



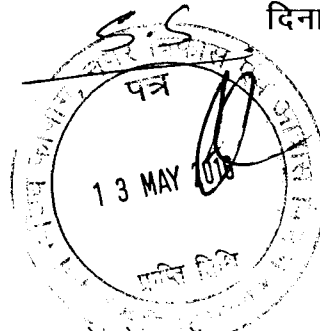
कार्यालय, महालेखाकार (लेखापरीक्षा), बिहार,
सामाजिक प्रक्षेत्र -I, स्थानीय लेखापरीक्षा शाखा,
वीरचन्द पटेल मार्ग, पटना - 800001

सं०.एल०ए०/एस०एस०-1/श०स्था०नि०/

सेवा में,

कार्यपालक पदाधिकारी
नगर पंचायत, फतुहा
जिला- पटना

महाशय,



नगर पंचायत, फतुहा के वर्ष 2012-13 से 2014-15 के लेखाओं पर आधारित लेखापरीक्षा प्रतिवेदन

सं० 1249/15-16 आपके सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित है। अनुरोध है कि इस लेखापरीक्षा प्रतिवेदन की कंडिकाओं का अनुपालन, लेखापरीक्षा प्रतिवेदन प्राप्ति के 3 माह के अन्दर पूर्ववर्ती लेखापरीक्षा प्रतिवेदनों की लम्बित कंडिकाओं के अनुपालन के साथ अभिप्रमाणित साक्ष्य सहित नगर पंचायत बोर्ड से अनुमोदित कराकर जिला स्तरीय समिति के समीक्षोपरान्त प्रेषित किया/करवाया जाय जिससे लेखापरीक्षा के उद्देश्यों की पूर्ति हो सके।

यह निरीक्षण प्रतिवेदन लेखापरीक्षित 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,

— ह० —

वरीय लेखापरीक्षा अधिकारी
श०स्था०नि०/सामाजिक प्रक्षेत्र 1
स्थानीय लेखापरीक्षा शाखा, पटना

सं०-एल०ए०/एस.एस.-1/श०स्था०नि०/14SS3/23

दिनांक- 29.4.16

प्रतिलिपि सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित:-

1. सचिव, नगर विकास एवं आवास विभाग, बिहार सरकार, पटना
2. जिलाधिकारी, पटना



वरीय लेखापरीक्षा अधिकारी
श०स्था०नि०/सामाजिक प्रक्षेत्र 1
स्थानीय लेखापरीक्षा शाखा, पटना

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Nagar Panchayat, Fatuha
A.R. No.-1249/15-16
(Period-2012-13 to 2014-15)

Part-I

1 INTRODUCTION

The accounts of Nagar Panchayat, Fatuha for the year 2012-13 to 2014-15 was test audited by an audit party of O/o the Accountant General (Audit), SS-I cum Local Audit Wing, Bihar Patna during the period from 11.08.2015 to 18.08.2015.

2 ADMINISTRATION

Sl.No.	Name of Chairman	Period
1.	Smt. Sangeeta Devi	01.04.12 to 31.12.2014
2.	Smt. Sheela Devi	01.01.14 to 31.03.2015

Sl.No.	Name of Vice-Chairman	Period
1.	Sri Amar Singh	01.04.12 to 31.03.2015

Sl.No.	Name of Executive officer	Period
1.	Sri Kumar Anil Sinha	01.04.12 to 02.11.12
2.	Miss Anju Kumari	02.11.12 to 21.02.2014
3.	Sri Kapildeo Kumar	21.02.2014 to 31.03.2015

3 MEMBERS OF THE AUDIT TEAM

- (i) Sri Satya Prakash Singh, AO
- (ii) Sri Dheeraj kumar, AAO
- (iii) Sri Sangam Tiwari, Adr.

4 SCOPE OF AUDIT

A list of records and registers produced to audit party and test checked has been furnished in Appendix-I(A) and another list of records and registers neither produced nor maintained or produced in incomplete form has been furnished in Appendix-I(B) to the report.

5 PREVIOUS AUDIT REPORT

In spite of several requests and reminders for compliance of outstanding paras of previous audit reports, the same was not produced by the unit. The position of outstanding paras of previous audit reports is as under:-

Sl.No.	A.R.No. & Year	No. Of outstanding paras
1	32/1993-94 period -1991-92 to 1992-93	12
2	28/1998-99 period -1993-94 to 1997-98	36
3	56/2004-05 period -1998-99 to 2003-04	29
4	651/2011-12 period -2008-09 to 10-11	

Non-compliance of outstanding paras defeats the very purpose of the audit. It is requested that Suitable steps may be taken for compliance of outstanding paras of previous audit reports. Non compliance of outstanding paras defats the very purpose of the audit.

6 INTERNAL AUDIT

The (Rules 20, 66, 60, 30, 32, 64 to 66, 83, 84 & 127) of Bihar Municipal Accounts Rules 1928 provides a number of internal checks, which would be exercised either by the chairman, Vice-Chairman, Executive Officer or any other responsible officer entrusted for the purpose by the commissioner at a meeting. Those checks were prescribed in the rule in order to have proper control in maintenance, co-ordination and also to avoid serious irregularities in the Municipal Accounts.

But no such checks as prescribed in the above rules were conducted by any of the authorities of the Nagar Panchayat and non-adherence for want of that a lot of irregularities were noticed, which have been discussed in forthcoming paras.

It is therefore, impressed upon the authorities to conduct regular checks to stop recurrence of such irregularities in future.

