0	500
Slughter house	6220	14040

Kalyan Mandap	14000	49000
Total	666950	2073995
BRGF	0	0
C.C.Road	0	0
Road maintenance	0	0
Road development	1664000	0
Road & Bridges	794000	794000
Devolution fund	3333000	1897000
13th FCA Grant	0	0
14th FCA Grant	2690000	2980000
MV Tax Grant	512000	558000
MPLAD	0	0
MLALAD	500000	0
AWC Building	0	0
Swach Bharat Mission	764370	3084650
SJSRY	0	0
Octroi Grant on lieu of abolition of Octroi Tax	5213000	5671000
Basic Grant	3854000	2588000
Solidwaste management (TFC) Grant	0	0
pension grant	1000000	0
Performance Based incentive	0	0
Creation of Capital Asset	0	949000
Maintenance of Capital Asset	0	453000
Non residential building.	316000	316000
Special problem fund	0	0
Const of boundary wall	0	0
Construction of public toilet	0	0
Odisha Urban Lively Hood Mission	414000	0.00
Sitting allowance	48025	43050
BIJU KBK	6499562	0
District Mineral Fund	300000	0
Total	27901957	19333700.00
Miscellaneous:-		
Advertisement	0	0
Election	0	105050
Marriage registration	0	1800
OAP/NOAP/ODP/MBPY	3258400	3434600
NFSA	0	0

Interest on SB Accounts	1620757	1460230
Audity recovery	24230	9379
Harischandra Sahayata yojana	55000	50000
SECS	0	0
Hire charge of tractor	1200	90700
Tower	0	0
EGB	13473	80449
Hire charge of mixture machin	0	0
Others	32141	1502
Sale of news papeer	4728	2592
Overhead charges	102323	0
OAP refund	241300	356700
Misc. Receipts	55813	0
Total	5409365	5593002
EXTRAORDINARY AND DEBT		
Income Tax	81833	194029
Advance	59588	135000
SD/EMD	166385	1105545
GIS	0	13500
VAT	132293	281299
Royalty	52292	593663
L.Cess	41338	192207
GPF/CPF	272716	197018
LIC	119831	117501
Personal loan of staff	210000	208000
P.T	24075	21200
Pension contribution & leave salary of EO	0	9090
Total	1028058	3068052
RATES AND TAXES:-	373342	745070
LICENCES AND OTHER FEES:-	362543	217183
REVERNUD DERIVED FROM NAC PROPERTY	666950	1724795
GOVT GRANT:-	27901957	19682900
Miscellaneous:-	5409365	5593002
EXTRAORDINARY AND DEBT	1028058	3068052
Grand Total receipt	35742215.00	31031002
Opening Balance	40566793.30	52900834.7
Grand total	76309008.30	83931836.7

Statement showing the details of expenditure in respect of Gudari NAC for the year 2017-18		
Head of accounts		
GENERAL & OTHER ESTABLISHMENT:-	FOR THE YEAR 2016-2017	FOR THE YEAR 2017-18
Salary of office Esstablishment	3441409	2863688
Revised salary of staff	412665	6689
TA of Staff	140129	0
Family pension	349090	382600
Hon & sitting allowance of CM/VCM/Councillers	85530	27000
Provisional pension	0	0
Pension	1108744	960322
Pension arrear	1330990	0
Gratuity	986695	0
Salary of sanitation staff	1237788	1623025
Contractual salary	520620	852284
Salary of C.O	164400	141925
DLR wages	269100	67200
Leave Salary	0	501380
Salalry of BRGF JE	111600	0
Other Allowance	10000	0
Total	10168760	7426113
PUBLIC WORKS		
Road maintenence	0	561126
Road Develoment	0	1431788
BRGF	583960	280546
Proformabase incentive	0	0
Own fund	0	0
Preservation of water Bodies	956548	1001929
Drain cleaning	232250	98800
Construction of public toilet	458625	809233
BIJU KBK	0	5094480
Maintenance of road & bridges	484493	1080281
MPLAD	474130	0
MLALAD	100000	500000
13th FCA Grant	0	1254521
M.V Tax Grant	0	901118
Protection of Govt land	851377	0
Non resdincial Building	264602	145437
Devulation fund	0	1027287
District Mineral Fund	0	255425

