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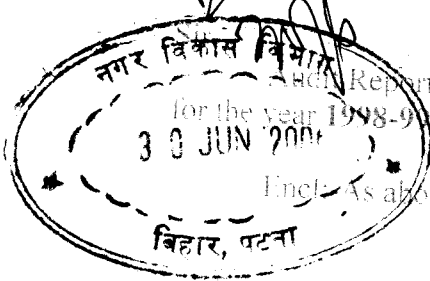
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT), BIHAR  
(LOCAL AUDIT WING), PATNA -800001

NO. LA/Sur- 30

Dated- 27.06.06

To,  
नगर विकास विभाग

The Secretary,  
Urban Development Department  
Government of Bihar, Patna



Report No 2/2006-07 of the accounts of Nagar Panchayat, Jauakpur Road  
for the year 1998-99 to 2004-05 is <sup>herewith</sup> enclosed for your kind information and necessary action.

Incl: As above

2528  
1.7.06

Yours faithfully

*M. Lal Das*

(M.N. Lal Das) 27/6/06

Sr. Audit Officer/Surcharge  
Local Audit Wing, Bihar, Patna

श्री २५१५ जी लाल

उपस्थित

*Abhaya*

01/7/2006

## Audit Report No-2/2006-07

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### INTRODUCTION

The accounts of Nagar Panchayat Janakpur Road, Pupari for the year 1998-99 to 2004-05 were test checked by an audit party of the office of the Principal Accountant General (Local Audit Wing), Bihar, Patna during the period from 23.01.06 to 04.03.06.

### 2. ADMINISTRATION

<i>CHAIRMAN CUM S.D.O, PUPARI</i>		
<b>Sl. No.</b>	<b>Name</b>	<b>Period</b>
1	Shri Rajeshwar Baraik	01.03.97 to 14.09.98
2	Shri Dinesh Kumar	15.09.98 to 06.05.99
3	Shri Vijay Narain Singh	07.05.99 to 22.12.2000
4	Shri Radha Mohan Pd.	23.12.00 to 14.01.2004
5	Shri Shiv Nandan Singh (Executive Officer)	15.01.04 to 02.02.04
6	Shri Santosh Kumar Singh (Executive Officer)	03.02.04 to 31.03.05

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**3. SCOPE OF AUDIT**

A list of records and registers produced and test checked in audit has been given in Appendix-I and those which were either not produced or produced in incomplete form has been given in Appendix-II to the reports.

**4. PREVIOUS AUDIT REPORTS**

Despite comments in successive Audit Reports and verbal as well as written request will supervisor's letter No. L.A.(H.D.) 8B dt. 01.02.06 no action was taken to settle the old and previous audit objections. Thus, the position with regard to disposal of outstanding paras of previous Audit Reports have not improved at all for want of compliance. As such, the very purpose for which the audit is conducted is defeated for non-compliance of previous audit objection.

**5. INTERNAL AUDIT**

There is no specific provisions either in the Bihar and Orissa municipal Act, 1922 or the rule for internal audit of the accounts of Nagar Panchayat. But Bihar Municipal Accounts Rules (Vide rules 20, 64, 73A etc.) provides a number of internal checks which would be exercise either by the chairman, Vice chairman, Executive Officer or any other responsible officer entrusted for this purpose. Those checks were prescribed in rules in

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order to have proper control in the maintenance, co-ordination and also to avoid the irregularities in the accounts of Nagar Panchayat.

On scrutiny of records of the Nagar Panchayat it was noticed that no such checks prescribed in the above rules were conducted by the Executives of the Nagar Panchayat and a lot of irregularities were noticed.

Had the Nagar Panchayat authorities conducted such checks at regular intervals those irregularities already committed and others, if any, remained in detected could be avoided.

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

#### 6. IMPORTANT AUDIT FINDINGS

Sl. No	Para No.	Particulars
1	12(i)	Rs. 8.05 transferred to the BDO out of NSDP. For execution of work. Cash paid in bin of construction of house under NSDP.
2	12(ii)	Rs. 0.84 lakh transferred to BDO for execution of work under NSDP.
3	14	Heavy tax amounting to Rs. 38.78 outstanding
4	16	Heavy tax outstanding against Govt. building
5	17	Non-short credit of Rs. 25677.15
6	21	Non-deposit of Health Cess and Education Cess Rs. 8,38,458.00
7	22	In fructuous expenditure of Rs. 2,80,539
8	23	Irregular payment of daily wages Rs. 1,80,390
9	27	Advance to the tune of Rs. 23.80 lakh outstanding.

