

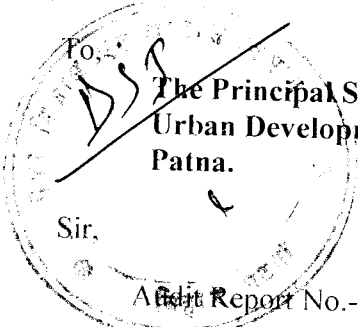
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OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT), BIHAR
(LOCAL AUDIT WING), PATNA -800001

No. L. A. Sur/1817

Dated: -26/5/09



To: The Principal Secretary to the Government of Bihar,
Urban Development and Housing Department,
Patna.

26/5/09
26/5/09

Sir,

Audit Report No.-10/2009-10 on the accounts of Banmankhi Nagar Panchayat for the Period 2002-03 to 2007-08 is enclosed for your kind information and necessary action.

Encl: -As above

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Yours faithfully

Bhama
Sr. Audit Officer, Surchaige
Local Audit Wing, Bihar, Patna

**AUDIT REPORT No.-10/2009-10, NAGAR PANCHAYAT,
BANMANKHI (PURNEA) FOR THE PERIOD 2002-03 TO 2007-08**

INTRODUCTION:-

The accounts of Nagar Panchayat, Banmankhi for the period from 2002-03 to 2007-08 were test audited by an audit parity of the Office of the Pr. Accountant General (Audit) LAD, Bihar, Patna-1 during 15.01.2009 to 14.02.09.

(2) ADMINISTRATION

The following persons/officials held the charge of Chairman, Vice-Chairman, Executive officer during the period covered under audit-

	Chairman	Period
1	Sri Badri Prasad Sah	01.04.02 to 08.07.07
2	Smt Neelam Devi	08.07.07 to 31.03.08

Vice Chairman

	Vice Chairman	Period
1	Smt. Vishakha Devi	01.04.02 to 08.07.07
2	Sri Naresh Yadav	08.07.07 to 31.03.08

Executive Officer

	Vice Chairman	Period
1	Sri Ram Bujhawan Choudhury	01.04.02 to 22.07.02
2	Sri Rajendra Pd. Singh	23.07.02 to 11.03.05
3	Sri Subhash Chandra Verma	11.03.05 to 15.02.06
4	Sri Subhash Narain	15.02.06 to 25.02.06
5	Sri Subhash Ch. Verma	25.02.06 to 28.08.06
6	Sri Subhash Narain	29.08.06 to 31.03.08

3. SCOPE OF AUDIT

A list of records and register test checked in Audit have been furnished in **Appendix- IA** and those not maintained or not produced in audit have been given in **Appendix- IB** to the report.

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4. PREVIOUS AUDIT REPORT

Despite successive reminder the Nagar Panchayat furnished the reply of Audit report No. 47/2002-03 for the period from 91-92 to 2001-02. The position of which is as below-

Audit Report No.	Period	Total no. of Para	Para proposed for dropping
47/02-03	91-92 to 2001-02	36	23

Further reply of remaining outstanding paras is awaited.

5. OVERVIEW

The Nagar Panchayat was financed by grants from the State Govt. A summary of receipt & payment as per cash book were as below:-

Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Opening balance	15,18,065.99	10,68,870.89	23,08,402.89	16,18,491.89	6,95,117.89	10,24,503.89
Receipt	5,26,929.50	21,74,011.00	16,41,912.00	11,37,877.00	64,45,242.00	88,05,534
Total	20,44,995.49	32,42,881.89	39,50,314.89	27,56,368.89	71,40,359.89	98,30,037.89
Expenditure	9,76,124.60	9,34,479.00	23,31,823.00	20,61,251.00	61,15,856.00	38,12,287.00
Closing Balance	10,68,870.89	23,08,402.89	16,18,491.89	6,95,117.89	10,24,503.89	60,18,056.89

(Details in the enclosed Appendix-II)

The Nagar Panchayat has following bank account. The balance of which as on 31.03.08 were as below:-

	Bank/Treasury A/c	Balance
1	PL a/c 2/75	Not produced.
2	SBI, Banmankhi A/c No. 11607546143 (General)	Rs. 5,49,478.00
3	UBI, Banmankhi A/c No. 3650	11,019
4	Central Co-operative Bank Ltd, Banmankhi A/c No. 2055	Rs. 2,94,780
5	SBI, Banmankhi A/c No. 11607546063	Rs. 6,72,583
	Total-	Rs. 15,27,860

The differences between the Cash Book balance and Pass book balance were not reconciled. Hence the same may be reconciled and shown to next audit.

6. IMPORTANT AUDIT FINDINGS

Sl. No.	Description	Para No.
1	Budget	8
2	Government Grant	9
3	Short /Non credit	10
4	Non-maintenance of demand and collection register	11
5	Irregularities in 11th F.C	15
6	Irregularities in 12th F.C	16
7	National Social Assistance Programme	17
8	Sahaya Grant	18

7. INTERNAL AUDIT

There is no specific Provisions either in the Bihar Municipality Act, 1922 or its Rules made there under for internal audit of the accounts of the Nagar Panchayat. But Municipal Account Rules 20,30,64,69 & 79 provides a number of internal checks which would be exercised either by the Chairman, Vice-Chairman, Executive officer or any other person entrusted for the purpose.

