



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

सं०. एल० ए० / एस० एस० -1/श० स्था० नि०/14379 | 1378

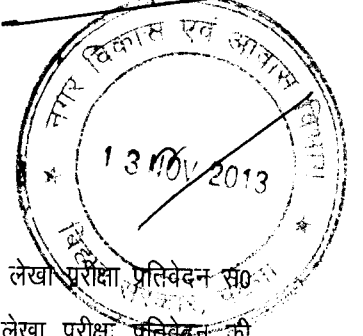
दिनांक:- 31.10.2013.

सेवा में,

ADD. Secy (7)

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

महाशय,



नगर पंचायत ढाका के वर्ष 2009-10 तथा 2011-12 तक के लेखाओं पर आधारित लेखा परीक्षा प्रतिवेदन सं० 231/13-14 आपके सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित है। अनुरोध है कि इस लेखा परीक्षा प्रतिवेदन की कंडिकाओं का अनुपालन, लेखापरीक्षा प्रतिवेदन प्राप्ति के 3 माह के अन्दर पूर्ववर्ती लेखा परीक्षा प्रतिवेदनों की लम्बित कंडिकाओं के अनुपालन के साथ अभिप्रमाणित साक्ष्य सहित नगर पंचायत बोर्ड से अनुमोदित कराकर जिला स्तरीय समिति के समीक्षोपरान्त प्रेषित करवाया जाय जिससे लेखा परीक्षा के उद्देश्यों की पूर्ति हो सके।

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

संलग्नक: यथोपरि

भवदीय,

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

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प्र०पदा०-7
14/11/13

Nagar Panchayat Dhaka
Audit report no:-231/2013-14
Period-2009-10 to 2011-12

Introduction.

The accounts of Dhaka Nagar Panchayat was test audited by Audit party of the Principal Accountant General (Audit),SS I/LAD,Bihar Patna for the period 2009-10 to 2011-12 during the period 19.01.13. to 02.02.2013.

2. ADMINISTRATION:-

| | | |
|-------------------|--------------------------------|--------------------------|
| Chairman | Smt Samulan Khatoon | 01.04.2009 to 31.03.2012 |
| Vice Chairman | Smt Akther Bagam | 01.04.2009 to 31.03.2012 |
| Executive officer | Sri Abhiram Trivedi(BAS) | 01.04.2009 to 04.04.2010 |
| | Sri Akhileswar Dubey | 04.04.2010 to 21.04.2010 |
| | Sri Barish Khan | 21.04.2010 to 15.02.2011 |
| | Sri Brijendra Kumar | 15.02.2011 to 31.03.2011 |
| | Unavailable | 01.04.2011 to 31.03.2012 |

3. SCOPE OF AUDIT:-

A list of records test checked in Audit and another list those records either not maintained or not produced have been furnished in Appendix I and Appendix II respectively to the report.

4. STATUS OF PREVIOUS AUDIT REPORT

Despite several verbal and written requests and reminders, the Nagar Panchayat did not take initiative for compliance of the outstanding Paras of previous audit reports.

The Executive of the Nagar Panchayat is requested to take effective steps for compliance of outstanding paras of previous audit reports.

5. INTERNAL AUDIT

Section 97 of the Bihar Municipal Act. 2007 provides for internal audit of the day to day accounts of the Municipality.

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The Rules 20,30,64,69 and 79 of the Municipal Accounts Rule 1928 and Recovery of Taxes Act, 1951 provides a number of internal checks to be exercised by Mayer, Deputy Mayer, Executive officer or any other officer entrusted for this purpose. These checks were prescribed in the rule in order to have proper control in the maintenance of records and register, and to avoid irregularities in the Accounts.

The Nagar Panchayat neither conducted internal audit of the day to day accounts of the Municipality nor exercised the checks by Chairman, Vice-Chairman, Executive officer or any other officer of the Municipality, ^{As} such several irregularities were noticed in the maintenance of records and others. works of the Municipality Had the authorities exercised such checks at regular intervals, those irregularities already committed would have been avoided.

