



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

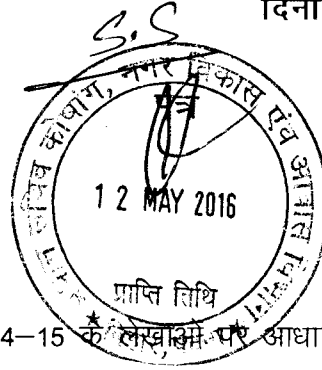
सं०.एल०ए०/एस०एस०-1/श०स्था०नि०/

दिनांक-

सेवा में,

कार्यपालक पदाधिकारी
नगर पंचायत, राजगीर
जिला- नालन्दा

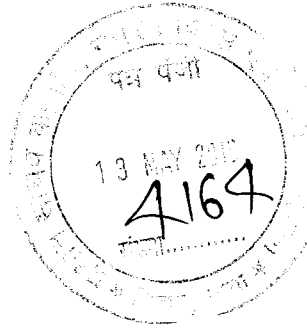
महाशय,



नगर पंचायत, राजगीर के वर्ष 2012-13 से 2014-15 के लेखापरीक्षा प्रतिवेदन सं० 1239/15-16 आपके सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित है। अनुरोध है कि इस लेखापरीक्षा प्रतिवेदन की कंडिकाओं का अनुपालन, लेखापरीक्षा प्रतिवेदन प्राप्ति के 3 माह के अन्दर पूर्ववर्ती लेखापरीक्षा प्रतिवेदनों की लम्बित कंडिकाओं के अनुपालन के साथ अभिप्रमाणित साक्ष्य सहित नगर पंचायत बोर्ड से अनुमोदित कराकर जिला स्तरीय समिति के समीक्षोपरान्त प्रेषित किया/करवाया जाय जिससे लेखापरीक्षा के उद्देश्यों की पूर्ति हो सके।

यह निरीक्षण प्रतिवेदन लेखापरीक्षित इकाई द्वारा समर्पित एवं उपलब्ध करायी गयी सूचनाओं/विवरणों के आधार पर तैयार किया गया है। महालेखाकार (लेखापरीक्षा), बिहार पटना का कार्यालय लेखा परीक्षित इकाई द्वारा किसी भी गलत सूचना देने अथवा सही तथ्य छिपाने की जवाबदेही का दावा नहीं करता है।

संलग्नक: यथोपरि



भवदीय

- ६० -

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

सं०-एल०ए०/एस.एस.-1/श०स्था०नि०/14550/42

दिनांक- 28.4.16

प्रतिलिपि सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित:-

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

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

Nagar Panchayat Rajgir
A.R. No.-1239/15-16
(Period-2012-13 to 2014-15)

Part-I

1. INTRODUCTION

The accounts of Nagar Panchayat Rajgir for the year 2012-13 to 2014-15 were test audited by an audit party of O/o the Accountant General (Audit), SS- I cum Local Audit Wing, Bihar Patna during the period from 30.07.2015 to 10.08.2015.

2. ADMINISTRATION

Sl.No.	Name of Chairman	Period
1.	Dr. Devyani Arya	01.04.2012 to 08.06.2012
2.	Smt. Shakuntala Devi	09.06.2012 to 31.03.2015

Sl.No.	Name of Vice-Chairman	Period
1.	Sri Anil Kumar	01.04.12 to 08.06.12
2.	Sri Shyamdeo Rajvanshi	09.06.12 to 31.03.15

Sl.No.	Name of Executive officer	Period
1.	Sri Santosh kumar	01.04.2012 to 26.11.2012
2.	Sri Shiv Shankar Prasad	26.11.2012 to 31.03.2015

3. SCOPE OF AUDIT

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

4. PREVIOUS AUDIT REPORT

In spite of several requests and reminders for compliance of outstanding paras of previous audit reports, the same was not produced by the unit. It's once again requested that Suitable steps may be taken for compliance of outstanding paras of previous audit reports. Non-compliance of outstanding paras defeats the very purpose of the audit.

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5. RESULT OF AUDIT

- (1) Amount recovered at the instance of audit- 0
- (2) Amount suggested for recovery- 2819338
- (3) Amount held under objection- 984048

(Appendix- VI)

6. INTERNAL AUDIT

The Bihar Municipal Account Rules (Rules 20, 66, 60, 30, 32, 64 to 66, 83, 84 & 127), provides a number of internal checks, which would be exercised either by the chairman, Vice-Chairman, Executive Officer or any other responsible officer entrusted for the purpose by the commissioner at a meeting. Those checks were prescribed in the rule in order to have proper control in maintenance, co-ordination and also to avoid serious irregularities in the Municipal Accounts.

But no such checks as prescribed in the above rules were conducted by any of the authorities of the Nagar Panchayat and for want of that a lot of irregularities were noticed.