Special problem fund	30138	0
Odisha Urban Lively Hood Mission	530617	79200
Swach Bharat Mission	1068270	690673
14th FCA Graant	0	4249203
Creation of Capital Asset	0	950745
Maintenance of Capital Asset	0	457000
Total	6035010	20868792
PUBLIC SAFTY		
Purchase of Highmast light	0	0
Purchase of electrical Materials	167343	240858
Energy charges of street light	423859	1022444
Total	591202	1263302
PUBLIC HEALTH:-		
Sanitatioin materials	24630	16140
Maintenance of vehicles	162128	109141
Misc. Maintenance	11266	32982
Water supply charges	295015	0
Sanitation equipment	0	87931
Diesel/Petrol	58248	50699
Wall Cleanning	4900	0
Total	556187	296893
MISCELLANEOUS		
NFSA	700	674
OAP/ODP/NOAP/MBPY	3830400	4152000
Bank commission	1328.6	1572.02
Mixture machine repair	0	0
Election	262750	105050
SJSRY Loan subsidy	0	0
SJSRY wall painting	0	0
Awarteness camp under SJSRY	0	0
NFBS	100000	80000
Traning programme	0	0
Total	4195178.6	4339296.02
EXTRAORDINARY AND DEBT		
Advance	85000	240000
GIS	0	15000
Income tax	115831	194029
VAT	133665	168873
Royalty	61403	593663
CPF/GPF	272716	197018
LIC	119831	117501

S.D/EMD	251144	665372
Bank loan	210000	0
Labour Cess	0	30594
P.T Deposit	24075	21200
F.A	0	208000
Pension contribution & leave salary of EO	152240	21210
Total	1425905	2472460
Own source Expenditure		
Rem to advocate	73817	0
Purchase of boat	0	0
Road Tax	5130	0
Puja & Celebration	4000	40000
Postage stamp	3000	2465
Jalachhatra	33600	26250
Printing expenditure	2825	4600
Brod band	14285	13258
Harish chandra Sahayata	66000	54000
Computer / Camera / Mobile	20930	118907
Advertisement	55336	38851
Office Contigent	11914	28577
Misc expenditure	36805	104241
News paper	7745	8210
Purchase of other Asset	49750	29500
Stationary	0	16140
Selebration of National days	44016	20460
Consultency Fee	6778	3766
Travelling and Hire charges	0	106450
Total	435931	615675
ABSTRACT		
GENERAL & OTHER ESTABLISHMENT	10168760	7426113
PUBLIC WORKS	6035010	20868792
PUBLIC SEFTY	591202	1263302
PUBLIC HEALTH	556187	296893
MISCELLNEOUS	4195178.60	4339296.02
EXTRAORDINARY AND DEBT	1425905	2472460
Own source Expenditure	435931	615675
GRAND TOTAL EXPENDITURE	23408173.60	37282531.02
Add closing balance as on 31.3.17	52900834.70	46649305.68

GRAND TOTAL	76309008.30	83931836.7

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

19.1 - Position of GOVT Dues						

SL NO	Head of account	Opening balance as on 31.3.17	Receipt during the year 2017-18	Total	Deposited during 2017-18	Govt dues outstanding as on 31.3.18
1	Royalty	141947	593663.00	735610.00	593663.0	141947.00
2	VAT	3288.00	281299.00	284587.00	168873.00	115714.00
3	Labour cess	561631.00	192207.00	753838.00	30594.00	723244.00
4	Income tax	0	194029.00	194029.00	194029.00	0
5	Professional tax	55825.00	21200.00	77025.00	21200.00	55825.00
TOTAL		762691.00	1282398.00	2045089.00	1008359.00	1036730.00

Rules-6 of Odisha Treasury code VOI-I read with Rule-4 of Odisha General Finance Rule stipulate that all money receipt/ realized on behalf of Govt. should be deposited in full by the competent authority within three days of receipts of the same. Retention of Govt. money /Revenue outside the Govt. accounts is highly irregular and not permissible. In violation to the above instruction, the following Govt dues such as Royalty, VAT and Cess realized from different works bill are yet to be deposited.

From the above table it is clear that an amount of Rs 1036730.0 has remained as unremitted govt dues as on 31.3.3.18 which needs immediate remittance without further delay.

On issue of objection memo the local authority replied that "The pending govt dues will be deposited during 2018-19"

Hence the pending govt dues may be deposited into proper quarter and compliance be reported to audit.

19.2 - POSITION OF LOAN						

During the year under audit of Gudari NAC no loan has been received and no loan has been paid .