6. Overview.

Nagar Panchayat Dhaka was financed by Government Grants and its own sources of revenue. The following abstract on the basis of entries made in cash book would show the position of year wise opening balances, receipts, expenditure and closing balance for the year 2009-10 to 2011-12.

A PL A/C cash book

As per Treasury Messenger's Register made available to audit for P.L. Accounts, Financial abstract of annual receipt and expenditure was as under:-

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|------------|------------|-------------|
| Opening balance | 2400592.00 | 1758147.00 | 4196094.00 |
| Receipt | Nil | 5526963.00 | 12859190.00 |
| Total | 2400592.00 | 7285110.00 | 17055284.00 |
| Expenditure | 642445.00 | 3089016.00 | 2068553.00 |
| Closing balance | 1758147.00 | 4196094.00 | 14986731.00 |

It may be seen that against the total fund of ₹20786751.00 available during 2009-12 only an amount of ₹5800014.00 has been utilized. The Nagar Panchayat utilized only 25% of the funds available.

B General Cashbook

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|-------------|-------------|-------------|
| Opening balance | 4620768.24 | 4824309.74 | 5820887.44 |
| Receipt | 10190366.00 | 12280539.00 | 8715032.35 |
| Total | 14811134.24 | 17104848.74 | 14535919.79 |
| Expenditure | 9986824.50 | 11283961.30 | 5373719.82 |
| Closing balance | 4824309.74 | 5820887.44 | 9162199.97 |

Audit comments

1. PL A/C

Neither the cashbook nor Treasury passbook was made available to the audit. In absence of these, the actual position of receipt, expenditure and closing balance could not be verified, the same may be prepared and made available to the next audit.

2. General Cashbook

The cashbook was maintained for all grants (except those in P.L. Accounts) and revenue from own sources and expenditure there from. Grants were kept in different bank accounts. Grant wise bank accounts were not maintained as such the actual balance in bank of each Grant (including interest) could not be ascertained.

3. Closing balance of different bank accounts as on 31.03.2012 was as under:-

| Sl. No. | Name of bank | Account number | Balance |
|---------|--|----------------|------------|
| 1 | State Bank of India, Dhaka | 11708448969 | 4456.61 |
| 2. | State Bank of India, Dhaka | 11708448970 | 1966501.15 |
| 3. | Central Bank of India, Khairwa, Dhaka | 2316853505 | 4017092 |
| 4. | Central Bank of India, Khairwa, Dhaka | 2183922089 | 4456.61 |
| 5. | Co-operative Bank, Dhaka | 17098 | 12597.00 |

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The difference in balances was not reconciled, the same may be done and show to next audit.

7. Important Audit Finding

| Sl. No. | Para No. | Particulars |
|---------|----------|---|
| 1 | 10 | Short deposit by Cashier (₹ 427768.00) |
| 2 | 11 | Short deposit by TC (₹79489.28) |
| 3 | 22 | Carriage of material (₹1344065.00) |
| 4 | 23 | Delay in completion of Schemes, ₹ 331787.00 |
| 5 | 26 | Advance |

8. BUDGET ESTIMATE:-

Chapter XI of the Bihar Municipal Act 2007 deals with Budget Estimates (section 82 to 85). Under section 82(1) the Chief Municipal Officer shall prepare a budget estimate each year along with an establishment schedule of the Municipality for the ensuing year, and such budget estimate shall be estimate of income and expenditure of the Municipality.

(2) Subject to the provisions of section 10 and sub-section (2) of section 73, the budget estimate shall separately state the income and the expenditure of the municipality to be received and incurred in terms of the various heads of accounts.

(3) The budget estimate shall state the rates at which various taxes, surcharges, cesses and fees shall be levied by the Municipality in the year next following.

(4) The chief councilor shall present the budget estimate to the municipality on the 15TH day of February in each year or as soon thereafter as possible.

(5) The budget estimate shall be prepared, presented and adopted in such Form and in such manner, and shall provide for such matters, as may be prescribed.

(6) The annual statements prepared under sub-section 2 of section 105 and sub-section(1) of section 117 together with the reports prepared under sub-section (1) of section 81 and under sub-section (2) of section 249 shall be enclosed with the budget estimate.

