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

NO. L.A.Sur:- 38

Dated:- 06.07.06

To,

The Secretary,
Urban Development Department
Government of Bihar, Patna

बिहार एडिटर

Sir,

Audit Report No92/2006-07 of the accounts of Nagar Panchayat ,Chakia
for the year 1976-77 to 2004-05 is enclosed for your kind information and necessary action.

Encl:-As above

Yours faithfully

30240 (अग्रज)
2421
13.7.06

श्री 2474 जी एडिटर
2474 /
13/7/2006

M. Choudhary
11/7/06
(Mahesh Choudhary)
Audit Officer/Surcharge
Local Audit Wing, Bihar, Patna

A.R.No- 92/06-07

Audit Report of Nagar Panchayat, Chakia for 76-77 to
2004-05.

Introduction :- The accounts of Nagar Panchayat, chakia for the year 1976-77 to 2004-05 were test audited by an audit Party of the office of the Principal Accountant General (Audit) Bihar, Local Audit Department, Patna during 9th January 2006 to 4th February, 2006

2. Administration:-

Name	Period
(i) Chairman S/Shri	
Ranjeet Singh	30.11.76 to N.A
Gangadhar Jha	Not Available
Krishna Mohan Singh	Do
P.K.Singh	Do
Anjani Kumar Srivastave	7.1.86 to 9.2.87
Rudra Nandan Parasad	10.2.87 to 31.10.88
Doman Manto Tarun	1.11.88 to 1.4.91
A.N.Panday	2.4.91 to N.A
Maheshwar Prasad.Singh	N.A
Syed Masum Ali	26.4.94 to 12.6.94
Yogendra Hasda	13.6.94 to 25.5.95
Tareshwar Prasad	26.5.95 to 27.10.96
Suresh Chandra Singh	28.10.96 to 24.2.97
Haradaya Narayan Singh	25.2.97 to 10.9.98
Sharwan sai	11.9.98 to 27.12.00
Bimla Prasad	28.12.00 to 24.4.02
Smt Prabha Devi	21.6.02 to till date
(ii) Vice Chairman	
Kapil deo Narayan Singh	14.1.77 to 6.1.78
Ashok Kumar	5.8.78 to 20.10.79
M.Illyas	21.10.79 to 31.8.80
Kapil deo Narayan Singh	30.5.83 to 11.1.86
Lalbar Pd.Gupta	17.10.86 to 31.1.91
Hari Shankar Pd.Gupa	18.07.92 to 9.11.98
Mathura Prasad	21.6.02 to 31.3.05
(iii) Special officer:-	
Bharat Nath Jha	7.1.78 to 21.10.78
Smt Bimla Prasad	25.4.02 to 5.11.02
Note:- Not available	22.10.78 to 24.4.02

Note: How the two administrator were working between 1.3.92 to 22.5.92

(v) Executive officer:-	
S/Shri	
Bharat Nath Jha	1.2.81 to 3.1.82
Rameshwar Sharma	4.1.82 to 18.4.86
Suraj Chaudhry	19.4.86 to 1.5.86
Shivdeo Singh	2.5.86 to 30.5.87
Vacant	31.5.87 to 5.11.02
Smt Bimla Prasad	6.11.02 to 14.1.04
Sita Chandhary	14.1.04 to 22.1.05
Chandra sekhar Pd.	22.1.05 to 31.3.05

3. Scope of Audit:-

A list of records and registers produced and test checked in Audit has been given in Annexure-IA and another showing the list of records and registers either not maintained or not produced in audit has been given in Annexure-IB

4. Internal Audit:-

There is no specific provisions in the Bihar and Orissa Municipal Act 1922 and the Bihar Municipal Accounts rules 1928 with regards to internal audit of Nagar Panchayat but provisions for some internal checks are prescribed under Rule 20,32,53,64 and 73 (A) of the Bihar municipal Accounts Rules 1928.

But the test check of accounts and records of Nagar Panchayat, chakia revealed that the persons authorised did not exercise such supervisory checks which resulted into several irregularities as have been discussed in succeeding paragraphs.

5. Finance:-

Nagar Panchayat, chakia was established in the year 1976-77 vide Government of Bihar Notification No.51-203/75-9391/N.V.V Patna dated 30.11.1976.

