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

No. L. A. Sur.- 124

Dated:- 19.12.06

To,

The Secretary,
Urban Development Department
Govt. of Bihar, Patna.

Sir,

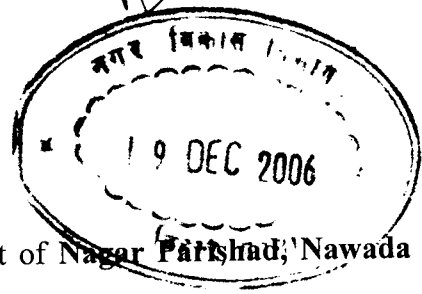
Audit Report No.-187/2006-07 on the account of Nagar Parishad, Nawada for
the year 2002-03 to 2005-06 is enclosed for your kind information and necessary action.

Encl:-As above

Yours faithfully

Mahesh Choudhary
(Mahesh Choudhary)
Audit Officer/Surcharge
Local Audit Wing,
Bihar, Patna.

श्री जीतेंद्र सिंह
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22/12/2006



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AUDIT REPORT NO-187 OF 2006-07

1. INTRODUCTION

The accounts of Nagar Parishad, Nawada for the year 2002-03 to 2005-06 were test checked by an audit party of office of the Principal Accountant General (Audit) Bihar, Local Audit Wing, Patna during the period from 06.06.2006 to 30.06.2006.

2. ADMINISTRATION

Name of the Chairperson	Period
1.Smt Nusrat Khurshid	27.06.2002 to 31.03.2006
<i>Name of the Special Officer/Executive officer</i>	
S/Shri	
1. Udaykant Pathak	01.04.2002 to 06.10.2002
2. Anuj Kumar	06.10.2002 to 05.06.2003
3. Shivdani Singh	06.06.2003 to 18.06.2003
4. Avdhesh Kumar	18.06.2003 to 18.04.2005
5. Kumar Vivekanand	19.04.2005 to 21.02.2006
6. Kamlesh Kumar Singh	22.02.2006 to 31.03.2006

3. SCOPE OF AUDIT

A list of records, registers and accounts test checked in audit has been shown in Appendix-I A and of those either not produced or not maintained in Appendix I B to the report.

4. INTERNAL AUDIT

There in no specific provision either in the Bihar Municipal Act 1922 or its Rules made thereunder for internal audit of the accounts of the Municipality. But Bihar Municipal Accounts Rules 1928 vide Rules 20, 30, 32 and 66 and Bihar Municipal Accounts (Recovery of Taxes) Rules 1951 vide Rules 30, 37 and 39 provide 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 purposes by the Commissioners at a meeting. Those checks were prescribed in the Rule in order to have proper control in the maintenance, co-ordination and also to avoid such irregular practices in the Municipal Accounts.



But it was noticed that no such checks were conducted by any of the Executives of the Municipality and for want of that a lot of irregularities were noticed. These irregularities have been discussed in subsequent paragraphs.

Had the Municipal authority conducted such checks at regular intervals, irregularities already committed and other, if any, remained undetected could be avoided.

It is, therefore, impressed upon the authority to conduct regular checks to stop recurrence of such irregular practice in future.

5. **PREVIOUS AUDIT REPORTS**

The position with regard to the disposal of audit report is given below:-

Sl. No	Audit Report	Period	Total Outstanding Paras
1	95/94-95	1990-91 to 1993-94	41
2	120/88-89	1985-86 to 1986-87	39
3	37/02-03	1998-99 to 2001-02	33

Despite comments in successive Audit report the position with regard to disposal of previous audit reports has not improved at all for want of Compliance. As the very purpose for which audit is conducted is defeated for non compliance of audit objection/ irregularities pointed out in successive Audit, the Executive of the Municipality is requested to take effective steps for furnishing compliance of audit report early.

6. **IRREGULARITIES IN MAINTENANCE OF TREASURY PASS BOOK**

As per Rule 26 of Bihar Municipal Accounts Rules 1928 the treasury pass Book will be supplied gratis by the treasury. It is not a municipal accounts book, but is simply a copy of the account kept in the treasury of the money paid and taken out by the municipality and must, therefore always be written up only by the treasury establishment by whom the original account is kept. Further, as per Rule 27 no entries or marks shall under any circumstances, be made in the pass book by any one connected with or working in the municipal office. At the close of each month the balance in the pass book shall be struck, the amount written in words and signed by the treasury officer.

But it was noticed that treasury pass book of Nawada Nagar Parishad for the period under audit was maintained/written by municipal office and was also not signed by the treasury officer.

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Treasury pass book may be maintained as envisaged in Rule 26 and 27 of Bihar Municipal Accounts Rules 1928 and shown to next audit.

7 (A) HIGHLIGHTS

Sl. No	Particulars	Para No.
1	Budget Estimates	10
2	Non/ short Credit of Rs. 4.57 lakh	11
3	Outstanding taxes on Government Buildings- Rs.13.09 lakh	13
4	Non-Remittance of health cess and Education cess- Rs.23.27 lakh	14
5	Non-Credit Tin Ticket account Rs. 0.32 lakh	15
6	Temporary misappropriation of collection money	17
7	Outstanding grant of shops Rs.17.47 lakh	19
8	Payment on daily wages Rs. 39.93 lakh	22
9	Infructuous expenditure	35
10	Advance under schemes	38

8. GOVERNMENT GRANT

Grant register of P.L Account for the year 2002-03 to 2005-06 was produced to audit, whereas grant register of NSDP, SJSRY, M.L.A/ M.P fund was not maintained by the Municipality, opening balance, receipts expenditure closing balance of these funds were ascertained from the cash book as detailed below: -

	2002-03	2003-04	2004-05	2005-06
	----- (Rs. in Lakh) -----			
Opening balance	51.80	52.77	30.04	44.18
Receipts				
(a) P.L.A/C	9.49	2.74	17.74	14.65
(b) 11 th F.C.	-	22.55	35.34	-
(c) 12 th F.C.	-	-	-	17.12
(d) SJSRY	16.09	-	4.82	5.53
(e) NSDP	0.94	0.25	28.71	36.54
(f) Other (MLA/MP)	29.61	29.28	11.33	3.10
	56.13	54.82	97.94	76.94
Total	107.93	107.59	127.98	121.12

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Expenditure				
(a) P.L. A/C	17.95	2.74	20.48	5.80
(b) 11 th F.C	-	19.16	14.50	18.99
(c) 12 th F.C	-	-	-	2.07
(d) SJSRY	4.23	18.00	6.28	4.33
(e) NSDP	0.70	6.79	27.25	28.85
(f) Others (MLA/MP)	32.28	30.86	15.29	-
	55.16	77.55	83.80	62.22
Balance	52.77	30.04	44.18	58.90

(Opening balance as on 1.4.2002 of P.L A/c was Rs. 22.44 lakh SJSRY Rs. 11.66 lakh, NSDP Rs. 5.53 lakh, and MLA/MP Rs. 12.17)

(Vide details in appendix- II to the report)

- (b) Govt. grant amounting to Rs. 9.26 lakh as detailed below was laying Unspent since long. As there is no possibility of their expenditure in future the amount of unspent balance may be refunded to the sanctioning authority.

Sl. No	Purpose	Amount (Rs. in lakh)	Remarks
1	Road construction	1.31	Laying Since 89-90
2	Conversion of latrine	7.95	Since 92-93
		9.26	

- (c) Govt. grant Rs. 36.54 lakh received during 2005-06 for Slum development was kept in the cash book of Town Hall (A/c no. 4846) in place of NSDP fund which was irregular.
- (d) Grant of 11th Finance Commission Rs.22.55 lakh received during 2003-04 was irregularly booked in the cash book of NSDP.

