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**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT), BIHAR
(LOCAL AUDIT WING), PATNA -800 001**

No. L.A.Sur/1639

उत्तर
14/01/09

Dated: - 31.12.08

To,

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

युक्ति
13/1

Sir,

Audit Report No.- 476/2008-09 on the accounts of Nagar Parishad, Dumraon for the period 2006-07 to 2007-08 is enclosed for your kind information and necessary action.

Encl: -As above

DSI

Yours faithfully

Bkumar
Audit Officer/Surcharge
Local Audit Wing, Bihar, Patna

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27/11/09

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AUDIT REPORT NO.- 476/2008-09
NAGAR PARISHAD, DUMRAON (BUXAR)

1. INTRODUCTION

The accounts of Nagar Parishad, Dumraon (Buxar) for the period 2006-07 to 2007-08 were test checked by an audit party of the Office of the Pr. Accountant General (Audit) Bihar, Local Audit Wing, Patna during 15.09.2008 to 30.09.2008.

2. ADMINISTRATION

CHAIRMAN

	Name	Period
(a)	Meera Devi	01.04.06 to May' 07
(b)	Kamlesh Prasad	May' 07 to 31.03.08

VICE-CHAIRMAN

	Name	Period
(a)	Sri Lalan Singh Yadav	01.04.06 to May' 07
(b)	Sri Paushuram Prasad	May' 07 to 31.03.08

SPECIAL/ EXECUTIVE OFFICER

	Name	Period
(a)	Sri Uday Krishana	18.03.06 to 17.07.06
(b)	Sri Arun Kumar Jha	17.07.06 to 20.07.07
(c)	Sri Krishna Kumar Sinha	20.07.07 to 24.03.08
(d)	Sri Ashok Kumar Jha	24.03.08 to 31.03.08

3. SCOPE OF AUDIT

A List of records and registers produced and test checked in audit has been given in **Appendix- IA** and another list of records and register either not maintained or not produced in audit has been given in **Appendix-IB**.

4(A). INTERNAL AUDIT

There is no specific provision in the Bihar, Municipal Accounts, Rules 1928 with regards to internal audit of Nagar Parishad but provision for internal checks are prescribed under Rule 20,32,53,64 and 73 (A) of the Bihar Municipal Accounts Rules 1928.

Test check of accounts and records of Nagar Parishad Dumraon revealed that the persons authorised for the same, did not exercise such supervisory checks resulted into several irregularities, which have been discussed in succeeding paragraphs.

4(B). PREVIOUS AUDIT REPORTS:-

Following is the position of outstanding paras of previous audit reports.

Sl. No.	Audit Report	Period	Outstanding Paras
1	152/ 1991-92	1986-87 to 88-99	6
2	72/ 1995-96	1990-91 to 1994-95	35
3	3/ 2001-02	1995-96 to 1999-2000	38
4	196/ 2006-07	2000-01 to 2005-06	54

Despite comments in successive audit reports and repeated request no reply was given in audit against outstanding Paras. The position of disposal of previous audit reports has not improved at all for want of compliance. Hence the very purpose of audit is defeated for want of compliance of audit objections/ irregularities pointed out in successive audit reports.

The authorities of the Nagar Parishad are requested to furnish compliance to audit objections raised in previous audit reports.

5. OVERVIEW: -

The Nagar Parishad was financed by grants and loans from State Government, Central Government and its own sources. A summary of receipt and payments for the year 2006-07 and 2007-08 is given below-

2006-07

Opening Balance		(Rs.)
(1)	P.L. A/c	24,26,417.00
(2)	Swarn Jayanti Shari Swarojgar Yojana	6,973.00
(3)	Swarn Jayanti Shari Rojgar Yojana	826127.98

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(4)	NSDP	4308209.61
(5)	Urban self Employment Program	626516.99
(6)	NRV Micra Enterprises	82237.00
	Total Opening Balance	8276480.60
Receipt		
(1)	State Government Development Grant	8929000.00
(2)	Additional Stamp Duty	1231560.00
(3)	Own source	552451.00
(4)	12 th F.C.	838146.00
(5)	Grant for Tractor	425000.00
	Total Receipt	11976157.00
	Total Balance	20252637.60
	Expenditure	5436223.00
	Closing Balance	14816414.60

2007-08

Opening Balance		14816414.60
Receipt		
(1)	Own source	1070000.00
(2)	Salary Grant	1348488.00
(3)	Grant for Water supply	1912560.00
(4)	For election	71176.00
(5)	12 th F.C.	1574633.00
	Total Receipt	5976857.00
	Total Balance	20793271.60
	Expenditure	277265.00
	Closing Balance	18020620.60
Analysis of closing Balance		
(1)	12 th F.C.	3343465
(2)	Tractor Grant	54780

