



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

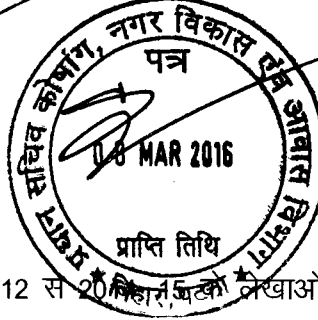
सं०.एल०ए० / एस०एस०-1 / श०स्था०नि० /

दिनांक-

सेवा में,

कार्यपालक पदाधिकारी
नगर परिषद् बीहट
जिला- बेगुसराय

प्र. (VR)



महाशय,

नगर परिषद् बीहट के वर्ष 2011-12 से 2015-16 तक के लेखाओं पर आधारित लेखापरीक्षा प्रतिवेदन सं० 1193/15-16 आपके सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित है। अनुरोध है कि इस लेखापरीक्षा प्रतिवेदन की कंडिकाओं का अनुपालन, लेखापरीक्षा प्रतिवेदन प्राप्ति के 3 माह के अन्दर पूर्ववर्ती लेखापरीक्षा प्रतिवेदनों की लम्बित कंडिकाओं का अनुपालन प्रतिवेदन बिहार नगरपालिका अधिनियम, 2007 में वर्णित प्रावधानों के अनुसार उपयुक्त साक्ष्य सहित तैयार कर प्रेषित किया/करवाया जाय जिससे लेखापरीक्षा के उद्देश्यों की पूर्ति हो सके।

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

संलग्नक: यथोपरि

भवदीय,

(विश्वम्भर कुमार)

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

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सं०-एल०ए० / एस.एस.-1 / श०स्था०नि० / 14543/366

दिनांक- 26.02.2016

प्रतिलिपि सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित:-

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

(विश्वम्भर कुमार)

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

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Nagar Parishad Bihat
A.R. No. 1193/15-16
(Period-2011-12 to 2014-15)

Part-I

1 INTRODUCTION

The accounts of Nagar Parishad , Bihat for the year 2011-12 to 2014-15 was test audited by an audit party of O/o The Accountant General (Audit,, SS-I cum Local Audit Wing, Bihar Patna during the period from 27.08.2015 to 10.09.2015.

2 ADMINISTRATION

Sl.No.	Name of Chairman	Period
1.	Rajesh kumar	06.06.11 to 31.03.2015

Sl.No.	Name of Vice-Chairman	Period
1.	Pankaj Mishra	06.06.11 to 31.03.2015

Sl.No.	Name of Executive officer	Period
1.	Md. Zafar Alam	06.06.11 to 30.03.13
2.	Rakesh Kumar Jha	31.03.13 to 28.12.14
3.	Kumar Anil Sinha	29.12.14 to 31.08.15

3 MEMBERS OF THE AUDIT TEAM

- (i) Sri Satya Prakash Singh, AO with full supervision.
- (ii) Sri Dheeraj kumar, AAO
- (iii) Sri Sangam Tiwari, Adr.

4 Deleted

5 PREVIOUS AUDIT REPORT

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

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Sl.No.	A.R.No. & Year	No. Of outstanding paras
1		
2		
3		
4		

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

6 INTERNAL AUDIT

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

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

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

7 Important Audit findings:-

Sl.No.	Particulars	Amount in Rs.	Ref. to Para No.
1.	HOLDING TAX SHORT-CREDIT RS. 92,460.00	0.92 Lakh	Part-IIB; Para no. 01
2.	- SALARY PAID TO PERSONS WORKING ON UNSANCTIONED POST (786596)	7.86 Lakhs	Part-IIB; Para no. 02

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3.	EXCESS PAYMENT IN SOLAR STREET LIGHT SCHEMES ()	19.22 Lakhs	Part-IIB; Para no. 03
4.	IRREGULAR PAYMENT FOR CLEANING OF ROADS AND DRAIN.	6.32 Lakhs	Part-IIB; Para no. 04
5.	IRREGULARITIES IN SJSRY	75.26 Lakhs	Part-IIB; Para no. 05
Total		109.58 Lakhs	

8. Result of Audit:-

- (a) Amount suggested for recovery: ₹2124861
- (b) Amount held under objection: ₹18384058
- (c) Amount recovered at the instance of audit: Nil

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PART II (A)-Nil**PART II(B)****PARA1-- HOLDING TAX SHORT-CREDIT ₹ 92,460.00**

During the audit of holding tax collection of Nagar Parishad Bihat, through the collection register, cashier cashbook and bank statements for the period 2011-2015, it is found that there are differences in tax collected and tax amount deposited in Municipal Fund of Nagar Parishad, Bihat.

Figures and details are specified below:-

S.N	Receipt No.	Period of collection	Amount Collected	Amt Deposited	Name of Tax Collector	Remarks
1	HR301-400	6.6.15-1.9.15	7962	0	Alok Kr.	Not Deposited
2	HR 4201-4257	20.7.15-3.9.15	3544	0	-do-	-do-
3	HR 3401-3500	25.8.15-1.9.15	3416	0	Perveen Kr.	-do-
4	HR 4401-4500	13.7.15-25.8.15	4234	0	-do-	-do-
5	HR 2232-2293	2.8.15-4.9.15	3724	0	Pramod Kr.	-do-
6	HR5901-6000	21.7.15-18.8.15	6918	0	Birendra Kr.	-do-
7	HR5801-5878	20.8.15-3.9.15	3489	0	-do-	-do-
8	HR2644-2651	6.8.15-4.9.15	900	0	Chandra Prakash	-do-
9	HR2723-2800	5.8.15-12.8.15	8111	0	Sajjan Kr.	-do-
10	HR4501-4600	12.8.15-24.8.15	9113	0	-do-	-do-
11	HR4601-4639	24.8.15-4.9.15	3159	0	-do-	-do-
12	HR3101-3200	1.8.15-31.8.15	8144	0	Rajesh Kr Thakur	-do-
13	HR101-142	18.5.15-22.5.15	2149	0	Shubh Nandan	-do-
14	HR409-500	3.4.15-23.7.15	5267	0	Saroj Kr.	-do-
15	HR 1977-2000	22.7.15-17.8.15	2317	0	Aakash Kr	-do-
16	HR 2801-2819	25.12.13	15,802	0	Praveen Kr	-do-
17	HR 3601-3700	24.7.15-1.9.15	4211	0	Saroj Kr	-do-
			Net total ₹ 92,460	Net total Rs 0.00		

The Xerox copy of receipt of amount(₹ 92,460.00) after deposited in concerned account will be made available.

Reply: -The unit replied that the above amount will be deposited in related account and the copy of proof of deposition will be sent to this office.

The above amount of Rs. 92460 is suggested for recovery from person(s) concerned as it has not been recovered.

PARA 2- SALARY PAID TO PERSONS WORKING ON UNSANCTIONED POST (₹7.87 Lakh)

The test check of Cash Book, Salary payment Register and other Records produced in Audit revealed that only 9 posts were sanctioned for Bihat Nagar Parishad by UD & HD vide letter No 359 dated-01.02.2012. Details as under:-

Sl. No.	Name of posts sanctioned	Pay scale	No. of post sanctioned
1	Head clerk	1320-2040	1
2	Tax Daroga	975 – 1540	1
3	Orderly / peon	775 – 1025	1
4	Safai Zamadaar	800 – 1150	1
5	Sanitation staff	775 – 1025	5

The Employment Notice No 01/ 2012-13 was issued for recruitment of 17 persons on 12 (twelve) category (detailed in copy of advertisement) on contract basis. Total 14 persons were recruited against the above, details are as under:-

Sl. No.	Name of posts	Pay	No. of post advertised	Employed
1.	JE	7000	1	1 (left after 2 months)
2.	Head clerk	6000	1	1
3.	Tax Daroga	6000	1	1
4.	Computer operator	6000	1	1
5.	Accountant	6000	1	1
6.	Legal adviser	On daily basis	1	0
7.	Driver	5000	1	1
8.	Orderly / peon	4420	1	1

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9.	Safai Zamadaar	4500	1	1
10.	Sanitation staff	4420	5	5
11.	Night guard	4420	1	1
12.	Architect	On commission basis	0	0

Four persons are working against unsanctioned post, a total sum of ₹ 786596 paid to them.

