



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

सं०: एल० ए० /एस० एस० -1/श० स्था० नि०/14375/1338

दिनांक:- 18.09.2013

सेवा में,

प्रधान सचिव, नगर विकास एवं आवास विभाग,  
बिहार सरकार, पटना

नगर परिषद सासाराम के वर्ष 2010-11 से 2011-12 तक के लेखाओं पर आधारित लेखा परीक्षा प्रतिवेदन सं० 548/12-13 आपके सूचनार्थ एवं आवश्यक कार्यवाई हेतु प्रेषित है। अनुरोध है कि इस लेखा परीक्षा प्रतिवेदन की कंडिकाओं का अनुपालन, लेखापरीक्षा प्रतिवेदन प्राप्ति के 3 माह के अन्दर पूर्ववर्ती लेखा परीक्षा प्रतिवेदनों की लम्बित कंडिकाओं के अनुपालन के साथ अभिप्रमाणित साक्ष्य सहित नगर परिषद बोर्ड से अनुमोदित कराकर जिला स्तरीय समिति के समीक्षोपरान्त प्रेषित करवाया जाय जिससे लेखा परीक्षा के उद्देश्यों की पूर्ति हो सके।

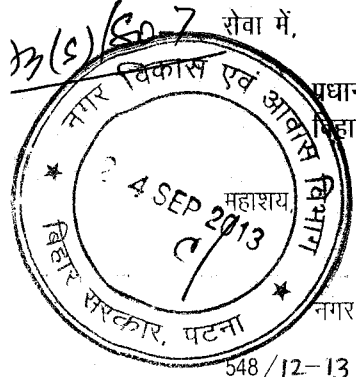
यह निरीक्षण प्रतिवेदन लेखा परीक्षित इकाई द्वारा समर्पित एवं उपलब्ध करायी गयी सूचनाओं/विवरणों के आधार पर तैयार किया गया है। महालेखाकार (लेखापरीक्षा), बिहार पटना का कार्यालय लेखा परीक्षित इकाई द्वारा किसी भी गलत सूचना देने अथवा सही तथ्य छिपाने की जवाबदेही का दावा नहीं करता है।

संलग्नक: यथोपरि

भवदीय,

वरिय लेखा परीक्षा अधिकारी  
शहरी स्थानीय निकाय  
सामाजिक प्रक्षेत्र-I  
बिहार, पटना

~~इस पत्र के साथ महालेखाकार के पत्रांक 1325 एवं 1359 संलग्न हैं।  
जिनका संबंध सासाराम नगर परिषद है।  
की सूची संबंधित संनिका बडी हुई है आता दिशा निर्देश देने की कृपा  
जाय।  
मिलीम  
03-12-13  
प्रशासक पदा 057~~