The budget estimate for the period 2009-10, 2010-11 & 2011-12 was either not prepared or not produced the expenditure made during the above period were covered by budget could not be ascertained.

9. (A) Government Grant Register

Government Grant Register was not maintained. The Nagar Panchayat received a total sum of ₹37677970.00 as grants for different purposes during the year 2011-12. Details vide statement No.I to the Report.

The grants register was not maintained hence opening balance for the year, grants received, expenditure and closing balance of different grant could not be watched.

The Authority Concerned is requested to get the register prepared and produced the same to the next audit.

(B). Position of grant and finance as per Subsidiary Cashbooks.

The Nagar Panchayat maintained a number of Subsidiary Cashbooks under different heads. The following was the position of finance of the Subsidiary Cashbooks produced in audit.

(i) BRGF

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|------------|------------|------------|
| Opening balance | 1616199.00 | 1825244.00 | 2257751.00 |
| Receipt | 2311352.00 | 930812.00 | 1847250.00 |
| Total | 3927551.00 | 2756056.00 | 4105001.00 |
| Expenditure | 2102307.00 | 498305.00 | 120117.00 |
| Closing balance | 1825244.00 | 2257751.00 | 3984884.00 |

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(ii) Chief Minister Urban Development Fund.

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|------------|------------|------------|
| Opening balance | 00 | 387739.00 | 857935.00 |
| Receipt | 5564000.00 | 6033560.00 | 2320600.00 |
| Total | 5564000.00 | 6421299.00 | 3178535.00 |
| Expenditure | 5176261.00 | 5563364.00 | 655716.00 |
| Closing balance | 387739.00 | 857935.00 | 2522819.00 |

(iii) Pay and Allowances of Members.

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|---------|-----------|----------|
| Opening balance | 00 | 00 | 00 |
| Receipt | 00 | 121900.00 | 61300.00 |
| Total | 00 | 121900.00 | 61300.00 |
| Expenditure | 00 | 121900.00 | 61300.00 |
| Closing balance | 00 | 00 | 00 |

(iv) State sponsored Schemes.

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|---------|------------|-----------|
| Opening balance | 00 | 00 | 392088.00 |
| Receipt | 00 | 1000000.00 | 00 |
| Total | 00 | 1000000.00 | 392088.00 |
| Expenditure | 00 | 607912.00 | 158035.00 |
| Closing balance | 00 | 392088.00 | 234053.00 |

The Cashbook was written up to 22.07.11 only. The same may be completed and produced in next audit.

(v) Fourth State finance Commission.

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|---------|---------|------------|
| Opening balance | 00 | 00 | 00 |
| Receipt | 00 | 00 | 8128974.00 |
| Total | 00 | 00 | 8128974.00 |
| Expenditure | 00 | 00 | 00 |
| Closing balance | 00 | 00 | 8128974.00 |

(vi) Different Taxes.

The Nagar Panchayat maintained a subsidiary Cashbook for receipt from own sources and payment of recurring expenditure of regular nature. The money received on account of additional stamp duty and salary grants were also booked in this Cashbook.

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|------------|------------|------------|
| Opening balance | 556538.11 | 753204.61 | 30591.61 |
| Receipt | 1635669.00 | 1920197.00 | 2286534.23 |
| Total | 2192207.11 | 2673401.61 | 2317123.84 |
| Expenditure | 1439002.50 | 2642810.00 | 2116536.00 |
| Closing balance | 753204.61 | 30591.61 | 200589.84 |

(vii) Janganna.

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|---------|----------|-----------|
| Opening balance | 3800.00 | 8300.00 | 5300.00 |
| Receipt | 4500.00 | 65250.00 | 5300.00 |
| Total | 8300.00 | 73550.00 | 138100 |
| Expenditure | 00 | 68250.00 | 143400.00 |
| Closing balance | 8300.00 | 5300.000 | 121600.00 |

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(viii) **BPL**

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|----------|----------|----------|
| Opening balance | 33618.00 | 33618.00 | 33618.00 |
| Receipt | 00 | 00 | 00 |
| Total | 33618.00 | 33618.00 | 33618.00 |
| Expenditure | 00 | 00 | 00 |
| Closing balance | 33618.00 | 33618.00 | 33618.00 |

