

(153)

Audit and Inspection Note on the Accounts of Notified Area Committee, Arki, District Solan.

Period of Audit 4/72 to 3/77.

PART I

1. LAST AUDIT NOTE :- The action taken on the last audit note (conducted by A.G Himachal Pradesh) called for the following further comments.

(a) AUDIT NOTE FOR THE PERIOD 7/65 to 6/67:-

(i) PARA 2 (a) & (b) :- The detailed accounts of grants utilisation item No. 2 of Rs 3923/- only, item 3 of Rs 329-95 were still awaited from the public works authorities. Steps should be taken to get the accounts settled at an early date.

(ii) Para 3 :- The case file of infructuous expenditure of Rs 104-75 could not be produced in audit. This should be shown at the time of next audit.

(iii) Para 4 (a) :- The Octroi Schedule was still not got revised. The revision should be expedited.

(iv) Para 5 :- Water connection securities lying with the P.W.D were still not transferred to the Notified Area committee, Arki. These may be got transferred at an early date.

(b) AUDIT NOTE FOR THE PERIOD 7/67 to 1/70 :-

(1) Para 2 :- Recoveries of Rs 2534-01, Rs 339-72, Rs 259-20, Rs 270-25 and Rs 42/- were still outstanding against Government Departments. These should be recovered at an early date and amount deposited in the Notified Area Committee Fund.

(c) TEST AUDIT NOTE FOR THE PERIOD 7/67 to 1/70 :-

(1) Para 1 :- The stock registers of newspapers and Library were still not verified periodically as required under the rules. These should be checked regularly and certificates of checking recorded on the registers be shown at the next audit.

(d) AUDIT NOTE FOR THE PERIOD 2/70 to 3/72 :-

(1) Para 1 :- Recovery of Rs 3643-87 was still outstanding against Shri. Husan Chand and replies to the points raised by audit were still not furnished. The information required by audit may be supplied and final position of recovery be intimated.

(ii) : Para 3 (1) :- The stock registers of consumable articles and articles of permanent nature were still maintained together. This was not in order. The registers should be maintained separately on the prescribed forms as required under the rules.

(154)

(iii) Para 3 (ii) :- The stock entries were still not made and shown to audit. The needful should be done and compliance shown to audit.

(iv) Para 3(iii) (iv) and (v) :- The reference of stock entries was still not being furnished on the vrs. to facilitate the checking, nor were the issue entries attested by the competent authority. The omission should be supplied at the next audit.

(v) Para 4:- The octroi collection of Mathi Octroi post was still being made on commission basis. The points raised in the audit para were also not met so far. These should be complied with ~~the~~ and compliance shown at the next audit.

(vi) Para 5 :- The investment of Rs 9000/- plus interest accrued (total Rs 10945.56) was transferred from the Bank to the post office saving Bank Account No. 237200. Arki Post Office on 26-10-73. without the permission of the competent authority. The post office Account was also opened in the name of Sh. C.P. Pandey, President Notified Area committee, Arki, which was not in order. The Account should have been opened by Designation and not in the name of president. Neither investment Register was being maintained nor the amount of investment was being shown in the Balance of cash book Account. The account of investments should be maintained as required in the rules contained in the Municipal Account Code Rules and compliance shown to audit.

(vii) Para 6:- No demand and collection Register was being maintained for the outstanding recoveries. This should be prepared forthwith and all the outstanding amounts be recovered.

(viii) para 7 :- The Security Register was still not prepared. This should be prepared and shown at the next audit.

(ix) Para 8 :- Grants were still not being utilised during the prescribed period as works grants were being executed through Xen. Public works department, Solan and Himachal Pradesh state Electricity Board. The ~~authorities~~ amounts were deposited with the said authorities but the execution of works was still awaited. The Municipal Authorities should take personal interest in the execution of works and grants be utilised in the prescribed time limit. The lapsed grants should be refunded to the Government or utilised in the subsequent year(s) with the sanction of competent authority.

(x) Para 9 :- The Accounts of works executed by the public works department were still not obtained. The authorities should take personal interest in the matter and adjustment accounts of deposits be obtained and compliance shown at the next audit.

-3-
PART II

2. **PRESENT AUDIT :-** The present test audit and examination of accounts for the period 4/72 to 3/77, the results of which have been stated in the succeeding paragraphs, was conducted by Shri. Baldev Singh, Auditor on 20-4-77 to 23-4-77, 25-4-77 to 30-4-77, 2-5-77, 4-5-77 to 9-5-77 to 13-5-77, 16-5-77 to 21-5-77, 23-5-77, 24-5-77, 26-5-77 to 28-5-77 and 30-5-77 at Arki. The accounts for the months of 7/72, 3/73, 9/73, 3/74, 6/74, 3/75, 9/75, 3/76, 6/76 and 3/77 were selected for detailed check. The record required was duly produced except that referred in the relevant paras hereafter.

3. (1) **Financial Position :-** The Financial position of the funds is exhibited below in a comparative form.

<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
Rs	Rs	Rs	Rs	Rs
Balance 9756-64	20870-38	39656-91	72447-65	40077-50
31592-88	65759-77	64818-12	44826-00	1,10,356-69
41349-52	86630-15	1,04,475-03	117273-65	150434-19
20479-14	46973-24	32027-38	77196-15	51873-98
Balance 20870-38	39656-91	72447-65	40077-50	98560-21

The main sources of income were Octroi, Government grants water rate and licence fee for sale of food articles, milk etc. The expenditure was on payment of salaries, public works, maintenance of water supply sanitation and street lighting etc.