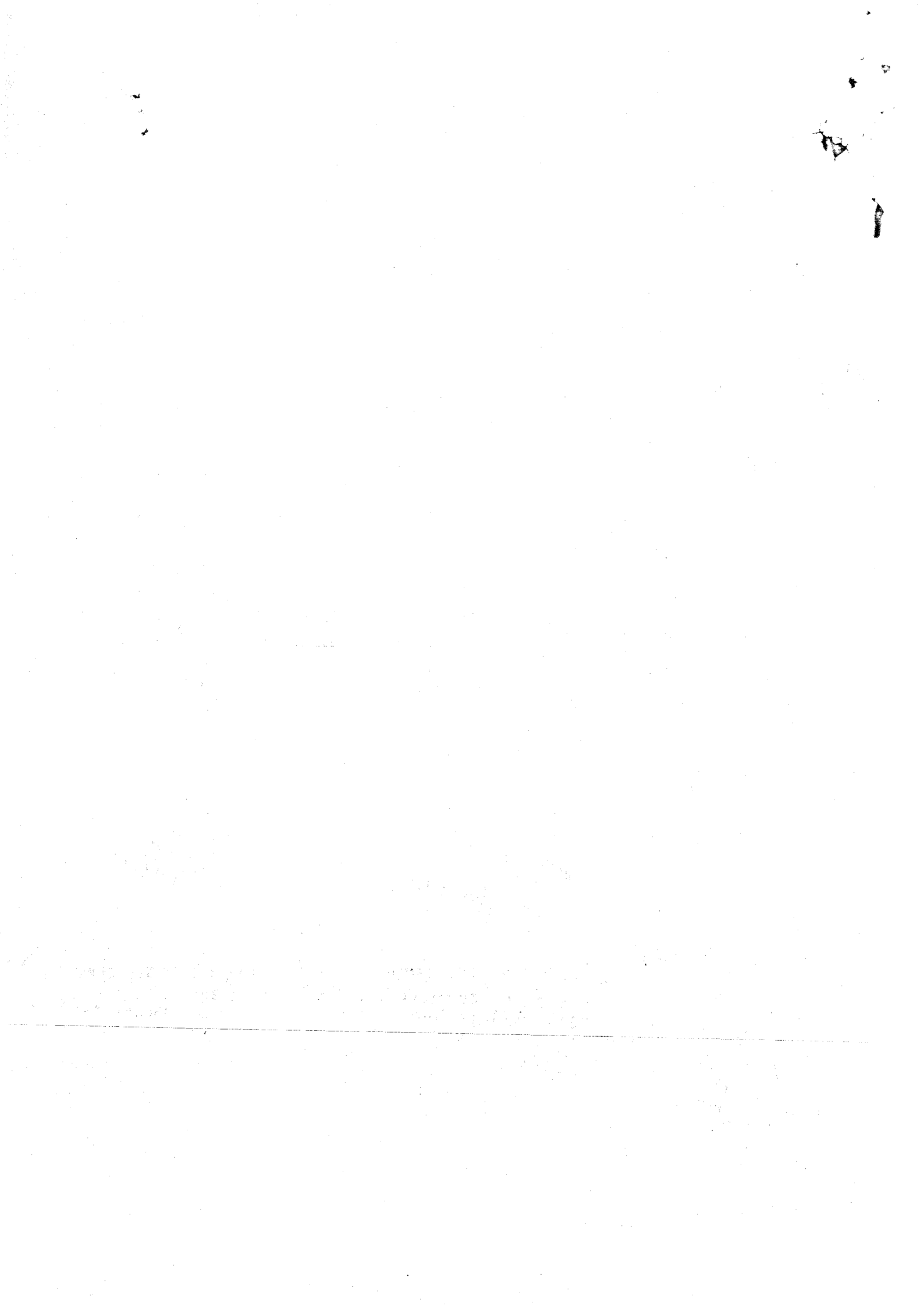


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(51)



150

**Nagar Parishad Sasaram**  
**Audit report no:-548/2012-13**  
**Period-2010-11 to 2011-12**

**1. Introduction**

The accounts of Nagar Parishad, Sasaram for the period 2010-11 to 2011-12 were test checked by audit party of the office of the Principal Accountant General (Audit) Bihar, Patna (Social Sector 1) during the period from 13.12.2012 to 05.01.2013.

**2. Administration**

Sl. No.	Designation	Name	Period
1	Chairman	Vaccant	April 2010 to May 2010
		Smt. Najia Begam	June 2010 to March 2012
2	Vice-Chairman	Vaccant	April 2010 to May 2010
		Chandra Sekhar Singh	June 2010 to March 2012
3	Executive Officer	Shri Sudhir Kumar	01.04.2010 to 04.04.2010
		Vaccant	05.04.2010 to 12.04.2010
		Shri Avinash Kumar	13.04.2010 to 18.06.2010
		Shri Prahalad Lal	19.06.2010 to 31.03.2012

**3. Scope of Audit**

A list of records and registers produced to audit and test checked has been given in Appendix-I and another list of records and registers either not produced or not maintained has been furnished in Appendix -1 (A) to the report.

**4. Internal Audit**

Provision of internal audit in section 97 of Bihar Municipal Act 2007 and the Bihar Municipal Accounts Rules, 1928 (20,60,66,30,64to 65,85&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 meeting. The checks were prescribed in the rule in order to have proper control in maintenance , co-ordination and also to avoid serious financial irregularities in the municipal

9

accounts . But, no such checks as prescribed in the above rules were exercised by any of the authorities of the Nagar Parishad and due to this a number of irregularities were noticed. It is therefore impressed upon the authorities to conduct regular checks to stop recurrence of such irregularities in future.

### ✓ 5. Budget

As per sec 82 to 84 of the Bihar Municipal Act 2007, the Chief Municipal Officer shall prepare a budget each year before the 15<sup>th</sup> Feb and adopt the same by the board before the 15<sup>th</sup> March in each year. After passing the budget, the same may be sent to the State Government and the State Government has to return to the unit before the 31<sup>st</sup> day of March of that year.

Scrutiny of budget file revealed that the budget was neither prepared nor sent to the State Government by schedule date. Vide details are given below:-

Year	Due date of preparation of budget	Due date of adoption by Municipal Board and forwarding the same to Govt.	Actual date of preparation of budget	Actual date of adoption by Municipal Board and forwarding the same to Govt.	Delay in preparation of budget	Delay in adoption by Municipal Board and forwarding the same to Govt.
2010-11	15 <sup>th</sup> of Feb	15 <sup>th</sup> March	30 <sup>th</sup> March	30 <sup>th</sup> March	43 days	15 days
2011-12	15 <sup>th</sup> of Feb	15 <sup>th</sup> March	30 <sup>th</sup> March	30 <sup>th</sup> March	43 days	15 days

When inquired upon reasons for non-adherence to the scheduled date resulting delay of more than a month, the Nagar Parishad replied that the process of preparation of budget had started at time but due to other work and non scheduled board meeting the sanction got some delay, in future the time schedule would be adhered Strongly.

Further scrutiny, revealed that there was wide variation between actual receipt and expenditure and estimated during the year 2010-11 & 2011-12.

Year	Estimated receipt (RS)	Estimated expenditure (RS)	Actual receipt (RS)	Actual expenditure (RS)	Variation in receipt		Variation in expenditure	
					₹	%	₹	%
2010-11	266552000	245506046	75222617	54268684	191329383	71.78	191237362	77.90
2011-12	400520000	396482628	78032755	55174126	322487245	80.52	341308502	86.08

As per letter no SPUR-PMU/068/2010-11/262/UD&HD dated 05-01-2011 of Urban Development and Housing Department, Govt. of Bihar, the approved budget should be so realistic that when compared with the actual do not show variation of more than +10% Contrary to the above direction, the budget for the year 2010-11 and 2011-12 shows variation of 72% to 86% as such the budget seems un-realistic. In reply the Nagar Parishad assured that in future the budget would be prepared after having watch on the real receipt and expenditure of previous years.

