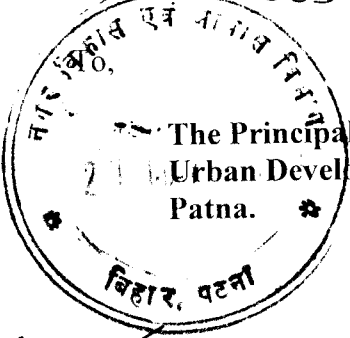


OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT), BIHAR
(LOCAL AUDIT WING), PATNA -800001

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NO. L.A.Sur/969

Dated: - 16/05/08



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

संजीव कुमार
3/06/08

Sir,

Audit Report No 24/2008-09 on the accounts of Nagar Panchayat, Chanpatiya for

the Period 2001-02 to 2006-07 is enclosed for your kind information and necessary action.

Encl: -As above

Yours faithfully

15/05/08

(B. C. Lal Das)

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

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INTRODUCTION A.R. NO 24/2008-09

The accounts of Chanpatia Nagar Panchayat for the year from 2001-2002 to 2006-07 were test checked by an audit party of Office of the Principal Accountant General (Audit) Bihar, (Local Audit wing) Patna, during the period from 07-01-08 to 16-02-2008.

2. ADMINISTRATION

Chairman

1. Sri Gulab Chand Paswan - Periods not available
2. Smt. Kiran Devi 16-06-02 to 31-03-2007

Special officer

1. Sri Kamal John Lakna 01-04-2001-18-08-01
2. Sri Dines Prasad 19-08-01 to 07-09-01

Executive Officer

1. Sri Ravi Raj Sharma 08-09-01 to 16-05-03
2. Sri Sanjay Kumar 17-05-03 to 16-11-2004
3. Sri Narendra Pd. Singh 17-17-04 to 31-03-07

3. CASH BALANCE

Cash balance as per Accountant cash Book and treasury / Banks /Post Office Pass Book

as on 31-03-07 was as follows: -

<u>Particulars</u>	<u>On 31-03-07</u>
1. As Per Cash Books:-	57,88,399=67
2. As Per Pass Books:-	
(a) Treasury Bettiah (old) A/c no-8448	2718=81
(b) Treasury Bettiah (new) A/c no-8448	27,15,242=66
(c) Bettiah Post Office A/c no - 1031416	6080=75
(d) Chanpatia Post Office A/c no 1600969	1504=70
(e) Bettiah Central Bank A/c no -15148	3,45,412=00
(f) S.B.I. , Chanpatia A/cno- 01100050161	23,05,265=31
(g) Gramin Bank A/c no -4466, Chanpatia	29,930=00
(h) S.B.I. Chanpatia A/c no – 01100050162	1,44,956=20
(i) S.B.I. Chanpatia A/c no-01000050050	2,56,524=24
Total Passbooks Balance -	<u>58,07,634=67</u>
Difference-	19,235=00

Reasons of difference of Rs 19, 235 00 as explained in the cash book were as follows:-

- (1) Rs 9,234=00 were the amount of two uncashed cheque issued in the month of March 2007.

(1) Rs 9,234-00 were the amount of two uncashed cheque issued in the month of March 2007.

(2) Reasons of difference of balance amount of Rs 10,001-00 were not explained which persisted since long. Action may be taken to locate the reasons and rectify the same early.

4. SCOPE OF AUDIT

A list of records/ registers and accounts produced and test checked in audit and those either not maintained or not produced in audit, have been given in Appendix -I A and I B respectively to the report.

5. PREVIOUS AUDIT REPORTS

The current position with regard to outstanding audit paras of following last and previous audit reports were as follows:-

SI No	A.R.No	Period	No of Outstanding Paras
1.	226/1978-79	1972-73 to 1976-77	13
2.	369/1979-80	1977-78 to 1978-79	13
3.	90/1981-82	1979-80	8
4.	322/1982-83	1980-81 to 1981-82	12
5.	56/1984-85	1983-84	3
6.	80/1988-89	1984-85 to 1987-88	16
7.	126/1990-91	1988-89	3
8.	91/1995-96	1989-90 to 1994-95	34
9.	46/2001-02	1995-96 to 2000-01	41
		Total: -	143

Despite repeated requests and reminders, the compliance to above outstanding paras duly signed by the executive officer were not furnished to audit due to negligence of the Head Clerk-cum Accountant who failed to furnish compliance reports for spot verification. Due to non-submission of compliance reports, the outstanding paras is mounting year to year and the very purpose for which audit is conducted, is defeated. The Executive of the Nagar Panchayat is requested to take effective steps for furnishing compliance to above outstanding paras to the examine of local Accounts, Bihar, Patna for verifications and early settlement.