But, no such checks of the Nagar Panchayat was conducted by any of the executive of the Nagar Panchayat & for want of that a lot of irregularities were noticed.

Had the Municipal Authorities authorised such check at regular interval, those irregularities already conducted and other if any, remained undetected could be avoided.

It is therefore, impressed upon the authority to conduct regular Checks to stop recurrence in future.

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8. **BUDGET:-**

Under Section 71 of Bihar & Orissa Municipal Act, 1922, the Executive officer at a meeting held at least two months before the close of the year, shall prepare detailed budget estimates showing probable receipt & expenditure for the ensuing year in the format prescribed.

But, Nagar Panchayat did not prepare the same. Thus, the expenditure incurred amounting to Rs. 159.90 lakh was unauthorised.

It is, therefore, impressed upon the executive to prepare the budget estimate as per format prescribed & adhere to the time schedule mentioned in the Section ibid.

9. **GOVERNMENT GRANT.**

Grant register was not maintained, by the Nagar Panchayat. The details of Grant received during the period covered under Audit were as below-

Sl. No	Year	Letter No. & date	Amount	Date of receipt	Purpose
1	2002-03	827 dt. 22.03.03	Rs. 3,17,266	16.03.03	11th F.C
2	2003-04	1359/08.05.03	Rs. 12,57,437	13.05.03	11th F.C
3	2003-04	DD No. 054389 dt. 17.11.03	Rs. 1,22,069	17.11.03	Salary
4	2003-04	TA. 20 Stamp / 113 dt. 09.07.03	Rs. 1,38,590	20.03.04	Stamp duty
		Total-	15,18,096		
5	2004-05	721/18.05.04	Rs. 7,87,352	21.05.04	11TH F.C
6	2004-05	DD No. 62475 dt 06.01.05	Rs. 3,17,266	06.01.05	11TH F.C
7	2004-05	25/31.05.04	Rs. 2,23,000	07.06.04	NSDP
8	2004-05	2097/27.12.04	Rs. 1,08,729	09.03.05	SJSRY
		Total-	14,36,347		
9	2005-06	294/19.05.05	Rs. 1,69,000	24.05.05	SJSRY
10	2005-06	542/10.08.05	Rs. 3,00,000	28.12.05	NSDP
11	2005-06	1038/05.08.05	Rs. 35,262	09.12.05	NSDP
12	2006-07	1102/NW dt. 30.03.06	Rs. 27,02,000	14.05.06	Road constr. & Repair
13	2006-07	1131/NVV dt. 30.03.06	Rs. 13,25,000	04.05.06	Road constr. & Repair
14	2006-07	DD No. 805815/19.01.07	Rs. 4,25,000	04.05.06	Purchase of tractor
15	2006-07	D.D No. 905523/02.06.06	Rs. 9,54,231	02.06.06	12th F.C
16	2006-07	940810/18.12.06	Rs. 5,97,898	20.12.06	12th F.C
17	2007-08	432/07.02.07	Rs. 18,75,000	03.04.07	Road constr.
18	2007-08	-	Rs. 1,92,440	03.04.07	SJSRY
19	2007-08	DD No. 090758 dt. 11.04.07	Rs. 28,87,875	21.04.07	Administrative building

20	2007-08	A 607417 dt 03.10.07	Rs. 436170.00	12.10.07	Stamp duty
21	2007-08	125/ 18.02.08	Rs. 5,54,279	04.03.08	SJSRY
22	2007-08	5674/19.12.07	Rs. 10,61,412	28/3/08	12th F.C.
23	2007-08	856/21.02.08	Rs. 10,79,840	28/3/08	Water Supply
Total-			80,87,016		

Due to non-maintenance of grant register, actual position could not ascertain in audit. Hence, the grant register may be maintained & shown to next audit.

10. SHORT/ NON-CREDIT

While Checking the money receipt/ holding tax receipt, registration fee receipt etc. with daily collection register and cash book, it was noticed that the amount of Rs. 1,74,000/- was collected vide M.R No./ H.R. -No. etc. as detailed in the enclosed **Appendix-III**.

Out of collected amount, Rs. 16,945/- was deposited and balance Rs. 1,57,055/- remain to be deposited.

After being pointed out by audit, Rs. 133503 was deposited at the instance of audit as per money receipt / Bank scroll produced before audit but the updated pass book could not produced before audit. And a balance of Rs. 23552, remained to be deposited by Shri Janardhan Thakur. Hence, the same may be got deposited into the Nagar Parishad Fund and pass book be produced to the next audit. Such practice of short deposit may be avoided in future.

