

LOCAL FUND AUDIT, BOLANGIR, ODISHA

CATEGORY : Municipality/Municipal Corporation,General

Audit Report No : 391654/AR/2018-2019-BOLANGIR

PARA: 1 TITLE SHEET

1	Name of the Institution :	Bolangir Municipality
2	Year of Accounts under Audit :	2017-2018
3	Name of the Local Authority during the year of A/Cs :	1.SRI SACHIDANAND SATPATHY 01.04.2017 TO 21.08.2017 2.SRI NABIN KUMAR PATEL, OAS 22.08.2017 TO 31.03.2018
	Name of the Local Authority at the time of Audit :	1-BHAGAT SETH,ORS 2-BIPIN BIHARI DEEP, ORS
4	Duration of Audit :	04-06-2018 To 24-09-2018 (Mandays Consumed :- 52.5)
5	Name of the Auditors :	GHENU RAM TANDI - Lead Auditor(04-06-2018 to 24-09-2018) PRITHIRAJ MEHER - Auditor(27-07-2018 to 24-09-2018)
6	Name of the Reviewing Officer :	DILLIP KUMAR CHHATRIA(District Audit Officer)
7	Date of submission of report by Reviewing officer :	22-01-2019
8	Entry Conference Date :	29-05-2018
9	Exit Conference Date :	21-01-2019
10	Name of the District Audit Officer :	DILLIP KUMAR CHHATRIA
11	Date of approval of report by District Audit Officer :	24-01-2019

PARA: 2 PHYSICAL VERIFICATION

S/no	Items	Date Of Physical verification Before / After Transaction	Physical Balance	Balance As per Cash Book / Stock Register	Reference To The Page No Of Cash Book / Stock Register	Discrepancies If Any
1	Measurement Books	04.06.2018	3 nos.	3 nos.	SRP-11	0
2	Miscellaneous Receipt Books	04.06.2018	96 nos.	96 nos.	SRP-18	0
3	ServicePostage Stamps	04.06.2018	Rs 2066.00	Rs 2066.00	SRP-36	0
4	Holding tax Receipt books	04.06.2018	72 nos.	72 nos.	SRP-3	0
5	Vegetable and weekly market fees books	04.06.2018	320 nos.	320 nos.	SRP-41	0
6	Rajendra park entry fees books	04.06.2018	35 nos.	35 nos.	SRP-100	0
7	Road side receipt books.	04.06.2018	177 nos.	177 nos.	SRP-130	0
8	Cash in hand	01.06.2018	13104.88	13104.88	PA cashbook page-39 Subsidiary Cashbook page-50	0

Comments

The physical verification of cash,unused misc. receipts books, holding tax receipts books,market and park collection receipts books was conducted on the day of commencement of audit i.e on dt 04.06.2018 and found to be agreed with the records. The result of physical verification is furnished above

PARA: 3 LIST OF VERIFIED RECORDS

A : List Of Verified Records/Register

Sino	List Records/Register	Rules	Form No
1	Cashier's Cash Book	Rule 81	Form No. V
2	Subsidiary Cash Book	Rule 128 A	Form No. V-A
3	Challan	Rule 87	Form No. VI
4	Register of Bills	Rule 96	Form No. VII
5	Salary Bills	Rule 97	Form No. IX
6	Absentee Statement	Rule 97	Form No. X
7	Periodical Increment Certificate	Rule 99	Form No. XI
8	Permanent Advance Account	Rule 108	Form No. XII
9	Voucher of Recoupment of Permanent Advance Account	Rule 110	Form No. XIII
10	Cash Book of the municipality	Rule 125	Form No. XIV
11	Deposit Ledger	Rule 142	Form No. XX
12	Register of the Tax on Carriages, Carts, Horses and Other animals	Rule 151	Form No. XXIX
13	License for Carriages, Carts, Horses Other and animals	Rule 154	Form No. XXX
14	Application for License for Carriage, Cart, Horses and Other animals	Rule 152	Form No. XXXI
15	Miscellaneous Receipts	Rule 157	Form No. XXXIV
16	Daily Collection Register	Rule 171	Form No. XL
17	Stock account of Tickets used for daily collection of Market fees	Rule 171	Form No. XLIII
18	Stamp Account	Rule 172	Form No. XLIV
19	Stock Register of Stationery	Rule 172	Form No. XLIV
20	Tax collector's daily collection register	Rule 192	Form K
21	Stock account of Receipt Forms	Rule 196	Form L
22	Nominal Muster Roll (NMR)	Rule 340	Form W-II
23	Contract Agreement Form	Rule 341	Form W-III
24	Contract Certificate	Rule 343	Form W-IV
25	Miscellaneous Supply Bill	Rule 343	Form W-V
26	Register of Works	Rule 345	Form W-VI
27	Stock & Store Register of Municipality	Rule 346	Form W-VII
28	Measurement Book	Rule 365	Form W-VIII

B : List of Records/Registers not Maintained

Sino	List Records/Register	Rules	Form No
1	Budget Estimate	Rule 74	Form No. I
2	Schedule for the Budget Estimate	Rule 77	Form No. III
3	Abstract of the Budget Estimate	Rule 74	Form No. I-A
4	Subsidiary account of special taxes	Rule 79	Form No.-IV
5	Order Book	Rule 96	Form No. VIII
6	Abstract Register of Receipts	Rule 129	Form No. XV
7	Abstract Register of Expenditure	Rule 129	Form No. XVI
8	Register of adjustments	Rule 132	Form No. XVII
9	Advance Ledger	Rule 136	Form No. XVIII
10	Register of Outstanding Advances	Rule 140	Form No. XIX
11	Register of outstanding deposits	Rule 143	Form No. XXI
12	Register of Quarterly & Annual account of Receipt	Rule 144	Form No. XXII
13	Register of Quarterly & Annual account of Expenditure	Rule 144	Form No. XXIII
14	Annual Account of Receipts and Expenditure	Rule 145	Form No. XXIV
15	Establishment Audit Register	Rule 146	Form No. XXV
16	Register of Investments	Rule 148	Form No. XXVI
17	Loan Register	Rule 149	Form No. XXVII
18	Appropriation Register of Loan Funds	Rule 150	Form No. XXVIII
19	Stock account of License Number	Rule 155	Form No. XXXII

	Plates		
20	License Register for Drivers and Owners of Carriages plying for hire	Rule 156	Form No. XXXIII
21	Register of Lands	Rule 160	Form No. XXXV
22	Register of Rents for which there is fixed demand	Rule 163	Form No. XXXVI
23	Jamabandi Register	Rule 170	Form No. XXXVII
24	Ledger of Lessees	Rule 170	Form No. XXXVIII
25	Arrear List	Rule 170	Form No. XXXIX
26	Register of Interest Bearing Securities	Rule 147	Form No. XLI
27	Register of Grants	Rule 80	Form No. XLII
28	Assessment List	Rule 177	Form A
29	Tax Ledger (personal A/C of Tax Payers)	Rule 178	Form B(I)
30	Form of appeal petition	Rule 183	Form E
31	Arrear Demand Register	Rule 187	Form H
32	Tax Receipt Form	Rule 188	Form I
33	Register of writes off of demands	Rule 190	Form J
34	Tax collector's Ledger	Rule 198	Form M
35	Progress statement of collection of taxes	Rule 200	Form N
36	Notice of demand for tax u/s-161 of OM Act	Rule 202	Form O
37	Distrain Warrant Register	Rule 202	Form P
38	Register of Distrained property & sales	Rule 204	Form S

C : List of Records/Registers not Produced to Audit

Sno	List Records/Register	Rules	Form No
1	Demand and Collection Register	Rule 178	Form B
2	Register of Petitions	Rule 183	Form F
3	Mutation Register	Rule 184	Form G
4	Form of inventory & Notice	Rule 203	Form Q
5	Warrant register	Rule 202	Form R
6	Register of Estimates & Allotments	Rule 332	Form W-I

D : List of Records/Registers not Required

Sno	List Records/Register	Rules	Form No
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Comments

Rule-70 of Odisha Municipal Rules 1953 envisages the list of forms , records and registers relating to Municipal Account which shall be maintained in proper form and shall be kept by the local authority. But during the course of audit it was revealed that some important records and registers as furnished above were not made available to audit. Most of the records and register as prescribed by the municipality Rules such as advance ledger as per Rule 136, Outstanding advance ledger as per Rule 140, Deposit ledger as per Rule 142, Outstanding deposit ledger as per Rule 143 are not maintained in the NAC. Again Register of land ,Jamabandi register, ledger of lessees, arrear list of taxes are not being maintained which shows their nonconformity of maintaining the such records and consequently the audit was put into illusion to assess the financial implication of such records w.r.t. Municipal Account. Moreover, on being asked as regards the maintenance of such document, the local authority did not pay any hid for which it is clear that the said records/registers are not being maintained by the dealing assistants of concerned section.

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

Recommendations :

The local authority should ensure the early maintenance of aforementioned important records and registers which should have maintained as prescribed in Odisha Municipal Rules, 1953.

PARA: 4 FINANCIAL POSITION

Bolangir Municipality - 2017-2018

S/no	Name of the Cash Book	OB as on Date	Opening Balance(In Rs:)	Receipt during the Year under Audit(In Rs:)	Total(In Rs:)	Expenditure during the Year under Audit(In Rs:)	Closing Balance as per Audit (DD MM YYYY)	Closing Balance(In Rs:)	Closing Balance as per (DD MM YYYY) Cash Book	Closing Balance(In Rs:)(CASH BOOK)	Difference (In Rs:)	Remarks
1	All cash books	01-04-2017	3871476 67.01	28686497 2.21	67401263 9.22	28057775 9.78	31-03-2018	3934348 79.44	31-03-2018	3888943 01.94	4540577.50	The reason of difference has been furnished below.
	GRAND TOTAL		3871476 67.01	28686497 2.21	67401263 9.22	28057775 9.78		3934348 79.44		3888943 01.94	4540577.50	0

Comments

Reason of difference between Audit closing balance and cash book closing balance.

SI No.	Particulars	Amount (Rs)
1	Previous difference of closing balance in the audit report for the year 2016-17.	4232982.50
2	Current year two numbers of voucher booked doubled	
a	Voucher No.823/dt 28.02.2018 and 872/dt 21.03.2018	228618.00
b	Voucher No.824/dt 28.02.2018 and 870/dt 21.03.2018	28900.00
3	Less Opening Balance taken As per Audit Report CB as on 31.03.2017 was Rs 382914684.51 But in the cash book OB as on 01.04.2017 taken Rs 382864607.51 Opening balance less taken Rs 50077.00	50077.00
	Total	4540577.50

Details of cash book wise Closing balance

Particulars	Amount (Rs)
Accountant Cash book	388874301.94
PA cash book	20000.00
Total	388894301.94

The details of receipts and expenditure of Bolangir Municipality for the year 2017-18 is furnished below.

RECEIPTS STATEMENT

SI No.	Heads of Receipts	Receipts during 2016-17	Receipts during 2017-18
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I	TAXES		
	1 Holding tax	1141414.65	1171677.42
	2 Light tax	855310.8	765735.77
	3 Water tax	789813.01	687777.27
	4 Latrine tax	1726.55	1013.86
	TOTAL	2788265.01	2626204.32
II	LICENCES & OTHER FEES		
	1 Cost of Tender paper	1205380.00	227500.00
	2 Licences fees U/S 290	15500.00	55820.00
	3 Road cutting Fees	0.00	
	4 Licenses and other fees(mobile tower)	1382796.00	1858750.00
	5 Building plan approval	3668273.00	3818348.00
	6 Other recovery	0.00	802789.00
	7 Other fees		143523.00
	8 Warrant fees		54385.00
	9 Penalty		51100.00
	TOTAL	6271949.00	7012215.00
III	REVENUE DERIVED FROM MUNICIPAL PROPERTY		
	1 Temporary shop licenses	0.00	120000.00
	2 Market stall S.D	605575.00	550800.00
	3 Stall rent/house rent	4932196.00	2339971.00
	4 Cess pool	417819.00	430420.00
	5 Road side collection	102570.00	348815.00
	6 Collection from Rajendra Park	424054.00	526185.00
	7 Townhall	494000.00	248000.00
	8 Water tanker	261100.00	190910.00
	9 Market Collection	297633.00	147440.88
	TOTAL	7534947.00	4902541.88
IV	GRANT CONTRIBUTION		
	1 CPF		
	2 Octroi Compensation Grant	73889000.00	80376000.00
	3 JSRY(NULM)	4045200.00	4881883.00
	4 WODC Grant	4500000.00	1600000.00
	5 TFC Grants(General)	38128000.00	
	6 MLALAD	0.00	
	7 MPLAD	1700000.00	2400000.00
	8 Road Maintanance (Normal)	0.00	
	9 Road Maintanance (Hard)	0.00	
	10 Road Devlopment Grant	0.00	
	11 IHSDP	0.00	
	12 NRGF Grant	0.00	

13	Entertainment Grant	0.00	
14	TFC Grants(R&B)	5326000.00	5126000.00
15	TFC Grants(S.W.Maangement)	3721000.00	
16	Census/SECC	0.00	
17	Special CC Road Grants	0.00	
18	Pension and basic service Grants	98997000.00	37165000.00
19	Devolution fund	27138000.00	26890000.00
20	C.C.Road	0.00	
21	Non Residential Bbuilding grants	474000.00	474000.00
22	MV grant	7255000.00	7908000.00
23	OAP/ODP/NOAP/NFBS	27737200.00	32861669.00
24	Performance bases intensive grants	37654000.00	
25	Maintanance of capital asset	0.00	906000.00
26	Creation of capital asset	2835000.00	1898000.00
27	4th SFC Basic grant	0.00	42244000.00
28	Hon/TA&DA of elected members	11000.00	73350.00
29	Grant for expose visit	0.00	
30	Harischandra yojana	700000.00	1000000.00
31	NFSA	104200.00	
32	Ministadium	2000000.00	
33	Protection and conservation of water body	1000000.00	
34	Swacha Bharat Mission		434450.00
	TOTAL	337214600.00	246238352.00
V	MISCELLANEOUS		
1	Royalty	1138434.00	2318881.00
2	cost of EGB	174299.00	288798.00
3	Misc. Receipts	472698.00	79736.72
4	Ambulance	62396.00	
5	Bank Interest	3502597.00	10921343.21
6	Birth/Death form	68340.00	65540.00
7	RTI	72.00	2325.00
8	Govt.grant of Tusura NAC	16054625.00	
9	HRA	41370.00	
10	CPF/EPF	2406454.00	
11	PC	846813.00	
12	LIC	2879847.00	
13	PT	291100.00	294925.00
	TOTAL	27939045.00	13971548.93
VI	EXTRA ORDINARY DEBT		
1	SD/EMD	2797967.00	3535209.00
2	VAT	2542748.00	864996.00
3	Income tax	931013.00	917830.00