(11) **Investments :** An investment with the Cooperative Bank Arki of Rs 9000/- plus interest of 1945-56 (total Rs 10945-56) was withdrawn and deposited in the post office savings account No. 237200 on 26-10-73 at Post Office Arki. No investment register was being maintained as required under rule 235 of H.P. M.A code, 1971. The accuracy of interest received from the Cooperative Bank could not be checked in the absence of any record. Records may be completed and shown at the next audit.

The N.A.C Arki, was keeping its funds in the Personal ledger Account of Sub Treasury Arki. Keeping a separate Savings Accounts in the post office was not in order. It should be got transferred to the NAC Personal ledger account forthwith.

The Post Office Savings Account was in the name of Shri. CP. Pandey, president, NAC Arki. No public account should be opened in the personal name. It should be opened in the personal name. It should always be by designation. The amount in the post office was not being accounted for in the balance of NAC funds. nor was the interest accrued got entered in the savings pass book. The needful should be done now and compliance be got checked at the next audit.

contd -- 4/-

156

AUDIT FEE. :- The President of the Notified Area Committee was required vide requisition No. II(Audit)/588 dated 30-6-77 to credit the audit fee of Rs. 640/- for the audit of accounts in the Government account under Head "065-other Administrative Services-C-other services; fee for the Government audit H.P." The details are as under :-

23-4-77 to 23-4-77	= 4 days @ Rs 20/- per day	= Rs 80/-
25-4-77 to 30-4-77	= 6 days @ " "	= Rs 120/-
2-5-77	= 1 day @ Rs " "	= Rs 20/-
4-5-77 to 7-5-77	= 4 days @ " "	= Rs 80/-
9-5-77 to 13-5-77	= 5 days @ Rs 20 " "	= Rs 100/-
16-5-77 to 21-5-77	= 6 days @ " "	= Rs 120/-
23-5-77 to 24-5-77	= 2 days @ " "	= Rs 40/-
26-5-77 to 28-5-77	= 3 days @ " "	= Rs 60/-
30-5-77	= 1 day @ " "	= Rs 20/-

Total 32 Day " " Total Rs. = 640/-

5 Grants :- (i) The Government grants detailed in the appendix were received by the NAC during the period under audit as per committees Record. The public works Grants shown in the appendix at Sr. No. 1, 2, 3, 4, 6, 7, 8, 12, and 13 were deposited with the Executive Engineer, PWD Solan for execution of work. The works, for which grants were shown at serial number, 2, 4, 6, 7 and 8, were stated to have been completed but completion certificates and works accounts were still awaited from the Executive Engineer, PWD Solan. These should be obtained and put up at the next audit. The works for which grants shown at serial No. 1 and 3 in the appendix were paid were stated to be in progress. On completion of works the completion certificate and works accounts should be obtained and shown to audit. The works for which grants are shown at serial No. 12 and 13 of the appendix, were not started so far. The Executive Engineer PWD Solan should be requested to execute the works at an early date and compliance should be shown to audit.

(ii) The Grants received for street lighting as shown in the appendix at Serial No. 5, 9, 10, 11 and 15, were stated to have been utilised, through the agency of SDO HPSEB, Arki but the completion certificates and works accounts were not shown to audit. These should be shown at the next audit.

(iii) Public Works grants shown in the appendix from serial No. 16 to 21 were received on 31-3-77. These should be utilised in the prescribed period and accounts be put up at the next audit.

(iv) The immovable property acquired with the help of Government Grants was not being entered in the immovable property register. This should be entered in the immovable property register as required under rule 152 of the H.P. Municipal account code and entries got checked at the next audit.

6. POSITION OF ARREARS :- The demand and collection registers were not being maintained for the water rates, taxes etc. as prescribed the HP Municipal account code. As such the position of arrears as at 31st March, 1977 could not be worked out. The demand and collection registers for water rate in form. W-2 as required under rule 129 of the H.P. Municipal account code should be maintained and all outstanding arrears of previous year should be entered in it. Similar

7. OUTSTANDING TEMPORARY ADVANCES (i) No. Miscellaneous demand and collection register was being maintained as required under rule 167 of the H.P. Municipal account code. The register should be maintained in the prescribed form and all outstanding temporary advances should be entered in it.

(ii) Shri. Devi Singh clerk of the office of S.D.M. Arki was holding the charge of Secretary NAC Arki with effect from 9/74 to 1/75 while the Secretary NAC was under suspension. The acting Secretary drew a temporary advances of Rs 300/- vide vr. No. 50 dated 23-10-74. Out of which he rendered an account of Rs 203-60 but the balance of Rs 96-40 was still outstanding against him. The amount should be got refunded forthwith failing which Government should be requested to effect recovery from the official.

8. EMBEZZLEMENT :- Octroi collection amounting to Rs 122-25 made vide for 04 Receipt nos. 14/338 to 18/338 on 1-6-76 was not deposited in the NAC Fund. The amount seems to have been embezzled. The authorities should look into the matter and action be taken against the defaulter as required under the rules.

9. IRREGULARITIES IN CONTINGENT DRAWALS :- (1) A contingent bill of Rs 298-70 was drawn vide vr. No. 14 dated 3-6-74 but the vr. was not forthcoming in the NAC record. The amount was refunded to NAC Fund vide challan No. 48 dated 23-7-74. In the absence of record the purpose of withdrawal and reasons of subsequent deposit of the amount could not be verified in audit. The retention of N.A.C Fund in hand when it was not required is tantamount to temporary embezzlement. This should be looked into by the NAC authorities and factual position intimated to this department.