11. NON-MAINTENANCE OF DEMAND AND COLLECTION REGISTER

As per Rule 10 & 11 of Municipal Accounts Rule (Recovery of taxes) 1951, demand and collection register should be maintained in the form prescribed there in.

But the Nagar Panchayat did not maintain the same. However, from the cash book it was noticed that the following amounts were collected on account of taxes during the period covered under audit.

Year	Amount
2002-03	Rs. 1,65,113.50
2003-04	Rs. 96565.00
2004-05	Rs. 96,836.00
2005-06	Rs. 2,88,722.00
2006-07	Rs. 2,70,764.00
2007-08	Rs. 477131.00

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In the absence of Demand and collection register, genuineness of the demand as well as collection could not be ascertained in audit.

As such effective steps may be taken to maintain the same and shown to next audit.

12. TAXES OUTSTANDING ON GOVT. BUILDING

The Demand and Collection register of Govt. building was not maintained by the Nagar Panchayat. However as per statement furnished by Nagar Panchayat & other records it was noticed that the amount of Rs. 8,06,205 was outstanding against Government building as on 31.03.08 against 14 building. The details of which were as below-

	Name of Govt. building	Amount
1	G.M, Bihar State Sugar Corporation Unit, Banmankhi	Rs. 4,28,222
2	B.D.O, Banmankhi	Rs. 1,21,020
3	I/C Jute Sells Centre	Rs. 61,380
4	E.E Koshi Yojna, Banmankhi	Rs. 75,644
5	Organier, Byapaper Mandal	Rs. 19,524
6	E.E, Koshi water drainage research Centre	Rs. 41,972
7	I/C Public health Centre, Banmankhi	Rs. 3280
8	Head master, Sumiet High School	Rs. 9313
9	Police Station, Banmankhi	Rs. 3356
10	Marketing, Banmankhi	Rs. 21,114
11	District officer hostel	Rs. 3664
12	Block Veterinary Officer	Rs. 15,818
13	I/C Engineer, Electric subgrid	Rs.810
14	Christian Mission Banmankhi	Rs. 1088
	Total-	Rs. 8,06,205

The Nagar Panchayat did not take adequate steps to realise the outstanding taxes on Govt. building.

Authority may be advised to take adequate steps to realise the outstanding taxes on Govt. building under intimation to the Examiner of Local Accounts Patna.

13. TAXES OUTSTANDING ON OFFENSIVE AND DANGEROUS TRADE

The demand and collection register was not maintained. However, it was noticed that Rs. 13,450/- was outstanding as on 31.03.08 against 45 Nos of trades. No action was taken in order to realize the outstanding dues.

Steps may be taken to realize the same at the earliest.

14. LOSS DUE TO ASSESSMENT OF INSTALLATION CHARGES ON TRANSMISSION TOWER AT THE LESSER RATE & OTHER IRREGULARITIES THEREOF

The Urban Development & housing Deptt, Govt. of Bihar vide it's letter No. 4036 dated 16.08.07 and 1045/ Patna dated 04.03.2008 directed all local bodies to realize installation fee at the rate of Rs. 2000 per meter per annum per tower installed within it's jurisdiction.

Scrutiny of records revealed that 8 Nos of tower were installed under the jurisdiction of Nagar Panchayat as detailed below-

Sl. No.	Ward No.	Company installed	Whether Permission granted	Height	Amount due	Amount paid	Balance
1	2	Tata Indicam	No	40	80,000	Nil	80,000
2	3	Bharti Tele service	Yes (384 dt 30.05.06)	30	60,000	14,500	45500
3	5	Aircel (T.T.S.L.)	Yes (454 dt 10.08.07)	40	80,000	50,000	30,000
4	5	Aircel	Yes	55	110000	1,10,000	-
5	8	Reliance	No	40	80,000	Nil	80,000
6	8	Vodaphone	No	40	80,000	Nil	80,000
7	10	Aircel	No	40	80,000	Nil	80,000
8	17	Aircel	No	40	80,000	Nil	80,000
Total-							1475500

Out of installation of 8 Nos, permission for 3 Nos were given and permission in remaining 5 Nos were not sought for. No demand from the Nagar Panchayat were given for 5 Nos of tower. As a result, Nagar Panchayat was deprived of the revenue amounting to Rs. 475500/- per annum.

Fresh demand as per Govt. rate of SL. No. 2 & 3 needs to be given.

Steps may be taken to realize the revenue of the tower at the earliest under intimation to the Examiner to local Accounts, Bihar, Patna.

15. ELEVENTH FINANCE COMMISSION (11TH F.C)

Under 11th F.C., total 27 Nos of schemes were taken up. Out of which 25Nos of Schemes were completed & the balance remained as incomplete.

Scrutiny of incomplete scheme files, the following irregularities were noticed.