4	Advance adjusted	2941952.00	
5	Audit recovery	0.00	1464.00
6	SD of works		4061038.00
7	Withheld amount	0.00	
8	Labour cess	692633.00	785492.00
9	EOT	0.00	1714698.00
10	Other charges	375248.00	233383.08
	TOTAL	10281561.00	12114110.08
	Grand Total	392030367.01	286864972.21

EXPENDITURE STATEMENT

SI No.	Heads of Expenditure	Expenditure during 2016-17	Expenditure during 2017-18
I	General Establishment		
1	Office establishment(salary)	6722109.00	5438523
2	Contingency	509859.00	615741.35
3	T.A.	48539.00	
4	Allowance to C.M & V.C.M	32400.00	
5	TA/DA of Non officials	53250.00	
6	C.P.F of Staff	0.00	
7	Sitting allowance of Non officials	20850.00	31000.00
8	Meeting expenses	0.00	61689.00
9	Outsourcing DEO of Staff	0.00	145000
	TOTAL	7387007.00	6291953.35
II	Collection Establishment		
1	Tax Establishment	630433.00	684332.00
2	Octroi Establishment	4074357.00	3122836.00
3	Contingency	0.00	
4	NMR/DLR	8732985.00	3250672.00
	TOTAL	13437775.00	7057840.00
III	Public Safety		
1	Light Establishment	453684.00	472632.00
2	Garden Establishment	20612.00	22612.00
3	Public Health Establishment	5964272.00	10604312.00
4	Public Workcharge Establishment	10990589.00	10006100.00
5	Street Light Materials	32897396.00	27208552.00
6	Salary of Tipper Driver	0.00	
7	Street Light Energy Charges	9930982.00	21623778.00
	TOTAL	60257535.00	69937986.00
IV	Public Health		
1	Scavenging Staff	12985746.00	10687213.00
2	Contingency	0.00	
3	UBS Staff Salary	203416.00	1425140.00
4	BRGF Staff Salary	273600.00	222768.00

	5Purchase of Sanitary Materials	3570233.00	1135586.00
	6Outsourcing DLR		4604170.00
	7Vehicle Expenditure/Repaire	283200.00	
	8Fuel Charges	0.00	
	TOTAL	17316195.00	18074877.00
V	Public Woks(Grant)		
	1Water Bodies	0.00	
	2Special Grant	1105895.00	
	3SJSRY/NULM	3397918.00	2210188.00
	4Road Maintanance(Normal)	0.00	
	5Road Maintanance(Hard cash)	0.00	
	6Road Development Fund	4909421.00	3495724.00
	7MPLAD	8404337.00	1768463.00
	8MLALAD	699612.00	
	9TFC(General)	5279384.00	34517635.00
	10WODC	61213.00	1218187.00
	11BRGF	6485431.00	2627515.00
	12IHSDP	2855000.00	3405462.00
	1313FC(SWM)	2548986.00	
	14R&B(TFC)	8768297.00	
	15Hymax & Street Light	0.00	
	16OAP/ODP/NOAP	22493900.00	26341000.00
	17NFBS	700000.00	360000.00
	18HIV/Pension/Leprosy	0.00	
	19Census	0.00	
	20Pension&Gratuity/Arrear Salary	38295028.00	23334826.00
	21WESCO	0.00	
	22MV Tax	970106.00	3906315.00
	23Special Grant for CC Road	6485431.00	
	24Special Problem Fund	1105895.00	
	25Festival&National day	0.00	
	26Public Toilet	0.00	
	27Basic service	0.00	1000000.00
	28Devolution Fund	5353500.00	19358807.00
	29Swatcha Bharat	2984000.00	4326234.00
	30Dev.of Kosal Kala Mandap	0.00	
	31NFSA	222983.00	
	32Grants transfer to Tusura NAC	8342000.00	7712625.00
	TOTAL	131468337.00	135582981.00
VI	Miscellaneous		
	1Law charges	72000.00	115300.00
	2LSG Day	328047.00	
	3Audit fees	0.00	489900.00

4	Repaire of vehicle	968108.00	647421.00
5	Sanitary/Esst. Charges	393949.00	
6	Advertisement	281124.00	975313.00
7	Off day allowance	52640.00	
8	Own fund dev work	3796663.00	8922503.00
9	Fuel Charges	3305832.00	4984168.00
10	Wall painting	15000.00	
11	Jalachatra	455000.00	2422246.00
12	HIV Aids assistnce	118800.00	
13	Fair and festival	165820.00	324786.00
14	Purchase of JCB	2027500.00	
15	Harischandra sahayata	936000.00	873000.00
16	Hiring of vehicle	44000.00	
17	Sports culture	50000.00	
18	EPF deposit	383400.00	14565153.00
19	LIC deposit	3076724.00	
20	Bank charge		6500.43
21	Expr on Jundice	39000.00	
22	Purchase of land		200000.00
23	Computer materials	0.00	184148.00
24	Telephone bill		23939.00
25	Financial assistance	51196.00	15000.00
	TOTAL	16560803.00	34749377.43
VII	Extra ordinary Debt		
1	Income tax deposit	807935.00	1004815.00
2	Royalty deposit	868556.00	2328909.00
3	SD/EMD Refund	755952.00	1871466.00
4	Advance payment	3395500.00	1113500.00
5	MV Tax	67935.00	
6	PT	291100.00	294925.00
7	VAT deposit	1916855.00	1025986.00
8	Labour ccess deposit	386343.00	794403.00
9	Withheld		448741.00
	TOTAL	8490176.00	8882745.00
	Grand Total	254917828.00	280577759.78

Irregular maintenance of cash book under Double Entry Accrual Based Accounting System (DEABAS)

As a process of reform set by the Govt. of India, adoption of modern accrual based, double entry system of accounting was mandatory for ULBs. Considering the significance of fund flow and its management in the urban local Bodies, 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 Municipalities 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 also 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.

Hence as per **Orissa Municipal Accounting Manual**, double entry system of accrual based accounting in ULBs is in function. As furnished in **Volume V Books of Accounts And Accounting Procedures paragraph 2.1.1**, Cash Book (Form ACNT-1) shall be the book of original entry for recording transactions involving cash and/or bank. The Cash Book may also be referred to as the Cash and Bank Book. The Cash Book has two sides, viz., "Receipt" and "Payment."

All collections on behalf of the ULBs shall be recorded on the "Receipt" side and all payments shall be recorded on the "Payment" side. Separate Cash Books shall be maintained in respect of each bank account. In addition, separate cashbooks shall be maintained for each type of fund. Designated Bank Accounts may be operated for deposit of collections pertaining to Property and Other Taxes, Octroi, Water Supply, Cess, Public Works, Special Funds etc., as has been provided in the applicable rules and regulations.

During the preparation following points needs to be carried out properly.

Notes

- Balance brought forward is the opening balance to be entered
- The date of receipt to be shown in Cash book shall be the date on which amount has actually been received
- All moneys received shall immediately and without reservations be entered in the Cash book
- The receipts shall be classified in the column provided according to budget heads
- The payment side of Cash book shall be posted from the details of vouchers and of the cheque drawn
- The amount side of each cheque shall be entered as soon as the cheque is signed
- Each entry in the cash book should be attested by the authorized officer
- The classification and totals of cash book should be initiated by some responsible officer other than the writer of Cash book
- Cash book should be closed daily

But in contravention to the above guide lines, the accountant cash book has been maintained irregularly in the following way. The cash book has been closed monthly basis instead of closing daily. The entries of the cash book have not been initiated by some responsible officer other than the writer of Cash book. No Officials have signed in the cash book in token attestation of the cash book. In regards to payment side of the cash book, the scheme name, the cheque number as well as name & number of the pass book have not been mentioned in the cash book. In receipts side also the name & number of the pass book in which the amounts were deposited has not been mentioned.

Non maintenance Flexi Accounts:-

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

Audit observed that such centrally sponsored scheme funds have not been kept in flexi accounts. Hence it is requested accordingly to the local authority to keep such funds in flexi accounts

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

Bolangir Municipality - 2017-2018

S/no	Name of the Bank	A/C No.	Closing Balance Date As on (dd/mm/yyyy)	Closing Balance in Pass Book(In Rs:) (A)	Closing Balance in Bank Date Cash Book (dd/mm/yyyy)	Closing Balance in Bank as mentioned in Cash Book(In Rs:) (B)	Difference(In Rs:)(A-B)	Remarks
1	IDBI Bank Balangir	0747104000055295	31-03-2018	6239708.56	31-03-2018	5804922.00	434786.56	General account.
2	UCO Bank Balangir	072701100004975	31-03-2018	4656579.22	31-03-2018	1940630.00	2715949.22	TFC
3	PNB Balangir	479800022751	31-03-2018	12627708.64	31-03-2018	11632846.00	994862.64	MV tax
4	HDFC Bank Balangir	26931450000035	31-03-2018	36615063.00	31-03-2018	35023847.00	1591216.00	Devolution Fund
5	Allhabad Bank Balangir	20620813911	31-03-2018	2582276.00	31-03-2018	2582276.00	0.00	MPLAD
6	Axis Bank Balangir	912010003259404	31-03-2018	6384577.85	31-03-2018	6694340.00	-309762.15	Govt. dues
7	SBI Balangir	30338231501	31-03-2018	1929011.00	31-03-2018	1022622.00	906389.00	BRGF
8	PNB Balangir	4798000100007783	31-03-2018	274339.74	31-03-2018	252819.00	21520.74	IHSDP
9	SBI Balangir	30327011566	31-03-2018	1691319.00	31-03-2018	1550651.00	140668.00	Non-LFS
10	IDBI Balangir	747104000001281	31-03-2018	1536036.00	31-03-2018	1536036.00	0.00	WODC
11	Allhabad Bank Balangir	20620839225	31-03-2018	16069.00	31-03-2018	16069.00	0.00	Road Development
12	PNB Balangir	4798000100004643	31-03-2018	3484384.32	31-03-2018	3351584.00	132800.32	NULM
13	IDBI Balangir	0747104000088637	31-03-2018	17188320.00	31-03-2018	16854978.00	333342.00	SBM
14	UBI Balangir	1409010136242	31-03-2018	2438491.00	31-03-2018	2438491.00	0.00	Creation of capital assets.
15	Axis Bank Balangir	912010002997345	31-03-2018	42930990.50	31-03-2018	42910990.50	20000.00	OAP
16	Axis Bank Balangir	912010003251044	31-03-2018	1800.00	31-03-2018	1800.00	0.00	IHSDP
17	Andhra Bank Balangir	005610011101344	31-03-2018	96258.00	31-03-2018	96258.00	0.00	RD Scheme
18	UGB Balangir	12002149394	31-03-2018	1773.00	31-03-2018	1773.00	0.00	SRC Scheme
19	BOB Balangir	30980100000990	31-03-2018	3436.00	31-03-2018	3436.00	0.00	HSDP Scheme
20	PNB Balangir	4798000100022742	31-03-2018	6068480.00	31-03-2018	6068480.00	0.00	Water Supply
21	BOI Balangir	556210200000424	31-03-2018	188153.00	31-03-2018	188153.00	0.00	SJSRY
22	Allhabad Bank Balangir	20620805412	31-03-2018	8717.00	31-03-2018	8717.00	0.00	NOAP
23	Axis Bank Balangir	910010032727101	31-03-2018	17285.00	31-03-2018	17285.00	0.00	Greenery Park
24	PNB Balangir	4798000100022733	31-03-2018	2226559.00	31-03-2018	2226559.00	0.00	WODC
25	IOB Balangir	194401000001177	31-03-2018	34579.00	31-03-2018	34579.00	0.00	RMG Scheme
26	BOI Balangir	556221110000003	31-03-2018	743.00	31-03-2018	743.00	0.00	Current AC
27	BOB Balangir	30980100000626	31-03-2018	20961.00	31-03-2018	20961.00	0.00	SJSRY,NULM
28	UGB Balangir	12002156334	31-03-2018	591252.00	31-03-2018	591252.00	0.00	CRF

29	Axis Bank Balangir	912010002988 422	31-03-2018	6315985.00	31-03-2018	6315985.00	0.00	BRGF
30	UBI Balangir	140901013626 6	31-03-2018	7220145.82	31-03-2018	7220145.82	0.00	MLALAD
31	Axis Bank Balangir	912010002124 686	31-03-2018	27122.00	31-03-2018	27122.00	0.00	SPF
32	IDBI Balangir	074710400005 3075	31-03-2018	7290704.00	31-03-2018	7290704.00	0.00	TFC
33	Axis Bank Balangir	912010023165 512	31-03-2018	3039.82	31-03-2018	3039.82	0.00	APS,EMD,Tender
34	IOB Balangir	194401000000 615	31-03-2018	105769.60	31-03-2018	105769.60	0.00	SJSRY
35	Axis Bank Balangir	912010003244 994	31-03-2018	162372.46	31-03-2018	162372.46	0.00	Income tax
36	SBI Balangir	11341811840	31-03-2018	20571.16	31-03-2018	20571.16	0.00	NOAP
37	SBI Balangir	30327021234	31-03-2018	1068.40	31-03-2018	1060.00	8.40	LFS Pension
38	Allhabad Bank Balangir	20620811992	31-03-2018	40540.00	31-03-2018	40540.00	0.00	NSDP
39	UBI Balangir	614002010003 417	31-03-2018	60830.00	31-03-2018	60830.00	0.00	RMG
40	DCCB Balangir	153312400231 675	31-03-2018	34429.00	31-03-2018	34429.00	0.00	
41	ICICI Bank Balangir	052501001096	31-03-2018	1010237.50	31-03-2018	998237.50	12000.00	HSS
42	UBI Balangir	140901013625 9	31-03-2018	13927913.00	31-03-2018	9632590.00	4295323.00	General AC
43	BOI Balangir	556210221000 0019	31-03-2018	6930609.00	31-03-2018	6930609.00	0.00	R.B Scheme
44	UCO Bank Balangir	727010000774 6	31-03-2018	215617.00	31-03-2018	207569.00	8048.00	Saving scheme
45	SBI Balangir	11341801682	31-03-2018	6906652.00	31-03-2018	6906652.00	0.00	General Scheme
46	PL Account		31-03-2018	200092022.00	31-03-2018	200092022.00	0.00	
	GRAND TOTAL			400220497.59		388923345.86	11297151.73	

Reconciliation

Non conduct of Bank Reconciliation.

