

अनिपयजी
25/1/10

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

No. L. A. Sur/ 2339

Dated: -21.1.10

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


Sir,

Audit Report No.-419/2009-10 on the accounts of Nagar Nigam, Darbhanga for the period 2008-09 is enclosed for your kind information and necessary action..

Encl: -As above

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Yours Sincerely

21.1.10
Sr. Audit Officer/Surcharge

Audit Report No. 419 of 09-10

1. Introduction:-

The accounts of Darbhanga Nagar Nigam for the year 2008-09 were test checked by an audit party of O/o the Principal Accountant General (Audit), Bihar. (Local Audit Wing), Patna during the period from 16th July to 24th September 2009.

2. Administration:-

Mayor :-	
Sri Ajay Kumar Paswan	01.04.08 to 31.03.09
Deputy Mayor :-	
Sri Badru Jama Khan	01.04.08 to 31.03.09
Municipal Commissioner Cum Chief Executive Officer :-	
Sri Bal Krishna Jha	01.04.08 to 27.05.08
Sri Ashok Kumar Singh	28.05.08 to 17.08.08
Sri Vinod Kumar Jha	18.08.08 to 31.03.09

3. Scope of Audit:-

A list of records and registers produced and test checked in audit has been given in Appendix – I to the report and another list showing records and registers either not produced in audit or not maintained by the Nagar Nigam has been given in Appendix – II to the report.

4. Previous Audit Report:-

The following was the position of Previous audit Reports.

Sl.No.	A/R. No.	Period of audit	Total no of paras	Settled	outstanding
1	194/1986-87	1982-83	52	Nil	52
2	142/1987-88	1983-84	15	Nil	15

3	119/1988-89	1984-85	17	Nil	17
4	71/1989-90	1985-86	12	Nil	12
5	151/1991-92	1986-87to 1989	70	Nil	70
6	129/1994-95	1990-91to 1991-92	29	Nil	29
7	49/1995-96	1992-93to 1993-94	52	Nil	52
8	71/1998-99	1994-95to 1995-96	30	Nil	30
9	90/2000-01	1996-97	45	Nil	45
10	01/2001-02	1997-98to 1998-99	27	Nil	27
11	60/02-03	1999-2000	22(16+6partial)	Nil	22
12	25/03-04	2000-01	43(41+2partial)	Nil	43
13	468/06-07	2001-02to 2005-06	27(26+1partial)	Nil	27
14	61/2008-09	2006-07	42	Nil	42
15	617/08-09	2007-08	48	Nil	48

Despite several request and reminders compliance to only 16 paras were submitted to audit. The non compliance to paras outstanding defecates the very purpose of audit.

5. Important Audit findings:-

Particular	Amount (Rs. in lakh)	Paras
1. Untilised Govt. Grant for more than 15 years	100.09	0
2. Irregular transfer of BRGF Grant	50.91	12
3. Non remittance of health of Educations	45.28	18
4. Taxes outstanding on Govt. Holdings	313.83	
5. Irregular Payment of Payment Allowances from Municipal Fund	9.10	25
6. Excess Expenditure on Meeting of Board and standing	1.13	30

committee		
7. Shop rent outstanding	62.47	23
8. Excess payment of salary due to adhoc payment of salary without assessing arrears due	6.20	43
9. Advances outstanding	425.68	

6. Overview:-

The Nagar Nigam was financed by grants from State Government, Central Government and its own resources. A summary of receipts and payments of the Nagar Nigam for the year 2008-09 is as under. As per Cash book.

Opening Balance	199554102.99
Receipt:-	
Government Grants	205069562.00
Loan from DRDA	2100000.00
GIS daim from LIC	451439.00
Security Deposit form contractor	2131484.00
Interest	1441959.00
Own sources	25282204.46
Total Receipt	436020751.45
Expenditure Refund of security Deposit	
Schemes	170655057.00
Purchase of Machinery	3560039.00
Establishment and others	73523847.00
Total Expenditure	249163899.00
Closing Balance	186856852.45

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Closing Balance as per Bank A/C as on 31.03.09 was as under.

