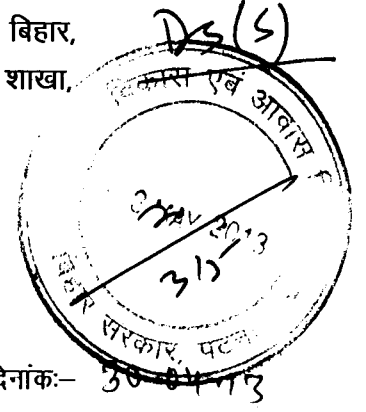




कार्यालय, महालेखाकार (लेखा परीक्षा), बिहार,  
सामाजिक प्रक्षेत्र -I, स्थानीय लेखा परीक्षा शाखा,  
वीरचन्द पटेल मार्ग, पटना - 800001



सं०. एल० ए० /एस० एस० -1/शा० स्था० नि०/14342/1062.

दिनांक:- 30/5/13

सेवा में,

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

महाशय,

नगर निगम बिहारशरीफ के वर्ष 2011-12 तक के लेखाओं पर आधारित लेखा परीक्षा प्रतिवेदन सं० 454/12-13 आपके सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित है। अनुरोध है कि इस लेखा परीक्षा प्रतिवेदन की कडिकाओं का अनुपालन, लेखापरीक्षा प्रतिवेदन प्राप्त के 3 माह के अन्दर पूर्ववर्ती लेखा परीक्षा प्रतिवेदनों की लम्बित कडिकाओं के अनुपालन के साथ अभिप्रमाणित 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।

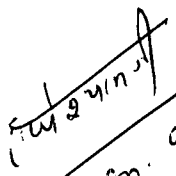

संलग्नक: यथोपरि

भवदीय,

  
30/05/13

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

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**BIHAR SHARIF NAGAR NIGAM**

**1. Introduction :-**

The audit of the accounts of Bihar Sharif Nagar Nigam for the period 2011-12 were test audited by the Audit Party of the office of the Accountant General (Local Audit Wing) Bihar Patna from 01.10.2012 to 09.10.2012 & 12.10.2012 to 18.10.2012 & 05.11.2012 to 10.11.2012.

**2. ADMINISTRATION**

<b><u>Chairman (Mayor)</u></b>	<b><u>Period</u></b>
Sri Dinesh Kumar	01.04.2011 to 31.03.2012
<b><u>Vice Chairman (Deputy Mayor)</u></b>	
Md. Nadim Jafar	01.04.2011 to 31.03.2012
<b><u>Municipal Commissioner</u></b>	
Sri Kumar Vyas Singh Kashyap	01.04.2011 to 31.03.2012

3. **SCOPE OF AUDIT :-** The list of records checked is mentioned in Annexure I and not produced /maintained is mentioned in Annexure II of the report.

4. **Previous Audit Report :-** Despite written/verbal requests made for compliance of outstanding paras of previous audit reports, the corporation did not furnished the same before audit party.

169)

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

SL. No.	Audit Report No.	Period of Audit	No. of outstanding paras
1.	37/1990-91	87-88	42
2.	65/1991-92	88-89	30
3.	29/1994-95	89-93	49
4.	126/1995-96	93-95	51
5.	145/2000-01	95-99	51
6.	135/2000-01	99-01	49
7.	128/2004-05	2001-04	36
8.	484/2007-08	2004-07	43
9.	216/2008-09	2007-08	66
10.	151/2010-11	2009-10	38
11.	436/2011-12	2010-11	29

Non compliance of outstanding paras defeats the very purpose of audit.

Therefore it is suggested that necessary action may kindly

be taken for compliance of outstanding paras of all previous reports.

5. **Internal Audit :-**

As per Rule 97 of the Municipal Act 2007, Rule 20,30,64,69,79 of Municipal Accounts Rule 1928 and 30,31, 37,39 of Municipal Accounts Rules provide a number of internal checks to be exercised by Mayor Deputy Mayor, Municipal Commissioner or any other responsible officer entrusted for this purpose.