Statement of salary paid to persons working on unsanctioned post

Sl. No.	Name of staff	Post	Period	Rate	Amount paid
1	Anupam Kumar	Computer operator	Aug' 12 to Sept' 12	5806	11612
			Oct' 12 to July'13	6000	60000
			Aug'13	5032	5032
			Sept'13 to Dec'14	6000	96000
			Jan'15 to Mar'15	16502	49506
					222150
2	Dhanjay Kumar Jha	Clerk Cum Accountant	Aug'12 to Sept'12	5411	10822
			Oct'12 to July'13	5500	55000
			Aug'13	4613	4613
			Sept'13 to Dec'14	5500	88000
			Jan'15 to Mar'15	16502	49506
					207941
3	Om Prakash Paswan	Night Guard	Aug'12 to Sept'12	4277	8554
			Oct'12 to July'13	4420	44200
			Aug'13	3708	3708
			Sept'13 to Dec'14	4420	70720
			Jan'15 to Mar'15	13323	39969
					167151
4	Pankaj Kumar Singh	Driver	Aug'12 to Sept'12	4435	8870
			Oct'12 to July'13	5000	50000
			Aug'13	4194	4194
			Sept'13 to Dec'14	5000	80000
			Jan'15 to Mar'15	15430	46290
					189354

Audit observation / comments

1. Persons were recruited on contract basis but no contract was done. Appointment letter were issued to the selected candidate on above rate. No new appointment letter were issued or new recruitment done but pay was revised and they are being paid at rates different from that on which they were recruited on contract basis.

The reason for the same may be pointed out.

2. The Rule under which persons were recruited on unsanctioned post may be pointed out to audit.

Reply:- The unit replied that the employment of and payment to, the above said staffs is being done on the direction of Board and Empowered standing committee.

Rebuttal:- The above reply is unsatisfactory because approval of the state govt. for the above said employment was not taken as a result of which the above employment becomes invalid and illegal hence total sum of ₹ 786596 paid to them is held under objection.

PARA 3 - EXCESS PAYMENT IN SOLAR STREET LIGHT SCHEMES

(A) BRGF

The notice inviting tender for purchase and installation of solar street light was published in news paper on 23.02.12 for 14 solar street light. Work order No. 97 dated 31.03.12 was issued to Jawarlal Bardwaj Akshai Urja Shop, Sona Jageshwar Complex, Trafic Chowk, Begusarai supply and installation of 14 (fourteen) solar street light @ Rs 43700 each. Other terms and condition give in the work order was as under:-

1. Agreement is to be done within a week.
2. Supply and installation is to be done at places provided in the list at own cost.
3. A plate indicating that it is from the funds of BRGF should be placed on each pole.
4. Form CIII is to be submitted by the supplier failing which payment will be done after deduction of VAT.

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5. The supplier will do the repair at its own cost during the Guarantee/ Warranty period.

Agreement was done on 09.04.2012 and as per the agreement the supplier has to look after the maintenance for 5 (Five) year at its own cost.

Supply and installation was done and claims submitted vide Invoice No. JLB_AUS/20 dated 25-April-2012 for Rs 611800 (VAT amount 24395). No Form C III submitted, full payment done Rs 550620 vide cheque No. 507905 dated 05.05.12 and Rs 61180 vide cheque NO. 507909 dated 25.07.12.

(B) Fourth State Finance

The board in general meeting dated 28.06.12 and Empowered Standing Committee in meeting dated 24.07.2012 approved the supply and installation of 40 Solar Street Lights.

No notice inviting tender for purchase and installation of solar street light was published in news paper for these solar street lights. Work order No. 294 dated 05.09.12 was issued to Jawarlal Bardwaj Akshai Urja Shop, Sona Jageshwar Complex, Traffic Chowk, Begusarai supply and installation of 40 (fourty) solar street light on the same terms and condition of work order 97 dated 31.03.12 and the previous Agreement done. More over supply and installation order for 4(Four) more solar street lights were given to the same agency on the recommendation of the Chairman.

Clams for the 44 (Forty-four) solar lights was submitted by the Agency vide Invoice NO. JLB_AUG/23 dated 27-09-2012 for Rs 1922800 (VAT amount Rs 76670), no form C III submitted. Full payment of Rs 1922800 was done vide cheque No. 611231 dated 06.10.12

Audit observation / comments

1. In both the cases Form CIII was not submitted. The reason for none deduction of VAT may be pointed out and why the same i.e, Rs 101065 may not be treated revenue loss to Govt and hence suggested for recovery from person(s) responsible.

2. It may be pointed out to why 58 solar street lights were installed instead of other alternative street lights.

3. As per the provisions of Bihar Financial Rules the purchases above one lakh should be made only through inviting notice of tender Bids. It may be pointed out why the work order was given without calling NIT. It may also be pointed out why the total sum of Rs1922800 may not be held under objection as it is contrary to the provisions of BFR.

4. It may also be pointed out whether the supply were procured at Govt rate or the DGS&D. The rate approved by the Govt of Bihar and the DGS&D rate may be furnished to audit at the earliest.

REPLY:- the unit replied that work order was issued in the light of decision of Board and Empowered standing committee. In future the amount of vat will be paid only after the receipt of Form-CIII.

Rebuttal:- The above reply is unsatisfactory because due to non production of Form-CIII the govt. incurred a loss of revenue of ₹101065 and the reply does not comply for the other objections. Hence the above amount of ₹ 1021735 is held under objection.

PARA 4 IRREGULAR PAYMENT FOR CLEANING OF ROADS AND DRAIN.

As per the file produced in audit NIT was issued for cleaning of Roads and Drains of Bihat Nagar Parishad for the period October 2013 to March 14. Quotation of three NGO / Agencies were attached in the file and the rate quoted by them were as under:-

	Name of NGO / Agency	Rate / Per Month
1	M/S P. R Thermochem	71250
2	M/S Asha Electronics	89500
3	Taigor Foundation	79000

The following were to be furnished with the tender papers.

1. work experience in ULB
2. PAN, VAT and three years IT and service Tax returns.

Work order No. 517 dated 01.10.13 was issued to Taigor Foundation @ Rs 79000 per Month and an Agreement was executed on 31.10.13. It had the following clauses:-

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1. The Agency had to clean all the roads every day and drain twice a week.
 2. The Agency shall employ local sanitary workers.
 3. The agency shall provide green uniform to every sanitary worker.
 4. The agency shall utilize the implements and machinery of the Nagar Parishad and shall pay its rent.
 5. The agency shall provide special cleaning during Dushehra, Diwali, Chhath, Bakrid, Eid, 15th August and 26th January.
 6. The agency shall every 3 months dust lime and bleaching powder.
 7. The agency shall provide the labours minimum wages fixed by the government.
 8. The agency shall be responsible for any disaster with the Sanity worker.
 9. The agency shall within a week provide two mobile numbers and name of workers.
 10. The agency shall maintain Complain register.
 11. The work of the agency will be supervised and monitored by the Safai Zamadaar.
 12. In case of violation of any of the clause legal action can be taken against the agency.