7 Result of Audit

- (i) Amount recovered at the instance of audit- zero
- (ii) Amount held under objection- ₹4854347
- (iii) Amount suggested for recovery- ₹ 5303240
(appendix- III)

PART-II
SECTION-'B'

PARA-1 (a) Non deduction of compensation for late completion of schemes.

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

The test check of scheme files of UIDSSMT revealed that there was no deduction of compensation for delay in completion of schemes was not made. A total sum of Rs 1059331.00 should have been deducted but the same was not deducted. Details as under:-

Sl. No.	Scheme No. (Advert No.)	Estimated cost	Due date of completion	Date of completion	Compensation
1	32/13-14	8468606	25.5.14	20.10.14	846861
2	12/13-14	156200	20.03.14	5.11.14	15620
3	15/13-14	623300	20.03.14	25.04.14	62330
4	16/13-14	457600	22.03.14	05.11.14	45760
5	19/13-14	566000	11.09.14	15.10.14	56600
6	25/13-14	321600	20.03.14	20.05.14	32160
Total					1059331

Audit comment / observation

Hence non deduction lead to excess payment to contractors. The sum of 1059331 is suggested for recovery from person responsible.

The unit replied that this subject will be put before the board so that in future deduction for late completion may be done.

The reply is not satisfactory as it does not clarify the reason for non-deduction, hence Rs 1059331 may be recovered from the person(s) concerned and relevant records may be shown to next audit.

PARA-1 (b) Non deduction of compensation for late completion of schemes.

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

There was no deduction of compensation for delay in completion of schemes. A total sum of Rs 485363 must have been deducted but the same was not deducted on A/C of the above. Details as under:-

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Sl. No.	Scheme No. (Advert No.)	Estimated cost	Due date of completion	Date of completion	Compensation
1	1 (1/13-14)	240000	9.11.13	09.03.15	24000
2	2(1/13-14)	228600	23.10.13	1.11.13	10287
3	3(1/13-14)	122800	23.10.13	18.11.13	12280
4	6(1/13-14)	229400	23.10.13	01.11.13	10323
5	10(1/13-14)	232800	09.11.13	18.11.13	10476
6	11(1/13-14)	228200	23.10.13	15.11.13	22820
7	13(1/13-14)	230700	09.11.13	15.11.13	6921
8	14(1/13-14)	230600	23.10.13	18.11.13	23060
9	15(1/13-14)	339500	23.10.13	18.11.13	33950
10	16(1/13-14)	179800	23.10.13	18.11.13	17980
11	21(1/13-14)	469400	23.10.13	18.11.13	46940
12	23(1/13-14)	225300	23.10.13	09.03.15	22530
13	06(1/12-13)	146400	30.04.13	12.05.13	9516
14	16(1/12-13)	141500	30.04.13	21.05.13	14150
15	25(1/12-13)	67500	30.04.13	07.05.13	6750
16	28(1/12-13)	34200	30.04.13	20.06.13	3420
17	38(14-15)	252000	23.12.14	06.01.15	25200
18	16(14-15)	147800	06.01.15	12.02.15	14780
19	40(14-15)	251300	11.01.15	06.02.15	25130
20	41(14-15)	253100	06.01.15	21.02.15	25310
21	43(14-15)	251200	06.01.15	06.04.15	25120
22	57(14-15)	445000	26.03.15	06.04.15	44430
23	58(14-15)	499900	29.03.15	25.06.15	49990
Total					485363

Audit comment / observation

Hence, non-deduction lead to excess payment to contractors. The sum of 485363 is suggested for recovery from person(s) responsible.

The unit replied that this subject will be put before the board so that in future deduction for late completion may be done.

The reply is not satisfactory as it does not clarify the reason for non-deduction, hence, 485363 may be recovered from the person(s) concerned and relevant records may be shown to next audit.

PARA-2 IRREGULARITY IN EXECUTION OF SCHEME (15233500)

Name of scheme:- Upgradation of Road from Sonaru More to Bazar Samiti Under UIDSSMT Scheme

Name of Agency:- Sri Devendra Prasad (contractor)

Estimated cost:- 15233500.00

Work order:- No. 778 dated 28.11.13

Time allotted:- six months. (upto 27.05.14)

Date of completion:- 03.06.14

Delay of more than 20 days

Test check of file along with MB revealed that the scheme was executed by Sri Devendra Prasad (contractor) at the total cost of Rs. 15554019. Paid after deduction of 6.66% as per agreement Rs 1451812.00

Comparison of Technical Report and Estimate

Item of Work	As per TR	As per Estimate	Deviation
Length of road	1.439875 km	1440.109 meter	
Height of Road	1.65 meter	1.50 Meter	0.15 Meter
Width of Road	7.5 meter	7.00 Meter in 1242.38 Meter length	0.50 Meter
0.20 meter GSB Grade-2 over Earth filling	6.5 meter	4.8 Meter	1.7 Meter
0.20 meter PCC over GSB	5.5 meter	4.8 meter	0.70 Meter

There was much deviation in estimate from the Technical Report. There was no mention of soil testing Report in TR. Moreover there was no mention of Traffic plying report also.

Audit observation/comments

1. Reason for deviation in Estimate from the Technical Report was not pointed out to audit.
2. The reason for not having the soil tested before preparing the Estimate was not pointed out.
3. The reason for not having the traffic plying report before preparing the estimate was also not pointed out.
4. As such, the Technical Report and the Estimate was prepared without the soil testing report and Traffic plying report.

Notice inviting Tender was done by the process of E-Tender

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4 Bids were received. The Technical Bid of M/S Devendra Prasad only full filed the provisions of NIT. Rest of three technical Bids were rejected on the ground that they did not fulfil the provisions of NIT.

