

**The Odisha
Local Fund Audit Act, 1948
and**

**The Odisha
Local Fund Audit Rules, 1951**

THE ORISSA LOCAL FUND AUDIT ACT

(Act V of 1948)

Whereas, it is expedient to consolidate and unify the law relating to the audit of local funds in the Province of Odisha and to provide for a uniform procedure for the audit of local funds therein; It is hereby enacted as follows:-

1. Short title, extent and commencement

- (1) This Act may be called the Odisha Local Fund Audit Act, 1948.
- (2) It extends to the whole of the Province of Odisha.
- (3) It shall come into force on such date as the Provincial Government may, by notification, appoint.

2. Definition

In this Act, unless there is anything repugnant in the subject or context;

(a)"auditor"" means an auditor appointed under this Act ;

(b) ["Examiner of Local Accounts" means the Examiner of Local Accounts appointed under section 4 and includes any officer for the time being performing the duties of the Examiner of Local Accounts; and] --
--- substituted by Amendment Act,1976.

(c) "Local fund" means any fund not being a Cantonment fund to the control or management of which a Local authority is legally entitled and any cess, rate, duty, or tax which such authority is legally entitled to impose and any property vested in such authority.

3. Liability of Local Authority to submit its accounts to audit

- (1) Notwithstanding anything contained in any enactment by which a Local authority is constituted, the accounts of any Local authority whose accounts are declared by the Provincial Government by notification to be subject to audit under this Act, shall be subject to audit in all respects in the manner provided by or under this Act and any provision in any such enactment or in any bye-law or rules made under such enactment inconsistent with or repugnant to the provision of this Act or of any rule made there under shall, to the extent of such inconsistency or repugnancy, be deemed to have been repealed by this Act.

[(2) Save as otherwise provided in section 8, where the audit of accounts of any Urban Local Body and Panchayati Raj Institution is undertaken by the Comptroller and Auditor-General under section 20 of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971, he shall have the right to comment on and supplement to the report of the Examiner of Local Accounts, and the report of such audited accounts shall be laid by the State Government, as soon as may be after it is received, before the Legislature of the State.

Explanation- For the purpose of this section, the expression "Urban Local Body" and "Panchayati Raj Institution" shall respectively mean a "Municipality" as defined in clause (e) of article 243-P of the Constitution of India and a "Panchayat" as defined in clause (d) of article 243 thereof.]

----- inserted by Amendment Act, 2011.

4. [Appointment of Examiner, Deputy Examiner and Assistant Examiner of Local Accounts and Auditors-

(1) The State Government may, by notification, appoint an officer of the State Government to be the Examiner of Local Accounts and they may also appoint such number of Deputy Examiner of Local Accounts and Assistant Examiner of Local Accounts as they deem necessary.

(2) The Deputy Examiner of Local Accounts and the Assistant Examiner of Local Accounts shall exercise such powers and perform such functions of the Examiner of Local Accounts as the State Government may, by notification, assign.

(3) The Examiner of Local Accounts may, with the approval of the State Government, appoint such number of Auditors of Local Fund as he considers necessary."] ----- *inserted by Amendment Act, 1976.*

5. Auditor to be deemed to be public servant

An auditor shall, for the purpose of the powers and duties conferred and imposed on him by or under this Act be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

6. Power of auditor to require production of documents and attendance of persons concerned, etc.

For the purpose of any audit, an auditor may --

(a) by summons in writing or by letter require the production before him of any document which he may deem necessary for the proper conduct of the audit;

(b) by summons in writing require a whole-time paid servant of the Local Authority accountable for, or having the custody or control of any such document to appear in person before him at any such audit; and

(c) require any such person to make and sign a declaration with respect to such document or to answer any question or prepare and submit any statement relating thereto

7. Penalty for disobeying direction of auditor

Any person who wilfully neglects or refuses to comply with any direction of the auditor under section 6 shall be liable on conviction before a Magistrate to a fine not exceeding one hundred rupees:

Provided that no proceedings under this section shall be instituted except with the previous written sanction of the Examiner of Local Accounts.

