

DIRECTORATE OF LOCAL FUND AUDIT  
TREASURY AND ACCOUNTS BHAWAN  
KHARAVELA NAGAR, BBSR-3

No 5283 ; Date 20-05-13

DIR-LFA5-AUDIT-0058-2012

From

Sri Pradeep Kumar Biswal  
Examiner-cum-Director & Addl. Secy to Govt.

To

The Commissioner-cum- Secretary,  
Panchayati Raj Department, Odisha

Sub:- Problem in service of show cause notices and surcharge orders upon the delinquents for surcharge action on Gram Panchayat audit.

Sir,

With reference to the subject cited above, I am to draw your kind attention to the difficulties in return of served copies of the show cause notices and surcharge orders from the BDOs, which are sent through their office to be served upon the delinquents against the recoveries suggested in the audit of Gram Panchayat accounts.

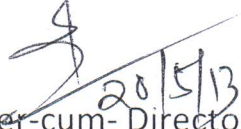
After receipt of the approved audit reports it is the responsibilities of Directorate of Local Fund Audit to initiate surcharge action for realisation of the recoverable amount suggested in the audit report U/s 9(2)(b) and 9(3) of OLF Audit Act, 1948 . As a part of the surcharge action, the show cause notices are to be initiated and served upon the delinquents to submit their explanation within one month from the date of service of the show cause notice. After expiry of the stipulated time period, surcharge order u/s 9(3) of OLFA Act 1948 is required to be issued in case of failure of submission of explanation or rejection of the explanation. Similarly, there is a fourteen days of time period from the date of receipt of surcharge order to submit memorandum of appeal by the delinquents. Hence, the served copies of show cause notices and surcharge orders are indispensable for taking further follow up action.

In the present system the show cause notices and surcharge orders are sent in triplicate to the BDOs as provided under Rule.181 of the OGP Rule 1968 to be served upon the delinquents through their offices, wherein they are requested to return the served copies to the Assistant Examiner of Local Accounts, Deputy Examiner of Local Accounts or the Examiner of Local Accounts who has issued the show cause notice (as per the Finance limit fixed) It is alarming to note that in 95% of the cases the served copies are not returning from the BDOs . As a result, the follow up action is not possible without the served copies. The present position of pending served copies is reflected below.

<u>Category</u>	<u>Issued</u>	<u>Served copies returned</u>	<u>Pending</u>
Show cause notices	2150	126	2024
Surcharge Orders	107	26	81

In the aforesaid background, I am to request you kindly impress upon the BDOs of your Department to utilise the Gram Panchayat Extension Officers working under their control for taking effective steps to serve the Show cause notices and surcharge orders upon the delinquents and return the served copies with their dated signatures as a token of acknowledgement to the concerned Assistant Examiner of Local Accounts, Deputy Examiner of Local Accounts , or the Examiner of Local Accounts for further follow up action at the appropriate level.

Yours faithfully,

  
20/5/13  
Examiner-cum- Director and  
Additional Secretary to Govt.

Memo No. 5284 /DLFA.,dt. 20.5.13

Copy forwarded to the Deputy Secretary to Government (LFA),  
Finance Department for information.

  
20.05.13  
Deputy Director