The financial position of the Nagar Panchayat during the period 1976-77 to 2004-05 as per cash book was as under:-

1976-77 to 1991-92

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1.	Opening Balance	Nil
2.	Receipt	
	(i.) (i) own source	24003=60
	(ii.) Stamp duty stamp	24003=60
	(iii.) Govt Grant	283699=40
	(iv.) Govt loan	10,39,819=00
	(v.) Mise	7710=00
3.	Total	2026257=00
4.	Expenditure	
	(i) Establishment	11,75,039=77
	(ii) Schemes	787012=70
	(iii) Mise	1500=00
		1963552=47
5.	Closing Balance	62,704=53

		1992-93	1993-94	94-95
1.	Opening balance	62704=53	1383515=53	1348228=53
2.	Receipt			
	(i) Own source	98238=00	49400=00	30069=00
	(ii) stamp duty	41330=00	67100=00	37660=00
	(iii) Govt Grant	6,47737=00	117178=00	133275=00
	(iv) Govt. loan	926054=00	57170=00	51288=00
3.	Total	1776063=53	1674363=53	1600520=53
4.	Expenditure			
	(i) Estt	209234=00	218648.00	87894.00
	(ii) scheme	183314=00	101277.00	44236.00
	(iii) Mise	-	-	-
5.	Closing Balance	1383515=53	1348228=53	1468390=53
		95-96	96-97	97-98
	1.	1468390=53	1749298=53	17,18913=53
	2(i)	Nil	36062=00	37911=00
	2(ii)	91964=00	68780=00	70470=00
	(iii)	394592=00	213917=00	189247=00
	(iv)	99941=00	60300=00	19099=00
3.		2054887=53	2128357=53	20,35,640=53
4	(i)	216175=00	240824=00	179774=00
	(ii)	89414=00	168620=00	1151958=00
5.		1749298=53	1778913=53	703908=53

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		98-99	99-00	2000-01
1.		7039098=53	763317=18	1952597=18
2.	(i)	130713=00	62516=00	87343=00
	(ii)	18267=00	151380=00	102754=00
	(iii)	215765=00	1925411=00	1757590=00
	(iv)	108731=00	71626=00	654855=00
	Intt	10296=00	⁵⁰⁰⁰ 10296 Misc	112913=00
3.		1177384=53	2984546=18	4079030=00
4	(i)	211608=35	341116=00	348525=00
	(ii)	202459=00	690833=00	178814=65
5.		763317=18	1952597.18	3551690=53

5000

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		20001-02	2000-03
1.	Opening balance	3551690=53	3402769-53
2.	Receipt		
	(i) own source	371494=00	156931=00
	(ii) stamp duty	85070=00	—
	(iii) Govt Grant	1154625.00	239565=00
	(iv) Govt loan	72746=00	75150=00
	(v) Mise	73824=00	26128=00
	MLA fund	294193=00	-
3.	Total	5603642=53	3900543.53
4.	Expenditure		
	(i) estt	328743=00	684507=00
	(ii) Scheme	1816990=00	655856=00
	(iii) Mise	55140=00	82987=00
5.	Closing Balance	3402769=53	2477193=53
		03-04	04-05
1.	Opening Balance	2477193=53	3896249=53
2.	Receipt		
	(i) Own source	695794=00	298591=00
	(ii) Stamp dutty	4501277=00	-
	(iii) Govt Grant	2339516=00	1910164=00
	(iv) Govt loan	69278=00	-
	(v)Mise	17935=00	42708=00
3.	Total	6049843=53	61477712=53
4.	Expenditure		
	(i) Estt	614335=00	862979=00
	(iii) Scheme	1539259=00	1376488=00
	(iv) Mise	-	-
5.	Closing Balance	3896249=53	3908245=53

Analysis of closing Balance

1.	Own source and govt Grant & loan meant for salary	267326.53
2.	S.J.S.S.R.Y	925383=00
3.	Slum Are Development scheme	97992=00
4.	Mahila Samiridhi yojna	18935=00
5.	Amount of Intt given by Bank	143499=00
6.	Water supply scheme	1318750=00
7.	11 th Finance Commission	973796.200
8.	Pradhan Mantri Gramodya Yojna	112481=00
9.	Mise	50083=00
	Total:-	3908245=53

The closing Balance as per cash book was reconciled with the balance as per Bank/Tressury as under:-

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1.	Central Bank of India A/cNo.3323	1190783=00
2.	-Do- Current A/c No.143	30364=00
3.	-do- SB A/C 4594	500=00
4.	Gramin Bank ,SB A/C No.6768	40270=53
5.	SBI current A/c No.50022	70675=00
6.	P/L Account	2109486=00
		34,42,078=53
		3442078=53
7.Add	Amount drawn for payment of Advance but not recoded in cash book	441817=00
8.	Amount of receipt records in cash book but not deposited in committee fund	24950=00
		39,08845=53
9.Less	Amount of donation received for opening of A/c but not taken as receipt in the cash book	(-) 600.00
		39,08,245=53

6. Important Audit Findings

Sl.No	Particulars	Para No
1.	Grant register not maintained	8
2.	Loan register not maintained	9
3.	Blockade of fund of NRY	10
4.	Infectious expenditure of Rs.66.50 lakh on water supply system	14
5.	Diversion of fund Rs.1.33 lakh	15
6.	Diversion of fund Rs.3.88 lakh	16
7.	Expenditure kept out of A/c Rs.4.42 lakh including Direct appropriation of collection Money	17
8.	Short credit of Rs.2.11. lakh	25
9.	Non credit of Rs.2.11 lakh	27
10.	Rent out standing on Govt	29
11.	Irregular appointment	38

7. Budget

Budget estimates required to be prepared as per section 71 to 76 of the Bihar and Orissa Municipal Act 1922 was not prepared by the Nagar5 Panchayat for the year from 1976-77 to 2004-05.

