



कार्यालय, महालेखाकार (लेखापरीक्षा), बिहार,
सामाजिक प्रक्षेत्र -I, स्थानीय लेखापरीक्षा शाखा,
वीरचन्द पटेल मार्ग, पटना - 800001

सं०.एल०ए०/एस०एस०-1/श०स्था०नि०/

सेवा में,

कार्यपालक पदाधिकारी
नगर पंचायत, बख्तियारपुर
जिला- पटना

महाशय,

नगर पंचायत, बख्तियारपुर के वर्ष 2012-13 से 2014-15 के लेखाओं पर आधारित लेखापरीक्षा प्रतिवेदन सं० 1238/15-16 आपके सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित है। अनुरोध है कि इस लेखापरीक्षा प्रतिवेदन की कंडिकाओं का अनुपालन, लेखापरीक्षा प्रतिवेदन प्राप्ति के 3 माह के अन्दर पूर्ववर्ती लेखापरीक्षा प्रतिवेदनों की लम्बित कंडिकाओं के अनुपालन के साथ अभिप्रमाणित साक्ष्य सहित नगर पंचायत बोर्ड से अनुमोदित कराकर जिला स्तरीय समिति के समीक्षोपरान्त प्रेषित किया/करवाया जाय जिससे लेखापरीक्षा के उद्देश्यों की पूर्ति हो सके।

यह निरीक्षण प्रतिवेदन लेखापरीक्षित इकाई द्वारा समर्पित एवं उपलब्ध करायी गयी सूचनाओं/विवरणों के आधार पर तैयार किया गया है। महालेखाकार (लेखापरीक्षा), बिहार पटना का कार्यालय लेखा परीक्षित इकाई द्वारा किसी भी गलत सूचना देने अथवा सही तथ्य छिपाने की जवाबदेही का दावा नहीं करता है।

संलग्नक: यथोपरि

भवदीय,

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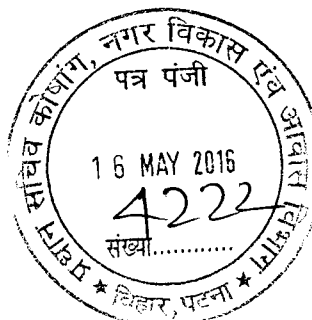
वरीय लेखापरीक्षा अधिकारी
श०स्था०नि०/सामाजिक प्रक्षेत्र 1
स्थानीय लेखापरीक्षा शाखा, पटना

सं०-एल०ए०/एस.एस.-1/श०स्था०नि०/14554/26

दिनांक- 29.4.16

प्रतिलिपि सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित:-

- 1/सचिव, नगर विकास एवं आवास विभाग, बिहार सरकार, पटना
2. जिलाधिकारी, पटना



वरीय लेखापरीक्षा अधिकारी
श०स्था०नि०/सामाजिक प्रक्षेत्र 1
स्थानीय लेखापरीक्षा शाखा, पटना

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Nagar Panchayat Bakhtiyarpur

A.R. No.- 1238/15-16

(Period-2012-13 to 2014-15)

Part-I

1. INTRODUCTION

The accounts of Nagar Panchayat Bakhtiyarpur for the year 2012-13 to 2014-15 was test audited by an audit party of the O/o the Accountant General (Audit), SS-I cum Local Audit Wing, Bihar Patna during the period from 19.08.2015 to 25.08.2015.

2. ADMINISTRATION

Sl.No.	Name of Chairman	Period
1.	FARIDA BANO	01.04.2012 to 31.03.2015

Sl.No.	Name of Vice-Chairman	Period
1.	SARITA KUMARI	01.04.12 to 31.03.2015

Sl.No.	Name of Executive officer	Period
1.	LALIT MOHAN PRASAD	01.04.2012 to 13.09.13
2.	KUMARI HIMANI	13.09.13 to 31.03.2015

3. SCOPE OF AUDIT

A list of records and registers produced to audit and test checked has been furnished in Appendix- I and another list of records and registers either not produced or not maintained or produced in incomplete form has been furnished in Appendix- II to the report.

4. PREVIOUS AUDIT REPORT

In spite of several requests and reminders for compliance of outstanding paras of previous audit reports, the same was not produced by the unit. Its once again requested that suitable steps may be taken for compliance of outstanding paras of previous audit reports. Non-compliance of outstanding paras defeats the very purpose of the audit.

5. INTERNAL AUDIT

The (Rules 20, 66, 60, 30, 32, 64 to 66, 83, 84 & 127 of Bihar Municipal Account Rules 1928 provides a number of internal checks, which would be exercised either by the chairman, Vice-Chairman, Executive Officer or any other responsible officer entrusted for the purpose by the commissioner at a meeting. Those checks were prescribed in the rule in order to have proper control in maintenance, co-ordination and also to avoid serious irregularities in the Municipal Accounts.

But no such checks as prescribed in the above rules were conducted by any of the authorities of the Nagar Panchayat and for want of that a lot of irregularities were noticed.

It is therefore, impressed upon the authorities to conduct regular checks to stop recurrence of such irregularities in future.

6. Result of Audit

1 Amount recovered at the instance of audit- zero

2 Amount suggested for recovery- Rs. 1338120

3 Amount held under objection- Rs. 31947417

(Details attached with appendix- V)

DISCLAIMER

This Inspection report has been prepared on the basis of information provided by Nagar Panchayat Bakhtiyarpur. If any information given by the unit is found incorrect then The O/o Accountant General (Audit) Bihar will not be responsible for that.

PART-II

SECTION- A- NIL

PART-II

SECTION- B

PARA 1: Allotment of work to single tenderer (21991513)

The test check of scheme files revealed that two bid tenders were called for execution of schemes under different schemes. Single technical bid qualified in 79 cases and therefore financial bid of the tenderer who's technical bid qualified was opened. This resulted in award of work to only (single) A total sum of Rs. 21991513 were paid in these schemes. (Details in Appendix-III)

As per rule the tenders in which only one tender is received, can only be processed after approval of one step higher authority.

It was not pointed out as to why the tenders in which single tender was received were processed without the approval of one step higher authority.

REPLY:- The unit replied that the suggestions will be taken care of in future but this reply is not acceptable, as it does not justifies the reasons for above irregularity. The total sum of Rs 21991513 kept under audit objection.

PARA 2 HOLDING/MISC TAX SHORT-CREDIT RS. 63655.00

During the audit of holding tax collection of the daily collection register, cashier cashbook and bank statements for the period 2012-2015 revealed that there were differences in tax collected and tax amount deposited in Revenue account of Nagar Panchayat, Bakhtiyarpur Details are specified below:-

S. N	Receipt No.	Date of Collection	Amount Collected	Amt Deposited Short By(Rs)	Name of Tax Collector	Remarks
1	HR2138-2166	7.8.15-11.8.15	13,255.00	0.00/13,255	Sri Pappu Kr.	Not Deposited
2	HR 4093-5000	6.8.15-7.8.15	4,466.00	0.00/4,466	-do-	-do-
3	HR 4143-4153	11.8.15-18.8.15	6,528.00	0.00/6,528	Sri Bablu Kr.	-do-
4	HR 4421-4430	27.7.15-18.8.15	5,231.00	0.00/5,231	-do-	-do-
5	HR 2342-2352, 2440-2454, 2037-2054	9.11.12	26,284	24,670/1,614	-do-	-do-
6	HR 2055-2084, 2221-2250, 2353-2374, 2455-2480	30.3.13	81,461	79,340/2,121	-do-	-do-
7	HR 3934-3956, 4228-4239	7.10.14	37,736	36,350/1,386	-do-	-do-
8	HR 3620-3649, 3813-3859	17.7.14	28,154	25,000/3,154	-do-	-do-
9	MR 1053-1068	9.4.14-20.6.15	25,900	0.00/25,900	-do-	-do-
				Rs 63655		

The short-credit amount Rs 63655.00 may be deposited by concerned collector as soon as possible and intimated to the audit.

