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

Dated: - 14.12.07

NO. L.A.Sur: - 368

To.

**The Secretary,  
Urban Development Department  
Government of Bihar, Patna**

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Sir,

*Handwritten signature:* [Signature]

Audit Report No.426/2007-08 on the accounts of **Nagar Parishad, Fulwarisharif, Patna** for

the Period **2002-03 to 2006-07** is enclosed for your kind information and necessary action.

Encl: -As above

Yours faithfully

*Handwritten signature:* [Signature]

**(S. N. Sharma)**

Audit Officer/Surcharge  
Local Audit Wing, Bihar, Patna

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[Signature]  
27/12/07

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**Audit Report No. 426 of 2007-08**

**Introduction**

The accounts of Nagar Parishad, Phulwarisharif for the years 2002-03 to 2006-07 were test checked by an audit party of the office of Principal Accountant General (Audit), Bihar, Patna between 24.07.07 and 31.08.07.

**2. Administration**

<b>1.</b>	<b>Chairman</b>	
(i)	Vacant	01.04.02 to 26.06.02
(ii)	Md. Aftab Alam	27.06.02 to 31.03.07
<b>2.</b>	<b>Vice Chairman</b>	
(i)	Vacant	01.04.02 to 26.06.02
(ii)	Sri Chitranjan Paswan	27.06.02 to 31.03.07
<b>3.</b>	<b>Executive Officer</b>	
(i)	Sri Arun Kumar Singh	01.04.02 to 14.07.02
(ii)	Sri (Dr.) B.N. Singh	15.07.02 to 22.07.02
(iii)	Sri Kamal Kumar Vasudeva	23.07.02 to 31.03.07

**3. Previous Audit Report**

The position with regard to the disposal of previous Audit Report is given below: -

Sl. No.	Audit Report No.	Total Paragraphs	Paragraphs Disposed off	Paragraphs Outstanding	Paragraphs recommended for settlement
1	371/80-81 for 78-79 to 79-80	16	Nil	16	16
2	195/81-82 for 80-81	17	Nil	17	17
3	381/81-82 for 80-81	13	Nil	13	13
4	137/83-84 for 81-82	20	Nil	20	20
5	189/83-84 for 82-83	18	Nil	18	18
6	108/87-88 for 83-84 to 86-87	28	Nil	28	28
7	91/91-92 for 87-88 to 90-91	27	Nil		
8	116/ 94-95 for 91-92 to 93-94	45	Nil	45	45
9	120/97-98 for 94-95 to 96-97	26	Nil	26	26
10	122/98-99 for 97-98	25	Nil	25	25
11	38/02-03 for 98-99 to 01-02		Nil		

Steps may be taken to comply the paras which remained unsettled.

#### 4. Scope of Audit

List of Register and Records checked in audit and those not produced or produced incomplete have been given in Appendix IA and IB to the Report respectively.

#### 5. Overview

the nagar Panchayat, Phulwarisharif was financed mainly by additional stamp Duty (Grants) from the State government during the period under Audit. A summary of Receipts and Payments of the Nagar Panchayat for the year 2002-03 to 2006-07 is given below: -

	2002-03	2003-04	2004-05	2005-06	2006-07
	-Rs. in Lakh-				
Opening Balance	57.72	1.98	18.19	37.37	99.69
Receipt					
Grant					
(a) Additional Stamp Duty	40.83	118.78	90.73	129.42	143.92
(b) Pay & Allowance	-	0.48	-	0.74	-
(c) XIth Finance	-	15.44	24.16	-	-
(d) XIIth Finance	-	-	-	11.71	8.41
(e) IDSMT	-	-	-	32.00	-
(f) For purchase of machine	-	-	-	-	4.25
(g) BPL Surrey	-	-	-	-	1.59
Loan for pay	-	0.48	-	-	-
<b>Total</b>	<b>40.83</b>	<b>134.70</b>	<b>114.89</b>	<b>173.87</b>	<b>158.17</b>
Own Sources	4.70	2.39	19	21.48	6.32
Grant Total	103.25	139.55	152.08	232.72	264.18
Expenditure					
(a) Establishment	24.04	27.98	26.00	24.61	26.62
(b) Schemes	77.23	93.38	88.71	108.42	160.05
<b>Total</b>	<b>101.27</b>	<b>121.36</b>	<b>114.71</b>	<b>133.03</b>	<b>186.67</b>
<b>Closing Balance</b>	<b>1.98</b>	<b>18.19</b>	<b>37.37</b>	<b>99.69</b>	<b>77.51</b>

