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Directorate of Co-operative Audit : Orissa : Bhubaneswar.

No. 3608(16) Dated 8.6.2004
VI(4) 23/01. Bhub.

All the Assistant Auditor General of
Co-op. Societies of Circles.

Regarding disposal of Surcharge Proceedings
initiated on illegal appointments made by
officer and office bearers of Coop. Societies.

Sir,

This has a reference to this Directorate Circular
No. 6522(16) dt. 27.7.2000 and 8508(16) dt. 24.7.2001 regarding
illegal and irregular appointments made in Cooperative Societies
and fixing up of responsibility on the officers and office bearers
for breach of trust and offence u/s. 115 and 116(3) of OCS Act and
showing recovery against them to the extent of salary paid to the
appointed staff. Necessary steps must have been taken by you to
implement the above circular meticulously and Auditors of your
Circle must not have spared such cases during the course of their
audit.

Wherever appointments have been made without
approval of competent authorities, the appointments are to be
treated as irregular and are cause of financial loss to the
Society which attracts action under section 67 of O.C.S. Act.
In cases where appointments have been made in violation of the
provision of ORV and CNV Act, the appointments are illegal and
as such are not to be recognised by audit. Hence in such cases also
also the salary paid is illegal payment which requires to be
recovered from the authorities responsible for such illegal and
irregular appointments, who deviated from the procedure prescribed
for the purpose. The proceedings initiated so far under your
circle on irregular and illegal appointments can be easily
disposed off quickly (not exceeding one month in the maximum)
since examination of this aspect must have been made thoroughly
during the issue of audit/Spl. Audit it-self as per guidelines
issued in the above content by this Directorate.

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Hence, all efforts be made to dispose off the proceedings on this issue within a fortnight positively and order copies communicated within 7 days from the date of decision (as required under 70(8)) to concerned quarters for further necessary action at their level.

In case, where Govt. officials deputed to C.S. are found liable in such illegal and irregular appointments and recovery shown against them, copies be communicated to the concerned Coop. Institution, the Officer, R.C.S., Orissa, concerned Administrative Director, Accountant General, Orissa and Govt. in the respective Administrative Depts. with a request to include the same in the service book of the concerned officers and also in their L.P.C. (at the time of transfer of such officer from the concerned Cooperative Institution) so that the recovery can be effected fruitfully, if the Govt. officials are transferred or supernuated by effecting recovery from their salary/pension etc. Besides, suitable disciplinary action and such other action as deemed fit and proper can also be initiated by their respective administrative Departments/Directorate.

Since Govt. is keen on action taken on the findings of audit report and surcharge action initiated by this Directorate, all the Asst. Auditor General of Coop. Societies are requested to submit compliance with earmarked result by end of July'2004. They should also continue to bring progress of this particular item in monthly progress report every month. Any deviation in this regard shall be viewed seriously.

Yours faithfully,

T. R. Dash
8/6/04
Auditor General,
Co-op. Societies, Orissa.

Memo No. 3609 (9) / Dated 8.6.2004
Copy to Registrar of Co-op. Societies, Orissa, Bhubaneswar.
All Directorate for information and necessary action.

T. R. Dash
8/6/04
Auditor General,
Co-op. Societies, Orissa.

Memo No. 3610 / Dated 8.6.2004
Copy submitted to Commissioner-cum-Secretary to Govt. of Orissa, Cooperation Department for favour of kind information.

Copy to Audit-8/Audit-1.

C.7/6.

T. R. Dash
8/6/04
Auditor General,
Co-op. Societies, Orissa.

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Audit-8.
16/6/04