PARA 3: IRREGULARITY IN SJSRY

(A) BLOCKAGE OF FUND RS.2009154.00

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While checking the status of unspent grants lying with the Panchayat for the year, it was observed that under SJSRY schemes Rs. 322629 was lying with nagar panchayat previously and Rs. 3000000.00 was received through letter no. 1113 dt.31.10.2012 from the State Government for assisting urban poor in setting up individual/ group micro-enterprises for self- employment under USEP and UWSP programme and also providing skill training to urban poor under STEP-UP component. According to the guidelines the available fund was to be distributed as under:-

STEP-UP - 40%

USEP - 20%

UWSP - 20%

UWEP - 10%

UCDN - 10%

According to the utilisation sent by the Office of Nagar Panchayat, Bakhtiyarpur a total of Rs. 1313475 was spent under STEP-UP programme. Thus a total of Rs. 2009154 remained unspent upto 26.06.2014 according to the provisions of this programme and hence blocked. According to letter No 1916 date 07-08-14 the balance amount of SJSRY was to be credited to departmental account no-3891001200000040 with IFSC code PUNB0292100 within a week but the same was not done by this office resulting in its blockade.

(B) Irregularities in SJSRY

On scrutiny of files related with SJSRY it was found that only one institute namely- Samadhan Sewa Samiti, GD Mishra Road, Patliputra Colony, Patna was chosen for providing skill training to urban poor under STEP-UP component in different trades like- Computer training, Multimedia Training, Fashion Designing, Beautician Course and fitter, for which they were paid Rs.1313475 The details of which are as under

Samadhan Sewa Samiti			
Sl.no.	Date	Cheque no.	Amount
01	13.12.12	----	505200
02	12.03.13	----	808275
			1313475

Audit Observation:-

(1) A sum total of Rs 1313475 was paid to the above institute for imparting training but utilisation of Rs. 1313475 from the above institution along with mode of

selection of suitable urban poor candidates, attendance register of trainees, Vouchers of distributed toolkits along with rate of each unit and the total quantity was not found hence the same had not been furnished to the Audit.

(2) Assistance to urban poor in setting up individual/ group micro-enterprises for self-employment was to be provided. Therefore total no. of self-employed individual along with the enterprises set-up by them had not been furnished in the audit.

(3) The number of students who submitted application form in the office of Nagar Panchayat for training under different trades was asked to be furnished in the audit.

(4) The ground for selection or rejection or allocation of trades of their training as per the provisions of letter no 927 a nodal officer was to be appointed for selection of the NGO. The officer was to check ten points for the same. As evident from the file at first, City Manager was appointed as Nodal officer but later on due to his regular absence he was removed from the charge of nodal officer. If he was continuously absent then how his salary was fully paid, it was asked to be explained in the audit.

(5) The govt. provided rate for training under different heads. For this voucher was to be submitted (payee receipt of instructor, rent of building and other overheads).it was asked to be pointed out as to why payments were made on claim only without vouchers.

(6) There was no rate approved/ issued by the govt for kit then on what basis the payment for tool kit was made.

(7) The items which were to be provided in the tool kits was asked to be furnished in the Audit. It was asked to be pointed out that why the total expenditure of Rs1313475.....may not be held under objection.

Hence total expenditure of Rs. 1313475 is kept under audit objection.

REPLY:- The unit replied that the suggestions will be asked from the govt. and further action will be taken. All payment vouchers will be collected from the concerned institutions and will be sent to your office.

PARA 4: IRREGULARITY IN PURCHASE OF FOGGING MACHINE

As per rule 126 of the Bihar Financial Rules 2005 the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet

the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.

The rules provides the following;

Rule 131C. Purchase of goods without quotation: Purchase of goods upto the value of Rs. 15,000/- (Rupees Fifteen Thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority

Rule 131D. Purchase of goods by purchase committee: Purchase of goods costing above Rs. 15,000/- (Rupees Fifteen Thousand) only and upto Rs. 1,00,000/- (Rupees One lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier.

Rule 131E. Purchase of goods directly under rate contract :

(1) In case a Department directly procures Central Purchase Organisation (e.g. DGS&D)/State Purchase Organisation rate contracted goods from suppliers, the prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of the purchase should be in line with those specified in the rate contract.

Rule 131G. Purchase of goods by obtaining bids: Except in cases covered under **Rule 131C, 131D and 131E(1)**, Departments shall procure goods under the powers referred to in **Rule 128** above by following the standard method of obtaining bids in :

- (i) Advertised Tender Enquiry;
- (ii) Limited Tender Enquiry;
- (iii) Single Tender Enquiry.

Rule 131P. Performance Security :

(i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Performance Security is to be obtained from every successful bidder irrespective of its registration status etc. Performance Security should be for an amount of five to ten percent of the value of the contract. Performance Security may be furnished in the form of an Account payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee from a Commercial bank in an acceptable form safeguarding the purchasers interest in all respects.

- (ii) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.
- (iii) Bid security should be refunded to the successful bidder on receipt of Performance Security.

Rule 131Q.

(1) Advance payment to supplier: Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made.

The test check records of purchase of fogging machine by Nagar Panchayat Bakhtiyarpur revealed the following.

1. The Nagar Panchayat, Bakhtiyarpur did not follow the provisions of Rule 131G & I of Bihar Financial Rule during the purchase of Fogging machine. It was purchased for Rs. 224772 on the basis of supply in nearby ULBs.
2. Stock Register for the stock entry of fogging machine was not maintained.
3. The Nagar Panchayat, Bakhtiyarpur did not follow the provisions of Rule 131P & R of Bihar Financial Rule during the purchase of Fogging machine.
4. The Sec 40&41 of VAT Act read with rule 28 and 29 of VAT Rules provide that VAT is to be deducted at source for material from Work Agency/Departmental work/Supplier. Only when form CIII is furnished by the supplier the tax is to be released to the supplier. The amount so deducted is to be deposited in proper head of Govt revenue till the 15th of next month. Form CIII was not furnished by the supplier but VAT was not deducted. It has not pointed out that Rs 11239 deducted as VAT.
5. After the purchase of fogging machine details of medicine purchased for spraying along with log book for necessary checking will be furnished in the audit

REPLY:- The unit replied that in future any purchase will not be made without inviting tender. This reply is unsatisfactory thus the above amount of Rs. 11239 is recoverable from responsible person and the rest amount 213533 is held under objection.

PARA 5 REGISTRATION AND RENEWAL FEE NOT COLLECTED FROM MOBILE TOWER RS. 11.86 LAKH

As per notification of Govt. of Bihar, Urban Development and Housing Department dated 08.10.2012, the Governor of Bihar made the rules called the Bihar Communication Towers land Related Structure Rules, 2012

As per the said rules, any operator who has already erected in the past or intends to erect any communication tower shall made an application to the Municipal council along

with the requisite fee i.e. registration fee @ Rs. 30,000.00 per tower, land annual fee @ Rs. 8,000.00 per annum per tower.

Without payment of the registration fees, renewal fees and without the permission of the Municipal council, no communication tower should be installed and, all installation of communication towers without such permission shall be considered illegal.