There was no amassment of requirement by the Safai Zamadaar. No comparative statement was attached in file. It was also not mentioned who qualified in the Technical bid. As per file the financial bid of the above for were opened.

Audit observation comments

1. How many bids were received may be pointed out to Audit.
2. Statement showing the different documents furnished by the bidding Agencies may be furnished to audit.
3. Why there was no mention rate in the work order and Agreement may be pointed out.
4. Details of implements / Machinery used by the Agency along with charges for their use collected / deducted from them may be furnished.

Details of were as under:-

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Period	Bill Amount	(-) user charges	To be paid	Paid	Cheque No./ Date	Remarks
Oct 13	79000	3940	75060	75060	987805 / 28.11.13	
Nov 13	79000	7440	71560	71560	987814 / 20.12.13	
Dec 13	79000	10415	68585	77885	987818 / 11.01.14	9300 excess
Additional payment for 158 extra labour	25596	00	Nil	25596		As per no extra payment was to be done
Jan 14	79000	13050	65950	74650	987826 / 1.2.14	8700 excess
Feb 14	79000	11700	67300	75100	987837 / 5.3.14	7800 excess
Mar 14	79000	11700	67300	75100	987838 / 16.4.14	7800 excess
April 14	79000	11250	67750	75700	764022 / 17.5.14, 987850 / 7.5.14	7950 excess
May 14	79000	11250	67750	75700	764027 / 4.6.14	7950 excess
Jun 14	79000	11700	67300	75700	764031 / 15.7.14	8400 excess
July 14	79000	11700	67300	75700	764042 / 11.8.14	8400 excess
Aug 14	79000	11700	67300	75700	19923 / 17.10.14	8400 excess
Sept 14	79000	11700	67300	75700	19923 / 17.10.14	8400 excess
Oct 14	79000	7800	71200	75700	NEFT / 19.11.14	4500 excess
Nov 14	79000	7800	71200	75700	NEFT / 3.12.14	4500 excess
				1080551		92100 excess

Arrear paid

Apr 14	5700
May 14	15700
Jun 14	15700
July 14	15700
Aug + Sept 14	51400
Oct 14	10700
Nov 14	7700
Total	122600 NEFT 29.12.14

5. The lowest rate was quoted M/ S PR Thermochem (Rs 71250), but the work was allotted to Taigori Foundation despite its rate being ₹ 7750 higher. The reason for the same may be pointed out.

6. The work was to be monitored by the Safai Zamadaar (as per clause 11 of the Agreement) but none of the payments were made on his recommendation. It may be pointed out whether any monitoring was done by the Safai Zamadaar. If no monitoring was done then whom monitoring was done and who gave certificate of use of machinery of the Nagar Parisad. The Safai Zamadaar is incharge of all the sanitary Equipments and Machinery then why certificate of their use was not obtained .

7. As per the NIT the work was for the period of Oct 13 to March 14. Then why the Agency was allowed to work beyond it up to Nov14 for which a total payment of Rs 632000. It may pointed out why the total expenditure of Rs 632000 may be treated as irregular.

8. Additional payment for 158 extra labours Rs 25596/- was made to the Agency. However clause 2 and 5 cleaning done without extra payment but the above was paid in addition which was not provided in the Agreement. It may not be treated as excess payment and suggested for recovery from person(s) responsible.

9. User charges of sanitary Equipments and Machinery was to be deducted from monthly rate of Rs 79000.00. The scrutiny of the file produced in Audit revealed that

user charges were deducted without user certificate. it was also noticed that in some cases deduction were made but short. This resulted in excess payment of Rs 93300.00, the reason for the same may be pointed out to Audit.

REPLY:- All the payments were done after the attestation of quality of work by ward members and approval of chief councillor.

REBUTTAL:- The above reply is unsatisfactory because it is the execution of work is responsibility of the Executive. Hence the above-said amount of ₹117696 is suggested for recovery while the rest amount from Rs 632000 i.e. ₹ 514304 is held under objection.

Para 5 –IRREGULARITIES IN SJSRY

(A) BLOCKAGE OF FUND ₹3957531.00

UDHD sent a list of 17 trades for which training was to be imparted to the youth belonging to BPL families along with a list of 63 NGOs empanelled with it vide letter No. 927 dated 06.09.12 According to this letter application was to be received up to 30.06.12 from candidates.

The Nagar Parishad received Rs 75,00,000.00 from UDHD vide letter No. 1113 dated 21.10.12 under SJSY for assisting urban poor in setting up individual/ group micro-enterprises for self- employment under USEP and UWSP programme and also providing skill training to urban poor under STEP-UP component. According to the guidelines the available fund was to be distributed as under:-

STEP-UP	- 40%
USEP	- 20%
UWSP	- 20%
UWEP	- 10%
UCDN	- 10%

The test check of subsidiary Cashbook of SISR revealed the following financial position.

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Period	Opening Balance	Receipt	Total	Expenditure	Balance
2012-13	Nil	7500000	7500000	2059680	5440320
2013-14	5440320	64110	5504430	1792899	3711531
2014- 15	3711531	246000	3957531	Nil	3957531

According to the subsidiary cashbook of the Office of Nagar Parishad Bihat, Begusarai a total of Rs. 2786080 was spent for imparting training and Rs. 1066499 was spent on scheme and audit done by chartered accountant. A total sum of Rs. 3957531 was left with Nagar Panchayat and hence blocked.

REPLY:- the unit replied regarding the balance amount that the directions of the department will be followed. Hence the above amount of Rs. 3957531 is held under objection until it is utilised.

(B) Irregularities in SJSRY training.

According to subsidiary cashbook of SJSRY it was found that two institutions namely-Dr. B R Ambedkar Harijan Kalyan Parishad and Durga Mahila Shishu Kalyan Sansthan were chosen for providing skill training to urban poor under STEP-UP component in different trades. Details as under:-

SL.No.	Name of NGO	Date	Particular	Amount
01	Dr. B R Ambedkar	18.03.13	Bo B ch.no. 507934	500000
02	Harijan Kalyan Parishad	22.03.13	Bo B Begusarai ch. No. 127810	439680
03		27.09.13	---	235000
04		31.10.13	---	211400
05	Durga Mahila Shishu Kalyan Sansthan	22.03.13	Bo B Begusarai ch. No. 127808 to 127809	1120000
06		27.09.13	----	280000
07		31.10.13	---	246000
			Total	3032080

Later on 07.05.14 a sum of Rs. 246000 was returned by Sri Avnish Kumar, Representative, as the money previously taken for Tool kit on the basis of report of reporting officer about non-disbursement of tool-kit but when asked for the related scheme file it was not produced in the audit.

Audit observation / comments

(1) A sum total of Rs 2786080 was paid to the above two institutions for imparting training but utilisation of Rs. 2786080 from both institutions along with mode of selection of suitable urban poor candidates, attendance register of trainees, Vouchers of distributed toolkits along with rate of each unit and the total quantity was not found hence the same may be furnished to the Audit.

(2) Assistance to urban poor in setting up individual/ group micro-enterprises for self-employment was to be provided. Therefore total no. of self employed individual along with the enterprises set-up by them may be furnished in the audit.

(3) By what method it was brought to the notice of public about application is being received in this regard may also be pointed out/ furnished. What numbers of applications were received from the aspirant trainees under different trades up to 30.06.12 (As per letter No.927 requirement) may be pointed out/ furnished.

(4) As per letter No.927 a nodal officer was to be appointed for selection of NGO by preparing a 10 point check list. The same was not available. It may be pointed out whether nodal officer was appointed, if yes his report along with check list may be produced in audit.

(5) The guideline and the list attached with the letter No. 927 mentioned

a. The list of trade only, there was no mention number of trainees to be selected for each trade or the total number of trainee to imparted training.

b. The cost of imparting training only was given in the letter but the cost of tool kit was not given.