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(3)	State Development Grant	7009500
(4)	Water supply grant	1912560
(5)	NSDP	2606427.61
(6)	Others	1552034.00
(7)	Swarn Jayanti Shari Swarojgar Yojana	6973
(8)	Swarn Jayanti Shari Rojgar Yojana	826127.98
(9)	Urban self Employment Program	626516.99
(10)	NR Y Micra Enterprises	82237.00

6. **DELETED**

7. **IMPORTANT AUDIT FINDINGS**

Sl. No.	Para No.	Particulars
1	6	Non-maintenance of cash Book
2	8	Irregularities of cash Book
3	12 (i)	Direct appropriation of collection money Rs. 3,63,523/-
4	12 (ii)	- do - Rs. 31,000/-
5	13	Receipt through cheques/ Draft not accounted for
6	17	Short realisation of Education cess & health cess
7	19 (i)	Non credit/ short credit Rs. 65638/-
8	19 (ii)	- do - Rs. 16,349/-
9	19 (iii)	- do - Rs21,000/-
10	21 (A) (i)	Settlement amount not realised (road side market) Rs. 80,920/-
	(ii)	- do - (Slaughter House) Rs. 5300/-
	(iii)	- do - (Tin Ticket) Rs. 11150/-
11	21 (B) (ii)	Loss due to short realisation of bid money Rs. 4700/-
	(iii)	- do -
12	23	Short realisation of hire charges of pay loader Rs. 7000/-
13	25(ii)	Outstanding tax on government building Rs. 118271/-
14	26	Outstanding shop rant Rs. 82131.00
15	30	Casual Labour Rs. 133441/-

16	31	Excess payment in vouchers Rs. 77,227/-
17	32 (i)	Civil works Rs. 27,7039/-
18	32 (ii)	Civil works Rs. 28,282/-
19	33	Voucher Wanting Rs. 11,77,771/-

8. CASH BOOK

The test check of cashbook, P.L A/c for salary and other grants (except NSDP), Cashier Cash Book and Cashbook of NSDP revealed that the Cashbooks had the following irregularities-

- (1) Transactions were not classified under relevant heads of accounts.
- (2) Entries of cashbook were not authenticated by the competent authority.
- (3) Cashbook was not closed and balance arrived at.
- (4) Cash in chest was not verified by any competent authority as certificate of cash verification had not been recorded in cashbook.
- (5) Voucher number was not given/ recorded on most of pages of cashbook.
- (6) Monthly and Annual reconciliation was not prepared at the end of each month/ year.
- (7) Monthly/ Annual abstract of receipt and payment account was not prepared.
- (8) The annual account was also not prepared as such the expenditure during the year 2006-07 and 2007-08 could not be vouchsafed.
- (9) It was also noticed that the advances made for schemes did not mention the scheme number. This practice is fraught with danger of excess payment / defalcation/ Misappropriation. Therefore steps may be taken to get the scheme numbers mentioned in all the advances made for execution of schemes.

Due to non-reconciliation of cash balance, possibility of defalcation and misappropriation of fund could not be ruled out besides the authenticity of cash balance also remained doubtful.

With so many irregularities in Cash book and poor maintenance of cashbook and not giving of voucher number to its transactions, possibilities of misappropriation/ fraud/ embezzlement may not be ruled out. Therefore the authorities of the Nagar Parishad are requested to take steps for proper maintenance of Cash book.

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9. BUDGET:-

Section 71 to 74 of Bihar and Orissa Act 1922 and Rule 8 to 14 of Bihar Municipal Accounts Rules 1928 clearly provides for preparation, publication, sanction and revision of Budget Estimates by the Nagar Parishad.

Section 75 of Bihar and Orissa Municipal Act 1922 also provided for distribution of money provided under the budget sanctioned but on enquiry it was stated by the Local Office that no Budget estimates were prepared and passed by the Nagar Parishad for the period under Audit.

Non-preparation of budget estimates and expenditure without budgetary sanction were violation of Act and Rules so the expenditure incurred were quite irregular.

In absence of Budget, the estimated target of receipt and expenditure were also not ascertained in audit.

The reasons for non-preparation of Budget and violation of provisions of Act and Rules in this regard were not clarified in audit. The Budget Estimates may be prepared and sent to government for approval henceforth.

10. (i) STATE GRANT FOR DEVELOPMENT

RECEIPT

Sl. No.	Letter No. / date	Date of receipt	Amount Rs.
1	1101/ 30.03.06	31.03.06	4452000
2	1102/30.03.06	31.03.06	3004000
3	1131/31.03.06	31.03.06	1473000
Total-			8929000

Particulars	2006-07	2007-08
Opening Balance	8929000	7136500
Receipt	Nil	Nil
Total Balance	8929000	7136500
Expenditure	1792500	127000
Closing Balance	7136500	7009500

Schemes taken up	15
Completed	2
Incompletes	13
Estimate of Incomplete schemes	8557800
Expenditure on incomplete schemes	1469500

There was a balance of Rs. 70,09,500.00 as on 31.03.08 and even after lapse of two years major portion i.e. 79% of the grant remained unspent. Efforts were required to be made for timely completion of schemes undertaken and the full utilisation of grants received. The delay deprived the beneficiaries of the facilities due to them and the very purpose of the grant stood defeated.