In case of arrears in respect of registration fees and/or renewal fees for any tower, the Municipality reserves the right to seal the tower until the payment is received in full along with accrued interest.

As per records and documents such as miscellaneous receipts, cashier cash books, general cash books etc. produced by Nagar Panchayat, it was noticed that only Rs. 180000 was collected from communication towers installed in Nagar Panchayat during 2012-13 to 2014-15 resulting in at least a total loss of Rs. 1186000. Vide details below:-

Sl.No.	Name of the communication towers/Address	Date of installation	Registration fees(Rs.)	Annual fees (Rs.)	Total	Deposit	Balance
1.	Tata telecom/rawaech dagarpur ward no.02	2007-08	30000	64000	94000	----	94000
2.	Airtel mobile company/purani bazaar sangat ward no.05	2007-08	30000	64000	94000	----	94000
3.	Aircel mobile company/rawae behind block, south side	2007-08	30000	64000	94000	---	94000
4.	Aircel mobile company/purani bypass, nayatola, madhopur, ward no -08	2007-08	30000	64000	94000	----	94000
5.	Airtel mobile company/purani bypass, nayatola,, ward no -08	2007-08	30000	64000	94000	----	94000
6.	Idea mobile tower company/raghopur ward no-19	2009-10	30000	48000	78000	30000	48000
7.	Idea mobile tower company/bakhtiarapur gaon east tola ward no.-07	2009-10	30000	48000	78000	30000	48000
8.	Reliance mobile tower company/ bakhtiarapur	2007-08	30000	64000	94000	---	94000

	east tola ward no.-07						
9.	Reliance smart mobile tower/nayatola, madhopur ward no.-15	2007-08	30000	64000	94000	---	94000
10.	Bsnl mobile company/ raghopur new bypass ward no-18	2007-08	30000	64000	94000	----	94000
11.	Tata telecom/ nayatola madhopur ward no-13	2007-08	30000	64000	94000	----	94000
12.	Airtel company limited/raghopur ward no-17	2007-08	30000	64000	94000	---	94000
13.	Reliance G O/mahmoodpur, ram saran, ward no-20	2013-14	30000	16000	46000	30000	16000
14.	Bihar infratel ltd/abumohamadpur, ward no-16	2013-14	30000	16000	46000	30000	16000
15.	Bihar infratel ltd/purwari tola, ward no-07	2013-14	30000	16000	46000	30000	16000
16.	Chennai networks infra ltd/bakhtiarpur	2014-15	30000	8000	38000	30000	8000
17.	PNB internet/nayatola madhopur, ward no-14	2007-08	30000	64000	94000	---	94000
Total							1186000

Suitable reason for non realisation of the outstanding fee amounting Rs. 1186000/- not explained in the audit.

REPLY:- The unit replied that for recovery of above amount concerned mobile towers will be sent notices and the outstanding amount will be recovered . Hence as the amount Rs. 1186000 has not been recovered and will be recovered from concerned person(s).

PARA 6: DIVERSION OF 13TH F.C. GRANT RS. 45.86 Lakh

As per Government instructions vide letter no. UD&HD -4713 dated 17.08.10 the grant of 13th F.C. had to be spent on the following items:-

- (i) Minimum 50% of the grant on solid waste management;
- (ii) Providing drinking water through pipe line including its maintenance;
- (iii) Electricity bill of providing lighting facilities on road and supply of drinking water;
- (iv) Construction of old age home/rain basera including maintenance.

But from the test scrutiny of scheme Register of the works of 13th F.C for the period under Audit revealed that many schemes executed were not for the said purpose resulting

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in diversion/irregular expenditure of Rs. 4586327/- out of 13th F.C. Grant vide details in statement attached here with.

Sl. No.	Scheme No.	Estimate	Expenditure	Type of scheme
1.	27/13-14	361480	361460	Hand pump
2.	28/13-14	361480	361460	Hand pump
3.	29/13-14	361480	361476	Hand pump
4.	30/13-14	361480	361480	Hand pump
5.	31/13-14	361480	360543	Hand pump
6.	36/13-14		1053708	De silting of drain
7.	49/13-14	406600	402306	Hand pump
8.	50/13-14	342400	337408	Hand pump
9.	02/14-15		497835	De silting of drain
10.	03/14-15		488651	De silting of drain
		Total	4586327	

Audit observation / comments

1. It was asked to explain the reasons for taking up the above schemes when only expenditure on the above four was to be done.
2. It was asked to be pointed out whether Hand pump installation may be considered as source of providing piped water supply scheme.
3. It was asked to be pointed out why the total expenditure of Rs 4586327 shall not be treated as irregular expenditure.

REPLY:- The unit replied that the suggestions will be taken care of in future but this reply is not acceptable, as it does not justifies the reasons for irregularities. The total sum of Rs 4586327 is held under objection.

PARA 7 OUSTANDING HOLDING-TAX AMOUNT AS ON 31.03.15 RS 1.49 CRORES

During the scrutiny of Holding-Tax collection in the period 2012-15, the demand and collection data provided was as below:-

Demand as on 31.03.2015 including

Arrear:-	Rs 1,27,68,906.00
Current demand of the year:-	<u>Rs 21,79,856.00</u>
Net Demand as on 31.03.2015:-	Rs 1,49,48,762.00(A)

Total Collection of 2014-15

(upto 07.08.2015)	:-	Rs 58,554.00(B)
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Outstanding tax amount as on 31.03.2015 is Rs 1,48,90,208.00(A-B).

Audit Observations:-

1. In the period 2012-15 four Tax collectors (on contract basis 4% commission) and one Tax Inspector (Permanent Employee) were employed by Nagar Panchyat for Holding Tax Collection, but the fact that only 2.7% of the Current Demand of the current year was collected shows lack of efforts towards revenue collection and working hands.
2. It was asked to be explained to the Audit the reasons whatsoever for lethargic attitude towards revenue collection and may point out necessary steps taken by them for the collection this huge Outstanding Tax of Rs 1,48,90,208.00.

REPLY:- The unit replied that holding tax notice has been issued. Red Notices are being sent again for recovery. Thus the amount Rs 14890208 is suggested for recovery.

PARA 8 PAYMENT OF CARRIAGE OF MATERIAL.(13.60 lakh)

1 The Mines and Mineral concession Rules 1972 and Government vide letter No. 585 dated 21.03.2007. Deptt. of Mines and Mineral directed that carriage of materials will only be allowed if the contractor submits challans along with M&N form for all the materials purchased and used in the schemes.

2 The test check of scheme files of different grants revealed that a total sum Rs 1259564 was paid on account of carriage of material in schemes.

3 Statement showing carriage of material on materials used in different schemes

Sl. No.	Scheme No.	Bricks	Stone chips	Coarse Sand	Local Sand	Earth
1.	1/14-15	22431	100318	72817	15915	00
2.	7/14-15	5218	25597	15319	3329	5211
3.	8/14-15	3689	23324	9826	2417	5388
4.	9/14-15	3950	24984	10526	2588	5749
5.	10/14-15	4114	26018	10961	2698	5988
6.	12/14-15	4114	26018	10961	2698	5988
7.	15/14-15	4937	31330	13151	3236	00

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8.	17/14-15	4739	29978	12631	3106	4597
9.	18/14-15	4800	30374	12796	3146	00
10	20/14-15	2743	17350	7304	1798	00
11	22/14-15	3292	20820	8771	2158	4791
12	25/14-15	4114	26018	10961	2698	7984
13	37/14-15	4389	27760	11695	2877	4258
14	39/14-15	2057	43382	18277	1348	00
15	2(1/13-14)	6699	43888	24895	4389	36517
16	6(1/13-14)	5495	36008	20425	3601	18201
17	7(1/13-14)	7850	51417	29166	5145	26002
18	01(1/13-14)	4187	27430	15559	2743	13867
19	05(1/13-14)	3075	20142	17425	3053	16973
20	09(1/13-14)	2355	15423	8741	23378	11700
	Total	104248	647579	342207	92321	173209

Audit observation/comment

1. Neither challans nor M&N forms were attached in any of the files test checked in audit.
2. The reason for making payment on account of carriage of materials without submission of the above.