Sl.No.	Name of Bank/A/c no.	Balance Rs.
1	State Bank of India, Darbhanga city Lalbag A/c no. 10376982982	701122.73
2	Indian Bank, Darbhanga D-25 Senapat A/c no. 543550514	4390496.56
3	Indian Bank, Darbhanga D-25 A/c no. 543551267(Sum Vikash Yojna)	5712.00
4	Indian Bank, Darbhanga D-25 A/c no. 543520409	973465.38
5	Indian Bank, Darbhanga D-25 A/c no. 543527959(10 th FC)	438430.37
6	Indian Bank, Darbhanga D-25 A/c no. 543552715(SJSY)	10118269.81
7	Indian Bank, Darbhanga A/c no. 773656166 BRGF	5986499.00
8	Indian Bank, Darbhanga A/c no. 43521345(Misc)	569564.71
9	Indian Bank, Darbhanga (A/c no. 543517883 S.D of Contractor, BPL, Animal Cess/NUIS& NUDES etc)	2416529.12
10	Indian Bank, Darbhanga D-25 A/c no. 543550434 (IDSMT)	52328.58
11	Indian Bank, A/c no. 543550398(MLA LAD) and Grants on recommendation of MLC.	1897498.00
12	Indian Bank, A/c no. 543522699 (Sulabh Sauchalya)	133647.00
13	Indian Bank, (12 th FC) A/c no. 543554869	15409728.00
14	Indian Bank, Darbhanga, Lalbag Near Tower Chowk A/c no. 543567334 (A/c II)	1862062.59
15	Indian Bank, Darbhanga, Lalbag A/c no. 543566807	385642.33

	(A/c-I)	
16	Treasury Darbhanga (PL)	146641843.64
Total -		<u>191982839.82</u>

The difference between the Cash book balance and Bank balance of Rs. 5185987.37 was not reconciled. The same may be reconciled and shown in next audit.

7. Internal Audit:-

Under Section 97 of the Bihar Municipal Act, 2007 day to day accounts of the Municipality /Nigam is required to be audited by internal audit.

Though, Darbhanga Nagar Nigam has a separate internal ^{wing} (being) but nothing ^{on} (oh) record was shown to audit for internal audit, it made, of any account.

8. Cash Book:-

Test check of Cash Book revealed the following irregularities in the maintenance of the Accountant Cash Book.

(I) The cash book was not signed by any checking authority in taken of authorization of the entries of the Cash Book.

(II) A single cash book was maintained for transaction under Municipal Fund, Centrally Sponsored Schemes and the MP/MLA Fund. As per the directions of the Government, separate accounts and Cash book is required to be maintained each centrally sponsored Scheme.

Steps may be taken to correct the above mentioned irregularities under intimation to Examiner of Local Accounts.

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9. Budget:-

Test check of Budget Estimate for the year 2008-09 with actual receipt and expenditure revealed that there was huge difference between the two. A few cases are given blow.

Sl.No.	Head of account	Budget Estimate Rs.	Actual Rs.
	Receipt :-		
1	Holding Tax	5385555	4637271
2	Water Tax	3744594	3569140
3	Latrin Tax	4193588	3238958
4	Health Cess	2634174	2286541
5	Education Cess	2634174	2286541
		Total	15918451

Sl.No.	Head of account	Budget Estimate Rs.	Actual Rs.
	Expenditure:-		
1	Repayment of Loan	121483813	Nil
2	Deposit to PF/A/c	20890384	Nil
3	Group Insurance claim	40000	516419
4	Deposit of Health Cess and Education Cess in Govt. A/c	24986586	Nil
		Total	516419

From the above conclusion may be drawn that the Budget Estimates were not realistic.

10. Government Grant:—

Position of govt. grant for the period under audit, as ascertained from grant register, Cash book and different files, is given below –

Opening balance of grant on 01.04.08	80157878.08
Grant received during the year 08-09	205069562.00
Total	285227440.00
Grants spent during the year 08-09	105606216.00
Balance on 31.0.09	179621224.08

(For details see Statement II to the report.)