These checks were prescribed in the rule in order to have proper control in the maintenance of records and register co-ordination and to avoid irregularities in the corporation accounts.

But no such checks were exercised by any of the executives or any other responsible officers of the corporation during the period under Audit

Had the authorities already exercised such checks at regular interval, these irregularities already committed and other if any remained undetected could be avoided.

It is, therefore impressed upon the authorities of the corporation to exercise such type of checks to avoid further irregularities in future.

**6. Important Audit finding**

Sl. No.	Para No.	Particulars	Amt. involved
1.	9	Unrealistic Budget Estimate	----
2.	11	Blockage of fund	1.96 Crores
3.	13	Short /Non – deposit of collection amount	62,155
4.	16 (A)	Outstanding taxes on Govt. building	3.39 cr
	(B)	Outstanding shop rent	19.74 Lakh
5.	20	Daily wage payment inspite of ban imposed	12.64 Lakh
6.	21	Undue favour to the Contractor	1.02 cr.
7.	24	Irregular payment made to the agency	14.58 Lakh
8.	25	Irregular grant of ACP	7.94 lakh
9.	26	Loss due to agreement not made on stamp paper	2.35 Lakh
10.	27	Non-deduction of Labour Cess	9.78 Lakh

167)

## 7.Over view

(A) The Bihar Sharif Nagar Nigam was financed by grants received from central Govt. /State Govt. from time to time and from its own resources. A Summary of receipts & payment for the year 2011-12 as per PL account is as under –

SL No.	Particulars	Amount (₹)
1.	Opening balance	17,04,37,783
2.	Receipt during the year :	12,46,45,488
3.	Total	29,50,83,271
4.	Expenditure :	13,38,33,224
5.	Closing balance	16,12,50,047

(Details are in statement III of the Report)

Besides, PL account, Other cash books were also maintained in Bihar Sharif Nagar Nigam as detailed below:-

In other file

Sl. No.   particulars   BRGF   Kabir Antyesti   SJSRY   NSDP3   Self finance   NSDP2   Adharbhut   Sanrachna   10<sup>th</sup> FC

1.	Opening balance	85,60,954	1,94,499	47,36,897	2,53,011	3,94,977	24,06,440	30,4,534		6,02,550
2.	Receipts during									
	The year 2011-12									
	a. Grant :	2,08,81,276	5,93,000	----	-----	-----	-----	1,28,674	----	----
	b. Interest :	3,74,073	26,747	2,75,803	-----	20,071	-----	5432	-----	30,620
	c. others :	-----	-----	39,860	-----	-----	-----	-----	-----	-----
3.	Total receipts	2,12,55,349	6,19,747	3,15,663	Nil	20,071	20,071	nil	1,34,106	30,620
	2(a+b+c)									
4.	Total (1+2)	2,98,15,943	8,14,246	50,52,560	2,53,011	4,15,048	24,06,440	4,38,640		6,33,170
5.	Expenditure	2,71,43,995	4,35,000	2,99,719	1,28,674	Nil	Nil	12,99,900	Nil	Nil
6.	Balance	26,71,948	3,79,246	47,52,841	1,24,337	4,15,048	11,06,540	4,38,640		6,33,170

165)

7. (B) Discrepancy in Cash book :-

As Provided in Rule 86 of Bihar Treasury code, the DDO should also check and attest entries made in the cash book and physically verify the cash balance at least once in a month and record Certificate to that effect in the cashbook.

But no such attestation was made in the Accountant cash book by the Municipal commissioner even in a single entry made in the cash book. In absence of treasury passbook, audit could not ascertained the genuineness of the deposit of the receipt in the account with cash book.

Hence, Accountant cash book may be attested with Municipal Commissioner and shown to next audit.