(ii) Vrs. No. 98 dated 6-2-75 for Rs 150/- :- Forty Nine litres of petrol at cost of Rs 148-05 was purchased vide above noted vr. and the balance of Rs 1-95 was refunded to NAC fund vide Treasury Challan No. 24 dated 1-3-75. The petrol was purchased for the BDO's Jeep when it was utilised by the President, NAC Arki to visit Deputy Commissioner's Office, Solan for discussion of the cases of grant-in-aid. The BDO's jeep could be hired at the rate fixed by Government and there was no justification for the purchase of petrol. The account of the Petrol utilised for the journey could not be shown to audit nor the details of the grants, whose cases were discussed could be shown to audit. The necessary record may be shown and purchase of petrol should be justified, otherwise the amount be got refunded from the person at fault.

(iii) Vr. No. 86 dated 2-1-75 for Rs 185-50 :- Fifty litres petrol and two litres Mobil oil was purchased for the Block Development Officer's Jeep vide above noted vr. but the purpose of purchase etc was not mentioned in the sanctioning orders. Either the purchase may be justified by producing necessary record in audit or the amount should be refunded to the NAC fund forthwith.

(iv) Vr. Nos. 117 to 127 dated 31-3-75 for Rs 605-14. The sanctions in respect of the expenditure incurred vide above noted vrs, were not forthcoming. The contingent vrs. were not passed for payment by the competent authority nor was the material purchased entered in the stock register. The omissions should be accounted for and supplied at the next audit to check the justification of expenditure.

(v) Vr. No. 56 dated 26-8-75 for Rs 966/-. The amount of Rs 966/- drawn vide above noted vr. was stated to have been deposited with the Secretary Municipal Committee, Solan for the supply of cement. Neither the acknowledgement of the deposit with M.C Solan was forthcoming nor the cement was supplied. The amount was refunded to the NAC fund on 5-11-76 Rs 966/- were kept out of NAC fund from 8/75 to 11/76 which is tantamount to temporary misappropriation. The authorities should look into the matter and take necessary action under intimation to this office.

(vi) Vr. No. 162 dated 3-3-76 for Rs 245-95 :- The above amount was withdrawn for the purchase of petrol for BDO's jeep for the family planning operations. The expenditure may either be justified or else be got regularised with the sanction of Government. Neither the stock entry of petrol purchased was forthcoming nor the account of consumption of petrol could be shown to audit. This should be shown at the next audit.

(vii) The following expenditure was incurred on family planning programme, out of municipal fund.

Vr. No. 27 dated 23-9-76 for Rs 88-50:- Tea and bread served to family planning cases.

vr. No. 28 dated 23-9-76 for Rs 13-62- Tea leaves and sugar.

vr. No. 29 dated 23-9-76 for Rs 7-50 :- Milk.

vr. No. 30 dated 23-9-76 for Rs 143-00:- cost of sweets.

The camp was organised by the State Health department. The sanction of the Notified Area committee was also not forthcoming for above noted expenditure. In the absence of any sanction the expenditure should be justified. The expenditure should be got regularised by obtaining Government sanction or the amount be recouped from the Health department who had organised the camp.

(viii) Reading room rent. @ Rs 10/- P.M. for the period 1-1-73 to 31-3-73 was paid vide vr. No. 87 dated 31-3-73 for Rs 30/- The sanction of NAC for hiring the room and rent fixed was not put up to audit. The sanction may be shown at the next audit or the payment of rent be justified with the absence of any sanction.

(ix) Contingent charges were being got sanctioned from the president of the NAC only. No authority in support of this practice was pointed out. The sanction of NAC was not being obtained. This was not in order. No payment should be made unless sanctioned by the NAC.

Payments made without the sanction NAC should be got regularised by taking ex post facto sanctions and compliance shown at the next audit.

(154)

(x) Newspaper bills for the period 7/72 to 10/72 and 1/73 to 2/73 for Rs 98-10 were paid vide vr. No. 91 dated 31-3-73 for Rs 98-10 maintained and in its absence no audit check on the correctness of payment could be exercised. It was noticed that the supplier was charging for each kind of newspaper at a fixed monthly rate without a taking ~~max~~ into consideration or 31 days. No deduction was made for the holidays such as independence day, Republic Day, Diwali etc when no newspaper was supposed to have been received. The overpayment thus made should be worked out and made good from the person at fault. To avoid the irregularity in Reeding Room Attendant for the Newspapers received by him and payments should be made accordingly.

10. IRREGULARITIES IN PAY BILLS ACCOUNT AND SERVICE RECORD:-

(1) The Bye-laws made by the NAC under Section 31 of the Municipal act regarding assigning executive powers for signing pay bills, contingent bills, T.A Bills and Service Record and a adoption of Service Rules for N.A.O Employees were not put up to audit. These should be shown at the next audit .

(11) Service Books of the officials were not complete. The increment, leave and absence entries were not recorded in the Service books regularly. Entries in the service books were not authenticated by any office of the NAC . The orders effecting the pay etc. of the NAC employees were not noted in the service books of the incumbents. The service record of the employees should be completed and compliance shown at the next audit.

(111) The service books of the following officials were not made available to audit ~~and hence~~ in order to check the entries of increments granted and leave availed etc. These should be put up at the next audit for necessary check.