(ii) 12TH F.C. GRANT

The following was the position of 12th F.C. grant.

GRANTS RECEIVED

Sl. No.	Date of receipt	Letter no/ cheque no. Date	Amount (Rs.)
1	17.03.06	3191/ 28.09.05/ TV No-05/ 17.03.06	12,36,997
2	31.03.06	3191/ 11.08.06/ TV No- 15/31.03.06	8,38,146
3	19.12.07	5674/19.12.07/TV no.-1/04.03.08	1574633
		Total-	36,49,776

	2006-07	2007-08
Opening Balance	Nil	20,45,351
Receipt	2075143	1574633
Total Balance	2075143	3619984
Expenditure	29792	276518
Closing Balance	2045351	3343465

- (A) Other than under mentioned two payments, all the payments were in the form of Advance for execution of schemes.

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Sl. No.	To whom paid	Purpose	Amount Rs.	Cheque no. /Date.
1	Prabhudayal stirkiwala, Houz @ azi, Delhi 110006	Supply of 15 hand Tralies @ Rs. 4880 each	73200	736954/04.07.07
2.	Maa shakti Eng works Kumharar Patna- 800026	Supply of 2 Tractor traly.	114660	736963/03.10.07
Total-			187860.00	

In the above two cases (purchase under XII F.C.) the comparative statement and concerned files of purchase not produced in audit. The stock entries of the same was also not shown. Therefore the sum of Rs. 187860/- is held under objection till production of concerned papers.

- (B) Moreover the quantity of solid waste produced per day was not ascertained and the starting point and end point of collection and disposal was also not taken into account before ascertaining the need for hand trolley and tractor trolley. It was also not pointed out as to what number of days these were use. This shows lack of planning.
- (C) The position of schemes under taken was as under as on 31.03.08.

Taken up	Completed	Incomplete	Estimate of Incomplete schemes (Rs.)	Expenditure on incomplete schemes (Rs.)
9	1	8	437800	60000

(iii) **BPL**

The following is the position as per cashbook for BPL produced in audit.

RECEIPT

Letter no. 1447/ dated:- 06.12.06 vide cheque no. 282301 dated:- 21.12.06 Amount received Rs. 137388. This was deposited in State Bank of India Dumraon, Current A/c no. 01000050017-

Particulars	2006-07	2007-08
Opening Balance	Nil	85143
Receipt	137388	Nil

Total Balance	137388	85143
Expenditure	52245	83663
Closing Balance	85143	1480

(iv) 11th F.C. GRNAT

A cashbook of 11th F.C. was produced in audit. But scheme Register, Bank passbook/ Statement were not produced in audit. The following was the position of 11th F.C. grant.

Particulars	2006-07	2007-08
Opening Balance	390182	240182
Receipt	Nil	37350
Total Balance	390182	277532
Expenditure	150000	Nil
Closing Balance	240182	277532

In absence of scheme Register Position of Schemes could not be ascertained. The scheme Register, Bank Passbook/ Statement may be produced in next audit.

(v) GOVERNMENT LOAN

Statement showing outstanding instalment of Loan and interest thereon as on 31.03.08 and the amount paid to the State Government against the outstanding amount of loan and interest thereon was not compiled. Loan register and loan Appropriation Register was also not maintained. Hence the position of outstanding loan as on 31.03.08 could not be ascertained.

Outstanding loan and interest thereon was liability of the Nagar Parishad. Authorities of Nagar Panchayat are requested to take effective steps for repayment of instalment of loan and interest thereon to the State Government.

From the Accountant's cashbook it was ascertained that the Nagar Parishad received no loan amount during the period under Audit.

11. NSDP

The Nagar Parishad Dumroan received grants under NSDP during period prior to the period under audit i.e. 2006-07 and 2007-08.

The following is the position of grant received under NSDP as per Cashbook.

Particulars	2006-07	2007-08
Opening Balance	4308209.61	2606427.61
Receipt	Nil	Nil
Total Balance	4308209.61	2606427.61
Expenditure	1701782.00	Nil
Closing Balance	2606427.61	2606427.61

Balance as per S.B.I. S.B A/c no- 0110005005400 as on 31.03.08 was Rs. 2824907.34. The Cashbook was not reconciled with Bank. The interest credited by the bank was not taken in the cashbook and the reason for the same was not pointed out to audit.

The bank reconciliation may be got prepared and produced in next audit.

As per guidelines issued by the Government, which was also contained in sanctioning letters, the funds provided to Nagar Parishad under NSDP were applicable for up gradation of urban slums the following components of the schemes issued by the Government of India.