As per Rule- 6.2 of Odisha Municipal Accounts Rules,2012, The bank book is a book of original entry for recording transactions pertaining to bank and treasury accounts of the Municipality. It shall be maintained by the Accountant in Form ACNT-1. And as envisaged in Rule-6.6 of Odisha Municipal Accounts Rules,2012, The actual balance in the Bank/ Treasury Saving Account(s) shall be compared and reconciled with the Bank Book balance periodically and at least once at the end of every month. But the local authority has failed to adhere to this instruction.

As per Rule 128 of O.M. Rules, 1953, the cash book shall be balanced at the close of every month and signed by the Executive Officer in token of the correctness of every entry made therein. The balance brought out shall be stated both in words and figures and shall be agreed with the balance shown in the pass book of the municipality. As per Letter No. 15847/F, dtd 27.04.2013 of Finance Department, the DDO shall maintain a Register for reconciliation of receipts and disbursements of scheme funds. But violating the above Rules and Govt. orders, abstract of receipts and expenditure along with opening balance and closing balance of every month have not been furnished at the end of every month. Again detail of pass book wise closing balance has not been furnished at the end of every month.

However the closing balance of Accountant cash book as on 31.03.2018 is Rs 388923346.04 and the total closing balance of all pass books as on 31.03.2018 is Rs 400220497.77 as details furnished in statement above.As such there is a difference of Rs 11297151.73 (Rs 400220497.77.—Rs 388923346.04) which has not been reconciled.

On issue of half margin memo the local authority could not produce the reconciliation statement. Hence the Executive Officer is advised to get the amount reconciled and produced before audit. Till the difference amount of Rs 11297151.73 is kept under objection

Dormant bank account.

During the course of checking of Bank pass books, it is noticed that in the Account No.5562102210000019 of Bank Of India Balangir(R&B Scheme), the closing balance as on 31.03.2018 is Rs 6930609.00 and on date 01.04.2017 the opening balance of the account was also Rs 6930609.00. Again on further review of audit reports of previous years it was noticed that, the pass book balance of the account was the same i.e Rs 6930609.00 as on 31.03.2015,31.03.2016 and

31.03.2017. Hence it is clear that the balance position of the account has never increased during the last four years.

As per Government of Odisha Letter No.35425/F/ dtd. 12-10-12, all Departments were asked to instruct the implementing agencies which are authorized to keep the central share and state share or only central share of centrally sponsored plan schemes in bank accounts, to keep them in flexi accounts so that higher interest accruals from the scheme funds can be ploughed back to expand the coverage of the scheme without effecting fund flow for the scheme. Though it is not the objective of the schemes to park scheme fund in Bank accounts to reap interest, it is however observed that funds have been parked in Bank accounts for different reasons. Thus it is pertinent to keep such fund in flexi accounts so as to fill the gap of escalation cost of the project out of delay execution of the work.

But in the instance case, for the last four years no interest has been accrued in this account which is a loss to the municipality. If the account was not in function, the amount kept in the bank could have been withdrawn and it would have been deposited in another account or a flexi account could have been created so that the municipality could have earned interest money. It was not clarified to audit as to why the account is kept dormant for the last four years without fetching any interest.

On issue of half margin memo the local authority replied that the available balance amount will be withdrawn from current account and deposited in the saving account or flexi account. Hence the local authority is advised to withdraw the amount from the bank and the amount may be deposited in flexi account to fetch interest.

Operation of multiple bank accounts for individual scheme funds:-

As per Rule 14(4) of the Odisha Municipal Accounts Rules 2012 separate Bank Account shall be maintained for each fund and remittances shall be made to the relevant funds bank account. All money received under different program and activities shall forth with be deposited with the interest bearing saving bank accounts which are approved by the Govt. and the interest occurred is to be treated as additional resources of the scheme for utilization of the concern schemes. Hence the local authority is impressed upon to close the multiple bank account and maintain the single account for one scheme.

PARA: 6 STOCK POSITION

Bolangir Municipality - 2017-2018

S/no	Material/ Item	Opening Balance	Receipt	Issued	Closing Balance As per Audit	As per stock register	Remarks
1	Bitumen	5.5	0	0	5.50		Stock register not produced.
2	Bitumen RMC	5.5	0	0	5.50		Stock register not produced.
3	Hume pipe 4.5 mm	13	0	0	13.00		Stock register not produced.
4	Hume pipe 300mm	35	0	0	35.00		Stock register not produced.

Comments

In spite of issue of half margin memo and verbal requests for several times, Stock register of building materials could not be produced before audit. Hence the stock position has been mentioned basing on previous audit report. However during the financial year under audit no building material has been purchased as verified from the cash books.

Non conduct of Physical verification of stock and stores;-

Rule 106 and Rule 111 to 113 of OGFR (Vol.1) provides the provision for conduct of necessary inventory/physical verification of stores by head of office and record the certificate of verification of store with its result on the list of inventory or account as the case may be and shortage and damages as well as unserviceable stores be reported to the competent authority to write off the loss. But no such physical verification of stock and stores was noticed during the period under audit.

The local authority is advised to conduct physical verification of the stock.

PARA: 7 INVESTMENT

Bolangir Municipality - 2017-2018

S/no	Opening Balance of Investment as on (DD MM YYYY)	Opening Balance(In Rs:)	Amount Encashed during the Year under Audit(In Rs:)	Total(In Rs:)	Amount Invested during the Year under Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Audit	Closing Balance Audit(In Rs:)	Closing Balance as per (DD MM YYYY) Investment Ledger	Closing Balance Investment Ledger(In Rs:)	Difference(In Rs:)	Remarks
1	01-04-2017	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 :

In spite of issue of half margin memo and verbal requests for several times, investment register could not be produced before audit. However during the financial year under audit no investment has been made as verified from the cash books.

PARA: 8 **ADVANCE**

Bolangir Municipality - 2017-2018

S/no	Advance Outstanding as on (DD MM YYYY)	Cashbook Name	Advance Outstanding (In Rs:)	Advance Paid during the Year under Audit(In Rs:)	Total(In Rs:)	Advance adjusted during the Year under Audit(In Rs:)	Advance Outstanding as per (DD MM YYYY) Audit	Advance Outstanding Audit (In Rs:)	Advance Outstanding as per (DD MM YYYY) Cash Book	Advance Outstanding Cash Book(In Rs:)	Difference (In Rs:)	Remarks
1	01-04-2017	Accountant cash book	11816568.00	1113500.00	12930068.00	1771500.00	31-03-2018	11158568.00	31-03-2018	11158568.00	0.00	
	GRAND TOTAL		11816568.00	1113500.00	12930068.00	1771500.00		11158568.00		11158568.00	0.00	

Comments :

Non-Maintenance of advance ledger :-

As per Rule 136 to 140 of Odisha Municipal Rules, 1953 an 'Advance ledger' is to be maintained in each ULB recording person wise separate accounts regularly and promptly adjusted and any unspent balance of an advance shall be immediately refunded. The different accounts in the advance ledger shall be balanced quarterly and signed by the Executive officer & thus an 'Outstanding Advance ledger' is to be maintained on quarterly basis.

But violating the above rules, advance ledger and outstanding advance ledger are not being maintained in the Municipality. In spite of issue of half margin memos and verbal requests for several times, the local authority could not produce the advance ledger, outstanding advance ledger and year wise break up of outstanding advance. As such basing on the records available to audit and last year audit report, the year wise and category wise advance has been worked out for the year 2017-18. The local authority is advised to maintain the same as per rules furnished above.

Irregularities in monitoring the advance

The following defects were noticed on recording of advance position and monitoring the advance. In all cases advances are being shown as final payment instead of showing it as advance. No steps are being taken by the DDO as head of the office for the adjustment of huge outstanding advance.

YEAR WISE BREAK UP OF OUTSTANDING ADVANCE.

The detail of breakup of outstanding advance for the year 2017-18 is furnished below.

Year	OB	Paid	Total	Adjusted	Balance
Prior to 2012-13	9229630.00		9229630.00		9229630.00
2012-13	430000.00		430000.00	98000.00	332000.00
2013-14	106690.00		106690.00		106690.00
2014-15	231000.00		231000.00		231000.00
2015-16	142748.00		142748.00		142748.00
2016-17	1676500.00		1676500.00	915000.00	761500.00
2017-18	0.00	1113500.00	1113500.00	758500.00	355000.00
Total	11816568.00	1113500.00	12930068.00	1771500.00	11158568.00

Advance paid during the year 2017-18 but remained unadjusted till 31.03.2018.

From the above table it is noticed that, during the financial year 2017-18, a total sum Rs 1113500.00 paid advance to different employees out of that a sum of Rs 758500.00 was adjusted leaving a balance of Rs 355000.00 remained unadjusted till 31.03.2018. The detail of outstanding advance is furnished below.

SI No.	Name of advance Holders	Vr. No./date	Amount	Purpose of advane	Name of sanctioning authority
1	Santoshini Behera, Chairperson	412/08.09.2017	10000.00	To attend High court	Nabin Kumar Patel,OAS
2	Shyambahadur Joshi,Tractor Driver	480/10.10.2017	30000.00	Medical Advance	Nabin Kumar Patel,OAS
3	Devraj Meher,Head Asst.	700/10.10.17	150000.00	Medical Advance	Nabin Kumar Patel,OAS
4	Devraj Meher,Head Asst.	740/24.03.2018	150000.00	Medical Advance	Nabin Kumar Patel,OAS
5	Tapi Suna,Vehical Incharge	437/25.09.2017	15000.00	Vehicle Repaire	Nabin Kumar Patel,OAS
		Total	355000.00		

However the medical advance of Rs 30000.00 outstanding against Sri Shyam Bahadur Joshi, Driver has already been adjusted from his monthly salary from the month April 2018 to July 2018.

Advance outstanding for more than one year (Surchargeable Advance)

As per G.O.No.2221/FD.dt .8th March 2002, any advance remained unadjusted for more than one year without having any valid reason will be treated as loss to the audited organization as well as to the Government and surcharge proceeding will be initiated against the officials who caused the above loss. Audit observed that the system of adjustment of advance in this local institution was found to be ineffective. The EO did not follow the guiding principles for sanction and payment of advances and their adjustment which resulted to the irregular outstanding of advance amount which cannot be admitted in audit.

As per year wise break up of outstanding advance, it is noticed that a total sum of Rs.761500.00 is outstanding as advance on different employees as on 31.03.2018 which advance was paid during the year 2016-17, but not adjusted till the end of the year 2017-18 i.e. as on 31.03.2018.

On being asked the local authority failed to furnish any reasons for lying such a huge amount of outstanding advance for more than one year. Hence the above amount of Rs. 761500.00 needs recovery from the person concerned and compliance reported to audit.

As advance outstanding for more than one year without valid reason is to be treated as loss to the audited organization, it is brought under surcharge purview. Again as per G.O.No. 1517/DLFA/Dt.28.09.2013 both the sanction authority and advance holder are equally responsible the loss.

The details of such advances are as follows.