8. Audit Report

- (1) As soon as possible after the completion of the audit the auditor shall prepare a report on the accounts audited and examined and shall deliver such report to the Examiner of Local Accounts who shall forward a copy thereof to the Local authority concerned.
- [(2)After receipt of the audit reports from the auditors under subsection(1) in respect of different Local Authorities, the Examiner of Local Accounts shall prepare and submit to the State Government in each financial year a consolidated report containing such particulars and on or before such date as may be prescribed by the rules.
- (3)The State Government shall cause every report received by it under sub section(2) to be laid , as soon as may be after it is received, before the Legislature of the State.]

----- inserted by Amendment Act, 2011.

9. Power of Examiner of Local Accounts to surcharge or charge illegal payment or loss incurred by negligence

- (1) The auditor shall include in his report a statement of:-
- (a) every payment which appears to him to be contrary to law;
 - (b) the amount of any deficiency or loss which appears to have been incurred by the negligence or misconduct of any person; and
 - (c) the amount of any sum which ought to have been but is not brought into account by any person.

(2) After considering such report the Examiner of Local Accounts may:-

- (a) order that any payment referred to in clause (a) of sub-section (1) shall be allowed or that no further action shall be taken as regards any amount referred to in clause (b) or clause (c) of the said sub-section, or .
- (b) serve a notice on the person making or authorizing any such payment or the person responsible for or failing to account for such amount, requiring him to show cause within one month why such payment should not be surcharged or such amount should not be charged against him.

(3) After considering such cause as may be shown by any such person, the Examiner of Local Accounts may surcharge such payment on the person making or authorizing such payment or charge the amount of any loss or deficiency against the person responsible therefore or any amount which ought to have been but is not brought into account against the person failing to account for such amount and shall in every such case certify the amount due from such person.

10. Recovery of surcharge and charges-

- (1) Any amount certified under section 9 as due from any person shall, if not paid by such person within one month next after the date of the certification thereof, be recoverable from him as an arrear of land revenue under the provisions of the law for the time being in force for the recovery of arrears of land revenue.
- (2) For the purposes of this Act, the Collector shall be deemed to be the person to whom the amount recoverable under sub-section(1) shall be payable,
- (3) The Collector shall pay all certified amounts received by him under sub-section (2) to the local authority concerned.

11. Appeal from order of surcharge or charge-

- (1) Any person aggrieved by any surcharge or charge made, may, within fourteen days from the date of communication of such order, appeal to such authority as the Provincial Government may appoint in this behalf to set aside such surcharge or charge and the authority so appointed after making such enquiries as it considers necessary, may pass such orders as it thinks fit.
- (2) Pending the disposal of such appeal all proceedings for recovery of the certified amount shall be stayed.

*Appeal Forum for surcharge orders in respect of surcharge proceedings initiated **before 01.09.2013***

Authorities to whom appeals may be preferred	Surcharge orders against which appeal may be preferred
Deputy Examiner of Local Accounts-cum-Deputy Director, Local Fund Audit	Surcharge or Charge Orders of any amount passed by the District Audit Officer and Assistant Examiner of Local Accounts in respect of all institutions except Urban Local Bodies.
Examiner of Local Accounts-cum- Director, Local Fund Audit	Surcharge or Charge Orders of any amount passed by the Deputy Examiner of Local Accounts in respect of all institutions except Urban Local Bodies.
Development Commissioner	Surcharge or Charge Orders of any amount passed by the Examiner of Local Accounts in respect of all institutions except Urban Local Bodies.
Minister of Housing & Urban Development Department	Surcharge or Charge Orders of any amount passed by the Assistant Examiner / Deputy Examiner / Examiner of Local Accounts in respect of Urban Local Bodies.