As per section 76 of the aforesaid Act any expenditure could not be incurred without making provisions in the sanctioned budget estimated.

As such, in absence of any budget estimated the total expenditure of Rs.148.52 lakh incurred by the Nagar Panchayat during audit ferried was unauthorised. appropriate action may, be taken by the competent authority to regularise the expenditure.

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8. Grant Register

Grant register was not maintained as required to be maintained under rule 14 A of the Bihar Municipal Accounts Rules,1928.As such, position of grant received, utilised and balance of unspent grant at the end of each year could not be ascertained in audit, However, from cash book it was ascertained that a total sum of Rs.1,26,16,403=00 was received as Govt Grant for excution of scheme and payment of salary of the staffs.

The details of grant received have been given in statement I to the report.

Grant register may be maintained as per provision contained in the Bihar Municipal Accounts Rules 1928 and shown to next audit.

9. Loan-register:-

Loan register was not maintained as required to be maintained under Rule 88 of Bihar Municipal Accounts rules 1928.so,it was not possible to ascertain the amount of Loan refundable on a/c of installment of principal and interest there on .

However, details of Amount of Rs.22, 02152=00 Loan, received by Nagar Panchayat during period of audit as per cash book was prepared and given in statement II to the report.

The loan appropriation register was also not maintained. In absence of which it could not be ascertained as to whether the amount of loan was spent on the purpose for which it was received/contracted.

The same may be maintained and shown to next audit.

10.Nehru Rojgar Yojna:-

A total sum of Rs.14.86 lakh was received by the Nagar Panchayat, chakia as shwon below on account of NCY during 1990-91 to 1998-99.

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Sl.No	Year	Amount (Rs)
1.	1990-91	120419=00
2.	1991-92	100000=00
3.	1992-93	207100=00
4.	1993-94	70000=00
5.	1994-95	81987=00
6.	1995-96	364610=00
7.	1996-97	192929=00
8.	1997-98	168257=00
9.	1998-99	181135=00
		14,86,437=00

Out of the above amount, Nagar Panchayat spent Rs.13,02,139=00 on execution of different schemes. The balance of Rs. 66585 meant for wages were transferred to swarn Jayanti shehari Rojgar yojna on 30.11.97 as per instruction of Govt NVV 226 dated 20.6.96 The position of Grant received under SJSRY stood as under:-

Opening Balance:-	184298=00
Receipt(i) 1999-2000	22,7,729=00
(ii) 2000-01	256819=00
(iii)2003-05	32000=00
(iv) 2004-05	743970=00
Total-	<u>1444816=00</u>
Closing Balance	<u>519433=00</u>
	9,25,383=00

The position of closing Balance itself stets that the Nagar Panchayat did not utilise the fund. upto satisfactory level .

Appropriate action in this regard may be taken up by the Nagar Panchayat to utilise the grant.

10. Balika Samridhi Yojna

Balika Samridhi Yojna was launched by Govt of India w.e.f 15.8.97. The main objective of scheme was to assist girl child for better education and self employment. As per cash book following grants were received by Nagar Panchayat, Chakia under this scheme.

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Sl.No	Letter No.	Year	Amount (Rs)
1	NVV letter No.1112 dt.21.12.99	97-98	9000=00
2.	-do-74 dt 28.1.00	98-99	10000=00
			19000-00

Audit Comments:-

After lapse of five years the amounts were ~~still~~ ^{still} in A/c of Nagar Panchayat. Blocking of above grants defeats the purpose from grant. The amount may be refunded to the sanctioning authority if not required for expenditure in near future.

12.11th Finance Commission:-

A total sum of Rs.17.20 lakh was received by the Nagar Panchayat, Chakia from Govt of Bihar on the recommendation of 11th Finance Commission during the period from 2002-03 to 2004-05 Vide details below:-

1.	NVV letter No.827 dt.22.3.03	Rs.154415=00
2.	" 95 dt 30.03.2003	Rs.612002=00
3.	" 1340 dt. 30.3.2004	Rs. 383209=00
4.	"3876 dt 5.11.2004	Rs. 570485=00
		Rs 17,20,111=00

As per instruction contained in the sanctioning letter itself the Nagar Panchayat was required to contribute 50% of the sanctioned amount from its own source.

Thus, the total fund available for execution of scheme was:-

Govt.Grant:-	1720111=00
50% share of N.P.:-	<u>860055=00</u>
Total:-	2580166.00

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The amount was to be utilised on execution of schemes relating to public utility services such as:-

1.	Pure drinking water
2.	Drain, sewerage, const ^o revocation of reads
3.	Construction of community latrine and bath
4.	Solid waste management
5.	C contraction of Community hall, Park Bus stand ,et certification etc.
6.	Miscellaneous works, relating to pollution control, fish Market etc.
7.	Purchase of Machine, trols etc, relating to sanitation and water supply
8.	Establishment of computer cell for maintenance of accounts etc

During the period under audit Nagar Panchayat utilised Rs.7.46,315=00 leaving a balance of Rs.9,73,796 as of 31st March 2005.