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7. **BUDGET ESTIMATES**

Section 71 of the Bihar and Orissa Municipal Act, 1922 lays down that the executive officer shall under the direction of the chairman prepare and place for consideration before the commissioner at a meeting, held at least two months before the close of the year, Budget estimate showing in details the probable receipts and expenditure. But during the period under audit Nagar Panchayat did not prepare any budget estimated for the years covered under audit (1998-99 to 2004-05) and in contravention of the said section of the Act, the whole expenditure was incurred without any budget estimate.

The budget estimate may be prepared now onwards as per the provision of the Act and shown to next audit.

8. **MONTHLY, QUARTERLY AND ANNUAL ACCOUNTS**

The Nagar Panchayat did not prepare the Monthly, Quarterly and Annual Account of receipt and expenditure for the period under audit, the same may be maintained and shown to next audit.

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9. **TREASURY PASS BOOK**

Rule 26 of Bihar Municipal Accounts Rule, 1928 provides that the pass book will be supplied by the treasury and passbook will be written only by the Treasury. As the pass book is the copy of the accounts kept in the treasury. Several cuttings and over writings were seen in treasury pass Book. No. entries or marks under any circumstances was to be made in the pass book by any one connected with the working in the Nagar Panchayat office under rule, 27 ibid.

Scrutiny of the passbook revealed that the pass book was not obtained from treasury in proper form but prepared by the Nagar Panchayat staff as stated and initialed by the treasury Accountant through the stamp was obtained on the Treasury Pass Book. In view of the above facts, Pass Book in proper form may be obtained and shown at the next audit.

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**10. OVERVIEW**

Nagar Panchayat Janakpur Road was mainly financed by Grants and Loan from the State Govt. and its own resources. There were three sets, of accounts i.e. Cash Book and corresponding Bank account for recording day to day transactions namely.

1	General Cash Book P/L A/c S.B.I A/c No. 5975	All types of transaction including Govt. Grants and Loans meant for salary and sanitation purposes.
2	Cash Book for schemes S.B.I A/c No. 01190008183	All types of schemes i.e. N.R.Y, S.J.S.R.Y N.S.D.P etc.
3	Cash Book for subsidy S.B.I A/c No. 8090	Only for Grants/Loan received for payment of subsidy to the beneficiaries

A summary of receipt and expenditure of the Nagar Panchayat for the year 1998-99 to 2004-05 is given below:- (including all the three accounts)

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Sl. No.	Particulars	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
1	Opening Balance	6.57	7.41	12.28	13.39	5.05	1.74	6.97
2	Receipt during the year							
	Govt. Grant	1.69	6.55	5.65	3.10	8.76	10.24	0.69
	Govt. Loan	1.02	0.63	0.62	0.65	0.66	0.67	-
	Additional Stamp Duty	1.12	0.87	-	1.29	2.76	4.60	2.84
	Own sources	0.56	-	0.64	0.38	1.80	4.02	2.20
	Miscellaneous	0.18	0.17	0.05	0.05	0.06	0.12	1.07
	Census	-	-	0.23	0.40	-	-	-
3	Total	11.14	15.63	19.47	19.26	19.09	21.39	13.77
4	Expenditure during the year							
	Establishment charges	2.73	2.21	2.72	6.79	6.39	7.75	7.72
	Execution of schemes	0.80	1.08	2.85	6.85	10.96	6.64	0.29
	Census	-	-	0.23	0.40	-	-	-
	Miscellaneous	0.20	0.06	0.28	0.17	-	0.03	-
5	Total Expenditure	3.73	3.35	6.08	14.21	17.35	14.42	8.01
6	Closing Balance	7.41	12.28	13.39	5.05	1.74	6.97	5.76

(vide details in appendix-III to this report)



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**11. POOR INCOME FROM OWN SOURCES**

The following figures shows the income of the Nagar Panchayat from its own sources and the establishment expenditure there against: -

Sl. No	Year	Establishment expenses	Income from own sources
1	1998-1999	2,72,988	56,472.50
2	1999-2000	2,20,937	Nil
3	2000-2001	2,72,059	63,640.00
4	2001-2002	6,79,288	37,782.00
5	2002-2003	6,38,897	1,81,620.00
6	2003-2004	7,74,803	4,02,264.00
7	2004-2005	7,72,076	2,20,498.00

It is clear from the above figure that during the period from 1998-99 to 2001-02, the own income of the Nagar Panchayat was very nominal whereas during 1999-2000, it was nil. Under the circumstances, the possibilities of leakage of revenue could not be ruled out.

The establishment expenses of the Nagar Panchayat was increasing from year to year and as compared to 1998-99 Rs. 2.73 lakh is was Rs. 7.72 lakh during 2004-05.

