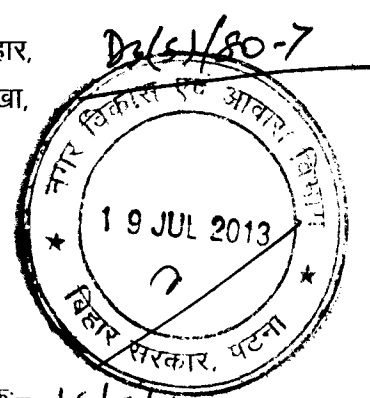




कार्यालय, महालेखाकार (लेखा परीक्षा), बिहार,
सामाजिक प्रक्षेत्र -I, स्थानीय लेखा परीक्षा शाखा,
वीरचन्द पटेल मार्ग, पटना - 800001



दिनांक:- 16/7/13

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सं०. एल० ए० /एस० एस० --1/श० स्था० नि०/14362/1279

सेवा में,

प्रधान सचिव, नगर विकास एवं आवास विभाग,
बिहार सरकार, पटना


महाशय,

नगर निगम भागलपुर के वर्ष 2011-12 तक के लेखाओं पर आधारित लेखा परीक्षा प्रतिवेदन सं० 531/12-13 आपके सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित है। अनुरोध है कि इस लेखा परीक्षा प्रतिवेदन की कंडिकाओं का अनुपालन, लेखापरीक्षा प्रतिवेदन प्राप्ति के 3 माह के अन्दर पूर्ववर्ती लेखा परीक्षा प्रतिवेदनों की लम्बित कंडिकाओं के अनुपालन के साथ अग्निप्रमाणित साक्ष्य सहित नगर निगम बोर्ड से अनुमोदित कराकर जिला स्तरीय समिति के समीक्षोपरान्त प्रेषित करवाया जाय जिससे लेखा परीक्षा के उद्देश्यों की पूर्ति हो सके।

यह निरीक्षण प्रतिवेदन लेखा परीक्षित 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,


15/07/13

लेखा परीक्षा अधिकारी
शहरी स्थानीय निकाय
सामाजिक प्रक्षेत्र-I
बिहार, पटना

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Bhagalpur Nagar Nigam
Audit report no:-531/2012-13
Period-2011-12

1. INTRODUCTION:-

The accounts of Bhagalpur Municipal Corporation for the period 2011-12 was test audited by Audit party of the office of Principal Accountant General (Audit), SS- I/LAD, Bihar, Patna during the period 12.12.2012 to 29.12.2012.

2. ADMINISTRATION:-

Mayor	Dr Bina Yadav	01.04 .2011 to 31.03.2012
Deputy Mayor	Md Ikbal alis Babul Khan	01.04 .2011 to 31.03.2012
Municipal Commissioner	Sri Birender Kumar	01.04.2011 to 31.08.2011
	Sri Bihari Das	01.09.2011 to 31.03.2012

3. SCOPE OF AUDIT:-

A list of records test checked in Audit and another list those records either not maintained or not produced have been furnished in Appendix- I and Appendix -II respectively to the report.

4. PREVIOUS AUDIT REPORT

The position of outstanding paras of previous audit reports were as under:-

Sl.No,	Audit Report No,	For the period	Outstanding Paras
1	53/89-90	1984-85 to 86-87	45
2	160/90-91	1986-87	37
3	134/91-92	1987-88 to 89-90	69
4	160/92-93	1990-91	35
5	127/96-97	1991-92 to 92-93	77
6	69/99-2000	1993-94	54
7	18/2000-01	1994-95	47
8	08/2001-02	1995-96	56
9	22/2003-04	1996-97 to 97-98	47

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10	755/205-06	1998-99 to 99-2000	15
11	466/2006-07	2000-01 to 05-06	10
12	118/2008-09	2006-07	30
13	414/2008-09	2007-08	45
14	691/2009-10	2008-09	36
15	590/2010-11	2009-10	37
16	541/2011-12	2010-11	42

Despite several requests and reminders no compliance regarding outstanding para was submitted in audit. The non compliance defeats the very purpose of audit, hence, it is requested that compliance to the outstanding paras may be prepared and after approval of Municipal Corporation Board, sent to this office.