9. GOVT. LOAN

- (A) The position of opening balance, loan sanctioned, loan deducted, expenditure, balance of Govt. loan during the period under audit was as under: -

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Sl. No.	Particulars	2002-03	2003-04	2004-05	2005-06
	(Rs. In lakh)				
1	Opening balance	2.80	2.80	2.80	1.16
	Receipt				
(a)	Loan sanctioned	3.65	3.65	Nil	3.17
(b)	25% deduction	0.91	0.91		0.79
		2.74	2.74		2.38
	Total	5.54	5.54	2.80	3.54
	Expenditure	2.74	2.74	1.64	3.38
	Balance	2.80	2.80	1.16	0.16

(Vide details in Appendix-III to the report)

- (b) Loan amounting to Rs.16, 114.40 as detailed below was laying unspent since long. As there is no possibility of their expenditure in future the amount of unspent balance may be refunded to the sanctioning authority

Purpose	Amount	Remarks
1. Conversion of latrine	8512.00	Since 79-80
2. Const of Rickshaw stand	7602.40	Since 77-78
	16,114.40	

(c) **NON REPAYMENT OF LOAN AND INTEREST**

Principal amount of loan received from the State govt. for various purposes amounting to Rs. 130.47 lakh was laying with Municipality as on 31.3.2006 for the period from 1957-58 to 2005-06 was as below: -

Period	Principal Amounts (Rs. In lakh)	Remarks
1957-58 to 2001-02	122.62	As per previous audit report.
2002-03 to 2005-06	7.85	
	130.47	

The interest Payable thereon was not Calculated in the loan register.

Effective steps may be taken for repayment of principal amount and interest thereon to State Govt.

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10. BUDGET ESTIMATES

Under section 71 of Bihar and Orissa Municipal Act 1922, The Commissioner at a meeting held at least two months before the close of the year shall prepare in detail budget estimates showing probable receipts and expenditure during the ensuing year. But it was noticed that budget estimates was not preferred in the month of January. The budget estimates for the Years 2002-03, 2003-04, 2004-05 and 2005-06 were prepared on 28.06.02, 15.03.03, 04.03.04 and 08.03.05 respectively by the Accountant copies of budget estimates for the years 2002-03, 2003-04, 2004-05 and 2005-06 were also lodged in the office of commissioner as required under section 72 of the Act. But no suggestion were received from the tax payers on account of budget estimates. Under rule 13 of Bihar Municipal Accounts Rules 1928 in preparing the budget, provision shall be made for minimum closing balance. The amount shall not ordinarily be less than one sixth of aggregate on account of establishment and fixed monthly charge for the whole year. But it was noticed that budget estimate for the year 2002-03 2003-04, 2004-05 and 2005-06 were shown (-) minus closing balance vide detailed below:-

Year	Receipt	Expenditure	Balance
1. 2002-03	1,6426149.78	1,6703828.86	(-) 277674
2. 2003-04	1,97,52,078.00	1,99,36,813.00	(-) 1,84735
3. 2004-05	1,94,44,694.00	1,95,31,843.00	(-) 87149
4. 2005-06	2,65,47,217.00	2,67,08,428.00	(-) 161211

On comparing the actual receipt and expenditure shown in the subsequent years of the budget estimates with budget estimates it was revealed that there was much gap between actual and provision made in budget estimates. The details are given below: -

Year	As per budget estimate		As per actual	
	Receipt	Expenditure	Receipt	Expenditure
2002-03	1,64,26,149.78	16,70,382.86	99,19,978	4,01,69,461
2003-04	1,97,52,078.00	1,99,36,813.00	1,06,48,049	71,41,891
2004-05	1,94,44,694.00	1,95,31,843.00	1,43,12,683	90,48,801

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Realistic budget was not prepared. It was also noticed that provisions for repayment of loan and interest were made in the budget estimates vide detailed below: -

Year	Loan	Interest
2002-03	3,00,000	2,50,000
2003-04	7,5000	1,00,000
2004-05	75,000	1,00,000
2004-05	50,000	75,000

But repayment loan and interest was made during the period under audit. Annual Accounts were not prepared. In absence of the same the head wise receipt and expenditure could not be checked with budget estimates. Budget estimates for the year 2002-03, 2003-04, 2004-05 and 2005-06 passed by the commissioners at a meeting on 5.12.02, 21.5.03, 12.6.04 and 6.6.05 respectively were sent to Urban Development Department, Govt. of Bihar vide letter No. 802 dt 21.10.02, 445 dt 28.05.03, 752 dt. 15.07.04 and 679 dt. 15.06.05 respectively. But no information in this regard was received from the state Government.

Budget estimates should be prepared in the month of January. Budget estimates should not be inflated. Realist ion budget estimates may prepare showing minimum closing balance: -

11. NON/SHORT CREDIT

In course of checking collection account of different taxes /fee for the period under audit a total sum of Rs.4,56,893.85 was found non/short deposit out of which a sum of Rs.3,40,942=50 was deposited at the instance of audit leaving a balance of Rs.1,15,951=35 vide details given in Appendix-IV to the report.

Due to lack of supervision short credit/ non-credit was rendered possible. The Executives are requested to check collection account before deposit it in the treasury/Bank. Effective steps may be later to recover Rs. 1,15,951.35 from the person(s) concerned at the earliest and shown to next audit.

12. MUNICIPAL TAXES/ CESS

Demand and collection register of holding tax was not produced to audit. As per figures submitted by the local office position of total demand, total collection and Arrear of holding tax, Health cess, Education cess, Road cess during the period under audit as below: -

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	Total Demand	Total Collection	Arrear	Percentage of collection
2002-03	71,05,049.34	12,70,636.25	58,34,413.09	17.87%
2003-04	78,65,038.09	9,81,225.00	68,83,813.09	12.4%
2004-05	87,97,152.34	16,33,354.88	71,63,797.00	18.56%
2005-06	90,82,061.96	19,72,248.75	71,09,813.21	21.71%

(Vide details in Appendix-V to the report)

It is clear from above that the percentage of collection during the period under audit was just between 12.47% to 21.71% against minimum standard of collection i.e.85%.

Executive of the Nagar Parishad is impressed upon to take effective steps to maintain the minimum standard i.e. 85% of collection

13. OUTSTANDING TAXES ON GOVT. BUILDING

Rs. 13, 09,331=95 was outstanding as on 31.3.2006 on account of taxes on Govt. buildings vide details in appendix VI to the report.

Action taken for realisation of outstanding taxes specially against Zila Parishad was not pointed out to audit.

Effective steps may be taken for realization on outstanding taxes from Govt. holdings.

14. EDUCATION CESS AND HEALTH CESS

The State Govt. imposed education cess in 1959 and Health cess in 1972. The collection of these cess to be made by the Municipal authorities along with the holding tax from the owner of the holding at the rate fixed by the State Govt. from time to time and the amount of these cess so collected is to be credited to the Govt. Exchequer after deducting 10% as collection charge.

But it was seen that the amount of these cess so collected was not deposited into the Govt. account. The position of these cess from 2002-03 to 2005-06 are as follows: -

Sl. No	Year	Education cess	Health cess	Total
1	2002-03	2,56,978.00	2,89,616.50	5,46,594.50
2	2003-04	2,18,050.00	2,28,050.00	4,36,100.00
3	2004-05	3,62,967.75	3,62,967.75	7,25,935.50
4	2005-06	4,38,277.50	4,38,277.50	8,76,555.00
5	Total			25,85,184.00
6.	Less 10 % collection charge			2,58,518.00
7	Balance			23,26,666.00

Thus Rs. 23, 26,666=00 stands to be credited in Govt. accounts

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(B) SHORT REALIZATION OF EDUCATION CESS

Education cess was realized during 2002-03 @ 40% instead of 50% of Holding tax resulting in loss of Rs. 29,374=00 to the Govt. and Rs. 3,264=00 to the Municipality as detailed below:-

Holding tax	50 % of holding tax	Education cess realised	Short realised
5,79,233.00	2,89,616.50	2,56,978.50	32,638.00
		Less 10% collection charge	3,264=00
			29,374=00

Short realization of Education cess may be realized and shown to next audit.