6. OVERVIEW

The Nagar Panchayat, Chanpatia is mainly financed by Govt. Grants, loans and revenue derived from its own sources. The following figures of receipts and expenditure were compiled on the basis of entries made in the Accountant's cash book for the years 2001-02 to 2006-2007 as the Nagar Panchayat does not maintain Abstract Register of Receipts and

Sl. No	Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
1	Opening Balance	19.58	7.03	12.08	23.97	27.38	30.64
2.	Receipts						
(i)	Recurring govt. Loans	1.44	1.46	1.49	-	1.53	-
(ii)	Recurring Govt. Grants	1.44	1.46	1.49	-	3.26	0.94
(iii)	Non Recurring Govt. Grants	3.63	1.99	27.74	22.76	41.77	155.00
(iv)	Misc. funds received from district authority	0.76	1.99	8.80	5.43	0.27	0.80
(v)	Additional Stamp Duty	-	3.24	1.40	1.60	3.27	1.44
(vi)	Receipt from own resources	0.89	5.48	4.07	3.96	5.33	4.95
(vii)	Bank interest	0.35	0.16	0.18	0.29	0.97	2.71
(viii)	Misc. Receipts	-	-	2.32	3.98	-	-
(ix)	Returned to advances	0.32	1.60	-	-	-	-
(x)	Deposit received	0.34	-	-	-	-	-
	Total -	28.75	24.41	59.57	61.91	83.78	196.51
3	Expenditure						
(i)	Establishment & Other recurring Expenditure	8.16	9.86	11.82	10.49	7.51	7.17
(ii)	Execution of scheme including advance	11.82	1.91	23.12	22.61	40.58	129.27
(iii)	Salary and General Advances	01.74	0.54	0.65	1.35	2.70	1.33
(iv)	Returned of Deposit	-	0.02	0.01	0.08	2.35	0.05
	7.03	12.08	23.97	27.38	30.64	58.69	
4.	Closing Balance						
5.	Percentage of own income on establishment expenses	10.91	55.58	34.43	37.75	70.97	69.04

The above figure of receipts and expenditure of outstanding advance and deposit made in payment/ adjustment vouchers during the years, if any, as the Adjustment Register required to be maintained under rule 70 of the Bihar Municipal Accounts Rules, 1928 was not maintained. The correctness of above figure was also not confirmed by the Nagar Panchayat. It would appear from above table that the revenue from its own resources was not efficient to meet its normal establishment and other recurring expenses. It fell down to 10.91 percent in 2001-02 and increased maximum to 70.97 percentage in 2005 -06.

The authority is, therefore impressed upon to take the suitable measures for props augmentation of its resources and curtail the normal expences so that the benefits to the taxpayers could not be deprived off.

Due to non-maintenance of annual accounts for the period under audit, the head wise receipts and expenditure could not be furnished.

7. INTERNAL AUDIT

There is no specific provision for internal audit of accounts of the municipality but municipal accounts rules 1928 provides a number of cheques under 20,30,31,32,64,66,73 (A)

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7. INTERNAL AUDIT

There is no specific provision for internal audit of accounts of the municipality but municipal accounts rules 1928 provides a number of cheques under 20,30,31,32,64,66,73 (A) and 105 to be exercised by the executives of the municipality. Those cheques were provided in the rules in order to have proper control in maintenance, co-ordination and also to avoid irregular practices in the municipal accounts. But during audit it was noticed that no such cheques as prescribed in the above rules were conducted by the executives as such a number of irregularities were noticed during audit.

It is therefore, impressed upon the authority to conduct regular checks as prescribed in municipal accounts rules 1928 to avoid recurrence to such irregularities in future.

8. IMPORTANT AUDIT FINDINGS

S.No	Particulars	Reference to Paragraph no
1.	Total unauthorized expenditure of Ro 295,14 lakh due to non furnishing of budget	9
2.	Irregularities in maintenance of cash book	11 to 13
3.	Adjustment of deduction of lakh at resources of 6.17 lakh not shown	14(a)
4.	Total specific grant of Rs 41.26 lakh received blocked	15(a)
5.	Rs 20.38 lakh involved in incomplete 13 schemes which were outstanding against executing agent	16
6.	Non /short credit of Rs. 1.06 lakh after recovery of 0.35 lakh at the instance of audit.	20
7.	Direct appropriation I collection money of Rs. 0.60 lakh.	21
8.	Non deposit of education and health case of Rs. 2.82 lakh	22
9.	Non deposit of settlement amount of Rs. 2, 24 lakh	25&26
10.	Irregular daily wages payments of Rs. 6.69 lakh	29
11.	Royal by and VAT amount of Rs. 3.88 lakh not deposited	31
12.	Non -implementation of Balmik Ambedkar Awas yojna.	34
13.	Non -production of payment vouchers to the of Rs. 52.90	40

9. BUDGET ESTIMATES

Budget estimates for the period 2001-02 to 2006-07 with relevant information regarding dates preparation sanction and submission to the state government for approval could not be made of available to audit, in absence of which it could not be ascertained that head wise actual receipt and expenditure were made in accordance with the provision made in relevant budget of the estimates financial year.

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10. MORE THAN ONE ACCOUNTS WERE IN OPERATION

In utter violation of provision contains under section -66 of the Bihar Municipal Act, 1922, his following numbers of the accounts were in operation during his year under audit.

- (i) Treasury Account in Bettia Treasury (old account)
- (ii) - Do - (New account)
- (iii) Postal Saving Account No 160069 at chanpatia
- (iv) -Do- 1031416 at Bettia Post Office
- (v) Central Bank of India Bettia No. 15148
- (vi) Gramin Bank Chanpatia No. 4466
- (vii) State Bank of India, Bettia A/c No. 50161
- (viii) State Bank, Chanpatia A/c No. 50162
- (ix) -Do- A/c No. 50050

(a) Opening of more than one account requires the sanction of state Govt. but this was not shown to audit

(b) It is suggested that bank accounts running without approval of the govt. may be closed and balance thereof be merged into treasury P.L. A/c. Sanction of state govt. for other five accounts may be obtained and shown to next audit.