5(A) FINANCIAL OVERVIEW

The municipal Corporation is financed by Government Grants and receipts from its own sources. The expenditure consisted of recurring towards execution of its duties and expenditure for the purposes for which grants received from Government. The overview of receipt and expenditure is as under.

SL. No.	Name of Cashbook	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	General Cashbook					
(i)	SBI A/C No.11016673944	2261729.87	39945938	42207667.87	38125296	4082371.87
(ii)	Union Bank of India A/C No.11384	22518341.33	24474299	46992640.33	44877119	2115521.33
(iii)	AXIS Bank A/C No.1906538	11873.11	309	12182.11	-	12182.11
(iv)	IDBI Bank A/C No. 0721104000021881	-	49951025	49951025	34527105	15423920
2	PL A/C	147189362.24	16198200	163387562.24	99728413	63659149.24
3	BRGF					
i	Union Bank of India A/C No.941999	65647030	15620677	81267707	42985281	38282426
ii	AXIS Bank No.32347570	13212866	214533	13427399	2584948 + 10784108	58343

					transferred to UBI on 29.09.2010	
4	Construction & Renovation of Road	3276311	00	3276311	3238323	37988
5	NSDP	7064675	00	7064675	94317	6970358
6	SJSRY	16204534	00	16204534	40275	16164259
7	X TH & XI TH FC	81697	00	81697.00	46978.00	34719.00
8	BPL+Balika Samridhi + NSDP + Dangagrast	632943	00	632943	00	632943.00
9	Miscellaneous	5597	00	5597	00	5597.00
10	Handpump + SJSRY + Computer + 12 TH FC	5528829	506839	6035668	659931	5375737

(B) CLOSING BALANCE:-

SL No.	Name of Cashbook	As per Cashbook.	As per Bank.	Name of Bank.
1	General Cashbook			
(i)	SBI A/C No.11016673944	4082371.87	4082371.87	SBI A/C No.11016673944
(ii)	Union Bank of India A/C No.11384	2115521.33	2115521.33	Union Bank of India A/C No.11384
(iii)	AXIS Bank A/C No.1906538	12182.11	7996.00	AXIS Bank A/C No.1906538
(iv)	IDBI Bank A/C No.0721104000021881	15423920	15423920.00	IDBI Bank A/C No.0721104000021881
2	PL A/C	63659149	63659149.00	Treasury
(i)	BRGF			
(ii)	Union Bank of India A/C No.941999	38282426.00	39229938.00	Union Bank of India A/C No.941999
3	AXIS Bank No.32347570	58343.00	49343.00	AXIS Bank A/C No. 32347570
4	Construction & Renovation of Road	37988.00	57234.00	United Bank of India A/C No.114165

5	NSDP	6970358	1437.00 7250614.00	SBI A/C No. 11016469145 IDBI A/C No. 8426
6	SJSRY	16164259	10226891.00 6637785.00	AXIS Bank A/C No. 340476359 Central Bank of India A/c No.3081640693
7	X th & XI th FC	34719	36727	Indian Bank No.854534145
8	BPL + Balika Samridhi + NSDP + Dangagrast	632943	11516.00 705754	UCO Bank A/C No. 4726 United Bank of India No.101104172
9	Miscellaneous	5597	6712.00	Bank of Baroda A/C No.011274
10	Handpump + SJSRY + Computer + 12 th FC	5375734	3960600.00 594833.00 2700934.00	United Bank of India A/C No.114189 Bank of India A/C No.10000503. IDBI A/C No. 0721104000032391

Bank Reconciliation statement regarding the difference of balance was not furnished in the audit. It may be prepared and furnished in the next audit.

(C) Cashbook

The Municipal Corporation was maintaining 3(three) cashbooks during 2011-12 namely-

- a) PL A/C cashbook (Salary, 12TH FC, 12TH FC, Road, Pension and other retirement benefits, T/W)
- b) General cashbook for deposit of receipts from own sources and recurring expenditure.
- c) Cashbook for schemes under different grants other than those in PL.

The following irregularities were noticed in test check of the above cashbooks.

- 1. Quarterly and Annual Accounts were not prepared in any of the cashbooks.
- 2. There was no signature of cashier or any official maintaining it.
- 3. There was no signature of any officer in token of checks applied by them.