The following deficiencies was noticed in utilization of grants –

- (i) Govt. grant to the tune of Rs. 10008728.36 remained unutilized for more than 15 years of its receipt; vide details in Statement I to the report.
- (ii) Grant of Rs. 1772971.54 (particulars of grant not furnished) had been diverted towards pay etc. during the year 1992-93, as mentioned in grant register.

Attention of the State government towards blockage of govt. money (Sl.No. 1) and diversion of grant (Sl.No. II) is invited.

11. Short credit of grant made by the Treasury:-

It was noticed while checking of credit of Govt. Grant in the Treasury Pass Book that the Darbhanga Nagar Nigam received a letter of grant (No. 5/न०वि०एवं आ०वि०, पटना दिनांक ०९.०२.०९) for a sum of Rs. 24691640.00 for creation of civic amenities and construction and rennovation of Ponds, Ghats, Water bodies etc. but got credit of Rs. 24631640.00 only resulting in a short credit of Rs. 60000.00.

This may be got rectified either from Treasury of from Government.

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12. Irregular transfer of Grant (BRGF) :-

Out of earmarked amount of Rs. 13847000.00 The DRDA transferred Rs. 8756300.00 only to Darbhanga Nagar Nigam and balance amount of Rs. 5090700.00 was paid to the expenditure engineer, Rural Development Special Division Darbhanga for execution of 13 approved schemes (estimated Cost Rs. 10181400.00) under intimation vide letter no. 22114/A/जि०ग्रा० dated 16.05.08 to Nagar Nigam.

Approval of the said schemes by in the meeting of Zila Perished, if any was not stated to audit.

Further, physical progress of the said schemes and total expenditure incurred was not pointed out to audit.

13. Loan:-

As per Loan Register produced in audit no. loan was received after 31.03.05.

The following was the position of loan as on 25.06.07 as per the figure produced in audit.

Amount of Loan received from 16.11.70 to 31.03.05	109258595.00
Refund of Loan	(-)21021795.00
Balance of Loan	88236800.00
Interest	95582730.00
Total Balance	183819530.00

The authorities of Nagar Nigam are requested to get the position worked out up to 31.03.09 and take effective steps to refund the Loans to the sanctioning authorities under intimation to the Examiner of Local Accounts.

14. Short Deposit:-

Test check of Daily collection Register with cashier cash book revealed that a total sum of Rs. 21879.00 was short deposited with the cashier.

(a) Offensive and Dangerous Trade:-

Sl.No.	Collection MR No.	Amount	Deposited	Short
1	1624	100	100	100
2	1625	100		

(b) H-Receipt:-

Sl.No.	Collection MR No.	Amount	Deposited	Short
1	10296	92	Nil	580
2	10297	488		
3	16582	360	Nil	360 Collected by Sri Santosh Kr. Jha

(c) Market Licence:-

1	2620	500	Nil	20839.00
2	2656	5000		
3	2676	1192		
4	2414	6390		
5	2448	4200		
6	-	3557		
Total			21879.00	

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The fore mentioned short deposited amount was deposited by the concerned person at the instance of audit vide details given below:-

Sl.No.	Amount (Rs.)	M.R. No./date
(a)	100	5440/18.0909
(b)	580	5187/27.08.09
(c)	20839	5338/10.09.09
Total	21519	

Balance amount of Rs. 360 is lying in the hand of Sri Santosh Kr. Jha, which stands recoverable from him.

15. Temporary Misappropriation:-

Test check of Daily collection Registers of shops rent and H-Receipts with the Cashier cash book revealed that Rs. 109245 and Rs. 92468 were collected on account of shop rent and H-Tax respectively on and before 31.03.09 but were deposited with the cashier during the period of audit Details vide statement no. III to the report. A sum of Rs. 201713.00 Collected on or before 31.03.08 was deposited in course of audit.

This type of retention of collection money must be checked in future.

16. Non-Collection of Tax from Mobile Towers:-

Government of Bihar vide letter no. 82 dated 27.01.08, informed all the Municipal Commissioners cum chief executive officers that Rs. 2000 per meter per tower per year shall be collected from Mobile service providers.