(ix) **Hand pumps on Recommendation of MLA**

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|------------|------------|------------|
| Opening balance | 1904779.13 | 1776204.13 | 1776204.13 |
| Receipt | 57500.00 | 158327.00 | 00 |
| Total | 1962279.13 | 1934531.13 | 1776204.13 |
| Expenditure | 186075.00 | 158327.00 | 778898.13 |
| Closing balance | 1776204.13 | 1776204.13 | 997306.00 |

(x) **Kabir Antasthi Yojana.**

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|----------|----------|-----------|
| Opening balance | 4500.00 | 00 | 7500.00 |
| Receipt | 60000.00 | 60000.00 | 660000.00 |
| Total | 64500.00 | 60000.00 | 667500.00 |
| Expenditure | 64500.00 | 52500.00 | 171000.00 |
| Closing balance | 00 | 7500.00 | 496500.00 |

(xi) 12th FC & 13th FC.

| Period | 2009-10 | 2010-11 | 2011-12 |
|-----------------|-----------|------------|------------|
| Opening balance | 461334.00 | 00 | 298000.00 |
| Receipt | 295927.00 | 1354020.00 | 1391104.00 |
| Total | 757261.00 | 1354020.00 | 1689104.00 |
| Expenditure | 757261.00 | 1056020.00 | 816740.00 |
| Closing balance | 00 | 298000.00 | 872364.00 |

10. Non deposit of collection money 4.28 lakh

The test check of Subsidiary – Cashbook of Different Taxes revealed that a total sum of ₹ 427768.00 was collected by Cashier by issue of Nazir / Miscellaneous Receipts but were not deposited in bank as detailed below:-

| Sl. No. | Receipt No. | Date of collection | Received from | Amount (in ₹) | Remarks |
|---------|-----------------|----------------------|-------------------|---------------|-------------------------|
| 1. | 265 nazir | 13.04.12 | Md Kurshid Alam | 50197.00 | Not entered in cashbook |
| 2. | 203 Misc | 15.09.12 | „ | 28636.00 | Not entered in cashbook |
| 3. | 303 Misc | 26.06.12 | „ | 20000.00 | Entered in cashbook |
| 4. | 301 misc | 24.05.12 | Md Shaid Anwar | 30494.00 | Entered in cashbook |
| 5. | 306 Misc | 09.01.13 | „ | 8056.00 | Not entered in cashbook |
| 6. | 302 Misc | 24.5.12 | Md Samsad Alam | 54556.00 | Entered in cashbook |
| 7. | 001 to 100 Misc | 31.08.10 to 21.10.09 | Different persons | 178329.00 | Not entered in cashbook |

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| | | | | | |
|----|--------------|----------|-------------|-----------|----------------------------|
| 8. | 3460 Misc | 24.11.09 | Md. Salaula | 57500.00 | Not entered in cashbook |
| | | | Total | 427768.00 | |

(Details of Sl. No. 7 vide Statement No. II to the Report.)

More over a total sum of rupees 322718.00 was collected but the same was neither deposited in bank nor entered in cashbook (included in the above sum of Rs 427768.00). The above sum of ₹ 427768.00 is suggested for recovery from person(s) responsible and the same may be deposited in the municipal fund under intimation to this office.

11. Non/short deposit by tax collectors.(0.79 lakh)

The test check of Daily Collection Register, H – Receipt books used by the collecting agents during the period 2009 – 12 and the Subsidiary Cash book for various taxes revealed that a total sum of ₹ 79489.28 was short deposited by the collecting agents.

Details are as under:-

| Sl. No. | Name of collecting agent | Receipt No. | Date of collection | Amount collected | Amount deposited | short |
|---------|--------------------------|---------------|-------------------------|------------------|------------------|----------|
| 1. | Md Kursid Alam | 068 | 22.11.11 | 586.50 | 86.50 | 500.00 |
| 2. | Do | 098 | 16.01.12 | 258.76 | 00 | 258.76 |
| 3. | Md Shahid Anwar | 266 to 268 | 14.12.12 to 24.01.13 | 3416.00 | 00 | 3416.00 |
| 4. | Md Samsad Alam | 357 to 384 | 29.05.12 to 12.12.12 | 46606.50 | 00 | 46606.50 |
| 5. | Md Kursid Alam | 624 to 680 | 22.09.12 to 12.01.13 | 48708.02 | 20000.00 | 28708.02 |
| Total | | | | | | 79489.28 |

In view of above total sum of ₹ 79489.28 is suggested for recovery from the collecting agents. In reply it was stated that it will be recovered and deposited.