11. ACCOUNTANTS CASH BOOK

The Account cashbook was not maintained properly, the following deficiencies were noticed: -

- (i) Certificate of the Executive Officer in respect of page number was wanting.
- (ii) Head wise allocation was not written either in receipt side or in expenditure side.
- (iii) Voucher numbers were not systematically entered in the cashbook.
- (iv) Particular of receipts and expenditure were not furnished in full details which may lead to financial irregularities particularly in the case of deposit I receipt
- (v) Counter references were not furnished while issuing fresh cheque in lieu of old cheque .
- (vi) Cheque Nos. was not indicated against uncashed cheque amount.

12. COUNTER FOILS OF CHEQUES

It was noticed that counter foils of cheque did not bear any particulars viz. date of issued of the cheques and name of the person to whom the cheques were issued. Only cheque amounts were mentioned. In several cases receipts in token of issue of cheques were not obtained on the back of counter foils. Counterfoils of cheque may be written properly showing all details.

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It was noticed that counter foils of cheque did not bear any particulars viz. date of issued of the cheques and name of the person to whom the cheques were issued. Only cheque amounts were mentioned. In several cases receipts in token of issue of cheques were not obtained on the back of counter foils. Counterfoils of cheque may be written properly showing all details.

13. INFLATED RECEIPTS IN RESPECT OF AMOUNT OF BANK DRAFTS

FOR PAYMENT OF SALARY TO STAFF

It was noticed that Treasury cheques were cashed against Treasury balance for payment of salary and allowance of staff and expenditure (as book) in cashbook. In lieu of cash against such cheques the S.B.I. Bettiah issued bank draft to the Nagar Panchayat. Accountant Cash Book revealed that following amount of Bank Drafts were also taken as receipts in the cash Book without booking corresponding expenditure (Disbursement) of the amount in the cash book: -

<u>Sh. No.</u>	<u>Date of Receipt</u>	<u>Amount of B/D taken in receipt</u>	<u>Particulars</u>
1.	06-01-04	2,31,938=00	Draft received against Tre . Cheques A/c No. 497675 It 18-12-03 for Rs. 2,32,404 Salary for May -2003 to August 2003
2.	15-7-04	BR 231938=00	Draft received against Treasury challan No. A-497677 at 21-06-04 of Rs. 2,81,862/-
3.	29-9-04	1,08,655=00	Draft received against Tre. Cheque No A -497678 dated. 16-9-04 Of Rs . 108928/-
		6,21,831=00	

14. (A) LOAN ACCOUNT

Loan Register in form xxi required to be maintained under rule 88 of the Bihar Municipal Accounts Rules, 1928, was not maintained by the Chanpatia Nagar Panchayat. A register showing receipt of granted loan only was maintained in cash financial year from the year 1984-85. Such register prior to 1984-85 was also not made available to audit. It was ascertained from such register and cash book do for made available to audit that the Chanpatia

instatement of loan and interest there on due for repayment, amount repaid, if any, and balance due for repayment on 31-3-2007 could not be assassinated and furnished.

The loan register duly completed in also respect may be about to the next audit.

(b) Loan appropriation Register in form XXIA as required to be maintained under rule 89 of the Bihar Municipal Account Rule, 1928 was not maintained, in absence of which, utilization of amount of loans for which they were sanctioned could not be verified.

The register may early be prepared by booking relevance reference to expenditure of each amount of loan and about to the next audit so that proper utilization of amount of loans may be verified in audit.

15. GOVERNMENT GRANTS

Grant Register required to be maintained under rule 14 A of the Bihar Municipal Accounts Rules, 1928 was also not maintained by the Nagar Parishad. As each actual position of opening balance of unspent grants of the beginning of the financial year 2001-02, details of purpose was fronts received and spent during the year 2001-02 to 2006-07 and balance of grants remained unutilized at the end of financial year 2006-07 could not be furnished.

However, scrutiny of cash book revealed that total grants funds of Rs. 2,78,74,299 was received by the Nagar panchayat during 2001-02 to 2006-07 aspr details given in Appendix –III A and III B of the report which included recurring grant of Rs. 8,59,010 for payment of salary to staff and non –recurring grants of Rs. 2,52,91,191 for specific purposes received from state govt. and further MLA/MP funds of 15.35941 and Rs. 1,88,157 for election, census, P.H etc. received from district authority.

The year wise and head wise specific govt. grants of Rs. 2.53crore were analyzed as per details given below:-

Sl No.	Period	N.S.D.P	11 th F.C.	12 th F.C.	State Dev. Grants	S.J.S.R.Y	Total
1.	2001-02	-	-	-	-	3.63	3.63
2.	2002-03	-	1.99	-	-	-	1.99
3.	2003-04	19.33	7.90	-	-	0.51	27.74
4.	2004-05	-	12.32	-	-	10.44	22.76
5.	2005-06	22.29	-	6.00	12.00	1.48	41.77
6.	2006-07	-	-	8.79	146.23	-	155.02
	Total	41.62	22.21	14.79	158.23	16.06	252.91

(1) The state govt. sanctioned Rs. 23,16,100 vide letter No 1101 of 30-3-06 and received by Nagar panchayat for the following purpose on 09-05-06.