The scrutiny of the Budget Estimates for 2008-09 and 2009-10 and files produced in audit revealed that there were 45 towers in the Municipal area. But only Rs. 110000.00 was deposited by Volaphre tower and no other companies deposited the taxes due against them. Taking average height as

30 meter, the tax due from them amounts to Rs. 2700000.00 per year.
(2000X30X45)

Against outstanding tax of Rs. 2700000.00 for the year under audit, Rs. 110000.00 only was found deposited by Mobile Company leaving a balance of Rs. 2590000.00. Immediate steps. May be taken to work out total demand from the date of installation of tower and entice balance amount may be removed

17. Demand and collection of Municipal Taxes:-

Following was the position of Demand and collection as per the statement furnished by the Nagar Nigam –

Demand :-	
Arrear	105677139.00
Current	22399252.00
Total	128076391.00

Collection :-	
Arrear	14520641.78
Current	3858114.62
Total	18378756.40

Balance as on 31.03.09- Rs. 109697634.60

From above it would appear that percentage of collection was nearly 14% and heavy tax was outstanding on 31.03.09. Steps may be taken to improve state State of collection and to reduce heavy outstanding tax by resorting to means of action provided in the Act.

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18. Non-remittance of Health cess and Education cess :-

The Health cess and Education cess were required to be collected from the tax payers at the rate of 50% of the holding tax and the same was to be remitted to the concerned head of Government Account after deduction of 10% as collection charges. During the period under audit (2008-09) Darbhanga Nagar Nigam collected Rs. 2286541.78 on a/c of Health cess and Rs. 2286541.78 on a/c of Education cess.

Hence, total amount remittable to Government A/c was as under:-

	Health Cess	Education Cess
Amount collected	2286541.78	2286541.78
Less 10% as collection Charges	(-)22685.42	22685.42
Amount remittable to Government	2263856.36	2263856.36

The said amount may be remitted to Government Account under intimation to the Examiner of Local Accounts.

19. Taxes Outstanding on Government Holdings:-

The Demand and collection Register was not produced in audit so that the actual position of taxes outstanding on Government Buildings could not be ascertained and necessary audit checks could not be exercised.

However a list showing Holdings tax outstanding on Government Buildings was produced in audit. The following was the position of Holdings tax as per the list.

Outstanding tax upto 2008-09	Amount RS.
Building of State Government	26149215.00
Collected during the year (-)	1651060.00
Outstanding as on 31.03.09	24498155.00

Buildings of Central Government	Amount Rs.
Outstanding up to 2008-09	7611025.50
Collected during the year (-)	725948.50
Outstanding as on 31.03.09	6885077.00

The collection was only 7% of the actual demand which was very poor.

Very little efforts were made by the Nagar Nigam for the realization of the Taxes outstanding on govt. buildings.

20. Short Demand/ Realization of Municipal Taxes:-

In course of test check of Demand Register/ Hand Demand of Municipal Taxes with the Assessment Register of Holding Tax (Assessment year 1998) for the year 2008-09 (ward no. 5) it was noticed that short demand was made to the following holdings than the actual fixation of Municipal Taxes as per Assessment Register 1998 which resulted in short realization of /Rs. 20,346.25 from the following holdings from 1999 to 2009.

Sl. No.	Ward no.	Holding no.	Location	Holding owner	Holding Name	Holding Tax Assessment Rs.	Amount H-tax as per Demand Rs.	Short Rs.
1	5	877	Taj Bisanpur	-	Rest House	3418	2660	758
2	5	882	" "	Bibi Fatma	M-Complex	1357	1055	302
3	5	883	" "	" "	Nurshing Home	1047	812	235

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4	5	889	” ”	Md. Afaqur	Market Complex	1453	1128	325
5	5	866	” ”	Md. Aftaf Alam	” ”	2181	1816	365
		Total						1985

Short realization of Municipal Tax for the Period form Jan 1999 to March 2009 - $10\frac{1}{4}$ Years X Rs. 1985 = Rs. 20346.25

Reasons for the above were not explained in audit.