MS Devendra Pd. was allotted the work below the BOQ unit (6.66%).

Audit observation/comments

1. When three out of the four technical bids could not be accepted /fulfilled the criteria of the NIT then only one bidder was declared successful in technical bid. This resulted in single tender.
2. It was not pointed out as to why re-bidding was not done and was allotted work on single tender basis.

Comparison of Estimate and Measurement Book:-

Item of Work	As per Estimate	Quantity as per Measurement	Deviation
Construction of Embankment	10913.91 m ³	10429.95 m ³	483.96 m ³ less
Construction of granular sub base	1382.5 m ³	1396.181 m ³	13.681 m ³ More
PCC	1382.5 m ³	1396.181 m ³	13.681 m ³ More
Providing local sand filling in Foundation	129.61 m ³	138.755 m ³	9.145 m ³ more
Providing BES	1440.11 m ²	1387.55 m ²	52.56 m ² less

The following irregularities were noticed in execution and payment of scheme:-

A- Non deduction of compensation for late completion of schemes.

As per clause 2 of condition of contract schedule XLV form No. 21, BIHAR PUBLIC WORKS DEPARTMENT compensation was 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 Rs 1523353.00 must have been deducted but the same was not deducted on A/C of the above. Details as under:-

Sl. No.	Scheme No. (Advert No.)	Estimated cost	Due date of completion	Date of completion	Compensation
1	26/13-14	15233529	27.05.14	26.09.14	1523353

Audit comment / observation

1. The reasons for none observance of the provisions of works department code was not pointed out to audit.
2. None deduction lead to excess payment to contractors.

The audittee entity replied that this subject will be put before the board so that in future deduction for late completion may be done.

The reply is not satisfactory as it does not clarify the reason for non-deduction, hence the above sum of Rs1523353 is suggested for recovery from person(s) at fault.

B- Payment of carriage of material (372789)

The test check of scheme files of different grants revealed that a total sum Rs 372789 was paid on account of carriage of material in schemes.

Statement showing carriage of materials on materials used in different schemes:-

Sl. No.	Scheme No.	Bricks	Stone chips	Metal Grade	Q Sand	Local Sand
1.	26/13-14 UIDSSMT	22404	125656	184296	31414	9019

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.

Audit observation/comment

1. Neither challans nor M&N forms were attached in any of the files test checked in audit.
2. The reason for making payment on account of carriage of materials without submission of the above.

The Nagar Panchayat replied that after receipt of directions from the department steps will be taken so that illegal mining can be stopped.

The reply doesn't clarify the reason for making the above payment, hence the above amount of Rs 372789 held under objection.

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PARA-3 INFRACTUOUS EXPENDITURE ON LAND TAKEN ON LEASE FOR VEHICLE STAND

(136500.00)

On recommendation of chairman Nagar Panchayat vide his report dated 18.04.05 The Nagar Panchayat office signed a lease agreement of 10 kattha land with the land owner Sri Vinay Shankar kumar on 21.07.05 for the operation of vehicle stand According to the conditions of agreement land for vehicle stand was taken on lease at the rate of Rs. 1300 per kattha per year for ten years duration and the lease amount was to be revised by 10 per-cent after five years.

On scrutiny of concerned file it was found that a total amount of Rs. 136500 was paid to Sri Vinay Shankar kumar for the lease of above said land out of which Rs. 71500 was paid in the year 2011-12. The details of which are as under-

Sl. No.	Ch. No./ Date	Amount	Remarks
1	A000794/21-07-05	65000	First instalment for five years.
2	991485/10-12-11	71500	Last instalment with 10 per-cent increment
Total		136500.00	

No development/arrangement of vehicle stand operation was done by the office on the leased land till now. Vehicle stand remained in operational for five years yet the agreement was neither revoked nor cancelled, instead in 2011-12 a second instalment of Rs. 71500 was paid by the office for further five years which should have been avoided.

Audit observation /Comment

- 1)** Vehicle stand remained in operational for five years yet why the agreement was neither revoked nor cancelled, instead in 2011-12 why a second instalment of Rs. 71500 was paid by the office for further five years?
- 2)** Why no development/arrangement of vehicle stand operation was done by the office on the leased land till now?

The reason for non-settlement of Sairat was local/mutual dispute. In future settlement will be done as per rule.

The reply cannot be accepted as the Nagar Panchayat had taken no steps to settle the Sairat by inviting tenders further. Moreover the Nagar Panchayat also did not make departmental collection which deprived the Nagar Parishad from its fixed source of revenue. Therefore it may be considered negligence of duty on the part of officials of the Nagar Panchayat.

PARA-4 IRREGULARITY IN SJSRY TRAINING

(A) BLOCKAGE OF FUND RS.2777053.00

While checking the status of unspent grants lying with the Parishad for the year, it was observed that under SJSRY schemes Rs. 1488853 was lying with nagar panchayat previously and Rs. 3000000.00 was received through letter no. 1113 dt.31.10.2012 from the State Government for assisting urban poor in setting up individual/ group micro-enterprises for self-employment under USEP and UWSP programme and also providing skill training to urban poor under STEP-UP component. According to the guidelines the available fund was to be distributed as under:-

STEP-UP	- 40%
USEP	- 20%
UWSP	- 20%
UWEP	- 10%
UCDN	- 10%

According to the utilisation sent by the Office of Nagar Panchayat, Fatuha a total of Rs. 1711800 was spent under STEP-UP programme. Thus a total of Rs. 2777053 remained unspent upto 28.06.2014 according to the provisions of this programme and hence blocked. According to letter no 1916 dated 07-08-14 the balance amount of SJSRY was to be credited to departmental account no-3891001200000040 with IFSC code PUNB0292100 within a week but the same was not done by this office resulting in its blockade.