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5.	2005-06	22.29	-	6.00	12.00	1.48	41.77
6.	2006-07	-	-	8.79	146.23	-	155.02
	Total	41.62	22.21	14.79	158.23	16.06	252.91

(1) The state govt. sanctioned Rs. 23,16,100 vide letter No 1101 of 30-3-06 and received by

Nagar panchayat for the following purpose on 09-05-06.

SL. No.	Purpose	Amount (Rs.)
1.	Construction of Bucharkhana	4,22,300
2.	Road Construction	13,76,200
3.	Drainage Construction	1,65,300
4.	Shops Construction and electric expenses	3,52,300
	Total -	23,16,100

Only one scheme of road construction of Rs. 13,76,200 was taken up and shown completed by incurring expenditure of 13,76,200 during 2006-07

But not even a single cheques of remaining amount of Rs. 9,39,900 was taken up and thus Rs. 9.40 lakh received unutilised and blocked.

(2) Total specific grant of Rs. 31.86 lakh received during 2006-07 remained unutilized as per details given below as no detail of expenditure against such grants were shown-

SL. No.	Date of receipts	Letter No and Date	Purpose	Amount (Rs.)
1.	9-5-02	1093/30-3-06	State Plan for basic infrastructure	2,07,000
2.	9-5-06	1096/30-3-06	12 F.C. Grants	4,73,884
3.	6-11-06	595/25-10-06	Prep. Of DPR.	25,000
4.	17-1-07	3515/19-9-06	Purchase Trader	4,25,000
5.	17-1-07	3115/11-8-06	12F.C.	4,05,458
6.	31-3-07	432/7-2-07	State grant for road construction	16,50,000
			Total -	31,86,343

Thus total grant of Rs. 41.26 lakh

(9.40 lakh + 31.86 lakh) remained blocked.

(3) As per scheme register so far made available to audit old cash book of the Nagar Panchayat, the position of utilisation of remaining specific grants of Rs. 197.19 lakh which had been received during the period under audit were as follows:-

SL. No.	Name of scheme	Period of receipt	Grant received	Amount released	Amount of unutilised grants
				(Rupees in Lakh)	
1.	N.S.D.P	2003-04 & 2005-06	41.62	36.85	4.77
2.	11 TH F.C.	2002-03 & 2004-05	22.21	22.03	0.18
3.	12 TH F.C.	2005-06	6.00	5.93	0.07
4.	State Grant	2005-06 & 2006-07	112.00	109.59	2.41

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(b) Utilisation certificate in respect of govt. grants were not made available to audit, As such position in respect of non-submission of outstanding utilisation certificates of grants to the sanctioned authorities could not be ascertained.

The list of outstanding utilisation certificate may be furnished to the next audit.

16. EXECUTION OF SCHEMES

The Nagar panchayat received specific funds for execution of developmental schemes in the area under the National slum Development Programme (N.S.D.P) recommendation of 11th and 12th Finance Commission, Plan and Non -plan of state govt. Swarna Jayanti Sahari Rojgar Yojna (S.J.S. R.Y.) and M.P/ M.L.A. Fund. As per schemes registers and progress statements so far made available to audit, the details of number of scheme taken up, completed and balance of schemes, if any, remained incomplete with amount involved are given in Appendix-IV to the report. The Nagar Panchayat took up 152 schemes of Rs. 210.52 lakh out of available funds of Rs. 220.35 lakh 139 schemes of Rs. 185.95 lakh were completed during the period under audit for which Rs. 181.22 lakh only was incurred and balance of 13 scheme (4 schemes of state grants and 9 scheme of M.P. Fund) of Rs. 24.56 lakh remained incomplete as on 31.3.07 which involved Rs. 20.38 lakh as per details given in Appendix -V to the report.

The amount of Rs. 20.38 lakh either be adjusted after completion of such scheme as per sanctioned estimates or the amount may be recovered from the executing agent early.

Neither scheme register nor Programs statements of scheme was made available to audit in respect of scheme before up against total available funds of Rs. 16.01 lakh under S.J.S.R.Y. .Hence position of such scheme could not be ascertained. Actual position of execution of schemes under S.J.S.R.Y. may be shown to the next audit.

17. ADDITIONAL STAMP DUTY

The Nagar panchayat chanpatia received additional stamp duty of Rs. 10,94,913 for the quarter ending from December, 2000 to September 2006 from state Govt, during the year 2001/02 to 2006-07 per details given below: -

SL. No.	Govt. Sanctioning Letter No. & Date	Date of Receipt	Amount received Rs.	Quarterly Period related
1.	2094/25-9-02	29-10-02	1,13,507-00	December 2001 to June 2002
2.	82/16-01-02	17-03-03	2,10,767-00	Dec. 2000 to Sept. 2001
3.	1900/14-8-03	10-11-03	1,40,372-00	Sept. 2002 to June 03
4.	1671/2-08-04	24-11-04	1,60,182-00	Sept. 03 to June 2004
5.	92/13-01-06	23-03-06	3,26,634-80	Sept. 2004 to Sept 05
6.	2954/19-12-06	31-03-07	1,43,450-48	Dec. 2005 to Sept. 06