1. Shri. Nand Lal Secretary grant increments on 1st April every year.
2. Shri. Nek Ram Octroi Moharrir " 1st January every year.
3. Sh. Dhani Ram " " 1st January every year.
4. Shrimati Lakshmi II Saffai staff " 1st April every year.
5. Shrimati Punam Devi " 1st April every year.
6. Hem Raj Octroi Moherrir " 1 st January ever year.

(iv) The pay bills were not prepared in the prescribed form G-16 of the H.P. Municipal Account Code. The rule 180 and 181 ibid should be followed strictly in future and compliance shown at the next audit.

(v) The entries in the ECR in form G-14 were not being made as required vide Rule 179 and 181 of H.P. Municipal Account code. The said rules should be followed strictly. contd---8/-

11. IRREGULARITIES OF PAY BILLS :- (i) Vr No. 20 dated 10-7-72 for Rs 394-21. Pay Bill of staff. At serial No. 4 one Shrimati Lakshmi II was appointed a fresh employee but the approval of the NAC of her appointment was not forthcoming. The ex post facto approval may be obtained and shown to audit. The recruitment was not made by inviting names from employment exchange. The irregularity should be accounted for.

(ii) Vr. No. 21 dated 10-7-72 for Rs 127/- (Pay bill of Shri; Dhani. Ram Fitter/Mason for 6/72) The official was appointed as Fitter/Mason in the NAC service vide its resolution No. III dated 7-11-66 in the scale of Rs 45-2-60. It was noted that the stage of Rs 60/- did not come in the scale given to him. In 11/71 he was drawing Rs 53/- in the said scale and in 12/71 he was paid Rs 56/- by granting him increment of Rs 3/- instead of Rs 2/- without any authority. Thus he was paid excess @ Rs 1/- per month till his grade was revised, at his next increment on 8-11-72. The excess payment for the period 12/71 to 7/11/72 should be worked out, recovered and credit in NAC fund be pointed out to audit.

(iii) Shri. Jawahar Lal Bhardwaj, son of Shri. Shankar Datt Bhardwaj was appointed as Octroi Moharrir vide NAC Resolution No. 1 dated 19-9-72. His employment was not made through employment exchange which was a statutory requirement. As per condition No. 2 of his appointment letter he was to furnish a personal security of Rs 500/- but no security was taken. The irregularities should be accounted for in NAC service on 15-3-73. AN. His resignation was accepted by the President on 15-3-73. AN. vide his orders on the application. These orders were not got approved from the NAC so far. As per condition No. 1 of his appointment his service were terminable at any time with one months notice from either side. But on his resignation the one month salary of Rs 121/- in lieu of one month notice was not recovered. Instead he was paid Rs 58-54 for the period 1-3-73 to 15-3-73 vide vr. No. 86 dated 15-3-73 which should have been adjusted in the recovery of one month salary. As per condition of his appointment one month salary of Rs 121/- should be recovered from the person and credited in the NAC fund. The resignation should also be got approved from the NAC who appointed him.

(iv) Shri. Med Ram Verma son of Shri. Tulsi Ram was appointed as Octroi Moharrir in the scale of Rs 50-3-80/4-100 plus allowances admissible to the NAC employees vide NAC resolution No. 6 dated 21-3-73. The official joined duty on 2-4-73 but he was paid full months salary of Rs 121/- for the month of 4/73. The recovery of one day salary of Rs 4-05 excess paid should be made good and credited in the NAC fund.

(v) Shri. Med Ram verma son of Shri. Tulsi Ram Octroi Moharrir resigned from service with effect from 24-8-73. His resignation was accepted by the President.

(161)

and it was not got approved from the NAC so far. The Necessary approval should be obtained now and complinace be shown to audit. As per appointment letter condition No. 1, one month's notice from either side was required to leave the service. The Official did not adhere to the condition, he was also paid his salary of Rs 93-68. for the period 1-8-73 to 24-8-73 vide vr. No. 18 dated 3-9-73 and this was not adjusted against the recovery of one month's salary. The recovery of one month's salary amounting to Rs 121/- only should be made now and credit pointed out to audit.

(vi) The following two octroi Moharrir were appointed on 27-12-73 vide NAC resolution No. 4 dated 15-11-73.

1. Shri. Nek Ram son of Shri. Umeed Ram
2. Shri. Dhani Ram son of Shri. Kirpa Ram

Their joining reports were not put up to audit. though they were paid w.e.f. 1-1-74. The joining reports should be shown to audit in order to check the accuracy of payment.

No cash security was obtained from them as required vide rule 231 of the H.P Municipal Account, 1971. The omission should be accounted for. Service Books of the officials were not prepared and no record of the leave availed by them was being maintained. As per personal files of the officials, the Secretary NAC called the explanation of Shri. Dhani Ram for his absence from duty on 19-9-75 to 29-10-76 and Shri. Nek Ram on 29-10-76 but both the officials were paid for the said days without any explanation and orders of the competent authority. The payment for the period of absence should be justified or recovery should be effected from the officials and compliance got checked from audit. The entries of absence and leave availed by them should be entered in their service books and compliance shown at the next audit.

(vii) Shri. Hem Chand, son of Shri. Hari Ram village Kawli P O Majoo, Tehsil Arki was appointed Octroi Moharrir w e f 9-12-75 FN but the sanction of the NAC for his appointment was not forthcoming. This should be shown at the next audit.

(viii) Vr. No. 19 dated 3-9-73 for Rs 541-50 pay bill of saffal staff.