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

DISCLAIMER

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

PART-II

SECTION-'A'- Zero

SECTION-'B'

PARA 1: Non/Short-Credit Rs. 47,242.00

During the audit of Holding tax Receipts and Miscellaneous Receipts of Nagar Panchayat Rajgir, through their daily collection registers, cashier cashbook and bank statements for the period 2012-2015, it was found that there were differences in revenue collected and amount deposited in Bank/Treasury.

The following taxes/receipts were collected and submitted to Cashier through MR but neither deposited in Treasury nor entered in Cashier/PLA cashbook.

S.No	Receipt No.	Date of Collection	Amount Collected	Amount Deposited	Short By(Rs)	Collector	Remarks
1	3048 (HR)	23.08.13	5792	5792	1356 ✓	Rakesh Ranjan Sinha	Tax collected for 3 4 years instead of 5 years.
2	520-532 (MR)	-	2960	0	2960 ✓	Anil Kumar	Collected but entry not in Cashbook, not deposited in treasury/bank.
3	1460-1500 (MR)	30.3.15-11.5.15	465	0	465 ✓	-do-	-do-
4	3931-3947 (R)		18,624	0	18,624 ✓	Ramdev Kumar Verma	-do-
5	4020-4040(HR)	2.4.15-30.5.15	14,939	0	14,939 ✓	Shishupal	-do-
6	4041-4045(HR)	8.6.15-30.6.15	8,898	0	8,898 ✓	-do-	-do-
				Net total	47,242		

The short-credit amount Rs 47242 may be deposited by concerned collector and shown to the next audit.

Reply: -The unit replied that the above amount will be deposited in related account and the copy of proof of deposition will be sent.

The above amount of Rs. 47242 is suggested for recovery from person(s) concerned as it has not been recovered.

PARA 2: NON DEDUCTION OF COMPENSATION FOR LATE COMPLETION OF SCHEMES.

As per clause 2 of condition of contract schedule XLV form No. 21, BIHAR PUBLIC WORKS DEPARTMENT compensation was to be deducted from the payments of bills for delay in completion of schemes @1/2 % per day of Estimates maximum of 10% of the estimated cost.

There was no deduction of compensation for delay in completion of schemes. A total sum of Rs 780698.00 should have been deducted but the same was not deducted on A/C. (Details has been furnished in Appendix- III to the report)

Hence non deduction of compensation for late completion of schemes resulted in excess payment to contractors. The sum of Rs 740591 is suggested for recovery from persons responsible.

REPLY:- The unit replied that the suggestions will be taken care of in future but this reply is not acceptable, as it does not justifies the reasons for non- deduction. The total sum of Rs 740591 is suggested for recovery from person(s) responsible.

PARA- 3 EXCESS PAYMENT IN BRGF SCHEME

On scrutiny of BRGF scheme register it was found that excess payment of Rs. 9000 was made to agents /contractors the details of which is as under:-

Sl. no.	Scheme no.	Agent	Estimate	Final payment	Excess payment
01	05/12-13	Gauri Shankar Singh	417000	426000	9000

The reason for excess payment may be explained in the Audit.

The unit replied that the amount of Excess payment will be recovered. Hence Rs. 9000 is suggested for Recovery.

PARA 4: DIVERSION OF 13TH F.C. GRANT RS. 424548.00

As per Government instructions vide letter no. UD&HD -4713 dated 17.08.10 the grant of 13th F.C. was to be spent on the following items:-

- (i) Minimum 50% of the grant on solid waste management;
- (ii) Providing drinking water through pipe line including its maintenance;
- (iii) Electricity bill of providing lighting facilities on road and supply of drinking water;g
- (iv) Construction of old age home/rain basera including maintenance.

But from the test scrutiny of scheme Register of the works of 13th F.C for the period under Audit revealed that some schemes were not executed as per guideline resulted in diversion of Rs. 424548/- Details are as under-

Sl. No.	Scheme No.	Estimate	Expenditure	Type of scheme
1	2/14-15	268569	268569	Construction of fencing of circus ground
2	3/14-15	52145	51933	Hand pump
3	4/14-15	52145	52023	Hand pump
4	5/14-15	52145	52023	Hand pump
		Total	424548	

It was asked to point out

The unit replied that all the schemes have been passed by the board of Nagar Panchayat. This reply is not satisfactory because the schemes executed are not according to the guidelines of 13th FC. Hence the above amount of Rs. 424548 is held under objection.

