

**DIRECTORATE OF LOCAL FUND AUDIT, ODISHA,  
TREASURY & ACCOUNTS BHAWAN, 2<sup>nd</sup> FLOOR,  
UNIT-III, KHARAVELA NAGAR, BHUBANESWAR**

e-mail: [dirlfaodisha@gmail.com](mailto:dirlfaodisha@gmail.com) ; Phone: 0674-2391704; Fax-0674-2391703

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No. 13236 /DLFA,  
DLFA(Prog)-XIV-Aud-13/2012

Date 30/8/13

From

Shri B.B. Panigrahi,  
Deputy Director,  
Local Fund Audit, Odisha.

To

All District Audit Officers,  
Local Fund Audit, Odisha.

Sub: New modalities for surcharge and appeal cases.

Madam/Sir,

In inviting a reference to the above cited subject and enclosing copies of the Govt notifications, no. 27891/F, dtd. 29.08.2013 & no. 27897/F, dtd. 29.08.2013, I am directed to say that surcharge and appeal cases under O.L.F.A. Act, 1948 will be disposed of in the following manner with effect from 1<sup>st</sup> September, 2013.

SURCHARGE

I.	Upto ₹ 50,000/-	Assistant Examiner-cum-Audit Superintendent.
II.	Above ₹ 50,000/- /-	Assistant Examiner-cum- District Audit Officer.

APPEALS

I.	Upto ₹ 1,50,000/-	Deputy Examiner-cum- Deputy Director.
II.	Upto ₹ 2,50,000/-	Deputy Examiner-cum- Joint Director.
III.	Upto ₹ 5,00,000/-	Examiner-cum- Director.
IV.	Above ₹ 5,00,000/-	Secretary to Government, Finance Department.

2. This new arrangement will be followed for all cases initiated on or after 01.09.2013. The old cases initiated by Asst. Examiner but in respect of which Surcharge Order u/s 9(3) has not been issued prior to 01.09.2013 shall also be dealt with as per this new arrangement.

3. But cases in respect of which surcharge order u/s 9(3) has already been issued prior to 01.09.2013 shall be disposed of as per the old provision.

4. While issuing surcharge order u/s 9(3) of OLFA Act, 1948, care should be taken to mention clearly the correct designation of the Appellate Authority as per the new provision. The Asst. Examiner should see to it before signing the surcharge order in order to avoid possible mistake.

5. The cases in respect of which surcharge action has already been initiated, i.e., show cause notice u/s 9(2)(b) has been issued at the Head Quarter level will be dealt at the headquarter level as per the old provision of surcharge and appeal.

6. The Audit Reports will not be subject to scrutiny at the Headquarter level any more. The DAOs are instructed to exercise thorough scrutiny of the Audit Reports to ensure that they are in order before initiation of surcharge action in respect of those Audit Reports. The Auditor/Audit Superintendent in charge of the Surcharge Section should certify that the Audit Report is in order before initiation of surcharge proceeding.

No surcharge action should be initiated in a mechanical way without verifying the merit, tenability and authenticity of the objections in the Audit Report.

7. All the Audit Reports pending for surcharge action( in respect of Pat-II and III of Surcharge Statement) are to be disposed of at the District Office level. A list of suchcases is being transmitted shortly .

8. Most of the audit objections are being commented upon as inconsistent by the higher Appellate Authority. All auditors should be instructed to quote relevant Act, Rules, Executive Instructions, Govt. Orders etc. while drafting the Report so as to establish the objection and to avoid future embarrassment at subsequent stages.

9. The Audit Reports pending for rectification of defects should be attended to swiftly. Corrigendum, wherever necessary, should be issued to all concerned and surcharge action thereafter is to be initiated at the District Office level.

10. The surcharge section in the District Audit Offices should be strengthened in the changed scenario post 01.09.2013.

These modalities and instructions should be scrupulously followed from 1<sup>st</sup> October 2013.

Yours faithfully,

  
Deputy Director

Memo No. 13237 / DLFA,

Date 30/8/13

Copy forwarded to all Officers/Audit Superintendents, D.L.F.A., Odisha for information and necessary action.

  
Deputy Director

Memo No. 13238 / DLFA,

Date 30/8/13

Copy forwarded to the Deputy Secretary to Government, Finance(LFA) Department, Odisha / Smt M.Sahoo, Technical Director, N.I.C., I/C , ALFA for information and necessary action.

  
Deputy Director