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No.	Letter No. & Date		Rs.	
1.	2094/25-9-02	29-10-02	1,13,507-00	December 2001 to June 2002
2.	82/16-01-02	17-03-03	2,10,767-00	Dec. 2000 to Sept. 2001
3.	1900/14-8-03	10-11-03	1,40,372-00	Sept. 2002 to June 03
4.	1671/2-08-04	24-11-04	1,60,182-00	Sept. 03 to June 2004
5.	92/13-01-06	23-03-06	3,26,634-80	Sept. 2004 to Sept 05
6.	2954/19-12-06	31-03-07	1,43,450-48	Dec. 2005 to Sept. 06
		Total -	Rs. 10,94,913=28	

It was noticed that total amount of Rs. 10,94,913=28 was merged in Municipal Fund for meeting establishment and other normal expenditure.

Expenditure incurred if any development for development works within the area out of such funds was not pointed out to audit.

18. DEMAND & COLLECTION REGISTER

The summary of the demand collection and balance taxes during the period under audit as furnished by the auditee organization is given in Appendix - VI to the report.

The figure shows that percentage of collection was very poor which was below the minimum standard of 85%.

It is therefore, imposed upon the executive officer for taking effective steps to improve the collection of main Taxes. Due to poor percentage of collection ie 6% to 17 percent during the period under audit the outstanding amount was mounting year to year. The Demand and collection register was not maintained since long prior to 1995-96. In absence of the figure could not be verified. The Demand and collection register may be maintained forthwith and shown to next audit.

19. REVISION OF ASSESSMENT OF HOLDING TAX

Section 106 of Bihar Municipal Act, 1922 provides that new valuation and assessment list relating to taxes on holding shall be prepared once in every five years. In Chanpatia Nagar panchayat annual valuation of holding were reused in 1992-93. The last revision of holding taxes was due in 1997-98, 2002-03. But no revision of assessment of holding was done in the soil period due to which Nagar Panchayat (chanpatia) remained deprived of increased rate of taxes from year to year. No reason for non- revision of holding taxes was assigned to audit. Appropriate action may be taken to revise the assessment at the earliest possible.

20. NON/SHORT CREDIT

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This was rendered possible due to gross negligence of the executive and the Accountant as they failed miserably to check the collection accounts at short intervals. The Accountant was doing the work of cashier, which was contrary rule. The accountant received the collection money that did not deposit the entire amount in bank. Despite such irregularities of financial nature pointed out in the last previous report no action was taken by the executives against the defaulter.

The action deemed necessary to recover the balance of in credited collection money of Rs. 1,05,718-00 from the person's concerned. The credit of Rs. 35,321-00 being the amount deposited at the instance of audit was not verified in cash book and relevant pass book as the same were not written credit may be shown to the next audit.

21. DIRECT APPROPRIATION OF COLLECTION MONEY

It was noticed that the amount on account of various taxes and fees etc were collected by Sri. Ramchandra Pd., Head clerk cum accountant of Nagar Panchayat. Ramchandra Pd. Accountant who was also exercising the work of cashier, collected Rs. 13,44,972-00 during 27-01-05 to 02-01-08 but a sum of Rs. 12,75,722 only was deposited resulting in non short credit of Rs. 69,250=00. (Vide SL. No. 2 of appendix VII to the report.)

However, Rs. 9,250/- was deposited at the instance of audit in S.B.I. Account No -50161 by through Pay in slip leaving balance of Rs. 60,000.

Rs. 60,000 =00 was shown to have been appropriated towards expenditure in support of which pay. Voucher of Rs. 60,036=80 was shown to audit, but the same was not found accounted for in cashbook.

Rule 22 of the Bihar Municipal Accounts Rules 1928, provides that all money received on A/c of the municipality, shall be remitted intact to the treasury and shall on no account be appropriated towards expenditure. Direct appropriation of collection money amounting to Rs. 60,000/- towards expenditure is highly objectionable and the practice may lead to misappropriation of collection money. Thus, Rs. 60,250/- either may be got adjusted or recovered and shown to next audit.

22. NON-DEPOSIT OF HEALTH CESS AND EDUCATION CESS TO STATE EXCHEQER

Under Bihar Primary education Act, 1959 as amended from time to time; the education cess was levied by Nagar Panchayat at the rate amended from time to time. The health cess was

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60,000/- towards expenditure is highly objectionable and the practice may lead to misappropriation of collection money. Thus, Rs. 60250/- either may be got adjusted or recovered and shown to next audit.

