



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

सं०.एल०ए०/एस०एस०-1/श०स्था०नि०/

दिनांक-

6043 सेवा में,  
15-5-16

कार्यपालक पदाधिकारी  
नगर परिषद, हिलसा  
जिला- नालन्दा



नगर परिषद, हिलसा के वर्ष 2012-13 से 2014-15 के लेखाओं पर आधारित लेखापरीक्षा प्रतिवेदन सं० 1230/15-16 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 परिषद 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,

- ह. -

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

सं०-एल०ए०/एस.एस.-1/श०स्था०नि०/14SS1/20

दिनांक-29.04.16

प्रतिलिपि सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित:-

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

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

**Nagar Parishad, Hilsa**  
**A.R. No.-1250/15-16**  
**(Period-2012-13 to 2014-15)**  
**Part-I**

**1. INTRODUCTION**

The accounts of Nagar Parishad, Hilsa for the year 2012-13 to 2014-15 has been test audited by the audit party of O/o the Principal Accountant General (Audit), SS-I cum Local Audit Wing, Bihar Patna during the period from 09.07.2015 to 22.07.2015.

**2. ADMINISTRATION**

Sl.No.	Name of Chairman	Period
1.	Smt. Meera Devi	01.04.11 to 11.09.2011
2.	Smt. Sadhna Devi	12.09.11 to 31.03.2015

Sl.No.	Name of Vice-Chairman	Period
1.	Sri Balram Prasad	01.04.2011 to 11.09.2011
2.	Sri Dhananjay kumar	12.09.2011 to 04.02.2014
3.	Name not available	05.02.2014 to 31.03.2015

Sl.No.	Name of Executive officer	Period
1.	Sri Pawan Kumar Mandal	01.04.2011 to 10.07.2011
2.	Sri Vijay Kumar	11.07.2011 to 03.09.2012
3.	Sri Pawan kumar mandal	03.09.2012 to 05.11.2012
4.	Sri Anjay kumar Ray	05.11.2012 to 31.03.2015

**3. MEMBERS OF THE AUDIT TEAM**

- (i) Sri Satya Prakash Singh, AO with full supervision.
- (ii) Sri Dheeraj kumar, AAO
- (iii) Sri Sangam Tiwary, Adr

**4. SCOPE OF AUDIT**

A list of records and registers produced to audit and test checked has been furnished in Appendix-I (A) and another list of records and registers either not produced or not maintained or produced in incomplete form has been furnished in Appendix-I(B) to the report.

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## 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	Period of Audit	No. Of outstanding paras
1.	69/2011-12	2007-10	13
2.	360/2011-12	2010-11	25
3.	462/2012-13	2011-12	21
<b>Total:-</b>			<b>59</b>

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

## 6. INTERNAL AUDIT

Rules 126, 127, 128 & 129 of Bihar Municipal Accounting Rule 2014 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 Parishad and for want of that a lot of irregularities were noticed.

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

## DISCLAIMER

This Inspection report has been prepared on the basis of information provided by Nagar Parishad Hilsa. If any information given by the unit is found incorrect then The O/o Accountant General (Audit) Bihar will not be responsible for that.

**PART-II**  
**SECTION-'A'- Nil**

**PART- II**  
**SECTION- B**

**PARA1: HOLDING TAX SHORT-CREDIT RS. 762.00**

During the audit of holding tax collection of Nagar Parishad Hilsa, through the daily collection register, cashier cashbook and bank statements for the period 2012-2015, it is found that there are differences in tax collected and tax amount deposited in Revenue account of Nagar Parishad, Hilsa. Figures and details are specified below:-

S.No	Holding Receipt No.	Date of Collection Of Amount(Rs)	Amount Deposited	Short By(Rs)	Name of Tax Collector	Remarks
1	201	16.11.2013/614	280	334.00	Sri Albela	Short in DCR
2	207	21.11.2013/145	117	28.00	-do-	-do-
3	4922	27.6.2013/744	444	300.00	-do-	-do-
4	4165	25.5.2012/176	76	100.00	-do-	-do-
				762.00		

The unit replied that the above amount has been deposited on 22.7.2015.

**PARA2: PURCHASE OF HIGH MAST LIGHTS (57.14 Lakh)**

The Nagar parishad received grant of Rs 6500000.00 from UD&HD during 2012-13 (March) for installation of high mast lights under citizens facilities.

The Nagar parishad awarded supply order for installation of ten high mast lights, each of 16 meter height M/s Electron Infraserivices Private Limited, G-24 Umang Place, Hotel Windsor Complex, Exhibition Road, Patna vide work order No. 140 dated 21.03.13. As per the work order the empowered standing committee in its meeting dated 19.03.13 decided to award order for installation of 10 Nos. of high mast lights of 16 meter each at the rate at which it was supplied to Islampur Nagar Panchyat (@ 649200 each).

Payments were made as detailed under:-

Cheque No.	Date	Amount
705919	29.11.13	945725
705970	15.09.14	600000
705975	15.10.14	3000000
705986	28.11.14	1492435
	Vat @ 5% deducted	324600
	Security Deposit @ 2% deducted	129840
	Total	6492600

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No tender was called for the above purchase. The payments were made on demand presented on letter pad instead of Invoice of the company. Neither stock entry was done nor photograph of the installed lights were attached in the file.

**Audit observation / comments:-**

1. As per sanction letter of grant, work was to be implemented through tender, but the same was not done.
2. The rule under which the Nagar Parishad, made supply order of such high value on the decision of Empowered Standing Committee.
3. Basis of cost determination (@ 649200 each) was not explained to audit.
4. The reasons for payments made on demand presented on letter pad instead of Invoice of the company was not pointed out.
5. Neither stock entry was done nor photograph of the installed lights were attached in the file.
6. Only 5% was retained as security Deposit instead of 2%, reason for the same was not pointed out.
7. Invoice and warranty card has not been shown to audit.
8. Status of the installed light, in respect of there working was not furnished to audit.
9. It is requested that joint physical verification team may constituted for joint physical verification on 21.07.2015
10. VAT amounting to Rs 324600 has been deducted but the same has not been deposited in concerned head of Govt Revenue.