- (i) Provision of physical amenities like water supply, storm water, drains, community bath, widening and paving of existing lanes, sewers community latrines, street light etc.
- (ii) Community Infrastructure:- Provision of Community centers to be used for pre-school education, adult education, recreational activities etc.
- (iii) Community Primary Health care center Buildings can be provided. It is proposed that after creation of infrastructure facilities, the concerned municipalities will seek the support of Registered Medical Practitioner/ Government. Doctors in the State to run these centers.
- (iv) Social amenities like pre-school education, non-formal education, adult education, maternity, child health and primary health care including immunization etc.
- (v) Provision of shelter.

SELECTION OF SCHEMES

Community Development Societies, after identification of unavailable minimum basic services, were required to prepare two lists 'A' and 'B' on priority basis.

In contravention of above order, schemes shown in the table below were selected without identification of unavailable minimum basic services in slum area.

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A detail of schemes selected without identification of unavailable minimum basic services is as under.

Sl. No.	Name of Scheme Executed	Number of works	Estimated value of work
(i)	Construction of PCC road	3	3,79,200
(ii)	Brick soling and drain	16	18,52,500
(iii)	Drain	2	285500
(iv)	Housing	2	50,000
Total-			25,67,200

The following components of the schemes were not taken up:-

- (i) Provision of Physical amenities like community bath, water supply, storm water drains, widening of existing lanes, severs community latrines, street light etc.
- (ii) Community Infrastructure:- Provision of Community Centers to be used for pre-school education, non-formal education, audit education, recreational activities etc.
- (iii) Community Primary Health care center Building can be provided. It is proposed that after creation of infrastructure facilities the concerned municipalities will seek the support of Registered Medical Practitioner/ Government Doctors in the State to run these Centers.
- (iv) Social amenities like Pre-school education, non-formal education, audit education, maternity, child health and primary health care including immunisation etc.
- (v) Provision of Shelter.

Thus, purpose of the scheme for up gradation of Urban slum is yet to be achieved.

Physical Progress Of Works

Out of 23 schemes under taken during 2005-06 only two have been completed. The 21 number of schemes were incomplete for almost two years.

Estimated value of 21 incomplete schemes	Rs. 22,09,200
Advance in schemes	Rs. 1435500

There was no records showing monitoring and supervision of works at higher level as per guidelines, released by the Government. The close monitoring and periodical evaluation of achievements of schemes was needed which was not done.

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12. DIRECT APPROPRIATION OF COLLECTION MONEY.

(i) In the S.B.I. account no- 010001050017 all the receipt of NP is deposited (both Cash and Cheques/ Drafts) and lump-sum amounts were transferred from that account to PL A/c at Buxar. For the above mentioned A/c no the balance or transaction of this Bank account was not reflected in transaction/ balance of Nagar Parishad fund. Keeping any money or transaction out of Accounts is highly irregular and it must be stopped at once.

The test Check of the Bank Statement with Cashier Cashbook revealed that many payments were made from this account and as no cashbook is being maintained for this account, the payments could not be vouchsafed. A total sum of Rs. 3,63,523 was paid from that account. Any payment without vouchers and without its entry in cash book is irregular. Hence the total payment of Rs. 3,63,523.00 required in cash book and detail investigation and advice to stop this type of attitude, because chance of Misappropriation/ fraud/ embezzlement may not be ruled out.

It is impressed upon the authority to make sure that, this type of payment will not occurred in future.

(ii) A sum of Rs. 31000.00 was collected by Shri Jitan Prasad yadav, Food license Asstt. From Shri Ram Narain Ram contractor vide- Miscellaneous receipt no. 4425 dated 14.03.06 as advance payment against hire charge of pay loader which was engaged by the above mentioned contractor during the period from 24.03.06 to 11.04.06 (19 days) @ Rs. 2000.00 per day. But instead of depositing the collection money in the Nagar Parishad Fund Rs. 31,000.00 was directly appropriated towards meeting the expenses of repair of pay Loader by order of the then chairman and the Executive officer dated 13.03.06 vide page number 6N of the concerned file.

Relevant papers in support of expenditure were not found accounted for in the Accountants cash book nor passed by the Executive. However, the bills of repair charges were found in the concerned file.

Expenditure incurred directly from collection money was irregular and it was violation of provisions of Municipal Accounts Rules 1928. Besides violation of rules direct appropriation indicates lack of control over revenues and defeats the purpose of budgetary exercise.

The Executives of the Nagar Parishad may consider to pass the bills and to make entry of the same in the Accountant's cash Book to regularise the above mentioned expenditure directly made from the collection money and to get Rs. 31,000/- deposited in the Nagar Parishad Fund.