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(I) Scheme No	2/ 04-05
Scheme Name	Earth work and Brick on edge soling from Gayatri Mandir to Bholu Tatiya house viz Yogendra Sah house
Estimate	Rs. 99,700/-
T.S	A.E/ 25.07.03
A.A	Dy Secretary / 1811 dt 24.05.04
Agency	Md. Afag Ahmed
W.O	206 dt 27.05.04
Work done	Rs. 84,794/-

As per M.B

Advance	Ch. No. 059419/27.05.04	Rs. 15000
	-/06.11.04	Rs. 50,000
	-/04.01.05	Rs. 25,000
	Total-	Rs. 90,000

The agency left the work as incomplete on account of being transferred to other place. The Excess amount Rs. 5206/- (Rs. 90,000 - 84794) was not returned.

Further, the Executive agency did not submit the voucher in support of utilisation of bricks i.e. 18240 Nos, Muster roll was not signed by the agency. Neither date of attendance was mentioned in the muster roll. In absence of above voucher, utilisation of bricks appears to be doubtful. Till the production of voucher, the amount of Rs. 84,794/- as shown work done is held under objection and the amount of Rs. 5206/- stands recoverable from the agency.

Further, Steps may be taken to incomplete the work as left incomplete.

(II) Scheme No	9/ 04-05
Scheme Name	Earth work and Brick on edge soling from Banmankhi Dhamdaha Rd to Graveyard.
Estimate	Rs. 86,500/-
T.S	A.E/ 25.07.03
A.A	1811/24.05.04 Dy Secretary, N.V.V.
W.O	293/27.05.04
Due date of Completion	27.07.04
Agency	Md. Afag Ahmed

The Executive agency was transferred from Banmankhi to Purnea and the excess amount Rs. 13,647/- (77,800 - 64,153) was not returned to the Nagar Panchayat.

However, the letter was written vide No. 543 dt 21.09.07 to return the same but till the date of audit no such recovery was made.

Further, Voucher for the purchase of brick 14,592 Nos valuing Rs. 53,102/- was not submitted muster roll was not signed by the Executive agency and neither the date of attendance was mentioned. As such, the amount of Rs. 64,153/- is held under objection and Rs. 13647/- stands recoverable.

(III) From Scrutiny of scheme register, it revealed that the amount of royalty amounting to Rs. 23454/- deducted from the following schemes but the same was not deposited into the concerned Govt. head of account.

Sl. No.	Scheme No.	Amount of Royalty (Rs.)
1	1/04-05	7800
2	3/ 04-05	900
3	4/ 04-05	813
4	5/ 04-05	813
5	6/ 04-05	840
6	7/ 04-05	813
7	8/ 04-05	813
8	10/ 04-05	813
9	1/05-06	700
10	2/05-06	900
11	3/05-06	700
12	4/05-06	640
13	5/05-06	700
14	6/05-06	700
15	7/05-06	800
16	8/05-06	799
17	9/05-06	580
18	10/05-06	700
19	11/05-06	788
20	13/05-06	710
21	14/05-06	846
22	17/05-06	286
	Total-	23454

Thus, the amount of Rs. 23454/- may be deposited immediately at the concerned Govt. head of accounts. Pending which the amount is held under objection.

(IV) Scheme No	1/ 05-06
Scheme Name	Earth filling and Brick on edge soling from Hridyanagar to near the house of Kailu Yadav under ward No. 1
Estimate	Rs. 47,135/-
Agency	Sri Narain Thakur, Tax Daroga

Scrutiny of file the following irregularities were noticed.

- (i) In the Muster roll, name of the scheme, date of working by the Labours/ Masons were not mentioned.
- (ii) Brick on edge soling work was done without mason. As such, audit could not ascertain how the work was done without mason.
- (iii) Bricks amounting to Rs. 34,645/- was purchased from M/s Prakash stone Chips on 28.06.05 but it appeared from the concerned measurement book as measured on 25.06.05 that those work was completed on the same day on 25.06.05. How it is possible that the brick were purchased and utilised in this scheme on 28.06.05 i.e. after the completion of work.
- (iv) Rs. 7700/- was paid to the agency as advance without any pay order by the Executive as detail shown in P/N - 3.

The above points may be clarified. Till date, the payment amounting to Rs. 47,135/- is held under objection.

(V) Scheme No	2/ 05-06
Scheme Name	Earth work and Brick on edge soling from the house of Khurshid to Safaruddin is W.No. 2
Estimate	Rs. 52,598/-
Agency	Sri Narain Thakur, Tax Daroga

Scrutiny of file revealed the following irregularities-

- (i) In the Muster roll, scheme No. name of the scheme & date of attendance of the labour was not mentioned.
- (ii) Date of starting the work & there completion was not certified by the Junior Engineer.
- (iii) Thumb Impression was not attested.

(iv) As per order sheet P/14, Sri Narain Thakur, T.D was appointed as Executive Agency vide Memo No. 621 date 28.04.05 but as per voucher No. 4 M/s Pakur Stone Chips, Banmankhi supplied Brick 13000 No Valuing Rs. 34,045/- on 14.02.04. Thus martial was supplied before the date of appointment of the agency. The fact may be clarified.