(B) Diversion of grant (5.11 Lakhs)

As evident from above only 40% of the total grant received was allowed for STEP-UP programme but in place of that 57.06% was spent on this programme. In this way a direct appropriation /diversion of Rs.511800 was done. Therefore the circumstances responsible and the reason for diversion was not explained in the audit.

(C) Irregularities in SJSRY

On scrutiny of files related with SJSRY it was found that two institutions namely-Uzma Mahila Vikas Samiti and Samadhan Sewa Samiti were chosen for providing skill training to urban poor under STEP-UP component in different trades like- Computer training, Tailoring, Multimedia Training, Spoken English, Fashion Designing, Beautician Course etc. For which they were paid Rs. The details of which are as under

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Uzma Mahila Vikas Samiti			
Sl.no.	Date	Cheque no.	Amount
01	01.05.13	991741	256400
02	05.06.13	Vr. no. 122	256400
03	03.07.13	991745	462000
04	10.10.13	991746	413000
05	03.03.15	Vr. no.319	152200
			1540000
Samadhan Sewa Samiti			
Sl.no.	Date	Cheque no.	Amount
01	05.06.13	991743	144000
02	03.03.15	Vr. no.320	216000
			360000

Audit Objection:-

- (1) A sum total of Rs 1900000 was paid to the above two institutions for imparting training but utilisation of Rs. 1900000 from the two institutions along with mode of selection of suitable urban poor candidates, attendance register of trainees, Vouchers of distributed toolkits along with rate of each unit and the total quantity was not found hence the same may be furnished to the Audit.
- (2) Assistance to urban poor in setting up individual/ group micro-enterprises for self-employment was to be provided. Therefore total no. of self employed individual along with the enterprises set-up by them may be furnished in the audit.
- (3) What number of students submitted application form in the office of nagar panchayat for training under different trades?
- (4) What was the ground for selection or rejection or allocation of trades of their training as per the provisions of letter no 927 A nodal officer was to be appointed for selection of the NGO. The officer was to check ten points for the same. There was no mention of above in the file and the documents supporting above facts were not found in the file.
- (5) The govt. provided rate for training under different heads. For this voucher was to be submitted (payee receipt of instructor, rent of building and other overheads).it may be pointed out that why payments were made on claim only without vouchers.
- (6) There was no rate approved/ issued by the govt. then on what basis the payment for tool kit was made.

(7) The items which were to be provided in the tool kits may be furnished in the Audit.

It may be pointed out that why the total expenditure of Rs 1900000 may not be held under objection.

In the absence of above why total expenditure should not be kept under audit objection it must be explained in the Audit.

The unit replied that In regard to return the balance amount of SJSRY they have to say that proper steps will be taken only after receiving the clear direction of government.

The reply is not acceptable as the government have issued direction through letter to the units of ULB for return the balance of SJSRY.

PARA-5 DIVERSION/ IRREGULAR EXPENDITURE FROM 13TH F.C. GRANT RS. 19.96 Lakh

As per UD&HD, Govt. of Bihar, letter no -4713 dated 17.08.10 the grant of 13th F.C. was to be spent on the following items:-

- (i) Minimum 50% of the grant on solid waste management;
- (ii) Providing drinking water through pipe line including its maintenance;
- (iii) Providing lighting facilities on road and payment of Electricity bill paid for supply of drinking water;
- (iv) Construction of old age home/rain basera including maintenance.

Scrutiny of scheme Register of 13th F.C for the period under Audit revealed that many schemes executed were not for the said purpose resulting in diversion / irregular expenditure of Rs. 2617646/- out of 13th F.C. Grant vide details in statement attached here with.

Sl. No.	Scheme No. (Advt No.)	Estimate	Expenditure	Type of scheme
1	17 (01/13-14)	104900	104876 On hp	Hand pump & vapour light
2	21/12-13	156400	155439	Hand pump
3	22/12-13	34200	34200	Hand pump
4	24/12-13	134200	133174 on hp	Hand pump & vapour light
5	25/12-13	67500	66518	Hand pump & vapour light
6	26/12-13	145100	144531	Hand pump
7	27/12-13	198000	197059	Hand pump
8	28/12-13	34200	34200	Hand pump
9	30/12-13	146300	145314	Hand pump
10	10(02/14-15)	159500	159500 on hp	Hand pump & vapour light
11	11(02/14-15)	152200	152000	Hand pump
12	13(02/14-15)	149200	99777	Hand pump & vapour light
13	14(02/14-15)	40000	40000	Hand pump
14	15(02/14-15)	149100	148774	Hand pump
15	17(02/14-15)	200000	189272	Hand pump & vapour light
16	18(02/14-15)	200000	190972	Hand pump & vapour light
		Total	1995606	

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Audit observation / comments

Hence 1995606 reason is held under objection for taking up of the above schemes other than the purpose specified in sanctioning letter of Govt. has not been clarified in audit.

The unit replied that the Expenditure has been made as per guidelines on drinking water and provision of street lighting.

The reply is not correct as there is no such provision in the guideline.

The guideline provides for providing piped water supply but the expenditure was made on installation of hand pumps instead of piped water supply schemes.

The guideline provided for payment of electricity bill of street lights but the expenditure was made on installation which cannot be accepted.