15. TIN TICKET ACCOUNT:-

Rs.32,142=50 was not deposited by Sri Kuldip Prasad Assistant on account of Tin ticket Accounts during the period under audit as detailed below:-

Year	Total tin ticket issued	Tin ticket sold	Balance	Sale proceeds @Rs.13.50	Amount deposited	Short/non deposit
2002-03	2000	1161	839	15673=50	13906=00	1767=50
2003-04	2000	1100	900	14850=00	6750=00	8100=00
2004-05	1500	1400	100	18900=00	13,500=00	5400=00
2005-06	1500	1250	250	16875=00	-	16875=00
Total				66,298.50	34,156.00	32,142.50

Rs. 32142=50 may be recovered from Sri kuldip Pd. Assistant and credit in Parishad fund may be shown to next audit.

16. BUILDING PERMISSION

It was noticed from Building Plan Register that 476 persons were granted permission for construction of building during the period under audit as detailed below: -

Year	Building plan Sanctioned
2002-03	155
2003-04	102
2004-05	118
2005-06	101
	476

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But in Building Plan Register no remarks was given whether the buildings were completed and assessed and in case of non completion whether the permission was revised after one year.

The position of completed buildings may therefore, be got inquired by the executive officer and assessment may be done of the defaulters and shown to next audit.

(B) NON-DEPOSIT OF HOUSE PLAN FEE.

A Sum of Rs. 1375=00 was realized on account of House Plan Fee during the period under audit but not deposited in Nagar Parishad fund as detailed below:

Case No/ date	House Plan fee realized	Deposited	Non Deposit
139/25.02.03	575=00	Nil	575=00
22/30.06.03	400=00	Nil	400=00
23/30.06.03	400=00		400=00
	1375.00		1375.00

Rs. 1375.00 may be recovered from Sri K. P Yadav, Cashier and shown to next audit.

17. TEMPORARY MISAPPROPRIATION OF COLLECTION MONEY

There was inordinate delay in deposit of collection money with period ranging from eight months to two and half years. A few instances are as under.

Sl. No	Receipt Nos.	Period of collection	Amount collected	Date of deposit	Delay in deposit	Name of T.C./ S/Shri
1	12348 to 12362	16/02/04 to 20/02/04	16,322	8/6/06	2½Years	Sunil Kr. Singh
2	12801 to 12830	30/01/04 to 07/02/04	15,039	26/2/05	I year	Javed Anwar
3	16960 to 16970	30/09/05 to 10/11/05	12,515	14/6/06	8 Months	Nand lal Pd
4	15225 to 15232	29/03/05 to 30/03/05	14,000	25/1/06	10 months	Baleswar Prasad

Collection money retained in hand by the tax collectors for the period ranging from eight months to two and half years is highly irregular. Such practice may be avoided in future.

18. OUTSTANDING AMOUNT OF SETTLEMENT OF HAT /BAZAR

It was noticed from settlement file of hat/bazar for the year 2003-04 that a sum of Rs. 25,400 was outstanding against settlement of hat/ bazar vide details given below:-

Year of settlement 2003-04
Settlement amount 4, 63,000
To whom settled (i) Sri Binod Kumar Gupta
S/O Sri Durga Prasad Gupta
Sabji Bazar Nawada
(ii) Md. Manir Uddin
S/O Late Gani Miyan
Muslim Road Nawada

Amount Deposited

<u>M. R. No/Date</u>	<u>Amount</u>
2813/29.3.03	50,800
2816/29.3.03	2, 31,500
3216/8.12.03	75,500
3288/5.3.04	15,000
3410/18.3.04	25,000
3421/22.3.04	13,100
3437/22.3.04	1300
3440/26.3.04	<u>25,400</u>
Total: -	4, 37,600

Effective steps including legal action may be taken for realization of outstanding amount of Rs.25, 400 and shown to next audit.

19. OUTSTANDING RENT OF SHOPS/STALL

Demand and collection register of shops/ stalls for the period under audit was not maintained by the Nagar Parishad. As per figure furnished by local office it was noticed that Rs.17,46,695 was outstanding as on 31/3/2006 against different shops/ stalls. Vide details given in Appendix- VII to the report No reasons in this regard was explained to audit. Effective steps may be taken to realise the huge outstanding rent amounting to Rs.17, 46,695 and shown to next audit.

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20. OFFENSIVE AND DANGEROUS TRADES

Demand and collection register of offensive and Dangerous trades was not maintained. However Rs. 7350=00 was collected on this account during 2002-03 and 2003-04 as detailed below: -

Year	Amount Collected
2002-03	6300.00
2003-04	1050.00
	7350.00

No Collections were made on this account during 2004-05 and 2005-06 and reasons there of was not assigned to audit.

Demand and Collection register of offensive and Dangerous trades may be maintained and shown to next audit.

21. DEPOSIT LEDGER

Following would show the position of O.B Deposit, Refund and closing Balance during the period under audit: -

	2002-03	2003-04	2004-05	2005-06
1. Opening balance	14,28,821=97	13,82,321=97	13,92,321=97	13,87,821=97
2. Deposit	50,500=00	89,500=00	1,85,500=00	10,000=00
3. Total	14,79,321=97	14,71,821=97	15,77,821=97	13,97,821=97
4. Refund	97,000=00	79,500=00	1,90,000=00	20,000=00
5. Balance	13,82,321=97	13,92,321=97	13,87,821=97	13,77,821=97

Effective Steps may be taken to refund the deposit money.

22. PAYMENT ON DAILY WAGES

The Government of Bihar, Urban Development Department in their letter no.1231 dated 06.05.1922 had directed all the executive officers of Municipalities that appointment on daily wages should not be made .It was noticed that Rs. 39, 93,307=00 was spent on daily wages during 2002-03 to 2005-06 without approval of the Government. Vide details in Appendix-VIII (A) to the report.

Papers related to regularization of payment to daily wages was not shown to audit. Pending sanction of the state Govt. The total expenditure of Rs.39,93,307=00 is held under objection.

23. LIGHTING TAX

As per Sec. 82 (i) (d) of B & O Municipal Act, 1922 the Commissioners may from time to time at a meeting convened impressing for the purpose and with the sanction of the State Govt. may impose a lighting tax on the annual Value of holdings which shall not exceed 3% of holdings as per section 85 (c) but the Nagar Parishad did not impose lighting tax whereas Rs. 22,892=00 was spent during the period under audit on lighting as detailed below: -

Sl. No	Vr. no/ date	Amount	Purpose
1	237/5.3.04	9192=00	Lighting in Muharam
2	280/19.10.04	7000=00	Paid to JE for lighting
3	353/21.2.05	1700=00	Lighting in Durgapuja Id
4	354/21.2.05	5000=00	Lighting in Muharam
		22,892=00	

Authority may take effective action to impose lighting tax as per provision under section 82 (1) (d) ibid:-

24. NON DEPOSIT OF ROYALTY AND SALE TAX

Scrutiny of scheme files related to Town Hall cash book (A/c no.00050059) revealed that: -

- (a) Sale tax amounting to Rs.383.00 deducted vide Vr. No. 4 dated 13.09.04 (Scheme no.-5/2004-05) was not remitted to the sale tax deptt.
- (b) Royalty Rs. 857.00 as detailed below deducted was not remitted to the mining deptt.