8. Closing balance :-

SL. No.	Items	Closing balance as per cash book	Closing balance as per pass book	Difference	Name of the Bank /A/c no.
1.	PL Account	16,12,50,047	Not made available	-----	
2.	BRGF	26,71,948	53,85,440	27,13,492	PNB NALANDA COLLEGE A/C 3068849841
3.	SJSRY	47,52,841	47,52,841	-----	BOI A/C NO. 48611010001 0613
4.	KABIR ANTYESTI	3,79,246	3,88,875	9629	PNB A/C NO. 12550001 00068415
5.	NSDP <sub>1</sub>	1,20,767	1,20,767	-----	SBI A/C NO. 11

		(Maintained up to) 3/10			
6.	SUBHASH PARK	5,75,615 (MAINTAINED UPTO 3/10)	6,19,082	43,467	BOI A/C NO. 4861101 00010408
7.	NSDP 4	3,76,061 (MAINTAINED UPTO 31.03.2010)	3,76,061	-----	ALLAHABAD BANK A/C NO, 110018
8.	NSD P3	1,37,195	1,37,195		CBI A/C 716032
9.	RAMCHANDR APUR BUS STAND	43,394 ( Maintained UPTO 3/10)	43,394	-----	MBGB A/C NO. 12383
10.	MP/ MLA/MLC	13,88,320 (MAINTAINED UPTO 1/11)	13,88,320	-----	CANARA BANK A/C NO. 1401110 13622
11.	10 <sup>th</sup> F.C.	6,33,170	6,33,170	-----	CBI A/C 1485606931
12.	SELF FINANCE	4,15,048	4,15,048	-----	CBI 1485605251
13.	ADHARBUT SANRACHNA	4,38,640	4,38,640	-----	CBI A/C 1485634039
14.	NSDP	85,324 (MAINTAINED UPTO 3/10)	93,415	8091	BOI A/C NO., 10082
15.	NSDP 2	11,06,540	25,28,342		UBI A/C 6897



163)

It appears that most of the account are inoperative which needs to be minimised after closing of accounts.

After several request treasury passbook could not be made available to audit. Hence, the same may be produced to next audit.

Difference between the balances of cash book with respective bank passbook may be reconciled and shown to next audit.

9. **Unrealistic Budget estimates:-**

(A) As per provision laid down in section 82 to 85 of Bihar Municipal Act 2007 and under rule 8 of Bihar Municipal Accounts Rule, 1928, the budget estimate of probable income & expenditure were required to be prepared.

The corporation approved by the standing committee on 13.03.2011 and sent to the Govt.

On comparison of Income and expenditure as per budget estimates with actual, wide variation was noticed.

<b><u>Income</u></b>	<b><u>Expenditure</u></b>
Budget 51,64,85,636	51,94,92,278
Actual 14,67,96,387	16,31,40,610
Variation 36,96,89,249	35,63,51,668
71.58%	68.60 %

The corporation in the remarks indicated about the fiscal deficit of budget, that the compensation would be overcome after revision of taxes and introduction of professional taxes but no such efforts had been taken place to enhance the revenue.

162

Thus, wide variation indicates unrealistic budget. Therefore, it is suggested that necessary steps may be taken to Prepare Actual/ realistic Budget.

**9 (B) Annual Accounts :-**

As Per Rule 67 to 69 of Bihar Municipal Accounts rule, 1928, abstract register of receipt & expenditure shall be maintained in Form XII & XIII but no such register was maintained. In absence of which, it was difficult to ascertain the actual receipt & expenditure.

Steps may be taken to maintain such register.

**10. Unutilised Govt grant ₹1.82 Crore:-**

Government grant register for the grant received from the Government shall be maintained in the 'Form' as per Rule 14 A of Bihar Municipal Accounts Rule, 1928.

But the corporation did not maintain the same. However, the Position taken out of cash book revealed that ₹ 12,67,15,793 was received as grant during 2011-12 (details in statement IV to the report).

Grant register may be maintained in proper form and shown to next audit.

