

कार्यालय प्रधान महालेखाकार (लेखा परीक्षा) पंजाब, चंडीगढ़

क्रमांक: - SS-I/ Vetting Section/16-17/ 658-61

दिनांक. 9/8/2016

4097

23/8/16

सेवा में,

Executive Officer,
Municipal Council
Barnala

पत्र

पत्र
Fally

विषय: - 04/2013 to 03/2016 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 14/07/2016 to 20/07/2016 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-

Sd-

व. 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

पत्र. ए. ए. बराल

व. लेखा परीक्षा अधिकारी

Local Audit and Inspection Report on the accounts maintained in the office of Executive Officer, Municipal Council, Barnala for the period April 2013 to March 2016 under Section 20 (1) of the CAG (DPC) Act, 1971

Part-I-A (i) Introductory

Audit and Inspection on the accounts maintained in the office of Executive Officer, Municipal Council, Barnala for the period April 2013 to March 2016 under Section 20 (1) of the CAG (DPC) Act, 1971 was conducted from 14.07.2016 to 20.07.2016 by an audit party headed by Sh Vir Bhan, Asstt. Audit Officer and supervised by Sh Sanjay Sapru, Audit Officer. The results of audit are embodied in the succeeding paragraphs.

“The inspection report has been prepared on the basis of information furnished and made available by audited entity. 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 the audited entity.”

The office of Municipal Council, Barnala is situated on new grain market road, opposite Barnala Club, having telephone No. 01679230048 and E-mail ID ddlgp.barnala@yahoo.com

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

Sr. No.	Name	Period
1.	Manvir Singh Gill	28.20.2011 to 03.05.2013
2.	Rabir Singh	03.05.2013 to 25.06.2013
3.	Manvir Singh Gill	25.06.2013 to 24.12.2013
4.	Ashok Kumar Arora	24.12.2013 to 21.07.2014
5.	Ranbir Singh	21.07.2014 to 04.09.2014
6.	Ashok Kumar Arora	04.09.2014 to 31.03.2015
7.	Ravnet Singh	20.04.2015 to 17.06.2015
8.	Shakti Kumar Kaushal	18.06.2015 to 09.12.2015
9.	Girish Kumar Verma	09.12.2015 to 02.05.2016
10.	Shakti Kumar Kaushal	02.05.2016 to date

The position of income and expenditure of the Council during the period covered under audit was as under:

(Fig. in lakh)

Year	Opening Balance	Income	Total	Expenditure	Closing Balance
2013-14	30.50.	2279.13	2309.63	2117.11	192.52
2014-15	192.52	1959.40	2151.92	2108.29	43.63
2015-16	43.63	1977.66	2021.29	1955.98	63.95

Part 1-A (ii) Non-production of records

Nil

Part 1 B Review of old objections.

LAR 04/2011 to 03/2013

- Para 1 Non recover of House Tax Rs 270.63.
Settled.
- Para 2 (a) Non-recovery of pending annual charges in respect of Mobile Towers Rs 2.45 lakh.
Settled.
- Para 2 (b) Pending recovery of rent from shops – Rs 6.42 lakh.
Settled.
- Para 3 Non levy of liquidated damages-Rs 8.40 lakh
Para Stand
- Para 4 Non-execution of work-Rs 24.00 lakh.
Final action is awaited.
- Para 5 Incomplete works.
Final action is awaited.
- Para 6 Non-adjustment of advances-Rs 68.34 lakh.
Final action is awaited.
- Para 7 Over-payment of advance increment of ETT staff-Rs 1.49 lakh.
Settled.
- Para 8 Irregular creation of liability-Rs 66.51 lakh.
Final action is awaited.
- ✓ Para 9 Irregular maintenance of Cash Book.
Settled.

Part III Test Audit Note

- Para i Non preparation of graph relating leveling of municipal roads-Rs 0.33 lakh.\
Settled.
- Para ii maintenance of more than on bank account for a single purpose.
Settled.
- Para iii Non-conducting of physical verification of stock items.
Settled.

Part 1 C Schedule of persistent irregularities.