Appeal Forum for surcharge orders in respect of surcharge proceedings initiated on or after 01.09.2013

Authorities to whom appeals may be preferred	Surcharge orders against which appeal may be preferred
Deputy Examiner of Local Accounts- cum-Deputy Director, Local Fund Audit	Surcharge/charge orders involving amount up to Rs. 1,50,000/-
Deputy Examiner of Local Accounts- cum-Joint Director, Local Fund Audit	Surcharge/charge orders involving amount up to Rs. 2,50,000/-
Deputy Examiner of Local Accounts- cum-Additional Director, Local Fund Audit	Surcharge/charge orders involving amount up to Rs. 5,00,000/-
Examiner of Local Accounts-cum- Director, Local Fund Audit	Surcharge/charge orders involving amount up to Rs. 50,00,000/-
Secretary to Govt., Finance Department	Surcharge/charge orders involving amount above Rs. 50,00,000/-

12. Payment of expenses incurred in civil suit-

- (1) All expenses incurred by the Collector in any suit that may be brought in a Civil Court under the provisions of the law for the time being in force for the recovery of arrears of land revenue shall, in the first instance, be borne by the Provincial Government.
- (2) The Provincial Government may recover from the local authority concerned such amount as may be decreed as costs in favour of the local authority and any amount so recoverable shall be paid to the Provincial Government by such local authority.

13. Charges in respect of audit to be payable out of local funds

All expenses incurred by a local authority in complying with any requisition of the auditor under clause (b) of section 6 shall be payable out of its local funds.

14. Powers to make rules

(1) The Provincial Government may, subject to the condition of the previous publication, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power such rules may provide for -

- (a) the manner in which a local authority shall keep accounts in cases in which no such provision or, in the opinion of the Provincial Government, insufficient provision is made by the enactment under which such authority is constituted ;
- (b) the powers and duties of auditors and the procedure to be followed by them for conducting an audit and the times and places at which such audit may be conducted;
- (c) for the recovery by the Provincial Government from a local authority of expenses incurred by the Collector under section 10 or the Provincial Government under section 12; and
- (d) the powers and duties of the Examiner of Local Accounts.

15. Repeals and Savings

- (1) The enactments specified in the Schedule are hereby repealed to the extent mentioned in the fourth column thereof.
- (2) The provisions of this Act shall not apply to any case, suit, appeal, revision petition or any other proceedings that may be pending at the commencement of this Act before an auditor, or the Civil Court, or the Provincial Government and the law in force immediately before the commencement of this Act shall, notwithstanding any repeal effected by this Act, continue to apply to such cases suits, appeals, revision petitions and other proceedings.

THE ODISHA LOCAL FUND AUDIT RULES, 1951

THE ODISHA LOCAL FUND AUDIT RULES, 1951

1. Short title

These rules may be called "The Odisha Local Fund Audit Rules, 1951."

2. Interpretation

In these rules, unless there is anything repugnant in the subject or context all words and phrases shall have the same meanings as assigned to them by the Odisha Local Fund Audit. Act, 1948 (Odisha Act V of 1948), hereinafter referred to as "the Act."

3. Information of audit

The auditor shall send notice to the local authority concerned of his intention to audit the accounts of such authority at least two weeks before the date on which he intends to commence such audit and shall, as far as possible, send with such notice a list of all documents or records which he may require for the purpose of such audit. The notice shall be sent by registered post with a pre-paid acknowledgement or when the auditor is at the same station by a messenger who shall obtain an acknowledgement of receipt. He shall, if necessary, call for any other documents required during the course of audit on a separate requisition which should be acknowledged by the Executive Officer or by the head of the ministerial establishment.

4. Attendance

For the purpose of conducting an audit the auditor shall attend during the regular office hours, at the office of the local authority concerned except in cases where the Examiner of Local Accounts shall decide otherwise.