(Vide details given in Appendix II to the report)

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6. **Important Audit Findings**

Para No.	Brief	Money Value (Rs. in lakh)
17.	Execution of Schemes from Municipal Fund	14.78
18(A)	Construction of drain from Haroon Nagar to Tamtanparo	14.59
18(B)	Construction of drain from Haroon Nagar to Tamtanparo	10.41
20	Construction of 'Missing length & drain'	9.33
23	Payment to Consultant	2.00
26	Payment to Daily Wages	37.28

7. **Internal Audit**

There is no specific provision in the Bihar and Orissa Municipal Act, 1922 or its rule made there under for internal audit of the accounts of Nagar Panchayat. But the Bihar & Orissa Municipal Accounts Rules 1928 provides a number of internal checks to 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.

On scrutiny of the registers and records of the Nagar Panchayat , it was noticed that no such checks as prescribed in the rules were conducted by any of the Executives. As a result, a lot of irregularities were noticed. However for the period under audit, accounts for some of the years were audited by the chartered Accountant, but no reports pointing irregularities observed was made available to audit.

Irregularities noticed have been discussed in subsequent paragraphs. Had the Nagar Panchayat Authorities conducted such checks at regular intervals those irregularities already committed and others, if any remained undetected could be avoided.

It is therefore impressed upon the Authority of the Nagar Panchayat to conduct regular checks to stop recurrence of such irregularities in future.

8. **Government Grant**

Government Grant Register was not maintained for the period under audit. However, from the cash Book it was noticed that a sum of Rs. 177506/- was received from

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the state Government during 2002-03 to 2006-07 for payment of Pay allowances to Nagar Panchayat employees as detailed below: -

Years	Amount
2002-03	Nil
2003-04	48380
2004-05	55338
2005-06	73788
2006-07	Nil
	177506/-

(vide details in Appendix III to the report)

The amount of grant was spent for the said purpose.

### **8(B) Loan Account**

The loan register was not maintained by the Nagar Panchayat from Cash Book, it was noticed that a sum of Rs. 48380 was sanctioned by in State Government in the year 2003-04.

As the loan Register and/or loan appropriation Register was not maintained the position of outstanding loan, interest payable, installments paid its as of 31<sup>st</sup> March 07 could not be ascertained.

Steps may be taken to maintain the loan register indicating amount of instalments due alongwith interest to be paid and shown to next audit.

### **8(C) Stamp Duty**

As provided under section 82A and 162A of the Bihar and Orissa Municipal Act 1922, 2% of the total registration fee realized by the State Government Department of registration on transfer of immovable properties situated within the Municipal Area was to be transferred to Nagar Panchayat as its share.

No register was maintained by the Nagar Panchayat showing the stamp Duty received for each quarter, period since stamp Duty due, etc.

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However, from Cash Book (Accountant) it appeared that a sum of Rs. 52368299.09 was received as Additional stamp Duty during 2002-03 to 2006-07 as detailed below: -

Year	Amount
2002-03	4083162.01
2003-04	11877992.42
2004-05	9073477.08
2005-06	12942088.48
2006-07	14391579.10
	52368299.09/-

(Vide details given in Appendix IV to the report)

Steps may be taken to maintain the stamp duty register and shown to next audit.

#### 9. **Budget Estimates**

As per provision of section 71 of the Bihar and Orissa Municipal Act, 1922, the Municipal Commissioner shall prepare a Budget Estimates at least two months before the end of the Financial year showing probable receipts and expenditure for the next year and the purpose for which the expenditure be done. Section 73 states that approved Budget Estimates be sent to the State Government or any authority directed by the State Government.

Copies of the Budget estimates for the period under audit i.e. 2002-03 to 2006-07 were not produced in audit. So it could not ascertained that the expenditure made during these years was as per budgeted allotment.

#### 10. **NON/SHORT CREDIT**

In course of audit of the collection Account, it was noticed that a sum of Rs 173887.40 was either not credited/ or credited short int Municipal Fund during 2002-03 to 2006-07 as details given in Appendix V to the Report. However a sum of Rs. 53379 was got deposited at the instance of audit. Balance amount of Rs. 120508.40 may be credited into Nagar Parishad Fund and intimated to the Examiner of Local Accounts Bihar Patna.

