

कार्यालय प्रधान महालेखाकार (लेखा परीक्षा) पंजाब, चंडीगढ़

क्रमांक: - SS-I/ Vetting Section/16-17/ 452-55

दिनांक. 29/6/2016

सेवा में,

Executive Officer,
Municipal Council
Nagal.

ME/SI/ Acctt/ gmsb -
top



विषय: -

01/04/13 to 31/03/16 तक की अवधि का लेखा परीक्षा एवं निरीक्षण प्रतिवेदन।

इस कार्यालय की लेखा परीक्षा पार्टी द्वारा आपके कार्यालय के उक्त अवधि के लेखों की दिनांक 23/05/2016 to 31/05/2016 तक की गई लेखा परीक्षा की निरीक्षण रिपोर्ट आपको भेजी जाती है। लेखा-परीक्षा प्रतिवेदन का पूर्ण सुविधाजनक उत्तर एनोटिड फार्म में इस पत्र की प्राप्ति के चार सप्ताह के भीतर भेजने की कृपा करें।

पैरा नं. जो कि गम्भीर आपत्ति है और उसे सी0ए0जी0 की रिपोर्ट में लेने का विचार है। इसलिए आप से अनुरोध है कि इस रिपोर्ट की प्राप्ति के 15 दिनों के भीतर इसका उचित उत्तर इस विभाग को भेज दें।

The Inspection Report has been prepared on the basis of information furnished and made available by above referred audited unit. The office of the Pr. Accountant General (Audit) Punjab, Chandigarh disclaims any responsibility for any mis-information and or non information on the part of auditee.

Encl: Annexure-

प्र. लेखा परीक्षा अधिकारी

प्रति निम्नलिखित को भेजी जाती है: -

1. The Director Urban Local Bodies, Punjab, Chandigarh
2. The Secy. Urban Local Bodies, Punjab
3. Examiner, Local Fund, Punjab, Sec-17 Chandigarh

Sd/-
प्र. लेखा परीक्षा अधिकारी

Audit and inspection Report on the accounts of Executive Officer, Municipal Council Nangal, Distt Ropar for the period 04/2013 to 03/2016 under section 20(1) of the CAG (DPC) Act, 1971

Part-I-A (i) Introductory

Audit and Inspection report on the accounts of Municipal Council, Nangal (Distt. Ropar) for the period from 04/2013 to 03/2016 under section 20 (1) of the CAG (DPC) Act, 1971 was conducted by an audit party headed by Sh. Kishore Chander, Asstt. Audit Officer and supervised by Sh. Sekhar Singh Bisht, Senior Audit Officer from 23-05-2016 to 31-05-2016. The results of audit are embodied in the succeeding paragraphs.

The Charge of the post of Executive Officer was held by the following officers during the period covered under audit.

Sr. No.	Name	Period
1	Sh. Bhupinder Singh	17.05.2012 to 01.07.2015
2.	Sh. Chetan Sharma	03.07.2015 to till date

The office is located in Sector-5 Naya Nangal (NFL) having telephone No. 01887-220586.

The Detail of Section / wing under MC Nangal is as under:-

Sr No.	Name of Section / wing	Nature of Work
1.	General Branch	Work related to Census, election.
2.	Court Case Branch	Dealing with court cases
3.	Works Branch	Execution of all works of Roads and Streets, Street light and Horticulture etc.
4.	House tax & Sewerage Branch	All works relating to collection House tax, Water Supply & Sewerage rates etc.
5.	Accounts Branch	Pay bills, RTI, Running / Final bill Works etc.
6.	Sanitation Branch	All works relating to the Safai & Sanitation of town
7.	Death & Birth Branch	Issuing of Death & Birth certificate

The records of works Branch, House Tax & Sewerage Branch, Accounts Branch & Sanitation Branch were scrutinized in detail & other Branches in test Check.

The system of pre-audit and internal audit was operative in the Municipal Council.