4. The cashbooks at Sl. No. (b)&(c) were maintained bank account wise instead of date and month wise.

The cashbook is a very important record which reflects the basic financial system of any organization. Hence, Steps may be taken to avoid the above irregularities.

6 Important audit findings: -

Sl. No.	Particulars	Para No	Amount (Rs. in lakh)
1	Outstanding Settlement amount of Bus Stand	14	5.21
2	Loss of Revenue	15	1.15
3	Mobile Towers Fee Outstanding	16(i)	110.35
4	Payment of Carriage of Material	19C	119.26
5	Non Deduction of Compensation for late completion	19D	62.39
6	Payment of wages	33	248.81
7	Advance outstanding	35	257.18

7. INTERNAL AUDIT

Section 97 of the Bihar Municipal Act, 2007 envisages the provision of internal audit of the day to day accounts of the Municipality.

The Rules 20,30,64,69 and 79 of the Municipal Account Rules, 1928 provides a number of internal checks to be exercised by Mayor, Deputy Mayor, Executive officer or any other officer entrusted to this purpose. These checks were prescribed in the rule in order to have proper control in the maintenance of records and register, and to avoid irregularities in the Corporation Accounts.

The Municipal Corporation neither conducted internal audit of the day to day accounts of the Municipality provided in section 97 of the Act nor exercised the checks by Mayor, Deputy Mayor, Executive officer or any other officer of the Municipality provided in the Rule. As such several irregularities were noticed in the maintenance of records and others. Had such checks at regular intervals been exercised by the authority, there would have been no such irregularities as committed, taken place.

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8. BUDGET ESTIMATES

Chapter XI of the Bihar Municipal Act 2007 deals with Budget Estimates (section 82 to 85). Under section 82(1) the Chief Municipal Officer shall prepare in each year a budget estimate along with an establishment schedule of the Municipality for the ensuing year, and such budget estimate shall be estimate of income and expenditure of the Municipality.

(2) Subject to the provisions of section 10 and sub-section (2) of section 73, the budget estimate shall separately state the income and the expenditure of the municipality to be received and incurred in terms of the various heads of accounts,

(3) The budget estimate shall state the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following.

(4) The budget estimate shall state the amount of money to be raised as loan during the year next following.

(5) The chief councilor shall present the budget estimate to the municipality on the 15th day of February in each year or as soon thereafter as possible.

(6) The budget estimate shall be prepared, presented and adopted in such Form and in such manner, and shall provide for such matters, as may be prescribed.

(7) The annual statements prepared under sub-section 2 of section 105 and sub-section(1) of section 117 together with the reports prepared under sub-section (1) of section 81 and under sub-section (2) of section 249 shall be enclosed with the budget estimate.

Audit observation / comments

1. The establishment schedule of the Municipality as required under sub-section (1) of section 82 was not prepared along with the budget estimate for the year 2011-12.
2. The budget estimate for 2011-2012 did not state the rates at which various taxes, surcharges, cesses and fees to be levied by the Municipality in the year.
3. The budget estimate of 2011-12 did not state the amount of money to be raised as loan as required under sub-section 4.
4. It did not include the annual statements required to be enclosed with it under sub-section 7.

5. As per section 84, the Municipality shall consider the budget estimate and the recommendations and adopt the same by fifteenth day of March in each year.

The date on which it was presented to the Municipality, adopted and sent to Government was not pointed out.

6. The test check revealed that there was wide variation between the budget estimate and the actual.

Head	As per Budget	Actual	variation in%
Receipts through H receipt	799.41 lks	37.03 lks	(-) 95%
Expenditure on daily wages	100.00 lks	248.82 lks	(+) 249%

From the above it may be concluded that the budget estimate for 2011-2012 was not prepared properly and was lacking in facts and figures, required under the Act. It is suggested that it should be prepared properly, contain all required facts and figures and, should be as near to actual and also presented and adopted on time.

9 (A) Government Grant: -

Government Grant Register was not maintained. Hence Opening balance for the year, grants received, expenditure and closing balance of different grant could not be ascertained. However, as per available cash books, the Municipal Corporation received a total sum of ₹77179502.00 as grants for different purposes during the year 2011-12. (Statement -I)

The authorities of the Corporation are requested to get the register maintained and produce in next audit.