22. NON-DEPOSIT OF HEALTH CESS AND EDUCATION CESS TO STATE EXCHEQUER

Under Bihar Primary education Act, 1959 as amended from time to time; the education cess was levied by Nagar Panchayat at the rate amended from time to time. The health cess was also levied as per Bihar Health Cess Rules 1972. The Proceeds of such cess were to be credited to the concerned Heads of state govt. revenue after deduction 10% as collection charges. But the proceeds of these cess were not deposited to the state exchequer after deducting 10% collection charge. Thus, the Nagar Panchayat did not credit a total of Rs. 2,82,076/- vide details below: -

SL. No.	Period of collection	Education Cess Rs.	Health Cess Rs.	Total Collection Rs.
1.	2001-2002	36,434-00	36,434-00	72,868-00
2.	2002-2003	20,688-00	20,688-00	41,376-00
3.	2003-2004	13,383-00	13,878-00	27,261-00
4.	2004-2005	31,033-00	31,033-00	62,066-00
5.	2005-2006	32,991-00	32,991-00	65,982-00
6.	2006-2007	21,932-00	21,933-00	43,865-00
	Rs.-	1,56,461=00	1,56,957=00	3,13,418=00

(I) Total collection: - 3,13,418-00

(II) Share of Nagar panchayat as 10% Collection charge 3,13,42-00

(III) Amount remittable to state govt. 2,82,076-00

Thus from the above table It is clear that a sum of Rs. 2,82,076-00 stands to be credited to the govt. heads of revenue.

23. OUTSTANDING TAXES ON GOVERNMENT BUILDINGS/ INSTITUTIONS

A sum of Rs. 313557-00 was outstanding taxes on government buildings and institutions as on 31-03-07 vide details in Appendix-VIII to the report measures. But no effective measures were taken by the Nagar Panchayat authority for the realization of outstanding taxes.

The executive officer is therefore, impressed upon to take effective steps to realize the same from such government institution.

24. NON-PRODUCTION OF 'H' BLANK BOOKS FOR PHYSICAL VERIFICATION

Scrutiny of stock register of 'H' receipt books disclosed that 5000 'H' receipt books were obtained from Dhemraj Press, Bettiah for collection works but only 4 block 'H' receipt books were found in stock. Blank receipt books were not produced before audit upon. The executive is,

SL. No.	Name of Bidder	Amount of Bid	Realised M.R.No/Date	Deposited	Amount of non deposit	Status of settlement	Name of official
1.	Dukh Haran	M.P.2500/2001-02	2500/	Nil	2500		Sri Jali Amin
2.	Ehunai S/o Kutubuddin	1000/2002-03	1000	Nil	1000	"	"
3.	Balisah S/oGuya Sah	1000=00/2002-03	1000	Nil	1000	"	"
4.	Kishori chudry	1800	1800/6765 at 12-9-02	Nil	1800	"	"
5.	Kedar Pd. Sah S/o Shyam Baran Sah	5000	5000/4451/12/8/02	Nil	5000		"
6.	Chandra bansi Pd. S/o Ganpat Pd. Jamunih Tola Pokhri	10951	10951/7672,24-9-02	Nil	11300/10951		84 J. Ali
7.	Ali S/o Sheikh Ali	351	351	Nil	351		"
8.,	Mohan Kumar S/o Ramesh Pd. Chanpatia	153000/01-02	153000	Nil	153000	Toll Tax	Ramchandra Pd. H.C cum Accountant
9.	Rameshwar Pd.S/o Baiju Lal Sah	161000/03-04	161000	80,500	80,500	"	"
10.	Om Prakash Sah S/o Baiju Sah Chenpatia	180000/06-07	180000	1,70,000	10000	Bus parks	"
11.	Rajesh kumar S/o Kancihya Sah	1,88,000/2002-03	1,88,000	1,75,000	13000	Toll Tax	"
12.	Shiv jee S/o Kishor Mukhi	255000/05-06	2,55,000	131,500	125500	Toll Tax	"
		9,37,000	9,37,000	5,57,000	3,80,000		

Non-deposit of Rs. 22602/- realised by Sri. R.C. Pd. Head Clerk cum Accountant Total accounting to Rs. 4,02,602=00 stands recoverable from Sri. J. Ali and Sri. R.C. Prasad.

26. BID MONEY REALISED BUT NOT ACCOUNTED FOR IN NAGAR PANCHAYAT FUND

Scrutiny of the settlement register with available bid sheet that a sum of Rs. 21,000/- was realized by Sri Ram Chandra Pd. H.C. cum Accountant from the bidders without granting Misc. receipt. It indicates his malafied intention due to not mailing entries of Misc. receipt in the settlement register.

The executive officer is therefore impressed upon to take into the matter and steps may be fallen to recover the Rs. 21000/-from Sri. Ram Chandra Pd. H.C.Cum Accountant to credit the in Nagar Panchayat Fund.

Details as below: -

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Scrutiny of the settlement register with available bid sheet that a sum of Rs. 21,000/- was realized by Sri Ram Chandra Pd. H.C. cum Accountant from the bidders without granting Misc. receipt. It indicates his malafied intention due to not mailing entries of Misc. receipt in the settlement register.

The executive officer is therefore impressed upon to take into the matter and steps may be fallen to recover the Rs. 21000/-from Sri. Ram Chandra Pd. H.C.Cum Accountant to credit the in Nagar Panchayat Fund.

Details as below: -

SL. No.	Name of Bidder	Period and Amount of Bid Rs. P.	Period Money Realised	Period Money	Particulars of Bid
1.	Pardup Kumar S/o - Bhala Prasad, Vill - Basant pur (Sathee)	65000/2003-04	65000	63000	On A/c of Bus Party Amount released Rs. 65000. But shown Rs. 63000. Rs. 2000/- remaining Possessess
2.	Rajesh Kumar S/o Kanaihya Sah .	87000/04-05	87000	85000	-Do-
3.	Jawahar yadav S/o Dhunmli yadav, Ward 10-7 Chanpatia	"	143000/03-04	136,500	Rs. 6500/-released but misc. Not arantid.
4.	Rameshwar Pd. S/o	161000/03/04		150500	Rs. 10,500/-remain with Sri. R.C. Pd.