PARA 5: NON DEPOSIT OF PENSION ADVANCE IN BANK ACCOUNT

On scrutiny of general cashbook, PLA cashbook and vouchers related with Indira Gandhi Rashtriya Vridha Pension (both general and special) yojana, Indira Gandhi Rashtriya Vidhwa Pension (both general and special) yojana, Lakshmibai samajik suraksha pension (both general and special) yojana, Bihar Rajya nih-shaktata pension yojana it was found that till 31st march 2015 a sum of amount Rs.159300 was undisbursed and was still held by respective disbursing agents as cash in hand. The details of which is mentioned below-

Sl.no.	Date	Particular	Page no of cashbook	Amount	remarks
01	10.01.13	Pension	34	31000	Advance of girendra kumar
02	09.10.14	Pension	46	9000	Advance of sri pramod kumar
03	29.11.14	Pension	49	24200	Advance of sri pramod kumar
04	03.02.15	Pension	52	40100	Advance of sri pramod kumar
05	13.06.14	Pension	42	54000	Advance of sri pramod kumar(In place of voucher of 417200 amount adjusted was 471200 hence resulting in excess adjustment of Rs 54000 vide voucher no. 02/2014-15)
				158300	
01	14.07.11	Vr. Adjusted	44	32100	Voucher pending for adjustment of sri pramod kumar
Outstanding Advance to be deposited				126200	

As per provisions of Rule 22 (1) of Bihar Municipal Accounting rule 2014, all money transactions to which any member, officer or employee of a municipality in his official

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capacity is a party shall without any reservation, be brought to account. All moneys received shall be lodged in a treasury or nationalised bank account to the credit of The Municipality on the same day or latest before noon on the following working day. Also according to section 343 of Vol.1 of Bihar Financial Rule grants received for special purpose should be returned if no further expenditure is possible.

Audit observation:-

(1) Reason for non-adherence and keeping amounting to cash in hand Rs. 126200 was not explained to audit.

REPLY:- The unit replied that the outstanding advance will be deposited soon and the Audit will be informed of the outcome. Hence the above-said amount of Rs. 126200 is recoverable from the concerned person(s).

PARA 6: DELETE

PARA 7: IRREGULARITIES IN RENOVATION OF MUKTIDHAM

The renovation of Muktidham was done from the Fund available under Fourth SFC, the work was split into two part namely:-

1. Scheme No. 4/2014-15 Fourth SFC, Construction pacca platform and pacca floor inside the boundary of muktidham part I Estimated Value Rs 997340.00 extended by Rs 355500.00, totalling to Rs 1352890.00. The extension of work was as per the decision by the Empowered Standing Committee in meeting dated 15.10.2014

Tender of Sri Ashok kumar Sinha was awarded the work on BOQ/ Estimated rate vide work order No.01 Dated 09.08.2014, the same was completed on 09.10.14 having measured value of Rs 997340.00 Measured value of work done was as under:-

Sl. No.	A/c Bill No.	Work value
1.	First on A/c Bill	434178
2.	Second on A/c Bill	169262
3.	Third on A/c Bill	393900
	Total	997340

A separate estimate was prepared for work amounting to Rs 355500 by the Assistant Engineer Nagar Panchayat Rajgir, TS was also given by the Assistant Engineer Nagar Panchayat Rajgir.

No Tendering was done for the additional part and the work was awarded to Sri Ashok kumar Sinha vide work order No. 05 dated 31.10.14 The work was completed on 09.12.2014

Irregularities in execution of tendered work:-

Sl. No.	Item of work	Quantity as per estimate	Quantity as per bill done and paid for	Inadmissible@	Amount Rupees
1.	Providing labour for clearing the site	2	10	8@ 168	1344
2.	Carriage of local sand	00	215.70 M ³	215.70@164.47	35476.00
Irregularities in execution of untendered work:-					
1	Providing labour for clearing the site	00	108	108@184	19872
2	Providing sand filling in foundation	00	33.44M ³	33.44@213.4	7136
3.	Providing PCC	9.06 M ³	12.08M ³	03.01M ³ @ 4708	14171
4.	Providing precast cement concrete blocks 500 mm		144.98 M ³	144.98 M ³ @527.18	76430
				Total	154429

There was payment of Rs 154429 for work either not provided in BOQ and Estimate.

2. Scheme No. 5/2014-15 Fourth SFC, Construction of Boundary wall, Staircase, platform and other work of Muktidham Part II. Estimated Value Rs 578000.00 extended by Rs 204000.00, totalling to Rs 782000.00 The extension of work was decision by the Empowered Standing Committee in meeting dated 15.10.2014

Tender of Sri Ashok kumar Sinha was awarded for the work on BOQ/ Estimated rate vide work order No.02 Dated 09.08.2014, the same was completed on 13.10.14 having measured value of Rs 574678.00 Measured value of work done was as under:-

Sl. No.	A/c Bill No.	Work value
1.	First on A/c Bill	281165.00
2.	Second on A/c Bill	220485.00
3.	Third on A/c Bill	73078.00
	Total	574728.00

A separate estimate was prepared for work amounting to Rs 204000 by the Assistant Engineer Nagar Panchayat Rajgir, TS was also given by the Assistant Engineer Nagar Panchayat Rajgir.