(B) Road, drain and other civil amenities.

The Municipal Corporation received ₹522.29 lakhs for construction of roads, drains and other civil amenities vide Department of Urban development and Housing, Government of Bihar's letter No.116 dated 22.01.2009. As per Government direction, the Director, Urban Poverty Eradication, Urban development and housing Department, Government of Bihar was the DDO for the same. The money was transferred to BUDA under intimation to the Corporation.

BUDA did not send the utilization and progress report to the Corporation. Steps may be taken to obtain the same and ensure the progress of schemes, as BUDA was only the executing agency.

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(C) Temporary Diversion of BRGF Grant

The test check of BRGF Grant cash book revealed that a total sum of ₹28923011.00 was diverted towards payment of Salary and Pension of Employees / retired employees of the Corporation. Details as under:-

Sl. No.	Voucher No.	Date	Particulars	Amount
1	99	03.03.12	Salary feb 12	19636596.00
2	100	03.03.12	Pension feb 12	1119477.00
3	103	24.03.12	Salary of B Churasia TC	1033693.00
4	60	24.03.12	Salary & pension Ad hock against Oct 11	937000.00
5	61	24.03.12	Do	1827000.00
6	80	08.01.12	Salary & pension nov 11	4369245.00
Total				28923011.00

The diversion was made recouped in Oct 2012. The authorities of the Corporation are requested to avoid such practice in future.

10(A) Short deposit by Cashier due to theft at the bank (₹1 Lakh)

The test check of Cashiers' Cashbook with Bank Pass Book (SBI A/C No. 11016673944) revealed that the cashier collected a total sum of ₹ 139667.00 on 07.01.2012 from different tax collectors but, only ₹39667.00 was deposited in bank. Thus ₹100000.00 were short deposited.

The reason for short deposit was ₹100000.00 got thefts at the bank. The same may be recovered from persons at fault.

10 (B) Non / Short deposit by Tax Collectors

Test check of collections and deposits by different Tax Collectors revealed that a total sum of ₹10219.00 was non / short deposited by them. Details vide statement No.II to the report.

The amount due from the Tax Collectors may be recovered from them and deposited into the Municipal fund under intimation to audit office. The credit at the same may be shown to next audit.

Further, a total sum of ₹ 26772.00 were collected during 2011- 12 but not deposited in the municipal fund. After pointed out by audit, the amount of ₹26,772.00 deposited through different misc. receipts. Credit of misc. receipts in the municipal fund may shown in the next audit. Details vide statement No. III to the Report.

11. H- Receipt Books not produced in audit

11(Eleven) books of H-Receipts issued to different tax collectors were not produced in audit. Details vide Statement No.IV to the Report.

Non-Production of H-Receipt book may not rule out the possibility of leakage of revenue. Hence, the Municipal Commissioner should ensure that the amount collected through that receipts deposited in the municipal fund.

12. Holding Tax

The Holding Tax were being collected on the basis of Assessments made applicable from 01.04.1997 (as informed by Tax Daroga)

As per statement submitted in audit, position of taxes collected from holdings through H-Receipts during 2011-12 as under:

	Demand	Collection	(%)	Balance
Arrear	66285262	25253205	38%	41032057
Current	25189203	11772272	47%	13416931
Total	91474465	37025477	40%	54448988

The collection was 40% of total Annual demand and it needs to be increased. The assessment on which taxes are being levied is 16 years old which requires to be revised so that the more revenue may be generated.

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13. Non-Remittance of Health and Education Cess to the State Government(₹148.10 lakh)

As per statement submitted in audit, a sum of ₹8227885.00 was collected on a/c of Education Cess and another sum of ₹8227885.00 were collected on a/c of Health Cess. The health cess and education cess realized by the Corporation was to be remitted to the State Government after deduction of 10% of the amount collected as collection charges.

Cess	Collected	Collection charges 10%	To be remitted.
Health cess	8227885	822788	7405097
Health cess	8227885	822788	7405097

Thus ₹7405097 on a/c of health cess and another sum of ₹7405097 on a/c of education cess were not remitted to Government revenue. The same may be remitted at the earliest and shown to next audit.