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The audit and inspection note is prepared on the basis of information/records supplied by the office of the Executive Officer, Municipal Council, Nangal (Ropar) and office of the Pr Accountant General (Audit) Punjab, Chandigarh disclaims any responsibility for any misinformation and / or non-information on the part of auditee entity.

The position of budget allotment and expenditure for the year 2013-14 to 2015-16 was as under:

(Rs. In Laacs)

Year	Income		Expenditure	
	Budget Estimate	Actual Income	Budget Estimate	Actual expenditure
2013-14	3796.00	3863.76	5598.00	4069.00
2014-15	4129.45	4832.16	5961.96	4096.65
2015-16	4883.00	4458.03	6608.51	4058.37

Part-I-A (ii) Nil

Part-I-B Review of old objections

LAR 2011-12 to 2012-13

Para-1 Less realization of House Tax revenue Rs. 83.07

~~-Settled-~~

Para-2 Para withheld

Para-3 ✓ Short realization of revenue Rs. 151.95 lakh due to non achieving the budget targets.

~~-Settled-~~

Para-4 ✓ Short deduction of VAT Rs. 3.07 lakh.

~~-Settled-~~

Para-5 Undue benefit to BSNL Rs. 2.45 lakh.

Final outcome is awaited in audit.

TAN-1 Delay in completion of work Rs. 92.36 lakh

~~-Settled-~~

TAN-2 Irregular maintenance of dumping ground.

~~-Settled-~~

TAN-3 Irregular Silt-clearance of Nallah.

~~-Para stands.~~

Part II Section 'A'

-Nil-

Part-II Section 'B'

Para 1: Unfruitful expenditure on Idle Fire Tenders Rs. 51.66 lakh.

Rules provide that no expenditure should be made on procurement of material unless the same is urgently required

Test check of records maintained in the office of Executive Officer, Municipal Council, Nangal for the period 2013-14 to 2015-16 revealed that an amount of Rs. **18,71,864.60** (11,64,296.41 and Rs. 7,07,568-19) was incurred on 2 nos. of vehicles of TATA-LPT 1613-697 and LPT 709 EX make respectively vide vr. No.150-151 dated 11/06/2013. In addition to above expenditure amounting

to Rs. 32,94,200/- was also made to install fire fighting equipments on the above said vehicles vide Vr. Nos. 74 and 272 of 03/2015, for which the resolution was passed vide Resolution No. 88 dated 29.10.2010 and sanction of Directorate Local Government, Punjab, Chandigarh was accorded in 11/2010.

It is pertinent to mention here that the guarantee period of Fire tenders fabricated by United Manufacturing Co. is guaranteed for any manufacturing defects only for a period of two years from the date of supply (i.e. 09/03/2015) but more than One year and two months of the guarantee period have elapsed without putting in use the said fire tenders.

It was further noticed that there was no post filled relating to Fire Services i.e. Fire Officers, Fire Men and Drivers etc.

Scrutiny of records further revealed that there were no arrangements of any fire station with the Municipal Council, as the vehicles were lying parked in open space of Municipal Council Office complex.

On being pointed out it was stated that efforts were being made to make the machinery functional.

Final outcome is awaited in audit.

Para 2: Recoverable charges of Mobile Towers Rs.3.95 lakh.

The Government of Punjab, Department of Information and Technology vide its letter dated 11.02.2005 had fixed one time installation charges @ 10000 and annual renewal charges @ 5000 of BTS/CDMA Mobile towers.

Test check of records maintained in the office of Executive Officer, Municipal Council, Nangal for the period 2013-14 to 2015-16 revealed that an amount of Rs.3,95,000/- was outstanding against Mobile Communication towers of various companies for the period 2011-12 to 2015-16 on account of annual renewal charges as detailed in enclosed **Annexure-A**.

On being pointed out it was stated that arrears would be realized shortly.

Final outcome is awaited in audit.

Para 3: Additional expenditure due to delayed purchase Rs. 1.09 lakh.

Rules provide that purchases should be made only if urgently required and in an efficient manner by adopting the procedure of economy and efficiency.