PARA-6 HOLDING –TAX OUTSTANDING ON GOVERNMENT BUILDINGS RS 25,23,651.00

As per figures provided by Nagar Panchayat, Fatuha and it was observed that a sum of Rs. 25,23,651.00 was outstanding on account of holding tax as on 31st March 2015 on Government Buildings as Holding Tax.

The details of the above are attached as an annexure in the report.

The exact year since the taxes are due on the Government Buildings was not intimated to the audit through some records, but apparently it was told that taxes are due since.

Arrear Amount of Holding Tax	till 2011-12 :-	Rs 16,48,977.00 (As per Previous Audit report)
	Tax due for 1.4.2012 to 31.03.2015	:- Rs 8,74,674.00
	Net:-	Rs 25,23,651.00

Audit Observations:-

1. The Holding Tax due of the Government Buildings due is Rs 25,23,651.00 the reason for not imposing such taxes till date on these buildings may be pointed out to the Audit.

2. The Nagar Panchayat authority may please explain the steps taken in the period 2012-15 to execute the imposition of Holding Tax on Government Buildings.

3. The figure of Holding Tax due was calculated in 2008-09 and since then no further survey/estimation was done to cover new buildings and revised rates.

4. The administration of Nagar Panchayat Fatuha revealed that they have not yet noticed the Government Schools and Colleges in the Nagar Panchayat territory for Holding Tax collection. Reasons for the same may be pointed out.

In this regard no reply was given.

VSB

PARA-7 PAYMENT OF CARRIAGE OF MATERIAL (16.62 Lakh)

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.

The test check of scheme files of different grants revealed that a total sum Rs 1662111 was paid on account of carriage of material in schemes. (Details vide statement given below)

Statement showing carriage of material on materials used in different schemes

Sl. No.	Scheme No.	Bricks	Stone chips	Q Sand	Local Sand	Earth
1.	1/13-14 UIDSSMT	19502	9973	12396	13808	00
2.	9/13-14 UIDSSMT	12273	42618	20486	13622	00
3.	12/13-14 UIDSSMT	3351	12234	5880	3684	00
4.	13/13-14 UIDSSMT	4171	18805	8745	4420	00
5.	15/13-14 UIDSSMT	11446	50229	23575	13054	00
6.	16/13-14 UIDSSMT	9571	44156	18819	11349	00
7.	19/13-14 UIDSSMT	9833	36006	16853	11185	00
8.	25/13-14 UIDSSMT	6606	6810	25856	12019	00
9	32/13-14	22510	768514	327704	30048	00
	TOTAL	99263	989345	460314	113189	00

Audit observation/comment

1. Neither challans nor M&N forms were attached in any of the files test checked in audit.
2. The reason for making payment on account of carriage of materials without submission of the above.

The unit replied that after receipt of directions from the department steps will be taken so that illegal mining can be stopped. The reply doesn't clarify the reason for making the above payment, hence the above amount is held under objection.

PARA-8 Irregularity in purchase of BOB-CAT machine (15.80 Lakh)

(A) Purchase of excavator machine in place of Bob-Cat machine (Rs. 1580000)

Purchase of a bob-cat machine was sanctioned from 13thFC grant by proposal no 3 of board meeting no 31 of 27.10.2011 Nagar Panchayat. Notice inviting tenders was published vide letter no 156 dated 09.04.2012 for supply of one number of bob-cat machine. As per NIT a draft of Rs 25,000 payable in favour of executive officer Nagar Panchayat office, Fatuha was to be furnished as security deposit.

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Only one rate quotation was received against the above NIT, K. Associates. No further steps were taken to call for fresh NIT. Instead an excavator (in place of bob-cat) was procured for Rs 15,80,000.

Against this purchase neither approval of the board was taken nor fresh NIT was invited.

The approval for purchase of bob-cat was given by the board on the ground that size of the bob-cat is small and therefore it can clean the narrow lanes and sub-lanes of the Nagar Panchayat Fatuha. Despite the approval of the board for the purchase of bob-cat the staff and authorities of Nagar Panchayat did not comply by the board decision and purchased another machinery without any authoritative powers. This purchase of machinery which didn't fulfil the purposes for which the board decided to purchase a bob-cat.

(B) Loss due to non-deposit of DD (Rs 25,000)

In compliance to NIT No. 156 dated 19.04.2012 a DD (No. 185234) of Rs 25,000 was furnished by the supplier of excavator, M/s K. Associates. The authorities of the Nagar Panchayat Fatuha did not deposit the above demand draft in bank, this resulted in a revenue loss of Rs 25,000 to the Nagar Panchayat. It may be explained in audit why the above amount may not be suggested for recovery from person(s) responsible.

(C) Non-deduction of Vat

As per section 40 and Rule 28 of Bihar VAT Act 2005, if the suppliers submit Form C-III then there won't be any deduction of VAT from payments related with purchase of items. However, on scrutiny of file related with above purchase it was found that the supplier didn't furnish the C-III form but the amount of VAT to be paid was not recovered from the supplier. Hence the amount of Vat i. e. Rs. 74286 is to be recovered from person(s) responsible for the above payment and is to be sent to commercial tax department.

The unit replied that JCB was purchased in place of bob cat, post facto approval of the board will be taken.

The reply cannot be accepted as the purchase was neither approved by the board nor by the empowered standing committee. Moreover, the purchase of different machine was done. Therefore the total expenditure on the above is held under objection.

PARA-9 BLOCKADE OF GRANT (55.87 LAKHS)

As per rule 343 of Bihar Financial Rule Part-I, if no expenditure is required from grants received for special purpose then the same is to be surrendered/ returned to the govt. as it is.