12. Holding tax

As per statement submitted in audit, status of the holding tax is given below:-

| Demand | 2009 – 10 | 2010 - 11 | 2011 – 12 |
|-------------------|-------------------|-------------------|-------------------|
| Arrear | 3282692.28 | 3233690.54 | 3319953.19 |
| Current | 332740.00 | 332740.00 | 332740.00 |
| Total | 3615432.28 | 3566430.54 | 3652693.19 |
| Collection | 381741.74 | 246477.35 | 292495.35 |
| Balance | 3233690.54 | 3319953.19 | 3360197.84 |

From the above it was noticed that the demand did not increase during the period 2009-12 and collection was also very poor, the dues of holding taxes increased from year to year. Necessary Steps may be taken to increase the collection. Action taken in this regard may be communicated to this office.

13. Non Revision of Assessment

As per the provisions of section 127 (13) of the Bihar Municipal Act 2007 the annual value of holdings are to be reassessed (in increasing order) and the roads re-categorized after every five years.

The examination of the records, registers and Accounts produced in audit revealed that the last assessment was done in the year 1993-94. Reassessment was not done even after laps 20 years.

Non revision of assessment of annual value of holdings was giving the Nagar Panchayat recurring loss of revenue year after year. Appropriate action may be taken in this regard.

14. Non-Remittance of Health and Education Cess to the State Government.

As per statement submitted in audit ₹230178.00 was collected on a/c of Education cess and another sum of 230178.00 was collected on a/c of Health cess. The health cess and education cess realized by the Corporation was to be remitted to the state government after deduction of 10% of the amount collected as collection charges.

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| Particulars | Cess Collected | | | Total | Collection charges 10% | To be remitted. |
|----------------|----------------|----------|----------|--------|------------------------|-----------------|
| | 2009-10 | 2010-11 | 2011-12 | | | |
| Health cess | 95435.44 | 61619.34 | 73123.59 | 230178 | 23018 | 207160 |
| Education cess | 95435.44 | 61619.34 | 73123.59 | 230178 | 23018 | 207160 |

Thus ₹207160 of health cess and ₹207160 of education cess were not remitted to Government revenue. The same may be remitted at the earliest to the head of the Government under intimation to audit.

15. Stock Register of receipt Books

Stock register produced in audit was neither maintained properly nor the entries made therein was authenticated by the competent authority.

As per the said Register stock of Receipt Books was as below:-

| Date | Type of Receipt Book | In stock |
|----------|----------------------|-------------------------------------|
| 01.03.02 | H-receipt | 4987 Books |
| 05.03.02 | H-receipt | 2901 to 3000 3001 to 3100 in use |
| 27.08.02 | Misc. Receipt Books | 20 Books |

Further the test check of vouchers revealed that 7000 Receipt Book were procured on 15.09.10 as detailed below:-

| Voucher No. | Date | Name of supplier | Sl. No. | Particulars | Quantity |
|-------------|----------|---|---------|------------------|----------|
| 03 | 15.09.10 | M/s Jay Mata Di Communication, Motihari in front of Block Office Dhaka | 1 | H Receipt | 3000 |
| | | | 2. | Misc Receipt | 3000 |
| | | | 3. | Nazir Receipt | 1000 |

The stock entry of the above Receipt Books was not done.

The actual position of Receipt Books could not be ascertained due to improper maintenance of Stock Register. The improper maintenance of Stock Register is fraught with danger and any serious irregularities like misuse of Receipt Books, collection of money without accounting for and others may not be ruled out.

The same may be maintained properly and produced in next audit.

(The Receipt books produced in audit detailed in Statement No.III to the Report.)