Thought inebriation of all such cash may be made and initial amount of short realization may be detected and recovered.

21. Irregularities in Demand Register of shop rent:-

The demand Register was not maintained properly. It was not checked by any higher authorities and the worked out demand was also wrong in some cases.

The test check of demand Register of shop rent of south area revealed that in a number of cases the demand brought forward from 2007-08 to 2008-09 was wrong / incorrect. A few cases have been given below:-

Shops at B.R. Road. :-

Sl. No.	Shop No.	Name of shop owner	Dues brought forward from 2007-08 Rs.	Actual Dues as on 01.04.08 Rs.	Short
1	-	Smt. Malti Devi	21600	29160	7560
2	-	Shri Md. Akhtar	6940	9180	2240
3	-	Shri Shambhu Nath Thakur	13320	15480	2160
4	-	Shri Md. Shayaib	23580	33360	9780

5	30	Shri Shmeem Ahmad	11220	17150	5930
6	45	Shri Yashurant Jha	Nil	180	180
7	47	Shir Ramji Shaw	20190	18030	(-)2160
8	50	Shri Dashrath Thakur	13580	11420	(-)2160

The authorities of the Nagar Nigam Darbhanga are, there fore, impressed upon to verify all such cases and correct demand may be posted in the register.

22. Short Demand and realisation of Rent of Rajendra Bhawan and Kamala Nehru Library:-

Prescribed rates for allotment of Kamla Nehru Library at Laheriya Sarai and Rajendra Bhawan at Darbhanga for the year 2008-09 for different purposes were as under :-

(A) Type of Organizations/Function	Rate per day (Rs.)
1. Government	Nil
2. Political Party	1000
3. Registered N.G.O.	1500
4. Commercial Organization	<u>2500 if allotted for one day 2000 if allotted for two days but not more than 7 days 1500 if allotted for more than 7 days.</u>
5. Marriage/ Manglik work	5100
6. Open Land	4/Sff. Per day
(B) Security Deposit (Refundable)	1000 after deduction of any damage.

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Darbhanga Nagar Nigam allotted Kamla Nehru Library in the year 2008-09 to the following organizations and collected the rent in short of prescribed rate as detailed below :-

Sl.No.	Name of organization	Days of	Rent realised	Short realisation
1	Entertainment television	1 (09.07.08)	1500	1000\
2	State Bank of India	2 (29.09.08 & 30.09.08)	2000	2000
3	S.C.S. News Channel	1 (19.09.08)	1500	1000
4	Co-ordinator Human Rights	1 (17.10.08)	1000	500
Total				4500

Short realisation of Rs. 4500 may be realised from the authority responsible for allotment the reduced rate.

Further, the Mayor misutilised his power to make concession abruptly up to 40% of prescribed rate of rent on the recommendation of two councilors. Been in the following party had not made application for concession vide details below –

Name of allotted - Md. Shahnawaj Ali (Nigam's Advocate at High court).

Date of allotment – 06.07.08

Purpose – Marriage Reception

Prescribed rate – Rs. 5100

Amount realised – Rs. 3060

Short realisation – Rs. 2040

Authority – Order of concession of 40 % by the Mayor.

This short realisation of Rs. 2040 may be recovered from the person (s) at fault.

Total recovery suggested is for Rs. 6540 (Rs. 4500+Rs. 2040).

23. Shop rent outstanding:-

Test check of demand and collection Register of shop rent, revealed that a huge amount of Rs. 6246602.17 was outstanding on account of shop rent. Details vide statement no IX to the report.

More over it is important to note that rent due against some are more than Rs. one lakh, a few cases are given below.