Test check of records maintained in the office of Executive Officer, Municipal Council, Nangal for the period 2013-14 to 2015-16 revealed that resolution no.135 dated 22.11.2013 was passed to purchase a vehicle namely "Dumper Placer WT 48 TC-III" for utilization of Sanitation Branch

costing Rs. 9,82,628/- for which E.O., M.C. Nangal made correspondence with the Directorate Local Government, Punjab vide letter no. 26/S/S/ dated 14/01/2014 and consequent reminder dated 10/11/2014 against which sanction of Directorate Local Government, Punjab, Chandigarh was accorded in vide their letter No. S-2(Nangal/65) DSS-2015/3626 dated 27/01/2015.

Further scrutiny of records revealed that M.C. Nangal made supply order vide letter dated 10/04/2015 to supply the above said vehicle for Rs. 9.83 lakh. The SML ISUZU in reference of the M.C.'s letter replied that the revised price on the date was Rs. 10,92,120/-. Fresh resolution keeping in view the increased price was passed vide Resolution No. 100 dated 23/09/2015 and fresh supply order dated 10/12/2015 was made for Rs. 10,92,120/- and payment for which was made vide DD dated 31/12/2015.

As such M.C. made an additional expenditure of Rs. 1,09,492/- by delaying purchase procedure.

On being pointed out it was stated that matter would be looked into.
Final outcome is awaited in audit.

Para 4: Irregular drawal of pay and allowances due to diversion of staff Rs. 11.56 lakh.

The Govt. of Punjab, Department of Finance issued instruction to all the heads of departments vide No. 7/12/97/10-18600 dated 10.9.1997 that the pay and allowances should be drawn only in respect of those employees who are actually working in the respective institutions/establishments. Further, Government of Punjab, Department of Finance vide letter no. 8/1/2003-spl-5FB-I/spl. dated 24.02.2003 imposed a complete ban on posting of officials/officers at places other than that of the place where sanctioned posts of the concerned employees existed. In case of any official/officer is working at any other place than that of where his post existed he/she must immediately be reverted to his sanctioned post otherwise he will not be paid salary against a post on which he/she has not actually worked.

Scrutiny of records however revealed that Sh. Munish Kumar, Clerk was working with Directorate, Local Government, Punjab, Chandigarh but his salary was being drawn and paid by E.O., M.C., Nangal in violation of Govt. instructions referred to above. Amount of salary so drawn w.e.f. 1.4.2013 to 31.3.2016 worked out to be Rs. 11,55,534/- as detailed below:

S.No.	Period	Amount
1	4/2013 to 3/2014	354027
2	4/2014 to 3/2015	379788
3	4/2015 to 3/2016	421719
	Total:	1155534

On being pointed out it was stated that matter would be brought to the notice of authority.
Final outcome is awaited in audit.

Para 5: Non realization of rent Rs. 1.86 lakh.

As per codal provisions outstanding dues must be realized at the earliest.

Test check of records pertaining to M.C. Nangal revealed that office portion of M.C. was rented out to Nagar Improvement Trust, Nangal with effect from 06/2009 without any formal agreement. The records revealed that the rent was fixed initially @ Rs. 3,000/- p.m. and was revised to Rs. 4400/- p.m. w.e.f 01/06/2012. The Trust stopped paying rent from 01/06/2011 and vacated the office premises without intimating the Municipal authorities. As such rent amounting to Rs. 1,85,600/- was outstanding in respect of Nagar Improvement Trust, Nangal.

On being pointed out it was stated that the matter would be taken up with the Nagar Sudhar Trust.

Final outcome is awaited in audit.

Para 6: Non adjustment of advances Rs. 4721.45 Lakh.

As per codal provisions advances should be granted only in emergent cases and adjusted at the earliest and positively before close of the financial year.

Test check of records revealed that advances to the tune of Rs. 47,21,45,868/- were lying unadjusted against various officials and most of the advances pertained to Punjab Water Supply & Sewerage Board due to non-submission of detailed bills. Year-wise detail of unadjusted advances is as under:

Opening Balance	2013-14	2014-15	2015-16	Outstanding as on 31-3-2016
338950536	55029117	48429920	29736475	47,21,45,868

On being pointed out it was stated that efforts were being made to adjust the advances.