NIL

Part -II Section -A

NIL

Part -II Section - B

Para 1 Delay in completion of Night Shelter Rs 33.01 lakh

Punjab State Urban Livelihood Mission released an amount of Rs 26.41 lakh vide Memo No. 451 dated 28/04/2015, as 80% amount of the total estimated cost of Rs 33.01 lakh, calculated on the basis of the Detailed Project Report on construction of Night Shelter at Barnala.

It was further instructed in the sanction that the process of E-tendering should be started immediately. It was further directed that this amount should be kept in a separate flexi account.

Test check of records revealed that the tender process was started in January 2016 i.e. as late as 7 months after receipt of funds, despite the orders to expedite the process immediately.

Night Shelter was constructed within the premises of MC Barnala about 2 km from Railway station and 2 Km from bus stand which is rather a considerable distance as far as preferred places for construction of Night Shelter .is concerned Besides, the Gates of the corporation are closed after evening and the place would remain inaccessible for the passengers / beneficiaries.

On being asked the reasons for constructing the Night Shelter within the premises of Municipal Council, which would remain in accessible to the passengers the department stated that the work has since been completed for the night shelter which is within the radius of 2 km of railway station / bus stand.

The reply of the department is not tenable as the work was still in progress and the site is filled with the building material, concrete, bricks and building material. Moreover, no completion certificate or handing over of building was produced to audit.

Final action is awaited in audit.

**Para 2 Non-utilization of IEC Funds under Swacch Bharat Mission (Urban)
Rs 4.66 lakh**

An amount of Rs. 4,65,796/- was released to MC Barnala vide Memo. No. PMIDC/2015/4693-94, Cheaque No. 000011, dated 01/10/2015 as 1st installment of GOI share of IEC funds. These funds were to be utilized for the IEC activities suggested by MoUD, GOI from time to time but not limited to any other innovative methods evolved by the ULBs for IEC and Public /awareness activities.

ULBs were to ensure that sanitation as an issue was mainstreamed with the general public at large and should cover issues of open defecation, prevention of manual scavenging, hygiene practices, proper use and maintenance of toilet facilities household, community or otherwise, etc. and its related health and environmental consequences. The IEC activities undertaken were to be reported to PMIDC on monthly basis.

Test check of records revealed that although the funds were received in October 2015, yet the department had not initiated steps to spend the funds even after a lapse of more than 09 months.

On being pointed out in audit the department replied that all the funds would be utilized as soon as possible. The reply of the department is not justified as the department has not taken any concrete step to utilize the funds.

Final action would be awaited in audit.

Para 3 Non collection of Advertisement tax.

During test check of records for the year 2013-14 to 2015-16 in the office of the Executive Officer, Municipal Council, Barnala it was noticed that the Council allotted the work relating to advertisement tax within the jurisdiction of Barnala city to Dr. Jarnail Singh Namdhari for the period from 01.04.2013 to 31.03.2016 (3 years) for Rs 60.00 lakh. The payment was required to be deposited to MC office in six equal installments. The 1st installment for Rs 10.00 lakh was required to be deposited within 7 days. Agreement was executed on 09.04.2013 with the firm and remaining amount was to be deposited in the prescribed period as under:

2nd installment 01.10.2013 to 07.20.2013

3rd installment 01.04.2014 to 07.04.2014

4th installment 01.10.2014 to 07.10.2014

5th installment 01.04.2015 to 07.04.2015

6th installment 01.10.2015 to 07.10.2015

The above time schedule was prescribed while executing the agreement but the firm deposited only Rs 42.69 lakh as detailed below:

Rs 10.00 lakh on dated 03.04.2013

Rs 9.69 lakh on dated 22.11.2013

Rs 10.00 lakh on dated 07.04.2013

Rs 5.00 lakh on dated 10.11.2014

Rs 3.00 lakh on dated 11.02.2015

Rs 5.00 lakh on dated 03.07.2015

As per details given above only Rs 42.69 lakh was deposited by the firm and remaining Rs 17.31 lakh was not yet deposited (July 2016) which resulted into huge loss to the Council.