SI No.	Name of advance Holders	Vr. No./date	Amount	Purpose of advane	Name of sanctioning authority
1	Rojalisha Rout,JE	62/28.05.2016	100000.00	Development work	jayanta Parida,EO
2	Rojalisha Rout,JE	102/21.06.2016	200000.00	Development work	jayanta Parida,EO
3	Rojalisha Rout,JE	211/01.09.2016	200000.00	Development work	Sachidanand Satpathy,EO
4	Bijaya Tripathy	229/22.09.2016	1000.00	Harischandra sahayata payment	Sachidanand Satpathy,EO
5	Rojalisha Rout,JE	249/09.03.2017	200000.00	Development work	Sachidanand Satpathy,EO
6	Debakrushna Deep,WC employee	11/26.04.2016	10000.00	Medical Advance	jayanta Parida,EO
7	Prem Kumbhar,WC employee	11/26.04.2016	10000.00	Medical Advance	jayanta Parida,EO
8	Rashon Kumbhar,WC employee	11/26.04.2016	10000.00	Medical Advance	jayanta Parida,EO
9	Suryakanta Padhi,Advocate High court	375/04.01.2017	20500.00	Legal Fees	Sachidanand Satpathy,EO

10	Tapi Suna, Vehical Incharge	229/22.09.2016	10000.00	Vehicle Repaire	Sachidanand Satpathy,EO
		Total	761500.00		

Advance adjusted during 2017-18 against the advance paid prior to 2017-18

SI No.	Name of advance Holders	Vr. No./date of adjustment	Amount	Year of Advance	Advance payment Vr No.& Date
1	Bhojraj Mahapatra, Ex vehicle IC	231/06.072017	80000.00	2012-13	
2	Sanjaya Nag,TD	522/25.10.2017	10000.00	2016-17	99/20.06.2016
3	Sulakshayani Das,CO	822/28.02.2018	18000.00	2012-13	
4	Tapi Suna, Vehicle IC	101/09.05.2017	30000.00	2016-17	443/14.03.2017
5	Tapi Suna, Vehicle IC	82/06.05.2017	20000.00	2016-17	405/21.01.2017
6	Sarala Motors Balangir	151/22.05.2017	30000.00	2016-17	339/14.12.2016
8	Prashanta Pradhan NMR Employee	From Salary 10/17 to 3/18	30000.00	2016-17	440/09.03.2017
9	Sanjaya Mahanty,JE	207/28.06.2017	8000.00	2016-17	260/30.10.2016
10	Sanjaya Mahanty,JE	207/28.06.2017	12000.00	2016-17	406/21.01.2017
10	General establish section FA	From salary 4/2017 to 3/2018	137000.00	2016-17	234/27.09.2016
11	Octroi section FA	From salary 4/2017 to 3/2018	58000.00	2016-17	234/27.09.2016
12	Public health section FA	From salary 4/2017 to 3/2018	188000.00	2016-17	234/27.09.2016
13	Work charge section FA	From salary 4/2017 to 3/2018	268000.00	2016-17	234/27.09.2016
14	NMR/DLR FA	From salary 4/2017 to 3/2018	124000.00	2016-17	234/27.09.2016
		Total	1013000.00		

Person(s) Responsible for this paragraph

Sno	Name	Designation	Adress	Amount(In Rs.)
1	Bijaya Tripathy	HSSY Dealing Assistant	Balangir Municipality District-Balangir	500
2	Rojalisha Rout	JE	Balangir Municipality District-Balangir	350000
3	Debakrushna Deep	Work Charge Employe	Balangir Municipality District-Balangir	5000
4	Sachidanand Satpathy	Ex E.O.	Now E.O. at Daspalla NAC District-Nayagaarh	226000
5	Prem Kumbhar	Work Charge Employe	Balangir Municipality	5000

			District-Balangir	
6	Rashon Kumbhar	Work Charge Employe	Balangir Municipality District-Balangir	5000
7	Tapi Suna	Amin	Balangir Municipality District-Balangir	5000
8	Jayanta Parida	Ex E.O.	Now M.E. at Talcher Municipality District-Anugul	165000

PARA: 9 **GRANTS**

Bolangir Municipality - 2017-2018

S/no	Grants Outstanding as on (DD MM YYYY)	Grants Outstanding (In Rs:)	Grants Received during the Year under Audit(In Rs:)	Total(In Rs:)	Grants Spent during the Year under Audit(In Rs:)	Grants unspent as on (DD MM YYYY)	Grants unspent (In Rs:)	Remarks
1	01-04-2017	367650909.00	246238352.00	613889261.00	219645031.00	31-03-2018	394244230.00	GIA Register not maintained.
	GRAND TOTAL	367650909.00	246238352.00	613889261.00	219645031.00		394244230.00	

Comments :

As per Rule-170 and 171 of OGFR (vol-1), grants received should be spent within same financial year in which it was received by the local authority and UC should be submitted by the end of 30th June of the subsequent year to the funding authority as well as AG, Odisha. It is ascertained from the grant position that huge amount of grants i.e Rs 394244230.00 as on 31.03.2018 are remained unspent which shows the inefficiency of the local authority in managing the expenditure. Review of the grants of different schemes revealed that there was delay in release of funds by the granting authority to the council that received the funds virtually at the fag end of the financial year during the month of February, thereby leaving a very less scope for utilization of funds during the same year. Thus, less utilization of grants by the local authority is to some extent attributed to release of funds at the fag end of the financial year.

The local authority is impressed upon to exercise adequate control over the expenditure, expedite the expenditure process and restore fiscal space available for making appropriate spending so as to spend the grant in due time.

The detail of receipts and expenditure of grants is furnished below.

Sl. No.	Head of Accounts	GO No./Date	OB as on 01.04.2017	Receipts during the year	Total	Expenditure during the year	CB as on 31.03.2018
1	Octroi compention		0.00				
		13852/HUD/20.06.2017		40268000.00			
		30385/HUD/23.12.2017		20054000.00			
		5214/HUD/23.02.2018		20054000.00			
		Total	0.00	80376000.00	80376000.00	57105373.00	23270627.00
2	RMG (Hard cash)		1865611.00		1865611.00		1865611.00
3	RMG (Normal)		-775543.00		-775543.00		-775543.00
4	Road Development Grant		-2005662.00		-2005662.00		-2005662.00
5	TFC(General)/14th FCA General		37656914.00		37656914.00		37656914.00
6	Water supply		8500000.00		8500000.00		8500000.00
7	Devolution Fund				0.00		0.00
		18503/HUD/16.08.2017		13445000.00			0.00
		3435/HUD/05.02.2018		13445000.00			0.00
		Total	65705992.00	26890000.00	92595992.00	40982585.00	51613407.00
8	IHSDP		26248530.00		26248530.00	3405462.00	22843068.00

9	UBS		789908.00		789908.00		789908.00
10	Const. of Primary school Bldg		72230.00		72230.00		72230.00
11	Const. of Kiosk		77737.00		77737.00		77737.00
12	NSDP Grant		23973.00		23973.00		23973.00
13	Fesival Grant		-283420.00		-283420.00		-283420.00
14	Green Park		-3285262.00		-3285262.00		-3285262.00
15	Const. of Boundry wall		500000.00		500000.00		500000.00
16	Performance based insentive grant		7584680.00		7584680.00		7584680.00
17	Protection and conservater of water bodies		2319215.00		2319215.00		2319215.00
18	Urban Tourism		-786373.00		-786373.00		-786373.00
19	SWM(TFC)		5930244.00		5930244.00		5930244.00
20	Entertenment		64000.00		64000.00		64000.00
21	BPL Survey		27335.00		27335.00		27335.00
22	MV tax				0.00		0.00
		18979/HUD/19.08.2017		3954000.00			0.00
		3415/HUD/05.02.2018		3954000.00			0.00
		Total	19930979.00	7908000.00	27838979.00	3906315.00	23932664.00
23	CC Road/Special CC Road		3707556.00		3707556.00	3495724.00	211832.00
24	BRGF		23453581.00		23453581.00	2627515.00	20826066.00
25	MDM		55619.00		55619.00		55619.00
26	MPLAD		2307576.00	2400000.00	4707576.00	1768463.00	2939113.00
27	MLALAD		4588529.00		4588529.00		4588529.00
28	TFC R&B	3488/HUD/06.02.2018	10830703.00	5126000.00	15956703.00	34517635.00	-18560932.00
29	Red Cross		41204.00		41204.00		41204.00
30	TLC Grant		12940.00		12940.00		12940.00
31	Special Problem Fund		2500190.00		2500190.00		2500190.00
32	Dewatering Fund		88000.00		88000.00		88000.00
33	Funds received from CDMO		1000000.00		1000000.00		1000000.00
34	HIV/AIDS		87300.00		87300.00		87300.00
35	Leprosy Pension		45260.00		45260.00		45260.00
36	Assistance for restruction of Row under flood damage 2007		-21920.00		-21920.00		-21920.00
37	Assistance for restruction of Row under flood damage 2008		7569.00		7569.00		7569.00
38	Election		816162.00		816162.00		816162.00
39	RTI work shop		-198003.00		-198003.00		-198003.00
40	Airtel Tower		734580.00		734580.00		734580.00

41	SECC 2011		36500.00		36500.00		36500.00
42	Census		1752818.00		1752818.00		1752818.00
43	City development plan		658430.00		658430.00		658430.00
44	Special devolepment DRDA		100000.00		100000.00		100000.00
45	Salary of BRGF Accountant		121500.00		121500.00		121500.00
46	Creation of capital asssets				0.00		0.00
		20278/HUD/04.09.2017		949000.00			0.00
		5562/HUD/26.02.2018		949000.00			0.00
		TOTAL	5670000.00	1898000.00	7568000.00		7568000.00
47	4th SFC Maintanance of capital assets	19682/HUD/29.08.2017		453000.00			0.00
		5576/HUD/26.02.2018		453000.00			0.00
		TOTAL		906000.00	906000.00		906000.00
48	Swatcha Bharat		12328940.00	434450.00	12763390.00	4326234.00	8437156.00
49	Creation of basic service						0.00
		18473/HUD/16.08.2017		21237000.00			0.00
		30505/HUD/26.12.2017		21007000.00			0.00
		TOTAL	275000.00	42244000.00	42519000.00	28208552.00	14310448.00
50	Honararium and TA/DA of elected members	17435/HUD/01.08.2017	-16711.00	73350.00	56639.00	31000.00	25639.00
51	Purchase of Electrical materials		3630000.00		3630000.00		3630000.00
52	Harischandra Sahayata		-314000.00	1000000.00	686000.00	873000.00	-187000.00
53	Maintanance of Non residential building.	3498/HUD/06.02.2018	474000.00	474000.00	948000.00		948000.00
54	NSFA		-363283.00		-363283.00		-363283.00
55	Other Grant		500000.00		500000.00	7712625.00	-7212625.00
56	Mini Stadium		2000000.00		2000000.00		2000000.00
57	WODC		6820832.00	1600000.00	8420832.00	1218187.00	7202645.00
58	SJRY(NULM)		-9962072.00	4881883.00	-5080189.00	2210188.00	-7290377.00
59	LFS/NON LFS pension		97590208.00				0.00
		20539/HUD/07.09.2017		18634000.00			0.00
		5632/HUD/26.02.2018		18531000.00			0.00
		TOTAL	97590208.00	37165000.00	134755208.00	555173.00	134200035.00
60	OAP/ODP/NOAP/MBPY		26130813.00	32861669.00	58992482.00	26701000.00	32291482.00
		Total	367650909.00	246238352.00	613889261.00	219645031.00	394244230.00

PARA: 10 UTILISATION CERTIFICATE

Bolangir Municipality - 2017-2018

S/no	U.C Outstanding as on (DD MM YYYY)	U.C Outstanding(In Rs:)	U.C due for submission during the period under Audit(In Rs:)	Total(In Rs:)	U.C Submitted during the period under Audit(In Rs:)	U.C needs to be submitted as on outstanding as on (DD MM YYYY)	U.C needs to be submitted as on outstanding (In Rs:)	Remarks
1	01-04-2017	409245574.50	219645031.00	628890605.50	153801406.00	31-03-2018	475089199.50	
	GRAND TOTAL	409245574.50	219645031.00	628890605.50	153801406.00		475089199.50	

Comments :

As per Rule-170 and 171 of OGFR(vol-1) , grants received should be spent within the same financial year in which it was received by the local authority and UC should be submitted by the end of 30th June of the subsequent year to the funding authority as well as to the Principal A. G .(A&E), Odisha. But it was revealed from the aforementioned abstract that pending figure of UC due as on 31.03.2018 that huge amount of outstanding UC is pending with the Municipality. The local authority is impressed upon to expedite the expenditure process and ensure to clear the pendency by way of submission of UCs to proper quarter.

YEAR WISE BREAK UP OF OUTSTANDING UC.

The detail of breakup of outstanding UC for the year 2017-18 is furnished below.

YEAR	UC pending	UC submitted	Balance
UP to 2012-13	37365447.50	1500000.00	35865447.50
2013-14	8475645.00	0.00	8475645.00
2014-15	96345231.00	5053858.00	91291373.00
2015-16	126703451.00	712243.00	125991208.00
2016-17	140355800.00	120207766.00	20148034.00
2017-18	219645031.00	26327539.00	193317492.00
TOTAL	628890605.50	153801406.00	475089199.50

Details of submission of UC.

As it could be ascertained from the records and UC file made available to audit, the details of utilisation certificates submitted during the period under audit in respect of different grants relating to different year of receipt are as follow.

SI No	Schemes	Letter No & date	Year	Amount (Rs)
1	MPLAD(RS)	1357/15.04.2017	2014-15	3544193.00
			2016-17	500000.00
		2897/17.07.2017	2014-15	878928.00
			Total	4923121.00
2	MPLAD(LS)	1355/15.04.2017	2014-15	350000.00
		4836/19.12.17	2017-18	500000.00

			Total	850000.00
3	Park and Greenery	1383/15.04.2017	2008-09	1000000.00
			2009-10	500000.00
			2014-15	280737.00
			Total	1780737.00
4	Hon.and sitting allowance of Elected members	3733/06.09.2017	2016-17	11000.00
			Total	11000.00
5	WODC	2598/04.07.2017	2016-17	3000000.00
		3013/26.07.2017	2016-17	500000.00
		3729/06.09.2017	2016-17	800000.00
			Total	4300000.00
6	Entry tax for salary and establishment cost (Octroi Compention)	1377/15.04.2017	2015-16	275000.00
		1377/15.04.2017	2016-17	43640146.00
		1381/15.04.2017	2016-17	26995223.00
		2899/17.07.2017	2016-17	15276528.00
		2899/17.07.2017	2017-18	5618483.00
			Total	91805380.00
7	Creation of capital Asset	2750/10.07.2017	2017-18	1819900.00
			Total	1819900.00
8	MV Tax	1374/15.04.2017	2016-17	902171.00
		4832/19.12.2017	2017-18	630484.00
			Total	1532655.00
9	Devaluation Fund	1372/15.04.2017	2016-17	5353500.00
		2572/10.07.2017	2017-18	2395629.00
			Total	7749129.00
10	14th SFC (Basic Grant)	1370/15.04.2017	2016-17	19064000.00
		2754/10.07.2017	2016-17	1106450.00
		2754/10.07.2017	2017-18	8186134.00
		4830/19.12.2017	2017-18	4830474.00
			Total	33187058.00
11	SBM	1379/15.04.2017	2015-16	437243.00
			2016-17	3058748.00
		3731/06.09.2017	2017-18	796400.00
		4834/19.12.2017	2017-18	1550035.00
			Total	5842426.00
		GRAND TOTAL		153801406.00

PARA: 11 MISAPPROPRIATION & DEFALCATION

11.1 - Non deposit of collected amounts of holding tax.			
During the course of checking of holding tax receipts books of Sri Jeetendra Kumbhar, Tax Collector, with reference to the Daily collection Registers and cashier cash book, it was noticed that a total sum of Rs 7640.88 as details furnished below has been collected on different days but the collected amount has neither taken to DCR not deposited in the cashier cash book. The detail of collection is furnished below.			
SI No	M.R No./Book No.& Date	From whom collected	Amount collected
1	99/94 Dt 18.09.2017	Satyanarayan Sahu	62.44
2	100/94 Dt 18.09.2017	Kalyani Das	2529.00
3	71/02 Dt 14.11.2017	Banshidhar Podh	121.44
4	38/12 Dt 16.01.2018	Sishir Kumar Mishra	4928.00
Total			7640.88
On issue of half margin memo, the non deposit amount of Rs 7640.88 was recovered from Sri Jeetendra Kumbhar, Tax collector vide Miscellaneous Receipts No. 64 book No.7 on date 20.07.2018 and deposited to Municipality fund. Hence the paragraph is dropped.			