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No Tendering was done for the additional part and the work was awarded to Sri Ashok kumar Sinha vide work order No. 06 dated 31.10.14 The work was completed on 09.12.2014

Hence the total cost of renovation work was Rs 1676340.00 which first split into two parts. There after extended by Rs355500.00 and Rs 204000.00 in part I and Part II respectively. This resulted in increase in cost of the project to Rs 2134890.00

Audit observation / comment

1. The work was split into two, the reason for the same was not pointed out in audit. It was also asked to be pointed out why it may not be assumed that the work was split to avoid the sanction of higher authorities.
2. Both the schemes were extended after the completion of work. In both the schemes, 4/2014-15 and 5/2014-15 work order was issued on 09.08.14 and completed on 09.10.14 and 13.10.14. it was not explained in audit why the need for more/ extra work was felt after the completion of both the schemes. The extension of work was as per the decision by the Empowered Standing Committee in meeting dated 15.10.2014. it may be pointed out in Audit why the exact quantum of work was not pointed out in the report submitted prior to the preparation of Estimates. It may also be pointed out why it may not be assumed that the work was short assessed to avoid the sanction of higher authorities.
3. It was not explained in Audit in case of scheme No. 4/14-15 why deviation to the agreed items/ quantities was allowed and paid for. There was no provision for labour for site clearance in the extended part, and also when already the site was cleared in original/first part there was need for it but the same was also allowed in the bill. The reason for the same may be pointed out.
4. It was not pointed out why the total sum of Rs 559500.00 paid for extended parts of the schemes was irregular as:-
 - (a) The estimate were technically sanctioned by the same person who prepared the estimate.
 - (b) Separate work orders were issued without tender.

The points raised in audit were not clarified to audit.

REPLY:- The unit replied that for the renovation of Muktidham two schemes have been approved by the board of Nagar Panchayat Rajgir. Extra executed work was executed on the

basis of decision taken in the meeting of Empowered committee. Regarding technical irregularity a clarification from Jr. Engineer and Asstt. Engineer will be asked for and the Audit will be intimated with the outcome.

The reply does not clarify the objections raised in audit. Therefore pending clarification the amount of irregular expenditure i.e. Rs. 559500 is held under objection.

PARA 8: Payment of carriage of material (551876)

The test check of scheme files of different grants revealed that a total sum Rs 551876.00 was paid on account of carriage of material in schemes. Statement showing carriage of material on materials used in different schemes-

Sl. No.	Scheme No.	Bricks	Stone chips	Q Sand	Local Sand	Earth
1	15/13-14 BRGF	5411	38736	6347	5167	
2	17/13-14 BRGF	8230	26363	6298	00	
3	16/13-14 BRGF	4089	29277	4800	7976	
4	18/13-14 BRGF	00	28050	4597	3756	
5	20/13-14 BRGF	9194	73113	11984	8161	
6	21/13-14BRGF	5452	40362	6616	1063	
7	22/13-14 BRGF	7500	33286	00	5840	
8	8/13-14 BRGF	4393	34140	5596	00	
9	9/13-14 BRGF	1920	13817	00	2242	
10	1/13-14 FSFC	11832	73692	12080	10496	
	Total	58021	390836	58318	44701	

The Mines and Mineral concession Rules 1972 and Government vide letter No. 585 dated 21.03.2007. Deptt. of Mines and Mineral directed that carriage of materials will only be allowed if the contractor submits challans along with M&N form for all the materials purchased and used in the schemes.

Audit observation/comment

1. Neither challans of material used nor M&N forms were found present in any of the files test checked in audit.
2. The reason for making following payment on account of carriage of materials without submission of the above said documents was asked to be pointed out.

REPLY:- The unit replied that no guidelines regarding carriage of material has been received from the govt. It will be deducted from schemes after such guideline is received. The reply does not justify the payment of carriage of material and as it is against the govt. order, the above amount of Rs. 551876 is suggested for Recovery

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PARA 9: REGISTRATION AND RENEWAL FEE NOT REALISED FROM MOBILE TOWER RS.11.90

LAKH

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

As per the said rules, any operator who has already erected in the past or intends to erect any communication tower shall made an application to the Municipal council along with the requisite fee i.e. registration fee @Rs,30,000.00 per tower land annual fee @ Rs.8,000.00 per annum per tower.

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

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

As per records and documents such as miscellaneous receipts, cashier cash books, general cash books etc. produced by Nagar Panchayat, it was noticed that only Rs.1,48,000 was realised from communication towers installed in Nagar Panchayat during 2012-13 to 2014-15 resulting in at least loss of Rs. 1190000 (Appendix-IV)

REPLY:- The unit replied that for recovery of above amount concerned managers of mobile towers will be sent notices and the outstanding amount will be recovered. Hence it is suggested that outstanding mobile tower fee amounting to 1190000 may be recovered at the earliest.