(v) Brick on edge soling work was done without utilising the mason.

(vi) Material viz local sand valuing Rs. 500/- was supplied by Sri Sanjay Singh and 780 trailor of Earth was carried/ purchased from Sri Mayhar Ali valuing Rs. 9373 but by whom payment was made not assigned in the voucher.

The above points may be clarified. Pending which the whole amount of payment i.e. Rs. 52,598/- is kept under held objection.

(VI) Scheme No	03/ 05-06
Name of the Scheme	Construction of hume pipe culvert and repair of road from the north of Hanuman Nagar Railwasy line
Estimate	Rs. 45,890/-/-
Agency	Sri Narain Thakur, Tax Daroga

The following irregularities were noticed during scrutiny of scheme file

- (i) In the Muster roll, name of scheme & scheme No. was not mentioned.
- (ii) Date of working was not mentioned in the M.R.
- (iii) Signature of Inspecting officer was wanting.
- (iv) In P/6 of the M.R. Kailash Sharma, Skilled Labour S/o Sri Bishundeo Sarma Sl. No. 1 of M.R. had done the work for seven days (Period of working not shown) same labour at Sl. No. 14 in the same Muster Roll has done this work for two days.

How it was possible it could not be explained by the Authorities of the Nagar Panchayat amount paid the laboure in this M.R was Rs. 6522/- is irregular and may be recovered.

(v) As per voucher Sl. No.5, M/s Sankar Depo Banmankhi Supplied the following material valuing Rs. 28,878/-

1	6 H.P 2'0" dia	Rs. 10,536
2	H.P carriage	Rs. 2100
3	Brick Pricket 6000	Rs. 12750

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4	Carriage	3492
	Total-	28,878

The above firm was registered under Brick, Chips & sand. But Supplied 6-H.P 2' 0" dia valuing Rs. 10,536 circumstances under which the Hume pipe was purchased from M/s Sankar Depot may be clarified.

(vi) 600 cft Earth was supplied by Md. Amjad Ali W.No.2 and payment amounting to Rs. 10,000/- was made to him. By whom payment was made to the supplier was not assigned in the voucher.

The above points may be clarified. Pending which the amount of Rs. 45,890/- is held under objection.

(VII) Scheme No	04/ 05-06
Name of the Scheme	Construction of Rd from Jyoti Vastralaya to Teznarain Choudhury's house
Estimate	Rs. 45,701/-
Agency	Sri Narain Thakur, Tax Daroga

The following deficiencies were noticed during scrutiny of scheme file-

(i) Sri Narain Thakur was appointed as Executive Agency on 28.04.05 vide letter No. 623 dt. 28.04.05 but Vr. No. 5 of the file indicates that bricks were purchased and payment for Rs. 31351 made on 23.04.04. Thus how the purchase of bricks was made before the appointment of the agency may be clarified.

(ii) The Earth Qty 600 cft was purchased valuing Rs. 7606/- but by whom payment made, was not mentioned in the voucher.

(iii) In the Muster roll, date of a attendance was not mentioned. In the same muster roll, Kainlash Sarma, Skilled Labour S/o Sri Bishundev Sarma was mentioned in Sl. No. 1 & 14 and payment for seven working days amounting to Rs. 630 ((a) Rs. 90 x7) was made at Sl. No. 1 & 14 at Sl. No. 14 & working day amounting to Rs. 180 was made. The matter may be clarified as to how the payment of the same labour was made in the same M.R at two places.

The above points may be clarified. Till date, payment amounting to Rs. 45,701/- made is held under objection.

(VIII) Scheme No	1/ 04-05
Name of the Scheme	Construction of Community hall

Estimate	Rs. 7,98,000/-/-
Agency	Md. Afague Ahmed JE

Scrutiny of scheme file revealed the following irregularities-

- (i) As per office order No. 205 dt. 27.05.04, Sri Afague Ahmed, JE was appointed as Executing agency. In the order sheet P/ No. 43 Para(8) it was mentioned that Sri Afague Ahmed had to give the technical advice to the Executive agency and technical adviser were the same. How the Executing officer ascertained the genuineness of the work?
- (ii) Scrutiny of Muster roll revealed that the work had already been completed on 12.09.04, But payment of the agency was made as advance amounting to Rs. 1,50,000 on 25.09.04, Rs. 1,00,000 on 26.10.04 Rs. 75,000/- on 06.11.2004. Thus, circumstances under which payment of advance amounting to 3,25,000 was made after completion of work was not explained pending clarification Rs. 325000 is held under objection.
- (iii) As per Muster roll, the work was started on 20.08.04 but the agency requested on 10.08.04 that the construction of work at roof level had already been completed and further advance of Rs. 2,00,000/- was enquired. Consequently payment was made.