Perusal of the bill register revealed that the maximum of the expenditure was incurred on construction of road and drain and litter over installation of Hand pump (water supply) out of grant portion only. The Nagar Panchayat did not contribute its matching share of 50% amounting to Rs.8.60 lakh and the other aspect i.e. construction of community latrine and bath, solid water management, construction of community hall park, Bus stand, pollution control fish/meat market etc were left untouched.

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13. National slum Area development Programmes sanctioned and

Govt of Bihar sanctioned and released a sum of Rs.37.64 lakh during the period from 2000-01 to 2004-05 vide details below:-

Sl.No	Sanctioned letter No.with date	Amount(Rs.)
1.	N.V.V No.487 dt.15.12.2000	13,69,000=00
2.	“ 384 dt 11.09.2001	1026000=00
3.	“ 299 dt 10.09.2003	1369000=00
	Total	3764000=00

The scheme was to be executed only through the Nighbourhood committee and community development society .If such committee did not exist, the same was to be constituted for the purpose.

A minimum of 10% of total grant was to be spent on construction of house for inhabitants of slum area and each house was to cost Rs.3800/-(Rs.36300+Rs.2500).

The remaining 90% of the grant was to be spent on scheme providing Drinking water supply, street, drain, road, community latrine and bath, community centre, Health care centre and electrification work.

Nagar Panchayat spent Rs.36.66 lakh out of grant received up to 31 of march 2005 leaving a balance of Rs,97992 as of March 2005.

It was noticed in audit that all work were done departmentally and the Nighbourhood committee or Community development societies were never constituted. This defeated the intension or purpose of scheme to involves local people (Nighbourhood committee or community Development society) at grants root in solving their basic problem. This was highly irregulars.

The general irregularities noticed in scrutiny of different bills relating to execution of schemes were as under:-

- (i) House for people living below proverty line i slum area and the community centre, Health case centre were not constituted nor any electrification works was done.

- (ii) The junior Engineer who prepared the estimate also exclude the work, took measurment and recoded in the measurment book. This was highly irregular. ✓
- (iii) Bill was not prepared on proper from. Only measurment book was made basis for payment.
- (iv) M.B showed several on account bill/payment the measurement recorded in each on account bill were left independent and same was not accounted for in successive on account bill .
- (v) The final bill did exhibit the total work done /total quantity of work executed. It showed only the residual part of work done finally. As such, it was very difficult to examine the correctness of M.B relating to execution of scheme.
- (vi) Analysis of material was not available wit the estimates andt he material consumption report was not furnished with final measurement.
- (vii) Work completion certificate of competent authority was wanting. ✓
- (viii) Sri Bharal Bhuhan sinha, Draft man (on daily wages) who had no teachical knowledge of civil works was authorised to execute several schemes. ✓
- (ix) Muster Roll bills prepared in relation to engagement of labour did not contain several information such as age, sex etc. ✓

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14. Water supply system:-

Govt of Bihar accorded sanction to the water supply scheme chakia in march 1987. The scheme estimated to cost Rs.71.62 lakh and was to be completed in two phases. The first phases consisted to the following:-

	Estimated cost	Rs.34.65 lakh
1.	High tubewell-2	1,67,000
2.	Pump chamber-2	44000
3.	VT pump set-2	153000
4.	Distribution line 8109 mater	1775600

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5.	Chlorinator Bag type-2	14000
6.	Water stand post-30	18000
7.	Employment quarters-8	3,18,960
8.	Store room-01	45000
9.	Boundry wall	143000
10.	Salary to work charged staff	31000
11.	Conveyance expenses	6000
12.	Electric installation	63880
13.	Railway crossing distribution	20000
14.	Land acquisition	1,00,000
15.	Contingency 5%	141222
16.	Department fee 13.5%	400364
		3441026
18.	Carriage of Goods	25000
		<u>3466026</u>
		Or,34.66 lakh

2nd phase

estimated cost=Rs.36.97 lakh

(i) Overhead water tank of i lakh

Gallon capicity:- 01

(ii) Distribution system:- 6655 mater

(iii) Water stand part:- 20

(iv) employees quarter:- 6

For implementation of scheme. Govt of Bihar grants & loans of Rs.82.50 lakh

Vide details below, to Nagar Panchayat and Amount released to Nagar Panchayat and directly o PHED, Dhaka.