The Sec 40 & 41 of VAT Act read with rule 28 and 29 of VAT Rules provide that VAT is to be deducted at source for material from Work Agency/ Departmental work/ Supplier. The amount so deducted is to be deposited in proper head of Govt revenue till the 15<sup>th</sup> of next month. If the same is not deposited then fine up to twice the amount of VAT can be imposed on the DDO. Hence it is suggested that after due investigation Rs 649200 (324600x2) may be recovered from the person concerned responsible.

The unit replied that the purchase and installation of High Mast Light has been done on the basis of purchases made by nearby Nagar Parishad Islampur. It was informed that the UD&HD letter No. 862 dated 21.2.08 para number 12 mentioned that purchase may be made on the basis of purchases made by other ULB units in order to save time and unnecessary expenditure, Reply is not acceptable as procedure for purchasing of solar lights had not been

- maintained. Hence amount of Rs. 5713560 (6492600- 649200 – 129840) held under objection till satisfactory.

**PARA 3: Holding tax short-Credit Rs 43,951.00**

As per Bihar Municipal Act 2007, Section 73(1) any revenue collected in the form of taxes has to be deposited in the Municipal Funds Account or dedicated revenue account.

On the contrary during the audit of holding tax collection of Nagar Parishad, Hilsa, through the daily collection register, cashier cashbook and bank statements for the period 2012-2015, it was found that there are differences in total tax collected and tax amount deposited in Revenue account of Nagar Parishad, Hilsa. Figures and details are specified below:-

S.No	Date of Collection	Amount Collected	Amount Deposited	Name of Tax Collector	Remarks
1	24.03.2012 to 10.7.2015	4,70,841	4,26,890	Sri Shiv Kumar	Amount not deposited in bank account

The short-credit amount Rs 43,951.00 (470841- 426890) must be recovered from the concerned collector as soon as possible and intimated to the audit.

REPLY:- The unit replied that the above amount has been deposited. Therefore the above amount was recovered at the instance of Audit. Reply is not acceptable as concerned records/document have not been furnished to audit. Hence, authorities of the Nagar Panchayat Hilsa is requested to ensure to get the amount 43951 recovered and deposited and records related to them may be shown to next audit.

**PARA 4: PURCHASE OF SODIUM VAPOUR LIGHT (7.11 LKS)**

The test check of purchase file of Sodium Vapour Lights that the advertisement for inviting Quotations for supply of 5 Sodium Vapour Lights revealed each wards (26) of 500 Watt vide Quotation invitation notice No.3/14. However Quotations from four suppliers were received only Sodium Vapour of 250 Watt. After considering the comparison statement, Empowered Standing Committee approved to give the supply order to the lowest bidder. M/S Sinha Enterprises was vide letter No. 530 dated 20/11/2014 given supply order for supply of 130 Sodium Vapour Lights @ Rs 7900 each. As per supply order payment was to be made after the installation and deduction of five percent security deposit. The firm supplied only 90 Nos of lights and was paid Rs 677142.00 after deduction of 5% VAT from its invoice (20 dated

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14/01/15). Deduction of five percent security deposit not done. Neither stock entry was done nor photograph of the installed lights were attached in the file.

The payment made is detailed under

Cheque No.	Date	Amount
4862575	19.03.15	677142
	VAT @ 5%	33858
	Total	711000

**Audit observation / comments**

1. Advertisement for inviting Quotations for supply of at least 5 Sodium Vapour Lights for each wards (26) of 500 Watt, but inviting Quotations for supply of at list 5 Sodium Vapour Lights for each wards (26) of 250 Watt was approved. Efforts should have been made to identify a higher number of approved suppliers to obtain more competitive bid.
2. Why neither stock entry was done nor photograph of the installed lights were attached in the file.
3. As per work order 5% of the total money was to be retained for two years as security Deposit against warranty. But it was not done amount 5% (Rs. 33858) was not retained.
4. VAT amounting to Rs 33858 has been deducted but the same has not been deposited in concerned head of Govt Revenue. This may be deposit to the concerned head and shown to next audit.

Hence payment of 677142 held under objection till the clarification of abovesaid points.

**PARA 5: 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 up to 10% of the estimated cost.

Deduction of 504402 on a/c of late fine was not done from the delayed completed schemes. Details are as under:-

Sl. No.	Scheme No. (Advert No.)	Estimated cost	Due date of completion	Actual Date of completion	Late fine
1	1/14-15 BRGF	197483	5.04.14	11.9.14	19748
2	2/14-15 BRGF	205516	05.04.14	16.09.14	20551
3	3/14-15 BRGF	219996	05.04.14	18.04.14	14300

4	05/14-15 BRGF	219385	05.04.14	23.04.14	19745
5	08/14-15 BRGF	197000	05.04.14	21.07.14	19700
6	11/14-15 BRGF	199065	05.04.14	24.04.14	18911
7	12/14-15 BRGF	196344	05.04.14	24.04.14	18653
8	15/14-15 BRGF	197404	05.04.14	17.04.14	11844
9	19/14-15 BRGF	196858	05.04.14	14.04.14	8858
10	24/14-15 BRGF	197483	05.04.14	14.09.14	19748
11	25/14-15 BRGF	199332	05.04.14	13.07.14	19933
12	26/14-15 BRGF	196932	05.04.14	10.07.14	19693
13	26/14-15 4 <sup>th</sup> SFC	346293	12.12.14	24.03.15	34629
14	07/14-15 4 <sup>th</sup> SFC	350000	12.04.15	25.05.15	35000
15	06/14-15 4 <sup>th</sup> SFC	315000	12.04.15	07.05.15	31500
16	20/14-15 4 <sup>th</sup> SFC	135000	12.04.15	10.05.15	13500
17	13/14-15 4 <sup>th</sup> SFC	314635	12.04.15	21.05.15	31463
18	03/14-15 4 <sup>th</sup> SFC	149250	07.11.14	20.11.14	9701
19	02/14-15 4 <sup>th</sup> SFC	1417500	07.11.14	14.11.14	49613
20	04/14-15 4 <sup>th</sup> SFC	340052	07.11.14	21.11.14	23804
21	01/14-15 4 <sup>th</sup> SFC	327994	07.11.14	26.11.14	31159
22	21/14-15 4 <sup>th</sup> SFC	149734	08.12.14	21.12.14	9733
23	23/14-15 4 <sup>th</sup> SFC	345112	07.11.14	17.11.14	17255
24	24/14-15 4 <sup>th</sup> SFC	141537	07.11.14	12.11.14	3538
25	25/14-15 4 <sup>th</sup> SFC	346618	07.11.14	18.12.14	34662
					537241

None deduction of late fine resulted in excess payment of 537241. Hence, it is suggested that after due investigation late fine of 537241 may be recovered from the person(s) concerned responsible.