(6) It may be explained in audit how the total number of trainees and number of trainees under each trade was decided.

(7) The basis on which payment for cost of tool kit was made may be pointed out.

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(8) The payee receipt of payments to the trainers not attached in file, same may be produced in audit.

(9) The figure of census report of 2011 along BPL list may be produced in Audit at the earliest so that the required necessary checks may be applied.

why the total expenditure of Rupees 2786080 may not be kept under audit objection it must be explained in the Audit.

REPLY:- the unit replied in this regard that the directions of the govt. will be followed. The reply is unsatisfactory, hence the above amount of Rs. 2786080 is held under objection until the file is produced in the next Audit.

(C) Irregularities in SJSRY

On scrutiny of subsidiary cashbook it was found that a sum total of Rs. 783199 was paid to various agents for execution of schemes. The details are as under:-

Sl. No.	Scheme No.	Agency	Amount
01	01/13-14	Anupam kumar	125000
02	02/13-14	Dhananjay Jha	125000
03	03/13-14	Raj kumar	30000
04	04/13-14	Md.Nadeem	150349
05	05/13-14	Raj kumar	177850
06	06/13-14	Anupam kumar	125000
07	07/13-14	Dhananjay Jha	50000
		Total	783199

Audit observation / comments

- (1) The status of above schemes may be explained to the Audit.
- (2) The letter of authority for the execution of schemes from the grant of SJSRY may be produced in the audit.

Why the total expenditure of Rupees 783199.00 may not be kept under audit objection it must be explained in the Audit.

REPLY:- The unit replied that the schemes approved by the Board and Empowered standing committee has be executed. The reply is unsatisfactory as the approval of the Board and Empowered standing committee was not in compliance to the guidelines issued for the above, hence the above amount of Rs. 783199 is held under objection.

PARA 6. MISCELLANEOUS RECEIPT AMOUNTS COULD NOT BE TRACED IN BANK

STATEMENT/CASHBOOK ₹ 5.14LACS

During the audit of Nagar Parishad Bihat, scrutiny of miscellaneous receipts lead to the finding that there was no maintenance of a Central Stock Register to register the Inventory/Stationery material printed. Further, the concerned collectors were not issued the Receipt Volumes through any record or stock entry, and neither had they ever maintained a daily collection register to record the receipts issued from the MR volumes.

Also, due to poor record maintenance and lack of cooperation to the Audit that amount collected through the miscellaneous receipts could not be traced down to Cashier Cash book and then to Bank Statement/Passbook of the Account of Municipal Fund. The details of Receipts whose credit could not be validated are specified below:-

Sl.No.	Receipt No.	Period of collection	Amount Collected	Name of Collector
1	1-100	22.11.11-13.1.12	1000	Manoj Singh
2	101-200	18.1.12-8.2.12	1000	-do-
3	201-300	8.2.12-24.5.12	1000	-do-
4	301-400	16.2.12-15.3.12	1000	-do-
5	401-500	15.3.12-17.4.12	1000	-do-
6	501-600	31.3.12-30.6.12	20900	-do-
7	601-700	7.6.12-8.9.12	4500	-do-
8	701-800	20.6.12-18.4.13	216842	-do-
9	1177-1198	4.7.13-15.7.13	3876	Dhananjak Kr Jha
10	901-934	10.8.12-11.8.12	1590	Raj Kumar
11	935-1000	12.10.12-15.3.13	50572	-do-

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12	1301-1307	8.10.12-8.11.12	4900	Md. Nadeem
13	1401-1406	19.9.12-25.9.12	16000	Raj Kumar
14	1407-1439	16.9.13-24.3.15	84030	-do-
15	1440-1453	11.4.15-14.8.15	9925	-do-
16	1501-1537	16.3.13-20.1.14	34350	-do-
17	1557-16000	6.8.14-22.1.15	26815	-do-
18	3001-3024	4.2.15-7.9.15	26090	Anupam Kr
19	3201-3300	9.3.15-27.7.15	8250	-do-
Total			5,13,640	

Audit Observations:-

1. The administration may please explain the reasons for not keeping/maintaining a stock/inventory procedure.
2. Why there was no daily collection register used to record the receipts issued by the Nagar Parishad employees?

The respective collectors of the MR amount Rs 513640.00 is expected to prepare a compliance of the deposition of above specified amounts to bank account immediately.

Reply: - The unit replied that facts regarding the above amount will be ascertained and this office will be intimated with the outcome.

The above amount of ₹513640 is suggested for recovery.

PARA7.IRREGULARITY IN PURCHASE OF HYDRAULIC TRAILOR (₹2.49 LAKHS)

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

(1) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;

(2) Offers should be invited following a fair, transparent and reasonable procedure;

(3) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;

(4) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;

(5) At each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

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

According to Rule 131D (Purchase of goods by purchase committee) purchase of goods costing above Rs. 15000/-(Rupees Fifteen Thousand) only and upto Rs. 100000/-(Rupees One Lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate , quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate.

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

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

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Nagar Parishad Bihat allotted contract of supplying hydraulic trailer to Kamna Enterprises @ 124500 per unit and paid ₹ 249000 the details of which are as under

Sl.No.	Date	Details	Amount paid
01	29.05.12	A112103	112050
02	10.07.12	A112106	112050
03	06.10.12	BoB Bihat cheque no. 507918	24900
			249000

Audit observation

(1) When tender for purchase of only one hydraulic trailer was invited then how the supply order of two hydraulic trailer was given to the same firm without inviting fresh tender.

(2) whether the comparison statement related with technical and financial bid was prepared or not it may be furnished in the audit.

(3) As per the terms and condition the supplier had to deposit form C-3 otherwise vat was not to be paid but without the above mentioned document amount of VAT was paid to the firm.

(4) According to the terms and condition of supply order the performance guarantee money of 10 per-cent was to be paid after six months but the firm was paid the same before six months.

(5) Without the assessment report /requisition of Safai Zamadaar how it was ascertained what was required and in what quantity for the municipal council.

(6) No cash memo or invoice having the specifications of supplied article was found hence the basis of payment cannot be justified.

(7) In the NIT no specification related with the goods to be procured was mentioned.

(8) Log book related with the good may be produced in the audit.

Thus Nagar Parishad paid Rs. 249000 for two hydraulic trailers without following the rules mentioned above. The reason for the same was expected to be explained in the audit.

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

Rebuttal:- The above reply is unacceptable as it does not comply the objections raised, hence the above expenditure of Rs. 249000 is held under objection in want of suitable clarification.

PARA 8 -- IRREGULARITY IN PURCHASE OF SUNCTION MACHINE (₹5.25 LAKHS)

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

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

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

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

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

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

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

Nagar Parishad Bihat allotted contract of supplying suction machine to Kamna Enterprises, 306, kulharia palace, ashok Rajpath, Patna @ 525000 per unit .

Audit observation

(1) Whether the comparison statement related with technical and financial bid was prepared or not it may be furnished in the audit.

(2) According to the terms and condition of supply order the performance guarantee money of 10 per-cent was to be paid after six months but when the firm was paid the same before six months.

(3) As per the terms and condition the supplier had to deposit form C-3 otherwise vat was not to be paid but without the above mentioned document amount of VAT of ₹ 17500 was paid to the firm.

(4) Without the assessment report /requisition of Safai Zamadaar how it was ascertained what was required and in what quantity for the municipal council.

(5) Log book related with the good may be produced in the audit.

(6) According to the invoice of manufacturer IOTA Engineering Corporation for the suction machine ₹ 334998 was charged inclusive of VAT and Transportation/Freight, but kamna enterprises charged ₹350000.hence an undue advantage of ₹ 15002 given to the supplier.