PARA 10: DELETE

PART-III (TAN)

TAN-1 -- NON PREPARATION OF ANNUAL ACCOUNTS

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

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

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

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

The test check of the Records of Nagar Panchayat revealed that the accounts and statements given above were not prepared, the reasons for the same may be pointed out in audit. The unit replied that the above suggestions will be complied in future.

TAN-2: THE SCHEMES OF NAGAR PANCHAYAT NOT SENT TO DISTRICT PLANNING COMMITTEE

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

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

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

Audit Observations:-

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

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

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TAN-3: : NON SUBMISSION OF QUALITY CERTIFICATE IN EXECUTION OF SCHEMES

During 2012-15 in Nagar Panchayat Rajgir payments were made against vouchers submitted in schemes of different funds, i.e, BRGF, 12th FC, 13th FC. According to the directions of the government, quality test of every schemes of municipal body is to be done by Executive Engineer, Quality Control.

But in Nagar Panchayat Rajgir all the payments were made without quality tests. The reason for such payments made to the contractors without the quality certification was not made clear in the audit.

The unit replied that the above suggestions will be taken into consideration for future.

TAN-4: NON COMPLIANCE TO ACCOUNTS RULES IN PREPARATION OF BUDGET

1. Budget not prepared in proper Format

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

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

2. Public participation in preparation of the Budget

The following are the provisions of Rule 132:-

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

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

The Nagar Panchayat did not take inputs through Ward Committee or other such public forum and hence did not comply with the provisions of Rule 132 of Bihar Municipal Accounts Rule. The reasons for the same were not furnished to Audit.

3. Mid-year Review of the Budget

The following are the provisions of Rule 139:-

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

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

It was noticed that no Mid-year Review of the Budget was done, the reasons for the same were asked to be pointed out but the unit did not furnish the same. The unit replied that the above suggestions will be complied in future.

TAN-5: HUGE DEVIATION FROM BUDGET ESTIMATION

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

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

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

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

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

Description	FY2012-13	FY2013-14	FY2014-15
Estimated Receipts as per budget	Not Available	203570514	305780350
Actual income	181039933	192841907	---
Percentage of Budget	--	--	--
Estimated Expenditure as per budget	Not Available	200613395	305636000
Actual Expenditure	167747894	169756129	--
Percentage of Budget	--	--	--

Audit observations:-

- The reason for preparing fictitious budget and non-adherence of above said rules was not furnished to audit.

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

TAN-6: MUNICIPAL SOLID WASTES MANAGEMENT, COLLECTION AND DISPOSAL

Provision regarding Municipal Solid Wastes Management, Collection and Disposal have been provided in section 220 to 230 of Bihar Municipal Act 2007. Functions of Municipality in the respect of solid wastes management and handling- Subject to the provisions of section10, the Municipality shall, within the municipal area, be responsible for implementation of the rules made by the Central Government in exercise of the powers

conferred by the Environment (protection) Act, 1986, to regulate the management and handling of municipal solid wastes and for development of any infrastructure for collection, storage, transportation, processing and disposal of such solid wastes.

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

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

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

The Nagar Panchayat did not carry the following responsibilities:-

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

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

2. Segregation of municipal waste

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

3. Storage of Municipal Solid Waste.

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

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4. Transportation of Municipal Solid waste.

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

5. Processing of Municipal Solid Waste.

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

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

6. Disposal of Municipal Waste.

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

Audit observation/ comments:-

1. It was asked to be pointed out why no system of collection of solid waste from house to house was developed.
2. It was asked to be pointed out why Segregation of municipal waste was not done
3. It was asked to be pointed out why no Storage of Municipal Solid Waste was done.
4. It was asked to be pointed out why Transportation of Municipal Solid waste was not done in accordance with the provisions of this rule.
5. It was asked to be pointed out why no. Processing of Municipal Solid Waste done.
6. It was asked to be pointed out why Disposal of Municipal Waste was not done in accordance with the Rule.

It may be concluded that the municipal authority totally failed in its duties of solid waste management.

The unit replied that the above suggestions will be taken into consideration for future

TAN-7: (1) DISCREPANCIES IN CASH BOOKS

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

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

- (iv) Accountant cashbook was not maintained instead many subsidiary cashbooks were maintained straight away
- (v) PLA account was not maintained properly.
- (vi) Any of the cash book was not reconciled with the statement of bank.

The reason for the above was asked to be explained in the audit.