Muster Roll

In this scheme details of muster roll were as below-

Sl. No.	M.R. No.	Working period	Total no. of labour	Payment
1	4	20.08.04 to 26.08.04	Manson - 5@90x35 Labour- 13@58.65x91 days	8497.15
2	5	27.08.04 to 04.09.04	- Do -	8497.15
3	6	06.09.04 to 12.09.04	Mason 5 x 35 days Labour- 13 x 91 days	8497.15
4	7	- Do-	Labour- 14 x 82 days	4809.30
Total-				30,271.75

AUDIT OBJECTION

- (i) As per P/43 Para (7) of the order sheet, Muster roll & Inspection book are to be kept at the work site but none of the muster roll was found to be inspected by the Inspecting officer.

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(ii) At Muster roll No. 2.8 &9, no signature was found and payment amounting to Rs. 1055/90 (351.90 +351.90 +351.90) was made.

Voucher

(i) Vr. No. 9 of the file indicates that M/s Jay Tara Stones works supplied sand & Stone chips on 18.09.04 valuing Rs. 50,339 but as per Muster roll, the work had already been completed on 12.09.04. As such, utilisation of Sand & Stone chip in this work appears to be doubtful.

The above facts may be clarified pending which the whole payment amounting to Rs. 7,98,000 is held under objection.

Under 11th F.C.

(XI) Scheme No	05/ 05-06
Name of Scheme	Brick soling & Earth filling from Marketing Mchi Maharshi chowk to house of Amrendra Gupta
Estimate Amount	50,780/-
Name of Contractor	Sri Narayan Thakur, T.D
Appointed as contractor vide Exce. Officer Memo No. - 624 Dated .28.04.05.	

On scrutiny of the passed vouchers & Muster Rolls the following irregularities were noticed.

Muster Roll

(i) According to passed Muster Roll of scheme No. 04/05-06 Sri Kailash Sharma (Sl. No. 1) S/o Vishundeo Sharma was working as skilled labour and had taken payment after doing signature but in scheme No. 5/05-06 the same skilled labour was taken payment after given thumb impression. Reply has not furnished by persons on concerned.

(ii) The working date by the labour was not shown in admissible column of Muster roll. Hence it could not be ascertained the date in which work was done by the labour but, it appeared for concerned M.B. as certified by the Jr.Eng. on 26.05.05 that work was done by the labour.

How the Jr. Eng. certified without verification of date in M. Roll could not be ascertained.

(iii) Bricks Purchased on 12.12.04 by contractor in this scheme as below.

Sl. No.	Name of firm	Name of materials	Date of supply	Quality	Amount paid
1	M/s Pakurh Stone Chips, Banmankhi Purnea.	Bricks (Picket)	12.12.04	13,000 Nos	27,625
		Freight charge	12.12.04	13,000 Nos	7,020
Total Paid-					34,645

But Sri Narayan Thakur, T.D. was appointed as contractor on 28.04.05 vide Ex. officer letter no. 624 dt. 28.04.05 then how bricks were purchased on 12.12.04 about 4 month before appointment. No reply was furnished by the concerned person(s) hence the entire payment of Rs. 50,780/- is doubtful and recoverable from the persons concerned.

16(A). 12TH FINANCE COMMISSION

Under this head, out of grants amounting to Rs. 26,13,541/- received, the expenditure amounting to Rs. 13,36,346 was incurred & the balance amounting to Rs. 12,77,195/- remained as unspent.

Out of 18 Nos of schemes taken up, 17 Nos were completed & the progress of one scheme is going on.

The Prime objective of the scheme is to improve the restorers of the people / Inhabitants under the Nager Panchayat. But the Nagar Panchayat incurred expenditure violating the guidelines-

Sl. No.	Scheme No.	Name of the Scheme	Expenditure
1	11/06-07	Construction of flag hosting chabutra in thana campus	Rs. 39,076
2	1A/ 06-07	Purchase of generator in office work	Rs. 58,650
Total-			Rs. 97,726

Thus, the expenditure incurred by violating the guidelines of the schemes amounting to Rs. 97,726/- is irregular held under objection.

(b) Royalty amounting to Rs. 5464/- was deducted from the following schemes but the said amount was not yet deposited.

Sl. No.	Scheme No.	Amount (Rs.)
1	1/06-07	650
2	2/06-07	806
3	3/06-07	493

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4	4/06-07	575
5	5/06-07	613
6	6/06-07	793
7	7/06-07	154
8	10/06-07	116
9	11/06-07	200
10	31/06-07	370
11	4/06-07	368
12	11/06-07	326
	Total-	Rs. 5464

Thus, the amount of Rs. 5464/- may be deposited into the concerned Govt. head of a/c. Pending which the amount of Rs. 5464/- is held under objection.

16. (B) XIIth FINANCE COMMISSION

As per Para 5 of the grant Sanctioning letter 50% of the grant was to be utilised for Solid Waste Management which would include collection, ramification and transportation of waste.