(7) No specification related with supplied good was mentioned in the invoice because of which the quality and specifications of the good cannot be ascertained.

Thus Nagar Parishad paid Rs. 525000 for the suction machine without following the rules mentioned above. The reason for the same was expected to be explained in the audit.

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

Rebuttal:- The above reply is unacceptable as it does not comply the objections raised, hence the above expenditure of Rs. 525000 is held under objection, in want of suitable clarification.

PARA 9 . IRREGULARITY IN PURCHASE OF TRACTOR ENGINE (₹10.39 LAKHS)

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

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

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

According to Rule 131D (Purchase of goods by purchase committee) purchase of goods costing above Rs. 15000/-(Rupees Fifteen Thousand) only and upto Rs. 100000/-(Rupees One Lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate.

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

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

Nagar Parishad Bihat allotted contract of supplying Tractor engine to Sri Sita Enterprises, N.H.-31, Alka Cinema Hall, Begusarai @ 485000 per unit and paid ₹ 1039000 the details of which are as under:-

Sl.No.	Date	Details	Amount paid
01	05.05.12	A112101	436500
02	07.06.12	----	23000
03	18.06.12	A112104	482500
04	28.09.12	Bo Bch. No. 507916	97000
			1039000

Audit observation

- (1) When tender for purchase of only one tractor engine was invited then how the supply order of two tractor engine was given to the same firm without inviting fresh tender.
- (2) Whether the comparison statement related with technical and financial bid was prepared or not it may be furnished in the audit.
- (3) As per the terms and condition the supplier had to deposit form C-3 otherwise vat was not to be paid but without the above mentioned document amount of VAT was paid to the firm.
- (4) According to the terms and condition of supply order the performance guarantee money of 10 per-cent was to be paid after six months but the firm was paid the same before six months.
- (5) Without the assessment report /requisition of Safai Zamadaar how it was ascertained what was required and in what quantity for the municipal council.
- (6) No cash memo or invoice having the specifications of supplied article was found hence the basis of payment cannot be justified.
- (7) In the NIT no specification related with the goods to be procured was mentioned.
- (8) Log book related with the good may be produced in the audit.
- (9) When no provision of payment on accessories was made in the NIT then on what basis a sum of ₹ 46000 was paid to the supplier for accessories.

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- (10) The supplier was to be paid only ₹ 970000 but instead the firm was paid ₹1039000 i.e. an excess of ₹69000 on 28.09.12. the reason for the same also may be explained in the audit.

Thus Nagar Parishad paid ₹ 1039000 for two tractor engines without following the rules mentioned above. The reason for the same may be explained in the audit.

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

Rebuttal:- The above reply is unacceptable as it does not comply the objections raised, hence the above expenditure of Rs. 1039000 is held under objection in want of suitable clarification.

Para 10. Irregularity in purchase of steel body water tank (₹18.74lakhs)

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

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

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

According to Rule 131D (Purchase of goods by purchase committee) purchase of goods costing above Rs. 15000/-(Rupees Fifteen Thousand) only and upto Rs. 100000/- (Rupees One Lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate , quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate.

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

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

Nagar Parishad Bihat allotted contract of supplying steel body water tanks to Asian construction, Begusarai @ 587000 per unit and paid ₹ 1874000 the details of which are as under:-

Sl.No.	Date	Details	Amount paid
01	01.11.12	BoB Ch. No.-127804	528300
02	23.03.13	BoB Ch. No.-127814	58700
03	19.07.13	SBI BFT ch.no.148702 and 148703	1056600
04	19.07.13	----	117400
05	31.03.15	----	113000
			1874000

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Audit observation

- (1) When tender for purchase of only one water tank was invited then how the supply order of three steel body water tanks was given to the same firm without inviting fresh tender.
- (2) Whether the comparison statement related with technical and financial bid was prepared or not it may be furnished in the audit.
- (3) According to the terms and condition of supply order the performance guarantee money of 10 per-cent was to be paid after six months but the firm was paid the same before six months.
- (4) As per the terms and condition the supplier had to deposit form C-3 otherwise vat was not to be paid but without the above mentioned document amount of VAT was paid to the firm.
- (5) Without the assessment report /requisition of Safai Zamadaar how it was ascertained what was required and in what quantity for the municipal council.
- (6) Log book related with the good may be produced in the audit.
- (7) No cash memo or invoice having the specifications of supplied article was found hence the basis of payment cannot be justified.
- (8) The supplier was to be paid only ₹ 1761000 but instead the firm was paid ₹1874000 i.e. an excess of ₹113000 on 31.03.2015.the reason for the same also may be explained in the audit.

Thus Nagar Parishad paid ₹ 1874000 for three water tanks without following the rules mentioned above. The reason for the same may be explained in the audit.

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

Rebuttal:- The above reply is unacceptable as it does not comply the objections raised,, hence the above expenditure of ₹ 1874000 is held under objection , in want of suitable clarification.

PARA 11. Deleted

PARA 12. LOSS OF GOVERNMENT REVENUE OF ₹ 13 LACS IN THE FORM OF REGISTRATION /RENEWAL FEES FROM COMMUNICATION TOWERS(₹ 13LACS)

As per the rules 6 of 'Bihar Communication Towers and Related Structures Rules 2012' that a sum of ₹ 40,000 and ₹ 10,000 to be imposed as Registration Fees and Renewal Fees on annual basis on all Communication Towers established/erected in the jurisdiction of the Nagar Parishad.

As per the details/figures provided by Nagar Parishad a total sum of ₹13,00,000.00 is due on the Mobile Towers.

Additionally, 'Bihar Communication Towers and Related Structures Rules 2012' states that on all such Communication Towers who are fitted with extra antennas other than the ones mentioned/registered with the Nagar Parishad has to be charged 60% of the net fees paid by them.

Again, as per the 'Bihar Municipal Property Tax Rules 2013' the land lords or the owner of the buildings on which the Communication Towers have been placed have to pay Property Tax for commercial use.

Audit Observations

1. The Nagar Parishad may please explain the reasons for not collecting ₹ 13.00 lacs from the Communication towers in spite of the fact that it is pending since 2011.
2. They are also to explain the reason for not charging their owners for Property Tax for commercial use of the land/building.
3. The Nagar Parishad administration can explain the steps taken so far for the imposition of aforesaid fees and taxes on Communication Towers? Also it may be pointed out that why no fine or penalty were charged on them for not depositing the amounts till date?

REPLY:- The unit replied that in this regard the process of recovery is underway.

Rebuttal:- The above amount of ₹ 1300000 is suggested for recovery for the tower owners as the above said amount had not been recovered.

PARA 13. IRREGULAR PAYMENT ON DAILY WAGES ₹ 600179.00

Government from time to time instructed Local bodies not engage labours on daily wage basis. A few government letters are given below.

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Sl. No.	Letter No.	Date
1.	Nagar Vikash Vibhag, Government of Bihar. 1827	20.12.1972
2.	Nagar Vikash Vibhag, Government of Bihar. 7639	11.06.1986
3.	Nagar Vikash Vibhag, Government of Bihar. 8640	31.12.1988
4.	Nagar Vikash Vibhag, Government of Bihar. 4156	19.06.1991

Moreover Government of Bihar had prohibited the engagement of staff on daily wages vide letter no. 1231 dtd 06.05.1992. Further vide letter no. 862 dated 21.02.2008, it was instructed that sanitation work to be outsourced and for that quotation was to be invited. Despite this the Nagar Parishad engaged sweepers on daily wage basis during the year 2012-15 and a total sum of Rs 600179 was paid as wages to them during 2012-15. Details as under:-

Sl.No.	For the period	Cheque No.	Date	Amount
1	April 13			34730
2	May 13			86372
3	Jun 13			79728
4	July 13			80785
5	Aug 13			80483
6	Sept 13			82446
7	Oct 13			59000
8	Nov 13			96635
Total				600179

Audit observation / comments

1. It may be pointed out in Audit the reasons for engaging persons on daily wage basis.

2. The reasons for not observe the Government instructions by the Nagar Parishad may be pointed out.

3. The payment of a total sum of Rs 600179 made against government order and without its sanction is held under objection.