PARA: 12 LOSS OF STOCK & STORE

PARA: 13 AUDIT OF RECEIPTS

13.1 - DCB Position of Taxes.											
As per Rule 176 of odisha Municipality Rules 1953, Demand and collection Register should be maintained. But violating the above rule the demand , collection and balance position of holding , light and water taxes for the year 2017-18 has not been maintained properly and also the DCB register of taxes is not being maintained .											
Hence basing on the records and registers made available to audit, the demand collection and balance position of different taxes has been furnished below.											
However, the Executive Officer is advised to maintain the DCB properly and to watch the proper collection of taxes and to watch the loss and commission of demand.											
Statement showing the details of demand, collection and balance of taxes, rents and fees of Balangir Municipality for the year 2017-18 is furnished below.											
Name of Taxes	DEMAND			COLLECTION			Rebate Allowed Arrear	Current collection + Rebate		BALANCE	
	Arrear	Current	Total	Arrear	Current	Total		Current	Total		
Holding tax	1388907.40	1073526.05	2462433.45	319058.16	852619.26	1171677.42	42046.85	894666.11	1069849.24	178859.94	1248709.18
Latrine tax	52029.03	0	52029.03	1013.86	0.00	1013.86		0	51015.17	0	51015.17
Water tax	2359126.1	663948.26	3023074.44	232115.	455661.8	687777.2	19720.00	475381.89	2127010.	188566.3	2315577.

	8		38	9	7		80	7	17		
Light tax	2572130.96	749319.05	3321450.01	240353.85	525381.92	765735.77	20721.90	546103.82	2331777.11	203215.23	2534992.34
Total	6372193.57	2486793.36	8858986.93	792541.25	1833663.07	2626204.32	82488.75	1916151.82	5579652.32	570641.54	6150293.86
Stall Rent	1087031.00	3437481.00	4524512.00		2339971.00	2339971.00		2339971.00	1087031.00	1097510.00	2184541.00
Lease of park		526185.00	526185.00		526185.00	526185.00		526185.00	0.00	0.00	0.00
Weekly Market		147440.80	147440.80		147440.80	147440.80		147440.80	0.00	0.00	0.00
Town Hall		248000.00	248000.00		248000.00	248000.00		248000.00	0.00	0.00	0.00
Cess pool		430420.00	430420.00		430420.00	430420.00		430420.00	0.00	0.00	0.00
Tender paper		227500.00	227500.00		227500.00	227500.00		227500.00	0.00	0.00	0.00
U/S 290		55820.00	55820.00		55820.00	55820.00		55820.00	0.00	0.00	0.00
Total	1087031.00	5072846.80	6159877.80	0.00	3975336.80	3975336.80	0.00	3975336.80	1087031.00	1097510.00	2184541.00
GRAND TOTAL	7459224.57	7559640.16	15018864.73	792541.25	5808999.87	6601541.12	82488.75	5891488.62	6666683.32	1668151.54	8334834.86

Time bared dues

The year wise break of outstanding tax is furnished below.

Sl.No.	YEARS	Holding tax	Light tax	Water tax	Latrine tax	Total
1	2001-02	262730.15	928360.77	957056.37	51015.17	2199162.46
2	2002-03	41831.08	20428.08	20428.82		82687.98
3	2003-04	18087.86	43018.61	15330.66		76437.13
4	2004-05	44571.31	57117.58	11796.99		113485.88
5	2005-06	62719.69	34792.58	14108.46		111620.73
6	2006-07	40760.47	37092.89	30730.78		108584.14
7	2007-08	34926.52	72675.18	82518.72		190120.42
8	2008-09	63167.20	90556.19	59320.25		213043.64
9	2009-10	4748.60	82364.70	73027.80		160141.10
10	2010-11	11178.62	112543.90	49420.98		173143.50
11	2011-12	37005.12	255754.78	200745.35		493505.25
12	2012-13	58713.36	181356.91	97619.03		337689.30
13	2013-14	142207.77	149949.43	144247.79		436404.99
14	2014-15	113513.07	85741.31	117244.79		316499.17
15	2015-16	88106.55	127529.66	169690.03		385326.24
16	2016-17	45581.87	52494.56	83723.96		181800.39
17	2017-18	178859.94	203215.23	188566.37		570641.54
	Grand Total	1248709.18	2534992.33	2315577.17	51015.17	6150293.85

As per Section 346 of O.M Act 1950, no distraint shall be made, no suit shall be instituted and prosecution shall be commenced in respect of any due to the Municipality area under this act,

after expiration of a period of 5 years from the date on which distraint might first have been made, a suit might first have been instituted or prosecution might first have been commenced, as the case may be.

Under section 347 states that, save as otherwise expressly provided in this act, no persons shall be tried for any offence against the provision of this act, or of any rule, regulation or law made under it unless a complaint is made by the police or the executive Officer of a Municipality or by a person expressly authorized by the Municipality or its executive officer, within three month of the commence of the the offence.

On scrutiny, it is found from the table noted above the year wise breakup of taxes amounting to Rs.6150293.85 is lying outstanding balance as on 31.03.2015. Out of which Rs.436404.99 has become time barred by limitation (tax outstanding for more than 5 years from the year 20117-18 i.e. year of 2013-14.The time barred due amount of Rs 436404.99 is kept under objection till the collection of the amount.

13.2 - INEFFECTIVE AND INEFFICIENT RECOVERY OF HOLDING TAX.

As per Rule-175 of Odisha Municipal Rules, 1953, the municipality shall be divided into circles for the purpose of collection of taxes. Each circle shall be numbered and a Tax Collector shall be appointed in charge of one or more circles. The O.M. Act, 1950 stipulated u/s 158, that notification shall be made and posted in the office of the Municipality declaring day(s) and time for receipt of taxes, u/s 159(2) any tax on the annual value of holdings shall be payable quarterly installment and every such installment shall be deemed to be due on the first day of the quarter in respect of which payable. u/s 159-A(1)&(2) a resolution may be passed in the Municipal Council to grant a rebate in respect of tax paid within stipulated period i.e. the rebate may be allowed not exceeding 10 per cent (paid within 30 days) and 5 per cent (paid beyond 30 days and within 60 days) and the Municipality may in like manner, provide for grant rebate at such percentage not exceeding 20% for the tax due for any year paid before 30th April and not exceeding 10 per cent where it is paid on or before 31st May of that year. Further, u/s 160 of the Act, a receipt signed by the tax collector or any other officer authorized by the E.O. was to be given against each payment of tax. Also as per Rule-201(2) and

Rule-202 of O.M. Rules, 1953, the Municipality may establish a system of reward and punishment to tax collector to ensure best results in collection of tax.

The Balangir Municipality consists of 21 wards and no specific circle exists for collection of taxes. The taxes are collected ward wise by engaging Tax Collectors. The taxes are received throughout the year and no notification has been made declaring day(s) and time for receipt of taxes. No computer data base has been made relating to assessment of holding tax, number of holdings, demand of tax, collection of tax and arrear taxes outstanding for collection. The details of demand, collection & % of collection are furnished below.

SL. NO.	NAME OF TAXES	DEMAND	COLLECTION	% OF COLLECTION
1	Holding tax	2462433.45	1213724.27	49.29
2	light tax	3321450.01	786457.67	23.68
3	Water tax	3023074.44	707497.27	23.40
4	Latrine tax	5209.03	1013.86	19.46
	Total	8812166.93	2708693.07	30.74

From the above table it is clear that the collection percentage is varied from 19.46 % to 49.29 % and total collection is 30.74% which is far from the satisfactory. It is to mention here that Municipality has not yet established any system of rewards and punishments to tax collector to ensure best results in collection of tax. As, no remedial measures for effective realization of revenue has been taken, huge arrears are rolling for years together with owners of the houses which indicates the inefficiency and ineffectiveness of collection of Holding Taxes.

PARA: 14 AUDIT OF EXPENDITURE

14.1 - Double payment of advertisement charges. OMP-15

During the course of checking of accountant cash book with reference to paid vouchers and bill register, it was noticed that, vide voucher number 267/dt 18.07.2017 a sum of Rs 82120.00 has been paid to the daily newspaper "The Samaj" Cuttack towards advertisement charges as per 15 numbers of bills attached to the voucher guard files. On further scrutiny of the advertisement bills, it was disclosed that five numbers of bills amounting to Rs 27215.00 as detail furnished below have been paid double though the bill numbers, advertisement dates, advertisement purpose and advertisement notices are the same. The details of bills which were paid in double are furnished below.

1. Advertisement office letter No-5948/dt 23.12.2016 Quotation call notice. The Samaj Bill No. -SCA/2016-17/9695, Publication Date-27.12.2016 Page-8 Amount paid **-Rs 5435.00**
2. Advertisement office letter No-817/dt 09.03.2017 Quotation call notice. The Samaj Bill No. -SCA/2016-17/11858, Publication Date-11.03.2017 Page-11 Amount paid **-Rs 6534.00**
3. Advertisement office letter No-5580/dt 01.12.2016, Notice to Jitendra Deep, Contractor. The Samaj Bill No. -SCA/2016-17/8693, Publication Date-02.12.2016 Page-11 Amount paid **-Rs 3960.00**
4. Advertisement office letter No-763/dt 03.03.2017 E- procurement. The Samaj Bill No. -SCA/2016-17/1165, Publication Date-06.03.2017 Page-4 Amount paid **-Rs 5940.00**
5. Advertisement office letter No-1996/dt 16.05.2016 E- procurement. The Samaj Bill No. -SCA/2016-17/1749, Publication Date-20.05.2016 Page-14 Amount paid **-Rs 5346.00**

In this a total sum of Rs 27215.00 has been paid in excess which is a loss to the municipal fund and cannot admit in audit.

In response to audit objection, the local authority replied that the excess amount would be recovered or adjusted from the Editor, the Samaj Newspaper. Hence the excess paid amount may be recovered from the person responsible and compliance reported to audit.

Persons responsible for this paragraph

- 1- Sachidanand Satpathy, Ex E.O. (Passing Authority of the bill.)
- 2- Ritesh Kumar Chand, Accountant. (Prepared the bill)

Person(s) Responsible for this paragraph

S/no	Name	Designation	Adress	Amount(In Rs:)
1	Ritesh Kumar Chand	Acciuntant	Bolangir Municipality	13607
2	Sachidanand Satpathy	Ex E.O.	Now E.O. at Daspalla NAC District-Nayagaarh	13608

14.2 - Deposit of EPF amount. OMP-26

During the course of checking of accountant cash book with reference to paid vouchers and bill register, it was noticed that, during the year under audit a total sum of Rs 14499197.00 has been deposited towards EPF of the employees for the period January 2011 to February 2018 as details below.

S.L NO	Voucher No./Date	Amount(Rs)	Period of EPF
--------	------------------	------------	---------------

1899/27.03.2018		887680.00	10/2017 to 1/2018
2907/28.03.2018		230087.00	Feb-18
3927/31.03.2018		1042332.00	1/2011 to 12/2011
4928/31.03.2018		1103918.00	1/2012 to 12/2012
5929/31.03.2018		1953987.00	1/22013 to 12/22013
6930/31.03.2018		2140577.00	1/2014 to 12/2014
7931/31.03.2018		2401015.00	1/2015 to 12/2015
8932/31.03.2018		2798469.00	1/2016 to 12/2016
9933/31.03.2018		1941132.00	1/2017 to 9/2017
TOTAL		14499197.00	

It is not understood that EPF amounts for the years 2011,2012,2013,2014,2015 and 2016 deposited in the financial year 2017-18 after lapses of so many years. Hence the reason of delay deposit of EPF amount may be clarified to audit.

Hence the details of deposit of EPF amount employees wise and details of employees share and employer share needs to produced before audit for verification.

In response to audit objection, the local authority replied "In the matter of proceeding under section 7A of the Employees provident funds and miscellaneous provision act 1952 in respect of U/s Balangir Municipality, Balangir OR/16179 for assessment dues for the period from 1/2011 to 5/2016 which was deposited in the financial year 2017-18 vide council resolution No.4(other)(ja)/date 27.04.2017."

Though the EPF deposited was made as per the above mentioned council resolution, the details of employees share and employer share of EPF deposit could not be produced before audit.. Hence till the production of records the payment of EPF amount for Rs 14499197.00 is kept under objection.

14.3 - Required file wanting. OMP 27

1. A total sum of Rs 489900.00 has been paid vide Voucher No-154/dt 24.05.2017 to CA farm Lal Das & Co. towards DEBAS accounting and audit of municipality for the year 2013-14,2014-15,2015-16 and 2016-17 and audit of AAHAR center for the year 2015-16 and 2016-17.Hence the concerned file may be produced before audit for verification. Again the audit report submitted by the CA farm for the audit of Municipality and AAHAR center for the years as above may be produced before audit for verification.
2. As per voucher No.205/dt 27.06.2017, a total sum of Rs 130000.00 paid to Jai Matadi cycle store,Balangir towards release of security deposit amount for supply of 50nos of Rickshaw trolley as per office order No.2878/Dt 13.06.2012 and C.R No.20/19.05.2012 .Hence the concerned file may be produced before audit for verification.
- 3.As per voucher No.693/dt 06.01.2018, a total sum of Rs 83000.00 paid to Srikant Sahoo, Sai consultancy service,Anugul towards generation of employee UAN No. and ECR generation .Hence the concerned file may be produced before audit for verification.
- 4.As per voucher No.937/dt 31.03.2018, a total sum of Rs 10000000.00(one Crore) paid to Administrator,WESCO utility BED Balangir towards Electrical Bill.Hence the concerned file may be produced before audit for verification.

