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DIRECTORATE OF COOPERATIVE AUDIT:ORISSA:BHUBANESWAR.

No. VI(I)6005 7070 (16) Audit-B/Dated:- 27.8.09.
To

All Asst. Auditor General of
C.S. of Circles.

Sub:- Order No.18672 dt. 31.7.2009 of RCS(O)
regarding implementation of pay, DA and other
allowances of PACS/LAMPCS/FSCS.

Sir/Madam,

Enclosed, please find herewith the copy of the
Order No.18672 dt.31.7.2009 of R.C.S.(O) regarding implementa-
tion of pay ,D.A. and other allowances of PACS/LAMPCS/FSS.

You are all impressed upon to circulate the above
guidelines amongst the auditors under your administrative
control for their guidance in audit of PACS. You are further
impressed upon to issue necessary instructions to the auditors
to examine this aspect meticulously during the audit of PACS
and reflect their observations in detail with fixation of
responsibility on the committees of Management alongwith the
Chief executive concerned, if any deviation/violation of the
guidelines and branches of financial discipline as stipulated
in the order is noticed.

Yours faithfully,

Memo No. 7071 (2) Auditor General of C.S., Orissa.
/Dated:- 27.8.09
Copy forwarded to Registrar of C.S./Managing Director
O.S.C.B.Ltd for information.

Memo No. 7072 Auditor General of C.S., Orissa.
/Dated:- 27.8.09 Govt.
Copy forwarded to Deputy Secretary to Cooperation
Deptt. for information.

Memo No. 7073 (13) Auditor General of C.S., Orissa.
/Dated:- 27.8.09
Copy forwarded to Deputy Registrar of C.S., of
All Division for information

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Dash.25.8.

Auditor General of C.S., Orissa.



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OFFICE OF THE REGISTRAR OF COOPERATIVE SOCIETIES, ORISSA: BBSR.
Order No. XX-3/03-18672/ Bank-10/ dt. 31.7.09.

Whereas demands have been made by different employees Union of PACS/LAMPCS/FSCS for consideration of fixation of pay scale and service conditions of non cadre employees of PACS/ FSCS and LAMPCS.

And

Whereas in pursuance of the minutes of discussion hold under the Chairmanship of Hon'ble Minister, Cooperation dt. 19.1.2009 a Committee was constituted to look into the said matter and a sub-committee was also constituted vide Order dt. 13.2.2009 of Registrar of C.S. Orissa for consideration of demands of the employees and Sub-committee submitted its report as discussed in the meeting hold on 19.2.2009.

And

Whereas the Government in Cooperation Department vide their letter No. 7767 dt. 20.6.2009 endorsed the observation of the Sub-Committee in respect of rationalization of pay structure and formulation of Staff service Rules of the Society employees of PACS/FSCS and LAMPS.

And

Whereas the National Bank for Agriculture and Rural Development vide their letter No. 8577 dt. 29.12.08 have issued detailed guidelines of expenditure and manpower norms for Primary Agriculture, Cooperative Societies.

And.

Whereas the Orissa Cooperative Societies Act, 1962 as ~~am~~ amended vide Orissa Cooperative Societies (Amended) Act, 2008 entrusts the statutory responsibility with the Registrar of Cooperative Societies, Orissa to issue guidelines and revision of pay and allowances of the employees of the Cooperative credit societies keeping in view the volume of business, viability and profitability of such Society.

Now I Sri Krushna Chandra Mohanty, IAS, Commissioner-
Cum Registrar of Cooperative Societies, Orissa in exercise of powers conferred on me under Section 33-A of the Orissa Cooperative Societies Act-1962 do hereby stipulate the following guidelines in the matter of personnel policy, staffing pattern recruitment and fixation of pay in respect of the employees of PACS/LAMPCS/FSCS subject to the extent

rules, regulating/guideline and compliance of the financial norms and conditions as enumerated hereunder.

1. Staffing pattern:-

Every PACS/LAMPCS/FSCS may have such number of ~~extra~~ employees basing on its volume of business, capacity to pay profitability and viability. The committee of Management of the Society is competent to take decision in respect of fixation of total number of employees and their salary and allowances keeping in view the aforementioned factors i.e volume of business, capacity to pay, profitability and viability. The Committee of Management is also competent to allow pay and allowances to its employees as suggested hereunder subject to fulfilment of above conditions i.e volume of business, capacity to pay, profitability and viability. The scale of pay may be applicable exclusively for the regular posts approved by the Registrar of Cooperative Societies, Orissa.