#### 6. Overview

The Nagar Parishad was financed by grants received from Central Govt. / State Govt. from time to time and from its own resources. A summary of receipts and payments for the year 2010-11 and 2011-12 is as under:

(A)(i)

P/L Account		DDO code- PLA 131		A/c no. -844800102000-101
		2010-11	2011-12	
1	O.B	49303166	79212062	
2	Receipt			
	(i) Own source	10245025	12708325	(i) Own source
	(ii) 13 F.C	5000000	16756973	(ii) 13 F.C
	(iii) Rajya yojana Road	10120000	5034757	(iii) 4th S.F.C Retirement Benefits
	(iv) Rajya yojana civic amenity	12800000	5000000	(iv) 4th S.F.C Unclassified grant
	(v) Rajya Yojana Drain	8500000	14241266	(v) 4th S.F.C Pay & Allowance

	(vi) Matching grant	8124052	10395517	(vi) 4th S.F.C Development work (high priority)
	(vii) Hand Pump Grant	3200000	14500	(vii) E-governance
	(viii) Allowance for elected Member	162000	162000	(viii) Allowance for elected Member
	(ix) Staff Salary	2557008	2879940	(ix) Stamp fee
	(x) water supply	4759000	3588	(x) Tr. From BOI A/c no 9394
3	Sub total (i to x)	<b>65467085</b>	<b>67196866</b>	
4	total (1+3)	114770251	146408928	
5	Expenditure			
	(i) Establishment, Scheme & other	30314866	36284842	
	(ii) Transfer to SBI A/c 0182	5243323	5131377	
6	Sub total (i to ii)	35558189	41416219	
7	C.B. (4-6)	79212062	104992709	
	Treasury Closing Balance	105819043	Reconciled	

(ii)

Bank of India		Own source	A/c no.
		2010-11	2011-12
1	O.B.	31652	60592
2	Receipt	55800	450
3	Interest	1340	1141
4	Sub total (2+3)	57140	1591
5	Total (1+4)	88792	62183
6	Expenditure	28200	58520
7	C.B.	60592	3663

Balance Amt. Rs. 3663 was transferred to P/L account vide letter no297/06.02.12

(iii)

Coperative Bank		Palika Bazar fund	
		2010-11	A/c no. 3963 2011-12
1	O.B.	466257	194517
2	Receipt	Nil	Nil
3	Interest	10425	6475
4	Sub total (2+3)	10425	6475
5	Total (1+4)	476682	200992
6	Expenditure	282165	186678
7	C.B.	194517	14314

Bank account was closed on 21.03.12 and amt. Rs. 9389 was transferred to SBI A/c 0182 Not reconciled

(iv)

State Bank of India		Pension fund	
		2010-11	A/c no. 30965 2011-12
1	O.B.	185771	56380
2	Receipt		
	(i) 12% of Basic Pay	453476	434521
	(ii) own source (sulabh sauchalaya)	135891	156190
3	Interest	6254	6936
4	Sub total (2+3)	595621	597647
5	Total (1+4)	781392	654027
6	Expenditure	725012	630068
7	C.B.	56380	23959
Bank Closing Balance		23959	reconciled

(v)

State Bank of India		Misc.	A/c no. 1113393-0182
		2010-11	2011-12
1	O.B	7334643	5858734
2	Receipt		
	(i) Own source	1010977	1014206
	(ii) Intrest	274777	258387
	(iii) Kabir Antyesti	660000	780000
	(iv) Salary of City Manager	140000	140000
	(v) Safty from Cold wave	4000	8000
	(vi) Census	579228	1834721
	(vii) By transfer from P.L. A/c.	5243323	5131377
	(viii) Unclassified receipt	10375	
	(ix) BLO		148500
	(x) Security Deposit		1662
	(xi) BY transfer from Crop. Bank A/c 3963		9389
	(xii) Sum Vikas Yojna		49300
3	Sub-total (i to viii)	<b>7922680</b>	<b>9375542</b>
4	total (1+3)	15257323	15234276
5	Expenditure	9398589	8792111
7	C.B. (4-6)	5858734	6442165



149

(B) BRGF

(i)

Canara Bank		A/c no. 19538
		2011-12
1	O.B.	Nil
2	Receipt	5438081
3	Interest	130932
4	Sub total (2+3)	5569013
5	Total (1+4)	5569013
6	Expenditure	541794
7	C.B.	5027219

Bank closing Balance 5027219 Reconciled

(ii)

Bank of India		2010-11	A/c no. 0003
			2011-12
1	O.B.	16385987	9165661
2	Receipt	6299526	Nil
3	Interest	Nil	301622
4	Sub total (2+3)	6299526	301622
5	Total (1+4)	22685513	9467283
6	Expenditure	13519852	8392113
7	C.B.	9165661	1075170

Bank Closing Balance 1075020 Not reconciled

(C) SJSRY

State Bank of India		2010-11	A/c no. 50340
			2011-12
1	O.B.	2480453	2568281
2	Receipt	Nil	Nil
3	Interest	87828	99362

43

4	Sub total (2+3)	87828	99362
5	Total (1+4)	2568281	2667643
6	Expenditure	Nil	288000
7	C.B.	2568281	2379643
	Bank Closing Balance	2378195	Not reconciled

(D) NSDP

State Bank of India		A/c no. 50314	
		2010-11	2011-12
1	O.B.	723563	749198
2	Receipt	Nil	Nil
3	Interest	25635	28991
4	Sub total (2+3)	25635	28991
5	Total (1+4)	749198	778189
6	Expenditure	Nil	Nil
7	C.B.	749198	778189
	Bank Closing Balance	778189	reconciled

During 2010-11 bank interest for BRGF amount kept, in Bank of India A/c no. 0003 was not credited as such the Nagar Parishad deprived of extra fund. Efforts may be made to realise interest amount from bank. Reasons for above difference in two set of figures was not pointed out to audit.