- b. As per para 4 of the grant sanctioning letter, under 13<sup>th</sup> F.C, the entire amount of grant received was earmarked for 2011-12. But the Nagar Nigam utilised only ₹ 1.25 cr out of ₹ 3.07 cr. i.e. 41% only. Reasons for which may be pointed out to next audit and necessary steps may be taken to utilise that unutilized grant as per rule.

**11. Blockage of fund ₹1.96 Crores :-**

- a. A sum of ₹ 25,00,000/- was received on 15.10.08 for construction of Nagar Nigam building but the same could not be utilised even after elapse of more than 4 years.

The reasons for non-utilisation of ₹ 25.00 Lakh may be pointed out to next audit.

b. Further, it was noticed that the following amount could not be utilised by Nagar Nigam which were received prior to March 2010.

DPR -	₹ 6,22,400 ( Prior to 3/10)
Storm Drainage –	₹ 1,53,40,255 (more than 4 years)
MP/MLA/MLC Fund –	₹ <u>10,99,691</u> (Prior to 3/10)
total	₹ 1,70,62,346

Thus, due to non-utilisation of the said amount, intended objective of the grant became defeated.

Action may be taken to utilise the grant otherwise refund the same to the sanctioning authorities.

#### 12. Sanction strength & Men-in-Position

The sanctioned strength and men-in- position of Bihar Sharif Municipal Corporation is as under

Sl. No.	Name of the post	No. of sanctioned post	Men in position	vacancy
1.	Head clerk –cum accountant	1	-----	1
2.	Accountant	1	1	-----
3.	Cashier	1	1	-----
4.	Legal Assistant	2	-----	2
5.	Assistant	4	4	-----
6.	Stenographer /Typist	1	-----	1
7.	Orderly	2	1	1
8.	Peon	4	4	-----
9.	Night Guard	1	1	-----
10.	Tax Daroga	1	-----	1
11.	Asstt , Tax Daroga	1	1	-----

12.	Store Keeper	1	1	-----
13.	Tax collector	8	8	-----
14.	Posting Clerk	2	2	-----
15.	Collection Peon	3	2	1
16.	Sanitary Inspector	2	1	1
17.	Health Inspector	1	1	-----
18.	Ward Inspector	2	2	-----
19.	Head ward Zamadar	2	1	1
20.	Ward Zamadar	16	14	2
21.	Sub Driver	1	1	-----
22.	Tractor Driver	5	3	2
23.	Kup Shodhak	2	1	1
24.	Vaccinator	2	-----	2
25.	Junior Engineer	1	1	-----
26.	Amin	1	1	----
27.	Mali	1	-----	1
28.	Hameo Doctor	1	-----	1
29.	Light Supervisor	1	1	-----
30.	Light Mistry	1	1	-----
31.	Light Peon	3	2	1
32.	Safai Worker	355	178	177
		430	234	196

159)

It is evident from above statement that Municipal corporation is running with acute shortage of staff . Shortage in the cadre of tax-collection staff has grave impact over revenue collection of Nagar Nigam. Necessary steps may be taken for filling the vacancies.

**13. Short/Non-deposit of collection amount :-₹0.62 lakh**

During scrutiny of Misc. receipts (collection of shop Rent & offensive and dangerous trade)

Non/ Short deposit amounting to ₹. 62155/- was found as detail below:-

**Head of collection MR No. Amt (₹) Deposited Non/Short Deposit Responsible Person**

Head of collection	MR No.	Amt (₹)	Deposited	Non/Short	Deposit	Responsible Person
Shop rent	3428 dt 08.05.12 to	61655.00	0	61655.00		SriAnil Ravidas Tax collector
	3463 dt 06.11.2012					
Offensive & Dangerous trade	473 to 500	20,000	19,500	500		Tax Daroga
<b>Total</b>		<b>81655</b>	<b>19500.00</b>	<b>62155.00</b>		

Hence, the amount of non/short deposit ₹62155.00 may be recovered & deposited to municipal fund and shown to next audit.