16. Non production of Receipt Books

A Non production of H-Receipt Books

The test check of Daily Collection Registers of collection agents revealed that 02 H-Receipt Books were entered in DCR but the same were not produced in audit. Details are as under:-

| Sl. No. | Name of agent | Receipt No. | Period of use |
|---------|-----------------|--------------|----------------------|
| 1. | Md Sahid Anwar | 1241 to 1300 | 18.02.10 to 01.12.11 |
| 2. | Md Kurshid Alam | 601 to 623 | 17.04.12 to 11.08.12 |

Non-Production of receipt book is fraught with risk and misuse of the same could not be ruled out Hence it is suggested that collection form the above said books may be ascertained by the department and deposited in municipal fund.

B Non production of Nazir Receipt

The test check of Nazir Receipt books with cashiers cashbook revealed that Nazir Receipts from 201 to 299 were issued during 14.03.12 to 19.06.12 and the money collected through them were entered in Cashiers Cashbook. But Nazir Receipt bearing No. 300 was neither produced in audit nor was the money collected through it found entered in cashiers Cashbook.

The same may be produced in next audit.

17. Non remittance of Taxes deducted from bills (Rs.1051489.00)

The test check of different Cashbooks revealed that taxes were deducted from bills of contractors. Cheques were issued for deposit to Concerned Government head, but the same were cancelled. Details as under:-

| Sl. No. | Head | Cheque No. | Date | Amount |
|---------------------------|---------|------------|----------|------------|
| BRGF | | | | |
| 1. | VAT | 946386 | 01.02.11 | 99518.00 |
| 2. | Royalty | 946385 | 01.02.11 | 19869.00 |
| 3. | IT | 946387 | 01.02.11 | 56227.00 |
| CM Urban Development Fund | | | | |
| 1. | VAT | 946386 | 01.02.11 | 392726.00 |
| 2. | Royalty | 946385 | 01.02.11 | 218223.00 |
| 3. | IT | 946387 | 01.02.11 | 221888.00 |
| Other state schemes | | | | |
| 1. | VAT | 946386 | 01.02.11 | 13698.00 |
| 2. | Royalty | 946385 | 01.02.11 | 21600.00 |
| 3. | IT | 946387 | 01.02.11 | 7740.00 |
| Total | | | | 1051489.00 |

The non remittance is a very serious offence. Hence taxes deducted up to date may be remitted to proper heads of Govt. revenue. Action taken in this regard may be communicated to this office.

18. Irregularities in vouchers (Rs. 22500)

The test check of vouchers revealed the following.

| Sl. No. | Voucher no/ date | Particulars | Amount | Remarks |
|---------|------------------|--|--------|---|
| 1. | — / 30.07.11 | Paid to M/s Bharat furnitures salam market Dhaka for supply of wisdom chair 4 Nos @850 &26 | 12500 | No stock entry done. As per file sanction for 20 Nature chair given |

| | | | | |
|-------|--------------|---|-------|---|
| | | Nos of Nature chairs @350 | | but 26 nature chairs were purchased. Payment was made on Quotation only. |
| 2. | — / 17.06.10 | Paid to Apsara Steel Works for supply of Almira | 10000 | No stock entry done. Payment was made on Quotation only. |
| Total | | | 22500 | |

In light of above irregularities, and non clarification of Audit observation the expenditure of ₹22500.00 is held under objection.

19. None deduction of VAT (Rs. 40508.00)

The test check of Cashbook with vouchers revealed that payments were made to suppliers without deduction of VAT. As per rule the amount of VAT is to be paid to the supplier only after the supplier submitted Form C III. The suppliers did not submit Form C III but the payments were made including VAT. Details as under:-

| Sl. No. | Cheque No. / date | Particulars | Amount of bill | VAT |
|---------|----------------------------------|---|----------------|---------|
| 1. | 929252/ 15.04.09 | Lata Enterprises Miscott, motihari, bill No.4 dated 06.04.09 Hand Trally 10 @6395 =63950 | 66500.00 | 2550.00 |
| | | Lata Enterprises Miscott, motihari, bill No.5 dated 06.04.09 Dust Bin 20 @ 8654 = 173080 | 180000.00 | 6920.00 |
| 2. | 740133/ 08.05.09 (PL for ₹ | R. K. Enterprises, Bhawanipur, Zirat, Motihari, Bihar. Suction machine 3000 Lts. | 339000.00 | 13038 |

