

27.11.08

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OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT), BIHAR
(LOCAL AUDIT WING), PATNA -800 001

No. L.A.Sur/1531

C.F.P.
2/12/08

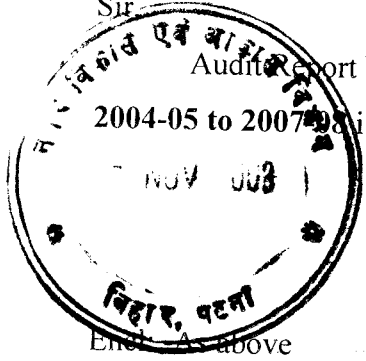
Dated: - 25/11/08

To:
[Handwritten signature]

The Principal Secretary to the Government of Bihar,
Urban Development and Housing Department,
Patna.

[Handwritten signature] संजीवनी
2/12/08

Sir



Audit Report No.- 411/2008-09 on the accounts of **Rajgir Town Planning Authority** Rajgir for the Period 2004-05 to 2007-08 is enclosed for your kind information and necessary action.

Yours faithfully

[Handwritten signature] Bkumar
(Bhairab Kumar) Audit Officer/Surcharge
Local Audit Wing, Bihar, Patna

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AUDIT REPORT NO.- 411/2008-09

INTRODUCTORY

The accounts of Rajgir Town Planning Authority Nalanda (Rajgir) for the period 2004-05 to 2007-08 were test audited by an Audit Party of the office of the Accountant General (audit) (Local Audit Wing) Bihar, Patna. during the period from 24.09.08 to 04.10.2008.

2 ADMINISTRATION

NAME OF SECRETARY CUM EXECUTIVE OFFICER

(i)	Sri Gobind Narain Akhauri	01.04.2004 to 12.05.06
(ii)	Sri Surendra Kumar Sinha,	13.05.06 to 12.01.08
(iii)	Sri Kumar Aroon Prakash.	13.01.08 to 31.03.08

3. SCOPE OF AUDIT

A list of records and registers produced and test checked in audit have been furnished in **Appendix- I** and those not produced or not maintained have been given in **Appendix- II** to the report.

4. PREVIOUS AUDIT REPORT

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

Sl. No.	Reference to Audit Report	Para Outstanding
1	76/ 90-91 for the year 1985-86 to 1989-90	N.A
2	Not available / for the year 1990-91 to 1993-94	N.A
3	Not available for the year for the period 1994-95 to 2000-2001	
4	A/R No. 12/ 2004-2005 for the year 2001-02 to 2002-2003	24
5	A/R No. N.A – for the year 2003-04	N.A

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 Report.

The Executive Officer of Nagar Panchayat Rajgir is requested to take effective steps for furnishing compliance of audit reports early.

(No disposal of Audit Report furnished to Audit)

5. OVERVIEW

The Rajgir Town Planning Authority Nalanda Rajgir was not financed by any Grants from State Government during the period of audit and it has only own resources. A summary of receipts and payments of the Authority is given below: -

		2004-05 (in lakh)	2005-06 (in lakh)	2006-07 (in lakh)	2007-08 (in lakh)
1	Opening Balance	135.10	147.72	156.10	165.96
2	Receipt				
(i)	Grant from State Govt.	Nil	Nil	Nil	Nil
(ii)	Own sources	13.63	9.13	10.58	12.06
3	Total	148.73	156.85	166.68	178.02
4	Expenditure				
(i)	Establishment + Recurring charges	1.01	0.75	0.72	1.40
(ii)	Execution of Scheme	Nil	Nil	Nil	Nil
5	Closing Balance	147.72	156.10	165.96	176.62

(Vide detailed in Appendix- III, IV, V & VI of the report)

6. IMPORTANT AUDIT FINDINGS

Sl. No.	Particulars	Reference to paragraph No.
1	Budget Estimate not prepared & got approved for 2004-05 to 2007-08	8

2	Investment Register not maintained	10
3	Stock Register/ details of Land of Authority not maintained	11
4	Land rent not realized	13
5	Irregular Appointment	14
6	Irregular drawl of Medical Advance	15