**13(A) Delay Deposit of Collection Amount**

As per rule, the amount of collection so made should be deposited daily or once in a week but scrutiny of Misc. receipt received from shop & deposited by Sri Anil Ravidas Tax Collector revealed that delay in deposit was ranging from 82 days to 251 days from the date of receipt of rent from the shop.

MR. No. /date	Amount (₹)	Deposited	Range of Delay
1401 dt 20.08.2011 to 1437 dt 15.10.2011	68,230	Vide MR 2263 dt 11.11.11	82 to 27
1438 dt 15.10.11 to 1454 dt 5.11.11	41,988	MRNo 3140 dt 03.02.12	111 to 90 days
1455 dt 05.11.11 to 1474 dt 27.12.11	50,861	MRNo 3543 dt 02.03.12	117 to 65 days
1474 dt 27.12.11 to 1500 dt 28.02.11	51,891	MR No. 4546 dt 08.06.2012	163 to 100 days
3401 dt 28.02.12 to 3427 31.03.12	41,195	MRNo 5859 dt 07.11.12 (date of audit)	251 to 220

Immediate action may be taken to deposit the amount of collection in municipal fund without any delay.

#### 14. Non - revision of Holding taxes :-

As per provision contained in section 127(4 to 10) of Bihar Municipal Act, 2007 revision of assessment of holding tax is required to be done. Further, State Govt. directed vide letter No. (2) – 160/96-833/ULB dated 23.06.05 to make fresh assessment.

The Nagar Nigam Bihar Sharif in its Board meeting held on 04.10.2005 passes a proposal which was approved by State Govt. vide letter No. 3700/ न० वि० वि० dt. 25.11.2005, the rate of which was as below –

Construction of building	Principal road			Main road			Other road		
	Partial commercial or industrial	Others	Residential	Partial Commercial	Others	Residential	Partial Commercial	Others	Residential
RCC Roof building	36	24	12	25	15	6	12	6	4
Asbestos roof building	24	16	8	12	8	4	6	4	2
Others	12	8	4	6	4	2	3	2	1

But the Nagar Nigam did not take any Step for fresh assessment. Owing to which, the Nagar Nigam has been suffering from loss of internal sources of revenue as the imposed tax during the period 93-94 was very low.

Reasons for not implementing the previous order of Board may be stated to audit.

Steps may be taken to revise the assessment of holding taxes in order to enhance the internal sources of revenue

#### 15. Poor Collection of holding tax :-

As per rule 10 of Bihar Municipal Accounts Rules (Recovery of taxes – 1951), each Urban local body is required to maintain the Demand and collection Register in Form 'B' in which quarterly demand and collection of Holding Tax, latrine tax & water tax are entered. It is the basic records of Nagar Nigam through collection & balance of taxes are watched.

But demand and collection register of holding tax was not maintained by the Nagar Nigam. As such, the actual position of demand & collection on account of holding tax could not be ascertained in audit.

However, as per statement provided by Nagar Nigam, Status of demand & collection was as under :-

Total no. of Holding	Demand	Collection	Outstanding
39,345	5,71,54,391	96,73,700	4,74,80,691

Thus, Nagar Nigam collected only 16.93% of the revenue which is far from standard norms i.e. 85%.

Further, it was noticed that the collection of tax were being made on the basis of hand demand register lying with the tax collectors. Dependency on Nagar Nigam on the tax collector's hand demand register for collection of revenue is fraught with risk and Chances of leakage of revenue may not be ruled out.

Hence, Suitable steps may be taken to realise the revenue of taxes in order to achieve minimum standard norms.

**16.(A) Outstanding taxes on Govt. building :-339.32 lakh**

(a) Demand and collection register, Concerned File and records of Govt. building was not made available to audit. As such, actual Position of demand and collection account of Govt. building could not be ascertained.



155)

As per statement made available, a total sum of Rs. 2.22 Cr. + 1.17 Cr = Rs. 3.39 Cr was outstanding on different Govt. building under the jurisdiction of Bihar Sharifs Nagar Nigam as on 31.03.12.