Sl.No.	Shop no/Place	Shop owner	Amount Rs.
1	3. Rajendra Market	Sri Vaidhesh Mahato	250501.74
2	4. Rajendra Market	Sri Jagnarayan Jha	412273.00
3	5. Rajendra Market	Sri Radheshyam	352313.68
4	6. Rajendra Market	Sri Dhurwnarayn Shah	283232.40
5	7. Rajendra Market	Sri Satya Narayan Shah	360636.24
6	8. Rajendra Market	Sri Dileep Shah	315664.00
7	9. Rajendra Market	Sri Radhesnath shah	118140.00
8	10. Rajendra Market	Smt. Radha Mukharjee	152020.00
9	11. Rajendra Market	Sri Madan Jha	278588.00
10	12. Rajendra Market	Sri Chulhi Mahato	322932.00
11	13. Rajendra Market	Sri Chulhi Mahato	326436.00

Audit observation /Comment:-

1. It was not pointed out to why the rent was allowed to accumulate to such a huge amounts.
2. Leese agreement /rent agreement was not produced in audit.
3. The authorities of the Nagar Nigam are requested to take effective steps for recovery of shop rents due and enhance its revenue.

24. Short realisation of bid money:-

The scrutiny of sairat settlement Register and files revealed that collection of toll from temporary shops at poltechnic chowk, kaiderabad chowk (Jakeria path) was settled for Rs. 75000 for the year 2008-09 with Sri Shankar Prasad, S/o Sri Govind Prasad, Kaiderabad, P/o Lalbag.

As per settlement notice para no. 3, 50 % of the settlement amount was to be deposited within 24 hrs. of the bid and balance 50 % by 30 September 2008.

Sri Prasad deposited Rs. 37500 in March 2008 but did not balance 50 % (Rs. 37500) at all. Notice for depositing the balance Rs. 37500 was issued on 15.09.08, 04.10.08 and 23.01.09.

The authorities of Darbhanga Nagar Nigam would have taken steps to get the amount of Rs. 37500 deposited by 30.09.08 and in case of non-deposit by that date would have cancelled the contract and searched other means of Collection for the second half of 2008-09. Thus due to inquire action by the authorities.

Darbhanga Municipal Corporation was depraved of revenue of Rs. 37500.00, which may be recovered from the person(s) responsible for same.

25. Irregular payment of pay and allowances from Municipal fund:-

The Municipal Commissioners and additional Municipal Commissioner arrear appointed by the Bihar Government as fee provision contained in section A 1 of the Bihar Municipal Act 2007.

The following officers were appointed on the above posts and served the Darbhanga Nagar Nigam during 2008-09.

Sl.No.	Name and post	Notification no.	Remarks
1	Sri Bal Krishna Jha (Municipal	1/स्था/न०वि०वि०-01/	07-

	Commissioner)	1216/न०वि०वि० dt. 22.03.07	
2	Sri Ashok Kumar Singh (Municipal Commissioner)	22091/न०वि०वि० dt. 30.04.08	
3	Sri Vinod Kumar Jha (Incharge Municipal Commissioner)	4296/न०वि० एवं आ० वि० dt. 11.08.08	
4	Sri Dayanand Jha Add Municipal Commissioner	1217 /न०वि०वि० dt. 22.03.07	

The Provisions of Section 41 of the Act was as under.

Section 41 :-

Appointment of officers of the State Government for Municipalities :-
 Not with standing anything contained elsepre in this act, the State Government may appoint an officer of the Government possessing such qualifications as may be determined by it for a Municipal Corporation or days of Municipal Councils or Nagar Panchayat as Municipal Executive Officer, Municipal Finance Officer, Municipal engineer or Municipal Health officer referred to in subsection (1) of section 36 or with such designation as the state Government may consider necessary, and in such manner and on such terms and condition of service, as may be determined by the State Government in this behalf. The expenditure on account of salaries and allowances of may such officer shall be borne by the State Government.

But contrary to the provision of section 41 of the act. the expenditure on account of salary and allowances of such officers (mentioned above) was borne from the Municipal Fund and no money in this regard had been received from the State Government.

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The payments made in this regard is detailed in statement no. IV to the report.

The entire payment of Rs. 909977.00 made an account of pay and allowances was irregular and hence held under objection.

26. Position of Scheme:-

No scheme register was produced in audit. However list of schemes under taken during the year 2008-09 was furnished in audit. The position of schemes was as under.