LAMPCS:

Sl No.	Category of posts.	Scale of pay ORPS Rules 1998)	Dearness Allowance.
1	Managing Director (Non-cadre)	Rs. 3200-35-4900/-	@79% as per ORSP Rules-1998.
2	Branch Manager/ Accountant.	Rs. 3050-75-3950-80 4590/-	-do-
3	Clerk/Cashier/ Salesman.	Rs. 2650-65-3300-70 4000/-	-do-
4	Peon/Watchman	Rs. 2550-55-2660-60 3200/-	-do-

PACS/FSCS:

1	Secretary	Rs. 3050-75-3950-80- 4590/-	@79% as per ORSP Rules 1998.
2	Asst. Secretary/ Salesman/Cashier/ Clerk.	Rs. 2650-65-3300-70- 4000/-	-do-
3	Peon/Watchman	Rs. 2550-55-2660-60-3200/-	-do-

Other allowances including H.R.A. may be paid to the employees of PACS/FSCS/LAMPCS not exceeding the rates applicable for State Govt. employees subject to conditions as hereunder.

It is imperative that the Committee of Management need to adopt a Resolution with regard to fixation of number with designation of employees of the Society and the scale of pay alongwith allowances keeping in view the volume of

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of business, profitability, viability and the capacity to pay based on the audited financial statements and inputs/ recommendations of the Secretary of PACS/FSCS and Managing Director of LAMPCS it is incumbent upon the Committee of Management of PACS/FSCS/LAMPCS to ensure that no financial liabilities accrue to the State Government, assets of the Society and depositor's money should not be allowed to be eroded on account of such payment towards salary component of the employees.

2. Volume of Business:-

PACS/LAMPCS/FSCS must have adequate business level so as to sustain the cost of establishment towards payment of salary of employees including the compensation to be paid and the total cost of salary of employees must be within the range of 20-30% of the total income (net interest income plus other income) generated out of it. Besides, the cost of Management including the compensation to be paid should not exceed 2% of the working capital and be kept within the range of 40-50% of the total income.

3. Profitability:-

PACS/LAMPCS/FSCS should have no accumulated loss. The additional financial liability to be incurred on account of payment of salary to employees including compensation, if any, should be within the net profit earned by PACS/LAMPCS/FSCS during the corresponding year/period so as not to have any adverse impact on its profitability.

4. Capacity to pay.

a) PACS/LAMPCS/FSCS should be functioning on net profit for the last three years consecutively. The net profit should have been earned after making necessary statutory provisions/reserve including NPA provisions and after making full provision for interest payable on deposits and borrowings.

b) PACS/LAMPCS/FSCS must have capital adequacy of at least 7% since 31st March 2004. In case of any slippage below 7%, such PACS/LAMPCS/FSCS would be deemed as not having "capacity to pay".

C) PACS/LAMPCS/FSCS will also have to take note of the observations made by the statutory auditors in special Audit Reports/Statutory Audit Reports about their functioning which will have a bearing on their "Capacity to pay".

d) Special Audit Report of PACS/LAMPCS/FSCS conducted for the purpose of availing Recapitalization Assistance of STCCS under Revival package as recommended by Vaidyanathan Committee may be used as a reference for finding out the amount of deficit in provision for interest payable on deposit.

5. Viability:-

Payment of such salary to employees including compensation should not have an adverse impact on the financial viability of PACS/LAMPCS/FSCS and should be contributing to its operational efficiency.

6. Compensation so allowed shall stand rolled back in the event the financial position of the Bank deteriorates and the Bank fails to conform to the stipulated financial discipline enumerated above. The Chief Executive of PACS/LAMPCS/FSCS shall keep a close watch over the matter and shall be competent to withhold the benefits (compensation) so allowed till the committee decides to withdraw the same if such an eventuality arises.

The Committee of Management alongwith the Chief Executive of PACS/LAMPCS/FSCS shall be responsible for any deviation/violation of the guidelines and breach in financial discipline stipulated above.

7. The staff service Rules of PACS as approved by the Registrar of C.S., Orissa vide Order No. 7834 dt. 25.4.05 may be amended in conformity with the OCS Amendment Act-2008 and guidelines stipulated by NABARD and guidelines as prescribed above.

8. The staff service rules for employees of LAMPCS may be issued separately in due course.

This order shall come into force with effect from the date of issue.

Sd/-K.C.Mohanty,
Commissioner-Cum- Registrar of
Cooperative Societies, Orissa.