7. BRIEF HISTORY OF THE FUND

Rajgir town planning Authority Nalanda Rajgir was established under the Act the Bihar town planning and Improvement trust Act, 1951. The fund became inactive vide Bihar Nagar Palika Bihar Adhyadesh. No. 2-2007 No.- 4/ न०नीति-०२/२००७ ३६३./ न०वि०वि० पटना दिनांक ०१.०२.२००७ and staffs along with property of the Authority are merged in the Nagar Panchayat, Rajgir. W.E.F. 12.01.2008.

The office of the Rajgir Town Planning Authority, Nalanda, was at commissioner Patna and Secretary Cum Executive Officer of the ibid fund (till 12.01.08) was P.A to Commissioner, Patna.

Movable and immovable property of the Rajgir Town Planning Authority Nalanda Rajgir became the property of the Rajgir Nagar Panchayat, Rajgir W.E.F. 01.02.07 but actually it was merged on 13.01.08.

The cash Book balance/ properly actually transferred in pen and paper to D.C.L.R-Cum Executive Officer Nagar Panchayat Rajgir on 12.01.08 A.N.

8. BUDGET ESTIMATES

Budget estimates for the period 2004-05 to 2007-08 were not prepared and sanctioned by the planning Authority for submission to the State Government for approval as required under Section 104 to 106 of the Bihar town planning and Improvement trust Act. 1951.

Thus, the expenditure incurred without approval of Budget (Rs. 3.88 lakh) was irregular as under.

1	2004-2005	1.01 lakh
2	2005-2006	0.75 lakh
3	2006-2007	0.72 lakh

4	2007-2008	1.40 lakh
	Total	3.88 lakh

Rs. 3.88 lakh is held under objection pending approval of State Government.

Thus, attention of the Authority/ State Government is invited towards the above irregularity.

9. CASH BOOK

Irregularities in the maintenance of the Cash Book were as under:-

- (i) Cash Book was closed each day whenever any transaction took place and not at the end of each month.
- (ii) Monthly progressive totals of receipts and expenditure were not struck off.
- (iii) Serial number of vouchers was not indicated.
- (iv) Against receipts book challan number and the date was not indicated Amount were received without issue of any money receipt and were directly deposited into the bank account of the Authority.

CASH BALANCE AS ON 31.03.08 AS PER CASH BOOK

S.T.D.R	Rs. 42,386.00
S.T.D.R	Rs. 12,30,917.00
S.T.D.R	Rs. 66,84,439.00
S.T.D.R	Rs. 94,00,000.00
S.B A/c	Rs. 1438.59- A/c No. 11049768678- Patna S.B.I.
S.B A/c	Rs. 30,2545.00 – A/c No. 30300113884- Rajgir
Total	Rs. 17661715.59

A/c No. 11049768678 bearing balance Rs. 1438.59 may please be got closed and the same may be got transferred to S.B. A/c No. 30300113884 S.B.I. Rajgir.

10. INVESTMENT

Authority fund Rs. 1,73,57,782.00 was kept in STDR from time to time but investment register was not maintained.

The following amounts as detailed below were found in S.T.D.R. as on 31.03.08. The original S.T.D.R were kept in the State Bank of India Main branch Gandhi Maidan, Patna and

photocopy of S.T.D.R. were shown to audit. The S.B.I. Main Branch, Patna has given in writing that original STDR were laying in the Safe custody of the Branch.

Sl. No.	STDR No.	Date of issue	Amount invested	Date of investment	Maturity Values	Date of Maturity	Remarks
1	830192	28.12.07	42,376.00	28.12.07	N.A	28.12.08	Reinvested
2	830193	05.01.08	12,30,917.00	05.01.08	N.A	05.01.09	..
3	0640035	18.07.2007	66,84,489.00	18.07.2007	72,53,202.00	18.07.2008	..
4	0118265	17.03.08	94,00,000.00	17.03.08	1,02,49,884	17.03.09	-
		Total-	1,73,57,782.00				

Investment Register may be maintained to watch timely reinvestment/ encashment of STDRs.