In response to audit objection, the local authority did not produce the required records and registers. Hence till the production of records the payment of above purposes for Rs 10702900.00 is kept under objection.

14.4 - Irregular payment of advertisement charges. OMP 31 to 34

As per Govt of Odisha Gazette Notification No-1708 dt.23.12.1998; all Commercial Classified and display advertisement by State Govt. Agencies, undertaking Corporation.etc. Will routed through the Information and Public Relation Department to eligible news papers/Periodical in the approved list. The Budget provision of the undertaking State Government , Agencies and Corporation will be Communicated to the information and Public Relation Department at the beginning of the year for keeping on effective watch on release of advertisements. Such Budget provision must be communicated with the first half of the year if not communicated earlier. Information Public Relation Department shall communicate approved rate in respect of each news papers/Periodical to all such advertisers in order to enable them to make payment directly to the news papers under intimation to Information and Public Relation Department.

Further Under Section 17(A) of Odisha Municipal Act-1950 ;Unless Provision has been made in the Municipal Budget as approved by the State Govt. no expenditure shall be incurred by the Council Without prior approval of the director.

From the above it is clearly stated that all the advertisement of all Government department /Undertakingetc have to be routed through information and public relation department. But violating the above guideline a total sum of Rs.595297.00 as details furnished below has been made expenditure towards advertisement charges during the year 2017-18 which needs clarification.

The detail of payment is furnished below.

S.L NO	Voucher No./Date	Amount(Rs)	To whom paid
1	21/15.04.2017	30100.00	Express publication, Madurai
2	22/15.04.2017	21995.00	Eastern Media Limited
3	23/15.04.2017	5208.00	Pragatibati
4	24/15.04.2017	18582.00	The Samaj
5	25/15.04.2017	6774.00	Suman Real Media
6	26/15.04.2017	29234.00	Dharitri Odia daily
7	263/18.07.2017	8564.00	Tilaakraj Publication
8	264/18.07.2017	3900.00	Express publication, Madurai
9	265/18.07.2017	3600.00	Panorama Multimedia limited
10	266/18.07.2017	24509.00	Dharitri Odia daily
11	267/18.07.2017	82120.00	The Samaj
12	268/18.07.2017	12734.00	Eastern Media Limited
13	269/18.07.2017	5729.00	Pragatibati
14	270/18.07.2017	14395.00	Pramey odia
15	289/28.07.2017	6600.00	Panorama Multimedia limited
16	290/28.07.2017	10108.00	Tilaakraj Publication
17	295/28.07.2017	1500.00	Sashak Prasashak
18	334/09.08.2017	3000.00	Pratidina
19	335/09.08.2017	3960.00	The Samaj

20	336/09.08.2017	3000.00	Sabuja Odishara Kholaphardha
21	337/09.08.2017	3000.00	Anchalik Sambad
22	338/09.08.2017	2000.00	Janasambad
23	339/09.08.2017	10000.00	D
24	391/06.09.2017	14482.00	Dharitri Odia daily
25	467/04.10.2017	20000.00	Balangir lokautsav
26	468/04.10.2017	20000.00	H&UD dept. cultural association
27	503/24.10.2017	1000.00	Neetabeera
28	504/24.10.2017	2000.00	Express publication, Madurai
29	505/24.10.2017	2000.00	Abhijit Publication private ltd
30	506/24.10.2017	1995.00	Bharat Darsan
31	507/24.10.2017	2000.00	Dharitri Odia daily
32	508/24.10.2017	1050.00	Odish post BBSR
33	509/24.10.2017	2000.00	Pratidina
34	510/24.10.2017	2000.00	Nijukti KHABAR
35	511/24.10.2017	1000.00	Dindayaal Mail
36	512/24.10.2017	2000.00	Indu Vallav Times
37	513/24.10.2017	2000.00	Sabuj Odishara Kholaphadha
38	514/24.10.2017	2000.00	Mediage
39	515/24.10.2017	1000.00	Anchal anugami
40	516/24.10.2017	1000.00	Janasambad
41	517/24.10.2017	1000.00	Koshal Prabaha
42	518/24.10.2017	12233.00	Dharitri Odia daily
43	519/24.10.2017	6615.00	Express publication, Madurai
44	582/28.11.2017	3000.00	Pratidina
45	583/28.11.2017	5250.00	Suman Real Media
46	585/28.11.2017	10000.00	Srujan Salita Nabanita
47	592/30.11.2017	1500.00	Utkal samaj
48	674/28.12.2017	3000.00	Natabara
49	675/28.12.2017	1000.00	Nijukti Keshari
50	676/28.12.2017	2079.00	The Samaj
51	720/17.01.2018	26136.00	The Samaj
52	721/17.01.2018	11923.00	Dharitri Odia daily
53	803/23.02.2018	2000.00	Janasambad
54	804/23.02.2018	5300.00	News world odisha
55	805/23.02.2018	2100.00	Abhijit Publication private ltd
56	806/23.02.2018	2100.00	Bharat Darsan
57	807/23.02.2018	4999.00	Eastern Media Limited
58	808/23.02.2018	2100.00	Koshal Prabaha
59	809/23.02.2018	2000.00	Prerana
60	810/23.02.2018	5000.00	Sabuj Odishara Kholaphadha
61	811/23.02.2018	5000.00	Pratidina
62	812/23.02.2018	2100.00	Utkal mail prakashani

63	813/23.02.2018	5000.00	Pratidina
64	828/08.03.2018	34035.00	Eastern Media Limited
65	829/08.03.2018	13446.00	Dharitri Odia daily
66	830/08.03.2018	2835.00	Indian express
67	831/08.03.2018	5707.00	The Samaj
68	845/19.03.2018	2100.00	Tilaakraj Publication
69	846/19.03.2018	2100.00	Anupam Media Limited
70	847/19.03.2018	5000.00	Pragatibati
71	861/19.03.2018	5250.00	Pramey odia
72	862/19.03.2018	5250.00	Dharitri Odia daily
73	896/26.03.2018	10000.00	Odisha Journalist union, BBSR
	Total	595297.00	

In response to audit objection, no reply was furnished by the local authority. Hence till the clarification , the payment of above purposes for Rs 595297.00 is kept under objection.

14.5 - Irregular Purchase of electrical materials without inviting tender. OMP 28 to 30

During the course of checking of Accountant cash book with reference to paid vouchers, it was noticed that during the year under audit, electrical articles of worth Rs 26632314.00 as details furnished has been purchased for maintenance of street light of the municipality.

S.L NO	Voucher No./Date	Amount(Rs)	To whom paid	particulars of payment	Remarks
1	162/24.05.2017	6006330.00	Bhagabati Enterprises,Kantabanji	Electrical materials for Rajendra Park	New rate
2	195/18.06.2017	3655702.00	Bhagabati Enterprises,Kantabanji	Street Light materials	Old rate for 2013-14, Order placed during 2017-18
3	210/30.06.2017	3012800.00	Bhagabati Enterprises,Kantabanji	Street Light materials	New rate
4	360/21.08.2017	470397.00	Santosh Electricals,Balangir	Street Light materials	New rate
5	369/24.08.2017	2268000.00	Bhagabati Enterprises,Kantabanji	Street Light materials	Old rate for 2013-14
6	419/16.09.2017	5735150.00	Bhagabati Enterprises,Kantabanji	Street Light materials	New rate
7	617/05.12.2017	1816000.00	Bhagabati Enterprises,Kantabanji	Street Light materials	Old rate for 2013-14
8	618/05.12.2017	2214185.00	Santosh Electricals,Balangir	Street Light materials	New rate
9	747/02.02.2018	1453750.00	Bhagabati Enterprises,Kantabanji	Street Light materials	New rate
	Total	26632314.00			

On further verification of purchase files of electrical materials, it was disclosed that quotation for purchase of electrical materials was called for vide Office letter No.1465/dt 22.04.2017 and the notice was published in the odia news paper "Odisha Bhaskar" on date 27.04.2017 and in the English news paper "The Pioneer" on date 29.04.2017.In this quotation three numbers of electrical firms namely (1)Bhagabati Enterprises,

Kantabanji (2) Santoshi Electrical , Balaangir and (3) Siva sankar Electricals, Ganjam participated and submitted their material rates. After submission of quotation, the comparison of rate was conducted by the purchase committee consisting Dealing Assistant, Junior Engineer, Executive Officer and Chairperson of this municipality on date 12.05.2017 and reported that the rate quoted by Bhagabati Enterprises, Kantabanji found to be lowest and was ed for supply of electrical materials.

With regards to purchase of electrical goods for Rajendra Park,quotation was called for vide Office letter No.1462/dt 22.04.2017 and the notice was published in the odia news paper "Odisha Bhaskar" on date 26.04.2017 and in the English news paper "The Pioneer"on date 28.04.2017.In this quotation three numbers of electrical firms namely (1)Bhagabati Enterprises, Kantabanji (2) Eastern Engineering Madhupatana,Cuttack and (3) Siva sankar Electricals, Ganjam participated and submitted their material rates. After submission of quotation, the comparison of rate was conducted by the purchase committee consisting Dealing Assistant, Junior Engineer, Executive Officer and Chairperson of this municipality on date 09.05.2017 and reported that the rate quoted by Bhagabati Enterprises, Kantabanji found to be lowest and was ed for supply of electrical materials.

Though the quotation was called for supply of materials for the year 2017-18 and one firm was ed ,the electrical goods as details furnished below have been purchased in the old rate i.e rate for the year 2013-14 after lapses of three years.

S.L NO	Voucher No./Date	Amount(Rs)	To whom paid	particulars of payment	Remarks
1	195/18.06.2017	3655702.00	Bhagabati Enterprises,Kantabanji	Street Light materials	Old rate for 2013-14, Order placed during 2017-18
2	369/24.08.2017	2268000.00	Bhagabati Enterprises,Kantabanji	Street Light materials	Old rate for 2013-14
3	617/05.12.2017	1816000.00	Bhagabati Enterprises,Kantabanji	Street Light materials	Old rate for 2013-14
Total		7739702.00			

In response to audit objection, the local authority replied "As per council meeting held on date 22.09.2017 vide council resolution No.3(ba) dt 22.09.2017 , the Executive Officer and the chair persons were authorized to purchase the street light and electric materials per old rates. Hence the materials were purchased in the old rate"

The reply of the local authority can not justify the purchase of electrical materials in the old rate for the year 2013-4. Hence till the clarification and post facto approval from the competant authority is obtained in respect of above purchase , the payment for electrical materials in the old rate without tender for Rs 7739702.00 is kept under objection.

14.6 - Purchase of dustbin without inviting quotation.OMP 35 & 36.

During the course of checking of Accountant cash book with reference to paid vouchers, it was noticed that a total sum of Rs 464750.00 has been paid to Gagan Chemicals, Sambalpur towards cost of dustbin as details furnished below.

S.L NO	Voucher No./Date	Amount(Rs)	Remarks
1	105/09.05.2017	286000.00	40 nos. @Rs7150/-
2	924/31.03.2018	178750.00	25 nos. @Rs7150/-
Total		464750.00	

On verification of files relating purchase of dustbin, it was disclosed that the dustbins were purchased from Gagan Chemicals, Malipura Phatak Sambalpur without calling for quotation. Quotation for purchase of dustbins had been called for the financial year 2013-14 vide letter No.3002/dt 31.08.2013 of the Municiplaity. And as per Municipality Office Letter No.3258dt 20.09.2013, the rate of Gagan Chemicals, Sambalpur for Rs 8323.00 per dustbin was accepted. But after that the firm Gagan Chemicals, Sambalpur agreed to supply the dustbin for Rs 7150.00 per

piece.

Again quotation for purchase of dustbins had been called for the financial year 2015-16 vide letter No.1852/dt 07.07.2015 of the Municipality. And as per Municipality Office Letter No.2096dt 16.07.2015, the rate of A.D. Environ Engineering, Bhubaneswar for Rs 7544.00 per dustbin was accepted. And during the financial year 2015-16, the A.D. Environ Engineering, Bhubaneswar supplied 300 numbers of dustbins and Rs 2232390.00 was paid to the firm.

And now dustbins were purchased during the year 2017-18 without any quotation as per the agreement rate for the year 2013-14. It is astonishing that, how the firm was agreed to supply the materials in the rate quoted in four years ago. In the purchase file, a letter has been kept where Gagan Chemicals, Sambalpur agree to supply the dustbin in the old rate. The letter seems to be fictitious as this letter has neither been signed by the firm nor the letter is furnished in the letter pad of the firm. Hence without calling quotation undue financial benefit has been provided to the firm.

In response to audit objection, the local authority replied that to fulfill the urgent requirement of dust bin during the period of 17th Lokautsav of Balangir from dt 27.03.2017 to 30.03.2017 and 18th Lokautsav fro dt 04.11.2017 to 08.11.2017, the dust bins were purchased. The ADM, Balangir had requested for installation of dustbins in the side of Koshal Kalamandal ground to meet the urgent requirement of general public.

The reply submitted by the local authority cannot be accepted because the council must be prepared long before the observation of Balangir Lokautsav.

Hence till the clarification and post facto approval from the competent authority is obtained and produced to the audit in respect of above purchase, the payment for dustbin in the old rate without tender for Rs 464750.00 is kept under objection.

14.7 - Double entry of same expenditure in the cash book. OMP 37

During the course checking of Accountant cash book with reference to paid vouchers, it was noticed that vide voucher No.823/dt 28.02.2018, a sum of Rs 228618.00 has been paid to Gagan Chemicals Sambalpur towards supply of sanitary materials in cheque No.252837dt.22.02.2018 of UCO Bank Balngir. But the same payment has been again booked as expenditure in the cash book vide voucher No.872/dt 21.03.20118.