Final outcome is awaited in audit.

Para 7: Outstanding realization of dues against various heads of account.

As per instructions issued by Local Govt., Punjab from time to time efforts should be made by M.C. to recover the outstanding dues.

Test check of records revealed that charges were outstanding under various heads of account as on 31.3.2016 as detailed below:

(Rs. in lakh)

Sr. No.	Particulars	Outstanding as on 31.3.2013	Outstanding as on 31.3.2016
1	Water Supply	12.01	10.01
2	Sewerage Charges	13.28	13.40
3	Rent of property	1.13	2.16
4	House Tax	334.11	308.86
5	Property Tax	0.00	15.00

On being pointed out it was stated that dues in question would be realized shortly.

Final outcome is awaited in audit.

Para 8: Irregular retention of unspent grant under various schemes Rs. 45.87 lakh.

As per instructions issued time to time, the unspent grants released under various schemes must either be used for the purpose of scheme or refunded to the granting agency as the case may be.

Test check of records and information supplied by the MC, Nangal revealed that following grants received under various schemes amounting to Rs. 4586610/- was still lying unspent as per details given below:

Sr. No.	Name of Scheme	Bank A/c No.	Name of Bank	Closing Balance as on 31.3.2016
1	U.D.11	55111145580	SBOP Nangal	3102105.15
2	MPLADS	55111145841	SBOP Nangal	148023.82
3	UD-8	55111145502	SBOP Nangal	266705.53
4	PNP	08552010016760	OBC Nangal	754032.00
5	SJSRY	3264	Punjab & Sind Bank	315743.74
Total:				4586610.24

On being pointed out it was stated that the matter would be looked and needful would be done.

Final outcome is awaited in audit.

Para 9: Non-conducting of physical verification of stock items.

Financial rules along with Rule 15.16 of Punjab Financial Rules, physical verification of stock register should be conducted at least once in a year.

During the test check of records of MC, Nangal, it was noticed that physical verification of stock items was not being carried out for the period under audit. In the absence of the same, it could not be ascertained whether the stock items are intact as per stock register.

On being pointed out it was stated that physical verification would be made.

Final outcome is awaited in audit.

Para 10: Maintenance of more than one bank account for a single purpose.

As per the orders of the Finance Department only one bank account should be maintained for one scheme / purpose and in nationalized bank.

During the test check of records of Municipal Council, Nangal it was noticed that more than one bank account have been maintained for a single purpose and some of them with private banks as detailed below:

Sr No.	Name of Cash Book	Bank Account No.	Name & Location of Bank
1	Municipal fund	55111145546	SBOP Nangal
		65162543948	-do-
		0359000101098183	PNB, Nangal
		08541450000076	HDFC Bank ✓
		11070802647	SBI Naya Nangal
		4918	RCCB Nangal
		08552191004609	OBC Railway Road, Nangal
		08541450000093	HDFC Bank

It is evident from above detail that eight nos. bank accounts are being operated and some of them with private banks in respect of Municipal fund.

On being pointed out it was stated that the excess bank accounts would be closed.

Final outcome is awaited in audit.

Para 11: Non preparation of annual accounts of the Corporation

As per Rule III.7 of the Municipal Account Code 1930, at the end of each financial year an annual account in form-G.5 shall be prepared duly signed by the Commissioner and laid before the Corporation for approval. Further, after the approval of annual accounts by the Corporation, a copy of the accounts shall be forwarded to the Government before the 1st day of each year.

Scrutiny of records revealed that annual accounts for the year 2013-14 to 2015-16 was not prepared by the Municipal council, Nangal.

On being pointed out it was stated that the matter would be looked into and needful would be done.

Final outcome is awaited in audit.

Part-III Test Audit Note

No Separate test audit note was issued as all the minor issues/points were discussed and settled on the spot.


Sr. Audit Officer(V)