**REPLY:-** The unit replied that the suggestions will be taken care of in future but this reply is not acceptable, as it does not justifies the reasons for non- deduction. The total sum of Rs 537241 is suggested for recovery from person(s) responsible.



**PARA 6 NON/SHORT CREDIT OF MISCELLANEOUS RECEIPTS RS 74364.00**

During the course of scrutiny of Miscellaneous Receipts issued on behalf of various taxes viz. Encroachment, Building Plan, BOQ, Settlements of Bus Stand/Auto, Birth-Death registration etcetera of Nagar Parishad, Hilsa in the period 2012-2015, through the receipts, cashier cashbook and bank statements, it is found that there were series of receipts either not entered in the Cashier Cashbook or there were differences in amount collected and amount registered in the cashier cashbook. Figures and details are specified below:-

Sl.No	Misc. Receipt No.	Date of Collection	Amount Collected (Rs)	Amount Deposited (Rs)	None/ Short Amount (Rs)	Name of Tax Collector	Remarks
1	2325-2370	13.11.12-15.11.12	4180	0.00	4180	Sri Albela	
2	2391-2400	17.12.12-11.1.13	4100	0.00	4100	-do-	
3	2416	8.3.13	200	0.00	200	-do-	
4	2420	11.3.13	500	0.00	500	-do-	
5	2444	12.3.13	1250	0.00	1250	-do-	
6	2445-2446	12.3.13	3630	0.00	3630	-do-	
7	2465-2500	11.4.13-4.6.13	1250	800	450	-do-	
8	2501-2600	5.7.13-4.6.15	4194	0.00	4194	-do-	
9	2604-2613	10.6.13-28.6.13	870	0.00	870	-do-	
10	2616-2700	29.6.13-4.11.13	8985	0.00	8985	-do-	
11	2701-2741	4.11.13-17.12.13	2650	0.00	2650	-do-	
12	2745-2757	7.1.14-21.2.14	5390	0.00	5390	-do-	
13	2759	24.2.14	1200	0.00	1200	-do-	
14	2763-2770	6.3.14-11.3.14	720	0.00	720	-do-	
15	2782-2900	8.3.14-26.4.14	2110	0.00	2110	-do-	
16	2814-2830	10.6.14-8.7.14	1080	0.00	1080	-do-	
17	2840	22.7.14	14370	0.00	14370	-do-	
18	2845-2856	2.8.14	1445	0.00	1445	-do-	
19	2858-2873	8.8.14-25.8.14	3090	0.00	3090	-do-	
20	2876-2900	26.8.14-25.9.14	9750	8640	1110	-do-	
21	2945	28.1.15	6250	0.00	6250	-do-	
22	2955-2962	30.01.15	370	0.00	370	-do-	
23	2985-3000	25.2.15-14.3.15	1220	0	1220	-do-	
				Net total	74364		

The unit replied that the above amount has been deposited. Bank statement, in support it above said deposit doesn't clarify the deposit of above said amount. Hence, it is suggested that deposit of the above said amount may be ascertained by the deptt. And records reflected to them may be shown to next audit.

**PARA 7 DEPARTMENTAL TRACTOR TOLL-TAX SHORT-CREDIT RS 20,720.00**

In the period 2012-15 the toll-tax for tractors and other vehicles were charged and collected through the employees of Nagar Parishad itself. During the audit of the same through the Stock-Register, and the Receipts it was found that there was severe shortage in tax deposition in the Municipal fund.

The following series of Receipts were issued in the aforesaid period as per the stock register:-

23001-24000 (Rs20 x 1000) Rs 20,000

24001-25000 (Rs20 x 1000) Rs 20,000

25001-25821 (Rs20 x 821) Rs 16,420

Net Rs 56,420.00

Against the collection of Rs 56,420 only Rs 35,700.00 was deposited in municipal fund (details are specified below):-

S.No	Amount deposited	Date of Deposition	Name of Tax Collector
1	68,00.00	25.4.2012	Sri Shiv Kumar
2	7,940.00	8.5.2012	Ravi Kumar
3	7,700.00	23.5.2012	-do-
4	4,000.00	14.6.2012	Shiv Kumar
5	7,260.00	3.5.2012	Dharamveer Thakur
6	2,000.00	28.5.2012	Shiv Kumar
Net	Rs 35,700		

The short-credit amount Rs 20,720 (56420- 35700) may be recovered from the concerned collector as soon as possible and intimated to the audit.

The unit replied that Rs. 10740 has been deposited on 20.07.2015 and rest amount of Rs. 9980 will be deposited after being recovered from concerned collector. Hence rest amount of 9980 may be recovered from the person(s) concerned/responsible.

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#### **PARA 8 PAYMENT OF DELAYED PAYMENT SURCHARGE**

The test check of cashbook, vouchers and other records revealed that sum of Rs 3818505 was paid on account of electricity bills was paid during 2012-15 out of which Rs 234209 was paid on account of delayed payment surcharge . The delayed payment surcharge is charged by the electric company when the consumer is unable to pay the electric bill on time. Details of payment of electric charges is as under:-

Sl. No.	Period of bill	Electric charges bill	DPS	paid
	July 13	10415	811	10415
		499470	40570	419470
		20830	1621	20830
		364000	21966	278764
	Feb 14	3410	111	440723
		98411	5466	
		5624	222	
		332082	9316	
	Sep14	1122421	29450	1122421
	Feb15	28383	1613	28383
		5684	354	5684
		655245	45335	655245
	Mar15	710958	53658	710958
		6208	426	6208
TOTAL		3982545	210919	3818505

#### **Audit Comments/Observations:-**

1. The reason for making delayed payments on DPS though government had provided separate fund for payment of electricity bills under 4<sup>th</sup> state finance commission's recommendations. It has not been clarified in audit.