Sl. No	Ref. of Voucher no/ date	Amount	Scheme no.
1	1/04.04.2002	651=00	37/99-2000
2	4/13.09.04	206=00	5/04-05
		857=00	

Steps may be taken to deposit Rs.383=00 on account of sale tax and Rs.857=00 on a/c of Royalty to the concerned account and be shown to next audit.

25. POSITION OF SCHEMES:-

237 nos. schemes including 41 schemes prior to 2002-03 were taken up during the year under audit. Rs.2,53,40,819 was advanced against 237 schemes out of which Rs.2,07,70,561 was adjusted against 161 completed schemes. 76 schemes amounting to Rs.45,70,258.00 remained incomplete. Vide details in the statement VIII B of the report. Effective steps may be taken to get the schemes completed at the earliest possible.

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Name of the scheme Construction of road Belly Saran near at Ganesh school jail road

Estimated cost Rs.190, 000.00

Scheme No 39/05-06/SJRY

M. B. No 28/05-06

Technical sanction was given by the executive engineer N.R.E.P Nawada on 30.08.05

Name of the executing agent -Sri Durga Prasad

Name of the junior engineer -Sri K. K. Sinha work commenced from 02.12.05

Work completed on 08.01.06

Measurement was made on 18.1.06

Total value of work done Rs.1, 90,128.00

Final Payment for Rs.37,978.00 was made vide cheque No. 0756486 dt 04.02.06

Audit observations

(i) 28 trips earth was supplied Rs.220/-per trip without showing quantity and distance

Truck No 2133, Driver Sri Ram Balak Yadav

As appeared from the M.B that 81.19-m³ earth filling was shown i.e. 81.19 m³ earth was carried by truck.

$$\begin{array}{rcl} & 81.19 & \\ \text{Less 20\%} & = & \underline{16.23} \\ & & 64.9\text{M}^3 \end{array}$$

Thus excess payment for 16.23 m³ @ 100.60/M³= Rs.1632.73 @ work was excess executed in some items than estimate without proper sanction of the competent authority.

		As per estimate	As per M.B	Excess work executed	Percentage
1	Earth filling	56.63m ³	81.19m ³	24.56 m ³	43.36%
2	Providing B/W (1:6)	19.17m ³	25.98 m ³	6.81m ³	35.8%
3	Providing 12 mm thick c.p. with punting	144.28	164.49	20.21	44%

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Payment for excess execution of work in some item as indicated above was made is given below:-

(i)	Earth filling	=24.56 m ³ @ Rs. 100.60/m ³	=	2470.73
(ii)	Brick works	=6.81m ³ @ Rs.1263.25/m ³	=	8602.73
(iii)	12 mm (1:6) with pruning	=20.21m ² @ Rs. 56.65	=	<u>1444.90</u>
			=	12518.36

In view of letter No- 1/Est/27/83-2347 dt. 31.12.83

Technical examiner's cell cabinet of vigilance Department Govt. Of Bihar, Patna that work in any item executed 10%, 15% and 25% than estimate.

The sanction of the Executive engineer and superintending engineers are required respectively. But payment for work executed in excess in some in some items were made without proper sanction. Thus, 12518=36 was paid to the executing agent was not irregular.

(ii) *Less deduction of sales tax was made as given below:-*

Sl. No	Particulars	Quantity	Amount	Rate of S.T/VAT	Amount.
(i)	Sand	2800 cft.	8400	4%	336.00
(ii)	Bricks	28000 Nos.	39060	4%	1562.40
(iii)	Stone chips	1375 cft.	77661.18	4%	7066.70
(iv)	Cement	348 bags	59508	12.5%	7438.50
					10,043.57
			Vat deducted		2,022.00
			Less doubtful		8,021=57

Rs.22172=66 may be received from the executing agent in the shape of the following items.

Sl. No	Particulars	Amount
1	Excess payment for carrying of earth for execution of earth filling	1632=73
2	Excess payment made due to excess execution of work than estimate etc	12518=36
3	Less deduction of not from fills	8021=57
	Total	22172=66

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After making recover of vat may be deposited in concerned receipt head of consolidated fund of state.

27.

Name of the scheme Construction of Road, drain slab from Niga S.T.D booth to Imam bar in ward No. 21 Mirdaha Tota

Estimated cost Rs. 1,53,000

Scheme No 43/04-05 N.S.D.P

Technical sanction for 1,53,000/- was accorded by The District engineer, Zila Parishad Nawada on 10.7.04

Administrative approval was given by the D.M. Nawadah on 20.9.04

Name of the Executing agent Sri Iftekhar

M.B. No 25/04-05

Name of Junior Engineer Sri K. K. Sinha

Work commenced from 30.9.04

Work completed in 17.11.04

Measurement made on 21.12.04

Total Value of work done 1, 52,814.00

Final Payment for Rs. 11280.00 was made Vide cheque No.206348 dt 20.1.05

The Statement indicates the consumption of stone chips.

Sl. No	Particulars	Quantity	Quantity of Stone chips
1	R.C.C M150	71.00 cft	63.90 cft
2	P.C.C M150	1232.14 cft	1109.00 cft
			1172.90 cft=33.21 M³

Stone chips 40 m³ was purchased from Maa Saraswati Stone Chips Kanchanpur Gaya.

Excess, purchase of stone chips 6.79 M³ (40-33.21 M³) @ Rs. 800/M³ = 5432.00

Sales tax was less deducted from bill vide given below:-

Sl. No	Particulars	Quantity	Amount	Rate of S.T.D	Amount
1	Sand	2400 Cft.	7200	8%	576.00
2	Brick	18500	31450-00	8%	2516.00
3	Stone Chips	40 M ³	17734	9%	1596.00
4	Cement	305 bags	42700	11%	4697.00
					9385.00
			Deducted from		1535.00
			Less deduction of S.T		7850.00

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Rs.13282.00 may be recover on account of the following item Sri Iftekhar executing agent

Sl. No	Particular	Amount
1	Excess purchase of stone chips than requirement excess payment mode	5432.00
2	Less deduction of sale tax	7850.00
		13282.00

After recovery of sales tax amounting to Rs. 7850.00 may be deposited in concerned receipt head of consolidated fund of state

28.

Name of the Scheme	Construction of road drain and slab from house of Sri Rafique Khan to Bagra in Ward No-22
Estimated cost	Rs. 2, 39,800
Scheme No	19/03-04/11 th FC
Technical Sanction was accorded by The District Engineer Zila Parishad, Nawadah on 25.3.03	
Administrative approval was given by U.D.D Govt. of Bihar vide letter No. 2138 dt 8.7.03	
Name of the executing agent	Sri K. K. Sinha J.E
Work Commenced from	14.8.03
Measurement in	10.11.03
Total Value of work done	Rs.2,39,500
Final Payment of Rs. 55000/- made vide cheque No.- 099961 dt. 16.4.04	
M.B No	22/03-04

Audit observations

The following statement indicates the engagement of labour, Mason of consumption of material etc.