(2) Non Maintenance of Grant Register

The Nagar Panchayat did not maintain the grant register for the year 2012-15. Due to non maintenance of grant register, the actual position of grants received during 2012-15, spent during the period and remained unspent at the end of the year 2014-15 i.e. on 31.03.2015 could not be ascertained in audit.

However, from the scrutiny of the cashbook and treasury register, it was observed that a sum of Rs 64,44,45,102 was received as grants during the period 2012-15.

The non-maintenance of grant register and the reason for the same was asked to be explained in the audit.

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

TAN-8: (A) NON-REALISATION OF HOLDING TAX FROM GOVT. BUILDING RS. 3624349.00/-

On scrutiny of outstanding holding tax on govt. building for the year 2012-13 to 2014-15, it was found that Rs.3624349.41/- was still to be realised as on 31st March 2015 from various defaulters.

Suitable steps may be taken to realise the outstanding fee amounting Rs. 3624349.41/- at the earliest and non realisation of the same may be explained in the audit.

(B) NON-REALISATION OF LICENSE FEE RS. 500000.00/-

On scrutiny of details of trade account for the year 2012-13 to 2014-15, it was found that Rs.500000/- was still to be realised as on 31st March 2015 from various trade license holder.

Suitable steps may be taken to realise the outstanding fee amounting Rs. 500000.00/- at the earliest and non realisation of the same may be explained in the audit.

REPLY:-

- (1) The unit replied that outstanding tax on govt. building is being calculated. When it will be over then notices for recovery of outstanding tax will be issued and it will be recovered.
- (2) The unit replied that outstanding tax will be recovered.

Hence the above amounts are recoverable.

TAN-9: - Blockade of grant (530.88 lakhs)

According to the rule 343 of Bihar Financial Rule vol.1, if no expenditure is required from grant received for special purposes then it must be returned to the govt. in-toto.

During the test audit of accounts of Nagar Panchayat Rajgir it was found that neither the balance of various heads was returned to treasury nor any scheme was executed and hence a sum of Rs 53088778 was lying in the accounts of Nagar Panchayat on 31.03.2015. Details has been furnished in appendix- V

According to rule 300 of Bihar Treasury Code money is to be drawn only when it is urgently needed. The reason for the same was explained to audit.

Reply:- The unit replied that the blocked amount will be spent this financial year i.e. in 2015-16 after selection of related schemes.

TAN-10:- Outstanding Holding-Tax Amount as on 31.03.15 Rs 72.34 lacs

During the scrutiny of Holding-Tax collection in the period 2012-15, the demand and collection data provided was as below:-

Arrear as on 31.03.15-	Rs 51,77,353.00
Current demand of the year:-	<u>Rs 34,51,000.00</u>
Net-	Rs 86,28,353.00
Collection from Arrear:-	Rs 9,76,206.00
Collection of Current year:-	<u>Rs 4,17,730.00</u>
Net-	Rs 13,93,936.00

Outstanding tax amount as on 31.03.2015 is Rs 72,34,417.00

In the period 2012-15 a total of 7 tax collectors were employed by Nagar Panchayat on contract basis(4% commission), but the fact that only 16.16% of the Net Demand of the current year was collected shows lack of efforts towards revenue collection.

The unit replied that outstanding tax will be recovered. Hence the above amount is recoverable.

TAN-11 Late deposition of Holding-Tax Collection

As per provisions of Rule 22 (1) of Bihar Municipal Accounting rule 2014, all money transactions to which any member, officer or employee of a municipality in his official capacity is a party shall without any reservation, be brought to account. All moneys received

shall be lodged in a treasury or nationalised bank account to the credit of The Municipality on the same day or latest before noon on the following working day.

Defying all the rules, the Tax Collectors of the Nagar Panchayat Rajgir, Nalanda are in a habit of depositing the tax collected after a month or more to the treasury/bank of the Panchayat. Late deposition not only causes public money to be misused but also cause loss of government revenue by loss of interest that should have been earned on that sum for the period in which was the amount not deposited.

Audit Observations:-

1. Reasons for late deposit in treasury/bank of Holding-tax collection in the period 2012-2015 not furnished to the audit.
2. It asked on what order/instructions such a delay in deposit of Panchayat's revenue had been allowed so far?
3. Strict obedience of the above mentioned guidelines should have been ensured by the Nagar Panchayat authorities.

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

TAN-12 Non Revision of Assessment

As per the provisions of section 127 (13) of the Bihar Municipal Act 2007 the annual value of holdings are to be reassessed (in increasing order) and the roads re-categorized after every five years.

The examination of the records, registers and Accounts produced in audit revealed that the last assessment was done in the year 2007. Reassessment was not done even after laps 13 years.

Non revision of assessment of annul value of holdings was giving the Nagar Panchayat recurring losses year after year.

The reason for the same was asked to be pointed out.