Shrimati Punam Devi sweeperss was appointed in a vacant post on 19-4-73 vide President Orders dated 19-4-73. The appointment was not got approved from NAC so far. Needful should be done.

She availed Maternity leave w e f 11-2-74 to 24-3-74 but the said leave was not entered in her service book. The entries of leave in the service book be made and shown to audit.

Her services were terminated on account of reduction of posts w e f 31-10-73 . On 26-12-73 the President again issued reappointment letter to appoint her w e f 23-1-74 but she was paid her salary w e f 22-12-73. Thus she was paid without any authority for the period 22-12-73 to 22-1-74. Either the appointment w e f 22-12-73 may be got regularised with the sanction of NAC or the excess payment should be recovered. The re-appointment should be got approved from NAC and compliance shown at the next audit.

12. GOVERNMENT SERVANT ENGAGED PART TIME FOR NAC WORK:-

The following Government officials were working part time for the NAC and were being paid the fee as noted against each. The sanction of the competent authority for the work done and to accept a fee was not obtained as required under SR 11 . The one third of the recurring fee in excess of Rs 250/- a year was not credited to the Government as required vide S.R. 12.

(i) Veterinary Assistant. Surgeon Arki, was being paid @ Rs 30/- p.m for the work of slaughter house inspection

(ii) Sanitary Inspector , Primary Health Centre, Arki was being paid @ Rs 30/- p.m for the NAC work.

(iii) Patwari of Arki was being paid @ Rs 30/- p.m for the maintenance of death ~~offbirth~~ and birth registers of Notified area Committee Arki.

The necessary Government sanction as required under SR 11 should be obtained now and one third share in excess of Rs 250/- should be worked for each official and recovery effected as required under SR 12 and since their appointments . The sanctions of their engaging for NAC was never obtained from NAC. The necessary sanctions of the Government and NAC may be obtained and shown at the next audit.

13. ARREARS OF PAY AND ONE MONTH ADVANCE SALARY DRAWN BY THE SECRETARY :- Shri. Nand Lal Secretary NAC was paid arrears of pay and one month salary advance vide vr. No. 114 dated 31-3-75 for Rs 401-49 as per details given below:-

Arrears of pay	1-8-74 to 31-8-74	Rs 165/-	net payable.
" " "	1-9-74 to 13-9-74	Rs 71-49	" "
One month's salary advance		Rs 165-00	" "

The following discrepancies were noticed in the above noted payment.

(i) The particulars of vrs. were not given where the pay was not drawn nor the note was furnished for the drawal of arrears on the original vrs. to avoid double payment.

(ii). ~~Original xxxxxxxxx~~ The entry in the establishment check register was also not forthcoming.

(iii) The sanction for the drawal of one month's salary advance was also not forthcoming. The matter should be looked into by the NAC authorities and factual position intimated to this office.

(iv) The salary advance was not recovered so far nor the same entered in the demand and collection register in order to watch the ^{recovery} authorities should look into the matter and suitable action be taken against the defaulter. The factual position may also be intimated to this department.

14. ELECTRICITY CHARGES OF STREET LIGHTING:-

(1) Street light electricity bills for the period 7/76 to 1/77 were paid in 3/77 vide the following vrs. :-

vr. No. 62 of 3/77 for Rs 5530-71
vr. No. 63 of 3/77 for Rs 46-25

The electricity bills were not paid within the prescribed period as such the discount allowed by the HPSER for payment was not availed as under :-

Account No. 119 stree light.	
Bill No. 593994 dated 7/76 to 76 discount	4-44
Bill No. 566788 dated 8/76 for 9/76 discount	7-10
Bill No. 585034 of 9/76 to 10/76 discount	6-54
Bill No. 573564 of 10/76 to 11/76 discount	3-28
Bill No. 584942 of 11/76 to 12/76 Discount	9-76
Bill No. 578171 of 12/76 to 1/77 Discount	4-32
Bill No. 570090 of 1/77 to 2/77 Discount	-

Total Rs 35-44

Account No. A-126

Bill No. 593966 of 7/66 to 8/76	404 paise.
Bill No. 566761 of 8/76 to 9/76	404 paise.
Bill No. 585006 of 9/76 to 10/76	450 paise.
Bill No. 573570 of 10/76 to 11/76	412 paise.
Bill No. 584909 of 11/76 to 12/76	412 paise.
Bill No. 578140 of 12/76 to 1/77	418 paise.

Total 1/-

The less of discount of Rs 35-44 and Rs 2/- should be made good from the official at fault under intimation to this office.

(ii) In the street light electricity charges, the following discrepancies were noticed, which may be removed and compliance shown at the next audit.

(a) No. record of street light points obtained by the NAC was being maintained. This should be prepared and put up at the next audit.

(b) The copy of the agreement executed with the electricity department for street lighting was not shown to audit. This should be put up at the next audit.

(c) From the electricity bills of street light paid vide vr. No. 17 dated 6-7-72 for Rs 572205, a deduction contd---12/-

of Rs 468/- was made as it was claimed as disputed amount. The connection correspondence of disputed amount was not put up to audit. This should be shown at the next audit.

(d) As the payment of electricity charges was a recurring charges, it should be recorded in the establishment check register (Form. G-14) as required vide Rule. 179(5) of the H.P. Municipal account code and compliance be shown at the next audit.

15. IRREGULARITIES IN T. A. CLAIMS :- (a) Travelling allowance for the following periods was claimed by the Secretary NAC.