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**11. RECEIPT BOOKS NOT PRODUCED**

From 'H' receipt book

- (i) 11001 to 11100
- (ii) 11301 to 11400
- (iii) 2001 to 2100

Misc receipt book

	<u>Date of issue</u>	<u>To when're issued</u>
(i) 1 to 100	8-11-96	Signature not clear
(ii) 301 to 400	31-3-98	- do -
(iii) 401 to 500	- do -	- do -
(iv) 501 to 600	- do -	- do -
(v) 801 to 900		
(vi) 901 to 1000		

Aforesaid receipt books may be produced before next audit.

**12. CREDIT NOT FOUND IN P.L. ACCOUNT**

The credit of Rs. 51874 details given below was not found in P.L. Account.

S.No.	Amount collected	Challan No./Date	Name of Collector S/Shri
1.	4509.00	224/17.05.07	Jamil Alam
2.	14469.00	3/07.06.06	Omkarnath Mishra
3.	8163.00	8/27.07.06	- do -
4.	13733.00	217/17.05.07	- do -
5.	11000.00	296/23.03.07	- do -
	<b>57874.00</b>		

Credit of Rs. 51874/- into PL Account may be shown at the next audit.

**13. COLLECTION ACCOUNT**

Demand – Collection & Progress Statement Register was not maintained, so actual position of demand, collection and balance of Holding Tax for the period under audit could not be ascertained. However, a statement showing demand, collection and balance of Holding Tax for the year 2002-03 to 2006-07 (as furnished by the Nagar Panchayat/ Parishad) has been given in Appendix VI to the report. It would appear from the statement

that the position of collection was very unsatisfactory. Effective steps including legal measures as provided in the Act may be taken for improvement of collection.

14. **HEALTH CESS AND EDUCATION CESS NOT REMITTED TO GOVT. HEAD**

As per Govt. directives amount collected on account of Health and Education cess was required to be deposited in the Govt. Account after deducting 10% as collection charges. But it was noticed that Rs. 931995/- was to be deposited to Govt. Account on the basis of collection made during 2002-03 to 2006-07, vide details given below, was not deposited.

S.No.	Year	Health Less Collected	Education Less Collected	Total
1.	2002-03	59685.25	59685.25	119370.50
2.	2003-04	89204.00	89204.00	178408.00
3.	2004-05	208872.50	208872.50	417745.00
4.	2005-06	28445.00	28445.00	56890.00
5.	2006-07	131568.50	137568.50	263137.00
				<b>1035550.50</b>

Less Collection Charges @10% 103555.00  
(details given in Appendix VII to the Report)

Amount to be deposited into Govt. Account 931995.00

Steps may be taken to deposit Rs. 931995 into the Govt. Account and shown to next audit.

15. **DIRECT APPROPRIATION OF COLLECTION AMOUNT**

The Amount of Rs. 298700/- collected through miscellaneous receipts, vide details given below, was appropriated directly towards municipal expenses rather to deposit into Municipal (Nagar Panchayat) fund.



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<u>Sl.No.</u>	<u>MR No./ Date</u>	<u>Amount Collected</u>
1.	614/26.04.02	37500
2.	615/15.05.02	75000
3.	616 to 618/24.05.02	11200
4.	619/05.06.02	37500
5.	620/10.06.02	75000
6.	621/10.06.02	62500
		-----
		<b>298700</b>

Reason(s) for direct appropriation of Rs. 298700 towards expenditure was not explained in audit. The said amount may be recovered from responsible officials and credited to Municipal Fund under intimation to the Examiner of Local A/cs Bihar Patna.

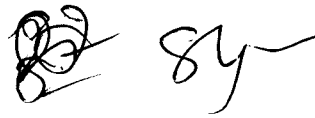
#### 16. ASSESSMENT OF HOLDING TAX

As per section 106 of Bihar Municipal Act, 1922, the re-assessment of holding tax is to be done at the interval of every 5 years. Last assessment was done in the year 1992-93. Since then no re-assessment of holding tax was done. In the year 2005-06, the Nagar Panchayat, Phulwarisharif decided to re-assess the holding tax on 'Square Feet Area (sft Area) basis'. The State Government, Urban Development Department, approved the proposal of the Nagar Panchayat vide letter No. 3264/NVV dated 5.10.05.