REPLY:- The unit replied that no guidelines regarding carriage of material has been received from the govt. It will be deducted from schemes after such guideline is received. This reply is unsatisfactory hence ₹ 1359564 is held under objection.

PARA 9 LOSS OF GOVT. REVENUE DUE TO AGREEMENT NOT MADE ON STAMP PAPER
Rs.77226.00

As per direction issued by the chief secretary Govt. Of Bihar through letter no. 1920/RC/CS date 14.08.2002 and secretary cum IG registration Bihar letter no. 549 date 15.03.2005, all agreements executed for settlement of Sairats should be made on stamp papers valuing 3% of the bid amount.

On scrutiny of settlement files for the period, it is observed that none of the agreement with bidders for settlement of sairats was made on stamp paper, which resulted into loss to State revenue amounting to Rs.77226.00 (3% of the bid amount, Rs. 2574200.00) for the period. Details of settled sairats for the year 2012-13 to 2014-15 are as under:-

S.No.	Name of the Sairats	Bid Amount (In Rs.) 2012-13	2013-14	2014-15
1	Tempo stand near police station	118200	118600	126100
2	Bus jeep stand Dakbunglow road	736100	737200	738000
Total:-		854300	855800	864100

The reason for the above said loss not explained in the audit. Hence Rs. 77226 is suggested for recovery.

PARA 10: IRREGULARITY IN PURCHASE OF CFL BULBS (₹ 7.75 LAKHS)

According to rule 126 of Bihar financial rule the procedure to be followed in making public procurement must conform to the following yardsticks:-

- (i) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;
- (ii) Offers should be invited following a fair, transparent and reasonable procedure;
- (iii) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- (iv) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (v) At each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

According to Rule 131C (Purchase of goods without quotation) Purchase of goods upto the value of Rs. 15000/-(Rupees Fifteen Thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority.

According to Rule 131D (Purchase of goods by purchase committee) purchase of goods costing above Rs. 15000/- (Rupees Fifteen Thousand) only and upto Rs. 100000/-

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(Rupees One Lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate.

According to Rule 131F A demand for goods should not be divided into small quantities to make piecemeal purchase to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand

According to manual of procurement of goods the specifications of the required goods should be framed giving sufficient details in such a manner that it is neither too elaborately restrictive as to deter potential tenderers or increase the cost of purchase nor too sketchy to leave scope for sub standard supply. The specifications must meet the essential requirements of the user department. According to guidelines of DGS&D the question whether any sales tax, purchase tax, octroi and terminal taxes and other local taxes and duties are to be paid and if so, by which party, should be settled and cleared up before entering into any contract, involving transfer of movable property whatever its nature.

Nagar Panchayat Bakhtiarpur allotted contract of installing CFL bulbs to Sri Sanjeet kumar Jaiswal the details of which are as under

Sl.no.	Date	No of bulbs	Rate	Amount paid after reduction of taxes
01	09.04.12	211	1550	288916
02	20.07.12	210	1550	287547
03	21.07.12	50	1550	68464
04	26.09.13	95	1550	130080
		566		775007

Thus Nagar Panchayat paid Rs. 775007 for 566 bulbs without following the rules mentioned above. The reason for the same not explained in the audit.

The unit replied that the above suggestions will be complied in future. This reply is unsatisfactory, Hence 775007 is held under objection.

PARA 11 IRREGULARITY IN PURCHASE OF MOBILE TOILET (₹ 17.08 LAKHS)

According to rule 139 of Bihar financial rule an inventory carrying cost is an expenditure that does not add value to the material being stocked, a material remaining in stock for over a

—year shall generally be considered surplus, unless adequate reasons to treat it otherwise exist. According to manual of procurement of goods the specifications of the required goods should be framed giving sufficient details in such a manner that it is neither too elaborately restrictive as to deter potential tenderers or increase the cost of purchase nor too sketchy to leave scope for substandard supply. The specifications must meet the essential requirements of the user department. According to guidelines of DGS&D the question whether any sales tax, purchase tax, octroi and terminal taxes and other local taxes and duties are to be paid and if so, by which party, should be settled and cleared up before entering into any contract, involving transfer of movable property whatever its nature.

Audit findings:-

- (1) After going through the file related with the purchase of mobile toilets by nagar panchayat Bakhtiarpur it was found that the specifications of the required mobile toilet was not framed giving sufficient details in such a manner that it is neither too elaborately restrictive as to deter potential tenderers or increase the cost of purchase nor too sketchy to leave scope for substandard supply. As a result of which the requirement of nagar panchayat cannot be ascertained.
- (2) Also 14 per-cent of the cost of mobile toilet amounting to Rs. 233060.20 was paid to the supplier as vat but no certificate or document related with its payment to the govt. of UP was submitted by the supplier neither anything related with promise of such payment was found in the supply order.
- (3) After the purchase of mobile toilets on 11.09.13 it has remained in stock since then without any use as evident from non-existence of log book related with it.

Thus the total expenditure of Rs. 1707998 may not be considered as infructuous may be explained in the audit.

REPLY:- The unit replied that logbook will be prepared and produced in the next audit. Regarding VAT the concerned firm will be asked to provide certificate or document related with its payment. This reply is unsatisfactory hence Rs. 1707998 is held under objection.

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PART-III (TAN)

TAN-1 -- NON PREPARATION OF ANNUAL ACCOUNTS

The municipality has to prepare Accounts and Financial Statement as provided in section 86 and 88 of the Bihar Municipal Act 2007. As per section 88 of the Act the Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.

In addition to the above the Bihar Municipal Accounts Rule 2014 provides for under: Rule 120 not later than 20th of the subsequent month, prepare a fund wise, receipts and payments in BMAR Form No. 71.

Rule 122 the municipality shall, within three months after the end of each financial year, cause to prepare financial statement for the preceding year in respect of the accounts of the Municipality. The financial Statement shall comprise of

- (a) Receipts and Payment Accounts for the year (BMAR Form No. 71)
- (b) Income & Expenditure Statement for the year (BMFR No. 73)
- (c) Balance Sheet as on 31st March of the year (BMAR No. 74)

The test check of the Records of Nagar Panchayat revealed that the accounts and statements given above were not prepared, the reasons for the same may be pointed out in audit. The unit replied that the above suggestions will be complied and produced before the next audit.

TAN-2: THE SCHEMES OF NAGAR PANCHAYAT NOT SENT TO DISTRICT PLANNING COMMITTEE

As per section 167 of Bihar Panchayatai Raj Act 2006 the urban local bodies has to send their list of approved schemes to District planning Committee(DPC).

DPC has to provide consolidated development scheme/plan taking into account the schemes of Panchayats and ULBs after consolidation. The DPC has to forward the consolidated plan to the government.

The Audit of accounts of Nagar Panchayat, Bakhtiyarpur for the period 2012-13 to 2014-15 revealed that the scheme approved by the board was not sent to DPC. As per above provisions the schemes were to be executed after sending it to DPC and get approved by it.