### 7. Position of Grants

As per Government grant register/Cash book produced in audit the receipt and utilisation of Govt. grants has been given below:-

Year	2010-11(Amt. in ₹)	2011-12(Amt. in ₹)
O.B	60357091.00	80478531.00
Receipt during the year	63018277.00	60564522.00
Total	123375368	141043053
Expenditure	42896837.00	36818981.00
C.B	80478531.00	104224072.00

( Details vide appendix-II )

### Audit Comments

1. As per the above table, grant of Rs 1042.24 lakh remains un-utilised at the end of financial year 2011-12.
2. From the grant of State plan (Civic amenities) and water supply (Hand pump grant) not a single penny was utilised during the year 2010-11 and 2011-12 as a result Rs 160 lakh remain un-utilised for a period of more than a year. The unit replied that tenders have been invited during 2011-12 and the grant would be utilised during 2012-13.
3. Period of 12<sup>th</sup> F.C ended during the year 2009-10, but Rs 30.79 lakh is still lying unutilised under the head of grant. The unit replied that the amount would be utilised on the schemes completed during 2012-13
4. From the grant of NSDP no amount was utilised during the year 2010-11 and 2011-12. Either the amount be utilised or surrendered to the sanctioning authority.
5. From the grants of 13<sup>th</sup> F.C, 3<sup>rd</sup> state finance commission, hand pump installation on the recommendation of MLA and MLC, State Plan (Construction of road and drain) only partial amount were utilised and substantial amount remained un-utilised. The unit replied the grant would be utilised during 2012-13.

As such due to partial/non utilization of grant and blockage of a heap of grant the various purposes of the grant remains defeated. Therefore, it is suggested that necessary steps may be taken to utilize the amount as per norms.

### 8. Demand and Collection of Holding Tax

As per rule 10 of Bihar Municipal Accounts Rules Recovery of Taxes-Act 1951 each urban local body is required to maintain the Demand and Collection Register in Form-'B' in which quarterly demand and collection of Holding Tax, latrine Tax and Water Tax are entered. It is the basic records of Nagar Parishad through which collection and balance of taxes are watched. But demand and collection register of holding tax was not made available to audit. As such, the actual position of demand and collection on account of holding tax could not be ascertained in audit.

However, as per the statement provided by the Nagar Parishad status of demand and collection was as under:-

S.L. No.	Year	Demand			Collection			Balance		
		Current	Arrear	Total	Current	Arrear	Total	Current	Arrear	Total
1	2010-11	8831899	17445066	26276965	1789661	1691817	3481478	7042238	15753249	22795487
2	2011-12	8888581	22795487	31684068	3236312	3143187	6379499	5652269	19652300	2,53,04,569

It is evident that the percentage of collection in 2010-11 & 2011-12 was 13.25% and 20.13%, which was very poor. Further, it was noticed that the collection of taxes was made on the basis of hand demand register lying with the tax collectors, Dependency of Nagar Parishad on the tax collectors hand demand register for collection of Municipal revenue is fraught with risk and chances of leakage of revenue may not be ruled out. As the holding tax is the main source of revenue of Nagar Parishad, hence it is impressed upon the authorities to take suitable steps to enhance position of collection as per provision made by the Government. The unit replied that the compliance would be made in future.

#### **9. Non-remittance of Education Cess and Health Cess**

As per Bihar Primary Education rules, 1959 and Bihar Health Cess Rules, 1972 Education Cess and Health Cess at the rate of 50% of the Holding tax is to be collected by the ULBs and deposited into Govt. Account concerned after deducting 10% as collection charge. As per information made available to audit, the Nagar Parishad Sasaram had collected ₹ 33,87,776.00 on account of Health Cess and Education Cess during the period 2010-11 and 2011-12 but it was not deposited into Govt. Account as per details given below:-

S.I No.	Particulars	2010-11		2011-12		Total
		Education Cess	Health Cess	Education Cess	Health Cess	
1	Collection	633740	633734	1060151	1060151	3387776
2	10% Of Collection	63374	63373.40	106015.10	106015.10	338777.6

3	1-2.	570366	570360.60	954135.90	954135.90	3048998
4	Amount Remitted in to Concern Head	Nil				
5	Balance (3-4)	570366	570360.60	954135.90	954135.90	3048998

The total remittable amount ₹ 3048998.00 may be remitted to the concerned account and show it to the next audit. The unit replied that compliance would be made soon.

**10. Heavy outstanding of Trade and License Fee**

As per information made available to audit a sum of ₹ **496150.00** was outstanding as on 31.03.2012 against trade license fee as detailed below

Sl. No.	Trade	Outstanding Amt. as on 31.03.2012
1	Dangerous trades and professions	246300
2	Electronics	68800
3	Kabadi Shop	20400
4	Aluminium and tyre resole	22150
5	Petroleum, Gas and Kerosene	17900
6	Pump repairing and engineering	73400
7	Saw machine and furniture	47200
8	Total	<b>496150</b>

On query it was told that due to lack of staff collection could not be made. An exhaustive list of trades on which license fee could be levied by the Nagar Parishad has been provided in the Bihar Municipal Act 2007 and it could become a major source of revenue for the Nagar Parishad. Hence, neglect of this source may be avoided by the Nagar Parishad and suitable measures may be taken to realize the trade license fee of ₹ 496150.00.