14. Outstanding Settlement amount of bus stand(₹5.21 lakh)

The bus stand was settled for the year 2010-11 for ₹1280851.00 but only ₹1041000.00 was deposited by Sri Rama Sankar Yadav S/o Deep Narayan Yadav, Bhabanipur, Bhagalpur. Hence, a sum of ₹239851.00 outstanding against him.

The Empowered Standing Committee decided to extend the settlement to 3 years i. e. from 01.04.2010 to 31.03.13 for the same amount in the meeting dated 12.02.10. Against that Sri Ramasankar deposited ₹1000000.00 for 2011-12(₹500000.00 on 29.04.11 & ₹500000.00 on 15.11.11) leaving a balance of ₹280851.00

Thus, Total outstanding amount was ₹ 520702.00 (280851+ 239851) against the settle i.e Sri Rama Sankar Yadav for the year 2010-11 & 2011-12.

Audit observation / comments

1. The reason for extending the settlement from one year to three years was not pointed out.
2. The decision of Empowered Standing Committee to extend the settlement to 3 years is not justifiable as it leads to loss of revenue to Municipality. Thus, the outstanding amount of ₹520702.00 are suggested for recovery form Sri Yadav.

15. Loss of revenue due to Agreement of settlement not made on Stamp paper(₹1.15 lakh)

Agreement for settlement of Bus stand to be made on the stamp paper for the sum equal to 3% of settled amount .The bus stand was settled for ₹1280851.00 per year for three years i.e. for ₹3842553.00 (2010-11 to 2012-13) with Sri Ramasankar Yadav. But, agreement was not made on required stamp paper.

Hence, State Government suffered loss of revenue on a/c of stamp duty for ₹115278.00(3% of ₹1280851.00 i.e. 38426 x 3). The amount of loss of revenue ₹115278.00 may be recovered from the person(s) at fault.

16(i) Outstanding Mobile Towers Fee

The test check of files of Mobile towers revealed that a total sum of ₹11035000.00 was outstanding dues against mobile towers of 12 telecom companies. Details vide statement No.V to the Report.

The State Government vide Gazette No.3692 dated 08.10.2012 prescribed Bihar Communication Towers & related Structure Rule, 2012. It prescribes that rate of registration and annual tax.

On this basis, the Nigam prepared dues for the towers in its notice and prepared a demand of ₹11035000.00 to be sent to Telecom Companies. It was pointed out that survey would be conducted to ascertain actual dues.

Steps may be taken for realization of dues as early as possible.

16(ii) Shop rent Outstanding (₹20.64 lakh)

The Municipal Corporation had shops at three places namely Ghantaghar Foothpath, Tilkamanjihi Shopping Centre and Mayaganj. Following was the position of demand and collection from them.

Name of market	Demand	Collection	Balance
Ghantaghar Foothpath	2155500	454000	1701500
Tilkamanjihi Shopping Centre	346902	107310	239592
Mayaganj	169120	46076	123044
Total	2671522.00	607386.00	2064136.00

Out of total demand of ₹2671522.00 only a sum of ₹607386.00 was collected i.e. 23% of total demand.

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11/11/12

Audit observation/ comments

1. The collection was very poor; steps may be taken to expedite it.
2. The rate of rent of shops is very less. Steps may be taken to revise the rent so that the revenue from own sources may be increased.

17. Tax on advertisements.

The Bihar Municipal Act 2007, Chapter XVII, under section 145 to 152, provides for Tax on advertisement other than Advertisement in newspapers and Licence fee for advertisement spaces. The Municipal Corporation only fixes rates for advertisement through hoarding at the following rates:-

Hoarding on flanks of roads @ ₹25 per sft.

Hoarding on private land/buildings @ ₹15 per sft.

Further, there were total 14 Advertisement Agencies registered under the Municipal Corporation during 2011-12. Two of them have not deposited any amount of tax for using advertisement space on private land/buildings. Details of their dues are as under:-

Sl No.	Name of Agency	year	Sft space used	rate	Amount
1	Mahendra Art	2009-10	4400	15	66000
		2010-11	4400	15	66000
		2011-12	4400	15	66000
Total					198000
2	Art Corner	2009-10	2260	15	33900
		2010-11	2260	15	33900
		2011-12	2260	15	33900
Total					101700

The authorities are requested to take necessary steps for collection of the above amounts from them.