Amount released to Nagar Panchayat chakia

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1. 1987-88 NVV No.904 dt.29.3.87 Loan Rs.7,50,00 " 903 " Grant Rs.250000	10,00,000
2. 1988-89 " 1122 dt.25.2.89 Loan Rs.1125,000 " 1121 -do- Grant Rs.3,75,000	15,00,000
3 1992-93 " 699 dt.20.3.93 Loan Sanctioned Rs,11,25,000 Less 25% 281250	15,00,000
NVV No.698 dt.20.3.93 Grant Rs.3,75,000	
4. 1999-2000 NVV No.3571 dt.12/0/99 Grant Rs.10,00,000	10,00,000
Total:-	50,00,000

Out of Rs.50.00 lakh Nagar Panchayat chakia received Rs.47,18,750=00 and transferred Rs.34.00 lakh to the PHED Dhaka ,East champarn as directed by the Govt.as detailed below:-

1. 1987-88 10,00,000
2. 1988-89 15,00,000
3. 1992-93 9,00,000
34,00,000

The balance of Rs.16,00,000=00 is laying unspent with Nagar Panchayat .In addition to Rs 34.00 lakh, Govt of Bihar directly released the following amount to PHED, Dhaka:-

1. 2002-03 Rs-32,50,000=00

As such, Govt has released Rs.82.50 lakh out of which out of which Rs.66.50 lakh was made available to PHED Dhaka

The position of work ascertained with the information available was as under:-

1.	Construction of tuse well-2	Complete
2.	“ of pum house-2	Complete
3.	Installation of Moater pump:-2	01 installed
4.	Transformer and electrification:2	1 unit complete
5.	Distribution system 8109 meter	5900 done

Water stnd part-30 complete-23

Boundry wall -2200 ft 542 ft complete

Approach road-2 Complete-1

Work related to 2nd phase

Was not started as yet.

Audit Comments:-

- (i) Govt released more than the sanctioned estimate i.e Rs.82.50 lakh against rs.71.63 meant for bath phase of work but even after the lapse of 18 years the scheme has not been completed. Even the first phase of the scheme is lying incomplete and the 2nd phase had not been started as of March 2005.

As a result rs.66.50 lakh had been blocked in incomplete work which may prove to be instructions.

- (ii) A revised estimate for Rs.226.24 lakh has been submitted to Govt for approval and release of fund for completion of residual work. The time over sun vis-a-vis cost over sum had resulted into revision of estimate and the price escalation is bound to effect the completion of work.

- (iii) Reasons for retention of Rs.13.19 lakh by the Nagar Panchayat was not available on records.

The responsibility for delay in completion or failure of scheme may be fixed and action may be taken accordingly.

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15.Diversion of Grant

Govt. of Bihar vide memo. No1826 dated 4.12.78 sanctioned the following posts for Nagar Panchayat chakia:-

- | | |
|----------------------------|-----------|
| 1. Head clerk- | 01 |
| 2. Tax Daroga Cum cashier- | 01 |
| 3. Office peon- | 01 |
| 4. safai Zamadar:- | 01 |
| 5. Sweeper | <u>05</u> |

Total:- 09

While according sanction to the post Govt had directed to appoint official only on the post, which was considered most necessary or if the Nagar Panchayat was in a position to pay the salary and allowances from its own fund, it may appoint officials accordingly. But during the period 1981-82 to 1989-90, the Nagar Panchayat diverted a total sum of rs.165978=29 out of amount released by govt as grant for execution of schemes towards payment of salary to its staff. However, during 1988-89 to 1989-90, Nagar Panchayat recouped Rs-32990-99 leaving a balance of Rs,1,32,987=30 which stood diverted as of January-2006. The details are as under:-

Sl.No	Year	Amount diverted	Amount recouped	Balance
1.	1981-82	43989=66	-	-
2.	1982-83	34137=80	-	-
3.	1984-85	11920=37	-	-
4.	1985-86	61168=20	-	-
5.	1986-87	14762=26	-	-
6.	1988-89	-	32683=99	-
7.	1989-90	-	307=00	-
		165978=29	32990=99	1,32,987=30

The procedure adopted was highly irregular as it affected the execution of scheme and defected the purpose of Grant released the Govt.

16. Diversion of fund

Scrutiny of scheme register and slum area dedared by the Nagar Panchayat revealed that the following schemes taken up by the Nagar Panchayat was not the part of development of slum Area an directed by the govt. for execution of schemes under NSDP.as detailed below:-

Sl.No	Name of scheme	Estimates(Rs)	Actual exp(Rs)
1	Brick soling work from the house of Jaishwal Laxmi Niwas to the House of Moiuddin Ansari	166,600	166600=00
2.	Brick soling work from house of Tuli Mai to Ganesh sah Near rly station	150500=00	142900 0 =00
3.	Bricks soling work from house of Awadesh Kr.to house of Uma Shanker Basaw	78500=00	78747=00
			3,88,247=00

Nagar Panchayat did not given any comments as Audit objection Hence, expenditure of Rs.388247=00 against the guidelines of Govt was irregular. The amount of Rs.3,88,247 is held under objection pending clarification.

17.Expenditure kept out of account:-

Out of Rs.4,41,817,a sum of Rs.4,07,611=00 was drawn through cheque from the Panchayat fund for payment of advance to the staff of Nagar Panchayat for different purposes vide details given in the statement III to the report.