Nagar Panchayat was not in a position to meet its day to day expenses and establishment charges from its own resources. It had to depend on Government grant/Loans etc for the same.

Effective steps may be taken to improve the financial position of Nagar Panchayat by augmenting its own income and curtaining expenditure on daily wages etc.

**12. GOVT. GRANT**

The following is an abstract of opening balance, receipt and expenditure during the year and the closing balance of Govt. Grant as of 31<sup>st</sup> March-

Sl. No.	Particulars	(Rupees in lakh)							
		1998-99	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	
1	Opening balance	2.23	3.12	3.89	5.36	4.40	1.69	5.19	
2	Receipt	1.69	6.55	5.65	3.10	8.76	10.24	0.69	
3	Total	3.92	9.67	9.54	8.46	13.16	11.93	5.88	
4	Expenditure	0.80	5.78	4.18	4.06	11.47	6.74	0.29	
5	Balance	3.12	3.89	5.36	4.40	1.69	5.19	5.59	

(Vide details in Appendix-IV to the report.)

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Grant Register was not maintained properly and it was found incomplete. The unspent balance prior to 1998-99 was not ascertainable from grant register. The details of grant received and spent during the period under audit was also not available. The above figures have been arrived at in audit with the help of information available in all the three sets of accounts/cashbook for want of information it could not be ascertained as to whether the grant received were spent for the purpose for which it was received. The grant register may be maintained properly and completed in all respect and shown to next audit.

**12(i) NATIONAL SLUM AREA DEVELOPMENT PROGRAMME**

During the period under audit, a sum of Rs. 20.45 lakh was received by the Nagar Panchayat on account of grant for execution of schemes under NSDP vide details below:-

(i)	Letter No. N.V.V 509 dt. 22.12.2000	Rs.	3,75,000
(ii)	Letter No. N.V.V 84 dt. 2.3.2002	Rs.	7,16,000
(iii)	Letter No. N.V.V 323 dt. 16.9.2003	Rs.	9,54,000
	Total	Rs.	20,45,000

As per instruction contained in sanctioning letter itself, the amount was to be spent on the following:-

- (i) 10% of grant for construction of house people living below poverty line in slum areas at a cost of Rs. 33,800 each.
- (ii) Remaining 90% of grants on providing basic facilities in slum areas such as construction of Community Latrine and Bath, Drinking Water Supply, Sheet, Drain, Road Community Centre, Health Care Centre etc.

Out of total grant available, a sum of Rs. 8.05 lakh was transferred to the Block development Officer, Pupari by the order of the collector, Sitamarhi vide details below: -

Sl. No.	Cheque No.	Date	Amount	Remarks
1	167810	24.03.01	2,45,000	Vide collectors letter No. 486 dt. 13.03.2001
2	167336	11.05.02	3,15,000	Vide collector Letter No. 908 dt. 22.03.2002
3	309870	19.08.02	3,15,000	
4	440825	12.12.02	7,327	
<b>Total</b>			<b>8,82,32</b>	
	Less Refund		77,019	By the BDO to Nagar Panchayat
	<b>Net Rs.</b>		<b>8,05,308</b>	

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The amount was transferred to the B.D.O for construction of P.C.C road but not in slum area which defeated the purpose of the grant. Moreover, against the above expenditure, vouchers, bill, M.B, estimates etc. was not shown to audit. It was stated by the Accountant that the concerned B.D.O had not received any account relating to above expenditure. As such, the amount of Rs. 8.05 lakh is held under objection pending production of relevant records at the time of next audit.

It was further noticed that a sum of Rs. 3,70,200 was drawn in cash in the name of Sri R. K. Choudhary, Sanitary Jamadar vide details below: -

Sl. No.	Cheque No.	Date	Amount
1	00444060	6.3.2004	60,000.00
2	00717561	3.3.2004	60,000.00
3	00717563	-do-	60,000.00
4	00717564	19.3.2004	75,000.00
5	00717565	23.3.2004	69,000.00
6	00717566	3.4.2004	20,000.00
7	00717567	29.5.2004	21,000.00
8	00717568	28.2.2005	5,200.00
		<b>Total</b>	<b>3,70,200.00</b>

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18 units of houses were shown to have been constructed by the beneficiaries themselves. As would appear from the Appendix V, the first advance was given to the beneficiaries through cheques whereas 2<sup>nd</sup>, 3<sup>rd</sup> advance and in some cases final payment was made in cash out of amount drawn as shown above. An individual records of the beneficiaries containing payees receipt, pay order etc. was shown to audit. But there was no reason(s) available on records to shown why the payment was made in cash. Moreover, estimate, M.B, vouchers and completion certificate was wanting. The matter needs proper clarification.