Sl. No	Particulars	Quantity	Labours	HM	Mason	Sand	Bricks
1	Sand filling	1120.54 cft	11	-	-	1120.54	-
2	P.C.C (1:3:6)	782 cft	101	4	8	352	-
3	Brick flat soling	3381.38 sft	34	-	17	169.10	10146
4	B/W (1:6)	1531.96 cft	92	2	38	523.93	17618
5	CP (1:3 with panning)	2646.42 sft	60	2	39	119.08	-
6	Earth filling	4139.27 cft	41	-	-	-	-
7	P.C.C (1:2:4)	696.41 cft	91	3	7	313.38	-
8	PCC (1:2:4)	607.42 Cft	79	3	6	273.34	-
9	M. S. Rod	1.13MT	6	-	3	-	-
			515	14	118	2871.37	27764

(81)

Excess purchase of sand than requirement = $3100 - 2871.37 = 22863 \text{ cft}$
 = $6.47 \text{ M}^3 @ 72/\text{M}^3 = 465.84$
 Excess purchase of brick than requirement = $28000 - 27764$
 = $236 @ 1600\% = 377.60$

Excess engagement Labours/Mason shown than requirement: -

Labours $549 - 515 = 34 @ 58.65 = 1994.50$

Mason $188 - 132 = 56 @ 108.60 = 6081.60$

Carriage of earth in which no. of trips shown quantity and distance not mentioned

As per M.B- 117.21 M^3

20% void- 23.44

Actual volume 93.77

Excess payment $(117.21 - 93.77) = 23.44 \text{ m}^3 @ 92.20 = 2161.16$

Sales tax was less deducted from the bills as Sri given below:-

Sl. No	Particular	Quantity	Amount	Rate of ST	Amount
1	Sand	300 cft	4960	8%	396.80
2	Brick	28500	45600	8%	3648.00
3	Stone chips	33 M ³	26400	9%	2376.00
4	M. S. Rod	1.13 MT	21157	4%	846.28
5	Metal	735 cft	6615	9%	595.35
6	Cement	454 bags	68100	11%	7491.00
					15353.43
			Deducted from bill		1800.00
			Less deducted ST		13553.43

Completion certificate was not given on the M.B or voucher as required under rule 246 (5) and 120 of Bihar Financial (Rules) 1950 and Bihar Municipal Accounts Rules 1928 respectively.

In absence of completion certificate by the competent authority, the Payment made to the executing agent was not proper.

Thus $24,634 - 13$ was in excess to the executing agent.

Which may be recovered from Sri Krishna Kumar Sinha, Junior Engineer. After recovery of sales tax amounting to Rs. 13,553.43 may be deposited in the concerned receipt head of consolidated fund of state.

Created assets register was not maintained which may be maintained at the earliest possible date.

29.

Name of the Scheme Construction of drain slab and brick soling from house of Shri Ramadhar Singh/ Sri Rajeshwari Prasad to house to Shri Rajendra Prasad via house of Shri Mahendra Singh

Estimated Cost Rs. 2,99,700

Technical sanction was given by the Executive Engineer, R.E.O Special division Nawada on 6.11.02

Administrative approval was given by the District Magistrate, Nawada on 14.12.02

Total value of work done Rs. 2, 99,626.00

Work Commenced from 27.12.02

Work completed on 24.2.03

Measurement made on 17.11.03

Scheme No 13/2002-03/ N.P

M.B No 12/02-03

Final payment for 13863.00 was made under cheque No. 008096 dt. 17.11.03

Audit observations

1. Engagement in excess laboures was shown than the requirement as given below:-

Sl. No	Particulars	Quantity	Labour	Mason
1	Earth execution in filling	59.3009 cft	59	-
2	Sand filling	3188.23 cft	32	-
3	Bricks flat/soling	2403.36 sft	24	12
4	P.C.C (1:2:4)	801.10 cft	104	18
5	B/w (1:4)	1797.75 cft	108	45
6	CP with punning	4098.88 cft	92	64
7	Earth filling	6973.12 cft	70	-
8	Brick/ Edge/Soling	3973. 12 sft	50	24
9	RCC (1:2:4)	667.37 cft	87	10
10	M.S. Rod	1238 kg	5	2
			631	175
	As per vouchers		15	195
	Excess engagement of labour and mason		184	20

Excess Payment of Labour/Mason

Labour 184 x 58.65 = 10791.60

Meson 20 x 108.60 = 2172.00

12963.60

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- (ii) Carrying of earth as per M.B as earth was carried by tractor without showing quantity and diastases. Only trip was shown = 6960.17 cft

Hence void 20% less = 1392.03

Net volume = 5567.97 cft

Excess payment made for 1392.03 cft @ 265.53% cft = 3996.17

Short deduction of sales tax from bill in given below:-

Sl. No	Particulars	Quantity	Amount	Rate of ST	Amount
1	Sand	5400 cft	11880-	8%	950.40
2	Bricks	48000 Nos.	79200	8%	6336.00
3	Cement	456 bags	71136.00	11%	7824.96
4	Stone chips	1359 cft	21180	9%	1906.20
5	M. S. Rod	1238 Kgs.	20427	4%	817.08
					17,834.64
			Deducted tram bill		4334.00
			Less deduction		13,500.64

Thus Rs.30160.41 (Rs.12963.60 + 3996.17 + 13500.64) was paid in excess to the executing agent.

Which may be recovered from Sri Umesh Prasad, Junior Engineer. After recovery of sales tax amounting to Rs. 13,500.64 it may be deposited in concerned head of receipt of consolidated fund of state.

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30.

Name of the scheme Construction of drain R.C.C Slab brick soling and P.C.C road at Nima tola par Nawadah ward No-9 starting from the house of Sri Arjun choudhary upto house of Sri Basu deo Singh near at the house of Sri Uma Nath Dubey

Estimated cost Rs. 2, 40,800

Scheme No 14/03-04 11th FC

M.B..No 17/03-04

Technical sanction for Rs. 2,40,800.00 was accorded by the District Engineer, Zila Parishad, Nawadah on 22.05.03.

Administrative approval was obtained from State Govt. Vide letter No.2137/U.D.D/Patna dated 28.07.03

Name of the executing agent Sri Umesh Prasad, J.E

Work commenced from 1.9.03

Work Completed on 18.11.03

Measurement was made on 20.11.03

Total value of work done Rs. 2, 40,800

Final Payment of Rs. 75,890 was made vide cheque No-099920/35 dt- 28.11.03 (Vr. No. 131 dt. 27.11.03)

Audit observations

1.	Earth filling	
	Carried of earth by tractor	10,400 cft
	Void 20%	(-) 2.80
	Net volume	8,320 cft
	Payment made for 10400 cft cft =294.49 M ³	25,205.40
	Payment admissible for 8320 cft = 235.53M ³ @ 85.59/M ³	20,164.15
	Excess paid	5,041.25
2	Sand filling	
	Sand carried by tractor = 4880 cft	138.18 M ³
	Void not deducted 7.4%	361.12 cft
	Net volume 4518.88 cft	127.96/M ³
	Excess payment = (138.18 M ³ – 127.96 M ³)=10.22M@ 72/M ² = 735.84	5,777.09

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Sales tax was not deducted from bill as given below:-

Sl. No	Particular	Quantity	Amount	Rate of S.T	Amount
1	Cement	405 bags	60,750	11%	6682.50
2	Sand	4880 cft	10736	8%	858.90
3	Brick	44000 Nos.	67000	8%	5360.00
4	Stone chips	48 M ³	23551	9%	2119.60
					15021.00

Thus, Rs.20,798.00 (5041=25 + 735.84 + 15021.00) was paid in excess.

Completion certificate was not given on the M.B. or vouchers as required under rule 246(5) and 120 of Bihar Financial Rules 1950 and Bihar Municipal Accounts Rules 1928 respectively.

In absence of completion certificate payment made to the Executing agent was not proper.

Created assets register was not maintained which may be maintained at the earliest possible date.