## 11. Collection Account

### (A) Non/Short Credit of collection Amount.

During test check of the Holding receipt, Miscellaneous receipt, Token and other collection receipt it was noticed that collection made from these receipt to the tune of ₹ 255942.00 was not/short deposited from the collection staffs. When audit raised objection in this regard, the Non/Short collection amount ₹ 255942.00 was, deposited from the persons concerned. But, deposit of the amount in municipal fund i.e. concerned bank pass book was not shown in the audit. *So it may be shown to next audit.*

(details vide appendix III)

[So, it may be shown to next audit.]

### (B) Short collection of penalty

As per UD & HD letter no.938 dated 25.02.10 a penalty @ 2% per month was to be levied on the arrear holding tax due as on 01.02.10. During test check of penalty imposed on arrear Holding Tax, a sum of ₹ 41058 was found non/short realised from the tax collector Ravindra Pandey.

(details vide appendix IV)

When audit raised objection in this regard, the Non/Short penalty amount ₹ 1175 was deposited vide M.R. no. 8634 dated 31.12.12 by the tax collector. Remaining amount ₹ 39883.00 may be recovered from person concerned and deposit of the total amount in municipal fund may be shown to next audit.

### (C) Non deposit of collection made from Water tank (tax)

During test check of M.R. issued to Sri Uday Prakash Sinha, an amount of Rs. 12150 was shown collected vide M.R. no. 5370 to 5394 on account of water tax for providing water tanks, but the same was not deposited in Nagar Parishad fund. When audit raised objection in this regard, the collection amount ₹ 12150.00 was deposited in SBI A/c no 0182 on 05.01.2013. The Bank pass book for this deposit was not produce before audit. Hence the same may be shown to next audit.

**(D) Non deposit of collection made against voter ID Card.**

A sum of ₹ 34825.00 was collected for issuing voter ID card. Cashier Shiv Sankar Jaiswal was entrusted to collect ID card fee vide M.R no. 6801 to 8200 & 8401 to 8500 (except 7030,7929,7930,7932,7933,8499,8500 which was cancelled) total 1393 receipts were used @ Rs. 25. As such ₹34825 (1393\*25) was collected against Voter ID Card fee, but the same was not deposited in the concern head. The collection amount ₹ 34825.00 was deposited vide chalan no. 33 dated 04.01.2013 in to P.L A/c after audit objection. Treasury pass book may be produced in next audit for above deposit.

**(E) Holding tax deposit untraced**

Shri Ravidra Pandey tax collector vide H.R no. 9886 to 9893 & 5509 to 5513 collected holding tax ₹67688 from Govt. Buildings, but its deposit could not be traced in audit. On raising objection it was replied that the sum was collected vide cheques and was deposited into Nagar Parishad SBI A/c. The deposit may be shown to next audit.

**(F) Receipt issued after 4 month from deposit.**

During the test check of H. Receipt of Sri Ravidra Pandey, it was noticed that ₹ 79477.00 was deposited in SBI A/c no. 0182 on 27.01.2012 vide cheque no. 0613326 dated 16.01.12 as a collection made from the district session court. But for this deposit the holding receipt no. 1517 to 1528 were issued on 15.05.2012. Such practice of issuing receipt after 4 months may lead to leak of revenue. This should be stopped.

**(G) Non deposit of Fish Tax (Rs. 6150)**

During test check of fish tax collected from Nagar Parishad it was found that a sum of ₹ 6150 was collected by Shri Deena Nath Ram during 01.11.12 to 22.12.12 but the same was not deposited into Nagar Parishad fund. On raising audit objection the sum ₹ 6150.00 was deposited into Nagar Parishad fund on 04.01.2013. But deposit in municipal fund not shown in audit. Hence, Treasury pass book may be produced in next audit for above deposit.

37.

(H) **Non collection/deduction of stop payment charges**

Cheque no. 492535 dated 29.03.2012 amounting to ₹ 4,19,903.00 was issued to contractor ,Sri Ashok Kumar for P.C.C. work in ward no. 2 under BRGF. This cheque was not presented for payment in Bank (A/c no. BOI 00003) and the contractor requested to issue a new cheque as the old one was lost. Accordingly a cheque no. 492536 dated 10.04.2012 was issued with the same amount. The Bank charged Rs. 150 for stop payment but the Nagar Parishad did not collect stop payment charges from the contractor and sustained a loss of Rs. 150. This loss may be realised from the responsible person concerned.

(I) **Deposit of Rs. 8164 in P/L account untraced**

During test check of P/L account Nagar Parishad Sasaram and treasury statement, it was noticed that a sum of Rs. 8164 was remitted into treasury having chalan no.05 dated 08.05.2010 but the same was not found credited into treasury. As such Rs. 8164 remained untraced. This amount may be traced and get deposited into treasury from the person concerned. When the matter was pointed out in audit the Nagar Parishad replied that correspondence is being made with Bank & Treasury and amount would be deposited soon.

(J) **Less realization/despite of holding Tax**

During test check of Holding Tax collected by Nasimuddin Ansari, it was noticed that less tax was collected from the following receipt.

Receipt no.	Dated	Amt. to be collected	Amt. collected	Amt. deposited	Short deposit
1448	12.07.10	1332	1332	1312	20
1587	02.11.10	1507	1482	1482	25
1588	02.11.10	1507	1482	1482	25
4235	13.04.11	2087	2047	2047	40
4253	26.04.11	1250	1226	1226	24
4280	20.05.11	4090	4052	4052	38
6910	27.08.11	1110	1110	1098	12
Total		12883	12731	12699	184



On raising objection the short deposit amount Rs. 184 was deposited vide M.R. no. 8625 dated 29.12.12. Treasury/Bank pass book may be produced in next audit for above deposit.

