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DIRECTORATE OF COOPERATIVE AUDIT: ORISSA: BHUBANESWAR.

Letter No.VI (4)23/01 4970 / Legal-I Dated. 19.8.11

To

All Assistant Auditor General of Cooperative Societies of Circles.

**Sub: Authorisation to A.C.S/S.A.A.G.C.S for initiation and disposal of
Surcharge Proceeding.**

**Ref: Circular No.1683 (16) dtd.26.02.2001, No.2772 (16) dtd.24.05.2003
and 6414 dtd.07.09.2010.**

Sir/Madam,

Your attention is invited to the referred circulars in which detail guide lines on initiation and disposal of Surcharge Proceedings have been communicated.

It is reiterated that in pursuance of Amendment of OCS Act 1962, (Amendment Act 1991), powers U/S 67 have been vested with the A.G.C.S (O) and persons appointed to assist him for initiation and disposal of Surcharge Proceeding. This statutory function U/S 67 is to be discharged with equal emphasis besides conduct of audit U/S 62.

Initiation of Surcharge Proceedings can be effective and have meaning only after disposal of said proceeding within specific time frame. But it is noticed that Surcharge Proceedings are not being disposed off timely and kept pending for long period due to various reasons. Government have expressed displeasure for in ordinate delay in disposal of such proceedings.

Unless the position is improved the cases would pile up year after year and the situation may even go beyond control. Further the purpose of quick recovery as would be possible through Surcharge Proceedings shall be defeated.

Since this is a significant work of the new Directorate, significant number of mandays should be devoted for both initiating Surcharge cases as well as early disposal of the same. Since, Government is very particular in attending to this very important item of work the Assistant Auditor General of Cooperative Societies are hereby required to pay due to attention to this very important

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item of work in making sincere efforts for disposal of cases in right earnest taking up hearing twice a week so that this item of work is not lost ^{right} ~~right~~ of.

In order to ensure expeditious disposal, besides S.A.A.G.C.S (Office), the S.A.A.G.C.S of field of your circle may be authorised to initiate and dispose of Surcharge Proceeding U/S 67 & Rule 70 of OCS Act & Rule within the monetary ^{ceiling} ~~ceiling~~ up to 1.00 Lakh. The S.A.A.G.C.S of ^{least} ~~wires~~ shall take up the proceedings at ^{least} ~~last~~ 2(two) days a week. The Auditor of Cooperative Societies may be authorised to initiate and dispose Surcharge Proceeding U/S 67 in the cases where the amount under objection/ audit recovery/ surcharge able amount is not more than Rs.20,000/-(Twenty Thousand) and shall take up the proceeding at least 2(two) days a week.

It is also decided that the Assistant A.G.C.S of Circles shall take up hearing of the Surcharge Proceeding at least 8 days in a month where the amount above Rs.1.00 Lakh.

Targets for initiating Surcharge Cases and their disposal should be fixed (which should be much more than 3 cases per A.C.S/S.A.A.G.C.S per month). So that their performance can be monitored at regular intervals in the review meeting of circle taken by the Assistant A.G.C.S of Circles.

The surcharge proceeding shall be initiated and disposed of strictly in accordance with the provisions of OCS Act and Rules. Any such deviation by the A.C.S/S.A.A.G.C.S/A.A.G.C.S of Circles shall be viewed ^{seriously} ~~security~~.

If any of the instructions contained in this circular conflicts with any instruction issued earlier then this circular guide lines would prevail.

Yours faithfully

Auditor General
Cooperative Societies, Orissa.

G.F/10 Spare Copies.

^{Ans}
AKS.