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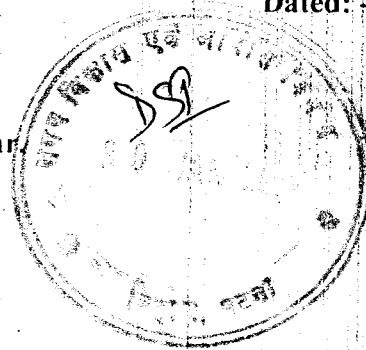
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT), BIHAR
(LOCAL AUDIT WING), PATNA - 800001

No. L. A. Sur/1690

Dated: - 29.1.09

To,

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



Sir,

Audit Report No:-598/2008-09 on the accounts of Nagar Parishad, Barh for the Period 2006-07 to 2007-08 is enclosed for your kind information and necessary action.

Yours faithfully

Encl: -As above

Sharma
Sr. Audit Officer/Surcharge
Local Audit Wing, Bihar, Patna

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Audit Report No.:- 598/2008-09

1. Introduction

The accounts of Nagar Parishad Barh for the period 2006-07 to 2007-08 was test audited by an audit party of local Audit wing of the office of Principal Accountant General (Audit), Barh, Patna during 12-11-2008 to 28-11-2008.

2. Administration

(A)	Chairman/Chief Councillor	Period
	(i.) Shri Binay Kumar	01-04-2006 to 14-06-2007
	(ii.) Shrimati Nirmala Devi	15-06-2007 to 31-03-2008
(B)	Vice Chairman/Deputy Chief Councillor	Period
	(i.) Shri Md. Salim	01-04-2006 to 14-06-2007
	(ii.) Shri Rajiv Kumar	15-06-2007 to 31-03-2008
(C)	Executive Officer	Period
	(i.) Shri Rameshwar Ravidas	01-04-2006 to 25-06-2006
	(ii.) Shri Niranjana Kumar Jha	26-06-2006 to 31-03-2008

3. Scope of Audit.

The accounts and records checked in audit have been shown in **Appendix-I** and other either not maintained or not produced before audit in **Appendix-I (A)** to the report.

4. Previous Audit Reports.

The position with regard to disposal of outstanding paras of previous audit reports as ascertained is detailed below:-

Sl. no.	Audit Report No.	Period of Audit	Total Paras	Paras settled	Outstanding Paras
1.	56/1993-94	1987-88 to 92-93	42	25	17
2.	82/1998-99	1993-94 to 97-98	40	16	24
3.	16/2002-03	1998-99 to 99-00	61	Nil	61
4.	39/2003-04	2000-01 to 02-03	46	Nil	46
5.	469/2006-07	2003-04 to 05-06	30	Nil	30
Total			219	41	178

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The audit reports prior to 1987-88 could not be ascertained. As per comments made in successive audit reports the position with regard to disposal of outstanding Paras has not improved at all for want of compliance. As such the very purpose for which audit is conducted is defeated. The executive of the Nagar Parishad is requested to take effective steps for submission of compliance.

5. Important audit findings.

Sl. No.	Particulars	Para No.
1.	Excess release of Grand of Rs. 4.9 lakh	13
2.	Outstanding taxes of Rs. 10.09 lakh	15
3.	Short/Non credit	16
4.	Non-realisation of stamp fee of Rs. 0.33 lakh	18
5.	Amount lying with executing agents Rs. 8.44 lakh	23
6.	Amount involved in incomplete schemes Rs. 52.67 lakh	24
7.	Excess payment in execution of schemes Rs. 3.09 lakh	25
8.	Doubtful execution of schemes Rs. 5 lakh	26
9.	Outstanding Advance of Rs. 76.58 lakh	35

6. Overview.

The Nagar Parishad was financed by Govt. Grant, Govt. Loan and its own sources of revenue. An abstract of finance of Accountant Cash Book is given below:-

Sl. No.	Particulars	2006-07	2007-08
1.	Opening Balance	13,14,413=00	1,19,15,410=00
2.	Receipt	2,11,49,815=00	1,11,38,645=00
3.	Total (1+2)	2,24,64,228=00	2,30,54,055=00
4.	Expenditure	1,05,48,818=00	1,80,32,170=00
5.	Closing Balance	1,19,15,410=00	50,21,885=00

(Vide details in Appendix- II to the report)

(ii) Reconciliation

The balance of cash book and treasury pass book as on 31-02-2008 is as under:-

Balance as per cash book	50,21,885=00
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Balance as per treasury pas book	48,53,961 99
Difference	1,67,923=01

The difference between the two sets of figures was not reconciled. The same may be done and shown to next audit.

7. Treasury Pass Book.

Rule 25 of the Bihar Municipal Accounts Rule, 1928 provides that the treasury pass book of the Nagar Parishad shall be written by the treasury accountant and rule 27 provides that at the close of each month the balance in the pass book shall be struck, the amount written in words and signed by the treasury officer.

But the treasury pass book produced before audit was written by the staff of the Nagar Parishad and it was also not signed by the treasury officer in any month. Thus, the authenticity of debit and credit of transaction as shown in treasury pass book could not be ascertained in audit.

Steps may be taken to get the pass book signed by the treasury officer.

8. Comparison of Accountant Cash Book with treasury pass book.

Following discrepancies were notice while comparing the Accountant Cash Book with treasury pass book

(a) Amount credited in cash book but not found in treasury pass book

The following amounts were found credited in the Accountant cash book but their credit in treasury pass book was not found:-

Sl. No.	Date	Amount	Particulars
1.	31-05-2006	3,725-00	Misc. collection Amount
2.	26-12-2006	4,25,000-00	Grant for purchase of tractor
3.	11-05-2007	20,932-00	Holding tax collection
4.	30-05-2007	2,482-00	Misc. collection Amount
5.	30-05-2007	9,188-00	Misc. collection Amount
6.	30-05-2007	5,765-00	Misc. collection Amount
7.	03-07-2007	80,000-00	Draft No.- 160958 dt. 10-07-2007 from T.T.S.L.
8.	01-09-2007	2,703-00	Misc. collection Amount
9.	27-03-2008	10,285-00	Misc. collection Amount
Total		5,60,080=00	