19.3 - Position of SD /EMD						

Position of SD/EMD is furnished below

OB as on 1.4.17	Rs 1092343.00
SD/EMD received during 2017-18	Rs 1105545.00
Total	Rs 2197888.00
SD/EMD released during the year 2017-18	Rs 665372.00
CB as on 31.3.18	Rs 1532516.00

19.4 - Position of CPF

Position of CPF is furnished as follows

OB as on 1.4.17	0.00
CPF received during the year 2017-18	Rs 197018.00
Total	Rs 197018.00
CPF deposited during the year 2017-18	Rs 197018.00
CPF outstanding to be deposited as on 31.3.18	0.00

PARA: 20 RESULT OF AUDIT AND CONCLUSION
20.1 - Remarks On Maintenance of Account
Remarks by the Auditor:-

Maintenance of accounts in is not satisfactory due to the following reasons:-

1. The Budget Estimate of the NAC for the year 2017-18 was not prepared properly by the E.O as there is huge difference between budgeted receipt and expenditure and actual receipt and expenditure.
2. Cash Book entries not attested by the Executive officer.
3. Huge amount of un-adjusted advance rolled years together, detail in para no-8.
4. Details of Cheque book were not maintained.
5. Neither the Register of Receipt and expenditure nor the analysis of closing balance on the basis of supporting documents and registers was maintained by the local authority.
6. Physical verification of cash at the end of the month is not conducted by the E.O
7. Grant Register was also not maintained in the municipality
8. Register of Assets owned by the NAC is not maintained.
9. Review of the expenditure in respect of various schemes for which Grant in Aid has been received during the financial year was not done in the month of April every year.
10. Works remaining incomplete for years together taken up under various schemes.
11. Non submission of UCs to proper quarters in time.
12. No compliance report was submitted to the proper quarters for previous audit reports of LFA & I.R. of A.G.
13. The irregularities and defects pointed out in the previous audit reports and reviews were not yet been rectified.
14. In violation to Govt. Instructions frequent cash transactions were made during the year 2017-18
15. Non production/ delayed production of accounts records to audit is a regular practice of this municipality Therefore the audit party has to list out the details of transactions and in the process some man days were spoiled.
16. The bank pass books are neither d regularly nor being reconciled by the NAC official in monthly basis as prescribed by Govt. from time to time. Due to delay in production of the bank pass books to audit, a lot of difficulty has been faced by the audit team to verify the drawl and deposit transactions during stipulated time.
17. The requisite information in the prescribed Performa regarding the implementation /performance of different schemes during the year 2017-18 are not produced to audit. The fact has been discussed with the M.E. of the NAC but no information was received till close of the

audit.

18. Frequent contingency expenses in shape of cash have been made without any file orders/requisitions and following other formalities.

19. The Project cum Work register was not maintained properly. Only the name of the approved projects was reflected in the body of the Project Register. As per provision the following information need to be reflected in the project register with due up-dation from time to time.

(i) The sanction order no. & date along with release of funds.

(ii) The date of issue of work order, the date of commencement and completion of a particular project.

(iii) The bill wise payment along with voucher no. & date of a particular project.

All such information should be scrutinized by the M.E., and Accountant of the municipality. on a regular basis.

20. As per Govt. instructions the Asset Register is to be maintained and produced to audit for verification henceforth.

21. The maintenance of the work case records were not as per the Govt. Guidelines. In most cases, though the executants failed to complete the work within stipulated time, neither any notice has been served nor the work order cancelled to speed up the work, rather after a sizeable gap of time the executants were allowed to execute the work in the enhanced rate, which results less execution of work and the very purpose of sanction of Govt. Grants failed.

22. No realistic estimate was prepared by the technical staff of the NAC. after the field visit in obedience to Govt. Instructions; rather the estimate in almost all case records was just a copy of the bill prepared by the JE of the municipality after execution of the work. This derives the inference that the estimate was prepared and approved with a back date signature of the JE and E.O of the NAC No technical report was prepared basing on the site condition before preparation of the estimate taking into specific deviations for execution of the projects. In most case records the analysis of the rates along with the approved lead statement was not enclosed to verify the admissibility of the rates allowed to

the executants/contractors. The date of commencement and completion of the projects were not reflected in the body of the measurement book. The photographs of the projects before, during and after execution are to be furnished as per Govt. guidelines.

23. There was no provision to allow work contingency @1% of the estimated value of the work in the work bill. However the same has been allowed to the executants in all work bills and subsequently deducted, resulting encroachment of Govt. grant to the tune of 1% during the year.

24. Advance and Outstanding advance ledger was not maintained.

25. Details of Cheque book were not maintained.

26. Excess amount beyond prescribed limit i.e. more than Rs. 20000.00 has been retained sometimes in hand in contravention of Govt guidelines

27. Non deposit of royalty/ VAT / Labour Cess s detailed in Para no-19-1 Basing on the above mentioned observations during the current audit, the state of maintenance of accounts was very poor, which needs much improvement. Further due to non-co-operation in the part of the NAC officials in connection to production of records and other related information in time, the audit team faced a lot of difficulties in finalisation of the audit report within stipulated time. So the attention of the higher authorities has been invited to issue proper instructions to NAC authorities for the sake of betterment of maintenance of accounts in the interest of public and also Government.