**12(ii) S.J.S.R.Y**

A sum of Rs. 84,400 was paid to the Block Development Officer, Pupari for execution of scheme under SJSRY vide details below:-

Sl. No	Cheque No.	Date	Amount	
1	167812	30.06.2001	42,200	Collected order No. 934 dt. 20.06.2001
2	167325	1.3.2002	42,200	
<b>Total</b>			<b>84,400</b>	

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The relevant papers i.e. estimate, M.B. Vouchers/fills work completion certificate was not shown to audit. The account of Rs. 84,400 is held under objection pending production of relevant records at the time of next audit.

**13. GOVT. LOAN**

The loan register was not maintained properly. The unspent balance, if any, was not brought forward to the subsequent years. The number of installment of principal and interest there on payable as of March 2005 not ascertainable.

During the period under audit, a total sum of Rs. 4,23,957 was received on account of Govt., Loan for payment of salary etc. vide details in Appendix VI to this report. The entire amount of loan was merged with the Nagar Panchayat fund and shown spent for the purpose for which it was received. The voucher wise expenditure was not recorded. The Loan register may be maintained properly.



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As the sauntering letters were not produced in audit, the actual amount of loan sanctioned amount deduction on account of repayment of loan could not be ascertained in audit. Amount shown in Appendix is the net amount released by Govt. and received by the Nagar Panchayat.

**14. STATE OF COLLECTION**

Collection of Nagar Panchayat is very poor A sum of Rs. 9,62,276.00 was collected on account of own saucers. During 1999-2000 collection was not done under the circumstances, the possibilities of leakage of revenue could not be ruled out.

Demand and collection register is the basic and principal record of the assessment and collection of taxes. As required under rule is ibid had it was not maintained in the manner laid down in rules 11 & 14 ibid and postings of collection or remission as required under rule 37 of the said rule had not been made properly since imposition holding tax, latrine tax. Excess and H. Cess. Due to lack of superior, checks of authority arrears of takes increasing year to year which mounted to Rs. 38,78,298.20 as per details given in Appendix no. VII. The matter needs proper attention of the executive.

Due to non-maintenance of said recovered in proper forms, the correct demand, collection and balance could not be ascertained.

However a ledger type demand of collection register was prepared during audit which is contrary to the provisions of Rule 15 of Bihar Municipal Accounts Rules (Recovery of Taxes) 1951. A statement of Demand and collection was furnished to audit by the local office on the basis of existing demand and collection register at the fag end of audit.

Effective steps may be taken by the authority to recover heavy amounts of arrears and shown to next audit.

15. **Deleted**

16. **NON-REALISATION OF HEAVY OUTSTANDING TAXES ON GOVT. BUILDINGS**

Scrutiny of collection accounts revealed that a sum of Rs. 12,30,700.00 of taxes was outstanding against the Govt. buildings up to 31.03.05. Vide details in Appendix-VIII to the report.

Effective steps may be taken to realize the heavy outstanding taxes from the Govt. officers at the earnest possible time.

17. **NON-SHORT CREDIT**

In the following cases non-short credits were noticed:-

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- i) While tracing credits from cashier's cash book to Bank Accounts, it was noticed that a sum of Rs. 71,117.15 was not credited by Sri Rajendra Sah, vide details in Appendix-IX to the report. However, Rs. 45,440.00 was deposited at the instance of audit on 23.02.06 Rs. 4,00,000.00 and on 3.3.06 Rs. 5440.00 leaving a balance of Rs. 25,677.15 which stands for recovery from Sri Rajendra Sah. In previous credit report he has done the same act of non-short credit. The amount should be recovered and deposited into Nagar Panchayat fund early.



- ii) While checking the Map fee collection Register it was noticed that a sum of Rs. 360/- was not credited in the Nagar Panchayat fund. Which was received by Sri Rajendra Sah, Tax Daroga on a/c of map fee vide details in appendix-No. X of the report.
- iii) While checking receipt books of offensive and dangerous trader with daily collection register it was noticed that a sum of Rs. 1500/- was collected vide misc. Report No. 601 to 605 all 11.08.04 but not deposited and remained with Sri Rama Kumar Choudhary, Safai Jamadar.

The amount be recorded and deposited into Nagar Panchayat fund early.