13. RECEIPT THROUGH CHEQUES/DRAFTS NOT ACCOUNTED FOR

The test check of cashier Cash Book with Bank statement of State Bank of India, Dumroan A/c no. 01000/050017 revealed that only cash receipts were included in cashier's Cash Book. The receipts received through cheques/ Drafts were not included in cashier's Cash Book or any other cashbook. After cash receipt were also not included in Cashier's Cashbook but were found credited in Bank this was only possible when some of the receipts were directly deposited in Bank which was not accounted for. As per Bank Statement for the period 2006-07 and 2007-08 the following receipts were credited by bank but were not entered in cashier's Cash Book.

Sl. No.	Date	Amount (Rs.)	Cheque No.	Particulars
1	21.07.06	17760	525295	SBI
2	04.08.06	21625	409365	Canara Bank Collectariate Buxar.
3	29.08.06	26313	849858	Indian Bank Patna
4	01.10.06	24135	218989	Bank of India Patna
5	06.11.06	94500	Cash	
6	29.03.07	1000	Cash	
7	30.03.07	4000	No MMRR	REF Rehhia 003543
8	20.07.07	75000	Cash	
	Total-	2,64,333		

Thus, Rs. 264333.00 was kept out of Account of Nagar Parishad fund. The direct deposit of Cash / Cheques / Drafts into Bank without entry in Cashier's Cash Book is highly irregular and shows the lack of supervision/ control over account by Executives. The cash deposits of a total sum of Rs. 1,70,500.00 was, what type of receipt, was not pointed out. With this type of practice chances of defalcation/ misappropriation/ fraud/ embezzlement may not be ruled out.

Moreover, the office Head Clerk and Accountant informed that no any kind of receipt was issued on receipt of any payment through cheques/ Drafts. The non- issue of Receipt for the cheques/ Drafts received and also not including them in any Cash Book was fraught with danger of leakage of revenue through loss of cheque / non credit by bank. Chances of defalcation/ misappropriation/ fraud/ embezzlement may not be ruled out.

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14. NON-REVISION OF ASSESSMENT.

Section 106 (i) of the Bihar and Orissa Municipal Act, 1922 envisages that the assessment of buildings should be revised once in every five years. Test check of Demand and Collection revealed that the taxes were collected at the rate of assessment of holdings made during the year 1973- 74. Thereafter, no revision of assessment was done to improve the financial position of the Nagar Parishad.

Steps may be taken to revise the rate of taxes on holdings as per provision contained under section 106 (i) of Act ibid.

15. COLLECTION ACCOUNT OF HOLDING TAX: -

The following abstract would show the position of Demand, Collection and balance of Holding Tax for the period 2006-07 and 2007-08 as furnished by Local Office.

Particulars	2006-07	2007-08
Demand		
Arrear	1216584	1261483
Current	143500	143700
Total	1360084	1405183
Collection		
Arrear	69021	94688
Current	29580	40581
Total	98601	135269
Balance		
Arrear	1147563	1166795
Current	113920	103119
Total	1261483	1269914
Percentage of Collection		
Arrear	5.67%	07.51%
Current	20.61%	28.24%
Total	7.07%	9.63%

The Government of Bihar in their letter no- 2971 dated 17.06.08 instructed that all the District Magistrate may fix responsibility of collection to incharge, fix target of collection of taxes in municipalities and review the collection forthrightly.

But percentage of collection varied from 7.7% to 9.63%.

But no distress warrant was issued to the defaulters as required under rule. Distress warrants should have been issued promptly. Demand and collection Register and list of outstanding Taxes should be maintained as required under Rule 10 (2) (XI) of the Bihar and Orissa Municipal Accounts Rule (Recovery of Taxes) 1928. These should also be updated regularly which was not done. The same may be done and produced in next Audit.

16. NON- REMITTANCE OF AMOUNT OF COLLECTION OF EDUCATION CESS AND HEALTH CESS IN GOVT. A/C

Collection made on account of Health Cess and Education Cess during 2006-07 and 2007-08 was as follows:-

Year	Holding tax collected	Edu. Cess @ 40% of H. Tax	Health Cess 40% of H. Tax	Total
2006-07	98601.00	39440.00	39440.00	78880.00
2007-08	1,35,269.00	54,108.00	54,108.00	1,08,216.00
Total-				1,87,096.00
Less 10% as collection charge (-)				18,709.60
Govt. Share Rs.				1,68,386.40
Add (+) As per Para 21 of A.R. No. 196 of 2006-07 period of collection of Health Cess and Education Cess from 2000-01 to 2005-06 (after deduction 10% as collection charge)				Rs. 90,867.74
Total-				2,59,254.14

Thus, Rs. 2,59,254.00 may be deposited to the proper head of State Govt. A/c.