The remaining 50% was to be utilised as below

- (i) Creation/ Up gradation of 1% of grant under Nagar Prabhndhak.
- (ii) E-governance such as double entry system of accounts, development of date base upto 1 to 3%
- (iii) The remaining balance amount was to be spent on supply of drinking water, road construction, construction of drainage, street lighting etc.

Under XIIth Finance Commission allocation of grant was as below -

Grant	Solid Waste	Creation/ gradation under Nagar Prabandhak	Up under	E-Governance	Balance
Rs. 9,54,231	Rs. 477,115	9542		28627	438947
Rs. 5,97,898	Rs. 2,98,949	5979		17937	2,75,033

Out of Rs. 7,76,064/- under the Solid Waste Management, the expenditure amounting to Rs. 5,87,036 was incurred as per detail below-

Sl. No.	Particular	Expenditure incurred.
1	Purchase of tractor	Rs. 3,87,126
2	Purchase of computer set	Rs. 56,350
3	Construction of 10 Nos of dustbin	Rs. 39000
4	Purchase of kuradan	Rs. 1,04,560
	Total-	Rs. 5,87,036

Thus the purchase of computer set under the had Solid Waste Management was not permissible hence the expenditure incurred under this head amounting to Rs. 56,350/- is held under objection.

(b) Tender for purchase of Kuradan of Size 3½ x4 x3½ 10 guaze (10 Nos) and 16 guaze 12 guaze Size (10 Nos) were invited and accordingly, supply order was given to M/s Ohm Engineering @ Rs. 4600 of 10 guaze and M/s Jeet Engineering @ Rs. 5900 of 16x12. The Firms were supplied material as required and a sum of Rs. 1,01,950/- was paid to the firms by the authority of Nagar Panchayat.

Audit observations are as below-

- (i) No stock entry was made to assess the actual stock and their position in the store.
- (i) VAT amounting to Rs. 1850/- was deducted from the bill of the supplier i.e. from M/s Ohm Engineering and Rs. 2400/- from the bill of M/s Jeet Engineering, Purnea but the deducted amount has not yet been deposited into the Govt. head of account.

Thus, the amount of Rs. 4250/- may be deposited into the Govt. head of account. Till then, the amount is held under objection.

(C) Out of Rs. 7,76,064/- allocated under the head Solid Waste Management, the expenditure amounting to Rs. 5,87,036/- was incurred & the balance amounting to Rs. 1,89,028 remained as unspent. Steps may be taken to utilise the same at the earliest.

17. NATIONAL SOCIAL SECURITY PROGRAMME (NSSP)

Under this Programme, the grant was provided to the Nagar Panchayat to distribute the amount to the selected old age pension holder within seven days from the date of receipt of grant and utilisation of the same was required to be sent at the end of financial year.

Scrutiny of cash book revealed that huge amount of grant was lying as unspent. Details of which were as below-

Year	O.B	Receipt	Total	Expenditure	Closing Balance
2002-03	-	44550	44550	Nil	44550
2003-04	44,550	2,36,490	2,81,040	2,83,708	(-) 2668
2004-05	(-) 2668	1,58,572	1,55,904	1,35,300	20,604
2005-06	20,604	3,46,793	3,67,397	2,27,880	139517
2006-07	139517	76,100	215,617	14,700	2,00,917

In this regard, the following audit observations are made -

- (i) The grants were to be distributed within seven days from the date of receipt but huge amount was lying as unspent in each financial year. Reasons of which may be clarified.
- (ii) The copy of utilisation certificate, if any, sent may be furnished.

18. ASSISTANCE GRANT (SAHAYA GRANT)

Under the Sahaya grant out of total grant amounting to Rs. 92,14,875 received, expenditure amounting to Rs. 71,71,129 incurred during the period from 2006-07 to 2007-08, the balance amounting to Rs. 20,43,746 remained unspent.

Out of 26 Nos of schemes taken up 25 Nos of scheme were completed & the Progress of one work is going on.

Other Irregularities

(1) Scheme No	15/ 06-07
Name	Construction of Brick on edge soling Road from the house of Garib Das to Sri Sukhranjan
Estimate cost	Rs. 1,86,594/-
Agency	Sri Janardhan Pd. Thakur
W.O	31.03.06
Due date of Completion	30.06.06
Work done as per M.B	Rs. 1,12,870
Payment made	Rs. 25000 on 30.03.06 Rs. 1,00,000 on 29.06.06
Total	Rs. 1,25,000
Excess payment	1,25,000-1,12,870 = 12,130

In this scheme, 26841 Nos of Bricks were purchased but the royalty and VAT was not deducted.

Particulars		VAT 4%	Royalty
Bricks	26841 Nos Value Rs. 8286/-	Rs. 3314	537
Total Recoverable		12,130 + 3314 + 537	
Amount		Rs. 15,981/-	

After pointing out by audit, the amount of Rs. 12,130/- was recovered from the agency on 14.02.09 but the VAT & Royalty amount was still not recovered.

Thus Rs. 3851 may be recovered and deposited into the concerned head of account.