**18. AMOUNT COLLECTED BUT NOT DEPOSITED IN THE NAGAR PANCHAYAT FUND.**

While checking the daily collection Register of reservation charges it was noticed that a sum of Rs. 3500.00 was collected/realized on a/c of restoration charges of Lohia Bhawan, Janakpur by Sri Rama Kunal Choudhary, Safai Jamadar as detailed below:-

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Sl. No.	Receipt	Date	Amount	Particulars
1	6	07.11.05	500.00	Realised from Raj Kumar Pathak
2	7	26.11.05	500.00	Rama Shankar Pandey
3	8	09.12.05	500.00	Adarsh Raj
4	9	19.01.06	500.00	Shyama Kant Jha
5	10	24.02.06	500.00	Adarsh Raj
6	11	24.02.06	500.00	Amlendra Lal Sah
7	12	25.02.06	500.00	Ram Raj Sah
		<b>Rs.</b>	<b>3500.00</b>	

Rs. 3500.00 was realized from the above indicate of persons on account of reservation charges for manage and other purpose.

Which was not deposited till then close of audit. The same may be deposited and shown at the next audit.

#### 19. DELAY IN DEPOSIT

Several cases of in ordinate delay were noticed from the collection account of Holding taxes and Misc. receipts during the period under audit. A few examples are cited below: -

<b>Sl. No.</b>	<b>Receipt No.</b>	<b>Date</b>
1	458 to 461	28.07.05
2	1612-1734	01.04.98
3	1737-1752	16.02.99
4	1762-1827	16.08.99
5	1830-1874	08.06.00
6	1878-1898	02.08.00
7	1901-1933	05.09.00
8	382 to 916	27.01.05
9	235-432	06.04.98

Inordinate delay in deposit of collection money in taugt with danger and may lead to serious financial irregularities in future. This shall be avoided in future.

**20. NON-IMPOSITION OF PROFESSIONAL TAX**

The then committee in its resolution no 5 dated 30.01.1998 resolved to impose the professional tax within the jurisdiction of Nagar Panchayat, Janakpur under section 150(ABC) of the Bihar of Orissa Municipal Act, 1922. Despite resolution, no efforts were made by the concerned person to impose the professional tax according to the provisions under the Act abide but state of affairs continued as yet. Even repeated objections raised in the previous and last audit reports. No suitable steps were taken to start realisation of professional tax by the authority of the Nagar Panchayat. As a result the Nagar Panchayat fund recurring loss of revenue . Since inception to 2004-05. Reason for non-imposition of professional tax were not pointed out to audit.

An early suitable action may be taken to realize the professional tax forth with as resolved by the then committee to avoid further loss of revenue.

21. **NON-DEPOSIT OF EDUCATION CESS AND HEALTH CESS TO GOVT. REVENUE**

In order to implement free and compulsory Primary Education the State Govt.. Imposed education cess under the Bihar Primary Education (Amendment) Act, 1959.

Further, the State Govt. issued directions to realize Health Cess as per provisions made in the Bihar Health Cess Rule, 1982, the Collection of education cess and Health Cess was entrusted to the Nagar Panchayat, Municipalities is with the direction to credit the amount of collection to the appropriate head of receipts of the State Govt. after deducting ten percent as collection charges.

It was noticed that the education cess and Health cess was realized by the Nagar Panchayat along with the holding Tax but the amount of collection of Education cess and Health cess after deducting the percentage collection charge was not deposited in the State revenue and kept merged in the Nagar Panchayat fund.

Details of education cess and Health cess, realized, not deposited to the State revenue as follows:-



Sl. No.	Year	Holding tax collected	E. Cess 50% of holding	H. Cess 50% of holding tax	Total Amount of collection	Amount of collection charge	Total amount due for deposit
1	Up to 1997-98	1,03,801.35	51,900.73	51,900.00	1,03,801.35	10,380.00	93,421.25
2	1998-99	33,296.50	16,648.25	16,648.25	33,296.50	3,329.00	29,967.75
3	1999-2000	Nil	Nil	Nil	Nil	Nil	Nil
4	2000-01	63,640.00	31,820.00	31,820.00	63,640.00	6,364.00	57,316.00
5	2001-02	33,282.00	16,641.00	16,641.00	33,282.00	3,328.00	29,954.00
6	2002-03	1,38,970.00	69,485.00	69,485.00	1,38,970.00	13,897.00	1,25,113.00
7	2003-04	3,64,369.00	1,82,184.50	1,82,184.50	3,64,369.00	36,436.00	3,27,933.00
8	2004-05	1,94,170.00	97,085.00	97,085.00	1,94,170.00	19,417.00	1,74,753.00
							8,38,458.00

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22. **INFRACTUOUS EXPENDITURE**

Govt. of Bihar sanctioned and released Rs. 3,00,000 vide letter no. NVV4101 dt. 4.12.99 as grant for purchase of sanitation equipment. Out of this grant, the Nagar Panchayat purchased on tractor with tailor mahindra D/255 at a cost of Rs. 2,80,539 vide details below:-