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

Rebuttal:- The above reply is unacceptable as it does not comply the objections raised,, hence the above expenditure of Rs. 600179 is held under objection in want of suitable reply.

Para 14. BRGF (2014-15) diversion (₹26.35 lakh)

The test check of file of BRGF for 2014-15 revealed that a total sum of Rupees 7950000 was received vide letter No. 882, 883, 884, 885, 886 and 887 dated 1.12.14 Twenty-three schemes were taken up having total estimated value of ₹ 10585700.00

District Engineer, Zila Parised Begusarai was appointed nodal agency for execution of all the schemes. Details of payment made to District Engineer, Zila Parised Begusarai were as under:-

Sl. No.	Cheque No.	Date	Amount
1.	000001	28.12.15	4561850
2.	127818	18.02.15	2280925
3.	127819	23.02.15	371000
4.	000002	18.02.15	2172680
5.	000003	18.03.15	360000
6.	000013	30.03.15	731000
Total			10477455

The rest expenditure of ₹ 2527455.00 (10477455 – 7950000) was met by diversion from Stamp duty.

Audit observation / comments

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1. The schemes of the annual plan were approved with total Estimated value of Rs 7950000.00, (all 23 schemes). The District Engineer was asked to prepare the estimates of all 23 schemes. He prepare estimates of all the 23 schemes having total estimated value of Rs 10585700 and accorded Technical Sanction to them.

Sl. No.	Sl. No. Scheme in Annual Plane	Estimated value in Annual Plane in lakh	New Estimate In lakh	Difference
1	50	3.000	3.410	
	51	3.000	4.120	
	52	3.500	4.170	
	53	3.500	2.620	
	54	3.500	5.010	
	55	3.500	5.660	
	56	3.500	5.470	
	57	3.500	4.230	
	58	3.500	4.230	
	59	3.500	4.280	
	60	3.500	2.770	
	61	3.500	6.030	
	62	3.500	4.230	
	63	3.500	4.280	
	64	3.500	4.330	
	65	3.500	7.200	
	66	3.500	6.080	
	67	3.500	2.610	
	68	3.500	7.420	
	69	3.500	5.790	
	70	3.500	4.370	
	71	3.500	4.937	
	72	3.500	2.610	

Total		79.5	105.857	26.357
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It may be explained in audit why estimate was not kept with the limits of Rs 7950000. It may also be explained in audit why technical sanction was given to this increased estimates and Administrative Approval given to them.

2. Has the U/C, MBs, Account bills with scheme files and other relevant records/ Registers received from District Engineer, if yes the same may be produced in audit.

3. The reason for diversion of ₹ 2527455 may be pointed out.

4. The rule under which the estimates of schemes of the Approved master plane were changed may be pointed out at the earliest.

REPLY:- Funds have been allocated to Zila Parishad according to Estimates received from Zila Parishad. Utilisation certificates will be sent to your Office after its receipt from Zila Parishad. After receiving the Abhilekh and Measurement books from District Engineer, Zila Parishad Begusarai it will be produced in the next Audit. Therefore until the above said is done the above amount of ₹ 2527455 is held under Objection.

Para 15. HEALTH AND EDUCATION CESS NOT REMITTED TO GOVERNMENT ACCOUNT

Nagar Parishad, Bihat collected health and education cess at the rate of fifty percent of holding tax amounting to ₹ 66,227.34 for the period 2014-15 and 2015-16 till date.

As per existing order, the collected amount on account of health and education cess has to be credited to the State Government's concerned department after deducting 10% as collection charges, but Nagar Parishad failed to do so which eventually resulted into a loss to state's revenue to the tune of ₹ 66,227.34 for the period under audit as under:

Attention of the authority is drawn towards above issue to take necessary steps to remit the said amount ₹ 66,227.34 into the concerned head of Government account.

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

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Para 16 . Non- Maintenance of Advance Ledger /Advance outstanding for Adjustment-

₹ 853752

Advance ledger showing advances outstanding at the beginning of the year, advances made during the year, advances adjusted during the year and unadjusted at the end of the year of Nagar Parishad Bihat was not maintained. On scrutiny of cashbook it was found that at the end of financial year a sum total of ₹853752 was given as advance to various employees the details of which are as under:-

Sl.No.	Name of advance holder	Amount of advance	Date of advance	Adjusted amount	Balance
01	Dhananjay kumar jha	188634	Not available	Nil	188634
02	Raj kumar	21000	Not available	Nil	21000
03	Md.Nadeem	641618	Not available	Nil	641618
04	Anil kumar	2500	Not available	Nil	2500
				Total	853752

There was no signature of executive for advances given, meaning that advances are often taken by the employees as and when desired without the consent of the executive which is a wrong practice and is against the provisions of Bihar Financial Rules.

The adjustment vouchers related with above-mentioned advances was asked to be produced in the audit so that adjustments against the given advance may be confirmed and non-adjustment for the same may be explained.

REPLY:- The unit replied that the advance ledger will be maintained and the amount of advance will be adjusted/recovered.

REBUTTAL:- The above amount of ₹853752 is held under objection until the above-said is done.

PART – III(TAN)

TAN 1-- NON PREPARATION OF ANNUAL ACCOUNTS

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

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

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

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

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

TAN 2 NON COMPLIANCE TO ACCOUNTS RULES IN PREPARATION OF BUDGET

1. Budget not prepared in proper Format

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

and shall be presented to the Empowered Standing Committee of the Municipality by 15th February each year.

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

2. Public participation in preparation of the Budget

The following are the provisions of Rule 132:-

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

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

The Nagar Panchayat did not take inputs through Ward Committee or other such public forum and hence did not complied with the provisions of Rule 132 of Bihar Municipal Accounts Rule. The reasons for the same may be pointed out in Audit.

3. Mid-year Review of the Budget

The following are the provisions of Rule 139:-

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

- Revised budgets for Plan and Non-Plan expenditures.
- Revision of rolling budgets, if any, for subsequent years.
- Budgets are realistic and achievable- Analysis of budget vs. actual reflects not more than 5% percent of variation.

- Actual outputs and outcomes during budget period are in alignment with planned outputs and outcomes.
- A reasonable percent of proposed programs/projects completed.
- Level of spending outside in the budget is nil but, in any case does not exceed 5%.

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

TAN 3- The Schemes of Nagar Parishad not sent to District Planning Committee

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

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

The Audit of accounts of Nagar Parishad Bihat for the period 2011-12 to 2014-15 revealed that the scheme approved by the board was not sent to DPC.As per above provisions the schemes were to be executed after sending it to DPC and get approved by it.

Audit Observations:-

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

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

TAN 4- MUNICIPAL SOLID WASTES MANAGEMENT, COLLECTION AND DISPOSAL

Provision regarding Municipal Solid Wastes Management, Collection and Disposal have been provided in section 220 to 230 of Bihar Municipal Act 2007. Functions of Municipality in the respect of solid wastes management and handling- Subject to the provisions of section 10, the Municipality shall, within the municipal area, be responsible for implementation of the rules made by the Central Government in exercise of the powers conferred by the Environment (protection) Act, 1986, to regulate the management and handling of municipal solid wastes and for development of any infrastructure for collection, storage, transportation, processing and disposal of such solid wastes.