The rate sent by Nagar Panchayat and approved by the Government was as under –

(@per sft)

Type of Building	On Principal Main Road			On Main Road			On Other Road		
	Fully Commercial	Others	Fully Residential	Fully Commercial	Oth-ers	Fully Residential	Fully Commercial	Oth-ers	Fully Residential
1. RCC Roof	20	14	5	15	12	8	10	7	3
2. Esbastes/ Conisaled sheet	14	6	3.50	10	8	2.50	7	4	2
3. Other than (1) & (2)	7	6	3	5	4	2	4	2	1



The Nagar Panchayat/ Parishad produced before audit 'Filled up forms' submitted by the Owner of the holding. A few receipts were cut on the basis of declaration furnished by the Owner. Certificate of verification, if any, was not found on the form.

The position of collection at new rates was very poor, for example-

<u>Ward No.</u>	<u>Form Received</u>	<u>Position of collection with new rate (No. of receipts cut)</u>	<u>Percentage</u>
01	335	50	14%
09	119	25	21%
10	329	30	9%
13	325	40	12%
14	338	60	17%
18	235	20	8%

In the process of implementing re-assessment was very slow. Steps may be taken to gear up the re-assessment process to boost up the collection of the Nagar Panchayat/ Parishad.

#### 17. EXECUTION OF SCHEMES FROM MUNICIPAL FUND

The details of schemes executed from Municipal Fund during 2002-03 to 2006-07 are given below: -

Year	Nos. of schemes taken up	Estimated cost	Nos. of completed schemes	Nos. of schemes remained incomplete	Amount involved in incomplete schemes
2002-03	104	7743905	96	08	653000
2003-04	72	9645340	69	03	202500
2004-05	29	1971590	27	02	115000
2005-06	29	8326297	26	03	202500
2006-07	49	11514211	47	02	305000
<b>Total</b>	<b>283</b>	<b>39201343</b>	<b>265</b>	<b>18</b>	<b>1478000</b>

(vide details given in Appendix VIII to the report)

Circumstances under which 18 Nos. of schemes could not be completed were not explained to audit.

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Pending clarification the amount spent/involved in incomplete schemes worth Rs. 1478000 is therefore held under objection.

**18. Construction of Drain From (1) Haroon Nagar, Sector II More to old electric office, Zero mile, Phulwarisharif-Janipur road and (2) Old Electric office, Zero Mile, Phulwarisharif Janipur Road to Tamtam parao**

The District Magistrate, Patna accorded Administrative Approval of two schemes vide letter No. 164/28.02.04 under following conditions: -

(1) The time frame for completion of these was as under: -

Sl.No.	Name of Scheme	Estimated Cost	Time for Completion
1	From Haroon, Nagar Sector II More to old Electric Office, Phulwarisharif-Janipur Road (2000 length)	1685100	8 months
2	From Old Electric Office, Phulwarisharif-Janipur Road to Tamtam parao	1459300	8 months

- (2) The SDO, Patna was to supervise the work continuously.
- (3) The Executive officer, Nagar Panchayat, Phulwarisharif was the executing agency of the work.
- (4) The Executive office, Nagar Panchayat was personally responsible for progress and quality of the work.

The Estimates of these two schemes were provided in audit. They revealed that no provision for Carriage of materials was made in the Estimates. It was also not clarified whether the rate quoted in the Estimates was including of carriage charges.

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The Nagar Panchayat, Phulwarisharif advanced Rs. 25 lakh to the EE, new capital, Road Division, PWD patna vide details given below: -

Sl.No.	Cheque No./Date	Amount
1	073836/28.2.04	800000
2	073851/21.7.04	600000
3	073852/26.7.04	400000
4	022409/7.12.05	700000
		2500000

The new capital Road division PWD Patna submitted one attested copy of MB of only one work construction of open drain from old Electric office to Tamtam parao, Jagdeo Path More. The total amount of work as per MB was Rs. 1459300. The measurement entered into the MB was copy of the Estimates. No. MB of another work was submitted by the new Capital Road Division PWD Patna. The work was not completed with in stipulated time period.

#### **Audit Comments**

(A) In the Estimates provision for carriage of materials not done Actual measurement was not done vouchers & other records not produced.

Pending clarification entrie expenditure of RS. 1459300 on the work Construction of open drain from old Electric office to tamtam parao is therefore held under objection.