The Government has relaunched various new schemes after merger of older schemes and made provision for transfer of the unspent amount of old schemes to the new ones for expenditure. During the test audit of accounts of Nagar Panchayat, Fatuha it was found that the unspent amount of such schemes was neither returned to the government nor the non-operative schemes were merged. Details below:-

Sl.no.	Name of subsidiary cashbook	Balance amount
1	Grant to be given to rickshaw puller for the purchase of rickshaw	102129
2	IDSMT	2470246
3	SJSRY	2651778
4	Census	24102
5	MLA Fund Handpump	336848
6	Amount for purchase of tractor trailer	1988
Total		5587091

In some of the above heads like, MLA Fund Hand-pump, Grant to be given to rickshaw puller for the purchase of rickshaw, IDSMT and SJSRY the above mentioned amount of grant is blocked for many years. Because of the above blockade of grant the objectives for which the grants were given could not be fulfilled. The reason for the same was asked in the audit. In this regard no reply was given.

PARA-10 Irregularities in Settlement**(A) Settlement of shops situated between Fatuha Chauraha and South Sheeshameel**

An agreement was signed between Nagar Panchayat Fatuha and Surendra Gope S/o Sri Jhoolan Gope, Nohra Fatuha for the settlement of shops between Fatuha Chauraha and South Sheeshameel. According to the agreement highest bidding amount of Rs 129100 was deposited by the highest bidder. As per the rent receipts the rent collection was initiated on 1.4.2013 but in accordance with government order letter no 2773 dated 20.07.2009 settlement was cancelled by official letter no. 238 dated 11.4.2013 and Rs 125563 was sanctioned for payment to the highest bidder after deduction of Rs 3537 from the annual settlement amount. But due to carelessness of employees total amount of the annual settlement was paid to Sri Surendra Gope S/o Sri Jhoolan Gope, Nohra Fatuha as a result

of which the Nagar Panchayat suffered a loss of Rs 3537. Hence Rs 3537 was suggested for recovery from the employees responsible for the same.

(B) (B) Revenue loss of 16170 incurred because of non- settlement of Shops

Nagar Panchayat Fatuha every year used to do settlements of Sulabh Shauchaalay in the Block premises and of Stall-Shops near the Pun Pun river bridge. The previous year (2014-15) the above settlements brought revenue of Rs 14700. As per the decision of the board in the current year with an increment of 10%, this settlement has to be done at Rs 16170 but due to the sheer carelessness of the Panchayat employees the same was not implemented causing a revenue loss of the aforesaid figure. Hence Rs 16170 was suggested for recovery from the employees responsible for the same.

(C) Loss of revenue of Rs. 814200 due to non settlement in spite of order of the higher authority.

Site for bus stand in Fatuha was selected in the meeting held on 29.10.2007 under the chairmanship of commissioner, Patna division, Patna. During meetings held between 08.10.2007 and 12.10.2007 for review of Nagar panchayats of State under the chairmanship of Principal secretary, Urban Development and Housing Department it was decided under the powers assigned by Bihar Municipal Act 2007 that Bus stand, tempo stand, ghats and other miscellaneous subjects which were previously under the jurisdiction of Zila Parishad, is to be settled by urban local bodies. In this regard directions have been issued by Land Reforms and Revenue department and Urban Development and Housing Department. But on scrutiny of files related with settlement of bus stand it was found that at first the settlement of bus stand for the year 2013-14 was done for Rs. 407100 but later on it was cancelled without any reason. As a result the Nagar Panchayat incurred a loss of Rs. 814200 due to non settlement for two years i. e. 2013-14 and 2014-15. Hence the reason why the above amount may not be recovered from responsible employees was asked in the audit.

The unit replied that the reason for non-settlement of Sairat was local/mutual dispute. In future settlement will be done as per rule.

The reply cannot be accepted as the Nagar Panchayat took no steps to settle the Sairat by inviting tenders further. Moreover the Nagar Panchayat also did not make departmental collection which deprived the Nagar Parishad from its fixed source of revenue. Therefore it may be considered negligence of duty on the part of officials of the Nagar Panchayat.

PARA-11 LOSS OF GOVERNMENT REVENUE OF RS 13.02 LACS IN THE FORM OF REGISTRATION /RENEWAL FEES FROM COMMUNICATION TOWERS

As per the rules 6 of 'Bihar Communication Towers and Related Structures Rules 2012' that a sum of Rs 30,000 and Rs 8,000 to be imposed as Registration Fees and Renewal Fees on annual basis on all Communication Towers established/erected in the jurisdiction of the Nagar Panchayat.

As per the details/figures provided by Nagar Panchayat a total sum of Rs 1302000 is due on the Mobile Towers whose details are attached in the annexure.

Additionally, 'Bihar Communication Towers and Related Structures Rules 2012' states that on all such Communication Towers who are fitted with extra antennas other than the ones mentioned/registered with the Nagar Panchayat has to be charged 60% of the net fees paid by them.

Again, as per the 'Bihar Municipal Property Tax Rules 2013' the land lords or the owner of the buildings on which the Communication Towers have been placed have to pay Property Tax for commercial use.

Audit Observations:-

1. The Nagar Panchayat was not explained the reasons for not collecting Rs 13.02 lacs from the Communication towers in spite of the fact that it is pending since 2007 and the reason for not charging their owners for Property Tax for commercial use of the land/building.
2. The Nagar Panchayat administration can explain the steps taken so far for the imposition of aforesaid fees and taxes on Communication Towers? Also it may be pointed out that why no fine or penalty was charged on them for not depositing the amount till date?

The unit replied that the companies owning the tower have been given notices and notice regarding the same has also been published in the newspapers for depositing the same. Steps are being taken for collection.