5. Removal of office records

The auditor shall not, except with the written permission of the head of the office of the local authority whose accounts are being audited, remove from such office any books, vouchers or documents of any kind whatsoever.

6. Communication with heads of offices

The auditor shall not, except to the extent specially authorized by the Examiner of Local Accounts, correspond direct with the Chairman, Vice-Chairman or other managing authority of a local authority whose accounts are being audited other than for the purposes of reporting an embezzlement or any case which may result in surcharge or making any inquiry in connection with the audit or any delays in the return of objection statements or as provided under the Act and rules framed thereunder.

7. Duties of auditors in checking accounts

In auditing the accounts the auditor shall see that they have been kept and are presented in proper forms; that the particular items of receipts and expenditure are stated in sufficient detail, that the payments are supported by adequate vouchers and authority. He shall examine whether all sums received or which ought to have been received, have been brought into account, whether the expenditure is in all cases such as might lawfully be made and whether any loss has been incurred by the negligence or misconduct of any person.

He shall verify the authority under which trading, e. g., printing presses, have been sanctioned and ascertain that a separate account is maintained properly for every such undertaking.

8. Audit marks

In auditing the accounts the auditor shall tick or cross tick all entries checked by him and initial all vouchers with the special audit pencil.

9. Change of auditor during an audit

Where an auditor is relieved by another auditor during the currency of an audit, he shall deliver to him an exact statement of the audit completed up-to-date. This statement shall be filed in the office of the Examiner of Local Accounts. The officer relieved shall also draft the paragraphs for the audit report regarding the audit done by him before he makes over charge, and deliver him to the relieving officer, taking his acknowledgment, therefor. Both auditors will sign the report, a note being made to show the responsibility of each.

10. Audit requisitions

When any document is not produced after a summon issued by the auditor under clause (a) of sections 6 of the Act the auditor shall send a written report of the failure to produce such document to the Chairman, Vice-Chairman or other managing authority of the local body concerned. If the required document is not produced in spite of this written report the whole case shall be submitted to the Examiner of Local Accounts. No document shall be left un-audited without the expressed orders of the Examiner of Local Accounts in each case.

11. Period of audit

The auditor shall audit all accounts up to the end of the financial year for which complete accounts have been prepared notwithstanding that such account may not have been audited by the Finance Committee, if such a committee has been appointed. The revenue side or the account shall be checked by the auditor up-to-date.

12. Period of audit of municipal accounts

In auditing municipal taxation accounts, the auditor shall include the current quarter's or half year's account as the case may be if collections for that quarter or half year as the case may be have started, and shall include in his verification of the outstanding taxes those of the current quarter or half year as the case may be. If owing to delay in

starting collection or the incompleteness of the register of that quarter or half year as the case may be the auditor is unable to audit the taxation accounts beyond the close of the last completed quarter or half year as the case may be, he shall audit the accounts of other receipts up to the latest month for which they have been completed without regard to the state of the taxation accounts .

13. Embezzlements

When any embezzlement is detected or may reasonably be inferred from any suspicious circumstances or irregularity in the accounts, the auditor shall report the circumstances immediately in writing to the Chairman or the managing authority of the local body concerned and also to the Examiner of Local Accounts.

When the fraud or embezzlement has been fully investigated by the auditor he shall submit a complete report of the case to the Examiner of Local Accounts who may, if he considers it necessary order, for a detailed up-to-date audit and inform the State Government of the circumstances rendering such audit necessary.

Executive Instruction under Rule-13

- Auditors, when reporting irregularities or defalcations direct to the Head of the Local Office, shall confine themselves to a plain statement of facts. On no account may these reports contain adverse criticisms.
- At the same time the auditor shall send a full report to the examiner explaining clearly how the fraud was committed and whether he has reason to suspect that a detail examination of the accounts will bring to light further instances of fraud by the same or other persons. It shall always be stated whether the embezzlement was discovered during or prior to the audit.