11. LANDED PROPERTY OF THE AUTHORITY

- (1) Total accrued land by the authority was 146.93 Acres of land (Vide detailed in **Appendix- VII** to the Report)
- (2) Out of 146.93 Acres of land 22.11 Acres of land was given by the authority on lease (Vide letter No. 836/ 28.06.07)

(i)	Indo HoKkey Hotel Rajgir	6 Acres
(ii)	Virayaton Rajgir	8.66 Acres
(iii)	Bihar State Tourism Development Corporation Patna	2.00 Acres
(iv)	Inpaic Hotel & Resorts New Delhi	5.00 Acres
(v)	Sidharth International Hotel, Gaya	0.45 Acres
	Total	22.11 Acres

3. ENCROACHMENT OF LAND

(i)	Indo HoKkey Hotel Rajgir	0.38 Acres
(ii)	Virayaton Rajgir	0.61 Acres
(iii)	Bihar State Tourism Development Corporation Patna	0.29 Acres

(iv)	Burbal Dharmshala Rajgir	0.075 Acres
(v)	Sri Bhushan Dom Rajgir	0.02 Acres
(vi)	PHED. Department (sump)	0.52 Acres
	Total	1.895 Acres

No, legal action was taken against those responsible for encroachment.

The legal action may be taken to release the encroachment with penal rent above @ 2% of the cost may be realized from occupier and pointed out at the time of next audit.

4. Further 03.595 acres of land is under the control of Budha Vihar Society against which 2 acres of land was donated by Authority (as stated) but no documentary proof was made available to audit.

At present 03.595 of land is under possession of the Society irregularity.

The legal action, if any, taken by authority may be pointed out at the time of next audit.

Thus, 119.33 acres of land is only free to be utilised by the authority.

Out of 119.33 acres of land, 19.39 acres of land is cultivated land and rest 99.94 acres (119.33-19.39) of lands are not cultivated land rather have stone/ stone dust.

Details of cultivated land not utilised during the period 2004-2005 to 2007-08 are not furnished. During the period 2008-2009 it was settled (19.39 Acres) and earned Rs. 7,450/- (Credited on 03.04.08).

The following earning assets were not settled during 2004-2005 to 2007-08-

- (i) Settlement of Sauchalya at kund but settled during 2008-09 for Rs. 28,100.00
- (ii) Settlement of 49 platform at kund but settled for Rs. 1,01,000.00 during 2008-09
- (iii) Settlement of 42 palm trees +2 Black Bermes (Jamun) settled for Rs. 2500 during 2008-09.

The above figures indicate that there are leaks of revenue during 2004-2005 to 2007-08.

12. COST OF LAND REFUNDED BUT LEASE RENT NOT REALISED

On scrutiny of the it was revealed that 10 katha of land was settled to the Fugi Peace Pagoda sustaining Committee Japan vide letter No. 1481 dt. 16.11.87 and the cost of land was Rs. 83,333, which was realised vide cheque No. A200 /308824 dt. 01.02.88.

(19)

The amount of Rs. 83,333 was refunded to Fuji Peace Committee vide cheque No. 339799 dt. 18.05.2007 as committee refuse to take possession of the land. The cost of lease rent @ 2% was not realised on 83,333 from 04-05 to 07-08 as calculated Rs. 6,665.00.

The lease rent of Rs. 6,665.00 to be recovered from the Fuji Committee and to be deposited in Authority account and credit of Rs. 6,665 may be pointed out at the time of next audit.

13. LAND RENT NOT REALISED

5 Acre of land was allocated to Impact Travels Pvt. New Delhi at a total Cost of Rs. 96,50,000 for 99 years on lease in 1999. The amount was deposited in four instalments and the annual rent @ 2% for Rs. 1,93,000.00 was to be realised from 99-2000 onwards.