The unit replied that it will be taken care of in future. This reply is unsatisfactory thus the above amount of Rs. 234202 is suggested for recovery from concerned responsible person(s).

#### **PARA 9 IRREGULARITY IN SJSRY**

##### **(A) BLOCKAGE OF FUND RS.2536636.00**

The test check of subsidiary Cashbook of SJSRY revealed the following financial position.

Period	Opening Balance	Receipt	Total	Expenditure	Balance
2012-13	38546	7500000	7538546	33546	7505000
2013-14	7505000	91626	7596626	5393650	2202976
2014- 15	2202976	346365	2549341	12705	2536636

UD&HD sent a list of 17 trades for which training was to be imparted to the youth belonging to BPL families along with a list of 63 NGOs empanelled with it vide letter No. 927 dated 06.09.12. According to this letter application was to be received up to 30.06.12 from candidates.

The Nagar Parishad received Rs 75,00,000.00 from UD&HD vide letter No. 1113 dated 21.10.12 under SJSRY 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 utilised as under:-

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

According to the utilisation sent by the Office of Nagar Parishad, HILSA total Rs. 5393650 was spent under STEP-UP programme. Thus a total of Rs. 2536636 remained unspent according to the provisions of this programme and hence blocked.

#### **(B) Diversion of grant (23.91 Lakhs)**

Only 40% of the total grant received was allowed for STEP-UP component, whereas total 71.87% was spent on this component and diversion of Rs. 2323650 was done.

#### **(C) Irregularities in SJSRY**

On scrutiny of files related with SJSRY it was found that four institutions namely-Prof. G P Singh Centre for Disaster management and Rural Development, Society for Information Technology Development, Janhit Sanskriti Kala Kendra and SAMBODHIT 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. Details as under:-

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Sl No.	Name of NGO	Name of trade	No of trainees given training	
1	Prof. G P Sinha Centre for Disaster management and Rural Development	Computer	50	1649950
		Tailoring	175	
2	Janhit Sanskriti Kala Kendra	Computer	120	2084000
		Beautician	40	
		English	80	
		Multimedia	40	
3	SAMBODHIT, Madhuban dariyarpur	Computer	40	338200
		English	40	
4	Society for Information Technology Development	Computer	90	1396700
		English	80	
		Multimedia	40	
		Total		
				5468850

#### **Audit observation / comments**

- (1) A sum total of Rs 5393650 was paid to the above four institutions for imparting training but utilisation of Rs. 5393650 from all four 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 made available 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 was not furnished to audit.
- (3) Method adopted for conveying public and total numbers of applications received from the aspirant trainees under different trades up to 30.06.12 (As per letter No.927 requirement) was not furnished to audit.
- (4) As per letter No.927 a nodal officer was to be appointed for selection of NGO by preparing a 10 point check list. Whether the said Nodal officer was appointed or not, it was not explained to audit.

- (5) It was not explained in audit how the total number of trainees under each trade was decided.
- (6) The basis on which payment for cost of tool kit was made has not been furnished.
- (7) The payee receipt of payments to the trainers not attached in file, same may be produced in next audit.
- (8) The figure of census report of 2011 along with BPL list may be produced in Audit at the earliest so that the required necessary checks may be applied.

The unit replied that four NGOs were selected from the list provided by the govt. Training was imparted by them, thereafter payments were made to them on the basis of the number of trainees trained for the training part and payment for kit was made on the basis of govt. order.

The reply does not clarify the objections raised and hence therefore the total payment of Rs. 5393650 is held under objection till satisfactory reply.

**10: NON-REALISATION OF OFFENSIVE AND DANGEROUS TRADE RS. 80771.00/-**

On scrutiny of offensive and dangerous trade account for the year 2012-13 to 2014-15, revealed that Rs.80771/- was still to be realised as on 31<sup>st</sup> March 2015 from various trade license holder.

The unit replied that steps will be taken for recovery. The money has yet not been recovered. Hence the amount Rs 80,771 is suggested for recovery from person(s) concerned/responsible.

**11: IRREGULAR TAX-REBATE OF RS 750.00**

During the audit of Holding tax collection of Nagar Parishad, Hilsa through the daily collection register, cashier cashbook and bank statements for the period 2012-2015, it is found that tax collector Sri Dharamveer Bharti had benefitted the tax-payer by providing tax-rebates in the period 2012-13 when there was no specific directions by UD&HD, Bihar for the same. Figures and details specified below:-

S.No	Holding Receipt No.	Date of Collection /Net Tax(Rs)	Tax Rebate (Rs)
1	4296	25.02.2013/3441	97
2	4701	27.02.2013/1559	308
3	4713	09.03.2013/629	54
4	4724	23.3.2013/5009	291
		Net total	750

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The unit replied that steps will be taken for recovery. Yet, The tax-rebate amount Rs 750.00 was not meant to be provided and hence this amount is put under objection, it should be recovered by concerned collector as soon as possible and intimated to the audit.

Hence the amount Rs 750 is suggested for recovery from person(s) at fault.

## **12: PAYMENT OF CARRIAGE OF MATERIAL. (545713)**

The test check of scheme files of different grants revealed that sum Rs 545713.00 was paid on account of carriage of material in schemes. Details has been given below-

Sl. No.	Scheme No.	Bricks	Stone chips	Q Sand	Local Sand	Earth
	2/14-15 BRGF	5020	26692	5408	3929	10621
	4/14-15 BRGF	4935	27796	5634	3420	3925
	6/14-15 BRGF	4105	16180	5045	1738	00
	9/14-15 BRGF	8063	43579	9231	5033	11154
	10/14-15 BRGF	4345	23074	4677	2302	24437
	13/14-15BRGF	2809	26150	4956	590	00
	15/14-15 BRGF	3637	12249	3873	1134	00
	16/14-15 BRGF	3752	34347	7498	4522	00
	17/14-15 BRGF	5727	14526	5663	1057	00
	20/14-15 BRGF	5052	1396	2231	500	00
	21/14-15 BRGF	5727	14526	5663	3420	00
	16/14-15 BRGF	6127	43660	5785	4784	00
	17/14-15BRGF	00	47696	6313	00	00
	Total	59299	331871	71977	32429	50137

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. Reason for making payment on account of carriage of materials without submission of the above.