Audit Observations:-

- It was asked to be explained to the Audit why the schemes of Nagar Panchayat were not sent to DPC.
- Due to which DPC could not include the Scheme of Nagar Panchayat in the District Plan and also could not prepare plan in consideration with general interest and local interest also it could not take decision on the division and utilization of natural resources, inclusive development of basic infrastructure and protection of environment and the government was not informed about the same.

The unit replied that the above suggestions will be complied in future.

TAN-3: NON COMPLIANCE TO ACCOUNTS RULES IN PREPARATION OF BUDGET**1. Budget not prepared in proper format**

The Budget for the year 2013-14 was to be prepared in the format provided Bihar Municipal Accounts Rule 1928 and for the year 2014-15 was to be prepared in the format BMAR 75 to 80 Bihar Municipal Accounts Rule 2014. As per Rule 136 (1) an annual estimate of anticipated receipts and payments of the municipality during the next financial year, shall be prepared in BMAR Form 77 by the Chief Municipal Officer and shall be presented to the Empowered Standing Committee of the Municipality by 15th February each year.

The Nagar Panchayat did not prepare the Budget Estimates in prescribed formats. The reason for not preparing the Budget Estimates in the formats prescribed in Bihar Municipal Accounts Rule 1928 and 2014 had not been clarified in Audit.

2. Public participation in preparation of the Budget

The following are the provisions of Rule 132:-

132(1) The ward wise inputs shall be taken through Ward Committee or other such public forum for the year next following.

132(2) The Chief Municipal Officer shall present the ward wise tentative revenue and Expenditure estimates to public for comments in a public meeting before 15th January for which at least a week's prior notice is given. This public meeting for inviting public comments shall be attended by all heads of departments of the municipality and all members of Empowered Standing Committee. The inputs from public shall be seriously taken note of in preparing draft annual budget estimates for next following;

The Nagar Panchayat did not take inputs through Ward Committee or other such public forum and hence did not comply with the provisions of Rule 132 of Bihar Municipal

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Accounts Rule. The reasons for the same was asked to be pointed out in Audit. The same was not pointed out.

3. Mid-year Review of the Budget

The following are the provisions of Rule 139:-

The Municipal Accounts Committee shall hold a mid-year review to check if the budget is on-track. The Mid-Year Review shall result in:-

- Revised budgets for Plan and Non-Plan expenditures.
- Revision of rolling budgets, if any, for subsequent years.
- Budgets are realistic and achievable- Analysis of budget vs. actual reflects not more than 5% percent of variation.
- Actual outputs and outcomes during budget period are in alignment with planned outputs and outcomes.
- A reasonable percent of proposed programs/projects completed.
- Level of spending outside in the budget is nil but, in any case does not exceed 5%.

It was noticed that no Mid-year Review of the Budget was done, the reasons for the same was asked to be pointed out. The unit replied that the above suggestions will be complied in future.

TAN-4 NON COMPLIANCE OF PREVIOUS AUDIT REPORT

In spite of several requests and reminders for compliance of outstanding paras of previous audit reports, the same was not produced by the unit. The position of outstanding paras of previous audit reports is as under:-

Sl.No.	A.R.No. & Year	Period of Audit	No. of outstanding paras
1.	658/05-06	1984-85 to 2004-05	13
2.	583/09-10	2005-06 to 2008-09	22
3.	617/11-12	2009-10 to 2010-11	21
4.	443/12-13	2011-12	23
Total:-			79

Non-compliance of outstanding paras defeats the very purpose of the audit. Suitable steps may be taken for compliance of outstanding paras of previous audit reports

The unit replied that the compliance report will be prepared and sent soon.

TAN-5: HUGE DEVIATION FROM BUDGET ESTIMATION

The Nagar Panchayat, Bakhtiyarpur did not prepare the annual account (rule 82 and 83 of financial rule), financial statement section 88 and annexure provided in Bihar Municipal Act 2007. Due to this the figure of receipt and payments shown in the budget could not be prepared with the actual receipt and payments head-wise as per the comparison of actual figures of receipts and expenditure compared with the estimated figure of receipts and payments shown in the budget had wide variation. As per provision the estimated receipts and expenditure and the actual should have a maximum variation of 5%.

But the estimated figure and the actual figure for the period 2012-13 to 2014-15 it was not noticed that there was a variation of 420% and 9% between receipts and expenditure. Due to non-availability of the detail figures of actual receipts and payments in the O/o Nagar Panchayat proper analysis of the same could not be drawn.

It has been provided in rule 139 of Bihar Municipal Accounting Rules 2014 Municipal Accounts Budget Committee will analyse every half year whether the budget is moving in the direction

The Municipal Accounts Committee shall hold a mid-year review to check if the budget is on-track. The Mid-Year Review shall result in:

- Revised budgets for Plan and Non-Plan expenditures.
- Revision of rolling budgets, if any, for subsequent years.
- Budgets are realistic and achievable – Analysis of budget vs actual reflect not more than 5% percent of variation.
- Actual outputs and outcomes during budget period are in alignment with planned outputs and outcomes.
- A reasonable percent of proposed programs/projects completed.
- Level of spending outside the budget is nil but in case does not exceed 5%.

Description	FY 2012-13	FY 2013-14	FY 2014-15
Estimated Receipts as per budget	83944324	163820118	17441191.6
Actual income	53103911.59	55016409	73250098.95
Percentage of Budget	63%	34%	420%
Estimated Expenditure as per budget	154891780	207388220	233207363
Actual Expenditure	14221342	21167982	34170874
Percentage of Budget	9%	10%	15%

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Audit observations:-

- The reason for preparing estimate which was not based on actual figures may be pointed out in the Audit.
- The reason for non-compliance with the above rules was asked to be pointed out.

The unit replied that the above suggestions will be complied in future.

TAN-6: GRANT REGISTER NOT MAINTAINED

As per the Rule 69 of the Bihar Municipal Accounts Rule 2014 a Grant Register, in Bihar Municipal Accounts Rule Form 28b shall be maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.

But the Nagar Panchayat, Bakhtiyarpur did not maintain any Grant Registers for the grants during the period 2012-13, 2013-14 & 2014-15. Details vide statement attached here with in appendix-IV

The test check of Records/Registers/ Information produced in Audit revealed that grant amounting to a total sum of Rs 48687254 was received during 2012-13, 2013-14 & 2014-15.

Due to none maintenance of the Grant Register, opening balance for the year, grants received, their together; expenditure and closing balance of different grant could not be watched.

Audit observation /comments

1. The reasons for none maintenance of the Grant Register was asked to be pointed out.
2. It was not pointed out that how in the absence of Grant Register it was possible to watch that the Grants were used for the purposes for which they were given.
3. It was not pointed out what was the balances of the Grants received prior to 2012-13 on 01.04.12 and what was closing balances of different Grants as on 31.03.2015.

The authorities of the Corporation are requested to get the register prepared and produced in next audit.

The unit replied that the above suggestions will be taken into consideration for future and grant register will be prepared in Form-28 and will be produced before next audit.

TAN-7: MUNICIPAL LICENCES.

Chapter XXXVII of the Bihar Municipal Act, 2007 provides for Municipal Licences without which certain activities could not be carried under Municipal limits.

Section 342 deals with premises not to be used for non-residential purposes without Municipal Licenses. The Act provides altogether 337 Nos of purposes for which premises may not be used without a licence or written permission.