The above amount drawn through cheque were not booked as expenditure and as such the expenditure of Rs.4076,11=00 was kept out of account the amount of advance was still outstanding as of January 2006.

The balance, amount of Rs 34206 was paid as adv advance out of collection money. The direct appropriation of collection amount to wards payment of advance of Rs.34206 was highly irregular and against the

provisions of the Act. This advance, too was still outstanding as of January 2006.,

(35)

Father, a sum of Rs.24950 which was taken as receipt in the cash Book but was not deposited into Panchayat fund and directly appropriated towards different expenditure. the delay posed vouchers in support of direct appropriation was not shown to audit .the matter may be examined by the executives of the Nagar Panchayat and action may be accordingly for recovery or due adjustment in account of the total amount of Rs.4,66,767(Rs.4,41,817+Rs.24,950) under intimation to te examiner of Local Account ,Bihar, Patna.

18.Treasury Pass book:-

Nagar Panchayat chakia did not produced the treasury Pas book in audit inspite of several reminders given by the Audit party. therefore, it was not possible to verify the debit and credit amounts as shown in cash book relating to P/L Account during the period of audit.

The same may be produced in next audit.

19.Maintenance of Bank Accounts:-

Nagar Panchayat was maintaining as many as five bank accounts in addition to P/L Accounts which was contrary to the provision of the Act. Further transactions of all bank accounts were intermingled which created a lots of confusion Bank accounts should be minimised to have a clear and transparent accounting system.

20.Amount Not intered in cash book

Scrutiny of records revealed that the following amounts received by the Nagar Panchayat were not passed through cash book as detailed below:-

Sl.No	Letter No. with date	Amount (Rs.)	Remarks
1.	NVV latter No.4844 dated 3.10.85	3389=00	Pay Grant
2	-do- 1121 dated 25.3.89	3,75000=00	Grant for water supply.
3	-do- 1122 dated 25.3.89	1125000=00	-do-

4.	Census work	5000=00	Contingency.
		1503889=00	

(34)

The transaction relating to the above grants may kindly be interred in the cash book and shown in next audit.

21.Demand and collection Register.

Demand and collection Register for collection of taxes was not maintained the demand and collection register is a basis records to watch the arrear as well as current collection. in absence of Demand and collection .register, the work of collection of taxes were completely thrown into the hand of tax daroga and other related staff and there related staff and there was complete lack of administrative and financial control Over collection of taxes. under the circumstances possibilities of leakage of revenue may not be ruled out.

The demand and collection register may be maintained and produced in next audit to avoid financial irregularities in future

22.Revision of taxes.:-

The basis requirement of the Nagar Panchayat was to prepare assessment list /register for imposition of taxes like holding tax, latrine tax and water tax .For this purpose provision under section 106 to 116 of Bihar and Orissa Municipal Act should have been followed but this was not done. This resulted into non-implosion of taxes in proper may even after a lapse of 29 years as on 31st March 2005.Scretiny of records revealed that Nagar Panchayat was collecting Holding tax along with Health cess and education cess on random basis .Few other taxes like Rickshaw registration fee etc. were found collected on the same basis. Under the procedure adopted by the Nagar Panchayat the possibility of leakage of revenue cannot be ruled out. Early step may be taken for assessment of taxes preparation of assessment list /register followed by demand and collection register to avoid further loss of revenue and to check leakage of revenue to.

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23. Rickshaw Licence fee:-

Scrutiny of Collection A/c revealed that no rickshaw registration fee and Rickshaw driver license fee was realised during the period of Audit.

But chakia Nagar Panchayat had instructed Rickshaw stand in front of Referral hospital at a cost of Rs.50,000 during 91-92. construction of Rickshaw stand itself implies that the Rickshaw are playing in the town as a result possibility of leakage of revenue on this account could not be ruled out matter needs investigation by the executives of Nagar Panchayat.

24. fixed demand (report of shop)

A Decision at the block level was taken on 4.1.95 to construct 93 shops under self financial scheme. According by registration of persons willing to take these shops were done.

The shops were of two types

- (i) 72 shops of 10'x'8' costing Rs.27500 each
- (ii) 21 shops of 10'x'12 costing 38500 each

Persons registered for allotment of shops had deposited the estimated cost of shops. Out of the fund available the shops were constructed and handed over to concerned allottee

As there work were done on block level, there was no records relating to collection of fund (Cost of shops actual cost of construction of shops position of balance amount remaining unspent were not shown to audit at Nagar Panchayat.

The rent of shops was fixed at the rate Rs.2.50/Sa.ft. the 50% of rent so fixed was to be realised in cash and 50% rent was to be adjusted against the amount deposited by the allottee till total adjustment of the same.

It was agreed upon between the parties the rate of rent would be revised from some time as per direction of D.M.

The work of collection of rent of these shops was transferred to Nagar Panchayat w.e.f 1.1.97.