The unit replied that no guidelines regarding carriage of material has been received from the govt. It will be deducted from schemes after such guideline is received. Reply is not satisfied, hence amount of Rs. 545713 is suggested for Recovery.

### 13: PURCHASE OF SUCTION MACHINE (792717)

The test check of the purchase file revealed that a portable water tank was purchased for Rs 792717 from QUALITY ENVIRO ENGINEERS. Six quotations were received and the supply order was given to QUALITY ENVIRO ENGINEERS the lowest tenderer. Supply order No 488 dated 20/10/2014 was issued and supply was made vide invoice No 2 dated 11/11/14. Payment detailed under

Cheque No	Date	Amount
717513	06/12/14	706755
	VAT	85962
		792717

No stock entry was made. No price for hire of the tank have been fixed and hence it has not been hired by any one yet. 5% of the money was to be released after three months but the same was not done.

#### Audit observation / comments

1. Stock entry was not done. Hire charge of the suction machine was not determined.
2. As per work order 5% of the total money was to be retained for six months as security Deposit against warranty but it was not done.
3. VAT amounting to Rs 85962 has been deducted but the same has not been deposited in concerned head of Govt Revenue. It may be deposited to the concerned head of Govt. at the earliest and shown to next audit.

The unit replied that entry in stock register has been done. And the amount of vat will be deposited. The above reply is not satisfactory, hence amount of Rs.706755 is held under objection.

### 14: REGISTRATION AND RENEWAL FEE NOT REALISED FROM MOBILE TOWER RS. 10.20 LAKH

As per notification of Govt. of Bihar, Urban Development and Housing Department vide dated 08.10.2012, the Governor of Bihar made the rules called the Bihar Communication Towers land Related Structure Rules, 2012

As per the said rules, any operator who has already erected in the past or intends to erect any communication tower shall made an application to the Municipality along with the requisite fee i.e. registration fee @Rs,40,000.00 per tower land annual fee @ Rs.10,000.00 per annum per tower.



Without payment of the registration fees, renewal fees and without the permission of the Municipality, no communication tower should be installed and, all installation of communication towers without such permission shall be considered illegal.

In case of arrears in respect of registration fees and/or renewal fees for any tower, the Municipality reserves the right to seal the tower until the payment is received in full along with accrued interest.

As per records and documents such as miscellaneous receipts, cashier cash books, general cash books etc. produced by Nagar Parishad, it was noticed that no such fees/amount was realised from communication towers installed in Nagar Panchayat during 2014-15 except for Rs. 80,000 resulting in at least loss of Rs.10,20,000.00. Vide details below:-

Sl.No.	Name of the communication towers/Address	Date of installation	Registration fees(Rs.)	Annual fees (Rs.)	Total	Deposit	Balance
1.	BSNL/Telephone office	20.09.2010	40000.00	60000.00	100000	---	100000
2.	baghicha	20.09.2010	40000.00	60000.00	100000	--	100000
3.	Tata/Shri Saroj kumar newar Block	20.09.2010	40000.00	60000.00	100000	---	100000
4.	Airtel/Awdhesh Prasad ke makaan mein, Patel Nagar	20.09.2010	40000.00	60000.00	100000	---	100000
5.	Reliance/Shri Hardev Babu, Bihar Road	20.09.2010	40000.00	60000.00	100000	---	100000
6.	Air Tel/Shri Lalu Prasad ji ke makaan mein, Dr. Dukhan ke najdik	20.09.2010	40000.00	60000.00	100000	---	100000
7.	BSNL/Shri Ramdev Babu	20.09.2010	40000.00	60000.00	100000	---	100000
8.	Vodafone/pathak toil, ramnarayan pathak ke makaan mein	20.09.2010	40000.00	60000.00	100000	40000	60000
9.	Vodaphone/Patel nagar, Ram babu gali, sharda devi ke makaan mein	20.09.2010	40000.00	60000.00	100000	40000	60000
10.	Tata/Shri Pawan kumar ke makaan mein, Bajranj Bag	20.09.2010	40000.00	60000.00	100000	---	100000
11.	BSNL/near Dr.Shri Shiv Kumar ji ke najdik	20.09.2010	40000.00	60000.00	100000	---	100000
<b>Total</b>							<b>1020000</b>

- ✓ Suitable steps may be taken to realise the outstanding fee amounting Rs. 1020000/- at the earliest.

The unit replied that notice to the Mobile tower companies are being served and outstanding amount will be recovered. Hence Rs. 1020000 is recoverable from the mobile tower companies and related documents may be shown to next audit.

**PARA 15: PURCHASE OF WATER TANK (200000)**

The test check of the purchase file revealed that a portable water tank amounting to Rs 200000 was purchased for from M/S Sinha Enterprises. Four quotations were received and the supply order was given to M/S Sinha Enterprises the lowest tenderer. Supply order No 525 dated 18/11/2014 was issued for supply within 15 days but supply was made vide invoice No 19 dated 27/12/14 that is after more than 15 days. Payment detailed under

Cheque No	Date	Amount
		190476
	VAT	9524
		200000

**Audit observation / comments**

1. As per work order 5% of the total money was to be retained for two years as security Deposit against warranty. But it was not done.
2. Stock entry was not done. hire of the tank has not been fixed and hence it has not been hired by any one.
3. VAT amounting to Rs 9524 has been deducted but the same has not been deposited in concerned head of Govt Revenue.