Action may be taken to realise the same under intimation to audit.

**16 (B) Outstanding shop rent :- ₹19.74 lakh**

(a) The shop rent register was not made available to audit. However, as per statement made available to audit, the position of outstanding Shop rent was as under :-

1.	Palika Market near	-	Amt	No. of shops
	Naz Cinema		14,30,996	53 Nos.
2.	Palika Market near	-	<u>5,42,781</u>	53 Nos.
	Laheri Tola			

**₹ 19,73,777**

Action may be taken to realise the outstanding taxes amounting to ₹ 19,73,777 and shown to next audit.

b. Scrutiny of agreement file of Naz Cinema Market Complex, it was noticed that most of the shopkeepers were defaulter in paying taxes and their agreement was expired on 30.12.2007. However after enhancing the rate of 12% taxes were realised, No fresh agreement was made. Reasons of which was not stated in audit.

Thus action may be taken regarding fresh bid of shops & agreement with the shopkeeper in order to enhance the revenue.

C. Scrutiny of file relating to Laheri Tola Market Complex, it was noticed that no agreement with the shopkeeper was done by the Nagar Nigam. Most of the Shops were given during 89-90

and the rent was very low as compared to Market rate. No revision of rent was done inspite of Lapse of more than 20 Years. Reasons of which was not stated in audit.

Action may be taken to make a fresh bid of shops & agreement in order to enhance the rent.

**17. Non-remittance of health & education cess :- ₹24.18 lakh**

Bihar Sharif Nagar Nigam collected health & education cess as detailed below-

Total holding taxes colleted	Annual Rental value	Health cess (1.25%)	Education cess (1.25)
₹ 96,73,700	₹ 10,74,85,556	13,43,569	13,43,569

The collected cess was to be remitted after deduction of 10 % as collection charges

Health cess to be remitted	Education Cess to be remitted
13,43,569	13,43,569
<u>10 % (-) 134357</u>	<u>10%(-) 1,34,357</u>
₹ <u>12,09,212</u>	₹ <u>12,09,212</u>

But the above amount ₹24.18 lakh was not deposited into the concerned Head of account.

Steps may be taken to deposit the same into the Government account under intimation to audit.

**18. Maintenance of stock register -**

For store and stock account, a register shall be kept in Form XLI under Rule 127 of Bihar Municipal Accounts Rule, 1928.

But the Nagar Nigam maintained the stock register which was not authenticated by the authority concerned. The no. of Misc. receipt having Book No. was not mentioned. The Book no. to

153)

whom issued was also not mentioned. In the absence of which it is difficult to ascertain the genuineness of MR issue.

Action may be taken to maintain the register as per provision contained in the Municipal Accounts Rule.

**19. Irregularities in Settlement of Sairat :-**

**a. Ram Chandra Pur Bus Stand :-**

The settlement of Ram Chandrapur Bus Stand was made (24.03.11) to the highest bidder Sri Ranjit Kumar of an amount of ₹ 67,11,000/ As per terms & condition, half of the amount was to be deposited within 2 days and the remaining before 30.09.2011, Csequently, ₹ 28,80,500/- was deposited on 24.03.2011 which was become half of the amount with S.D. money ₹ 4,75,000/- deposited earlier. After repeated request made, the bidder did not deposited the remaining amount. Finally, decision of departmental collection was made on 29.10.2011 and order issued to the Tax Daroga to collect the taxes w.e.f. 04.11.2011

Further Fresh tender was invited on 05.11.11 & settlement of the same was made (30.11.11) to Sri Vijay Kumar of an amount of ₹15,80,000/. Total departmental collection made by Tax Daroga during the period from 04.11.11 to 29.11.11 was ₹ 3,21,980 (Average ₹ 12384 per day).