As per information made available in the audit, ₹1011950.00 was outstanding on a/c of tax on hoardings on Municipal flanks against different advertisement agencies. Details vide statement No.VI to the Report.

Necessary steps may be taken for collection of the same.

18. Payment to Remky Enviro engineers Ltd

Department of Urban Development and Housing, Government of Bihar in its meeting dated 25.08.09 decided that private agencies may be engaged by Municipal Corporation Bhagalpur for solid waste management.

In the light of letter no. 712 dated 09.09.2009 of Department of Urban Development and Housing, Government of Bihar tender was invited and Remky Enviro engineers Ltd the lowest tenderer was engaged and allotted work of garbage lifting @ 712 per MT. As per Term of Reference para No. 4.1 of model Agreement, the bidder should furnish a bid security for an amount of ₹2 lakh and as per para no. 9.1 of agreement, the successful bidder should furnish the performance security for an amount equal to ₹10 lakh. The same were to be returned after completion of period of contract.

An Agreement was done on 19.01.2010 between Remky and the Corporation having the following terms:-

1. Permission of lifting of garbage from 1 to 13 wards (except ward No. 4) and 10 main roads from 21.01.2010
2. The contract was valid for 7 years.
3. The rate of lifting will be Rs 760 per MT including all taxes except service tax and the rates will not be changed in any case, the rate will be increased @ 3.5% per year.
4. The Corporation will provide space for keeping equipments.
5. Wet garbage, dry garbage, MSW Rule 2000, workshop site, trenching ground, door to door garbage collection, mechanical street sweeping and storm water drain cleaning and etc was done.
6. Vide Pre- operational activities (para No. 25) Remky had to provide within 45 days all equipment, vehicles, all labour, supervisory, Management staff, Vehicles wise man power, recruitment of staff for operating control room and establish within 60 days Establishment of regular repairing and maintenance of vehicles including arrangement of skilled staff. Other then this providing 2 days training of fields, meeting regularly with competent authority and etc.
7. Under Para 28.7, Uniform and adequate safety gear and desired implements to be provided and under para No.28.8 workshop facility as per requirement and under para 28.9 vehicles shall have valid pollution control certificate at all times.

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8. As per para 19.4 of TOR, human Resources. Driver's driving test will be conducted by Corporation, contractor will not utilise the services of staffs of the Corporation and itself be responsible for health safety measures of its employees.
 9. The contractor had to provide for the payment of wages and also provide other facilities in accordance to the Minimum Wages Act and Employees State Insurance scheme (para 19.5.11) and Annual medical checkup of each staff engaged with management and handling of MSW under this contract for communicable diseases at the contractor's cost and submit the report to the competent authority.
 10. The Corporation had to provide Trenching ground.

Remky Enviro Engineers Ltd furnished bill for ₹103949353.00 for the period April 2010 to July 2012 against which it was paid ₹92464388.00 and ₹2670979.00 was deposited as income tax. Details vide statement No.VII to the Report. A sum of ₹7270423.00 including income tax remains to be paid.

Audit observation

- (i) As per section 5 of Term of Reference (ToR) para 4.1 a sum of ₹200000.00 was to furnished by bidder as bid security deposit. The deposit of the same was not found in the municipal fund. On 07.11.2012 Remky applied for refund of ₹2 lakhs. As per his statement, he has deposited the amount- vide DD No. 199749 dated 07.09.2009 as earnest money deposit. It may be concluded that the DD was either deliberately or by mistake not deposited into municipal fund. Hence, the Corporation was put to a loss of ₹200000.00 and the same is suggested for recovery from person(s) responsible.
- (ii) As per para 9.5 (ToR) of Agreement, security deposit and bank guarantee was to be deposited for the entire period of 7 years of the contract. Remky deposited bank guarantee of AXIS Bank Hyderabad on 24.12.2010 of ₹100000.00, which was valid up to 23.12.2010. The company was allowed to work without bank guarantee from January 2011 to July 2012, which was contrary of the terms of agreement. The reason for the same was not pointed out to the audit. The same may be furnished in next audit.
- (iii) As per para 19.4.3 of TOR, the company was not allowed to utilize the services of the employees of the Corporation. Contrary to that 58 regular employees and 15 daily wage employees were engaged in the same wards from April 10 to September 10 (ward no. 1 to 13 except ward No. 4). The Municipal Commissioner ordered that amount equal to payments made to the above employees should be deducted from payment to Remky. During the period, the amount of ₹29,91,027.00 paid to regular employees. Payment

made to daily wages was deducted from the bill of Remky, but payment of ₹2991027.00 made to regular staff was not deducted. The reason for non deduction of ₹2991027.00 was not pointed out to the audit. The sum ₹ 2991027.00 are suggested for recovery from Remky Enviro engineers Ltd.