17. SHORT REALISATION OF EDUCATION CESS AND HEALTH CESS

The health department, Government of Bihar in the letter No. 539 dated 25.02.1982 and C.R.O. 18/83 dt. 05.07.82 directed all the Municipalities and notified area committee to realise Health Cess @ 50% of the Holding Tax with effect from 01.04.82. Similarly under Bihar Education Amendment Act 1959 Education Cess was to be realised at the rate of 50% of Holding Tax from 01.04.82.

But the Education Cess and Health Cess was realised at the rate of 40% of the Holding Tax as mentioned below: -

	2006-07		2007-08	
	Education Cess	Health Cess	Education Cess	Health Cess
Realisable	49,300.00	49,300.00	67,634.00	67,634.00
Realised	39,440.00	39,440.00	54,108.00	54,108.00
Short	9,860.00	9,860.00	13,526.00	13,526.00
Total Short realization	9860+9860+ 13,526 +13,526 = 46772.00			
Less 10% Collection charges-				(-) Rs. 4677.20
				Rs. 42,094.80

Thus, short realisation of Health Cess and Education Cess of Rs. 46,772.00 resulted into loss of Rs. 42,094.80 to the Govt. and Rs. 4677.20 to the Nagar Parishad as 10% collection charge.

The short realisation of Health Cess and Education Cess of Rs. 46772.00 may be realised from the person(s) responsible and the same may be remitted to the State Government account.

18. PROFESSIONAL TAX

The following abstract would show the position of the Demand, Collection and Balance on account of professional tax.

Particulars	2006-07	2007-08
Opening Balance	21938	21649
Demand	3411	3411
Total	25349	25060
Collection	3700	1450
Balance	21649	26510

It may be seen that the demand remained the same i.e. Rs. 3411 during both the years. It was seen that the demand was the same from 2000-01 up to 2007-08. It is requested that steps may be taken to increase the demand to increase the revenue of the Nagar Parishad.

19. NON-CREDIT/ SHORT CREDIT

(i) A total collection of Rs. 65,638.00 through misc. receipts was not deposited by different tax collectors in the Nagar Parishad Fund. Details are as under-

Sl. No.	Name of Tax Collector	Amount
1	Sri Jitan Prasad Yadav	15,050.00
2	Sri Moin Abmed	32,815.00
3	Sri Bihari Singh yadav	17,773.00
	Total-	65,638.00

(Vide details in **Statement no. IIA** to the report)

Rs. 65,638.00 may be recovered from the person(s) concerned and the same may be deposited in the Nagar Parishad fund and credit shown to next audit.

(ii) A total amount of Rs. 23,718.70 was collected by Tax collectors on a/c of 'H' receipts but the same was not deposited in the Nagar Parishad A/c Fund. Details are as under-

Sl. No.	Name of Tax Collector	Amount
1	Sri Moin Abmed	7370.15
2	Sri Bipin Bihari yadav	2,085.60
3	Sri Ramchandra Singh	9,620.95
4	Sri Ramakant Tiwary	4,642.00
	Total-	23718.70

65638.00
23718.00
21000.00

110356.00

Rs. 23718.70 may be recovered from the person(s) concerned and deposited in the Nagar Parishad Fund and credit of the same may be shown to next audit.

(Details vide **Statement no. II** to the report)

(iii) Rs. 21000/- was collected on a/c of dangerous trade license fee vide receipt no. 601 to 261 during the period from 02.11.07 to 25.05.08 but the same was not deposited into the Nagar Parishad A/c. Collection was made by Sri Jitan Prasad Yadav, T.C.

Rs. 21,000.00 may be recovered from Sri Jitan Prasad Yadav, T.C. and deposited in the Nagar Parishad Fund and credit of the same shown to next audit.

20. RECEIPT BOOKS NOT PRODUCED IN AUDIT

The following receipt books issued to different tax collectors were not produced in audit.

Sl. No.	Type of Receipt Book	Receipt No.	Date of issued	To whom issued
1	Misc. Receipt	4301-4400	25.09.05	Sri Ajay Kr. Roy, T.D
2	-do-	4501-4600	01.10.05	Sri Moin Ahmed T.C
3	-do-	4601-4700	23.06.05	-do-
4	Dangerous trade license fee	501-600	07.07.05	Sri Jitan Prasad Yadav T.C

The above books may be produced in next audit.

21. SETTLEMENT

(A) As per Para no. 32 of Audit Report no. 196 of 2006-07 following was the position of non-realisation of amounts of settlement of sairat during 2000-01 to 2005-06.

(i) TEMPORARY MARKET ON ROAD SIDE LANDS

Temporary market on roadside lands was settled to different persons during 2000-01 to 2005-06. A sum of Rs. 80920.00 was outstanding as on 31.03.06 with the persons noted below which stood recoverable.