16-2-74 to 30-3-74 for Rs 173-10

~~6-9-73 to 30-12-73~~ for Rs 63-20

30-10-73 to 30-12-73

6-9-73 to 7-9-73 for Rs 14-40

16-8-73 to 17-8-73 for Rs 27-35

6-7-73 to 28-7-73 for Rs 56-45

9-4-73 to 23-6-73 for Rs 139-25

Total Rs 473-75

The total of all the TA Claims worked out to Rs 473-85 but Rs 400/- were drawn vide vr. No. 117 dated 30-3-74. The following discrepancies were noticed in the payment.

(a) Sanction of the NAC for payment of TA claim was not obtained.

(b) Purpose of journey was not mentioned. This should be supplied and compliance shown at the next audit.

(c) Some journeys were made to attend court cases but the certificates of court attendance in support were not forthcoming. The court attendance certificates should be obtained now and or the claims be justified.

(d) Totals of the TA claims for the period 30-10-73 to 30-12-73 were worked out as Rs 63-20 by the claimant where as the correct total was Rs 55-20. The excess claim of Rs 8/- should be refunded forthwith under intimation to this office.

(e) The total of all the bills worked out Rs 473-75 where as Rs 400/- were drawn and paid. The reasons of variation may be intimated to audit.

(f) The acknowledgement of the amount was not shown to audit. It should be put up at the next audit.

(ii) The Secretary NAC Arki drew Rs 61-65 vide vr. No. 116 dated 31-3-75 on account of balance amount of TA. It may be explained as to how the amount of Rs 61-65 was worked out and to which period the claim pertains. The original vr. number in which it was claimed could not be shown to audit. In support of the claim, the original TA vr. where the amount was less claimed should be shown to audit.

16. REVISED PAY SCALES. (i) Pay for all the NAC employees was drawn in the new Grades recommended by the Government with effect from 1-5-76 but the orders of the NAC for the revision of pay could not be shown to audit. The authority for the adoption of new grades should be shown at the next audit.

(ii) The entries in the service books of the employees for the revised pay were not made. In order to check the fixation of pay, the entries in the service book should be completed forthwith and fixation got checked at the next audit.

(iii) The deduction of half ADA were made for the deposit in the compulsory deposit scheme although ADA was not given according to the prescribed rates. The accounts of the deductions made for each employee were not maintained according to the Government instructions. The accounts of compulsory deposit scheme should be prepared according to Government instructions and reconciled with the amount deposited with the Government. The compliance should be shown at the next audit.

17. LICENCES :- Licence fee was being charged at the following rates :-

(i) Manufacture preparation or sale of articles of food and Drink @ Rs 5/- per annum.).

(ii) Licence to Milk vendors @ Rs 3/- per annum.

(iii) Licence fee for porters @ Rs 10/- per annum.

(iv) Licence fee for Dog Registration @ Rs 5/- per annum.

166

The H.P. Municipal Account Code Rules 134 to 137 were not being observed while issuing licences. Licences were not being issued in the prescribed forms not was the account of licences being maintained in the Registers L1 & L2 prescribed in the rules. This was not in order. The rules contained in the Municipal Account Code should be followed strictly in future.

18. Rents :- Sh. Narainu Ram S/O Sh. Dila Ram deposited Rs.6/- for the year 1972-73 vide Try. Challan No. 25 dated 12.9.73 on account of Rent of the land based @/50 Paise per month. No Rent Demand & Collection Register was being maintained as required vide Rules 155 of the H.P. Municipal Account Code nor was any other amount received in the NAC Fund on this account. Similary, rent was realised for the Bath Rooms but no account was being maintained. All such leases should be entered in the Demand & Collection Register in Form R-2 and Rules 155 & 156 of the H.P. Municipal Account Code should be followed strictly. In the above quoted lease cases, the recovery for the years 1973-74 to 1976-77 may be made immediately and compliance shown at the next audit.

19. Octroi (i) :- The Octroi Barriers were not established as required vide rule 43 of the H.P. M.A. Code, 1971. Barriers are being operated during day time only. The authority for this could not shown to audit. This may be shown at the next audit.

(ii) The Octroi Schedule was very old and not converted to the Decimal System sofar. This should be done at an early date after following the rules.

(iii) The Rules 54 of H.P.M.A. Code 1971 was not being followed in the case of Transit Pass System. The rule should be followed and compliance shown at the next audit.

(iv) The out post barriers did not function regularly. The collection was being made at the Bus stand only. The income of the out post Barriers was negligible. For effective control on the Octroi income, the rules should be followed strictly.

(v) Only 04 & 02 forms were being used for Octroi collection, no other form was being used as prescribed in the H.P.M.A. Code. The Rule 86 of H.P.M.A. Code was not being followed. This should be followed strictly and compliance shown at the next audit.

(vi) Daily income of Octroi was not being deposited in the NAC Fund regularly. This was being kept out of NAC Fund for number of days and deposited late as per instances noted below. The delay in deposit is highly objectionable. The authorities should look into the matter and effective steps should be taken to stop this irregularity.

04-Receipt Nos.	Dates when issued	Amount collected	Try. Challan No. & date vide which deposited.
21/312 to 36/312	27.2.75 to 2.3.75	Rs.37-25	Try.Challan No.10 Dated 3.3.75.