14. Form of the report

The result of each audit shall be recorded in two parts viz.,

- (i) the schedules and
- (ii) the report prescribed by section 8 of the Act.

The schedules shall deal with technical irregularities, defects and omissions in accounts and registers. They shall be in **Forms A and B**.

Form A shall contain technical irregularities in payment and adjustment vouchers and

Form B shall contain technical irregularities, defects and commissions in accounts, and registers.

The schedules shall be left in the local office till the next audit, when the next auditor shall examine them to see that every item has been disposed of. The adequacy of action taken on them by the local authority shall be seen at the next audit.

15. Check of recovery of sums surcharged

Immediately before taking up an audit, the auditor shall call for all papers from the office of the Examiner of Local Accounts in connection with the surcharge cases pertaining to the local authority whose accounts are about to be audited and shall check with the Local records all items of money noted in the statement appended to the previous audit reports under sub-section (1) of section 9 of the Act and satisfy himself that they have been duly credited to the local fund and that all cases in which no action has been taken or no refunds made are covered by the orders of competent authority.

16. Objection settlement

Any enquiry which it is necessary for the auditor to make either on the subject of accounts, registers or, other matters, shall be made through objection statement in **Form-C**. The auditor shall issue statements day by day as the audit proceeds and shall obtain the dated initials of the Executive Officer, or of the head of the ministerial establishment both on the statements and in a memo of objection statements in **Form-D**.

(contd.....)

These statements shall be returned with the least possible delay over the dated initials of the head of the office and shall show the action which has been taken or which it is proposed to take to settle the objections raised or the replies to the enquiries made. On receipt of replies to the points raised, the auditor shall re-issue for further action or reply any items on which final or sufficient action has not in his opinion been taken on which the enquiries made have not been satisfied.

(contd.....)

Such re-issues shall be prominently indicated in the memo in **Form-D**. He shall bring any items of previous reports which have not been disposed of when he leaves the office, the accounts of which he is auditing to the personal notice of the head of the office. A list of such items shall be attached to the report **Form E**.

17. Time allowed for replies to objection

All objection statements shall be returned to the auditor from one to three clear working days before the close of the audit. The auditor shall have his report and schedules completely written up by the close of the audit.

18.

The objection statements shall include not only objections raised on payment vouchers but every sort of objection and remarks which the auditor raises or makes.

19.Matter to be included in the note

Objections admitted or questions settled during the course of an audit shall be noted in the report only if the irregularity is a serious one, or if a defect of system or error in principle has been brought to light and has not been permanently removed.

(Contd.....)

Apart from any matter required to be included under sub-section (1) of section 9 of the Act, the audit report shall be confined to matters of a general nature which cannot be disposed of by the auditor. All un-rectified objections relating to a previous audit shall be specially brought to notice.

20.Powers and duties of auditors

The auditor shall-

- (a) Before commencement of audit, verify the cash balances, the securities held by a local authority, the postage stamps and also the stock of saleable forms, unspent balance of permanent advance, undisbursed pay, statements of Revenue/ Court Fee Stamps and printed Forms kept for issue of receipts for payments received. The result of verification shall be recorded in the relevant book so that when the audit reaches that stage of check he can see if the actual balance agrees with the book balance;

[(a) inserted by notification No- 2862-L.S.G., dated the 2nd August 1957]

(Contd....)

(b) append to his reports a statement of assets and liabilities, indicating the financial position of the local authority concerned. Such fixed assets as land, buildings, plant machinery, tools etc. shall therefore, be excluded from the statement and only liquid assets such as cash (in hand or in the treasury, bank or post office), investments, loans, advances and outstanding rents and rates and such liabilities as unspent balances of earmarked grants, contributions payable, deposits, unpaid bills, etc. shall be included in it;

(Contd.....)