(B) No vouchers MB etc. of another work 'Construction of open drain from Haroon Nagar Sector II to old Electric office was submitted by the Division.

So the entire balance amount of Rs. 1040700/- (2500000-1459300) may be recovered and deposited into Nagar Panchayat fund.

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The year wise details of fund received under XIth Finance & XIIth Finance Commission Grant for the year 2003-04 to 2006-07 has been given below: -

	2003-04	2004-05	2005-06	2006-07
Opening Balance	Nil	Nil	2072730	380417
Receipt during the year				
XIth Finance	1543460	2415830	-	-
XIIth Finance	-	-	1171479	840735
Other (MP fund)	709140	-	-	-
Diverted from Mpl. Fund)				
Total	2252600	2415830	3244209	1221152
Expenditure				
XIth Finance	2252600	343100	1348513	-
XIIth Finance	-	-	806139	1187135
Other (MPL fund)	-	-	709140	
Refunded to Mpl. Fund)				
Total	2252600	343100	2863792	1187135
Closing Balance	Nil	2072730	380417	34017

The year wise details of schemes taken up completed etc. is given below: -

	No. of Schemes taken up	Est. Cost	No. of Completed Schemes	Nos. of Schemes remained incomplete	Amount involved	Remarks
2003-04 (XIth)	07		07	Nil	Nil	
2005-06 (XIth)	04		03	01	207500	
2005-06 (XIIth)	03		03	Nil	Nil	
2006-07 (XIIth)	02		01	01	18304	Scheme Closed
					225804	

(vide details given in Appendix IX to the Report)

The above two schemes were not completed. Reasons for non completion/elcure of the schemes were not explained.

Pending clarification, the expenditure of Rs. 225804 is therefore held under objection.



**20. Construction of Open Drain for Missing Length From High School Phulwarisharif to Khagaul Canal (XIth Finance Commission)**

An Estimate in two parts was prepared by the New Capital Division, PWD, Patna in the year 1998 on request of Special Officer, NAC, Phulwarisharif. The Estimate was submitted to NAC Phulwarishari in November 1998. The details of Estimates were as under: -

Sl.No.	Name of Scheme	Length of Drain	Estimated Cost
1	Construction of open drain from Tamtam Parao to High School	2550'	1546200
2	Construction of Drain from High School to Khagaul Land	2550'	1823100

The sanctioned Estimates and Amount was made available to the PWD in the year 2001. The Department revised the Estimates as per 'Year 2001 schedule of rates and returned them to the NAC. After approval from SE, Central Circle, PWD, Patna, the New Capital Division Started the construction work of drain and completed them in October 2001. The details of construction drain were as under: -

Sl.No.	Name of Scheme	Constructed length	Amount Spent
1	Construction of open drain from Tamtam Parao to High School	2550'	1621912
2	Construction of Drain from High School to Khagaul Canal	2546'	1743436

The SDO, New Capital Division, PWD, Patna wrote a letter no. 100 dated 7.4.03 to the special officer Phulwarisharif stating that the Actual length from Tamtam Parao to Khagaul Canal was 6400'. So far completion of drain, further 1300' drain was required to be constructed for which Rs. 875000 (Approx.) was needed.

An Estimate for 1300' length drain was prepared by the EE, New Capital, Road Division, Patna for Rs. 933100 on 9.5.03.

The Board (meeting dated 26.5.03) decided to make available Rs. 933100 to the EE, New Capital, Road Division Patna and the Amount of RS. 933100 was advanced to the

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Division vide cheque. No. 073816/11.6.03. The work was taken up on 14.6.03 and completed on 19.7.03.

The executive Engineer, New Capital Division, PWD, Patna submitted Utilisation certificates and Attested Copy of MB to Nagar Panchayat (erst while NAC), Phulawarisharif on 22.6.05. As per utilization certificate the total expenditure on the schmes was Rs. 933100. The Comparison of MB with Estimates revealed that MB was just copy to the Estimates creating doubt of actual measurement.

The estimates was vague stating 'Missing length' rather to identity 'starting point and End point'. So it was not clear from which point construction work was 'started and finished.' In the earlier utilization certificates submitted by the SDO, New Capital, Road Division, Patna on 23.8.04 showed both the earlier schemes taken up in 2001 were completed. So, when schemes upto Khagaul canal once shown completed them from where 'Missing length' came.