Contd...6/-

- 15 -

162

1. Receipt Nos.	2. Dates when issued	3. Amount Collected	4. Try.Challan No. & Date vide which deposited.
0/310 to 61/310	18.2.75 to 2.3.75	Rs.6-55	Try.challan No.10 dated 36 dt. 3.3.75
05/312 to 158/312	20.3.75 to 30.3.75	Rs.30-95	" " 9 " 31.3.75
59/132 to 175/312	31.3.75 to 2.4.75	Rs.2-00	" " 18 " 3.4.75
2/310 to 123/310	3.3.75 to 19.4.75	Rs.10-30	" " 57 " 19.4.75
1/313 to 27/313	26.3.75 to 28.3.75	Rs.511.44	" " 17 " 29.3.75
17/318 to 68/318	1.8.75 to 18.8.75	Rs.5-30	" " 26 " 19.8.75
69/318 to 117/318	19.8.75 to 30.9.75	Rs.5-80	" " 9 " 1.10.75
132/320 to 200/320	18.8.75 to 1.9.75	Rs.54-15	" " 27 " 3.9.75
118/318 to 200/318	1.10.75 to 17.3.76	Rs.18-25	" " 7 " 18.3.76
1/328 to 89/328	18.3.76 to 18.6.76	Rs.9-20	" " 11 " 19.6.76
90/328 to 182/328	19.6.76 to 31.7.76	- /60 Paise	" " 11 " 29.4.77
183/328 to 200/328			

(vii) The following income of 3/77 on account of Octroi credit is ~~not~~ amount to temporary misappropriation which should be looked into by the authorities and factual position conveyed to this Department.

The Cash Book of 4/77 was not written and in its absence the income could not be traced in the General Cash Book. The entries in the Cash Book should be made daily.

1. Dates of Income	2. Name of Octroi Post.	3. Amount	4. Try.Challan No. & Date vide which deposited.
5.3.77 to 15.3.77	Shilla	Rs. 7-39	Try.Challan No.21 Dated 5.4.77
16.3.77 to 18.4.77	-do-	Rs. 2-90	-do- 19 " 18.4.77
19.3.77 to 24.3.77	-do-	Rs. 4-97	-do- 20 " 19.4.77
25.3.77 to 31.3.77	-do-	Rs. 4-97	-do- 21 " 22.4.77
1.3.77 to 31.3.77	-do-	Rs. 0-80	-do- 11 2 29.4.77
5.3.77 to 15.3.77	Mathi		21 " 5.4.77
16.3.77 to 18.7.77	Sainj	Rs.103-61	-do- 34 " 18.4.77
19.3.77 to 24.3.77	-do-	Rs. 32-92	-do- 19 " 19.4.77
25.3.77 to 31.3.77	-do-	Rs.171-37	-do- 10 " 22.4.77
5.3.77 to 15.3.77	-do-	Rs. 38-18	-do-
16.3.77 to 18.3.77	Sainj & Khryawan	Rs.183-18	-do- 21 " 5.4.77
22.3.77 to 24.3.77	-do-	Rs. 9-06	-do- 34 " 18.4.77
25.3.77 to 31.3.77	-do-	Rs.23-89	-do- 19 " 19.4.77
16.3.77 to 18.3.77	-do-	Rs.105-32	-do- 10 " 5.4.77
5.3.77 to 15.3.77	-do-		34 " 18.4.77
19.3.77 to 24.3.77	Motor stand	Rs. 32-73	-do- 21 " 5.4.77
25.3.77 to 31.3.77	-do-	Rs.216-13	-do- 19 " 19.4.77
	-do-	Rs.194-57	-do- 10 " 22.4.77
	-do-	Rs.328-47	

(viii) Rs.1982-43 as Octroi Charges were outstanding against Government Departments since long. Steps should be taken for their early recovery.

Contd... 71-

20. Water Rate (1) :- The Register of water connes in Form W-1 was not being maintained as required vide Rule 128 of the H.P.M.A. Code. The Register should be prepared and compliance shown at the next audit.

(ii) The Demand and Collection Register in Form W-2 was not being maintained as required vide Rule 129 & 130 of the H.P.M.A. Code. The irregularity should be accounted for .

(iii) The reopening fee of disconnected water connections was leviable @ Rs.5/- but bye laws No. 8&13 were not followed in this regard. The bye laws should be followed strictly in future.

(iv) As per Bye law no. 15 the Water Rate Charges for construction of Buildings, was Chargeable equal to one percent of the cost of Building if the water was drawn from Public stand Post or un-metered connection was provided for the purpose. Many new constructions were made or were in progress but no collection was made on this account. The Water charges should be recovered from all the House Builders who constructed the Housls after the bye laws of water rate of NAC come into effect and who utilised. Water supplied by N.A.C. The compliance may be shown at the next audit.

(v) Securities were received from the water consumers but the account of Securities was not being maintained as required vide Rule 233 of the M.A. Code. The Register should be prepared ~~next~~ immediately and compliance shown at the next audit.

(vi) In the absence of D & C Register, the arrears of water Rate charges could not be checked in audit. With effect from 1974-75 the water Rate Bill were entered in Blank Registers and recoveries noted against each but it was noticed the arrears were not carried over to the next year (s).

Arrear which come in the notice of last audit were as under on 31.3.77. These should be recovered forthwith and compliance shown at the next audit.