Sl. No.	Year	Name of the person with whom settled	Settled for Amount	Amount deposited	Balance
1	2000-01	Sri Tarkeshwar Prasad S/o Sri Sudama Ram	11,000	10,000	1000
2	2001-02	Sri Bhim Prasad S/o Sri Kusheshwar Prasad	27,000	22,500	4500
3	2002-03	Md. Ali S/o Md. Bahab	36,000	24000	12000
4	2004-05	Sri Tarkeshwar Pd. 01.06.04 to 31.08.04 @ Rs. 55/- perday	5060	-	5060
		Sri Brijesh Kr. Tiwari 01.09.04 to 31.03.05 @ Rs. 80/ day	16,960	2400	14560
Total-					37120/-

But no. action was taken by the Nagar Parishad Authority for the recovery of Rs. 31,720.00 even after lapse of three to eight years which became time barred. As a result of this

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the Nagar Parishad sustained a loss of Rs. 37120.00 due to negligence of authority of Nagar Parishad Dumraon.

It is therefore reported to the Examiner of Local Accounts Bihar for consideration whether the sum of Rs. 31720/- representing loss to the Nagar Parishad Dumraon should not be recovered by surcharge under section 9 (i) (b) of the Bihar and Orissa Local Fund Audit Act, 1925 from the following persons jointly and severally.

Sl. No.	Name of Persons responsible	Designation	Amount (Rs)
1(i)	Md. Shakir Jamal	Executive officer Nagar Parishad Dumraon (01.04.00 to 05.01.01)	1000
(ii)	Sri Awadhesh Ram	-do- (06.01.01 to 02.09.03)	
(iii)	Sri Jhari Sardar	E.O NP Dumraon (03.09.03 to 25.10.04)	
(iv)	Md. Yunus	Head clerk (2000 to 2003)	
(v)	Narbadeshwar Tewary	Head clerk (2003-2005)	
2 (i)	Sri Awadhesh Ram	Executive officer (01.04.2001 to 02.09.03)	4500
(ii)	Sri Jhari Sardar	Executive officer (03.09.03 to 25.10.04)	
(iii)	Md. Sams Javed Ansari	-do- (26.10.04 to 28.11.05)	
(iv)	Md. Yunus	Head clerk (2001-02 to 2002-03)	
(v)	Narbadeshwar Tewary	Head clerk (2003-04 to 2004-05)	
3 (i)	Sri Awadhesh Ram	Executive Officer (01.04.02 to 02.09.03)	12000
(ii)	Sri Jhari Sardar	Executive Officer (03.09.03 to 25.10.04)	
(iii)	Md. SamsJaved Ansari	-do- (26.10.04 to 28.11.05)	
(iv)	Sri Sanjay Kumar	E.O. (29.11.05 to 17.03.06)	
(v)	Sri Uday Krishna	- do- (18.03.06 to 31.03.06)	
(vi)	Md. Yunus	Head Clerk (2002-03)	
(vii)	Narbadeshwar Jewary	Head Clerk (2003-04 to 2004-05)	
(viii)	Sri Ajay Kumar Roy	- do - (2005-06)	
4 (i)	Sri Jhari Sardar	E.O. from 01.04.04 to 25.10.04	5060
(ii)	Md. SamsJaved Ansari	E.O. form 26.10.04 to 28.11.05	
(iii)	Sri Sanjay Kumar	E.O. form 29.11.05 to 17.03.06	
(iv)	Sri Uday Krishna	E.O. (18.03.06 to 17.07.06)	
(v)	Sri Arun Kr. Jha	E.O (18.07.06 to 20.07.07)	
(vi)	Sri Narbadeshwar Tiwary	Head Clerk (2004-05)	
(vii)	Sri Ajay Kr. Roy	Head Clerk (2005-06 to 2007-08)	

(ii) SLAUGHTER HOUSE

Slaughter House was settled to different persons during the period 2000-01 to 2004-05. A sum of Rs. 5300/- was outstanding as on 31.03.06 with persons noted below.

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Sl. No.	Year	Name of person with whom settled	Settled for Amount	Amount Deposited	Balance
1	2000-01	Sri Ashok Kumar S/o Sri Bishwanath Prasad.	2650	Nil	2650
2	2001-02	Md Kankhirudden S/o Md. Salaudin	2650	Nil	2650
Total					5300/-

But, no action was taken by the Nagar Parishad authority for the recovery of Rs. 5300/- even after lapse of eight years. As a result of this the Nagar Parishad sustained a loss of Rs. 5300/- due to negligence of Nagar Parishad Dumraon.

It is, therefore, reported to the Examiner of Local Accounts Bihar for consideration whether the sum of Rs. 5300/- representing loss to the Nagar Parishad Dumraon should not be recovered by surcharge under section 9 (1)(b) of the Bihar and Orissa Local Audit. Act, 1925 from the following persons jointly and severally.