Sl. No.	Voucher No.	Date	Amount	Paid to
1	56	3.11.2001	1,65,000	M/s Manoj Agency
2	58	4.12.2001	1,15,539	-do-
Total			2,80,539	

After purchase the tractor was let on hire at a rent of Rs. 4500 P.M to Sri Priya Ranjan Kumar S/o Sri Bholu Prasad of ward No. 8 on 13.02.2002 at an open bid held for the purpose. The tractor was let on hire up to 2002-03 as per agreement but Sri Priya Ranjan Kuamr kept the tractor up to February 2004 in an unauthorized way. Sri Kumar paid the hire chare up to May 2003. The hire charge for the period from June, 2003 to February 2004 i.e. Rs. 4500 x 9 months = Rs. 40,500 stands for recovery from Sri Kumar as per agreement. The tractor went off the Road since March 2004 and was found irreparable.

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**Audit Comments**

- (i) From the facts Stated above, it is clear that Nagar Panchayat had no necessity of tractor as it did not use the tractor, nor it appointed desire or crated proper shed and soon after purchase it let the tractor on hire. Thus, the tractor was useless for the Nagar Panchayat and the expenditure on purchase of tractor Rs. 2,80,539 was infectious. The loss of Rs. 2,80,539 stands for recovery from the person(s) responsible for the purchase.
- (ii) Effective steps be taken for recovery of Rs. 40,500 on account of sent due from Sri Priya Ranjan Kumar early.

**23. PAYMENT OF DAILY WAGES**

In order to stop forth infra structions in fructuous expenditure and irregular appointments the State Govt. issued several directions and orders to strictly ban on appointments on daily wages basis vide Govt. letter no. 4410 dated 1.8.74, 9827 dated 28.12.76, 7204 dated 27.11.77, 2585 dt 11.05.78 and 7639 dt 15.11.86. Despite the Govt. directions the Nagar Panchayat Jankpur had spent a sum of Rs. 1,80,390.00 on the engagement of daily wages staff.

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Hence, payment a sum of Rs. 1,80,390.00 vide details in appendix-XI to the report is held under objection pending regularization of the same by the Govt.

**24. IRREGULAR PAYMENT ON REPAIR OF PUPARI CLUB OFFICE**

A sum of Rs. 36,095.00 was spent on repair work of Pupari club office. Out of Nagar Panchayat Fund S.D.O office and other State Govt. offices also run in pupari club office where as repair work of pupari club office done by Nagar Panchayat Repair expenditure should have been equally born by other office. Though only one room is under the possession of Nagar Panchayat in which Nagar Panchayat office runs.

As such, expenditure of Rs. 36,095.00 is held under objection. Details are given below:-

(12)

Sl. No.	Vouchers No.	Date	Amount	Particulars
1	15	09.04.1999	1000.00	Paid to Sri Yogendra Pd. Accountant Cum H.A. for repair of club office.
2	14	06.06.2001	2000.00	-do-
3	19	18.06.2001	5000.00	-do-
4	20	24.07.2001	5500.00	-do-
5	129	28.02.2002	1500.00	-do-
6	26	02.07.2003	5000.00	-do-
7	37	25.08.2003	4345.00	-do-
8	27	06.06.2003	4000.00	-do-
9	26	02.07.2003	5000.00	-do-
10	38	25.08.2003	2750.00	-do-
<b>Total</b>			<b>36,095.00</b>	

**25. PAYMENT OF CARRIAGE CHARGES, REPAIR AND ON FUIL**

From the perusal of payment vouchers it was noticed that a sum of Rs. 19,662.00 was incurred on carriage charges, repairs and fuel consumption. Nagar Panchayat Janakpur has its own tractor which was let on hire and tractor for own sanitation works was hired.. Payment of Rs. 19,662.00 is to hired tractor was as such, irregular and stands for recovery.

No reason for payment of Rs 19,662.00 was pointed out to audit. Details are as under: -

Sl. No.	Voucher No.	Date	Amount	Particulars
1	77	01.01.2002	1,000.00	Paid to Chandra Bhusan Sah for carriage charge of socil
2	106	13.06.2002	1,118.00	Paid to N. K. Agency for purchased mobile
2(A)	155	17.10.2002	3,400.00	-do-
3	107	13.06.2002	198.00	-do-
4	108	-do-	173.00	-do-
5	109	-do-	273.00	-do-
6	196	28.02.2003	4,800.00	
7	36	14.08.2003	700.00	Paid to Chandra Bhusan Sah for carriage charge of chips
8	39	31.08.2003	3,000.00	Paid to Priya Ranjan Kumar on account of replacement of battery of B.R.30A1098
9	107	05.03.2004	4,000.00	Repair of Trector and mobiles
10	80	24.02.2005	1,000.00	Paid to Bsho Paswan of vehicles No. 32 4666
			19,662.00	

- (i) the own tractor was let on hire on 13.02.2002. thus, payment of hire charge on 1.1.2002 Rs. 1000 vide serial No. 1 was irregular.