Sl.No.	Head	Taken up	Complete	Incomplete
1	12 th F.C.	46	43	3
2	Own Source	32	32	Nil

The schemes were escorted through tender and no advance was made on the schemes.

27. (i) Civil Works :-

Scheme No. 20/08-09

Name of Scheme: - Construction of Road from (a) Asharfi Mahto house to end of gali on Md. Mustafa 220'X05'

(b) From the house of Md. Masid Alam to Santosh Gupta Shop via Md. Asrai 310'X8' width culvert in 1 nos lal bag.

Agency: - Shri Kamlesh Kumar, Bhagwandas Mohalla Darbhanga.

Agreement no. 229 dated 21.05.08

Time allotted – 2 month (two)

Estimated Value – Rs. 95300

The scheme was taken up on 21.05.08 and the work of construction of road from the house of Md. Majid Alam to shop of Santosh Gupta with one culvert was done. The other part of road i.e. from asarfi Mahto house to the

end of gali on Md. Mustafa was not done end the work was declared complete stating that work on part (a) could not be done due to dispute on site.

The scheme was supervised by Sri Anil Kumar Choudhary J.E. The time allotted was of 2 months that means the work was to be completed by 21.07.08. The part (B) of the scheme was measured on 21.07.08 as per MB no. 3/2008-09 page 6. There was no request for extension of time. Neither the Agency nor the supervising engineer informed the Nagar Nigam that work could not be done on part (a) within the allotted time. The MB no 3/08-09 page 20 dated 19.01.09 booked nil measurement on part (a) and declared the work complete.

Audit observation:-

1. The entire work was not completed within due time. It was not made clear why the engineer of the Nagar Nigam, who supervised the work, did not report the authorities of the Nagar Nigam about the dispute on site while making the entries of first bill.
2. As per clause no. 4 of the agreement 10 % of value of work was to be deducted for non-completion of work on time. The work was only half complete i.e. incomplete on the date of measurement (21.07.08) hence 10 % should have been deducted. Therefore 10 % of the value of work Rs. 62259.00 i.e. Rs. 6226.00 may be recovered from person (s) at fault.
3. As per estimate construction of road from @ Asharfi Mahto house to end of gali to Md. Mustafa 220'X5' and @ from the house of Santosh Gupta shop to house of Majid Alam 310'X8' with one culvert in Lalbag.

As per MB no. : - 3/2008-09 page 1 to 6 work done was construction of road 284' instead 310'. The reason for reduction length of road was not pointed out to audit.

Total Value of work	62259	
Less 5 % SD.	(-)3113	
Total		59146
Cess IT 2%	1183	(-)5364
ST 4%	2366	
Royalty	1815	5364
Paid Total		53782

The 5% security Deposit was also released on 04.02.09 Rs. 2125 (3113-188 ST & IT). When the work was incomplete how security deposit of Rs. 2125 was released was not pointed out. The said amount of Rs. 2125.00 is suggested for economy from reasons responsible.

4. Model estimate for culvert was of Rs. 19400 but M.B, the resultation booked for the same was at Rs. 22434 an excess of payment Rs. 3034 with out the revision of estimate which is suggested for recovery from person (s) at fault.

(ii) Civil works:-

Scheme no. – 26/08-09 (12th FC)

Name of Scheme – Construction of Pcc road from the house of Mosmat Daisi Devi to house of Sri Arun Kumar in Mohalla Allalpatti ward no. – 27.

Agency – Shri Inder Sagar contractor Mahilla Saonapath Darbhanga.

Estimated Value – Rs. 93400/-

Date of receipt of work order – 30.06.08 (agreement no. 248 dt. 21.05.08).

Time allotted – 2 months from the date of receipt of work order.

The scheme was to be supervised by Shri Anil Kumar Choudary JE & Sri Saud Alam (AME).

The agency did not complete the work within the allotted time and applied for extension of time for completing the work.

As per agreement (no. 248) dated 21.05.08 the work was to be completed within 2 months from the date of receipt of work order by the agency. The work order was receipt on 30.06.08 and work was completed on 10.09.08.