Sl. No.	Name of Persons responsible	Designation	Amount (Rs)
1	Md. Shakir Jamal	E.O. (from 01.04.2000 to 05.01.01)	2650/-
2	Sri Awadhesh Ram	E.O (06.01.01 to 02.09.03)	
3	Md. Yunus	Rtd. Head clerk (2000 to 2003)	
4	Narbadeshwar Tiwary	Head clerk (2000 to 2005)	

(2)			
(i)	Md. Shakir Jamal	E.O. (from 01.04.2000 to 05.01.01)	2650/-
(ii)	Sri Awadhesh Ram	E.O (06.01.01 to 02.09.03)	
(iii)	Sri Jhari Sardar	E.O. from 03.09.03 to 25.10.04	
(iv)	Md. Yunus	Head clerk (2000 to 2003)	
(v)	Narbadeshwar Tiwary	Head clerk (2000 to 2005)	

(iii) TIN TICKETS

Tin tickets of registration of vehicle during the period 2002-03 and 2004-05 was settled with the following persons but they failed to deposit the full amount of settlement.

Sl. No.	Year	Name of person with whom settled.	Settled for Amount	Amount Deposited	Balance
1	2002-03	Md. Anwar Khan, S/o md. Safique Khan	5050	Nil	5050
2	2004-05	Sri Brajish Kr. Tiwary, S/o Sri Uma Sankar Tiwary	11100	5000	6100
Total-					11150/-

But, no action was taken by the Nagar Parishad Authority for the recovery of Rs. 11,150/- even after lapse of four to five years. As a result of this the Nagar Parishad sustained a loss of Rs. **11,150/-** due to negligence of authority of Nagar Parishad Dumraon.

It is, therefore, reported to the Examiner of Local Accounts, Bihar for consideration whether the sum of Rs. **11,150/-** representing loss to the Nagar Parishad Dumraon should not be recovered by surcharge under section 9 (1) (b) of the Bihar and Orissa Local Fund Audit Act, 1925 from the following persons jointly and severally.

Sl. No.	Name of Persons responsible	Designation	Amount (Rs)
1.(i)	Sri Awadhesh Ram	E.O (for 01.04.03 to 02.09.03)	5050/-
(ii)	Sri Jhari Sardar	E.O. (03.09.03 to 25.10.04)	
(iii)	Md. sams Javed Ansari	E.O. (26.10.04 to 28.11.05)	
(iv)	Sri Sanjay Kumar	E.O. (29.11.05 to 17.03.06)	
(v)	Sri uday Krishna	E.O. (18.03.06 to 31.03.06)	
(vi)	Sri Md. Yunus	Head Clerk, (2002-03)	
(vii)	Sri Narbadeshwar Tiwary,	Head Clerk (2003-2005)	
(viii)	Sri Ajay Kr. Roy	Head clerk (2005-06)	

(2)			
(i)	Sri Jhari Sardar	E.O. from 03.09.03 to 25.10.04)	6100.00/-
(ii)	Md. Sams Javed Ansari	E.O. (26.10.04 to 28.11.05)	
(iii)	Sri Sanjay Kumar	E.O. from (29.11.05 to 17.03.06)	
(iv)	Sri Uday Krishna	E.O. from (18.03.06 to 17.07.06)	
(v)	Sri Arun Kr. Jha	E.O. 18.07.06 to 20.07.07	

(vi)	Sri Narbadeshwar Tiwary,	Head Clerk (2004-2005)	
(vii)	Sri Ajay Kr. Roy	Head clerk (2005-06 to till date)	

(B) LOSS DUE TO NON-SETTLEMENT

(i) During the test check of settlement files it was noticed in audit that following items were settled through bid in previous years but during the year 2006-07 none of these items were settled resulting in loss of revenue of Rs. 56100.00 to the Nagar Parishad. The amount of loss had been calculated on the basis of amount of settlement of previous years.

Sl. No.	Item of Source of revenue	Amount of Settlement of previous years (Rs.)	Year
1	Temporary market on road side land	43800.00	2005-06
2	Slaughter House	1200.00	2004-05
3	Tin Tickets	11100.00	-do-
4	Land beside slaughter house	Not available	Not settled from 2002-03 to 2005-06
5	Cattle pound	-do-	Not settled from 2001-02 to 2005-06
6	Fodder Machine	-do-	-do-
7	Land behind sabjee gola	-do-	-do-
	Total-	56,100.00	

Reason(s) for non-settlement was not clarified in audit.

(ii) LOSS DUE TO SHORT REALISATION OF BID AMOUNT.

In the following cases amount of settlement made through bid was not realised in full resulting in loss of Rs. 4700.00 to the Nagar Parishad.

Sl. No.	Name of item settled	Year of Settlement	Name and Address of the person with whom settlement was made	Amount of Settlement (Rs.)	Amount Realised (Rs.)	Balance
1	Settlement of Sairat	2007-08	Shri Saminllah S/o late Safdar Khan, Kajjee Ki gali ward no-8 Dumraon.	34600	29900	4700.00