1. S.D.M. Arki Residence	Rs.28-00	upto	31.5.76
2. Medical Officer, Arki Residence	Rs. 6-00	"	31-10-74
3. Sh. Rama Nand Sharma N.T. Arki	Rs.72-00	"	31.3.77
4. Sh. Mohan Lal N.T. Arki	Rs.55-26	"	31.3.77
5. Sh. Tek chand Lineman	Rs.9/-	"	30-6-73
6. Sh.Gopal Dass, Teacher	Rs. 6/-	"	30-6-73
7. Sh. Shonke Ram	Rs.54-50.	"	30.6.73
8. Sh. Moharir H.C. P.S. Arki Residence	Rs.16-00	"	29.2.77
9. M/S Ram Lal Vidya Sagar	Rs.50-00	"	31.3.77
10. Sh. Basant Lal	Rs.48-00	"	31-3-77
11. Sh. Hiran Chand Gupta	Rs.66-00	"	-do-
12. Sh. Mohinder Parkash	Rs. 120-00	"	-do-
13. Sh. Rulye Ram Vice President N.A.C.	Rs.88-50	"	-do-

14. Sh. S.L. Mittal	Rs.78-00	upto	31.3.77
15. Sh. Jagdish Gupta	Rs.108-00	"	-do-
16. Sh. Balri Ram	Rs.79-00	"	-do-
17. Sh. S.H.O. Arik	Rs.32-00	"	-do-
18. Sh. Medical Health Centre Arki	Rs.40-00	"	-do-

Arrears should ~~have~~ be worked out to date and recoveries should be made at an early date.

(vii) Prinvipal, Govt. Girls Higher Secondary, & School Arki added one additional water Tap in the Urinal w.e.f. 18.3.73 vide Memo No. GHSS-4/71-42 Dated 18.4.73 but no charges were recovered for the additional tap @ Rs.1/- p.m. upto 31-12-73. The short recovery of Rs. 10/- should be made good and credit pointed out at the next audit.

(viii) No. security Deposit was being received for the water connections provided in Government Quarters with the result that the Cool servants who were transferred did not pay the outstanding dues In ~~your book~~ safe guard the interest of NAC, the securities may be received from the resident of Govt. Quarters.

21. Slaughter House Fee :- Slaughter House Fee @ /50 Paise per head was being charged by the Veterinary Assistant Surgen, Arki on behalf of the NAC, Arki and collection was being deposited direct in the Treasury by him. In support of the collection no record could be produced in audit. This was not in order, Rule 163 of the H.P.M.A. Code should be followed strictly in this regard and maney received should be acknowledged on form R-4 or R-7. The antherities should look into the matter. Necessary steps should be taken to safe guard the interest of the NAC in this regard.

22. Cash Book. (1) The General Cash Book in form G-2 was not being maintained as per rule 19 of the H.P.M.A. Code, 1971. The details of income & expenditure were being totaled in separate register and entered in the Cash Book by making are entry of receipt & one entry of expenditure. This was not in order; Every receipt and voucher should be entered separately in the Cash Book except Octroi income. The Rule 19 of the H.P. Municipal Account Code. should be followed strictly in future in the maintenance of Cash Book.

(ii) As the General Cash Book was not being maintained properly, the correctness and authen ticty of classified Abstract, Monthly Accounts & Annual Accounts could not be verified in audit. These should be prepared according to the rules and compliance shown at the next audit.

23. Miscellaneous (1). The connected record for the following income could not be produced in audit. In order check the accuracy of the receipt, the necessary record may be traced and shown atk the next audit.

<u>Date</u>	<u>Particulars of income</u>	<u>Amount.</u>
		Rs.
20.9.73	Recovery from Ex-Employee Sh. Purn Chand Gupta Octroi Moharrir	128-97

- 18 -

(170)

25.9.73	New water Connection Security & water Charges	35-00
25.3.74	Rent of two Bath Rooms	48-00
1.3.75	Misc income	1-95
5.6.76	Lease Money	106-00
18.6.76	Octoror Charges realised from leather & Tanning Centre	252-26

(ii) In the following cases, the Actual Payee Receipts of Payment made from the NAC Fund were not forthcoming. The A.P.R. should be put up in support of the payments made and compliance shown at the next audit.

Voucher No. 100 Dated 31.3.73 for Rs. 1-50 Cost of Refreshment served to NAC members.

" 101 Dated 31.3.73 for Rs. 83-95 Cost of Brass Bills

" 80 Dated 22.3.74 for Rs. 149-25 Paid to H.P.S.EB Arki.

(iii) Shri Om Parkesh Octroi Moharrir was to crase the efficiency Bar on 1.4.74 in the scale of Rs. 60-4-80/4-100. at the stage of Rs. 80/-, but he was given increment without obtaining the orders of the N.A.C. This was not is order. The irregularity should be accented for and avoided in future. *accounted*

(iv) At the end of the month the Cash Book closing Balances were not verified by the President since 5/76 to 3/77. The needfull may be done now and compliance shown at the next audit. The irregularity should be avoided in future.

24. Objection Statement:- No separate statement containing minor objections has been issued.

25. Conclusion :- The accounts need lot of improvement and closer supervision.

Sd/- *A.C. Ratha*

Assistant Examiner,
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Enclst. No. V(49)/75-FIN(LAD) Dated, 18 JUL 1980

Copy forwarded for information and necessary action to:-

- (1) The President, Notified Area Committee, Arki,
Tehsil Arki, Distt. Solan, H.P.
- (ii) The Secretary (L.S.G.) to the Govt. of H.P.
Simla.

- 1/9 -

C171

- (iii) The Deputy Commissioner, Solan.
(iv) Shri. Baldev Singh, Senior Auditor,

Assistant Examiner,
Local Fund Accounts,
Himachal Pradesh, Simla-2.

... o/c

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