Section 343 requires the Chief Municipal Officer to maintain two separate registers of which

- (a) One shall contain premises wise information of non-residential user, indicating the unique premises number , if any assigned under this Act and
- (b) The other shall contain such information, on the basis of different non-residential user groups for factories, warehouses, medical institutions, educational institutions, and such other uses, as may be provided by regulations.

Section 344 provides for Municipal License for Private Markets.

Section 345 Requires Municipal License for sale of flesh, fish or poultry.

Section 346 Provides the prohibition of unlicensed activities

Section 347 deals with power of Chief Municipal Officer to stop use of premises used in contravention of licenses.

Audit observation /comments

There were a number of activities being carried out which require license.

1. Out of 337 numbers of purposes requiring license, the Corporation has issued no license for any purpose.
2. The registers required under section 343 were not being maintained.
3. No license required under section 344 and 345 was issued.
4. Powers under section 347 not used.
5. Early steps may be taken so that the license required under the Act are being issued and Municipal revenue is increased.

The unit replied that the rate has been decided by Nirvachi Mandal and copy of the same has been sent to the govt. for approval. After its approval the same will be applied soon.

TAN-8: MUNICIPAL SOLID WASTES MANAGEMENT, COLLECTION AND DISPOSAL

Provision regarding Municipal Solid Wastes Management, Collection and Disposal have been provided in section 220 to 230 of Bihar Municipal Act 2007. Functions of Municipality in the respect of solid wastes management and handling- Subject to the

provisions of section 10, the Municipality shall, within the municipal area, be responsible for implementation of the rules made by the Central Government in exercise of the powers conferred by the Environment (protection) Act, 1986, to regulate the management and handling of municipal solid wastes and for development of any infrastructure for collection, storage, transportation, processing and disposal of such solid wastes.

In addition to this municipal solid waste (Management and Handling) Rules 2000 have been framed in accordance with powers vested under section 3, 6 and 25 of Environment (protection) Act, 1986

Under the Rule Responsibility of Municipal authority under the rule are:-

1. Every municipal authority shall within the territorial area of the municipality be responsible for implementation of the provisions of these rules and for any infrastructure development for collection storage, segregation, transportation, processing and disposal of municipal solid wastes.
2. The municipal authority or any operator of a facility shall make an application in form 1 for grant of authorisation for setting up waste processing and disposal facility including landfills from the state board or the committee in order to comply with the implementation programme laid down in schedule I.
3. The municipal authority shall comply with these rules as per the implementation schedule laid down in schedule I.
4. The municipal authority shall furnish its annual report in form II.

The Nagar Panchayat did not carry the following responsibilities:-

1. System of collection of solid waste from house to house

As per Rule 7 organising house-to-house collection of Municipal solid waste through any of the methods, like community bin collection (central bin), house –to-house collection, collection on regular pre informed timings and scheduling by using of bell ringing of musical vehicles (without exceeding permissible noise level). No provisions were followed.

2. Segregation of municipal waste

In order to encourage the citizens the municipal authorities had to organize awareness program for segregation of waste and had to promote recycling and reuse of segregated material. No steps were taken by the authorities for the same.

3. Storage of Municipal Solid Waste.

— Municipal authorities had to establish and maintain storage facilities in such a manner as they do not create unhygienic and insanitary condition around it. No steps were taken by the authorities for the same.

4. Transportation of Municipal Solid waste.

Vehicles used for transportation of waste had to be covered. Waste should not be visible to public nor exposed to open environment preventing their scattering. Open dumpers and tippers were used.

5. Processing of Municipal Solid Waste.

Suitable technology or combination of such technologies to make use of waste so as to minimize burden on landfills.

Biodegradable waste had to be processed by composting vermin composting, anaerobic digestion or any other appropriate biological processing for stabilization of waste. Mixed waste contacting recoverable sources had to be recycled.

6. Disposal of Municipal Waste.

Land filling shall be restricted to non-biodegradable, inert waste and other waste that are not suitable for recycling or for biological processing. No landfills were created.

Audit observation/ comments:-

1. It was not pointed out why no system of collection of solid waste from house to house was developed.
2. It was not pointed out why Segregation of municipal waste was not done
3. It was not pointed out why no Storage of Municipal Solid Waste was done.
4. It was not pointed out why Transportation of Municipal Solid waste was not done in accordance with the provisions of this rule.
5. It was not pointed out why no. Processing of Municipal Solid Waste done.
6. It was not pointed out why Disposal of Municipal Waste was not done in accordance with the Rule.

It may be concluded that the municipal authority totally failed in its duties of solid waste management.

The unit replied that the above suggestions will be taken into consideration for future.

TAN-9: LATE DEPOSITION OF HOLDING-TAX

As per provisions of Rule 22(1) of Bihar Municipal Accounting rule 2014, all money transactions to which any member, officer or employee of a municipality in his official

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capacity is a party shall without any reservation, be brought to account. All moneys received shall be lodged in a treasury or nationalised bank account to the credit of the Municipality on the same day or latest before noon on the following working day.

On the contrary to the above mentioned rule, the Tax Collectors of Nagar Panchayat Bakhtiyarpur deposited the Holding Tax amounts only after collecting taxes over a span as long as 9 months without depositing the interim collections in the Municipal Fund. Sample details of the late deposition of taxes are below:-

HR Receipt	Date of Collection	Amount Collected	Date of Deposition	Delay Period (Aprx)
3101-3200	19.8.12-27.2.13	85970	7.3.13 & 30.3.13	7months
3226-3300	2.4.13-4.10.13	68200	25.10.13	6months
3509-3553	3.4.14-1.7.14	37953	23.8.14	4months
2085-2097	24.6.13-17.12.13	13949	31.3.14	9months
2353-2374	9.12.12-29.3.13	19033	30.3.13	3months
2455-2480	25.11.12-23.3.13	16842	30.3.13	4months

Audit Observations:-

1. It was not explained to the Audit the reasons whatsoever behind such disobedience of rules and late deposition of Government Revenue.
2. It was not pointed out that there were no actions taken on the Tax Collectors or any Fine imposed on them.

Reply:- The unit replied that the same mistake will not be repeated in future.

TAN-10 delete

TAN-11 DEVIATION FROM BIHAR MUNICIPAL PROPERTY TAX RULES 2013

The Government of Bihar, UD&HD brought a gazette vide Letter No.5(u0)fofo/k&15@2012&1138/UD&HD Dated 08.05.2013 notified that all urban local bodies shall implement the Property Tax Rules 2013 for collection of property and other taxes applicable on holdings for both constructed area and vacant lands.

The gazette in Rule 4 sub rule (xii) clearly mentions that for calculation of Holding Tax based on annual rental value and a multiplying Factor should be used with the Carpet Area and the Occupancy Factor resulting into the Annual rental Value.

$$\text{ARV} = \text{Carpet Area} \times \text{Rental Value} \times \text{Occupancy Factor} \times \text{Multiplication Factor}$$

Again, the Property Tax Rules 2013, through Rule 9, directs the Urban Local Bodies to impose Vacant Land Tax on unoccupied area/vacant lands within the jurisdiction of the Municipality.

Rule 10 of the same Gazette recommends reassessment due to change in classification of roads, type of non-residence use, occupancy and any other changed factors and revise the rates of the Holding Tax.

Audit Observations:-

1. It was observed during the scrutiny of Holding Taxes through the Hand Demand register that Nagar Panchayat is deviating from such obedience of aforesaid rule. The calculation has been made without considering the occupancy and multiplication factors.