**(K) Sulabh Shawchalaya at Bus Stand**

During the period 2010-11 & 2011-12 a sum of Rs. 292081 was deposited in the Nagar Parishad fund on account of collection made from Sulabh Sauchalaya at bus stand, but scrutiny of records and registers revealed that the whole amount was collected without issuing any receipt. From the records made available to Audit it was not clear that how many persons used the sauchalaya and what was the actual amount of collection as the audit party was verbally told that the expenditure on account of maintenance of the Sauchalaya is made from the collection. This system is highly objectionable as there is every possibility of financial irregularity in it. There is failure on the part of supervising officers also. This practice may be stopped and may be avoided in future.

**12. Sairats (Settlement) Account**

Nagar Parishad Sasaram had 12 & 11 sairats (settlement) to settle during 2010-11 and 2011-12 respectively. During 2010-11 only 04 sairats were settled and during 2011-12 only 2 sairats were settled and departmental collection was made in remaining sairats.

**(A)** Loss of Govt. Revenue due to agreement not made on required stamp paper. (₹0.70 Lakh):- As per Government order 1920/नि/मु० स dated 14.08.02 and 549/15.03.05 agreement of settlement should be made on the Stamp paper of 3% of settlement amount which to be collected as stamp fee from the settlee. Nagar Parishad Sasaram failed to meet the Government instruction. As such State Government sustained a loss of ₹ 61320.00 during the year 2010-11 and ₹ 8300.00 during the year 2011-12 as under.

Year	Stamp fee to be realised	Amount of Settlement(₹)
2010-11	61320	2044000
2011-12	8280	276000
Total	69600	2320000

35  
Loss of revenue in form of stamp fee ₹69600 may be realised from the person responsible and get deposited into concern head. The unit replied that due to lack of knowledge it was not realised during 2010-11 and during 2011-12 the settlee was informed to get the stamp fee deposited but settlement was cancelled due to illegal collection from the settlee.

**(B) Loss of revenue due to encroachment(₹1.06 lakh)**

Out of 04 settled sairats 01 sairat (Motor cycle/bicycle stand near Civil Court) was settled first time with ₹106000 during 2010-11. The settlee claimed that settlement place was illegally encroached and requested Nagar Parishad to get the settlement place free from encroachment so that collection could be made. But the Nagar Parishad failed to make the settlement place free from encroachment and in its board meeting dated 22.02.2011 the settlement was made cancelled and settlee was refunded settlement amount Rs. 106000. Due to non pursue and non adherence of the sairat and imprudence decision of Municipal Board the Parishad sustained a loss of ₹106000. The loss of ₹106000 may be realized from the responsible person(S) concerned and get it deposited into Nagar Parishad fund.

**(C) Loss of revenue in departmental collection(₹36.85 lakh)**

Departmental collection was made for 08 sairats during 2010-11. The reserve value of these sairats was fixed ₹2241000 and different persons were assigned for departmental collection. But only ₹461119 was collected through departmentally. Again during 2011-12 departmental collection was made for 9 sairats, the total reserve value for these sairats was ₹2515200 but only ₹610490 was get collected for this year. As such Nagar Parishad suffered the loss in departmental collection detailed as under:-

Year	No. of sairat	Reserve Value	Amt. realised	Short collection
2010-11	8	2241000	461119	1779881
2011-12	9	2515200	610490	1904710
Total				3684591

The reason for less collection assigned by unit that the sairats were not settled after regular efforts and unit also admitted collection was made short and efforts are being made to maximize the collection. Amount of short collection Rs. 3684591 may be realised from person responsible.

(detail vied appendix V )

**13. Non/Short realization of fee from Transmission Towers (₹5.28 lakh)**

In exercise of the power vested under section 127 and section 419 of the Bihar Municipal Act 2007 the Governor of Bihar enacted Bihar Communication Tower and Related Structures Rules 2012 and its notification circulated through No.585, UD&HD dated 21.02.2012. As per rules registration fee @ Rs40000 and Renewal fee @RS 10000 per annum per tower shall be levied by Nagar Parishad from the mobile company. These fees were also applicable for the towers installed before the rules came into effect. There was also provision for increment of renewal fee by 25% after every 5 years and an addition amount of registration and renewal fee @ 60% shall be levied for every additional antenna which shares the same tower.

As per information furnished by the Nagar Parishad, Sasaram, 25 towers of 7 mobile companies were installed upto November 2012 under its jurisdiction. But out of 25 towers, fee from 16 towers was deposited short. The registration and renewal fee ₹12,40,000 should have been realized from these 16 towers but only ₹7,12,000 was realized. As a result, the outstanding amount ₹5,28,000.00 may be realized and survey should be made to identify towers which are standing illegal. The unit replied that notices have been served to the mobile companies to deposit the outstanding.

(Detail vide appendix VI )

**14. Heavy Outstanding Shop Rent(₹40.91lakh)**

(A)Nagar Parishad did not maintain any proper Demand & Collection Register for shop rent. As per figures of outstanding shop rent made available by the Nagar Parishad a sum of Rs. 4090853 was outstanding as on 30.03.2012 as detailed below.