| | | | | |
|-------|---|--|------------|----------|
| | 124166) 929253/ 08.05.09 (for ₹ 214384) | One @ 325962 | | |
| 3. | 740143/ 20.01.11 | Shree Mangal Moters, Baluatal motihari. For supply of one Tractor Mahindra 265DIMKM and parts | 486500.00 | 18000.00 |
| Total | | | 1072000.00 | 40508.00 |

The payment of Rs. 40508.00 of VAT to the suppliers was contrary to rule hence it is suggested for recovery from person(s) responsible.

20. Tax on advertisements.

The Bihar Municipal Act 2007, Chapter XVII, under section 145 to 152 provides for Tax on advertisement other than Advertisement in newspapers and Licence fee for advertisement spaces. Tax on advertisements has not been imposed by the Nagar Panchayat , this causes recurring loss to the Municipal Fund. Therefore it is suggested that necessary steps may be taken in this regard.

21. Municipal Licences.

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

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

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

- (a) One shall contain premises wise information of non-residential user, indicating the unique premises number , if any assigned under this Act and

(b) The other shall contain such information, on the basis of different non-residential user groups for factories, warehouses, medical institutions, educational institutions, and such other uses, as may be provided by regulations.

Section 344 provides for Municipal Licence for Private Markets.

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

Section 346 Provides the prohibition of unlicensed activities

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

Audit observation / comments

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

1. Out of 337 numbers of purposes requiring licences, the Corporation has issued no licesence for any purpose.
2. The registers required under section 343 were not being maintained.
3. No licence required under section 344 and 345 was issued.
4. Powers under section 347 not used.
5. Early steps may be taken so that the licences required under the Act are being issued and Municipal revenue is increased.

22. Payment of carriage of material.(1410955)

The test check of scheme files of different grants revealed that a total sum ₹1410955.00 was paid on account of carriage of material in 08 schemes. (Details vide statement No. IV of the Report.)

The Mines and Mineral Concession Rules 1972 and Government vide letter No. 585 dated 21.03.2007. Deptt. of Mines and Mineral directed that carriage of materials will only be allowed if the contractor submits challans along with M&N form for all the materials purchased and used in the schemes.

Neither challans nor M&N forms were attached in any of the files test checked in audit Making payment on account of carriage of materials without submission of the above was irregular. In reply it was stated that noted for future guidance

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The reply was not satisfactory and the sum of Rs1410955 is held under objection.

23. Non deduction of compensation for delay in completion of schemes.(Rs 331787.00)

As per clause 2 of condition of contract schedule XLV form No. 21, BIHAR PUBLIC WORKS DEPARTMENT compensation is to be deducted from the payments of bills for delay in completion of schemes @1/2 % per day of Estimates maximum of 10% of the estimated cost.

There was no deduction of compensation for delay in completion of schemes. A total sum of ₹331787.00 should have been deducted but the same was not deducted on A/C of the above.

Details as under:-

| Sl. No. | Scheme No. | Estimated cost | Due date of completion | Date of completion | Compensation(in ₹) |
|---------|-------------------------------|----------------|------------------------|--------------------|--------------------|
| 1 | 07/09-10 BRGF | 140100 | 23.11.09 | 25.01.10 | 14010.00 |
| 2 | 02/09-10 BRGF | 134600 | 2.12.09 | 22.12.09 | 13460.00 |
| 3 | 1/07-08 MLA Recommendation | 1270400 | 14.09.09 | 15.01.10 | 127040.00 |
| 4 | 1/09-10 BRGF | 1772771 | 20.11.09 | 05.04.10 | 177277.00 |
| Total | | | | | 331787.00 |

Hence non deduction of computation in delay of completion of work lead to excess payment to contractors. Therefore a sum of ₹331787.00 is suggested for recovery from persons responsible.