On being pointed out in audit the department stated that the matter is under consideration of hon'ble court and action will be taken as and when the hon'ble court will direct.

Final outcome is awaited in audit.

Para 4 Non contribution to Cancer & Drug Addiction Treatment infrastructure Fund.

During Test check of records in the office of Executive Officer, Municipal Council, Barnala for the year 2013-14 to 2015-16 it was noticed that, although an amount of Rs 561.84 lakh was collected during the above years as property tax yet contribution to Cancer & Drug Addiction Treatment Infrastructure Funds Rs 11.24 lakh @ 2 per cent of Rs 561.84 lakh as required was not deposited which resulted into non adherence of Government instructions *ibid*.

On being pointed out in audit the department replied that received amount would be contributed.

Final compliance is awaited in audit.

Para 5 Improper issue of licenses for trade premises in MC area.

According to Chapter XVIII of the Punjab Municipal Corporation Act, 1976 the Commissioner, when authorized by the Corporation in this behalf, may provide and maintain municipal markets and may charge such fees as he thinks fit to impose for the grant of a license to carry out a trade.

Test check of records revealed that no survey regarding assessment of total number of trade premises available in the jurisdiction of Municipal Council, Barnala for issue of licenses and enforcement thereof was carried out. Further, no data base was maintained to watch the renewal of license issued earlier for the respective period. In the absence of which issue/renewal of trade license could not be watched, which resulted into short recovery of revenue to the department. Had a proper survey been conducted to identify the total number of trade units available in the MC area and made the enforcement thereof, revenue as notified by the Government on January 2015 on account of license fee/renewal fee could be received.

On being pointed out in audit the department stated that compliance will be made.

Final compliance is awaited.

Para 6 Irregular expenditure on pay and allowances Rs 21.10 lakh.

As per financial rules, staff in an office should be posted as per sanctioned strength and salary may be drawn accordingly. Further Govt. of Punjab, Department of Finance vide letter no 8/1/3/03-5FBI-spl dated 24-2-2003 imposed a ban on posting of staff at places/offices other than that for which their posts were sanctioned and any deviation required prior approval of the Finance Department.

Test check of records for the period 2013-14 to 2015-16 in the office of Executive Officer, Municipal Council, Barnala it revealed that pay and allowances of the staff as details given below were drawn and disbursed by Executive Officer, Municipal Council, Barnala where as the services of the officials were utilized in another office. This had resulted into irregular payment of pay and allowances amounting to Rs. 26.73 lakh, in contravention of the Government instructions.

Sr. No.	Name	Designation	Date from when working	Salary upto 6/16	Office name where working
1.	Gurmeet Singh	Clerk	09.09.2014	817563	SDM (election cell)
2.	Balbir Singh	Peon	01.11.2014	721136	ADC (D) Barnala
3.	Kumari Bindu	Peon	2.09.2013	571800	SDM
			Total	2110499	

On being pointed out in audit the department stated matter would be taken up with the higher authorities and reply would be furnished accordingly.

Final action is awaited in audit.

Para 7 Outstanding recovery of rent- Rs 7.11 lakh

Section 104 and 105 of the Punjab Municipal Corporation Act, 1976 provides that for whole of any part of the city a new assessment list every year or adopt the rateable values contained in the list for any year with such alterations as may in particular cases be deemed necessary. In this connection Government of Punjab Department of Local Government prescribed the policy regarding periodical increase in the rent of Municipal properties in the State vide Memo No. 10.80/95-5LGIII/11947 dated 16.10.1998.

Municipal Council Barnala has shops under its jurisdiction in different markets which were leased to the tenants on monthly rent/lease basis at the prescribed rates, as per agreement entered into between the M.C. and concerned tenants. The tenants were required to pay the prescribed amount of rent of respective shops to the Council.

During Test check of Demand and Collection Register for the year 2013-14 to 2015-16 of Rent Branch and information supplied by the concerned branch it was noticed that an amount of Rs 7.11 lakh was outstanding as on 31.03.2016. The yearwise position of receipt and outstanding rent/lease is given in annexure.