As the money has not been collected by the Nagar Panchayat the same is suggested for recovery from the tower owners.

PARA-12 OUSTANDING HOLDING-TAX AMOUNT AS ON 31.03.15 RS 1.23 CRORES

During the scrutiny of Holding-Tax collection in the period 2012-15, the demand and collection data provided was as below:-

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Demand as on 31.03.2015 including

Arrear and current demand of the year- Rs 1,32,46,796.00

Total Collection of 2014-15:- (-) Rs 9,91,348.00

Outstanding tax amount as on 31.03.2015 is Rs 1,22,55,448.00

In the period 2012-15 only two tax collectors were employed by Nagar Panchyat on contract basis(4% commission), but the fact that only 7.48% of the Net Demand of the current year was collected shows lack of efforts towards revenue collection and working hands.

In this regard no reply was given therefore the above amount is recoverable.

PARA-13 IRREGULAR PAYMENT ON DAILY WAGES RS. 3992774.00

State Government vide their letter nos instructed Local bodies not to engage labours on daily wage.

letter no. 1231 dated 06.05.1992. Further vide letter no. 862 dated 21.02.2008, it was instructed that sanitation work to be outsourced and for that quotation was to be invited. Despite this the Nagar Panchayat engaged sweepers on daily wages labours during the year 2012-15 and a total sum of Rs 3992774 was paid as wages to them during 2012-15. (Appendix-II)

Audit observation / comments

Reason for engaging daily wages labourers against Govt. instruction was not clarified in and it.

The unit replied that proper direction has been requested from department after which steps will be taken.

This reply is not acceptable under objection till it hence payment of 3992774 held ex post facto sanction by the Govt.

PART-III TAN

TAN- 1 NON-REALISATION OF REVENUE IN THE FORM OF HOLDING-TAX, RS 14.24 LACS

As per the demand and collection data provided by the Nagara Panchyat, Fatuha a total sum of Rs 1,32,46,796.00 was the net demand as on 31.03.2015 (arrear+current demand of the year) from a total of 7385 Holdings in the Nagar Panchayat territory.

However as per the Census 2011, the total holdings in the Nagar Panchayat Fatuha were 8179. The average collection due from a total of 8179 holdings was Rs. 1793.74, amounting to Rs 1,46,71,028.00 which implies the rest of the holdings could have contributed a tax sum of Rs 14,24,232.00.

Audit observations:-

- The reason for ignorance towards a revenue collection of a figure as big as Rs 14.24 lacs was not explained to the audit.
- The Nagar Panchayat was not explained the efforts put towards the imposition of taxes on the remaining 794 Holdings(as per census 2011)
- Nagar Panchayat may also clarify what is the current number of total Holdings in their territory as on date.

The unit replied that after assessment of the holding which is not within the taxation net will be brought under taxation.

TAN-2 Non Submission of quality certificate in execution of schemes

During 2012-15 in Nagar Panchayat, Fatuha payments were made against vouchers submitted in schemes of different funds, i.e, BRGF, 12th FC, 13th FC. According to the directions of the government, quality test of every schemes of municipal body is to be done by Executive Engineer, Quality Control.

But in Nagar Panchayat, Fatuha all the payments were made without quality tests. The reason for such payments made to the contractors without the quality certification was not made clear in the audit.

The unit replied that Certificate of quality is being taken.

TAN-3 HEALTH AND EDUCATION CESS NOT REMITTED TO GOVERNMENT ACCOUNT, RS 9.39 LACS

Nagar Panchayat, Fatuha collected health and education cess at the rate of fifty percent of holding tax amounting to Rs. 10,43,677.50 during the years 2012-15. As per existing order, the collected amount on account of health and education cess has to be credited to State Govt. concerned department after deducting 10% as collection charge, but Nagar Panchayat has failed to do so.

Which resulted into loss to state revenue to the tune of Rs.9,39,309.75 for the period under audit as under:

Year	Health Cess	Education Cess	Collection charge @ 10%	Loss to State Govt. Revenue(Net Cess – 10% of Cess)
2012-13	223267.50	223267.50	44653.50	401881.50
2013-14	164919.75	164919.75	32983.95	296855.55
2014-15	133651.50	133651.50	26730.30	240572.70
Total:-	521838.75	521838.75	104367.75	939309.75

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Attention of the authority is drawn towards to take necessary steps to remit the said amount Rs. 9,39,309.75 into the concerned head of Government account.
The unit replied that after assessment/calculation it will be sent to the department.

TAN- 4 MUNICIPAL LICENCES.

Chapter XXXVII of the Bihar Municipal Act, 2007 provides for 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 Licences. 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 a 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.

The unit replied that In future effective steps will be taken so that more and more revenue can be generated.

TAN- 5 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 is causing recurring lose to the Municipal Fund.

Early steps may be taken for fixation of rates of Tax on advertisement.

The unit replied that after the approval of rate by the Board advertisement tax, steps will be taken for realisation of the same.

TAN- 6 Deviation from Bihar Municipal Property Tax Rules 2013

The Government of Bihar, UD&HD brought a gazette vide Letter No. 5(न०)विविध-15/2012-1138/UD&HD Dated 08.05.2013 notifying all urban local bodies to implement the 2013 Property tax Rules for collection of property and other taxes wherever applicable on holdings including constructed area and vacant lands.

The gazette with Rule 4 subrule (xii) clearly mentions that the Annual Rental Value for calculation Property Tax for all other buildings which are for purely residential purpose shall be made by a multiplication factor of 1.5.