REPLY:- The unit replied that in the light of table made available by the govt. the prevailing rates have been imposed from 2007.

TAN- 13 Non-Realisation of Revenue in the form of Holding-tax, Rs. 102.64 lacs

As per the demand and collection data provided by the Nagar Panchayat Rajgir, sum of Rs 86,28,353 was the net demand as on 31.03.2015(arrear+ current demand of the year) from a total of 3500 Holdings in the Nagar Panchayat territory.

Average= Current demand/Total number of Holdings.

$$=3451000/3500 = 986$$

And, Recurring Loss of Rs. =Average* Left Out Buildings* 3 years

$$=986*3470(6970-3500)*3$$

$$=10264260$$

However as per the Census 2011, the total holdings in the Nagar Panchayat Rajgir were 6970.

The average collection due from a total of 3500 holdings was Rs. 2465.24, which implies the rest of the holdings could have contributed a tax sum of Rs 10264260.00.

Audit observations:-

- The reason for ignorance towards a revenue collection of a figure as much as Rs 102.64 lacs was not pointed out to the audit.
- The Nagar Panchayat did not explain the efforts put towards the imposition of taxes on the remaining 3470 Holdings(as per census 2011)
- Nagar Panchayat did not clarify what was the current number of total Holdings in their jurisdiction as on date.

REPLY:- The unit replied that holdings of Scheduled area included in the census will be brought under taxation net.

DISCUSSION WITH THE EXECUTIVE

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

GENERAL REMARKS

There was much scope for improvement in the maintenance of records and registers. All the amount either grants or its own sources were kept in a single cash book but neither the subsidiary cash book (head wise) was maintained nor closing balance was analysed. The important and basic records like demand and collection register of holding tax, advance ledger, grant register, annual accounts, assets register, log book of vehicles etc. were not maintained. The percentage of collection of taxes/fees or other own sources was very poor. Effective steps may be taken to improve the maintenance of accounts and increasing of its own sources.

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DHEERAJ KUMAR
(Assistant Audit Officer)

-Approved-
Deputy Accountant General (S.S-I)
-Cum-
Examiner of Local Accounts, Bihar

Appendix- I

List of records and registers produced to audit

- 1) Cashbook of 13th FC, BRGF, 4thSFC and other heads of accounts.**
- 2) Bank Passbook ¼Of above cashbooks½.**
- 3) Scheme Register (Of above Schemes) and Scheme files.**

Appendix- II

List of records and registers either not produced or not maintained or produced in incomplete form

- 1) Receipt and Payment Account.**
- 2) Annual Account.**
- 3) Grant Appropriation Register.**
- 4) Monthly Progress Report.**
- 5) Utilisation Certificate.**
- 6) Asset Register.**
- 7) Advance Register.**
- 8) Internal Audit Report**

Appendix- III

Sl. No.	Scheme No. (Advert No.)	Estimated cost	Due date of completion	Date of completion	Compensation
1	1/13-14 BRGF	152490	03.05.14	16.06.14	15249
2	2/13-14 BRGF	203040	03.05.14	18.07.14	20304
3	3/13-14 BRGF	152280	03.05.14	22.07.14	15228
4	4/13-14 BRGF	203040	03.05.14	17.08.14	20304
5	5/13-14 BRGF	152270	03.05.14	19.06.14	15227
6	7/13-14 BRGF	203040	03.05.14	04.07.14	20304
7	8/13-14 BRGF	203040	03.05.14	15.06.14	20304
8	9/13-14 BRGF	101265	03.05.14	24.05.14	10126
9	10/13-14 BRGF	248950	03.05.14	18.07.14	24895
10	11/13-14 BRGF	250730	03.05.14	15.06.14	25073
11	12/13-14 BRGF	648920	03.05.14	15.07.14	64892
12	13/13-14 BRGF	369000	03.05.14	07.07.14	36900
13	14/13-14 BRGF	253800	03.05.14	18.07.14	25380
14	16/13-14 BRGF	267906	03.05.14	12.07.14	26790
15	17/13-14 BRGF	249290	03.05.14	19.06.14	24929
16	18/13-14 BRGF	249388	03.05.14	18.08.14	24938
17	19/13-14 BRGF	208801	03.05.14	18.08.14	20880
18	20/13-14 BRGF	456150	03.05.14	25.08.14	45615
19	21/13-14 BRGF	266200	03.05.14	16.07.14	26620
20	22/13-14 BRGF	243230	03.05.14	15.06.14	24323
21	01/14-15 13 th FC	530000	24.11.14	24.12.14	53000
22	23/13-14 4 th SFC	517600	03.05.14	18.07.14	51760
23	03/14-15 4 th SFC	856502	21.09.14	03.01.15	85650
24	02/14-15 4 th SFC	419000	21.09.14	14.04.15	41900
					740591

