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DIRECTORATE OF COOPERATIVE AUDIT: ODISHA: BHUBANESWAR

Letter No: 1735 /VI(4) 61/2016 Legal

Date: 8/3/17

To

All the Assistant A.G.C.S.
of Circles.

Sub:- Inconsistency observed in order passed in surcharge proceedings.

Sir,

It is matter of concern that the Presiding officers very often do not apply their judicious mind while disposing surcharge proceedings which is a quasi-judicial matter. On perusal of copy of orders on S.P.cases in respect of Mayurbhanj Audit Circle for the period 2016-17(up to January 2017), it has come to my notice that Order passed in surcharge proceeding bearing No.40/2015, initiated on the basis of Audit report of Betnoti RCMS for the year 2012-13 and disposed of by Sri K.M.Brahma, SAAGCS is inconsistent on the following grounds.

That the Auditor concerned of the aforementioned RCMS for the year 2012-13 made recovery against some legal expenses/charges paid by the CEO concerned. But, the presiding officer has set free the CEO provisionally instructing him to update the missing details and produce before the next audit for confirmation on one hand and on contrary has passed order to give necessary entries in books & accounts by debiting original head of account & crediting the Audit Recovery account. Further the Presiding officer has extended the benefit of doubt to the CEO at the cost of the society without going to the veracity/genuineness of the voucher, which he ought to do. The surcharge proceeding is a forum to examine the genuineness of the matter in a judicious mind giving every possible opportunity of being heard, which might have been overlooked at the time of audit. There cannot be any provisional order in any Surcharge proceeding case. The matter should be decided beyond any reasonable doubt.

In view of the facts narrated above, it is pertinent to mention here that the presiding officer must be careful and prudent while passing order in surcharge proceeding in exercising the power u/s 67 of the OCS Act, 1962 & Rule 70 of the OCS Rules, 1965 and power of civil court as per section 120 of the OCS Act.

Hence, all the Asst. A.G.C.S. of circles are instructed to circulate this letter among all the SAAGCS and ACS of their administrative control.

Yours faithfully

Prasanna
8.3.17
Auditor General,

Cooperative Societies, Odisha

Memo No. 1736 Date. 8/3/17

Copy to Deputy AGCS, Odisha for information and guidance.

Prasanna
8.3.17
Auditor General,

Cooperative Societies, Odisha

Memo No. 1737 Date. 8/3/17

Copy to all the ACS, SAAGCS of DCA(O) for information and guidance.

Prasanna
8.3.17
Auditor General,

Cooperative Societies Odisha