Sl. No	Particulars	Amount
i)	Non deduction of void in carrying of earth by tractor	5041.25
ii)	Non deduction of void in carrying sand by tractor	735.84
iii)	Non deduction Sales tax from bill	15021.00
		20798.09

Which may be recovered from Shri Umesh Prasad, Junior Engineer. After recovery of sales tax amounting to Rs. 15021.00 it may be deposited in concerned receipt head of consolidated fund of state.

31.

Name of the scheme Construction of drain with R.C.C slab, Bricks soling of Nai tola Dhobra Para Nawadah ward No.-9 from house of Shri Krishna Thakur to house of Shri Subash Thakur

Estimated cost Rs.1, 52,300/-

Scheme No 33/04-05

Technical Sanction was accorded by the District Engineer, Zila Parishad, Nawadah on 10.07.04

Administrative approval was given by the District Magistrate, Nawadha on 21.09.04

Name of the executing agent Sri Dilip Kumar Malviya

Name of the Junior Engineer Sri Umesh Prasad

Work Commenced from 10.10.04

Work Completed on 14.11.04

Measurement made in 25.11.04

Total Value of work done 1, 52,300

M. B. No 34/04-05

Final Payment of Rs. 10030.00 was made vide cheque No-206347 dt 12.01.05

Audit observation

The following statement would show the engagement of laboures and masons.

Sl. No	Particulars	Quantity	No. of Labour	No of Mason.
1	Earth filling in foundation	1915.48 cft	19	-
2	Local Sand filling	620.48 cft	6	-
3	B/F/Soling	897.08 cft	8	4
4	P.C.C (1:3:6)	293.82 cft	38	6
5	Brick work (1:6)	1340.55 cft	80	34
6	Plastic (1:3) with Punning	2495.24 sft	56	39
7	B/E/soling	964.84 sft	12	6
8	P.C.C (1:2:4)	480.28 cft	62	10
9	M.S. Rod	438 Kg	4	1
10	R.C.C (1:2:4)	21256 cft	28	3
			313	103
	As per vouchers		342	110
	Excess		29	7

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Exam Payment of Labours and mason is given below:-

Labours	=	29 x 68	=	1972.00
Mason	=	7 x 108.60	=	<u>760.20</u>
			=	2732.20

Carriage of earth 1448 cft earth taken by tractor as per M. B. But no deduction of void made	1448 cft
20% void less	289.60
Net Volume	1158.40 cft
Excess payment for 289.60 = 8.20 M ³ was made @ 100.42/M ³	823.45

(a) Less deduction of sales tax was made as given below: -

Sl. No	Particulars	Quantity	Amount	Rate of S.T	Amount
1	Sand	1827 cft	3997.48	8%	319.80
2	Stone chips	2534 M ³	11234.50	9%	1011.00
3	Brick	21000 Nos.	35700	8%	2856.00
4	Cement	260 bags	40820	11%	9490.20
					8677.00
	ST deducted from bill				229.00
	Less deduction of S.T				6387.00

Rs. 9,942.65 was paid in excess on account of the following items to the executing agent.

Sl. No	Particulars	Amount
i)	Excess payment due to excess engagement of labour and mason	2732.20
ii)	Excess payment due to non deduction of void	823.45
iii)	Less deduction of S.T	6387.00
		9942.65

Rs.9942.65 may be recovered from Shri Dilip Kumar Malviya, executing agent. After recovery of sales tax amounting to Rs.6387.00 it may be deposited in the concerned receipt head of consolidated fund of state.

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- (b) Completion certificate was not given on the MB or vouchers by the competent authority as required under rule 243(5) and 120 of Bihar Financial Rules 1950 and Bihar Municipal Accounts Rules 1928 respectively.

In absence of completion certificate, the payment made to the executing agent was not proper.

- (c) Created assets register was not maintained which may be maintained at the earliest.

32.

Name of the scheme	Construction of road and slab from P.W.D main road to house of Shri Kedar Prasad Kashari and from stadium road to house of Sri Arun kumar
Estimated cost	Rs. 1,53,000
Scheme No	36/04-05/S.J.R.Y
M. B. No	6/04-05

Technical sanction was given by the District Engineer, Zila Parishad, Nawada on 10.7.04

Administrative approval was given by the D.M, Nawadah in 21.9.04

Name of the Executive agent	Sri Ajay Kumar
Name of Junior Engineer	Sri K. K. Sinha
Work Commenced from	27.9.04
Work Completed on	16.10.04
Measurement was made on	16.10.04
Total Value of work done	Rs.1, 53,303.00

Final Payment of Rs. 12,125 was made vide Cheque No. 673038 dated 10.3.05

- (1) Completion certificate was not given in M.B or separate by the competent authority as required under rule 456(5) and 120 of Bihar Financial Rules 1950 and Bihar Municipal Accounts Rules 1928 respectively.

In absence of completion certificate the payment made to the executing agent was not proper.

- (ii) Created assets register was not maintained which may be maintained at the earliest.
- (iii) Less deduction of sales tax was made vide detailed below:-

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Sl. No	Particular	Quantity	Amount	Rate of S.T	Amount
1	Cement	284 bags	44588	11%	4904.68
2	Sand	2000 Cft	6000	8%	480.00
3	Brick	19000 (Nos.)	26708	8%	2136.66
4	Stone Metal	250 cft	1235	9%	111.15
5	Stone chips	975 cft	11602.50	9%	1044.22
6	M. S. Rod	320 Kgs	7840	4%	313.60
					8990.31
					ST Deducted from bill
					875.00
					Less deducted of S.T
					8115.30

Rs.8115.30 may be recovered from Sri Ajay Kumar, Executing agent and deposited in the concerned receipt head of consolidated fund of State.

33.

Name of Scheme Construction of drain, slab and brick soling P.C.C from house of Md. Jahir Iraki to house of Parwej Kureshi to peon.

Scheme No 28/03-04 /M.L.C

Estimate Rs.2,00,000

Technical sanction was accorded by the District Engineer, Zila Parishad , Nawadah on 14.10.04

Work Commenced from 23.10.04

Work Completed on 21.03.04

Measurement was made on 21.03.04

Total value of work done 1,99,930.00

Final Payment of Rs. 16190 was made vide cheque No- 023938 dt 29.03.04

Name of the executing agent Sri Umesh Prasad, J.E

Completion certificate was not given by the competent authority as required under rule 246(5) and 120 of Bihar financial Rules and Bihar Municipal Accounts Rules respectively. In absence of the completion certificate, the payment made to the executing agent was not proper.

- (2) Created assets register was not maintained, which may be maintained.

- (3) Less deduction of sales tax was made from the bill as given below:-

Sl. No	Item	Quantity	Amount	Rate of S.T	Amount
1	Sand	2843 cft	8529	8%	682.32
2	Brick	28812 nos.	46099	8%	3687.94
3	Stone chips	958 cft	21698.70	9%	1952.88
4	Cement	384 bags	63360.00	11%	6969.66
					13292.94
				ST deducted from bill	3,000.00
				Less deduction of S.T	10,292.74

Due to less deduction of sales tax Rs.10,292.74 was paid in excess to Sri Umesh Kumar, Junior Engineer.

Rs. 10,292.74 may be recovered from Sri Umesh Kumar, Junior engineer and deposited in the concerned receipt head of consolidated final of state.

34.