In this regard the following audit observations are made-

(i) Had the security deposit been adjusted in the first installment, second installment should be taken within 3 month i.e. three months before 2<sup>nd</sup> installment in order to avoid loss. But the corporation did not do so and adjust the amount of S.D. in the first installment. As such, amount of ₹ 4,75,000/- taken as S.D. could not be forfeited.

(ii) No Agreement was made on Stamp Paper with the bidder

1152

(iii) After not depositing amount on or before 30.09.11 by the bidder, the bid should have been canceled but the corporation did so after 29.10.11. As such, either bidder continues to collect the taxes w.e.f. 01.10.11 to 03.11.11 or the period remain idle.

Considering, the average departmental collection of ₹ 12,384 per day, loss of ₹ 4,21,056/- (₹ 12384 x 34 days) may be considered due to not taking departmental collection. Which may be held responsible for the person(s) concerned.

**b. Settlement of six Unit in Hiranya Parwat :-**

The above settlement was made to the highest bidder Sri Anil Kumar of an amount of ₹ 1,04,500/- the bidder had deposited ₹ 10,000 as S.D. money vide MR No. 17701 dt 31.03.11 & half of the amount ₹ 52,250/- on 31.03.2011. Remaining half of the amount was to be deposited on or before 30.09.2011 But, the same was not deposited. Fresh bid was invited on 22.10.2011 but could not turn up. As a result, all the units were opened. Whether the amount of security deposit taken was forfeited or not? if so, may be furnished to next audit.

**C. Settlement of Tempo Parichalan :-**

The Settlement of Tempo parichalan was made to the highest bidder Sri Dhananjay Kumar for an amount of Rs. 8,63,000/-. As per condition laid down, half of the amount ₹ 4,31,500/- was deposited (MR. No. 17554 dt 16.03.11 to ₹ 3,81,500 & DD No. 008971 dt 16.03.11). Remaining half of the amount was not deposited on or before 30.09.11. Consequently, departmental collection was made by Tax Daroga.

Fresh tender was invited (22.10.11) & Settlement was made with Sri Subodh Yadav of an amount of ₹ 246,000/-. But whether the said amount was deposited or not, it was not clear to audit, Hence the same may be shown to next audit. Further, whether the amount of ₹ 39,000/-

157)

had taken as S.D. money was forfeited or not ? it was not clarified in audit .This may be clarified in next audit.

**20. PAYMENT ON DAILY WAGES ₹12.64 LAKH**

The Govt. of Bihar vide letter no.-4 नं० से 1 103/ 87- 1231/ नं० वि० वि० dated 6.5.92 has banned engagement of staff on daily wages without obtaining prior approval from the State Govt.

But the corporation without approval of the govt. engaged daily wages.staff and paid a sum of ₹ 1263663/- to daily wages staff during 2011-12 as detailed below:-

<b>Vr. No. &amp; Date</b>	<b>Amount (₹)</b>
15 dated 02-04-2011	1,24,061/-
16 dated 02-04-2011	1,36,064/-
17 dated 02-04-2011	1,45,008/-
18 dated 02-04-2011	68,400/-
24 to 29 dated 02-04-2011	1,69,400/-
128 dated 16-05-2011	1,12,176/-
129 dated 16-05-2011	1,15,254/-
670 to 610 dated 12-10-2011	3,93,300/-
	₹ 12,63,663/-

In order to regularise the expenditure Ex- post- facto sanction may be obtained from State Government pending which the amount of ₹ 12,63,663/- is held under objection.

**21. Undue favour to the contractor to the tune of ₹ 1.02 Crore**

As per Bihar Minor Mineral Concession Rule 1972 provided that contractor should furnish an affidavit in Form 'M' and particular in Form 'N' indicating therein the source of purchase of

150

minerals, price paid and quantity procured along with the bill to the concerned division. The division in turn sends Form 'M' & 'N' for verification to concerned Mining Offices.

Test check of scheme file revealed that as per agreement, stone chips were brought from Domchanch Quarry (116 KM) SMGr I & II, screening materials from sheikhpura quarry (48 KM), brick, cement clean Coarse sand, sand etc were brought locally. Consequently carriage charges were allowed.