The entire matter needs high level enquiry Pending clarification to doubts raised above, the entire expenditure of Rs. 933100 is, therefore, held under objection.

## 21. National Slum Development Programme

The details of opening balance, receipt, expenditure and closing balance of the National Slum Development Programme Fund are given Below: -

	2002-03	2003-04	2004-05	2005-06	2006-07
Opening Balance	1059869	303486	1852083	374092	185331
Receipt during the year	Nil	3512000	-	4599000	-
Intt.	Nil	20647	15298	161447	1169
Total	1059869	3836133	1867381	5134539	186500
Expenditure during the year	756383	1984050	1493289	4949208	158427
Closing Balance	303486	1852083	374092	185331	28073

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The details of schemes taken up, completed, remained incomplete, etc are given below: -

	No. of schemes taken up	Estimated cost	No. of schemes completed	No. of schemes remained incomplete	Amount involved
2002-03	03		03	Nil	Nil
2004-05	28		27	01	30000
2005-06	30		29	01	30000
					60000

(Vide details given in appendix X to the report)

Two (2) schemes were not completed till March 07. Reasons to non-completion were not explained. Pending clarification expenditure of Rs. 60000 on these two schemes is therefore, held under objection.

## 22. Swarn Jayanti Shari Rojgar Yojna

The details of fund received under SJSRY and spent during the period 2002-03 to 2006-07 are given below: -

	2002-03	2003-04	2004-05	2005-06	2006-07
Opening Balance	640902.85	837799.85	415204.85	260752.85	107113.85
Receipt during the year	358291.00	84000.00	-	395104	2130670.00
Intt.	31109.00	18005.00	13048	7093	-
Grand Total	1030302.85	939804.85	428252.85	662949.85	2237783.85
Expenditure	192503.00	524600.00	167500.00	555836	745324.00
Closing Balance	837799.85	415204.85	260752.85	107113.85	1492459.85

The year wise details of schemes taken up completed, remained incomplete, etc. are given bellows: -

	No. of schemes taken up	Estimated cost	No. of schemes completed	No. of schemes remained incomplete	Amount involved	Remarks
2002-03	01	507800	01	Nil	Nil	
2003-04	01	159700	01	Nil	Nil	
2004-05	01	128700	01	Nil	Nil	
2005-06	02	553986	01	01	57500	
2006-07	03	1064890	01	02	165000	
					222500	

(Vide details given in Appendix XI to the report)



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So, three (3) nos. of schemes were not completed till March 07 Reasons for non-completion were not explained to audit. Besides huge amount was lying unutilized at the end of March 07.

Pending clarification, amount involved in incomplete schemes, Rs. 222500 is, therefore, held under objection

## 22 (I) PURCHASE OF CEMENT

A sum of Rs. 3.58 lakh paid to M/s Kalyanpur cement Ltd., Fraser Road. Patna for supply of 2860 bags cement, vide details given below:-

Sl.No.	Vr. No./Date	Cheque No./Date	Amount	Remarks
1	47/19.4.02	-	112500	For 900 bags
2	137/3.6.02	-	175000	For 1400 bags
3	325/4.9.02	264405/4.9.02	35000	For 280 bags
4	534/23.11.02	264455/23.11.02	35000	For 280 bags
			357500	

Stock Entries and their issue to work were not shown. Pending production of relevant records entire expenditure of RS. 357500/- is therefore held under objection.

## 23. Payment to Consultant

A sum of Rs. 2 lakh was paid to M/s Design Burea, Architect, Engineer and Planner, Exhibition Road, Patna for Preparation of project Report of Phulwarisharif under IDSMT vide details given below: -

Cheque No. 073863/9.2.05	100000
Cheque No. 073868/19.4.05	100000
	200000

The estimated cost of the IDSMT project for Phulwarisharif was Rs 200 lakh in which state Government share was Rs. 30 lakh. The State Government released its share of 30 lakh vide DDNo. 48184 dated 31.3.05 vide letter no. 158/NVV dated 31.3.05. The terms and conditions for utilidation of this amount were as under: -

- (1) the entire amount of State Share be kept in PL A/c.

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(2) This amount be utilized only after receipt of central share and availability of Nagar Panchayat share and also after receiving the order from the State Government.