2. There was no imposition of Property Taxes on vacant lands in the jurisdiction of Nagar Panchayat Fatuha.

3. The Administration did not explain to the Audit when was the last assessment done and reasons for not doing so (if the case may be) may be explained.

4. There were no penalties imposed on late submission of Holding-Tax, the authority may also explain the reason for not imposing any penalty which is resulting in to loss of Revenue of the Government.

TAN-12 NON REVISION OF ASSESSMENT

As per the provisions of section 127 (13) of the Bihar Municipal Act 2007 and Rule 10 of Bihar Municipal Property Tax (Assessment, Collection and Recovery) Rule, 2013 the annual value of holdings are to be reassessed (in increasing order) and the roads re-categorized after every five years.

The examination of the records, registers and Accounts produced in audit revealed that reassessment was not done even after laps 20 years.

Non revision of assessment of annul value of holdings was giving the Nagar Panchayat recurring loses year after year.

The unit replied that increase in holding tax rates is under process.

TAN-13 PROPERTY TAX

I. The rate of Holding Tax

As per Rule 6 (1) The rate of rental value per square feet shall be fixed by the Municipality from time to time with the prior approval of Govt having regard to the situation, use, type

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of construction , occupancy of the holdings, type of non-residential use of holdings, or any other factor (s) as decided by the Municipality.

As per sub rule (2) the Annual Rental Value shall be computed as multiple of the carpet area, the rental value per square feet / square meter fixed under sub-rule (1) above, occupancy factor as per Rule 3(d) and the multiplying factor applicable to the type of non-residential use of the property as per Rule 4.

Example: ARV = Carpet area x rental value x occupancy factor (1 or 1.5 as the case may be) x multiplying factor (applicable as per Rule 4)

As per Rule 7 of the Bihar Municipal Property Tax (Assessment, Collection and Recovery) Rules 2013, effective from 08.05.13 Holding Tax shall be assessed on the basis of percentage of annual rental value allowed under section 127 of the Bihar Municipal Act, 2007.

II Vacant Land Tax

As per rule 9 all the vacant lands within the jurisdiction of Municipality shall be taxed as follows

(Rate in Rupees per square Meter)

Sl. No.	Type of Municipality	Principal Main Road	Main Road	others
1	Municipal Corporation	5	4	3
2	Municipal Council	4	3	2
3	Nagar Panchayat	3	2	1

III Mandatory Declaration

As per Rule 13 sub Rule 1, 2 and 3 self assessment/Self-declaration is to be done for the purpose of calculation and payment of holding tax without waiting for a demand notice by the tax payer or owner of the building.

As per Rule 14 Mandatory Declaration sub Rule 1 Every owner of a holding whose holding has not been previously assessed for holding tax as per rules shall within 3 months after notification of these Rules self assess the holding to calculate the holding tax and pay the holding tax to the Municipality according to the provisions of this rule.

(2) Upon failure to do the self – assessment of the holding within the stipulated time and inform the Municipality a fine of 2000 rupees on residential holding and a fine of 5000

rupees on other holdings shall be payable. Every person liable to pay holding tax on lands and building shall, within 30 days of acquiring land or building or both, intimate the Municipality of such acquisition of property for assessment of holding tax. Failure to give such information shall make him liable to assessment from the date of acquisition of property together with penalty of one hundred percent of the arrears becoming due on account of suppression of information.

Recovery of Taxes by Municipality

Rule 17 details the provisions and procedures for Recovery of Taxes by Municipality

Audit observation / comments

1. List of Prime main Road, Main Road and other Roads along with No. of holdings on each of them may in accordance to provisions of Rule 3 may be furnished.
2. The rate of rental value per square feet fixed by the Municipality from time to time having regard to the situation , use, type of construction , occupancy of the holdings, type of non-residential use of holdings, or any other factor (s) as decided by the Municipality may be furnished.
3. Holding Tax shall be assessed on the basis of percentage of annual rental value allowed under section 127 of the Bihar Municipal Act, 2007. The percentage of annual rental value on the basis of which Holding Tax has to be assessed may be furnished at the earliest.
4. As per rule 9 all the vacant lands within the jurisdiction of Municipality shall be taxed. It may be pointed out to audit was steps has be taken and what amount has be collected on this account.
5. As per the provision of Rule 11 Holding Tax Demand for each year has to be published in local newspaper along with applicable rates and the method of computation.
6. Tax on vacant land has been introduced hence as per Rule 14 Mandatory Declaration sub Rule 1 Every owner of a holding shall within 3 months after notification of these Rules self-assess the holding to calculate the holding tax and pay the holding tax to the Municipality according to the provisions of this rule.
7. Upon failure to do the self – assessment of the holding within the stipulated time and inform the Municipality a fine of 2000 rupees on residential holding and a fine of 5000 rupees on other holdings shall be payable. Every person liable to pay holding

tax on lands and building shall, within 30 days of acquiring land or building or both, intimate the Municipality of such acquisition of property for assessment of holding tax. Failure to give such information shall make him liable to assessment from the date of acquisition of property together with penalty of one hundred percent of the arrears becoming due on account of suppression of information.

8. How many Mandatory Declaration as provided in Rule 14 have been furnished and what action has been take for non-furnishing may be pointed out at the earliest.
9. The steps/actions taken for recovery of Tax as provided in Rule 17 may be pointed out.

REPLY:- The unit replied that the information wanting will be sent to your office after preparation of detailed report.

TAN-14(1) DISCRIPERANCIES IN CASH BOOKS

During scrutiny of cash book for the year 2012-13 to 2014-15, the following irregularities in cash book were noticed:-

- (i) Voucher number through which payment was made, was not clearly indicated.
- (ii) Head-wise distribution of expenditure was not clearly entered.
- (iii) Cutting and overwriting were found in many pages.
- (iv) Accountant cashbook was not maintained instead many subsidiary cashbooks were maintained straight away
- (v) PLA account was not maintained properly.
- (vi) Any of the cash book was not reconciled with the statement of bank.

The reason for the same was not explained in the audit.

(2) Non Maintenance of Grant Register

The Nagar Panchayat did not maintain the grant register for the year 2012-15. Due to non-maintenance of grant register, the actual position of grants received during 2012-15, spent during the period and remained unspent at the end of the year 2014-15 i.e. on 31.03.2015 could not be ascertained in audit.

However, from the scrutiny of the cashbook and treasury register, it was observed that a sum of Rs. 48687254 was received as grants during the period 2012-15 vide details in attached appendix- IV.

The grant register was not maintained and the reason for the same was not explained in audit.

(3) Non- Maintenance of Advance Ledger properly/Advance outstanding for Adjustment-Rs.

Nagar Panchayat did not maintain advance ledger showing advances outstanding at the beginning of the year, advances made during the year, advances adjusted during the year and unadjusted at the end of the year which is against the provisions of Bihar Financial Rules. The position of outstanding advance ascertained on 31.03.2015 may be furnished in the audit

The unit replied that the above suggestions will be complied in future.

15. DISCUSSION WITH THE EXECUTIVE

The audit objections raised during the audit were discussed with the executive at regular intervals.

16. GENERAL REMARKS

There was much scope for improvement in the maintenance of records and registers. All the amount either grants or its own sources were kept in a single cash book but neither the subsidiary cash book (head wise) was maintained nor closing balance was analysed. The important and basic records like demand and collection register of holding tax, advance ledger, grant register, annual accounts, assets register, log book of vehicles etc. were not maintained. The percentage of collection of taxes/fees or other own sources was very poor. Effective steps may be taken to improve the maintenance of accounts and increasing of its own sources.