The Sec 40&41 of VAT Act read with rule 28 and 29 of VAT Rules provide that VAT is to be deducted at source for material from Work Agency/ Departmental work/ Supplier. The amount so deducted is to be deposited in proper head of Govt revenue till the 15<sup>th</sup> of next month. If the same is not deposited then fine up to twice the amount of VAT can be imposed on the DDO. It may be pointed out why the of Rs 9524 deducted as VAT and twice of VAT RS 19048 may not be realised from the then DDO.

The unit replied that entry in stock register has been done and the amount of vat will be deposited. The above reply is unsatisfactory thus the amount of Rs. 19048 is suggested for recovery and the rest amount of Rs.190476 is held under objection.

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## **16 STAMP-DUTY NOT CHARGED ON AGREEMENTS RS. 1,67,721.00**

During the scrutiny of Settlements made in the period 2012 to 2015 it was observed that none of the Settlements agreement was made on Stamp Paper Valuing 3% equal to the bidding amount.

This has resulted into loss of Revenue of Government in the form of Stamp Duty which amounts to Rs 1,67,721.00 ( 3% of Total Bid Amount of four years i.e. 0.03x 55,90,700).

The details of the settlements for the period 2012-15 are as under:-

S.N	Name of the Sairats	2012-13	2013-14	2014-15	2015-16	Total Bidding Amount of four years
1	Bus Stand	4,22,500	5,16,000	5,25,000	4,90,000	19,93,500
2	Cattle fare (Pashu-Haat)	65,000	88,200	67,000	77,400	2,97,600
3	Vehicle (Jeep-tempo tax)	1,62,000	4,89,000	3,18,000	13,30,000	22,99,000
4	Rickshaw thela and Tractor tax	0	2,64,000	3,45,000	2,44,500	8,53,500
5	Shadi Vivah at Surya Talaab	0	0	94,700	50,000	1,44,700
6	Kaji Hauz	1150	0	0	1250	2,400
<b>Total:-</b>		<b>6,50,650</b>	<b>13,57,200</b>	<b>13,49,700</b>	<b>21,93,150</b>	<b>55,90,700</b>

REPLY:- The unit replied that it will be complied in future. Stamp duty for settlement of sairat in 2015-16 has been recovered and deposited. Reply is not acceptable, hence 167721 may be recovered from the person(s) concerned/responsible.

### **PART-III (TAN)**

#### **TAN-1 --: THE SCHEMES OF NAGAR PANCHAYAT NOT SENT TO DISTRICT PLANNING COMMITTEE**

As per section 167 of Bihar Panchayati Raj Act 2006 the urban local bodies has to sent their list of approved schemes to District planning Committee(DPC).

DPC has to provide consolidated development scheme/plan taking into account the schemes of Panchayats and ULBs after consolidation. The DPC has to forward the consolidated plan to the government.

The Audit of accounts of Nagar Parishad, Hilsa for the period 2012-13 to 2014-15 revealed that the scheme approved by the board was not sent to DPC.As per above provisions the schemes were to be executed after sending it to DPC and get approved by it.

### ✓ Audit Observations:-

- It has not been explained to the Audit as to why the schemes of Nagar Panchayat were not sent to DPC.
- Due to which DPC could not include the Scheme of Nagar Panchayat in the District Plan and also could not prepare plan in consideration with general interest and local interest also it could not take decision on the division and utilization of natural resources, inclusive development of basic infrastructure and protection of environment and the government was not informed about the same.

The unit replied that the above suggestions will be complied in future. Hence it is suggested that in future replies regarding such must be adhered in future.

### **TAN-2 --: NON PREPARATION OF ANNUAL ACCOUNTS**

The municipality has to prepare Accounts and Financial Statement as provided in section 86 and 88 of the Bihar Municipal Act 2007. As per section 88 of the Act the Chief Municipal Officer shall, within four months of the close of a year, cause to prepare a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.

In addition to the above the Bihar Municipal Accounts Rule 2014 provides for under: Rule 120 not later than 20<sup>th</sup> of the subsequent month, prepare a fund wise, receipts and payments in BMAR Form No. 71.

Rule 122 the municipality shall, within three months after the end of each financial year, cause to prepare financial statement for the preceding year in respect of the accounts of the Municipality. The financial Statement shall comprise of

- (a) Receipts and Payment Accounts for the year (BMAR Form No. 71)
- (b) Income & Expenditure Statement for the year (BMFR No. 73)
- (c) Balance Sheet as on 31<sup>st</sup> March of the year (BMAR No. 74)

The test check of the Records of Nagar Parishad revealed that the accounts and statements given above were not prepared, the reasons for the same has not been furnished in audit. The unit replied that the above suggestions will be complied and produced before the next audit.

### **TAN-3 --: 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

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spaces. Tax on advertisements has not been imposed by the Nagar Parishad, this is causing recurring loss to the Municipal Fund.

The unit replied that Hence Early steps may be taken for fixation of rates of Tax on advertisement. it will be taken care of in the future.

#### **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 licence 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 it will be taken care of in the future.

**TAN-5 --: UTILISATION OF GRANT RECEIVED DURING 2014-15 NOT SENT TO GOVERNMENT**  
**(RS 49095800)**

As provided in rule 69(E) of Bihar Municipal Accounts Rule 2014 the Chief Municipal Officer has to ensure that the utilisation for each year prepared in BMAR Form No-29, in which all financial expenditure on schemes along with progress report for which the grant was provided or demanded sent to the grant releasing authority.

Test check of the records of Nagar Parishad reveal that sum of RS 49095800 was received as grant during 2014-15 for which utilisation certificate was not sent to the government.

It was replied that utilisation up to 2013-14 and the utilisation of the above period will be sent. Hence, this may be sent to the Govt. and copy of the same may be produced in next audit.

**TAN-6: NON COMPLIANCE TO ACCOUNTS RULES IN PREPARATION OF BUDGET**

**1. Budget not prepared in proper Format**

The Budget for the year 2013-14 was to be prepared in the Format provided Bihar Municipal Accounts Rule 1928 and for the year 2014-15 was to be prepared in the Format BMAR 75 to 80 Bihar Municipal Accounts Rule 2014. As per Rule 136(1) An annual estimate of anticipated receipts and payments of the Municipality during the next financial year, shall be prepared in BMAR Form 77 by the Chief Municipal Officer and shall be presented to the Empowered Standing Committee of the Municipality by 15<sup>th</sup> February each year.