Hence the E.O. of the NAC is requested to take necessary steps for improvement of maintenance of records and registers after Careful

consideration of the above points

Audit Suggestion to the Local Authority:

1- During the course of audit the vouchers produced to audit in loose manner and haphazard condition for which a lot of problems were faced and this should be avoided in future audit.

2- Vouchers, cash books must be regularly checked by the competent authority

3- Pass Books are not being regularly up dated by the local authority is recommended to maintain it properly.

4- Important Registers like GIA register, Advance Ledger, Outstanding Advance Register, SD Register, Royalty/VAT Register etc. must be maintained and produced to audit.

5- The Work Registers which was not maintained properly must be up to date to know the present position of the project.

6- Dead Stock Register must be maintained for stock entry of non consumable items.

7- As per the remarks furnished in the foregoing paragraphs of this report the state of maintenance of account records and registers needs improvement.

8- The un-spent grant position is highly alarmingly. The same need be utilised for the purpose for which the same is sanctioned and there is a huge pendency in receipt of Utilisation Certificates (UCs) of grants-in-aid internal controls need to be strengthened to utilise the funds within the stipulated time so as to avoid delay in submission of Utilisation Certificates. It should also be ensured that Utilisation Certificates are furnished only after actual utilisation of the earmarked funds.

9- Reconciliation of SB Accounts figure as per cash book with respect to actual balance in pass books has not been done even after audit objection raised in the previous audit. The same need to be done soon for financial discipline of this municipality

10- Different old stock and store registers could not be traced out by the authority for which the proper utilisation of balance stock and stores could not be ascertained in audit

11- Departmental enquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls should be strengthened to prevent the recurrence of such cases

12- A rigorous monitoring mechanism should be put in place in the NAC to adjust the advances to preclude the possibility of temporary/permanent misappropriation, fraud/embezzlement etc.

13- The Local Authority has also been advised to reconcile the Cash Book with Bank Pass Books in every month. Allowing funds to roll in the bank account without their timely utilization for years together should be avoided.

14- Further it is suggested to the Local Authority to provide adequate training to the Cashier and accountant of the NAC by which he can maintain the Cash Book in DEBAS, himself, so that the Cash Book can be an authenticate one but the said Cash Book should not have the

option for edit after a particular period of time,

15- It is also advised to the Local Authority to maintain the Flexi A/c in the bank to keep the grants under Centrally sponsored scheme and can extend the same facility for other schemes to get more interest/ return, as per the Finance department letter no-35425/F dt.12.010.2012 of Govt.of Odisha

16- The following Register may kindly be maintained and produce to next audit

A. S.D Ledger

B. Grant in-aid and Allotment register.

C. Asset Register

D. Advance Ledger

E. Register of Abstract of Receipts and Expenditure,

F. Loan ledger

G. Dead stock register

17- Advance should not be granted to the persons/ officials against whom there is advance which remain unadjusted and the said amount may be recovered from his/ her salary.

As a result of this Audit transactions involving a sum of Rs 2050090.08 are held under objection which include an amount of Rs 528797.00 suggested for recovery. Besides, a sum of Rs 1516 was recovered at the instance of audit. The details are furnished in the following tables.

Result Of Audit

Sl No	Paragraph No.	Amount suggested for recovery(In Rs:)	Amount kept under objection including amount suggested for recovery (In Rs:)	Amount Surchargeable(In Rs:)	Amount Embezzlement(In Rs:)	Amount Othercases(In Rs:)	Remarks
1	5.1	0.00	1521293.08	0.00	0.00	0.00	

2	8.1	499562.00	499562.00	499562.00	0.00	0.00
3	15.2	4267.00	4267.00	4267.00	0.00	0.00
4	15.3	2327.00	2327.00	2327.00	0.00	0.00
5	15.5	4073.00	4073.00	4073.00	0.00	0.00
6	15.6	13368.00	13368.00	13368.00	0.00	0.00
7	15.7	5200.00	5200.00	5200.00	0.00	0.00
Total		528797.00	2050090.08	528797.00	0.00	0.00

Spot Recovery

SI No	Ref to Para No/Audit Objection Statement Page No	M.R.No	Date	Amount(In Rs:)	Name of the person
1	11.1	7698	2019-04-04	1516	Gitanjali Behera, Tax collector
				Total	1516

Audit Certificate

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

Approved by:
District Audit Officer
Local Fund Audit, RAYAGADA