Again, the Property Tax Rules 2013, through Rule 9, directs the Urban Local Bodies to impose Vacant Land Tax on unoccupied area/vacant lands within the jurisdiction of the Municipality.

Rule 10 of the same Gazette recommends reassessment due to change in classification of roads, type of non-residence use , occupancy and any other changed factors and revise the rates of the Holding Tax.

Audit Observations:-

1. It was observed during the scrutiny of Holding Taxes through the Hand Demand register that Nagar Panchayat is deviating from such obedience of aforesaid rule. The calculation has been made with multiplication factor of 1.
2. There is no imposition of Property Taxes on vacant lands in the jurisdiction of Nagar Panchayat Fatuha.
3. The Administration may explain to the Audit when was the last assessment done and reasons for not doing so (if the case may be) was not explained.

The unit replied that Steps will be taken for rectification.

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7 DISCUSSION WITH THE EXECUTIVE

The audit objections raised during the audit were discussed with the executive at regular intervals.

8 GENERAL REMARKS

There was much scope for improvement in the maintenance of records and registers. All the amount either grants or its own sources were kept in a single cash book but neither the subsidiary cash book (head wise) was maintained nor closing balance was analysed. The important and basic records like demand and collection register of holding tax, advance ledger, grant register, annual accounts, assets register, log book of vehicles etc. were not maintained. The percentage of collection of taxes/fees or other own sources was very poor. Effective steps may be taken to improve the maintenance of accounts and increasing of its own sources.

DHEERAJ KUMAR
(Assistant Audit Officer)
-Approved-
Deputy Accountant General (S.S-I)
-Cum-
Examiner of Local Accounts, Bihar

ufl/2)42:1
8/3/47 + 21012

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Appendix-I (A)


List of records and registers produced to audit

- 1) Cashbook of 13th FC, BRGF, 4thSFC and other heads of accounts.
- 2) Bank Passbook ¼Of above cashbooks½.
- 3) Scheme Register (Of above Schemes) and Scheme files.

Appendix-I(B)

List of records and registers either not produced or not maintained or produced in incomplete form

- 1) Receipt and Payment Account.
- 2) Annual Account.
- 3) Grant Appropriation Register.
- 4) Monthly Progress Report.
- 5) Utilisation Certificate.
- 6) Asset Register.
- 7) Advance Register.
- 8) Internal Audit Report


AAR

ક્ર.સં.	માહ	વિવરણ શ્રેણી	Voucher No.	
1.	માર્ચ અને અપ્રેલ 2012	147920	16/17	?
2.	જુન જુલાઈ 2012	73644	60, 61, 62	
3.	જુલાઈ અને ઓગસ્ટ 2012	131125	92/93	
4.	સિપ્તેમ્બર સે નવેમ્બર 2012	211810	104 to 109	
5.	નવેમ્બર ડિસેમ્બર 2012	203285	129 to 132	
6.	જાનવરી અને ફેબ્રુઆરી 2013	242000	151 to 155	
7.				
8.	કુલ	1009784		
9.				

क्र.सं. माह

विपत्र राशि

Voucher No.

(36) 2013-14 ¹⁴⁶

1	मार्च एवं अप्रैल 2013	120060	89 to 92	
2	मै ॥	65175	107 to 110	
3	मई एवं जून 2013	181830	143 to 146	
4	जुलाई 2013	114510	157 to 159	
5	अगस्त 2013	105775	167 to 169	
6	सितंबर 2013	123440	179 to 181	
7	अक्टूबर से नवंबर 2013	258136	229 to 233	
8	दिसंबर 2013 जनवरी 2014	274768	290 to 294	
9	फरवरी 2014	102272	305 to 307	
		<u>1345966 =</u>		

कार्यालय नगर पंचायत, फर्रुखा (पटना)

(5A) 1145

2014-2015

99/2013-14

पत्रांक	साह	मुद्रागत विपरीत	V.N.	दिनांक
1	मार्च 14 एवं अप्रैल 14	209248	13/01/7	
2	मई 14 एवं जून 14	301280=	67/07/1	
3	जुलाई 14	121576=	92/09/4	
4	अगस्त 14	136024=	149/01/51	
5	सितम्बर 14	137368=	168/01/70	
6	अक्टूबर 14	194824=	211/02/13	
7	नवम्बर 14	79576=	231/02/32	
8	दिसम्बर 14	153328=	282/02/84	
9	जनवरी 15 एवं फरवरी 15	303800=	314/03/18	
10	मार्च 15	1637024=		
		1637024=		

Appendix-III**Result of Audit****(para-7 part-¹~~4~~)**

Sl. No.	Para no.	Amount suggested for recovery	Amount held under objection	Amount recovered at the instance of audit
1	Part II(B)Para 1(A)	1059331		
2	Part II(B)Para 1(B)	485363		
3	Part II(B)Para 2(A)	1523353		
4	Part II(B)Para 2(B)		372789	
5	Part II(B)Para 3		136500	
6	Part II(B)Para 4(A)		2777053	
7	Part II(B)Para 4(B)		511800	
8	Part II(B)Para 4(C)		1900000	
9	Part II(B)Para 5		1995606	
10	Part II(B)Para 7		1662111	
11	Part II(B)Para 8(A)		1505714	
12	Part II(B)Para 8(B)	25000		
13	Part II(B)Para 8(C)	74286		
14	Part II(B)Para 10(A)	3537		
15	Part II(B)Para 10(B)	16170		
16	Part II(B)Para 10(C)	814200		
17	Part II(B)Para 11	1302000		
18	Part II(B)Para 13		3992774	
Total		5303240	14854347	