(I) Scheme No	16/ 06-07	
Name	E/W and B/E soling in W. No. 14 from the house of Jagdish Sarma to Bhola Tatma	
Estimate cost	Rs. 1,86,594/-	
Agency	Sri Janardhan Thakur	
Work done as per M.B	Rs. 80,883	
Advance	Rs. 25,000	31.03.06
	Rs. 1,00,000	13.07.06
	Total 1,25,000	
Excess payment	1,25,000- 80,883:-Rs. 44,117	

After pointing out by the audit, the amount of Rs. 44,117 was deposited by the agency on 14.02.07 such practice of keeping the amount in hand after the work done may be avoided in future.

(iii) In the following schemes, the advance was given to the agency but till the date of audit, advance was not adjusted.

Sl. No.	Scheme No.	Agency	Work done as per M.B	Advance made
1	9/06-07	Sri Narani Thakur	1,43,100	98000
2	4A/06-07	Sri Narani Thakur	3,58,007	3,07,500
Total-				Rs. 4,05,500

Thus, the advance given to the agency may be adjusted at the earliest.

19. SWARNA JAYANTI SAHRI ROJGAR YOJNA

(I) Scheme No	06/ 06-07	
Name	E/W and B/E soling work from NH, 107 to old Brick soling Rd.	
Estimate cost	Rs. 37,850/-	
Agency	Sri Narain Thakur	
Advance	Rs. 7500	18.04.07
	Rs. 25,000	21.05.07
	Rs. 32,500	

As per rule, if first advance is not adjusted, second advance should not be provided.

Scrutiny revealed that the work was not started by the agency. Second advance was sanctioned by the Executive only on the plea of the agency and certified by the Junior Engineer that second advance may be sanctioned. But till the date of audit, no documents (Viz. M.B, M.R or Voucher) was provided to indicate the work has been started.

As such, the advance amounting to Rs. 32,500 given to the agency stands recoverable along with interest under intimation to the Examiner of local Accounts, Bihar, Patna.

(I) Scheme No	10/ 06-07	
Name	E/W and B/E soling from the house of Chamaklal Yadav to Nahar (drain)	
Estimate cost	Rs. 88,450/-	
Agency	Sri Narain Thakur, T.D	
Advance	Rs. 7500	Ch 549411 dt. 18.04.07
	Rs. 50,000	21.05.07
	Rs. 57,500	
W.O	274/ 20.04.07	
Due date of completion	18.05.07	
Work done as per M.B	18,549/-	
Date of measurement	09.07.07	

The advance given to the agency was still lying as outstanding. In the absence of any supporting documents audit could not understand as to whether the work was started or not?

Thus, immediate action may be taken adjust the outstanding advance amounting to Rs. 57,500 under intimation to the Examiner of Local Accounts, Bihar, Patna.

20. **RESULTS OF AUDIT**

(i)	Amount deposited at the instance of audit	Rs. 189750
(ii)	Amount suggested for recovery	Rs. 592536
(iii)	Amount held under objection	Rs. 13,26,236

(Vide Appendix- III to the report)

21. **GENERAL REMARKS**

There was lack of prescribed checks by the Executive and the supervisory staff of the collection accounts, Demand and collection register Advance ledger, Grant Register etc were not maintained. In the absence of above records/ registers, serious irregularities cannot be ruled out.

Sd/-
(MRINAL KUMAR)
SECTION OFFICER (Audit)

No. L.A.Sur./1816

Dated:- 26/5/09

Forwarded to the Executive Officer, Nagar Panchayat, Banmankhi with a request to place this report before a meeting of the Municipal Commissioner Specially conveyed for the purpose & to send the replies within three months from the date of receipt of the Audit Report to the office through proper channel.

sd/-

Sr. A.O./Surcharge

Memo No.L.A.Sur./1817

Dated:- 26/5/09

- ✓ 1. Principal Secretary to the Govt. of Bihar, Urban Development and Housing Department, Patna.
2. The District Magistrate, Purnia
3. A.A.O/Surcharge

B Kumar
Sr. A.O./Surcharge
26/5/09

Appendix - 1A
 (Returned to Para 3 to the report)
 Statement showing records/registers produced
 in Audit

- (I) Accountant Cash book
- (II) Daily collection register
- (III) H-Receipt
- (IV) Receipt of offensive and dangerous goods
- (V) Miscellaneous receipt
- (VI) Stock register of receipt book
- (VII) Bank pass book / PL a/c
- (VIII) Cash book of IHT, IETT, NSDP, SJSRY
 Sabaya Grant & their pass book
- (IX) Scheme register
- (X) Scheme file
- (XI) Payment voucher
- (XII) Cheque counterfoils.

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Appendix - 1B

(Referred to Para 3 to the report)
Statement showing records/registers either not maintained or not produced before audit

1. Annual accounts
2. Grant register
3. Demand & collection register
4. loan account
5. Stock registers of permanent article
6. Stock registers of stationary article
7. log book of tractor
8. Advance ledger
9. Budget file.