Appendix- IV

Sl.No.	Name of the communication towers/Address	Date of installation	Registration fees(Rs.)	Annual fees (Rs.)	Total	Deposit	Balance
1.	Bhartiya infratel limited, alankar business centre/yogendra Prasad singh,s/o chote laal singh FDC area rajgir ward no 06	2008-09	30000	56000	86000	30000	56000
2.	Reliance communication/dur sanchar karyalaya kund road Rajgir	2007-08	30000	64000	94000	00000	94000
3.	Bharat sanchar nigam limited/dur sanchar karyalaya	2007-08	30000	64000	94000	---	94000
4.	Vodafone-spacotel/Sanjay kumar singh s/o late nageswar singh,petrol pump ke peche khata-120 khesra-2548	2008-09	30000	56000	86000	80000	6000
5.	Vodafone-spacotel ltd./Jayanti devi, w/o chotelal yadav, block road Rajgir khata-120 khesra-5426	2008-09	30000	56000	86000	80000	6000
6.	Reliance geo /rampravesh yadav s/o laalkeshwar yadav panditpur ward no. 01 khata-126 plot- 161	2013-14	30000	16000	46000	30000	16000
7.	Reliance geo /shanti devi w/o gopal Prasad shiv gali block road	2013-14	30000	16000	46000	30000	16000
8.	Wireless T T info service/Naresh kumar yadav s/o late lala yadav	2008-09	30000	56000	86000	---	86000
9.	Dishnet wireless limited, 4 th floor maharaja kameshwar complex fraser road patna-1/Sri Chandra prakash s/o late chandrahaas mahto, panditpur, Rajgir, ward no -1	2008-09	30000	56000	86000	---	86000

10.	Erond telecom infrastructure private limited, 34 kasturba path s k puri patna-13/Parsuram yadav s/o bangali yadav choti milky, Rajgir, ward no.-17	2011-12	30000	32000	62000	46000	16000
11.	Bharti televenchers limited, 4 th floor uday bhavan fraser road /Soni devi w/o kanhai ram, dhobi tola block road, ward no.15	2004-05	30000	80000	110000	30000	80000
12.	BSNL, telephone bhawan/Rajgir son bhandar ke nikat	2000-01	30000	120000	150000	---	150000
13.	Wireless T T info service/Jagdish mahto s/o late kishun mahto	2008-09	30000	56000	86000	---	86000
14.	ATC Telecom Tower corporation pvt ltd./Anil kumar s/o Dineshwar singh sabalpur Rajgir	2012-13	30000	24000	54000	38000	16000
15.	Wireless T T info service/Suresh Prasad singh s/o nageshwar singh	2008-09	30000	56000	86000	000	86000
16.	Wireless T T info service/Ram naresh prasad s/o ramashish Prasad sabalpur Rajgir ward-7	2008-09	30000	56000	86000	---	86000
17.	Reliance geo /Anubha devi w/o Shiv kumar upadhyay keshav ashram bangali pada Rajgir	2013-14	30000	16000	46000	---	46000
18.	Reliance geo/ Suraj kumar s/o Birbal gope Ganjpar Rajgir	2013-14	30000	16000	46000	---	46000
19.	Postal and telegraph tower	2006-07	30000	72000	102000	---	102000
20.	Reliance geo/Rampraves Yadav s/o Keshwar Yadav, Panditpur Rajgir	2013-14	30000	16000	46000	30000	16000
Total							1190000

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Appendix- V

sl.no.	Name of subsidiary cashbook	Balance as on 31.03.2015
1	13 th finance	2328274
2	4 th sfc	8000000
3	Nagrik Suvidha	11199296
4	Sjsry	3145749
5	Nagrik Suvidha madh	9000000
6	Parshad bhatta	97900
7	Vidhayak madh Chapakal	785716
8	Master plan HUDCO	500000
9	Nagar Panchayat madh	7707057
10	Vanijya kar se prapt aay madh	1291286
11	E-governance Laptop madh	270000
12	Awas sthal nirman madh	3703000
13.	Nagrik Suvidha Samrat Ashok Bhawan Madh	2000000
14.	Parivahan Path Pulia Madh	3060500
Total		53088778

Appendix- VI

Result of Audit

(Related to part- I of para-5)

Sl. No.	Para no.	Amount suggested for recovery	Amount held under objection	Amount recovered at the instance of audit
1	Part II(B) Para 1	47242	00	00
2	Part II(B) Para 2	740591	00	00
3	Part II(B) Para 3	9000	00	00
4	Part II(B) Para 4	00	424548	00
4	Part II(B) Para 5	126200	00	00
5	Part II(B) Para 7	154429	559500	00
6	Part II(B) Para 8	551876	00	00
7	Part II(B) Para 9	1190000	00	00
	Total	2819338	984048	Nil