Name of the Scheme Construction of road , drain and Slab in ward No. 5 from North to Nadirganj road upto house of Sri Purushottam

Estimated cost 153,000.00

Technical sanction was given by the District Engineer Zila Parishad, Nawadah on 10.7.04

Administrative approval was given by the District Magistrate, Nawadah on 21.8.04

Scheme No. 29/04-05/S.J.R.Y

M. B. No 20/04-05

Work Commenced from 30.09.04

Work Completed on 22.10.04

Measurement was made on 30.10.04

Total value of work done Rs.1,53,000/-

Name of the executing agent Sri Chandra Mauteshwar

Name of the Junior Engineer Sri K.K. Sinha

Final Payment of Rs.11,706/- was made vide cheque No. 673036 dt. 20.01.05


Audit observations:-

- (1) It was noticed that in some items excess expenditure was made than the Estimate provisions as given below:-

Sl. No	Particulars	As per Estimate	As per M.B	Difference
1	Sand filling	5.63 m ³	18.88 m ³	13.25
2	Brick(flat soling)	55.76 m ²	185.78 m ²	130.02
3	12 mm C.P with Punning	195.16 m ²	227.16 m ²	32.00

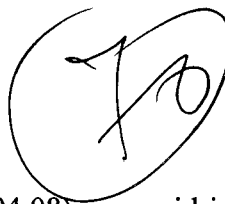
The payment was made in excess due to excess quantity work done without proper sanction of the competent authority as required under letter No.-1/Estt/27/ 83-2347 dt. 31.12.83 technical Examiner's cell, cabinet vigilance Deptt, Govt. of Bihar Patna.

Rs.12587=92 was spent in excess on account of excess execution of work than estimates as given below:-

Sl. No	Particulars	quantity	Rate	Amount
1	Sand filling	13.25 m ³	9380/m ³	1242.85
2	Brick flat soling	130.02	73.40m ²	9543.47
3	12 mm c.p. with Punning	32	56.30/m ²	1801.60
				12587.92

Less deduction of sales tax was made vide detailed below:-

Sl. No	Particulars	Quantity	Amount	Rate of S.T	Amount
1	Bricks	15500	21762	8%	1740.96
2	Cement	282 bags	32480	11%	3572.80
3	Stone chips	26.37 M ³	11692.45	9%	1052.28
4	Sand	1800 cft	5400.00	8%	432.00
5	M. S. Rod	500 kgs	12250	4%	490.00
					7288.04
	Sales tax deducted from bills				1294.06
	Less deduction of S.T				5,994.04



Thus, Rs.18581.00 (Rs.12582.92 + 5994.08) was paid in excess to the executing agent may be recovered from Sri Chandra Mauleshwar. After recovery of sales tax amounting to Rs.5994.00 may be deposited in concerned receipt head of consolidated fund of state.

35. **INFRACTUOUS EXPENDITURE**

(Covered under National Food for work Prog'2004)

Name of Scheme:-

- (a) Scheme No 1:- Cleaning of Nawadah pine on Katai Dam.
- (b) Scheme No 2: Cleaning of Bargain pine from New crent to Railway
- (c) Scheme No 3: Cleaning work from of Bargain pine from telephone exchange to Patel Nagar
- (d) Scheme No 4: Cleaning of kacha nala in Par Nawadah Kamalpur.
- (e) Scheme No 5: Cleaning of Bargain pine glaxy hotel to Agarwal Petrol pump.

Executing Agent: (a) Sri K.K. Sinha, JE

(b) Sri U. Prasad, J.E

Estimate: Rs.15.77 lakh Cash Rs. 8.53 lakh

Grains 1159.56 quintal

Amount Sanctioned Rs. 7.89 lakh (i.e. 50 % of estimate)

Amount spent Rs. 7.01 lakh

Issue of work order: 20.05.2005

Due date of Completion 20.06.2005 (within one month)

Position of Scheme: Not completed till date (June'2006)

(Vide details in appendix-IX to the report)

A proposal was sent by the executive officer Nawadah for cleaning of Six Schemes covered under National food for work Prog'2004-05 vide letter No 452 dated 29.4.05 against which five schemes were sanctioned by the DDC, Nawadah vide letter no 96 dated 12th May'2005. Against total estimate Rs.15.77 lakh (including grains) Rs.7.89 lakh was released (PNB Cheque No 786061. dt 2.6.05) i.e. 50% of total estimates but further no allotments were released. Even grains (till June'2006). Purpose of the scheme was to provide wage to local labourer and water harvesting.

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As per sanctioning letter schemes were to be completed within are month but the schemes were not completed till date (June'2006) i.e. more than one year due to non allotment of further 50% of estimates.

Executive officer Nawadah requested several times for release of further fund but no fund was released till date (June 2006)

Thus , the very purpose for which funds were allotted i.e. wages to local labourer, water harvesting could not be fulfilled and scheme became failure due to non completion in stipulated time (within one month) and also the people of Nawadah were deprived to the benefit of the said scheme.

36. PAYMENT OF SUBSIDY UNDER S.J.R.Y SCHEME

As per guideline of S.J.R.Y the subsidy at the rate of 15 percent of the cost of the project per unit will be given by the Nagar Parishad under S.J.R.Y Scheme. Maximum cost of project will be Rs.50,000/- But it was noticed that 15 percent subsidy was given to the beneficiaries on the basis of sanctioned amount of loan by the Bank which was violation of guideline. The cost of project was not obtained from the applicants by the Nagar Parishad. The Subsidy was given to the beneficiary's during the period under audit as given below:-

- (i) 28 Nos. @ Rs 3750- 15% of the sanctioned loan of Rs. 25000/-
(ii) 2 Nos. @ Rs. 7500- 15% of the sanctioned loan of Rs.50,000/-
- | | |
|------------------|---------------|
| i.e. 28 x 3750 = | 1,05,000 |
| 2 x 7500 = | <u>15,000</u> |
| | 1,20,000 |

Vide detailed in the Statement X of the report,

It is provided in the guideline that 5% margin amount of the cost of project will be also contributed by the beneficiaries.

In no case Loan and subsidy will be seceded 95% of the cost of the project. It was found that in 2 cases Rs. 50,000/- was sanctioned as wand and Rs.7500/- was given as subsidy i.e. 57500/- which was irregular.

The subsidy for which purposes granted could not be ascertained for want of relevant document showing the progress of work/ business etc.

The relevant document showing the utilization of subsidy may be shown to the next audit. Pending the production of relevant document showing the utilization of subsidy in proper way a total sum of Rs. 1,20,000 is held under objection.

37. CONSTRUCTION OF SHELTER UNDER N.S.D.P SCHEME

10% amount of allotment should be spent over the construction of new shelter/up gradation of shelter as indicated in the sanctioning letter of allotment. It was noticed that Rs.1,01,55,105.00 was received by the Nagar Parishad under N.S.D.P scheme the details of allotment are given below:-

Sl. No	Cheque no/date	Amount	Remarks
1	067302/13.3.01	77,105.00	For construction of shelter
2	Draft No.007706/3.3.01	37,06,000.00	
3	315909/305/04/dt.18.4.04	27,18,000.00	
4.	5008894/83 dt.9.4.05	36,54,000.00	
		1,01,55,105.00	

The 10% share for the construction of shelter/ up gradation of shelter of the allotment received is given below -

(i)	Construction of shelter	77,105.00
(ii)	10% of Rs.3706000	3,70,600
(iii)	10% of Rs.2718000	2,71,800
(iv)	10% of Rs. 3654000	3,65,400
		10,84,905.00

On Scrutiny of the files it was noticed that Rs. 6, 52,200/- was spent over the construction of shelter in slum area vide details in the statement XI of the report.

Prior to thus, no construction of shelter was made in slum area.

The cost of construction of a shelter was Rs.33,800/- Rs.10,000/- was paid for the same to Sri B.B Jainun Nisha vide cheque No.300434 dt. 4.2.04. On enquiry it was noticed that he has not commenced the construction for shelter. Effectives



steps may be taken to get the concoction of shelter started failing which said amount may be recovered.