क्र० सं०	दुकान के विवरणी	दुकानों की कुल संख्या	31.03.12 को बकाया किराया
1	टाउन हाईस्कूल परिसर से सटे दुकान	12	57120.00
2	जेल हाता के पुरब स्थित दुकान	28	216960.00
3	जेल हाता के दक्षिण स्थित दुकान	19	104056.00
4	सिंचाई कार्यालय से परिसर से सटे दुकान	31	190900.00
5	बस पड़ाव स्थित दुकान	60	2549700.00
6	सदर हॉस्पिटल से सटे दुकान	19	70320.00
7	नरसिंह बैठा मार्केट	33	223893.00
8	अनुमण्डल कार्यालय परिसर से सटे दुकान	43	444504.00
9	समाहरणालय के सामने खोआ दुकान	9	233400.00
10	गोला बाजार स्थित दुकान	375	गोला बाजार स्थित दुकानों का दर को लेकर मामला न्यायालय में लम्बित होने के कारण वसूली नहीं हो पा रही है।
11	गांधी पथ स्थित स्थायी बन्दोबस्त दुकान, अस्थायी बन्दोबस्त दुकान, लाईसेंस पर दिये गये दुकान	61	गाँधीपथ स्थित दुकानों की बन्दोबस्ती रद्द करने की कार्रवाई चल रही है जिसके कारण वसूली नहीं हो पा रही है।
	कुल -	690	<b><u>4090853.00</u></b>

Nagar Parishad had major shops at Gola Bazar & Gandhi Path but shop rent is not being realised from these shops. As inquired upon Nagar Parishad replied that the matter of shop rent at Gola Bazar is under court and cancelling shop licence (settlement) is under process for the shops at Gandhi Path.

Immediate and effective steps are required to be taken for recovery of such a heavy amount of outstanding rent. Since shop rent is not being realised from shops at Gola Bazaar & Gandhi Path the Nagar Parishad is sustaining a huge loss. It is advised to expedite the matter and assure rent collection from these shops. The unit replied that the audit suggestion would be adhere and demand & collection register would be maintained.

**(B) Loss of Revenue Rs. 3.05 Crore**

Due to non-realisation of rent from shops at Gandhi Path Nagar Parishad did not maintain any record/settlement file/demand & collection register regarding its shops at Gandhi Path.

Only a correspondence/miscellaneous file regarding Gandhi Path Shop was produced before audit which was also in mutilated condition and not properly maintained. Scrutiny of records revealed that neither the rent of these shops has been received nor it is being realized except in few isolated cases and government revenue is hampered. Shri Kailash Rai, Special Officer, Nagar Parishad Sasaram vide letter no. 676 dated 24.08.1975 informed to the District Magistrate, Sasaram that as on March 1975 the rent/tax outstanding on these shops were ₹ 69320 as the Municipality is not collecting/receiving rent and holding tax from these shops since 12 years.

As per previous audit report (A.R. No. 558/2010-11) Nagar Parishad had three category of shops at Gandhi Path, one of the most prime locations of Sasaram, as detailed below:-

Sl. No.	Category of shop	No. of Shops	Year in which settled	Rent fixed at the time of Settlement
1	Permanent Settlement	42	1958 to 1961	Rs. 4 to Rs. 26 per month
2	Licence Holders	12	1969 to 1978	Rs. 15 to Rs. 67.5 per month
3	Non-permanent Settlement	7	1951	Rs. 3 to Rs. 10 per month

The executive officer issued a notice to the 42 permanent settlement holding and 12 license holders vide memo no. 50 to 103 dt. 09.01.2007 mentioning that since they are not paying rent and have also made illegal construction, the board had decided to cancel their settlements in the meeting held on 30.11.2006.

Further, scrutiny revealed that an agreement was made between the Executive Officer, Shri Dharendra Kr. Jha and a person named Shri Kamal Kr. Kanodia on 25.05.2006 regarding granting of license of a shop (336 sft in plot no. 98) from the category of license holder for 10 years validity. The rent of the shop was fixed as ₹ 4000/- per month ( approx ₹11/- per sft) and a non-refundable security deposit of ₹ 150000/- was also to be paid by the Sri Kanodia.

31

Thus, due to sheer negligence on the part of the Nagar Parishad the rent of shops of Gandhi Path, which would have been a major source of revenue, was neither revised nor realized. Calculation of the rent on the following rate shows that the Nagar Parishad sustains a loss to the tune of ₹ 30472568 (₹30403248 + ₹69320):

Sl. No	Period	Basis of calculation	
1	Up to 31.03.1975	Shri Kailash Rai, Special Officer Nagar Parishad Sasaram vide letter no. 676 dated 24.08.1975	
2	01.04.1975 to 31.03.1977	as per rent scheduled to be realized	
	Period	Name of Place	Existing Shop rent
3	01.04.1977 to 28.02.1987	Narshing Baitha Bazar	₹0.70/Sft.
4	01.03.1987 to 30.06.1995	Bus Stand	₹01/Sft.
5	01.07.1995 to 31.05.2006	Town High School Road	₹04/Sft.
6	01.06.2006 to 31.03.2012	One shop of license holder category	₹11/Sft.

(Detail vide appendix VII )

The Amount ₹ 30472568 may be realized at the earliest from the persons concerned.