24. Sanctioned strength and men in position

Following was the men-in-position against the sanctioned strength as on 31.03.2012

| Sl. No. | Name of post | sanctioned | Men-in-position | Vacant |
|---------|--------------|------------|-----------------|--------|
| 1. | Head clerk | 1 | 1 | 0 |

| | | | | |
|----|------------------|---|---|---|
| 2. | Tax droga | 1 | 0 | 1 |
| 3. | Sanitary Jamader | 1 | 1 | 0 |
| 4. | Orderly | 1 | 0 | 1 |
| 5. | Sanitary worker | 5 | 5 | 0 |

25. Advance

The test check of Cashbooks and advance ledger revealed that a total sum of Rs. 574000.00 was outstanding advance against different persons and firms.

More over a sum of Rs 298000.00 was advanced to Madhubandhu Electrics for supply of street light on 17.03.11 (from 12th FC Grant). But the same was not supplied even after laps of almost 2 years.

Therefore, it is suggested that necessary steps may be taken to recover/adjust the unadjusted advances and compliance may be shown in next audit.

26. Discussion with Executives.

All the important points in audit were discussed with the Executive Officer of the Nagar Panchayat from time to time.

27. Result of Audit.

The result of Audit was as under:-

| | | |
|----|---------------------------------------|------------|
| I | Amount suggested for recovery through | 879552.20 |
| II | Amount held under objection | 1433455.00 |

Details vide statement No. V to the report.

28. General Remarks

It would appear from foregoing paragraphs that there was much scope for improvement in maintenance of records and registers. Many of the important Accounts, Records and Register were not maintained viz, Stock Register Asset Register, Grant Register, Audit Register

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Annual accounts etc. The direct appropriation of collection money is not a good practice and should be stopped immediately.

Attention of the authorities is invited in this regard for improvement in the maintenance of accounts, records and registers and taking proper steps for correction of irregularities pointed out.

- sd -

Satya Prakash Singh
(Assistant Audit Officer)

Approved-
Deputy Accountant General
-Cum-
Examiner of Local Accounts, Bihar

No.LA /ULB/SS-I/

Dated:-

Forwarded to the Executive Officer, Nagar Panchayat Dhaka for information and necessary action. It is requested that a complete reply showing action taken on the points raised in the report may be sent to this office within three months from the date of receipt of the report.

The Report has been prepared on the basis of information furnished and made available by the auditee(s). The Office of the Accountant General (Audit), Local Audit Wing, Bihar, Patna disclaims any responsibility for any misinformation and/ or non- information on the part of auditee.

- sd -

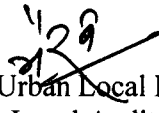
Sr. Audit Officer/Urban Local Bodies
Local Audit Wing,
Bihar. Patna

Copy to the following for information and necessary action:-

No.LA /ULB/SS-I/14379 | 1378

Dated:- 31.10.2013.

- ✓(1) The Pr. Secy. Urban Development & Housing Department, Govt. of Bihar, Patna
(2) The District Magistrate ,East Champaran.


Sr. Audit Officer/Urban Local Bodies
Local Audit Wing,
Bihar, Patna

Dhaka

APPENDIX No:- I

Statement showing list of records, registers and accounts produced in Audit.

(Referred to in Para No. 3 of the Report.)

1. Accountant Cashbook (General, P L A/c & Different taxes) -
2. Bank Statements
3. Vouchers partly.
4. Scheme files partly.
5. Miscellaneous receipt books partly.
6. II receipt books partly.
7. Advance Ledger.

Singh
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APPENDIX NO II

Statement showing records and registers either not produced in Audit or not maintained.

(Referred to in Para No.3 of the report.)

1. Annual Account
2. Daily collection register of TC
3. Demand and collection of different taxes
4. Stock Register of Dead stock and consumable.
5. Stock register and issue register of receipt books.
6. Salary Ledger
7. Pension Fund Account
8. GPF passbooks
9. Gratuity payment Register
10. Service books & personal files
11. Pension calculation sheets
12. Pension payment Register
13. Assessment Register
14. Asset Register
15. Govt. Grant Register
16. Lone Register and loan Appropriation
17. Logbooks
18. Audit register
19. Any other not given above if any

Singh
AAD