Again, vide voucher No.824/dt 28.02.2018, a sum of Rs 28900.00 has been paid to Narayani Traders Sambalpur towards supply of sanitary materials in cheque No.252838dt.22.02.2018 of UCO Bank Balngir. But the same payment has been again booked as expenditure in the cash book vide voucher No.870/dt 21.03.20118.

As such due to double booking of same payments, there arises difference in between cash book and pass book. Hence necessary reconciliation may made in this regard and shown to audit.

In response to audit objection, the local authority replied the difference would be reconciled during the financial year 2017-18. Hence till the rectification of the cash book, the double expenditure booked amount of Rs 257518.00 is kept under objection.

14.8 - Production of Paid vouchers.OMP-12 to 14

During the course of checking of accountant cash book with reference to paid vouchers and bill register, it was found that a good numbers of

vouchers as detail furnished below have not been produced before audit for verification. Without production of voucher the payment cannot be admitted in audit. Hence if the vouchers kept may be produced before audit for verification. The detail of non production of vouchers is furnished below.

S.L NO	Voucher No./Date	Amount(Rs)	To whom paid	particulars of payment	Remarks
1	120/22.05.2017	19048.00	Tapi Suna	repaire of vehicle	
2	121/22.05.2017	2475.00	Tapi Suna	repaire of AC	
3	231/06.07.2017	39466.00	Bhojraj Mahapatra, Ex vehicle in-charge	repaire of vehicle	
4	299/01.08.2018	10400.00	NICE,Balangir	Remuneration of DEOs	
5	360/21.08.2017	470397.00	Santoshi Electricals Balangir	Repaire and fixing of street light	
6	383/30.08.2017	8077.00	Raju Bhoi	IHSDP	
7	394/06.09.2017	50300.00	Kiran NGO	Wages of outsourcing staff.	
8	395/06.09.2017	30800.00	Socio devlopment centre	Wages of outsourcing staff.	
9	397/06.09.2017	5000.00	Prabin Kumar Mishra	Advocate Fees	
10	398/06.09.2017	1000.00	Jaagan Mohan Mishra	Advocate Fees	
11	412/08.09.2017	10000.00	Chairperson,Balangir Mplty	To appear High Court.	
12	423/25.09.2017	266177.00	B.M,LIC	LIC premium of staff	
13	424/25.09.2017	20400.00	NICE,Balangir	Medical Advance of DEOs.	
14	433/25.09.2017	113890.00	Kiran NGO	Wages of outsourcing staff.	
15	435/25.09.2017	30800.00	Socio devlopment centre	Wages of outsourcing staff.	
16	436/25.09.2017	6524.00	Rajkumar Auto electric	Supply of Battry.	
17	437/25.09.2017	15000.00	Tapi Suna	Advance for repaire of vehicle.	
18	463/26.09.2017	25276.00	S.K. Motors, Balangir	Spare parts of vehicle	
19	464/26.09.2017	10100.00	Sarala motor garage, Balangir	repaire of vehicle	
20	487/11.10.2017	290004.00	SBM beneficiaries	Const. of latrine	
21	541/09.11.2017	260845.00	B.M,LIC	LIC premium of staff	
22	544/10.11.2017	23987.00	Socio devlopment centre	Wages of outsourcing staff.	
23	545/10.11.2017	54985.00	Kiran NGO	Wages of outsourcing staff.	
24	546/10.11.2017	16430.00	Kiran NGO	Wages of outsourcing staff.	
25	550(25)/14.11.17	5000.00	Newspaper Pratidina	Advertisement cost	SI No.-22
26	591/30.11.2017	14260.00	Tapi Suna	repaire of vehicle	
27	618/05.12.2018	2214815.00	Santoshi Electricals Balangir	Repaire and fixing of street light	
28	623/08.12.2017	15000.00	Prabin Kumar Mishra	Advocate Fees	
29	624/08.12.2017	3000.00	Jaagan Mohan Mishra	Advocate Fees	
30	638/16.12.2017	400000.00	Executive Engineer WESCO	For two project	
31	686/01.01.2018	9400.00	NICE,Balangir	Wages of outsourcing staff.	
32	687/01.01.2018	5000.00	Prabin Kumar Mishra	Advocate Fees	
33	688/01.01.2018	1000.00	Jaagan Mohan Mishra	Advocate Fees	
34	757/07.02.2018	5000.00	Prabin Kumar Mishra	Advocate Fees	
35	758/07.02.2018	1000.00	Jaagan Mohan Mishra	Advocate Fees	
36	798/23.02.2018	4000.00	Gopabandhu Purohit	Hon.of clerical staff	
37	826/08.03.2018	238000.00	Jasmit Singh,Balangir	Hire charge of vehicle	

38	827/08.03.2018	142133.00	Ramkrishna Filling station	Cost of fuel	
39	837/14.03.2018	5000.00	Prabin Kumar Mishra	Advocate Fees	
40	859/19.03.2018	34059.00	MS Ttrinath Enterprises Bhawanipatna	Repaire of JCB	
41	860/19.02.2018	6093.00	MS Tarini Motor Sambalpur	Repaire of JCB	
42	867/21.03.2018	1830.00	Ashtosh Panda	TA bill	
43	874/21.03.2018	20000.00	Sanjukta Panda, Malpada	NFBS	
44	875/21.03.2018	20000.00	Sudra Nag, Bijakhman	NFBS	
45	876/21.03.2018	20000.00	Premasila Bag, Malgodam	NFBS	
46	877/21.03.2018	20000.00	Suru Sahu, Gandhi Nagar	NFBS	
47	892/24.03.2018	5457.00	Sulakshani Das, CO	Misc.expenditure	
48	893/24.03.2018	1000.00	Syberzone Balangir	Computer antivirus	
49	895/24.03.2018	400000.00	Executive Engineer WESCO	For two project	
50	899/27.03.2018	887680.00	EPF deposit of staff		
51	906/28.03.2018	891000.00	Payment of outsourcing labour		
52	907/28.03.2018	230087.00	EPF deposit of staff		
	Total	7381195.00			

On issue of half margin memo and verbal requests for several times some vouchers were produced before audit. But the other vouchers as details below could not be produced before audit. The list of unproduced vouchers is furnished below.

S.L NO	Voucher No./Date	Amount(Rs)	To whom paid	particulars of payment	Remarks
1	299/01.08.2018	10400.00	NICE, Balangir	Remuneration of DEOs	
2	383/30.08.2017	8077.00	Raju Bhoi	IHSDP	
3	394/06.09.2017	50300.00	Kiran NGO	Wages of outsourcing staff.	
4	395/06.09.2017	30800.00	Socio development centre	Wages of outsourcing staff.	
5	397/06.09.2017	5000.00	Prabin Kumar Mishra	Advocate Fees	
6	398/06.09.2017	1000.00	Jaagan Mohan Mishra	Advocate Fees	
7	412/08.09.2017	10000.00	Chairperson, Balangir Mply	To appear High Court.	
8	423/25.09.2017	266177.00	B.M, LIC	LIC premium of staff	
9	424/25.09.2017	20400.00	NICE, Balangir	Medical Advance of DEOs.	
10	433/25.09.2017	113890.00	Kiran NGO	Wages of outsourcing staff.	
11	435/25.09.2017	30800.00	Socio development centre	Wages of outsourcing staff.	
12	436/25.09.2017	6524.00	Rajkumar Auto electric	Supply of Battry.	
13	487/11.10.2017	290004.00	SBM beneficiaries	Const. of latrine	
14	541/09.11.2017	260845.00	B.M, LIC	LIC premium of staff	
15	544/10.11.2017	23987.00	Socio development centre	Wages of outsourcing staff.	
16	545/10.11.2017	54985.00	Kiran NGO	Wages of outsourcing staff.	
17	546/10.11.2017	16430.00	Kiran NGO	Wages of outsourcing staff.	
18	550(25)/14.11.17	5000.00	Newspaper Pratidina	Advertisement cost	Sl No.-22
19	638/16.12.2017	400000.00	Executive Engineer WESCO	For two project	
20	686/01.01.2018	9400.00	NICE, Balangir	Wages of outsourcing staff.	

21	867/21.03.2018	1830.00	Ashtosh Panda	TA bill	
22	874/21.03.2018	20000.00	Sanjukta Panda, Malpada	NFBS	
23	875/21.03.2018	20000.00	Sudra Nag, Bijakhaman	NFBS	
24	876/21.03.2018	20000.00	Premasila Bag, Malgodam	NFBS	
25	877/21.03.2018	20000.00	Suru Sahu, Gandhi Nagar	NFBS	
26	892/24.03.2018	5457.00	Sulakshani Das, CO	Misc. expenditure	
27	893/24.03.2018	1000.00	Syberzone Balangir	Computer antivirus	
28	895/24.03.2018	400000.00	Executive Engineer WESCO	For two project	
	Total	2102306.00			

Hence the vouchers amounting of Rs 2102306.00 may be produced before next audit. Till then Rs 2102306.00 is kept under objection.

PARA: 15 AUDIT ON WORKS

15.1 - Common irregularities on works.
<p>1. Neither the work register as prescribed under rule nor GIA register has been maintained to find out the position or status of the project executed under various scheme at any time.</p> <p>2. In most cases execution of works found to have been deviated completely from the estimate not only in terms of quantity but also in items of works. Such deviations should be regularized by getting revised estimate sanctioned by the competent authority with proper reason.</p> <p>3. No technical report is found submitted with the estimates clarifying the existing status of the project and balance work to be done. 1. Neither the work register as prescribed under rule nor GIA register has been maintained to find out the position or status of the project executed under various scheme at any time.</p>
15.2 - Excess payment on work. OMP 38 & 39
<p>C.R. No – 3(01-05)/2017-18</p> <p>Name of the work- Construction of CC drain from Panda res to Jaibharat chowk through Arjun Sahu Res to Luna Das Res ward No-12</p> <p>Estimated cost- Rs 1000000.00</p> <p>Tender Amount- Rs 990232.00</p> <p>Head of Account – Basic Service Grant</p> <p>Name of JE- Golak Bihari Sahu</p> <p>Name of ME- Subrat Nayak</p> <p>Name of Executants –Jitendra Dip</p> <p>First & final R/A bill – Rs 1000000.00</p> <p>Voucher No. 183/dt 06.06.2017</p>

MB NO.- 182 P 120 to 25

During the course of checking of this work case record, in this work estimate was prepared for Rs 1000000.00 and duly technically sanctioned by M.E and administratively approved by Executive Officer and Chairperson, Balangir Municipality. In this case estimate has been prepared and both technically sanctioned and administratively approved by the authorities for formation of drain for 480 meter long .

The probable expenditure for culvert as per approved estimate is furnished below.

- 1)- Earth work 378.00cum @210.08 /cum
- 2)- Sand filling 50.40 cum @335.96/cum
- 3)- C:C(1:4:8) Metal work 37.80 cum @3308.14 /cum
- 4)- C:C(1:2:4) Chips work 140.58 cum @4136.02 /cum
- 5)- MS Rod 5.25 Qtl@ 6082.33/Qtl
- 6)-Cement Plaster 864 Sqm @ 87.43/Sqm
- 7)-Centering and Shuttering 864 Sqm @ 92.58/Sqm

But during the execution of work, the length of the road has been minimized to 227.60 meter and c .c work of 3.7 meter X 2.7 meter was executed which was not in the estimate. The work was executed as follows.

- 1)- Earth work 249.88cum @210.08 /cum
- 2)- Sand filling 50.17 cum @335.96/cum
- 3)- C:C(1:4:8) Metal work 50.17 cum @3308.14 /cum
- 4)- C:C(1:2:4) Chips work 44.64 cum @4136.02 /cum
- 5)-RCC M20 grade 64.006 cum @ 4621.47/Cum
- 6)- MS Rod 24.12 Qtl@ 6082.33/Qtl
- 7)-Cement Plaster 566.20 Sqm @ 87.43/Sqm
- 8)-Centering and Shuttering 850.32 Sqm @ 92.58/Sqm

Hence during the execution of work,RCC M20 grade cement work done which was not in the estimate.As per the OPWD Code para 3.7.8 & 3.7.9,In case of modifications in the approved estimate approval needs to be obtained from the authority. But in this case no approval has been obtained from the competent authority. Again by executing RCC M20 grade work in place of C:C(1:2:4) ,undue financial benefit has been provided to the contractor as because the RCC M20 grade work is more than C:C(1:2:4) work. The rate difference of two items of work is as follows.

Rate of RCC M20 grade work per cum Rs 4621.42

Rate of C:C(1:2:4) work _____ per cum Rs 4136.02

_____ Excess rate allowed per cum Rs 485.45

As in this work a total quantity of M20 grade work 64.006 cum executed, a total sum of Rs 31702.00 (64.006 cum X Rs 485.45) has been paid in excess to the executants. If the estimate would not have been deviated, the excess payment of Rs 31702.00 could have been saved.

Hence, the excess payment of Rs 31702.00 is suggested for recovery.

In response to audit objection, the local authority replied that the excess paid amount would be recovered from the person responsible. Hence the excess paid amount of Rs 31702.00 may be recovered from the persons responsible for the excess payment and compliance reported to audit.

Persons responsible for the Loss.

- 1.Sri Golak Bihari Sahu,JE -Preparation of the work bill.
- 2.Sri Subrat Nayak,ME -Check measurement of the work.
- 3.Sri Ritesh Kumar Chand, Accountant –Checking the work bill
- 4.Sri Sachidanand Satpathy, Ex Eo – Officer Passing the bill.