**Other comments:-**

- (i) Nagar Parishad may also try to realize security money at least at the rate on which it was realized in the above mentioned case of Shri Kamal kr. Kanodia.
- (ii) Why no notice was given in the case of 7 non-permanent settlement shops. Area and rent of these shops were not made available to audit hence it could not be calculated. It may be made available to audit.
- (iii) Rent of shops allotted to shri Kewal Prasad in plot no. 2 IC in permanent settlement category and Shri Jagnarayan Prasad in license holder category (Plot no. 98) may also be calculated as their area was not made available to audit.
- (iv) Proceeding of board meeting in which approval for agreement was given may made available to audit.

**15. Diversion of 13<sup>th</sup> Finance Commission grant ₹ 81.05 Lakh**

Position of receipt and expenditure of 13<sup>th</sup> F.C grant during the period 2010-11 to 2011-12 has been given below:-

Year	O.B	Letter No./date	Receipt during the year	Total	Expenditure	Closing Balance
2010-11	Nil	4713/17-08-10	5000000	5000000	Nil	5000000
2011-12	5000000	96/30-03-11	5013973	21756973	8105600	13651373
		21/4-08-11	5600000			
		24/23-08-11	500000			
		58/12-03-12	5643000			

As per the guidelines of 13<sup>th</sup> F.C the grant has to be utilised on the following four components.

1. Minimum 50% of the grant was to be utilised for the solid waste management.
2. Arrangement of Water supply (Pipeline) with maintenance.
3. Payment of electricity bill of streetlights and drinking water supply.
4. Construction of Old age home/Rain Basera.

Scrutiny of files revealed that Nagar Parishad board in its meeting held on 01-06-2011 decided to spend 50% of the grant on SWM and rest to be utilised for installation of Solar lights in 40 wards @ 4/5 solar lights in each wards. As per board decision an expenditure of ₹ 81.05 Lakh was made on installation of solar lights in violation of guidelines during 2011-12. Hence, ₹81.05 Lakh was diverted from the 13<sup>th</sup> F.C grant.

When inquired the reason (s) for diversion of ₹ 81.05 lakh and whether, any comprehensive plan for SWM has been mooted by the Nagar Parishad and non-utilisation of ₹136.51 Lakh. The Nagar Parishad replied that expenditure was made as provision of light was made in guideline and the installation is done as per decision of board. The grant for SWM is not being utilized due to non availability of dumping ground. The door to door garbage collection is outsourced to a N.G.O. and the amount would be utilized upon this. This reply is not acceptable. Satisfactory reply may be furnished in next audit.

9

**16. Excess Payment of Rs. 6.95 Lakh in installation of Solar Lights**

During 2011-12 Nagar Parishad, Sasaram installed total 352 Solar lights from different Govt. grants with an expense of ₹95,74,400/- from M/S Raj electronics, Gandhi Path, Sasaram.

Vide details below:-

Name of Grants	Work order & Date	No. of Solar lights installed	Expenditure incurred
13 <sup>th</sup> F.C	2433/30.11.2011	150	4080000
13 <sup>th</sup> F.C	216/21.01.2012	28	761600
13 <sup>th</sup> F.C	3780/18.	120	3264000
BRGF	2491/10.11.2012	8	217600
BRGF	67/12.01.2012	32	870400
Nagar Parishad own sources	438/25.02.2012	14	380800
	Total:-	352	9574400.00

Nagar Parishad Board Sasaram in its meeting held on different dates decided to purchase solar lights from M/s Raj Electronics, Sasaram. As per agreement signed with Raj Electronics for installation of solar lights, use of 23feet Tata make galvanised iron pole was agreed upon. Accordingly work orders issued and solar lights were installed. In the Board meeting held on 30.12.2011, a committee of Chief Councillor, Deputy Chief Councillor & Executive Officer was constituted for Physical verification & certification of installation of solar lights. The committee in its report on different dates certified the installation & work was found correct by the committee.

Scrutiny of files in which photographs of installation were attached, revealed that in most of the cases solar lights were installed on Roofs/Terrace/Greels etc in which maximum 10ft (5ftx2) iron pole was used. The cost of 23ft iron pole was quoted as ₹3500 thus; cost of 1ft



pole is arrived at ₹152/ft. Since M/s Raj Electronics utilised max. 10ft iron pole only, payment for 13ft (23-10) pole @ 152/ft in all 352 solar lights i.e.  $13 \times 152 \times 352 = ₹695552$  was paid in excess of agreement. In reply the Nagar Parishad admitted that 10ft high poles were being used to the highly populated areas.

How the committee headed by chief councillor certified that work was found as per work order when only 10ft pole was used against 23ft agreed upon it was not pointed out to audit. The cost of rest 13ft pole ₹ 6.95 lakh paid in excess as per agreement may be recovered from person(s) responsible.

### 17. Doubtful Execution of Scheme under BRGF

Scheme No.	12/11-12	03/11-12
Name	Ward.No. 12 मे बाल विकास विद्यालय के पश्चिम नाला रोड मे नाला भराई P.C.C Road निर्माण एवं नाली निर्माण	W.No. 12 मे बाल विकास विद्यालय के पश्चिम नाला रोड मे नाला भराई P.C.C Road निर्माण एवं नाली निर्माण
Estimated Cost(₹)	350000	353000
Contractor	Madan Mohan Tiwari	Madan Mohan Tiwari
Date of Work Order	05-11-2011	21-03-2012
Date Of Preparation of Estimate/Technical Sanction	25-09-11/28-09-2011	25-12-2011/ Technical Sanction Not Obtained.
Date Of completion	20-02-2012	10-05-2012
Whether included in BRGF Plan	2010-2011 at serial No. 17	Not included
Amount of MB(₹)	348653	352357