

No. 2507 (16) /VI(I)62/99(P-IV)-Audit-8-Dated: 30.4.2004

To

All Asst. Auditor General of
Coop. Societies of Circles.

Sub: Remittance of Cash balance by the
PACS/LAMPS and retention of cash
balance beyond the prescribed limit.

Ref: Letter No.4252 dt.10.7.2003 and
No.9735(16) dt.10.11.2003 of
M.D., O.S.C.B. Ltd.

Sir,

As you are well aware of the importance of remittance of Cash retained in excess of the prescribed limit/authorised limit/insured limit in respect of PACS/LAMPS/Mini Banks/branches of C.C.Banks/U.C.Banks/& O.S.C.B. and also of the need to regulate the same effectively, of course without any heed to it by the institutions. However, of late, the Apex Bank (OSCB) has come forward to issue suitable instructions/guidelines on the strength of provisions laid down U/Rule-43(I)(i) of O.C.S. Rules. It has now been aptly realised by the Bank that unauthorised retention of cash balance not only causing loss due to leakage of income as amassing idle money but also gives impetus for misutilisation/misappropriation of amount affecting financial set up of the societies.

In this regard, prescribed limits, as detailed below for PACS, have been fixed by O.S.C.B. and C.C.Banks have been asked to ensure implementation of this limit by PACS/LAMPS/Mini Banks with regidity. In case of contravention of such instructions, the persons concerned shall be held liable for payment of interest @ 2 % over and above the interest rate applicable to ST(SAO) loan borrowed from C.C.B. for the period of unauthorised retention of cash balance.

1. Society located within : Remittance to the branch
8 Kms.radius of Branch. as and when cash balances
exceed Rs.5000/-.
2. Society located beyond : Remittance to the branch
8 Kms.radius of Branch. as and when cash balance
exceed Rs.20,000/-in
addition to weekly remi-
ttance on every Saturday.

(P.T.O.)

It may, therefore, be clearly examined and dealt in relevant chapter of the Audit report scrupulously and surcharge proposal for wilful negligence be given.

It should also be examined in audit whether the retention of cash balance is a continuous habitual process and not backed by any justified reason/logic or an occasional event taken place due to unavoidable circumstances. In case there is any smell, or proof of illegal/un-authorised retention of cash, a detail observation with justification/half-margin etc. with heavy penalty in shape of disciplinary action be recommended aside the surcharge proposal of interest etc. in the report.

Yours faithfully,

[Signature]
Auditor General,
Coop. Societies, Orissa

Memo No. 2508 (18) /Dt. 30.4.2004

Copy to Managing Director, Orissa State Coop. Bank Ltd./
Secretary, All Central Coop. Banks for information.

[Signature]
Joint Auditor General of C.S.(O).

Memo No. 2509 /Dt. 30.4.2004

Copy forwarded to the Registrar of Coop. Societies, Orissa, Bhubaneswar for information and necessary action.

[Signature]
Joint Auditor General of C.S.(O).

15 spare copies.

M.M/-28.4.2004:

[Signature]
Spare Copies Audit