27. TIN - TICKETS ACCOUNTS

Scrutiny of stock register of Tin Tickets revealed that the sale accounts of 798 No of cart Tin-Ticket were not shown to audit. Neither the unsold 798 carts Tin - Ticket were produced nor sale A/C of those Tin Tickets was shown to audit. Details of cart Tin - Tickets received in stock and sold are as under

SL. No.	No of Tin Tickets received	SL No of Tin Ticket Sold	Cost of Tin Ticket Rs. P.	Amount Sold Tin Ticket Rs. P.	Nos Of Tin Ticket neither	Amount involves
1.	500	1 to 141	16-00 each	2256	359	5744
2.	500	1 to 61	16-00 "	976-40	439	7024
Total	1000	202		3,232	798	12,768

Non -Production of 798 nos of cart Tin -Ticket for physical verification, actual position of sale could not be ascertained.

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time barred license fee for a particular year could not be ascertained. The demand and collection register may be maintained properly.

29. PAYMENT ON DAILY WAGES

The Government of Bihar urban Development Department in their letter No. 1231 dated 6-5-1992 had directed all the executives / special officer of the Nagar parishads, Nagar panchayat that appointment on daily wages basis should not be made. But in this Nagar Panchayat several persons were working on daily wages without any approval of the state govt. and a total sum of Rs. 6,68,685=00 were paid to them vide Appendix-X to the report.

A sum of Rs. 6,68,685=00 is held under objection till competent sanction is not obtained.

30. RELEVANT RECORDS NOT PRODUCED

Scrutiny of establishment voucher revealed that a sum of Rs. 31991=00 was paid to Nagar Panchayat. Staff as T.A. But neither the sanction order of tour by the executive officer nor concerned T.A. Bills were shown to audit. Detailed as are under.

SL. No.	Voucher No.	Date	Amount	Particulars
1.	7	9-4-01	1018=00	Paid to Ramchandra Pd. H.C cum Accountant for Patna
2.	8	"	969=00	"
3.	9	"	1016=00	"
4.	107	31-05-01	450=00	Paid to Kancieher Mishra Tax Daroga
5.	108	"	906=00	Sri. K. Mishra T.D. for Ranchio jou
6.	109	"	48=00	"
7.	110	"	608=00	"
8.	157	31.05.02	1358=00	Ramchandra Pd. H.C. for Patna.
9.	158	"	1078=00	"
10.	23	12-05-03	620=00	"
11.	54	12-05-03	6979=00	00 payment to Jehangir Ali, Amen for Bettia.
			1780=00	To Ramchandra Pd. H.C
12.	70	20-08-04	6462	"
13.	165	02-03-05	420=00	"
14.	166	"	462=00	"
15.	167	"	420=00	"
16.	168	"	880=00	"
17.	169	"	1430=00	"
18.	36	25-04-05	504=00	"
19.	37	"	1800=00	"

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9.	158	"	1078-00	H.C. for Patna.
10.	23	12-05-03	620-00	"
11.	54	12-05-03	6979-00	"
			1780-00	00 payment to Jehangir Ali, Amen for Bettia.
12.	70	20-08-04	6462	To Ramchandra Pd. H.C
13.	165	02-03-05	420-00	"
14.	166	"	462-00	"
15.	167	"	420-00	"
16.	168	"	880-00	"
17.	169	"	1430-00	"
18.	36	25-04-05	504-00	"
19.	37	"	1800-00	"
20.	38	"	2000-00	"
21.	167	25-06-05	820	" for MuJaffarpur
22.	12	12-02-07	4440	" for Patna
		Rs. -	31,991	" for Patna and Bettia

Thus, a sum of Rs. 31,991-00 is held under objection pending production of sanction of tour by executive concerned and concerned T.A. Bills.

31. DEPOSIT OF SALE TAX / ROYALTY INTO GOVT. ACCOUNT NOT SHOWN

Scrutiny of royalty and sale tax deduction register revealed that a sum of Rs. 130814 of payality deduction and Rs. 2,85,319-00 of sale tax deduction were made from the executive agents. But deposit of total amount of Rs. 4,16,133(1,30814+2,85,319) into concerned head of govt. account was not shown to audit. The same may be shown to the next audit, pending with Rs. 4,16,133-00 is held under objection.

32. PURCHASE OF STATIONARY ARTICLES

Stationary article valued as Rs. 560-00 was purchased by Nagar panchayat. vide details in Appendix XII to the report, but relevant record, viz. Sanction order, stock entry, issue etc. were not shown to audit. The same may be shown to the next audit. pending with Rs. 560/- is held under objection.