Person(s) Responsible for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Subrat Nayak	Municipal Engineer	Balangir Municipality	7926
2	Sachidanand Satpathy	Ex E.O.	Now E.O. at Daspalla NAC District-Nayagaarh	7925
3	Golak Bihari Sahu	JE	Balangir Municipality District-Balangir	7926
4	Ritesh Kumar Chand	Acciuntant	Bolangir Municipality	7925

15.3 - Excess payment on work.OMP 40 & 41

C.R. No – XIII/2017

Name of the work- Construction of RCC culvert near Bijakhaman Dumping yard Ward No 18

Estimated cost- Rs 300000.00

Head of Account – Own Fund

Name of JE- Golak Bihari Sahu

Name of ME- Subrat Nayak

Name of Executants – Golak Bihari Sahu, Departmentally

First & final R/A bill – Rs 300000.00

Voucher No. 293/dt 28.07.2017

MB NO.- 183 P 77 to 79

During the course of checking of this work case record, in this work estimate was prepared for Rs 300000.00 and duly technically sanctioned by M.E and administratively approved by Executive Officer and Chairperson, Balangir Municipality. The work was executed departmentally by Sri Golak Bihari Sahu JE. When any work is executed departmentally, the contractor profit of 7.5% is not added in the analysis of rate. But in this case contractor profit of 7.5% amount has been added in the analysis of rate in different items as follows.

SI No.	Particulars of work	Rate(Rs)	Contractor profit added(Rs)
1	Earth Work	98.90/cum	6.45
2	Sand filling	271.33/cum	1.85
3	C.C(1:4:8)Metal	3507.14/cum	197.50
4	RCC M20 grade	4599.81/cum	270.74
5	Cost of Rod and binding	5075.16/Qtl	330.98
6	Centering and Shuttering	94.40/sqm	6.15

As such due to addition of contractor profit in the analysis of rate a total sum of Rs 17551.00 has been paid in excess to the executants as detail furnished below.

SI No.	Particulars of work	Quantity of work executed	Contractor profit added	Amount excess paid
1	Earth Work	66.895 cum	6.45	431.00
2	Sand filling	6.60 cum	1.85	12.00
3	C.C(1:4:8)Metal	51.60 cum	197.50	10191.00
4	RCC M20 grade	10.48 cum	270.74	2837.00
5	Cost of Rod and binding	10.16 qtl	330.98	3362.00
6	Centering and Shuttering	116.78 sqm	6.15	718.00
			Total	17551.00

Hence the excess payment of Rs 17551.00 is a loss to the Municipality which can not be admitted in audit.

In response to audit objection, the local authority replied that the excess paid amount would be recovered from the person responsible. Hence the excess paid amount of Rs 17551.00 may be recovered from the persons responsible for the excess payment and compliance reported to audit.

Persons responsible for the Loss.

1. Sri Golak Bihari Sahu, JE -Preparation of the work bill.
2. Sri Subrat Nayak, ME -Check measurement of the work.

Person(s) Responsible for this paragraph

Slno	Name	Designation	Adress	Amount(In Rs:)
1	Subrat Nayak	Municipal Engineer	Balangir Municipality	8775
2	Golak Bihari Sahu	JE	Balangir Municipality District-Balangir	8776

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

PARA: 17 AUDIT ON SCHEMES / PROGRAMMES

17.1 - Procurement of Goods/Equipment in ULBs without following due Tender Procedures

1.SCOPE of Audit:

The purchase / procurement files of the Balangir Municipality for the last three years i.e 2015-16, 2016-17, 2017-18 were to be examined with the tender files as per guidelines of thematic audit. But the local authority could not produce the purchase / procurement files for the year 2015-16 and 2016-17.Hence thematic audit of 2017-18 was conducted so far records produced before audit.

2. Objectives:

The objective of the thematic audit is to examine the records and ascertain whether,

- a) Due tender procedure have been adopted for procurement of high value goods/equipment
- b) Sanction from competent authority for purchase and floating of tender has been obtained as per the provisions of OGFR and Municipal/Corporation Rules and Acts.
- c) Purchase orders have been split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the order.
- d) Irregular purchases have been made according to previous years tender without floating fresh tender.

3. Criteria:

The following Acts, Rules, Guidelines etc are followed while examining the records.

- a) The Odisha Municipal Corporation Act,2003(Section 277-279)
- b) The Odisha Municipal Rules ,1953 (Rule 352-364)
- c) Rule 53,96,97 & 98 of OGFR,Vol 1 on purchase of stores.
- d) Finance Department Guidelines for procurement of goods vide OM No 4939/ F Dated 13.02.2012

4: Audit findings

Purchase of electrical goods

On verification of purchase files of electrical materials for the year 2017-18, it was disclosed that quotation for purchase of electrical materials was called for vide Office letter No.1465/dt 22.04.2017 and the notice was published in the odia news paper "Odisha Bhaskar" on date 27.04.2017 and in the English news paper "The Pioneer" on date 29.04.2017.In this quotation three numbers of electrical firms namely (1)Bhagabati Enterprises, Kantabanji (2) Santoshi Electrical , Balaangir and (3) Siva sankar Electricals, Ganjam participated and submitted their material rates. After submission of quotation, the comparison of rate was conducted by the purchase committee consisting Dealing Assistant, Junior Engineer, Executive Officer and Chairperson of this municipality on date 12.05.2017 and reported that the rate quoted by Bhagabati Enterprises, Kantabanji found to be lowest and was ed for supply of electrical materials.

Though the quotation was called for supply of materials for the year 2017-18 and one firm was ed ,the electrical goods as details furnished below have been purchased in the old rate i.e rate for the year 2013-14 after lapses of three years.

S.L NO	Voucher No./Date	Amount(Rs)	To whom paid	particulars of payment	Remarks
	1195/18.06.2017	3655702.00	Bhagabati Enterprises,Kantabanji	Street Light materials	Old rate for 2013-14, Order placed during 2017-18

2369/24.08.2017	2268000.00	Bhagabati Enterprises,Kantabanji	Street Light materials	Old rate for 2013-14
3617/05.12.2017	1816000.00	Bhagabati Enterprises,Kantabanji	Street Light materials	Old rate for 2013-14
Total	7739702.00			

Purchase of dustbin without quotation.

During the course of checking of Accountant cash book with reference to paid vouchers, it was noticed that a total sum of Rs 464750.00 has been paid to Gagan Chemicals, Sambalpur towards cost of dustbin as details furnished below.

S.L NO	Voucher No./Date	Amount(Rs)	Remarks
1105/09.05.2017		286000.00	40 nos. @Rs7150/-
2924/31.03.2018		178750.00	25 nos. @Rs7150/-
	Total	464750.00	

On verification of files relating purchase of dustbin, it was disclosed that the dustbins were purchased from Gagan Chemicals, Malipura Phatak Sambalpur without calling for quotation. Quotation for purchase of dustbins had been called for the financial year 2013-14 vide letter No.3002/dt 31.08.2013 of the Municipality. And as per Municipality Office Letter No.3258dt 20.09.2013, the rate of Gagan Chemicals, Sambalpur for Rs 8323.00 per dustbin was accepted. But after that the firm Gagan Chemicals, Sambalpur agreed to supply the dustbin for Rs 7150.00 per piece.

Again quotation for purchase of dustbins had been called for the financial year 2015-16 vide letter No.1852/dt 07.07.2015 of the Municipality. And as per Municipality Office Letter No.2096dt 16.07.2015, the rate of A.D. Environ Engineering, Bhubaneswar for Rs 7544.00 per dustbin was accepted. And during the financial year 2015-16, the A.D. Environ Engineering, Bhubaneswar supplied 300 numbers of dustbins and Rs 2232390.00 was paid to the firm.

And now dustbins were purchased during the year 2017-18 without any quotation as per the agreement rate for the year 2013-14. It is astonishing that, how the firm was agreed to supply the materials in the rate quoted in four years ago. In the purchase file, a letter has been kept where Gagan Chemicals, Sambalpur agree to supply the dustbin in the old rate. The letter seems to be fictitious as this letter has neither been signed by the firm nor the letter is furnished in the letter pad of the firm. Hence without calling quotation undue financial benefit has been provided to the firm.

5. Conclusion :

In purchase of sanitation materials & electrical goods proper procedure has not been adopted. Hence local authority is advised to adopt proper Tender Procedure hence forth wherever necessary for procurement of goods of high value prior to purchases made in each and every financial year.

6. Audit Suggestion :

The procedure as described in the criteria of this para should be adhered to on procurement of goods. The stock register should be maintained on such procurement with the prescribe format in OGFR and should be duly be verified in accordance to rule 106 of the OGFR. The files relating to the procurement of goods or to any expenditure to be kept in sincere manner that can be produced before the inspecting authority

as when required. Odisha Municipal Act & Rules, OGFR and the departmental guidelines issued on purchase of goods should also be scrupulously followed. Annual indent should be prepared for procurement stationary articles materials etc should be adopted as per rules & procedures cited above for a better financial management. Proper Tender Procedure is to be adopted hence forth wherever necessary for procurement of goods of high value prior to purchases made in each and every financial year.

17.2 - Scheme report

Different kinds of schemes are in operation in this municipality. On asking through half margin memo, the local authority could not produce the position of achievement in respect of various schemes against both physical and financial targets. However the scheme wise abstract of project list has been prepared from the records available to audit. The position of achievement in respect of various schemes against both physical and financial targets for the financial year 2017-18 is furnished below.

Scheme	Total Project Taken	Amount In Lakhs)	Completed	Amount	Ongoing	Amount	Remarks
14th F.C GABG	56	239.00	0	0.00	0	0.00	Tender Open Dtd.16.02.18
4th SFC Devolution	20	82.93	0	0.00	0	0.00	-do-
4th SFC M.V. Tax	14	48.58	0	0.00	0	0.00	-do-
Total	90	370.51	0	0	0	0	0

It is seen from the above table that the projects taken up during the financial year 2017-18, could not be completed during the same year because the tender process was finalized on dt 16.02.2018. Hence the local authority is advised to complete the projects during the same financial year after maintaining all procedure.

PARA: 18 MISCELLANEOUS

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

19.1 - Non-remittance of Government dues.

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

The detail of Government dues collection and deposit for the year 2017-18 m is furnished below.

PARTICULARS	OB AS ON 01.04.2017	RECEIPTS DURING THE YEAR	TOTAL	DEPOSIT DURING THE YEAR	CB AS ON 031.03.2018

ROYALTY	4002354.00	2318881	6321235.00	2328909	3992326.00
VAT	1437488.00	864996	2302484.00	1025986	1276498.00
CESS	999820.00	785492	1785312.00	794403	990909.00
PT	513550.00	294925	808475.00	294925	513550.00
IT	551025.00	917830	1468855.00	1004815	464040.00
TOTAL	7504237.00	5182124.00	12686361.00	5449038.00	7237323.00

From the above table, it is seen that a good amount i.e Rs 7237323.00 is remain outstanding towards government dues to be deposited. Hence, the amount may be deposited at an early and compliance reported to audit. Till then Rs 7237323.00 is kept under objection.

The E.O. being the head of office is held responsible because of having not taken any initiative to get the amount remitted by the dealing assistant to proper quarter.

19.2 - Loan

As per Rule 149 of the Odisha Municipal Rules, 1953 a Loan Register is to be maintained (Form no.-XXVII). Further, Rule 150 of the Odisha Municipal Rules, 1953 envisages that the loan amount shall not be appropriated even temporarily to any object other than that for which the loan was raised

But loan register could not be produced before audit. However on the basis of previous audit report, the detail of loan position for the year 2017-18 has been prepared and furnished below. The Executive Officer is advised to clear the loan amount by depositing all principals and interest amount.

LOAN ABSTRACT

SI No	Particulars	Amount
1	O.B as on 01.4.2017	9687383.00
2	Loan received during the year 2017-18	0.00
3	TOTAL	9687383.00
4	Loan recovered during the year 2017-18	0.00
5	Loan outstanding as on 31.03.2018	9687383.00

19.3 - SD/EMD

The position of SD/EMD for the year 2017-18 is furnished below.

SI No	Particulars	Amount
1	O.B as on 01.4.2017	2042015.00
2	Amount deducted during the year 2017-18	3535209.00
3	TOTAL	5577224.00
4	Amount refunded during the year 2017-18	1871466.00

5SD/EMD balance as on 31.03.2018

3705758.00

PARA: 20 RESULT OF AUDIT AND CONCLUSION

20.1 - General Remarks

Due to lack of regular monitoring, advances were remained unadjusted for long period. Due to non-preparation of bank reconciliation bank balance in the closing balance in the cash book figure are understated/ overstated and thereby depicting inaccurate picture of cash availability and non maintenance of cash book against some bank transaction which needs special attention of the local authority. Huge amount of grants are remained unspent vis-à-vis pending utilization certificate for submission in scheme fund due to lack of internal control over financial management. In view of above facts the maintenance of accounts and records cannot said to be satisfactory.

Recommendation

The local authority may :

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

As a result of this Audit transactions involving a sum of Rs 63456126.72 are held under objection which include an amount of Rs 837968.00 suggested for recovery. Besides, a sum of Rs 7641 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	18227760.73	0.00	0.00	0.00	
2	8.1	761500.00	1116500.00	761500.00	0.00	0.00	
3	13.1	0.00	436404.99	0.00	0.00	0.00	
4	14.1	27215.00	27215.00	27215.00	0.00	0.00	
5	14.2	0.00	14499197.00	0.00	0.00	0.00	
6	14.3	0.00	10702900.00	0.00	0.00	0.00	

7	14.4	0.00	595297.00	0.00	0.00	0.00
8	14.5	0.00	7739702.00	0.00	0.00	0.00
9	14.6	0.00	464750.00	0.00	0.00	0.00
10	14.7	0.00	257518.00	0.00	0.00	0.00
11	14.8	0.00	2102306.00	0.00	0.00	0.00
12	15.2	31702.00	31702.00	31702.00	0.00	0.00
13	15.3	17551.00	17551.00	17551.00	0.00	0.00
14	19.1	0.00	7237323.00	0.00	0.00	0.00
Total		837968.00	63456126.72	837968.00	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	Para 11.1 Audit Objection Statement Page No. 4	M.R.No.64/7	2018-07-20	7641	Jeetendra Kumbhar
				Total	7641

Audit Certificate

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

**District Audit Officer
Local Fund Audit,BOLANGIR**