The Nagar Parishad, Hilsa did not prepared the Budget Estimates in prescribed formats. The reason for not preparing the Budget Estimates in the formats prescribed in Bihar Municipal Accounts Rule 1928 and 2014 was not clarified in Audit.

**2. Public participation in preparation of the Budget**

The following are the provisions of Rule 132:-

132(1) The ward wise inputs shall be taken through Ward Committee or other such public forum for the year next following.

132(2) The Chief Municipal Officer shall present the ward wise tentative revenue and Expenditure estimates to public for comments in a public meeting before 15<sup>th</sup> January for which at least a week's prior notice is given. This public meeting for inviting public comments shall be attended by all heads of departments of the municipality and all members of Empowered Standing Committee. The inputs from public shall be seriously taken note of in preparing draft annual budget estimates for next following;

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The Nagar Parishad did not take inputs through Ward Committee or other such public forum and hence did not comply with the provisions of Rule 132 of Bihar Municipal Accounts Rule. The reasons for the same has not been pointed out in Audit.

### 3. Mid-year Review of the Budget

The following are the provisions of Rule 139:-

The Municipal Accounts Committee shall hold a mid-year review to check if the budget is on-track. The Mid-Year Review shall result in:-

- Revised budgets for Plan and Non-Plan expenditures.
- Revision of rolling budgets, if any, for subsequent years.
- Budgets are realistic and achievable- Analysis of budget vs. actual reflects not more than 5% percent of variation.
- Actual outputs and outcomes during budget period are in alignment with planned outputs and outcomes.
- A reasonable percent of proposed programs/projects completed.
- Level of spending outside in the budget is nil but, in any case does not exceed 5%.

It was noticed that no Mid-year Review of the Budget was done. The unit replied that the above suggestions will be complied in future.

### TAN 7: IRREGULARITY IN ACCOUNT

The Nagar Parishad should prepare reconciliation statement and submit the same to the ongoing audit.

(A) Single cash book was maintained in which accounts of all the schemes run by the unit and own sources were incorporated.

(B) Closing Balance of Treasury/bank, maintained by Nagar Parishad, as on 31<sup>st</sup> March 2015 was as under:-

S.No.	Particulars	Account No.	Amount (in Rs.)
1	Treasury	NA	NA
2	Allahabad Bank	20960149347	23890.60
3	Allahabad Bank	50204729825	123091.00
3	Madhya Bihar Gramin Bank	0198588/71630100098588	238972.66
4	Punjab National Bank	6069000100023971	1709174.90
5	Punjab National Bank	6069000100031749	2536669.90
6	Punjab National Bank	6069000100040376	2888747.15
			7520546.21

Closing Balance of Cash book as on 31<sup>st</sup> March 2015 =7520546.21

**Audit Comments**

(i) Due to non-production of Treasury pass book/statement, the difference between Cash book and relevant Bank/Treasury Pass book was not pointed out.

(ii) Bank Reconciliation was not done.

The difference between cash book and pass book, if any, may be reconciled and shown at the instance of audit. If it is not done then the probability of any financial irregularities may not be ruled out.

**B. DISCRIPERANCIES IN CASH BOOKS**

During scrutiny of cash book for the year 2012-13 to 2014-15, the following irregularities in cash book were noticed:-

- (i) Voucher number through which payment was made, was not clearly indicated.
- (ii) Head-wise distribution of expenditure was not clearly entered.
- (iii) Cutting and overwriting were found at different pages.

Necessary steps may be taken to avoid such types of irregularities in future.

**TAN8:- : HUGE DEVIATION FROM BUDGET ESTIMATION**

The Nagar Parishad, Hilsa did not prepare the annual account (rule 82 and 83 of financial rule), financial statement section 88 and annexure provided in Bihar Municipal Act 2007. Due to this the figure of receipt and payments shown in the budget could not be prepared with the actual receipt and payments head wise as per the comparison of actual figures of receipts and expenditure compared with the estimated figure of receipts and payments shown in the budget had wide variation. As per provision the estimated receipts and expenditure and the actual should have a maximum variation of 5%.

But the estimated figure and the actual figure for the period 2012-13 to 2014-15 it was not noticed that there was a variation of 60% to 76% in receipt and expenditure due to non availability of the detail figures of actual receipts and payments in the O/o Nagar Parishad proper analysis of the same could not be drawn.

It has been provided in rule 139 of Bihar Municipal Accounting Rules 2014 Municipal Accounts Budget Committee will analyse every half year whether the budget is moving in the direction

The Municipal Accounts Committee shall hold a mid-year review to check if the budget is on-track. The Mid-Year Review shall result in:



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- Revised budgets for Plan and Non-Plan expenditures.
  - Revision of rolling budgets, if any, for subsequent years.
  - Budgets are realistic and achievable – Analysis of budget vs actual reflect not more than 5% percent of variation.
  - Actual outputs and outcomes during budget period are in alignment with planned outputs and outcomes.
  - A reasonable percent of proposed programs/projects completed.
  - Level of spending outside the budget is nil but in case does not exceed 5%.

Description	FY2012-13	FY2013-14	FY2014-15
Estimated Receipts as per budget	63240660	32968988	39306822
Actual income	36267035	57980886	45366943
Percentage of Budget	57%	176%	115%
Estimated Expenditure as per budget	63881200	32960000	38709000
Actual Expenditure	2659816	35814290	61164984
Percentage of Budget	40%	109%	158%

**Audit observations:-**

- The reason for preparing estimate which was not based on actual figures may be pointed out in the Audit.
- The reason for non compliance with the above rules may also be pointed out.

The unit replied that the above suggestions will be complied in future.