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

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

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

The Nagar Parisad did not carry the following responsibilities:-

1. No system of collection of solid waste from house to house

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

2. Segregation of municipal waste

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

3. Storage of Municipal Solid Waste.

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

4. Transportation of Municipal Solid waste.

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

5. Processing of Municipal Solid Waste.

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

Biodegradable waste had to processed by composting vermin composting, anaerobic digestion or any other appropriate biological processing for stabilisation of waste.

Mixed waste contacting recoverable sources had to be recycled.

6. Disposal of Municipal Waste.

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

Audit observation/ comments

1. It may be pointed out why no system of collection of solid waste from house to house was developed
2. . It may be pointed out why Segregation of municipal waste was not done

13. It may be pointed out why no Storage of Municipal Solid Waste was done.
4. It may be pointed out why Transportation of Municipal Solid waste was not done in accordance with the provisions of this rule.
5. It may be pointed out why no. Processing of Municipal Solid Waste done.
6. It may be pointed out why Disposal of Municipal Waste was not done in accordance with the Rule.
- It may be concluded that the municipal authority totally failed in its duties of solid waste management.

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

TAN 5- (A)Blockade of grant (₹953.13 lakhs)

According to the rule 343 of Bihar Financial Rule vol.1, if no expenditure is required from grant received for special purposes then it must be returned to the govt. in-toto.

During the test audit of accounts of Nagar Parishad Bihat it was found that neither the balance of various heads was returned to treasury nor any scheme was executed and hence a sum of Rs 95313202 was lying in the accounts of Nagar Parishad on 31.03.2015. The details of which is as under:-

Sl.No.	Name of subsidiary cashbook	Balance as on 31.03.2015
1	13 th finance	11426358
2	2235 social security	1732389
3	Miscellaneous	2331410
4	SJSRY	3957531
5	4 th sfc	37287944
6	State plan	2246969
7	Road construction	3000000
8	Registration/stamp duty	2239974
9	Nagar Sarkar Bhawan	24999333
10	Profession tax	2778935
11	Parshad bhatta	429200
12	Interest in different bank	2883158
Total		95313201

According to rule 300 of Bihar Treasury Code money is to be drawn only when it is urgently needed. The reason for the same may be explained in the audit.

Reply:- The unit replied that the blocked amount will be spent this financial year i.e. in 2015-16 after selection of related schemes.

(B) Excess balance in account

On scrutiny of cashbook and passbook it was found that on 31.03.2015 a reconciliation statement was prepared according to which Rs. 8899131.93 was in Bank of India BTPS A/c no.-460010110006899 but in passbook Rs.11448571.93 was found as balance on 31.03.2015. Hence the reason for excess amount of Rs 2549440 in bank account may be explained in audit.

Reply:- The unit replied that scrutiny of bank reconciliation statement will be done and the reason of excess balance will be analysed . This office will be intimated with the outcome.

TAN 6 . 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. Tax on advertisements has not been imposed by the Nagar Parishad , this is causing recurring lose to the Municipal Fund.

Early steps may be taken for fixation of rates of Tax on advertisement.

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

TAN 7 - None deduction of PF from salary of Employees(₹472430)

The test check of salary payment Register and cash book produced in audit revealed that of ₹ 4724309.00 was paid to the Employees of Nagar parishad Bihat . But neither PF deduction was done from the salary nor deposited along with employer's contribution. in their PF Accounts.

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Audit observation / comments

1. 10% of the salary paid was deducted from salary paid but the same was not done. An equal amount on account of Employer contribution was to be made. ₹ 472430 was not deducted and ₹ 472430 Employers not made. Hence a total sum ₹ 944860 remained to be deposited.

The reason for none deduction of PF was asked be pointed out in Audit at the earliest.

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

TAN 8.MUNICIPAL LICENCES

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

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

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

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

Section 344 provides for Municipal Licence for Private Markets.

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

Section 346 Provides the prohibition of unlicensed activities

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

Audit observation / comments

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

1. Out of 337 numbers of purposes requiring licences, the Corporation has issued no licence for any purpose.
2. The registers required under section 343 were not being maintained.
3. No licence required under section 344 and 345 was issued.
4. Powers under section 347 not used.

Early steps may be taken so that the licences required under the Act are being issued and Municipal revenue is increased

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

TAN 9. PROPERTY TAX

I. The rate of Holding Tax

As per Rule 6 (1) The rate of rental value per square feet shall be fixed by the Municipality from time to time with the prior approval of Govt having regard to the situation, use, type of construction, occupancy of the holdings, type of non-residential use of holdings, or any other factor (s) as decided by the Municipality.

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

Example: $ARV = \text{Carpet area} \times \text{rental value} \times \text{occupancy factor (1 or 1.5 as the case may be)} \times \text{multiplying factor (applicable as per Rule 4)}$

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

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127. Power to levy taxes.- (1) Subject to the provisions of section 10, the Municipality shall have, for the

purposes of this Act, the power to levy the following taxes:-

- (a) property tax on lands and buildings.**
- (b) surcharge on transfer of lands and buildings,**
- (c) tax on deficit in parking spaces in any non-residential building,**
- (d) water tax,**
- (e) fire tax,**
- (f) tax on advertisements, other than advertisements published in newspapers,**
- (g) surcharge on entertainment tax**
- (h) surcharge on electricity consumption within the municipal area,**
- (i) tax on congregations,**
- (j) tax on pilgrims and tourists, and**
- (k) toll –**
 - (i) on roads, bridges, ferries and navigable channel and**
 - (ii) on heavy trucks which shall be heavy goods vehicles, and buses, which shall be heavy passenger motor vehicles, within the meaning of the Motor Vehicles Act, 1988, plying on a public street.**

(l) Tax on profession

(2) Subject to the prior approval of the State Government, the Municipality may, for raising revenue for discharging its duties, and performing its functions, under this Act, levy any other tax which the State Legislature has the power to levy under the Constitution of India.

(3) The levy, assessment and collection of taxes under this Act shall be in accordance with the provisions of this Act and the Rules and the regulations made there under, Provided that any person may make self-assessment and make payment of any levy or tax under this Act and rules and regulations made thereunder; Provided further that if any discrepancy or under-assessment is found in such self-assessment, such person shall be liable for payment of differential amount and a fine of not less than fifty percent and upto 100% of such differential amount.

(4) (1) The holding in the Municipal area shall be classified by the Municipality on the following criteria:-

(a) Situation of the holding –

- (i) Holdings on the Principal Main Road,**
- (ii) Holdings on the Main Road,**
- (iii) Holdings other than sub-clauses (i) and (ii)**

(b) Use of the Holding –

- (i) Purely residential,**
- (ii) Purely commercial or industrial (whether self owned or otherwise),**
- (iii) Partly residential and partly commercial/industrial,**
- (iv) All Holdings other than sub-clauses (i), (ii) and (iii)**

(c) Type of Construction –

- (i) Pucca building with R.C.C. Roof,**
- (ii) Pucca building with asbestors/corrugated sheet roof,**
- (iii) All other buildings not covered in sub-clauses (i) and (ii).**

(5) Subject to the approval of the State Government, the Municipality may from time to time, publish the list of principal main roads as well as main roads and if necessary modify the lists for the purposes of this Act.

(6) For the purpose of calculation of Annual Rental value of a holdings measurement of carpet area shall be calculated as under :-

- (i) Rooms – Full measurement of Internal Dimension,**
- (ii) Covered Verandah- Full measurement of Internal Dimension,**
- (iii) Balcony/Corridor, Kitchen and Store- 50 per cent measurement of Internal dimension,**
- (iv) Garrage- One-fourth measurement of internal dimension,**
- (v) Area covered by bath room, latrines, portico and Staircase shall not form part of the Carpet area.**

(7) (i) The rate of rental value per sq. ft. shall be fixed by the Municipality with the prior approval of the State Government having regard to the situation, use and the type of construction of the holdings.