From the audit Report of 2001-02 to 02-03 the rent of Impac Travels was outstanding from 99-2000 to 2002-03 i.e. 4 years @ Rs. 193000 for Rs. 7,72,000. The amount of Rs. 7,72,000.00 was deposited by the lessee vide draft No. 71047 dt. 20.09.04. The rent for the years 2003-04 to 2007-08 i.e. for 5 years @ 1,93,000 per year amounting to Rs. 965000 was remained to be realised. The same may be realised and credited to Authority Fund.

14. IRREGULR APPOINTMENT

The authority created one Post and appointed two persons, each on consolidated monthly. Payment noted against each as under.

Sl. No.	Post	Appointed	Consolidated Amount
1	Clerk	Anil Kumar	4,000.00
2	Peon	Vijay Mistri	2550.00

(Vide Memo No. 1764/ सी० दिनांक - 29.05.1985)

A total sum of Rs. 246937.00 as detailed in **Appendix - VIII +IX** to the report was spent on Payment to the Persons from 01.04.04 to 31.03.08.

COMMENT: -

- (1) Prior approval of the Govt. for the creation of Posts, as required under Section 26 (2) was not obtained.
- (2) Deleted

- (3) The authority made a number of correspondences to the state govt. for post facto sanction/ approval for the creation of posts and for appointment already done, but the Govt. did not take decision/ for approval as yet, rather issued letter No 3/ प्र-2 (वि)- 517/1996-849 (न०वि०वि०) for clarification.
- (4) The case has been instituted by the Patna High Court but no decision has been received as yet (04.10.08)

Rs. 2,46,937.00 is held under objection pending approval of the State Govt. in the case of Sri Anil Kumar (Rs. 1,53,087.00) and in the case of Sri Vijay Mistry Peon (Rs. 93,850/-)

15. ADJUSTMENT OF MEDICAL ADVANCE.

In test check of cashbook it was revealed that Rs. 26000.00 was paid to Sri Vijay Kumar, Peon on a/c of wife Treatment & self Treatment as detailed shown below.

Sl. No	Cheque No. & Date	Purpose	Medical Advance
1	SB 582581/24.07.04	For his wife Treatment recovery in 20 installment Reference of adjustment not mentioned	14000.00
2	SB 593321/08.06.05	Self Treatment 24 instalment deduction @ 500 P.M.	12000.00
		Total	Rs. 26000.00

Adjustment of Rs. 26000.00 was not shown to audit. It was also not confirmed that all advance has been adjusted. Adjustment may be shown in next audit.

16. RESULT OF AUDIT

As a result of audit

- (i) Total cash recoveries effected further = **Nil**
- (ii) Total cash recoveries suggested further = **6,665/-**
- (iii) Total Amount under objection for clarification of issues = **6,34,937.00**
- (iv) Total amount covered under surcharge = **Nil**

(Vide details in **Appendix- X** of the report)

17. **DISCUSSION WITH EXECUTIVES**

All points raised in the report were discussed with executive from time to time during the period of audit and as on 01.10.08.

18. **GENERAL REMARKS**

Maintenance of records/ registers viz Advance ledger, Property Register, investment Register were either not maintained or maintenance was from satisfactory. The encroachment of land by different occupier was not got released. No development work was taken in hand for the development of town, though has Rs. 177.00 lakh found balance in hand (Bank) as on 31.03.08.

The very purpose o the Authority is defeated.

Sd/-
(D.N. SAHAI)
A.A.O.

No. L.A. Sur / 1530

Date:- 25/11/08

Forwarded to the Executive Officer, Nagar Panchayat Rajgir for information and necessary action with the request to place the report before the meeting especially convened for the purpose and to send the reply within three months from the date of receipt of this report through proper channel.

Sd/-
Audit Officer/ Surcharge

Memo No. L.A. Sur./ 1531

Dated:- 25/11/08

Copy forwarded to-

- ✓(i) The Principal Secretary, Urban Development and Housing Department, Government of Bihar, Patna.
- (ii) District Magistrate, ~~Nalanda~~ Bihar Sharif
- (iii) S.O. / Surcharge

Bkunal
Audit Officer, Surcharge