A collection register maintained by the Nagar Panchayat revealed the following position:-

Demand of rent up to 2004-05 Rs.1024650.00
Rent collected 882450.00
Position of Balance up to March 05 14,2,200.00

The rent was never revised even after the lapse of Nine years.

It is suggested that rate of rent may be as per agreement for augmentation of revenue of Nagar Panchayat and arrear of rent realised as soon as possible.

(iii) A shop bearing registration No.71 of 10'x'8' Size was allotted to Sri Jata Shankar kumar. But Sri Jata Shankar kumar never deposited the rent of shop till date.

Early step may be taken by the Nagar Panchayat for realisation of rent or cancellation of allotment.

Short audit credit

25. Entry fee on vehicle

Nagar Panchayat imposed entry fee to be realised from vehicle entering chakia from outside w.e.f 16.5.03. Receipt book of denomination of Rs.5/-Rs-10/-Rs.15/-were printed fro collation of entry fee.No daily collection Register was maintained. In absence of which it ws very difficult to ascertain the amount of collection. However, an attempt was made in audit to Local the amount of collection with the help of issue of receipt book from stock register The position of collection from 16.5.03 to 15.6.04 stood as under:-

Sl.No	denomination	Receipt book	Amount collected
1.	15	1 to 8600	129000.00
2.	10	1 to 26200	131000.00
			3,41,000.00

Nagar Panchayat board at its meeting held on 15.6.04 delided to appoint commission agent for collection of entry fee af five different entrance point to the town, Accordingly it appointed commission agent to be

paid at 20% commission on total amount of collection effected by the commission agent.

(31)

The position of collection the period from 15.6.04 to 31.3.05 as far as it could be ascertained with the number of receipt book issued from the stack stood a under:-

Sl.No	Denomination	Receipt book	Amount collected.
1	15/-	8601 to 12600	60000.00
2.	10/-	8101 to 11600	35000.00
3.	5/-	26201 to 39800	68000.00
			163000.00
Less 20% commission payable to comm. agent			32600.00
			130400.00

Thus total amount collected during 15 .6.03 to 31.3.05 after deducting 20% Commission Payable to commission agent was (13040+Rs.34100) Rs. 471400.00 As per detail available in the accountant cash book a total sum of Rs. 3,02,000=00 was found deposited in the Panchayat fund vide details in the statement V to the report.

Thus, Rs (471400-302000) 169400/- collected on above account was not deposited in the Panchayat fund. Effective and immediate steps may be taken recover the amount of Rs.169400/- from the person(s) concerned.

Short audit credit

26.Latrine tax

A sum of Rs.36935/-was collected by the Nagar Panchayat as latrine tax during 80-81 to 91-92 and deposited Rs.4180=00 only as details given in the statement VI to the report. The short deposit of Rs.32755 may be recovered from the persons concerned and deposited in the Nagar Panchayat Fund. audit of the same be shown in the next audit.

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27. Non Credit /short credit

A sum of rs.2,11,255.29 was deposited in short or not deposited in Nagar Panchayat fund out of collection made through money receipt and H-receipt Vide details in the statement VII & VIII the report.

The short deposit of Rs.2,11,255.29 be recovered from the person (s) responsible and deposited into Nagar Panchayat fund recovery of amount and audit into Nagar Panchayat fund to shown to next audit.

As per statement VII Rs.198225.52

As per statement-VIII 13029.77

Total short audit Rs. 2,11,255.29

28. Non Production of Receipt

The flowing Money receipt/ H-receipt books were not produced in audit so the collection made from the these receipt deposit of the same in to Panchayat made from these receipt were not verified in audit.

Vide details below:-

Sl.No	Money Receipt	H-Receipt	Date	To whom issued
1.	501 to 600	-	22.10.82	Sri P.N. Pandy credit was tread from D.C.R.
2.	601 to 700	-	1.7.97	Sr.P.N.Pandey smitry Inspection
3.	-	2801 to 2900	6.6.98	-do-

The executions of the Nagar Panchayat may ascertain the position of collection and deposit of the same into Panchayat fund intimation to the examiner of Local Account Bihar, Patna.

29 Outstanding taxes Govt building.

29

A sum of Rs.8, 18896=00 was outstanding sinor 91-92 to 2004-05 on different Govt building as Holding tax and cesses as per detaild made available by the Nagar Panchayat in the statement IX to the report.

The action may be taken to realise the above outstanding tax by the Nagar Panchayat early.

30. ^{unfructuous} Instructions Expenditure:-

Scheme No. 3/01-02 (NSDP) Name of Scheme:-

(i)	Sinking of chapakal3 No.17430.00	
(ii)	Coast of Drain 350:-	62300.00
(iii)	Brick soling 1350'	207421.00
(iv)	One set of latrine:-	<u>44400.00</u>
		331551=00

Say=Rs.331550

Agent – Sri Bharat Bhushan Singh

Data of Commandment:- 14.6.01

Date of Completion 30.7.01

Audit Comments:-

- (i) Scrutiny of scheme files revealed that const of drain and brick soling work amounting Rs. 269721=00 were done. But the voucher and Muster roll was not found in the file Thus euthencily of expenditure was not examined in audit. Till production of relating voucher the expenditure of Rs.269721=00 held under objection.
- (ii) Sinking of chapakal and constn of one set of latrine was done by Sri.Manoj kumar

As per estimates there was provision for deep boring of 9/1/2 in each chapakal (3 No) against which only 86'deep boring(4N0) was done in each as per H.B.