- (c) report whether money borrowed on the security of allocated revenues or received as a grant from Government or other source for a specific purpose has been expended on such purpose;
- (d) whether a sinking fund has been prescribed, report whether it is being properly kept up;
- (e) report whether all advances, loans and investments by the local authority are fully secured;

(Contd.....)

- (f) detail in his report all loans contracted by the local authority and state if the prescribed provision has been made for the repayment of the principal and interest out of the revenues of the local authority concerned;
- (g) where separate accounts for any trading or undertaking are maintained certify whether in his opinion the accounts present a true and correct view of the results of the trading or undertaking for the period under investigation;
- (h) certify in his report the correctness of the annual account.

21. Further instructions regarding report

The auditor shall-

- (a) state in the first paragraph of the report when the audit was taken up, when it was completed and how many working days were actually occupied in the audit.
- (b) state the date up to which the accounts have been passed by the Finance Committee, if any, and examine and report on the system of check exercised by it ;
- (c) state in his report if in his opinion any reserve fund should be opened e. g. a depreciation reserve fund;

(d)attach to his audit report a statement showing

(i) cash recoveries on audit objections;

(ii) money saved by the detection of embezzlements in audit; and

(iii) saving due to miscellaneous causes;

(e)at the end of his report give a very brief resume of the matters dealt with in the report and conclude with an opinion on the state of the accounts as a whole.

22. Embezzlement, etc, detected by the Local Bodies

Whenever any loss of money or stores by embezzlement, theft, fire or otherwise is discovered the fact shall be promptly reported by the Chairman to the Examiner of Local Accounts who will consider whether he shall direct that an audit be made with a view to taking action under section 9 of the Act.

23. Powers and duties of Examiner of local Accounts

The Examiner of Local Accounts shall exercise general supervision and control over the discharge by the auditors of their duties under the Act.

[Section 23A inserted vide Notification No. 7617/F, dtd. 26.03.2015]

23A.

(1) While conducting audit of Panchayati Raj Institutions (PRIs) and Urban Local Bodies(ULBs), the Examiner of Local Accounts and its Auditors would conduct such audit under the Technical Guidance and Supervision (TG&S) of the Comptroller and Auditor General of India (C&AG).

(Contd...)

(2) The terms and conditions for conducting the audit of accounts of the PRIs and ULBs under TGS arrangement shall be as follows:-

(a) The C&AG shall undertake the audit of accounts of all three-tiers of Panchayati Raj Institutions(PRIs) and all categories of Urban Local Bodies(ULBs) whwn requested by the Governor under sub-section(1) of Section 20 of the Comptroller and Auditor-General's (Duties, Poer and Conditions of Service) Act, 1971.

(Contd...)

- (b) In addition to audit to be conducted by the Statutory Auditor of PRIs & ULBs, the C&AG of India shall have the right to conduct such test check of the accounts and to comment on and supplement the report of the Statutory Auditor, as he may deem fit.
- (c) The c&AG of India or any person appointed by him in connection with the audit of PRIs & ULBs, shall have the same rights, privileges and authority as the C&AG has in connection with the audit of the Government Accounts.

(Contd...)

- (d) The result of Audit shall be communicated by the C&AG or any person appointed by him to the PRIs and ULBs with a copy of the report to the Government.
- (e) The terms and conditions specified above shall not affect, in any way, the C&AG's right to access the accounts and reports of the PRIs and ULBs under other provisions of the Comptroller and Auditor General (Duties, Power and Conditions of Services) Act, 1971 and under statutory provisions.

(Contd...)

(3) The TGS arrangements under sub-rule (2) shall comprise the following, namely :-

- (i) The methodology and procedure for audit of ULBs/PRIs by the Examiner of Local Accounts(ELA) shall be as per the guidelines prescribed by the C&AG;
- (ii) The staff of ELA shall continue to work under the administrative control of the State Government;
- (iii) Training to the staff of PRIs, ULBs and ELA for capacity building would be provided by the State Accountant General(Audit) and the cost of such training shall be borne by the Directorate of Local Fund Audit;

(Contd...)