(ii) The Annual Rental Value shall be commuted as a multiple of the Carpet area and the rental value fixed under sub-rule (1).

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(iii) The rental value per sq. ft. of carpet area for different classes of holdings shall be published from time to time by the Municipality with the prior approval of the State Government.

(8) Tax shall be assessed on the basis of Annual Rental value on the following rates:

(i) Holding Tax – at the rate of 2.5% per cent of Annual Rental Value,

(ii) Water Tax- at the rate of 2 per cent of Annual Rental Value,

(iii) Latrine Tax- at the rate of 2 per cent of Annual Rental Value.

(iv) Tax on any other item included in 12th schedule of the Constitution of India on such rate as prescribed.

(9) The Municipality may revise the rate of Tax on Annual Rental Value with the prior approval of the State Government.

(10) If any difficulty arises in giving effect to this section, the Government shall in consistent with the provisions of this section have power to issue any direction in the matter.

II Vacant Land Tax

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

(Rate in Rupees per square Meter)

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

III Mandatory Declaration

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

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

(2) Upon failure to do the self – assessment of the holding within the stipulated time and inform the Municipality a fine of 2000 rupees on residential holding and a fine of 5000 rupees on other holdings shall be payable. Every person liable to pay holding tax on lands and building shall, within 30 days of acquiring land or building or both, intimate the Municipality of such acquisition of property for assessment of holding tax. Failure to give such information shall make him liable to assessment from the date of acquisition of property together with penalty of one hundred percent of the arrears becoming due on account of suppression of information.

Recovery of Taxes by Municipality

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

Audit observation / comments

1. List of Prime main Road, Main Road and other Roads along with No. of holdings on each of them may in accordance to provisions of Rule 3 may be furnished.
2. The rate of rental value per square feet fixed by the Municipality from time to time having regard to the situation , use, type of construction , occupancy of the holdings, type of non-residential use of holdings, or any other factor (s) as decided by the Municipality may be furnished.
3. Holding Tax shall be assessed on the basis of percentage of annual rental value allowed under section 127 of the Bihar Municipal Act, 2007. The percentage of

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annual rental value on the basis of which Holding Tax has to be assessed may be furnished at the earliest.

4. As per rule 9 all the vacant lands within the jurisdiction of Municipality shall be taxed. It may be pointed out to audit was steps has be taken and what amount has be collected on this account.
5. As per the provision of Rule11 Holding Tax Demand for each year has to be published in local newspaper along with applicable rates and the method of computation.
6. Tax on vacant land has been introduced hence as per Rule 14 Mandatory Declaration sub Rule 1 Every owner of a holding shall within 3 months after notification of these Rules self assess the holding to calculate the holding tax and pay the holding tax to the Municipality according to the provisions of this rule.
7. Upon failure to do the self – assessment of the holding within the stipulated time and inform the Municipality a fine of 2000 rupees on residential holding and a fine of 5000 rupees on other holdings shall be payable. Every person liable to pay holding tax on lands and building shall, within 30 days of acquiring land or building or both, intimate the Municipality of such acquisition of property for assessment of holding tax. Failure to give such information shall make him liable to assessment from the date of acquisition of property together with penalty of one hundred percent of the arrears becoming due on account of suppression of information.
8. How many Mandatory Declaration as provided in Rule 14 have be furnished and what action has been take for non-furnishing may be pointed out at the earliest.
9. The steps/ action taken for recovery of Tax as provided in Rule 17 may be pointed out.

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

Tan 10(1) DISCREPANCIES IN CASH BOOKS

During scrutiny of cash book for the year 2011-12 to 2014-15, the following irregularities in cash book were noticed:-

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

The reason for the same may be explained in the audit.

(2) Non Maintenance of Grant Register

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

The non-maintenance of grant register and the reason for the same may be explained in the audit.

REPLY:-Necessary corrections of mistakes will be done in the light of the directions given by the members of the Audit party.

TAN 11. Deviation from Bihar Municipal Property Tax Rules 2013

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

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The gazette with Rule 4 sub rule (xii) clearly mentions that the Annual Rental Value for calculation Property Tax for all other buildings which are for purely residential purpose shall be made by a multiplication factor of 1.5.

ARV=Carpet Area x Rental Value x Occupancy Factor x Multiplication Factor

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

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

Also, as per the Bihar Municipal Accounting Rules, Register for collection of Holding Tax is to be maintained in BMAR forms 17 to 19 and the demand is to be prepared in BMAR 23 to 24.

As per provisions of Rule 22 (1) of Bihar Municipal Accounting rule 2014, all money transactions to which any member, officer or employee of a municipality in his official capacity is a party shall without any reservation, be brought to account. All moneys received shall be lodged in a treasury or nationalised bank account to the credit of the Municipality on the same day or latest before noon on the following working day.

Audit Observations:-

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

2. There is no imposition of Property Taxes on vacant lands in the jurisdiction of Nagar Parishad Bihat.

3. All the tax impositions were simply based on self-assessments, the Administration may explain to the Audit what measures has been taken to make sure there is no compromise in data provided by tax payer or loss of revenue.

4. The tax collectors were not maintaining any daily collection registers to record the receipts value and all the collected tax of one or more volumes of Form-H were submitted after a span of 2 to 3 months of delay.

There were no penalties imposed on late submission of Holding-Tax, the authority may

also explain the reason for not imposing any penalty which is resulting in to loss of Revenue of the Government

5. Nagar Parishad Bihat has not yet surveyed the State Governments/Government owned premises in their territory for property tax collection. The administration may please explain the reasons for not doing so to the audit.

REPLY:- The unit replied that every provisions will be applied in future

TAN 12 Non production of document related with purchase of Iron Dustbin

During the test check of subsidiary cash book related with 13th finance commission it was found that during the financial year 2013-14 M/S Asian Construction was paid Rs. 4400000 for the purchase of Dustbins by municipal council the details of which are as under:-

Sl. No.	Date	Particular	Amount
01	06.09.13	M/S Asian Construction	1500000
02	28.09.13	M/S Asian Construction	1500000
03	31.10.13	M/S Asian Construction	1400000
		Total	4400000

Thus Nagar Parishad paid ₹ 4400000 for how many dustbins it cannot be ascertained without the audit of respective file. Therefore the files related with above-said purchase may be produced in the audit for necessary verification.

REPLY:- The unit replied that the above mentioned files will be produced in the next Audit.

-Sd-

DHEERAJ KUMAR
(Assistant Audit Officer)

-Sd-

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

Appendix-I
Result of Audit
(Referred to Part-I of Para-8)

Sl. No.	Para no.	Amount suggested for recovery	Amount held under objection	Amount recovered at the instance of audit
1	Part II(B) Para 1	92460	00	00
2	Part II(B) Para 2	00	786596	00
3	Part II(B) Para 3	101065	1821735	00
4	Part II(B) Para 4	117696	514304	00
5	Part II(B) Para 5A	00	3957531	00
	Para 5B	00	2786080	00
	Para 5C	00	783199	00
6	Part II(B) Para 6	513640	00	00
7	Part II(B) Para 7	00	249000	00
8	Part II(B) Para 8	00	525000	00
9	Part II(B) Para 9	00	1039000	00
10	Part II(B) Para 10	00	1874000	00
11	Part II(B) Para 12	1300000	00	00
12	Part II(B) Para 13	00	600179	00
13	Part II(B) Para 14	00	2527455	00
14	Part IIB Para-15	00	66227.34	00
15	Part IIB Para-16	00	853752	00
Total		2124861	18384058.34	Nil