- (ii) Purchase of M oil etc during 13.06.2002 to 28.02.2003 for Rs. 9962.00 was irregular because during this period tractor was not available in Panchayat office. It was on hire up to 2002-03. (vide serial 2 to 6 above)
- (iii) Sri Priya Ranjan Kumar kept the tractor of Nagar Panchayat after 2002-03 up to February 2004 in an unauthorized way. In stead of getting back its tractor from Sri Priya Ranjan Kumar, Nagar Panchayat hired a tractor for its own purpose and incurred expenditure of Rs. 8900 on payment of hire charges (Rs. 1900=00) repair and replacement of battery (Rs. 3,000.00) which was irregular. As such, the total expenditure of Rs. 19,662.00 stands for recovery from the person(s) responsible.

**26. STOCK ENTRY WANTING**

Scrutiny o vouchers revealed that the following purchases were made but their stock entries and utilisation were not shown to audit. As such the genuineness of payments made these on could not be ascertained. Details are as under:-

Sl. No.	Vouchers No.	Date	Amount	Particulars payment
1	64	27.01.99	638.00	Paid pencentry for supply of office station i.e. while papers; Inkput fly.
2	13	22.03.99	458.00	Purchase of Belcha. Kudal
3	31	29.07.99	678.00	Paid M/s Khan for purchase of 12 Nos Register. Reem pupons carbon.
4	35	-	575.00	Purchase of ceiling Fan
5	139	22.08.02	477.00	-do- Gond Inkpad Flyleaf Register s 12 Nos.
6	151	19.09.02	500.00	-do- Bekcg-I Panji-I
7	175	26.12.02	610.00	Paid to0 Laxami Lime store on a/c of 20 K.G lime, 2 K.G. Bleaching power phenoul
8	106	03.03.04	5000.00	Purchase for office stationary
9	119	-do-	308.00	Purchase of lime Belchha
10	31	28.09.04	5093.00	Purchase of election articles of Nagar Panchayat Electon for 2000
11	57	05.01.05	4300.00	Paid to Pawan Trunk house for supply of Almirah and structure
12	82	28.02.05	950.00	Paid to Sony Electrical for supply of electric fan
			<b>19,587.00</b>	

The stock entries as well as utilisation there of may be shown to next audit pending which the payment of Rs. 19,587.00 is held under objection.



(8)

**27. ADVANCE**

The advance ledger was not maintained properly. The advance outstanding prior to 1998-99 was not ascertainable. However, from the details available in general cash Book, a sum of Rs. 1,02,000 was advanced to different persons during the period under audit out of which Rs. 31,586.00 only was adjusted leaving a balance of Rs. 70,414.00 vide details in Appendix-XII to this report.

It was further noticed that a sum of Rs. 21,88,250 was advanced to different agencies/ staff for execution of different scheme as for cash book relating to schemes during the period 1998-99 to 2004-05 vide details in appendix-XIII to this report.

Thus, the total advance outstanding as of 31<sup>st</sup> March 2005 was Rs. 22,58,664.00 besides the advances outstanding prior to 1998-99.

(7)

The second and subsequent advance should have been granted only after due accounting of the first advance but this was not done . advance were sanctioned and paid frequently one after another without taking any step for recover/adjustment of advance. As a result huge advance of Rs. 22.59 lakh (beside advance outstanding prior to 1998-99) was outstanding. Due to non adjustment of advance, the extent of execution of schemes was also not ascertainable. Steps may be taken to recover/adjust the advance as early as possible but not taken than it becomes time barred under law of limitation.

**28. DISBURSHMENT OF Rs. 1,03,400.00 NOT SHOWN TO AUDIT**

Scrutiny of cash book revealed that a sum of rs. 1,03,450.00 was given by D.M. Sitamarhi to Janakpur Road Nagar Panchayat to disburse Rs. 1,03,400.00 among flood victims. Shri Rajendra Sah, Tax Daroga Cum cashier was paid Rs. 1,03,400.00 to disburse among the flood affected persons.