During the checking of MB and Estimate it was seen that technical sanction was for construction of 210'X8' of road but actual work done was of 240'X5'.

Audit observation /Comment:-

1. The work not completed on or before the due date of completion. It was not pointed out as to why the engineers of the Nagar Nigam who supervised the work on the scheme, did not report the matter to the authorities of Darbhanga Nagar Nigam. About the status of work within the allotted time.
2. As per the agreement 10 % of the value of work was to be deducted of work on time. Therefore 10 % of the value of work of Rs. 76042.00 (Vide Page 14 of MB no. 1/08-09 of Sri Anil Kumar Choudhary J.E.) i.e. Rs. 7604.00 stands recoverable from person (s) responsible for the payment.
3. It was not pointed out to Audit why the road was constructed in the length of 240' when the road was only 210' (210 fit) as per estimate. The reason for deviation from estimated work of 210'X8' to 240'X5' was neither given in the schemes file nor pointed out as to why the extra cost on construction of 30' road i.e. Rs. 9507/- without provision of the same in the estimate was allowed . The same is without sanction and hence suggested for recovery from person (s) responsible.

(iii) Scheme no. – 75/04-05

Name of Scheme – L.N. Mishra Road near Arya Samaj Temple to the house of Sri Baidyanath Yadav on Mah – Sonpath Ward no. 19.

Agency – Shri Mukesh Kumar, Contractor Gallowara Darbhanga.

Estimated Value – Rs. 190400/-

Time allotted – One months

Agreement no. – 88

The scheme was supervised by Sri Ratan Kumar Varma, Assist. Engineer. The agency was unable to complete the work timely and applied for extension of time. As per the agreement work was to be completed within one month i.e. 10.08.2006 from the date of receipt of work order by the agency i.e. 10.07.06. The work was completed on 15.11.06.

Audit observation / Comment:-

1. The work was not completed within the stipulated time.
2. As per agreement 10 % of the value of work was to be deducted for non – completion of work in time. As the work was not completed in time, Rs. 10853.00 (10 % of Rs. 108530) should have been deducted which was not done. Hence a sum of Rs. 10853.00 was paid in excess to the agency which is suggested for recovery from person (s) at fault.
3. The total estimated cost of work was Rs. 190100/- but the work was completed for Rs. 108525/- only this is possible only if some item of work would have been left out or partly done. The same could not be verified as the MB was not produced the same may be precluded in next audit.

(iv) Extension of time after the due date of completion:-

Scheme no. – 31/08-09 (12th FC)

Name of Scheme – Construction of culvert near the pond of Daud shaf in Mohalla Qagipur ward no. – 32

Agency – Shri Khurshid Alam , S/o Lt. Ahmad Karim, Urdu Bazar, Laheriasarai.

Estimated Value – Rs. 94700/-

Date of receipt of work order – 24.06.08 (agreement no. 77 dt. 20.06.08).

Time allotted – 2 months from the date of receipt of work order.

The scheme was to be supervised by Sri Anil Kumar Chaudhary J.E. and Sri Saud Alam (AME). The agency did not start the construction work and applied for extension of time for completion of work by 4 months on 18.10.08 (reason in MB the site was) in undated).

As per agreement no. 77 dated 20.06.08 the work was to be completed within 2 months from the date of receipt of work order by the agency. The agency received the work order on 24.06.08 that means he had to complete the work by 24.08.08.

The agreement was revised by the authorities of Darbhanga Municipal Corporation on 06.02.09 and the time for completion of this scheme was extended up to 28.02.09.

The first and final measurement was done on 27.02.09 by Sri Anil Kumar Chaudhary J.E.

Audit observation /Comment:-

1. The time for completion was revised after the expiry of the allotted time of completion. It was not explained to audit as to why application for extension of time was entertained when it was applied for after 3 months of the dead line for completion of work i.e. 24.06.08.
2. It was not pointed out as to why the Engineers of the municipal Corporation, who was to supervise the work on the scheme, did not report the matter to the authorities of Darbhanga Municipal Corporation about the status of work within the allotted time of completion of the work.