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DHEERAJ KUMAR
(Assistant Audit Officer)

-Approved-
Deputy Accountant General (S.S-I)
-Cum-
Examiner of Local Accounts, Bihar

Appendix-I**List of records and registers produced to audit**

- 1) Cashbook of 13th FC, BRGF, 4thSFC and other heads of accounts.
- 2) Bank Passbook (of above cashbooks).
- 3) Scheme Register (Of above Schemes) and Scheme files.

Appendix-II**List of records and registers either not produced or not maintained or produced in incomplete form**

- 1) Receipt and Payment Account.
- 2) Annual Account.
- 3) Grant Appropriation Register.
- 4) Monthly Progress Report.
- 5) Utilisation Certificate.
- 6) Asset Register.
- 7) Advance Register.
- 8) Internal Audit Report

Appendix-III
(related to Part-II of Para-1)

Sl. No.	Scheme No.	Estimate	Expenditure
1.	01(1/13-14)	236444	202641
2.	02(1/13-14)	403278	345057
3.	03(1/13-14)	135300	114449
4.	04(1/13-14)	205900	176088
5.	05(1/13-14)	189587	162583
6.	06(1/13-14)	311600	264442
7.	07(1/13-14)	439825	376899
8.	08(1/13-14)	232400	199228
9.	09(1/13-14)	164300	140985
10.	10(1/13-14)	398600	336757
11.	11(1/13-14)	242300	206036
12.	12(1/13-14)	262700	223130
13.	13(1/13-14)	375200	317889
14.	14(1/13-14)	238200	200715
15.	15(1/13-14)	134900	116470
16.	16(1/13-14)	441000	373159
17.	17(1/13-14)	109300	93711
18.	18(1/13-14)	237600	200593
19.	19(1/13-14)	473600	399636
20.	20(1/13-14)	148575	127371
21.	21(1/13-14)	329345	278443
22.	22(1/13-14)	216238	185350
23.	23(1/13-14)	242100	204471
24.	24(1/13-14)	365265	313110
25.	25(1/13-14)	294600	252445
26.	26(1/13-14)	236600	201645
27.	27(1/13-14)	361480	311084
28.	28(1/13-14)	361480	311084
29.	29(1/13-14)	361480	311078
30.	30(1/13-14)	361480	311102
31.	31(1/13-14)	361480	310294
32.	32(1/13-14)	307258	264432
33.	34(1/13-14)	688000	460300
34.	35(1/13-14)	1897776	1707998
35.	36(1/13-14)	00	1015142
36.	01(2/13-14)	277310	237828
37.	02(2/13-14)	291445	249752
38.	03(2/13-14)	465721	398837
39.	04(2/13-14)	346248	296626
40.	05(2/13-14)	94347	80804
41.	06(2/13-14)	60855	52126
42.	07(2/13-14)	342478	292941
43.	08(2/13-14)	365990	313799
44.	09(2/13-14)	183478	156954
45.	10(2/13-14)	85600	72628
46.	11(2/13-14)	340321	291660
47.	12(2/13-14)	459587	393679

1395.

48.	13(2/13-14)	406600	346402
49.	14(2/13-14)	342400	290519
50.	15(2/13-14)	1300000	1131420
51.	16(2/13-14)	291200	161673
52.	01(2/14-15)	94334	81024
53.	02(2/14-15)	122415	104919
54.	03(2/14-15)	177654	152204
55.	04(2/14-15)	279115	238962
56.	05(2/14-15)	286959	246145
57.	06(2/14-15)	306650	264326
58.	07(2/14-15)	231533	195495
59.	08(2/14-15)	231533	00
60.	09(2/14-15)	231533	195495
61.	10(2/14-15)	97622	83814
62.	11(2/14-15)	154980	133439
63.	12(2/14-15)	269264	230788
64.	13(2/14-15)	94573	81089
65.	14(2/14-15)	375466	322166
66.	15(2/14-15)	269600	231125
67.	16(2/14-15)	99158	85199
68.	17(2/14-15)	158979	129414
69.	18(2/14-15)	151695	116142
70.	19(2/14-15)	185860	159341
71.	20(2/14-15)	185895	160105
72.	21(2/14-15)	97250	83771
73.	22(2/14-15)	238188	202079
74.	23(2/14-15)	307067	00
75.	24(2/14-15)	216326	186312
76.	25(2/14-15)	178551	153366
77.	26(2/14-15)	218462	187563
78.	27(2/14-15)	101851	87508
79.	28(2/14-15)	140905	121035
80.	29(2/14-15)	269600	238189
81.	30(2/14-15)	325000	274649
82.	31(2/14-15)	185598	159223
83.	32(2/14-15)	249751	214110
84.	33(2/14-15)	210078	170992
85.	34(2/14-15)	239625	205387
86.	35(2/14-15)	161700	138098
87.	36(2/14-15)	261418	22359
88.	37(2/14-15)	214851	184522
89.	38(2/14-15)	299600	257355
90.	39(2/14-15)	128400	110338
	Total	25467810	21991513

APP-IV

CLOSING BALANCE

V. GRANTS RECEIVED DURING 2012-13 TO 2014-15

Sl. No.	Letter no by which Grant received	Purpose of grant	Amount	Deposited in bank A/c No.
	01 dt 9.4.12	13 th Finance	991000.00	PI (A/c No. 8448001)
	29 dt 19.7.12	13 th Finance	1618000.00	" " "
	36 dt 31.8.12	13 th Finance	516000.00	" " "
	RTEs - 10.5.13	13 th Finance	842000.00	SI (A/c No. - 1189)
	59 dt 11.5.13	13 th Finance	1761531.00	" " "
	RTEs - 8.8.13	13 th Finance	1980703.00	" " "
	72 dt 25.8.14	13 th Finance	1899735.00	PI (A/c No. 8448001)
	27 dt 12.8.14	13 th Finance	1945198.00	" " "
	88 dt 4.3.13	4 th State Fin.	3536068.00	SI (A/c No. 8448001)
	88 dt 4.3.13	4 th State Fin.	1515461.00	" " "
	88 dt 4.3.13	4 th State Fin.	2352975.00	" " "
	88 dt 4.3.13	4 th State Fin.	2000000.00	" " "
	134 dt 15.3.14	4 th State Fin.	5671384.00	" " "
	134 dt 15.3.14	4 th State Fin.	2407066.00	" " "
	134 dt 15.3.14	4 th State Fin.	1280781.00	" " "
	134 dt 15.3.14	4 th State Fin.	2000000.00	" " "

नगर कार्यपालक पदाधिकारी
नगर प्रमुख, नरसिंहपुर
21/8/15

Appendix - IV

(Related to Part-IV of Form C)

Sl No	Letter no by which grants received	Purpose of grants	Amount	Deposited in Bank A/c No
17	159 dt 20.3.15	Uth State Pm	3388007.00	DT A/c No. 8449001-020001
18	159 dt 20.3.15	Uth State Pm	1666290.00	" " "
19	159 dt 20.3.15	Uth State Pm	650148.00	" " "
20	159 dt 20.3.15	Uth State Pm	1000000.00	" " "
21	164 dt 25.3.15	Uth State Pm	3860331.00	" " "
22	164 dt 25.3.15	Uth State Pm	1654428.00	" " "
23	164 dt 25.3.15	Uth State Pm	650148.00	" " "
24	164 dt 25.3.15	Uth State Pm	1000000.00	" " "
25	RTGS dt 14.11.12	SSSRY	3000000.00	SD A/c, Bank (Cuttack) 1351104 0000 15509
			48687254	

5/12/15

5/12/15