On being pointed out in audit the department stated that efforts will be made to recover the outstanding amount.

Final compliance is awaited.

Para 7 (a) Outstanding recoverable amount of House Tax/Property Tax- Rs 124.03 lakh/Rs 10.11 lakh.

Municipal Council Barnala levies house tax on building under the jurisdiction of Municipal Council at the specified rates fixed by Government from time to time and

makes collections against demands issued to the assesses. Section 104 of the Punjab Municipal Corporation Act, 1976 provides that Corporation/council shall prepare for whole of any part of the city a new assessment list every year or adopt the rateable values contained in the list for any year with such alterations as may in particular cases be deemed necessary.

Test check of records and information obtained pertaining to house tax assessment and collection for the year 2013-14 to 2015-16 it was noticed that against arrears for the year 2013-14 of house tax amounting to Rs 211.17 lakh, only an amount of Rs 87.14 lakh was collected and an amount of Rs 124.03 lakh was still recoverable as on 31.03.2016. Similarly, property tax was also not recovered from the property holders during the audit period and an amount of Rs 10.11 lakh was still to be recoverable as on 31.03.2016.

On being pointed out in audit the department replied that more efforts will be made to recover the outstanding house tax/property tax.

Final compliance is awaited in audit.

Para 7 (b) Non-recovery of annual renewal charges for Mobile Towers-Rs 11.33 lakh

The Government of Punjab, Department of Information and Technology vide its letter dated 11.02.2005 had fixed one time installation charges @ Rs 10000 and annual renewal charges @ Rs 5000 of BTS/CDMA Mobile Towers. Further, vide No. INFRA/GUIDELINES/TELECOM INFRASTRUCTURE/13546A dated December 5th, 2013, Government of Punjab Department of Industries and Commerce issued guidelines regarding revision of one time installation charges of mobile towers in corporations/MCs. Accordingly Rs 25000/- for one time installation charges has been prescribed in C class MCs.

Test check of records and information obtained in respect of Mobile Towers installed within the jurisdiction of Municipal Council Barnala revealed that Municipal Council had not recovered annual renewal charges of Rs 11.33 lakh from Vodafone Companies of Mobile Communication Towers upto the year 2015-16.

On being asked the reasons for non-initiating the action to recover the outstanding fee the department stated that the outstanding amount will be recovered soon.

Final action is awaited in audit.

Para 8 Opening and operating of multiple bank accounts

As per instructions issued by the Department of Finance, Government of Punjab from time to time regarding misutilization of Government funds/opening of savings bank accounts, only one account savings bank account must be opened/operated under each scheme. However, multiple bank accounts for a scheme by the Municipal Council were being operated as details given below:

Sr. No.	Name of Bank	Account No.	Type	Purpose
1.	HDFC	04321000073790	SAVING	M.C. FUND
2.	HDFC	04321110000018	SAVING	M.C. FUND
3.	OBC	05942010023370	SAVING	M.C. FUND
4.	OBC	05942151002562	SAVING	M.C. FUND
5.	IDBI	731104000002059	SAVING	M.C. FUND
6.	PNB		SAVING	M.C. FUND
7.	SBI	10659793063	SAVING	M.C. FUND
8.	SBI	10659796983	SAVING	M.C. FUND
9.	CANARA	3976101000298	SAVING	M.C. FUND
10.	SCCB	175	SAVING	M.C. FUND
11.	OBC	05942011001117	SAVING	U.D. 11
12.	SBI	10659798119	SAVING	U.D. 11

As evident from the above table, various multiple bank account were opened and operated by the council which was in contravention to the instructions issued by the Government from time to time.

On being pointed out in audit the department replied that Bank Accounts noted at Sr. No. 2, 3, 4 and 6 to 9 have since been closed and Axis Bank A/c will be closed soon.

Final compliance is awaited in audit

PART- III TEST AUDIT NOTE

No test audit note was issued as all the minor points noticed during audit were discussed and settled on the spot.


Sr. Audit Officer (Vetting)