Thus sinking of one chapakal in excess of approved estimated was unauthorised.

But serutiny of file revealed that there was a provision of content of platform size 6'x4' Costing Rs.1000/- each was not done and bocked, plunger, nut bolt etc costing Rs-500/- in each chapakal under item No.9 and 4 but as per M.B and voucher this was neither purchased not fitted in the hand pump.

In absence of bocked and plunger and proper platform the working of Rand pum was not possible as such the entire expenditure of Rs.16584=00 (4x4146) proved infuriatuous.

Thus total sum of Rs.16584=00 stnds recoverable from Sri Suresh Prasad ,JE concerned.

(iii) Similar cases was also found in the shem No 6/01-03.In this scheme expenditure of Rs.485-7 was done which proved infruituaus due to reasons staled in (i).

Thus Rs.48507=00 stands recoverable from concerned JE Sri Suresh Prasad.

31.(a) excess Payment:-

Scheme No:-15/03-04(NSDP) Name of scheme-constn . of pakka drain at kunwe Road Estimated Amount-Rs-59000=00

date of commencement- 26.2.04

Name of executive apent :-Sri Laxmi Pandit J.E

Serutiny of estimates, vouchers and M.B,the following irregularities were noticed:-

(i) As per M.B page 2 to 5 the earch cutting was done only in 2' deep, In which 3" brick flat soling ,and 3" P.C.C was done .Hence only 1 1/2 was available for brica work Upto level of tlank of the road .but payment ws made for 2' brick work. As such, the excess payment for 6" brick work (1:6)as detailed below is recoverable from JE concerned:-

2'x2x100'x10"x6"	=166.67
2x15x10"x6"	= 12.50
2x27'10"x6"	= 22.50
	<u>201.67eft</u>
	= 5.72N3

Excess payment done = 5.72X1189.65
=Rs.6805/-

(27)

(ii) Analysis of material and Labour showed that excess payment was made in the following material and Lasours.

Sl.No	Name of item	Consumption shown	Actual requirement	exess	Rate	Amount (Rs)
1.	Cement	76 bags	68 bags	8 beg	140/beg	1120=00
2.	Sone sand	430 eft	4000cft	30cft	1700% cft	510=00
3.	Stone chips	275 cft	180 cft	95 cft	2200% cft	2090=00
4.	Labours	196 No.	103 No.	93 No	58.65	5454.45
						9174.45

Excess payment of Rs.9174.45 may be recovered.

(ii) sales tax and Royalte:-

sales tax and Royalte was not deducted from the bill. The same may be recovered and deposited in Govt A/c as detailed below:-

Sl.N	Item	Qty	Rate	Cost(Rs)	sale tax Rate amount	Royalte Rate amt
1.	Brick	11600 NO.	1816%	21065	8%1685.0020%	232
2.	Cement	76 beg	140/bog	10640	11% 1170.40	-
3.	Sand	430 cft	1700/bog	7310	8% 584.80 25/.M 3	778.80
4.	Chips	275 cft	2200% cft	6050	9% 544=50 100/M3	778.80

Total:-3984.70+1314.80=Rs.5299.50 3984=701503.80 Rs.1314=00

Thus Rs. May be recovered from Executing agent.

(b) Excess Payment:-

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Scheme No. 17/03-04

Name of Scheme:- const n of drain at Ghurukpur

Estimated price:- 57100.00

Actual Exp:- 57097=00

Date of Commencement:- 26.2.04

Date of Completion:- 7.6.04

Name of executive agent – Sri Laxmi Pandit, JE M.B and

voucher it was noticed that the Executive had purchased material in excess of requirement and got payment in excess .The seme. May be calculated as under:-

Sl.No	Name of item	Consumption Actual requirement	Consumption shown	Ecess	Rate	Amount
1.	Brick	11200 No	10700 No	500 No	1816%	908=00
2.	Cment	74 bags bags	66 bags	8 bags	140/bags	1120=00
3.	Chips	260 cft	197 cft	63 cft	2200% cft	1386=00
4.	Messon	56 No	42 No	14	Rs.90 1260=00	1260=00
5.	Labours	154 No.	105 No	49	R2873=85 Rs.58.65	2873=85
						7547.85

Thus Rs.7547.85 may be recovered from executing agent.

(c) Exces Payment

Scheme No- 16/03-04 of NSDP

Name of Scheme:- const n of drain at Kunwa Road.

Estimated amount:- Rs.44500=00

Actual expenses.- Rs.44500=00

Date of Commencement- 28.2.04

Date of Completion- 31.3.04