**TAN 9:- : MUNICIPAL SOLID WASTES MANAGEMENT, COLLECTION AND DISPOSAL**

Provision regarding Municipal Solid Wastes Management, Collection and Disposal have been provided in section 220 to 230 of Bihar Municipal Act 2007. Functions of Municipality in the respect of solid wastes management and handling- Subject to the provisions of section10, the Municipality shall, within the municipal area, be responsible for implementation of the rules made by the Central Government in exercise of the powers conferred by the Environment (protection) Act, 1986, to regulate the management and handling of municipal solid wastes and for development of any infrastructure for collection, storage, transportation, processing and disposal of such solid wastes.

In addition to this municipal solid waste ( Management and Handling ) Rules 2000 have been framed in accordance with powers vested under section 3, 6 and 25 of Environment (protection) Act, 1986

Under the Rule Responsibility of Municipal authority under the rule are:-

1. Every municipal authority shall within the territorial area of the municipality be responsible for implementation of the provisions of these rules and for any infrastructure development for collection storage, segregation, transportation, processing and disposal of municipal solid wastes.
2. The municipal authority or any operator of a facility shall make an application in form 1 for grant of authorisation for setting up waste processing and disposal facility including landfills from the state board or the committee in order to comply with the implementation programme laid down in schedule I.
3. The municipal authority shall comply with these rules as per the implementation schedule laid down in schedule I.
4. The municipal authority shall furnish its annual report in form II.

**The Nagar Parishad did not carry the following responsibilities:-**

1. No system of collection of solid waste from house to house

As per Rule 7 organising house-to-house collection of Municipal solid waste through any of the methods, like community bin collection (central bin), house –to-house collection, collection on regular pre informed timings and scheduling by using of bell ringing of musical vehicles (without exceeding permissible noise level). No provisions were followed.

2. Segregation of municipal waste

In order to encourage the citizens the municipal authorities had to organize awareness program for segregation of waste and had to promote recycling and reuse of segregated material. No steps were taken by the authorities for the same.

3. Storage of Municipal Solid Waste.

Municipal authorities had to establish and maintain storage facilities in such a manner as they do not create unhygienic and insanitary condition around it. No steps were taken by the authorities for the same.

4. Transportation of Municipal Solid waste.

Vehicles used for transportation of waste had to be covered. Waste should not be visible to public nor exposed to open environment preventing their scattering. Open dumpers and tippers were used.

5. Processing of Municipal Solid Waste.

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Suitable technology or combination of such technologies to make use of waste so as to minimise burden on landfills.

Biodegradable waste had to be processed by composting, vermin composting, anaerobic digestion or any other appropriate biological processing for stabilisation of waste. Mixed waste contacting recoverable sources had to be recycled.

6. Disposal of Municipal Waste.

Land filling shall be restricted to non biodegradable, inert waste and other waste that are not suitable for recycling or for biological processing. No landfills were created.

**Audit observation/Comments:-**

1. System of collection of solid waste from house to house was not developed.
2. Segregation of municipal waste was not done.
3. Storage of Municipal Solid Waste was not done.
4. Transportation of Municipal Solid waste was not done in accordance with the provisions of this rule.
5. Processing of Municipal Solid Waste was not done.
6. Disposal of Municipal Waste was not done in accordance with the Rule.

It may be concluded that the municipal authority failed in to implement solid waste management.

The unit replied that the above suggestions will be complied in future. Therefore, it is requested that work relating to Solid waste management may be implemented according to the rule at the earliest.

**TAN 10: GRANT REGISTER NOT MAINTAINED**

As per the Rule 69 of the Bihar Municipal Accounts Rule 2014 a Grant Register, in Bihar Municipal Accounts Rule Form 28b shall be maintained by the Municipality to record receipts and utilization of grants sanctioned by the Government.

But the Nagar Parishad, Hilsa did not maintain any Grant Registers for the grants during the period 2012-13, 2013-14 & 2014-15.

The test check of Records/Registers/ Information produced in Audit revealed that grant amounting to a total sum of Rs 103004145 was received during 2012-13, 2013-14 & 2014-15.

Due to none maintenance of the Grant Register, opening balance for the year, grants received, their together; expenditure and closing balance of different grant could not be watched.

### **Audit observation /Comments**

1. The reasons for none maintenance of the Grant Register was not explained to audit.
2. In the absence of Grant Register it was possible to watch that the Grants were used for the purposes for which they were given.
3. Balances of the Grants received prior to 2012-13 on 01.04.12 and what was closing balances of different Grants as on 31.03.2015 was not furnished to audit.

The unit replied that the above suggestions will be taken into consideration for future and grant register will be prepared in Form-28 and will be produced before next audit. Hence, the authorities of the Corporation are requested to get the register prepared and produced in next audit.

### **11. DISCUSSION WITH THE EXECUTIVE**

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

### **12. RESULT OF AUDIT**

The result of audit was as under:-

Sl.No.	Particulars	Amount (In Rs.)
1.	Amount suggested for recovery	2533667
2.	Amount held under audit objection	12681583
3.	Amount suggested for recovery through surcharge	Nil
4.	Amount recovered at the instance of audit.	129817

### **13. 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.

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**DHEERAJ KUMAR**  
(Assistant Audit Officer)

-Approved-

**Deputy Accountant General (S.S-I)**

-Cum-

**Examiner of Local Accounts, Bihar**

**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

  
AAD

RESULT OF AUDIT

Sl. No.	Para no.	Amount suggested for recovery	Amount held under objection	Amount recovered at the instance of audit
1	Part II(A) Para 1	0	0	762
2	Part II(A) Para 2	0	5713560	0
3	Part II(A) Para 3	0	0	43951
4	Part II(A) Para 4	0	677142	0
5	Part II(A) Para 5	537241	0	0
6	Part II(A) Para 6	0	0	74364
7	Part II(A) Para 7	9980	0	10740
8	Part II(A) Para 8	234202	0	0
9	Part II(A) Para 9	0	5393650	0
10	Part II(B) Para 10	80771	0	0
11	Part II(B) Para 11	750	0	0
12	Part II(B) Para 12	545713	0	0
13	Part II(B) Para 13	85962	706755	0
14	Part II(B) Para 14	1020000	0	0
15	Part II(B) Para 15	19048	190476	0
16	Part II(B) Para 16	0	0	0
		2533667	12681583	129817