(iv)As per agreement, the Corporation had to provide land for office and for keeping and maintaining of equipments. The Corporation provided 72 M² for office and 1127.80 M² for keeping and maintaining of equipments. There was no mention about rent in the Agreement. The reason for not charging rent was not pointed out to audit. Rent may be fixed for the land to avoid the recurring loss.

19. Irregularities found in execution of schemes test checked.

(A) Irregularities in award of tender

Scheme No. 20 / 2009 – 10 (renovation of road)

Name of work: - Construction of PCC road from PWD Barari road via Tinmanjila to Zero Mile.

Technical sanction by Executive Engineer on 26.06.2009.

Administrative Approval by Department of Urban development and Housing, Government of Bihar.

Estimated cost: - ₹3192602.00

Agreement No. 143 /28.08.09 Agreement cost ₹3192602

Name of agency: - Sri Akshay Kumar Mandel

Measurement Book No. 125 / 09-10 & 74 / 2010-11

Total amount paid ₹3192602.

Audit observation / comments

(i) Two tenders were received for this scheme, one from Jai Tara construction and the another from Akshay Kumar Mandal. On opening of technical bids, documents in respect of Jai Tara Construction were not found as per requirement and the same was rejected on technical ground. Sri Akshay Kumar Mandal's bid was accepted as single bid and work allotted to

him. In case of single bid approval of one step higher authority is required but approval of one step higher authority was not obtained. Thus the allotment of work was irregular.

(ii) The Estimate was revised by the A.E. for which neither T.S of Executive Engineer was obtained nor Administrative Approval of department of Urban Development and Housing was taken.

Reason for the same was not pointed out to audit. Reply may be furnished in next audit.

(B) Excess payment.

(i) Scheme No. 3/2009-10 (Renovation of road)

Name of work:- construction of PCC road in D N Singh road from Khalifa Bag Chawk to Swamy Vivekanand Path.

Estimated cost: - ₹ 4164139.00

Agreement Amount: - ₹3705219.00

Technical Sanction by Executive Engineer on 24.11.08

Measurement Book No. 3

Measured value of work ₹3520396.00

Payment .

I 04.07.09 - ₹ 743163.00

II 13.08.09 - ₹ 1265745.00

III 29.08.09 - ₹1112324.00

IV 25.02.10 - ₹ 399164.00

Total ₹ 3520396.00

Audit observation / comment

As per measurement book page No. 49, item No. 3 PCC (1:1.5:3) was done for 1004.18 M³. For that 871.63 M³ of stone chips was required but as per page No. 51 of MB, carriage of stone chips was made for only 857.94 M³. Hence 13.69 M³ stone chips was less used & consequently 15.7718 M³ PCC costing ₹43894.00 was less done. That resulted in excess payment of ₹ 43894.00 which is suggested for recovery from person(s) responsible.

(ii) Scheme No: - 32/09-10 (Renovation of road)

Name of work: - Construction of PCC road and culvert in Brindavan Colony and PCC road in Narayan Das lane.

Estimated cost: - ₹1984266.00

Technical sanction by Executive Engineer B.M.C. on 02.07.09

Agreement No. 149/ 08.10.2009

Agreement amount ₹ 2008651.00

Name of Agency; - M/S Agrawal Construction

Measurement Book No. 135 / 2009 – 10.

Measured value of work ₹ 1918097.00

Work order on 08.10.2009.

Due date for completion of work 23.11.2009

Work completed 18.11.2009.

Payments made

- (i) 16.11.09 ₹1042225.00
- (ii) 29.01.10 ₹398778.00
- (iii) 23.09.10 ₹477094.00