33. UNSPENT ADVANCE NOT REFUNDED

Perusal of advance ledger so far made available to audit disclosed that a total sum of Rs. 6960 as detailed below, being the amount of unspent advance was not recovered at the time of adjustment of advances:-

SL.No.	Voucher No	Date	Amount Advance	Amount Adjusted		
1.	135	26-04-02	75,000	7404	960-00	Jali, Amin for N.P. election

Thus, Rs. 6060/- from Sri. Jehangir Ali Amin and Rs. 900/- from Sri .K. Mishra tax Daroga may be recovered and shown to next audit.

34. REFUND OF Rs . 1,88,420/- ON ACCOUNT OF BALMIK AMBEDKAR AWAS YOJNA AND OTIERS AS SECURITY MONEY.

Scrutiny of the cash book revealed that a sum of Rs. 1,88,420/- was refunded to the following persons for Balmiki Ambedkar Awas scheme as such scheme was not implemented by the Nagar Panchayat for the beneficiaries and neither deposit ledger of maintained nor refrence to deposit of security money was furnished to audit the same may be furnished to next audit pending which Rs. 1,88,420=00 vide details below is held under objection.

SL. No.	Voucher No.	Date	Amount Rs.	Particulars
1.	30	15-05-04	800=00	Refund to secretary N.H.C.
2.	39	16-06-04	1524=00	Sri. V.K. Verma J.E
3.	40	21-06-04	1632= 00	"
4.	41	"	1464=00	On A/c Allotment of Zila Vikas 40/29
5.	63	11-04-05	5000=00	To Mo. Hasin Ansari
6.	04	"	5000=00	To Madan Pd. S/o - Siagher Pd. ,
7.	05	"	5000=00	Shyam Pd. S/o - Singhaser pd.
8.	06	"	5000=00	Do . Jangli yadav .
9.	07	11-04-05	5000=00	To Bala Sah
10.		26-04-05	5000=00	To Ramchandra pd.
11.	40	"	5000=00	To Khalil Mian
12.	41	"	5000=00	To Ram Naseein Bansi
13.	42	06-05-05	5000=00	To Wakil Mian
14.	43	"	5000=00	To Ram Devi Paswan
15.	52	25-08-05	5000=00	Rajendra yadav
16.	53	"	5000=00	Jehangir Mian
17.	18	07-07-05	5000=00	K. Mahto
18.	119	"	5000=00	Mahaveer Mahto
19.	120	08-07-05	5000=00	Dhrub yadav ,Jugdish Pd. S/o Lala Chinee Lal
20.	121	"	5000=00	Jugdish yadav S/o - Chince Lal
21.	125	18-07-05	5000=00	Vinod Pd. Patel
22.	126	"	5000=00	Do.
23.	133	06-08-05	5000=00	Tarachand Pd.
24.	134	"	5000=00	Krishna Chudhry
25.	135	"	5000=00	To heera Sah
26.	136	"	5000=00	Hargun Sah
27.	137	"	5000=00	Arman Ansari
28.	144	20-08-05	5000=00	Munna Paswan
29.	145	"	5000=00	Bagirithi Sah
30.	146	"	5000=00	Mukhten Mian

20.	121	"	5000=00	Jugdish yadav S/o -Chinee Lal
21.	125	18-07-05	5000=00	Vinod Pd. Patel
22.	126	"	5000=00	Do.
23.	133	06-08-05	5000=00	Tarachand Pd.
24.	134	"	5000=00	Krishna Chudhry
25.	135	"	5000=00	To heera Sah
26.	136	"	5000=00	Hargun Sah
27.	137	"	5000=00	Arman Ansari
28.	144	20-08-05	5000=00	Munna Paswan
29.	145	"	5000=00	Bagirithi Sah
30.	146	"	5000=00	Mukhten Mian
31.	209	19-10-01	5000=00	Mrs. Shakuntla Devi
32.	210	"	5000=00	To Ramesh Sah
33.	214	"	5000=00	Ranjec Sah
34.	215	"	5000=00	Muzahar hasan
35.	226	23-12-05	5000=00	Sartaj Ali
36.	227	"	5000=00	Viyas Pd.
37.	279	21-01-06	5000=00	R. Gani
38.	280	"	5000=00	Manuddin
39.	169	08-02-07	5000=00	Sheikhar Patel
		Total -	1,88,420=00	

35. SHORT DEPOSIT OF P.F. DEDUCTION

On scrutiny of the P.F. ledger and connected records it was noticed that a sum of Rs. 12,427=00 was drawn for deposit to the concerned employee's saving account. But of Rs. 4,763=00 only was deposited on 09-08-07 resulting in short deposit of Rs. 7,664=00 Deduction was made from the salary of employees, staff and sweepers from Sept. 04 to Oct. 2004. A sum of Rs. 7,664=00 may be recovered from the persons at fault and credit there of may be shown to next audit.

36. LOSS OF INTEREST DUE TO DELAY IN DEPOSIT OF P.F. CONTRIBUTION OF EMPLOYEES

On scrutiny of P.F. ledger with connected records it was noticed that amounts deducted from the salary of the employees wage drawn for deposit but deducted amount was deposited in their respective pass books at the gap of 1 year to 15 months. Some examples are cited below:-

SL. No.	P.F. deduction Month	Date of Drawal	Amount Contributi on P.F/Rs.	Total Amount P.F. cont. Loan Rs.	Date of Deposit	Delay In P.F. deposit
1.	From salary of	07-04-03			04-10-04	15 Months