- (iv) The ELA shall prepare the Audit Plan in consultation with the State Accountant General (Audit), who shall conduct test check of the accounts of PRIs and ULBs after deciding the percentage of test check;
- (v) The nature, extent and scope of audit including form and contents of the report (Inspection Reports as well as Annual Report) shall be as per the guidelines laid down by the C&AG;

(Contd...)

- (vi) For implementing these procedures, the Directorate of Local Fund Audit shall develop in consultation with the State Accountant General, a system of internal control in the State Audit Organisation;
- (vii) The Directorate of Local Fund Audit shall submit such returns or reports in such form as may be prescribed by the C&AG to evolve an effective system of monitoring the audit function; and
- (viii) The Accountant General of the State at his discretion may supervise some of the Audit Parties of the Directorate of Local Fund Audit during the audit of PRIs and ULBs and supplement the audit to ensure quality and timely completion of audit and certification of accounts of PRIs and ULBs by the agency.

(Contd...)

(4) On receipt of the Audit Reports from the Auditors in respect of PRIs and ULBs, the Examiner of Local Accounts shall prepare and submit to the State Government not later than *30th September* of each year a consolidated report, for the previous year, to be laid before the State Legislature.

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- (5) The report under sub-rule (4) of Local Accounts may contain the following particulars, namely : --
- (i) An introduction mentioning the date of audit, the period covered by audit, the name of the Auditor and the name of the Principal Officer concerning the respective Local Authorities;
 - (ii) A review of the previous audit report with special reference to the important objections in form of an Appendix enclosed with the report;
 - (iii) Serious breaches of accounts rules by the Local Authorities, if any;

(Contd...)

- (iv) Payments contrary to law including double payments and over payments of individual items not below an amount of Rs. 1,000;
- (v) Loss of money or property due to negligence or misconduct or failure to bring into account any amount due to the Local Authority under any rules framed for the purpose;
- (vi) Cases of material impropriety or irregularity including abnormal delay in making payments or realisation of taxes;
- (vii) Procedural defects leading to fraud detected , if any;

(Contd...)

- (viii) Comparative position of collection of taxes for the last year under audit with preceding two years as applicable;
- (ix) A statement on the financial position of the Local Authority showing both assets and liabilities;
- (x) Position of utilisation of Grants-in-Aid received and loans incurred by the Local Authority and utilisation thereof during the period covered by the audit;
- (xi) A certificate with regard to correctness of the Annual Accounts as well as utilisation of loans maintained by the Local Authority;

(Contd...)

(xii) Concluding remarks giving a summary of the important issues dealt in the Report and the Examiner's opinion regarding the status of accounts as a whole; and

(xiii) Irrespective of the money value of the objections, any serious irregularities such as system deficiencies, serious violation of rules and fraud noticed by Local Fund Auditor and intimated to the State Accountant General(Audit).

(6) On receipt of the consolidated report from the Examiner of Local Accounts and the report under sub-section (2) of Section (3) of the Act, the State Government shall as soon as possible, lay such reports before the Odisha Legislative Assembly.

24.

- (1) The Examiner of Local Accounts may condone a payment made from a Local Fund or a short realization of revenue which appears to him to be contrary to law and rules, provided that-
- (i) in his opinion there was no negligence or misconduct on the part of the person making or authorising such payment or short realization of revenue;

(Contd...)

(ii) such payment or failure to realize the revenue was bonafide and a similar payment from the same local fund or short realization or revenue had not been condoned before ; and

(iii) such payment or short realisation does not exceed [Rs 1000/- (Rupees One Thousand)]

[...inserted vide OLFA(Amendment) Rules, 2015]

(2) The Examiner of Local Accounts shall submit to the State Government a report of all such condonations with the reasons for each such condonation annually by the 25th of May.

THANK YOU