Rs. 4, 32,000/- was less spent on this account. Non utilization of Rs.4, 32,000/- the poorest people of slum area was deprived of the benefit of construction of shelter.

The balance amount of Rs.4,32,000/- may be utilized for the construction of shelter in slum area at earliest possible. Estimate, M. B. and vouchers related to above payment for the construction of shelter were not made available to audit. In absence of the same it could not be ascertained whether schemes in respect of construction of shelter at the rate of Rs. 33,800/- per shelter completed or not. Estimate, M.B and vouchers may be produced to the next audit for proper checking.

Pending the production of estimate, M.B and vouchers etc. before audit, a total sum of Rs. 6, 52,200 is held under objection.

38. ADVANCE UNDER SCHEMES

Advance Ledger for the year 2002-03 to 2005-06 was not maintained as required under Rule 74 of the Bihar Municipal Accounts Rules 1928. Advance paid to the executing agents was entered in the scheme register. No provision was made for the payment of advance for execution of schemes to executing agent under Bihar Municipal Accounts Rules 1928. The provision for making advance laid down in Rule 74 to 78 of Bihar Municipal Accounts Rules 1928 was not adhered to Bihar Financial Rules and Bihar Public Accounts code also did not allow to grant advance to the contractors/ executing agents for execution of works. The position of advance for the year 2005-06 was as ascertained from scheme register/Advance Ledger and concerned Cash Book is given below:-



Sl. No	Name of Fund	O.B	Advance Made	Total	Adjusted	o/s Advance
1	11 th F.C	4,40,000	15,53,000	19,93,000	16,58,000	3,35,000
2	12 th F.C	-	5,17,500	5,17,500	1,77,500	3,40,000
3	Municipal Fund	10,30,258	8,82,500	19,12,758	6,22,500	12,90,258
4	N.S.D.P	6,25,000	25,58,000	31,83,000	21,28,000	10,55,000
5	MLA/MLC/MP Fund	26,18,000	1,31,400	27,49,400	16,89,400	10,60,000
6	S.J.R.Y	10,15,000	3,70,000	13,85,000	8,95,000	4,90,000
	Total					

Advance outstanding as of 31/3/06 as per scheme Register was Rs.45,70,258.00 vide detailed in APPENDIX- XII to the report.

Name wise outstanding advance are given below:-

Sl. No	Name of Fund	Sri K. K. Sinha, JE	Sri Umesh Pd. J.E	Executing Agent
1	11 th F.C	1,00,000	2,23,000	-
2	12 th F.C	1,00,000	2,40,000	-
3	MLA/MLC/MP Fund	10,05,000	60,000	-
4	N.S.D.P	-	-	10,55,000
5	Municipal Fund	11,15,258	1,70,000	-
6	S.J.R.Y	2,25,000	2,10,000	55,000
	Total	25,45,258	9,03,000=00	11,10,000

Effective steps may be taken to recover/adjust the outstanding advance and shown to next audit.

(B) ADVANCE

It was noticed from advance ledger of P/L account of maintained by Nagar Parishad, Nawada for the period under audit that Rs.5,43,246=36 was outstanding as a advance as on 31/3/2006 out of which advance amounting to Rs,2,15,232=90 was outstanding against Sri K. K. Sinha, J.E and Rs.328013=46 to other employees and contractor prior to 2001-02 vide details given in APPEDIX-XIII to the report.

Effective steps may be taken for recovery/adjustment of outstanding advance amounting to Rs.5,43,246=36 and shown to next audit.

39. REGULARISATION OF SERVICES

Shri Krishna Kumar Sinha and Shri Umesh Kumar were appointed on the post of Junior Engineer (overseen) from 7.6.88 and 3.7.91 respectively on the basis of daily wages. The post of junior Engineer (overseen) was sanctioned by the State Government.

Their services were regularized by the commissioners at a meeting held on 27.4.05 vide preceding No-14. The process of the regularization of their service was not adopted as required under so 956 dated 25.6.77.

The payment in the pay scale of Rs.1400-40-1800-50-2300 was made from may'05 Rs.106061=74 was paid to them as given below:-

Sl. No	Pay	D.A	M.A	H.R.A	Total	Period	Total	Name of the J.E
1	587	1731.93	20.97	20.97	2360.87	May'05	2360.87	Sri Krishna Kumar Singh
2	1400	4130	50	50	5630	June 05' to Feb' 06	50670.00	
							53030.87	
3	587	1731.93	20.97	20.97	2360.87	May'05	2360.87	Sri Umesh Prasad
4	1400	4130	50	50	5630	June'05 to Feb' 06	50670.00	
							53030.87	
						GT:-	1,06,061.74	

Request for sanction of one post of Junior Engineer (Overseen) and regularisation of the service of both Junior Engineers (overseen) was made to the state Government vide letter No 1067 dt. 14.9.05. But no reply/ information in this regard has received from the state Government.

Pending the sanction of one post of junior engineer (overseen) as well as regularization of service of both junior engineers (overseen) by the state Government a total sum of Rs.1, 06,061.74 is held under audit objection.

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40. REMAINED IN SERVICE AFTER RETIREMENT

Shri Kailash Prasad Yadav, cashier was retired on 30.4.05 after attaining the age of 58 years. He was getting salary from May'05 to July'05 as given below:-

Pay	D.A.	M.A.	H.R.A	Total	Period	Total
1540	4543	50	100	6233	May'05 to July' 05	18699.00

His pay was stopped from August'05 vide letter No-1003 dt. 1.9.05

In view of letter No.347 dated 11.2.06, the benefit of retirement from 58 years to 60 years will be given with effect from the date of decision taken by the commissioner at a meeting on account of the enhancement of the retirement age from 58 years to 60 years.

The commissioners at a meeting held on 8.4.06 vide proceeding No-6, the decision was taken to enhance a retirement age of Shri Kailash Prasad Yadav, cashier from 24.3.05.

In the light of letter no.347 dt 11.2.06 decision taken by the commissioners at a meeting to enhance the retirement age 58 years to 60 years for Shri Kailash Prasad Yadav Cashier with effect from 24.3.05 was not proper.

Hence, Rs.18,699.00 paid to Sri Kailash Prasad Yadav, cashier on this account from May'05 to July' 05 was irregular. It may be recovered from the Shri Yadav person(s) responsible and shown to next audit.

41. DISCUSSION WITH EXECUTIVE

All the points raised in Audit were discussed with the Executive officer from time to time.

42. RESULT OF AUDIT:-

1	Amount deposited at the instance of audit	3,40,942=50
2	Amount suggested for recovery	21,27,636.83
3	Amount held under objection	48,71,568.74

(Vide appendix-XIV to the report)



43. **GENERAL REMARKS:-**

From the fore going paragraphs it is clear that there has been a lot of irregularities of general and financial nature. Due to gross negligence in the part of Executive officer, Accountant Non credit/ Short Credit, outstanding advances continue to persist in the Parishad accounts. There is much scope for improvement in the accounts and Registers at every stag.

Sincere efforts are needed for timely adjustment and recovery of outstanding advance.

(KUNAN KUMAR)
A.A.O

(R. P. SANGA)
A.A.O

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No.-L.A (Sur.) 193

Dated:- 19/12/06

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

sd/-
Examiner of Local Accounts,
Bihar, Patna.

Memo No.-L.A (Sur.) 124-126

Dated:- 19/12/06

Copy forwarded for information and necessary action to:-

1. The Secretary to the Govt. of Bihar, Nagar Vikas Bihag, Patna
2. The Deputy Commissioner, Nawadah.

sd/-
A.O./Surcharge
L. F. A, Bihar, Patna