The Government of Bihar, Urban Development Department informed the Nagar Parishad that the Central share would not be released for pulwarisharif under IDSMT, vide letter no. 73/NVV dated 25.1.06. So, the amount of Rs. 30 lakh remained at PL Account till March 07 without any utility.

Thus it would appear that payment to consultant for preparation of project Report for Rs. 2 lakh became a wasteful expenditure as the Nagar Panchayat/Parishad had no enough fund for execution of the project.

So, the sum of RS. 2.00 lakh be recovered from person/officials responsible for unjudicious expenditure.

#### 24. Non-Deposit of Royalty

The details of royalty deducted yearwise are given below: -

Year	Royalty Deducted
1999-2000	37866
2000-2001	27050
2001-2002	216461
2002-2003	15938
2003-2004	97197
2004-2005	17364
2005-2006	250554
2006-2007	5996
	668426

The amount of royalty deducted in these years was not deposited with the Government.

The amount of royalty of RS. 668426/- may be deposited in the State Government Account.

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**25. Stock Register Not Maintained**

Stock Register for permanent articles, electrical goods, stationary, sanitary equipments etc were not maintained by the Nagar Panchayat. The distribution of these articles/goods was done directly through the purchase file. This was not a healthy practice.

Stock Register may be maintained properly and entry of each article/good purchased/to be purchased be made in the stock Register.

**26. Payment to Daily Wages**

A sum of Rs. 3728363 was paid to daily wages staff/labours etc. during the period under audit i.e. 2002-03 to 2006-07. Engagement of staff/labours on daily wages was contrary to various circulars/orders issued by the State Govt. time to time.

So, pending exfacto approval from the State Govt. Payment of Rs. 3728363, vide details given in appendix XII to the report, to daily wages is, therefore, held under objection.

**27. Provident Fund**

The provident fund deduction made from the salary bills was not deposited in individual Account since long.

However, an statement submitted by the Nagar Panchayat P.F. Contribution & Subscription deducted from the Salary Bills of the staff of the Panchayat between February 02 and January 07 i.e. period under audit. As per the statement a sum of Rs. 56528 deducted but not deposited into individual Account, vide details given in Appendix XIII to the report.

Steps may be taken to deposit this sum for Rs. 56528 with accrued interest into individual Account also calculate entire amount of PF subscription & Contribution liable to

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be deposited to the account of the staffs of the Nagar Panchayat and deposit into respective Account.

**28. Advance**

Advance Ledger was not maintained since 1998, so the position of opening balance, advance made under the period of under audit, amount adjusted and outstanding advance as on 31<sup>st</sup> March 07 could not be ascertained.

Advance ledger may be maintained and shown at the next audit.

**29. ~~Voucher Wanting~~**

In courses of verification of pay orders of vouchers, it was noticed that vouchers worth Rs. 643487 were not produced in audit.

Thus the expenditure of RS. 643487 could not be vouchsafed and therefore, held under objection vide details given in Appendix XIV to the report.

**30. Result of Audit.**

As result of audit a sum of Rs. 53379 is deposited at the instance of audit, Rs. Nil suggested for recovery through Surcharge, Rs, 1659908.40 suggested for recovery and Rs. 9108054 is held under objection.

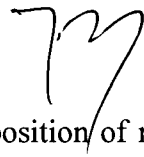
(Vide details given in Appendix XV to the report)

**31. Discussion with the Executives**

Important audit findings have been discussed with the executives from time to time and at the end of the audit.

**32. General Remarks**

There was much scope for improvement in the maintenance and supervision of accounts. Re-assessment process needed special attention. There was much scope of



revenue enhancement through collection, imposition of new taxes, fees etc. staff strength needed to be increase Advance ledger PF ledger were not maintained.

(Ranjeet Kumar Rajak)

No. LA/ Surcharge/367

Dated 14.12.07

Forwarded to the Executive Officer, Nagar Parishad, Phulwarisharif with the request to place this report before a meeting of the committee specially convened for the purpose and to sent the replies within three months from the date of receipts of the report to this office.

sd/

(S.N. Sharma)  
Audit Officer/Surcharge

No. LA/Surcharge/368

Dated: - 14.12.07

Copy forwarded for information and necessary action to: -

- ✓(i) Secretary to Government of Bihar, Urban Development Department, Patna.
- (ii) District Magistrate, Patna.
- (iii) Section Officer/Surcharge

sd/

(S.N. Sharma)  
Audit Officer/Surcharge