But scrutiny revealed that carriage charges amounting to ₹ 1,02,48,205/- was paid to the contractor without obtaining Form M.N & F and purchase voucher of Brick, Sand, cement etc. which were required under rule 84 of BPWA code. (details of which is enclosed in V to the report). In the absence of supporting documents how the authority satisfied about the genuineness of the material Procured from the concerned quarry locally it was not clarified in audit.

As such, the carriage charges amounting to ₹1,02,48,205/- paid without any proof leads to undue favour to the contractor as well as illegal mining and substandard quality of stone chips could not be ruled out.

The Municipal Commissioner in his reply accepted his ignorance about taking form 'M', 'N' & 'F'

Hence the same may be obtained from the contractor concerned pending which amount ₹ 1.02 Crore is kept under held objection.

## 22. DOUBTFUL TENDER:-

On Scrutiny of tender register it was seen that most of the work was just .01% below the estimated cost. (details of which is enclosed in Statement-VI to the report). Out of checking of 75

149  
tender 67 tender was found to be just .01% below the estimated cost. It indicates that the tender process was not fair.

It is therefore, suggested that the matter may be examined departmentally and result there of shown to next audit.

23. deleted

24. Irregular Payment on incomplete schemes taken under Integrated low cost sanitation scheme (ILCS) ₹14.58 lakh

Integrated low cost sanitation scheme is a centrally sponsored scheme. Its main objective is to convert low cost sanitation units through sanitary pour flush latrines with appropriate superstructure and conduct new latrine where EWS (extremely weaker section) house hold have no latrine. The scheme was to be funded by 75% centre, 15% state & rest 10% beneficiary.

Samadhan Sewa Samiti agreed to execute the above work and accordingly agreement was made on 14.08.2011. As per agreement, DPR was to be prepared after biometric survey and thereafter low cost sanitary units through sanitary two pits pour flush latrines with superstructure.

Accordingly, work order to execute the work was issued vide letter no.-1319/14.08.2008

DPR was prepared by the Samiti for construction of 1166 latrines The ceiling fixed to construct the latrine was ₹ 10,000/- per latrine (9,000/- + 1,000/- borne by beneficiary).

In order to construct the latrine, the first advance of ₹ 11,25,000/- was given to the Samiti vide cheque no.-340381 dated 21.04.2010. As per notings dated 16.12.2010 of concerned file, the Samiti submitted a list of 182 beneficiaries, whose latrine had been constructed. But as per noting dated 03.01.2011 during physical verification done by two sanitary inspectors. Only 70 latrines were found to be constructed. But the corporation had sanctioned further advance of ₹

148

9,00,000/- vide cheque no.-340382 dated 07.01.2011. Further, The Samiti vide letter no.-SSS/018 dated 25.04.2011 submitted report of construction of latrine of 228 beneficiary where latrine work was completed and the remaining 41 work was in progress.

But As per available reports of physical verification done by sanitary inspector and ward jamadar during Aug 2011 for 115 latrines of ward no. 1,3,12,13,43&45, only 40 (forty) latrine were found not ~~to be~~ completed (20.08.2011). In spite of this, further advance of ₹12,99,900/- (1125000+174900=1299900.00) was given to the Samiti vide cheque no.-340383 dated 27-08-2011 (adv. 11,25,000 + 1,166 X 10,000 X 1.5% for DPR preparation). After taking advance, Samiti could not start the work in spite of lapse of more than 14 months.

Thus, advance given to the agency without adjustment of previous advance was irregular and unauthorised.

Hence, the amount of ₹14.58 lakh may be recovered as under.

(i)	Amount of unadjusted advance	
	Amount of Advance ₹3150000.00 (900000+1125000+1125000) Cost of 228 latrines: ₹2052000	₹1098000.00
(ii)	Cost of incompleated latrines as per physical verification report (₹9000x40)	₹360000.00
		₹1458000.00