But despite repeated several verbal requests neither vouchers. Nor payee's receipts nor payment certificate of the authority was shown to audit. In absence of requisite papers genuineness of disbursement of Rs. 1,03,400.00 could not be verified. As such, disbursement of Rs. 1,03,400.00 is held under objection till clarification.

**29. PAYEES RECEIPT WANTING**

On scrutiny of payment vouchers during the period under audit it was seen from the acquaintance Rolls that a sum of Rs. 27,808.00 was paid to the staff on account of casual Labourers (Sweepers). But their payees Receipts were not found in the Acquaintance Roll Register against their name. The details are given below:-

⑤

Sl. No.	Vouchers No.	Date	Amount of Voucher	Particulars of payment for which payees receipt wanting	Amount of payment
1	51	23.10.98	762.00	Paid to Shri Kameshwar Mallick Sweeper, salary of October 1998	762.00
2	19	9.4.99	1586.00	-do- of Veena Devi sweepers	1586.00
3	20	-do-	1555.00	Paid to Kameshwar Mallick	1586.00
4	22	14.4.99	1613.00	-do-	1582.00
5	169	5.11.2002	554.00	Paid to Sri Rajendra Sah tax daroga.	554.00
6	157	17.10.02	3360.00	Paid to Rajendra Sah T.D.	3360.00
7	158	-do-	960.00	Paid to Ram Kali Devi	960.00
8	178	26.12.02	610.00	Paid to Laxami	610.00
9	81	28.02.05	16,808.00	refund of hat bid money to members of Nagar Panchayat Sri Amar Nath Pd. And Krishna Devi but payees receipt not obtained by Rejendra Sah T.D.	16,808.00
		<b>Total</b>	<b>27,808.00</b>		<b>26,226.00</b>

The payees receipt may be obtained from the persons concerned to regularize the payment pending which Rs. 27,808.00 is held under objection.

30. **REFUND OF Rs. 16,508.00 BY CIRCLE OFFICER PUPARI TO JANAKPUR NAGAR PANCHAYAT**

Perusal of cash book revealed that a sum of Rs. 16,508.00 was received by Nagar Panchayat on account of refund of security deposit deposited for settlement of pupari hat. But pupari hat was not settled to Nagar Panchayat Security money was deposited by Sir Amar Nath Sah and Smt. Krishna Devi both members of Nagar Panchayat on behalf of Nagar Panchayat. A sum of Rs. 16,508.00 was paid to Shri Rajendra Sah vide vouchers No. 81 dt 28.02.05 for refund to both members. But neither vouchers nor payees receipt were shown to audit. As such, a sum of 16,508.00 is held under objection.

31. **VOUCHERS NOT MADE AVAILABLE**

Payment vouchers to the tune of Rs. 24,20,079.00 were not made available to audit. In absence of the said vouchers, the genuiness of actual payments made against them could not be vouched safe (vide details in appendix-XIII the report.)

The vouchers may be made available to next audit pending which the payment of Rs. 2,42,079.00 is held under objection.

**32. DISCUSSION WITH HEAD OF OFFICE**

The important points as set orth in audit report were discussed with the chairman on 04.03.2006.

**33. RESULT OF AUDIT**

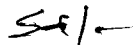
As a result of audit a sum of Rs. 45,440.00 was recovered at the instance of audit. Another sum of Rs. 27,52,829.15 has been suggested for recovery and a further sum of Rs. 15,15,575 has been held under objection till further clarification vide details in Appendix-XIV to the report.

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**34. GENERAL REMARKS**

There was much scope of improvement in maintenance of accounts. Many important records and registers were not maintained such as Advance ledger, Loan appropriation Register, Audit, Register, quarterly and Annual Accounts, Budget estimate, Pension fund. The outstanding list of taxes etc were not prepared as such the chances of loss due to taxes etc getting time barred could not be ruled out.

There was complete lack of Executive supervision over the collection work which resulted into non-short credits. The executive may keep special attention towards augmentation of revenue and execution of scheme.

  
( Hari Pratap )  
Supervisor

No. L. A (Sur) 29

Dated:- 27.06.06

Forwarded to the Executive Officer, Nagar Panchayat, Janakpur Road Pupari, Sitamarhi for necessary action. It is requested that a complete reply showing action taken on the report may please be furnished to this office within three months from the date of receipts of this report.

sd /

Examiner of Local Accounts,  
Bihar, Patna

Memo No L.A (Sur) 30

Dated:- 27-06-06

Copy to

- (i) D. M. Sitamarhi.
- (ii) ✓ Secretary to the Govt. of Bihar, Urban Development Department,  
Bihar, Patna.

*[Signature]*  
27/6/06

Sr. Audit Officer/Surcharge