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AUDIT AND INSPECTION NOTE ON THE ACCOUNTS OF NOTIFIED  
AREA COMMITTEE, ARKI, DISTT. SO LAN H.P.

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PERIOD :- 4/87 to 3/89

PART- I

1. Last Audit Note :- Very old paragraphs of previous audit notes were still outstanding. This position brought to the notice of the Secretary, Local Self Govt. Department Himachal Pradesh with the request that concerned quarters may be directed to take action for settlement of these paragraphs expeditiously.

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

Para 2 (a) & (b) :- Accounts have been received and accounted therefore para settled.

Para 5 Settled.

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

Para 2 Unsettled.

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

Para 3 (i), 3(ii) & 3(iii) Settled.

Para 4 Unsettled.

Para 7 and Para 9 settled.

(d) Audit Note for the period 4/72 to 3/77 :-

3 (ii) Outstanding.

5 Outstanding.

6 & 7 (i) Settled.

Para 9 Outstanding.

Para 11 Outstanding.

Para 12 Outstanding.

Para 13 Outstanding.

Para 14, 15, 16, 18, 19, 20, 22 & 23 Settled.

(e) AUDIT NOTE FOR THE PERIOD 4/77 to 3/81 :-

Para 5, 6, & 7 (i) Settled.

Para 8

The para pertains to the emba-  
zzlement by Shri N.L. Sharma  
Ex-Secretary and therefore  
unsettled.

Para 9

Para 9 10

Advance of Rs. 1,00,762.00 paid to  
Shri Rulia Ram Ex-Vice President of  
N.A.C. still not recouped.  
Para Unsettled.

Para 11

Outstanding.

Para 12 (A) (b)

Outstanding.

Para 12(c)

Settled.

Para 13

Outstanding.

Para 14

Outstanding.

Para 15

Outstanding.

Para 16

Outstanding.

Para 17

Outstanding.

Para 18, 19, 20

Settled.

Para 21

Outstanding.

Para 22

Settled.

Para 23

Outstanding.

Para 24, 25 (a) (b)

Settled.

Para 25 (c)

Outstanding.

Para 25 (d), 25(e), 26, 27, 28 &amp; 29 Settled.

(f) AUDIT NOTE FOR THE PERIOD FROM 4/81 to 3/82 :-

Para 5(b) &amp; 6 Settled.

Para 8 (a) &amp; 8(b) Outstanding.

Para 9 Outstanding.

Para 10, 11(b) &amp; 11(c) Settled.

(g) AUDIT NOTE FOR THE PERIOD 4/82 to 3/83 :-

Para 6(b), 8, 9 (a) Settled.

Para 9(b), 9(c) &amp; 9(d) Outstanding.

Para 10 &amp; 11 Settled.

(h) AUDIT NOTE FOR THE PERIOD 4/83 to 3/85 :-

Para 5 (b), 7, 8(c), 10 &amp; 12 Settled.

Para 11(b) Unsettled.



(1) AUDIT NOTE FOR THE PERIOD 4/85 to 3/87 :-

Para 3 (d)	Settled.
Para 4	Audit fee credited vide Ch. No. 4 dt. 23.3.88 and para settled.
Para 5(a) & 5(c)	Settled.
Para 5 (b)	Outstanding.
Para 6,7,8,9 (b)(i)	Settled.
Para 9 (b) (ii)	Outstanding.
Para 9 (b)(iv), 10(a), (b)(c)	Settled.
Para 10 (d), (e), (f)(g)(h), (i)	Settled.
Para 10 (j) (k)	Settled.
Para 11	Settled.

PART -II2. Present Audit :-

The present test audit and examination of notified area Committee Arki accounts for the period 4/87 to 3/89 was conducted by Shri Vinod Gupta, Section Officer w.e.f. 25.9.89 to 28.10.89. The accounts for the months of 6/87, 9/87, 12/87, 3/88, 7/88, 9/88, 12/88 and 3/89 were checked in detail.

3. Audit Fee:- The fee for the audit of accounts worked out to Rs. 1250/- (Rupees one thousand two hundred forty only). However, this was got credited into Arki Treasury on 25.10.89.

4. Finances:- The financial position of the fund is exhibited as under:-

	<u>1987-88</u>	<u>1988-89</u>
Opening Balance	2,97,398.12	2,72,031.62
Income	2,49,277.50	3,85,404.00
Total	5,46,675.62	6,57,435.62
Expenditure	2,74,644.00	2,69,353.00
Closing balance	2,72,031.62	3,88,082.62

5. Govt. Grants :- (1) Grants as per details given in Appendix 'A' attached to this audit note were received by the N.A.C.

prior to 1.4.87. These called for the following further remarks:-

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- (a) Against the grants mentioned at Sr. No. 1, Sr.No. 2 Sr.No. 3 of Appendix 'A' the P.W.D. authorities had not refunded the balance amount of Rs. 1925.87. The P.W.D. Authorities may be requested to make the refund immediately.
  - (b) Grants mentioned <sup>at Sr.</sup> ~~and~~ Vr.No. 4 to <sup>Sr.</sup> ~~Vr.~~ No. 8 were shown as utilized by the P.W.D. but U.G.C. <sup>were</sup> not <sup>received</sup> so far. This should be obtained now.
  - (c) Grants at Sr.No. 15 was with the P.W.D. for deposit work. This amount of Rs. 20,000/- was recovered on 21.3.86 but the P.W.D. did not start the work so far. As work could not be started within the time period of two years and there was ~~not~~ extention for the same, the grants may be obtained back and refunded to the Govt.
  - (d) <sup>As regards</sup> Grants mentioned at St.No. 30 to Sr.No. 39, the matter was already reported in previous reports. The committee had sent the U.C.C. but in fact no work was recorded in measurement book. The U.C.C. supplied also appeared to be fictitious. This position is brought to the notice of authorities for taking suitable action.

II The grants shown in appendix 'B' were received during the period under audit. The grants may be spent strictly in accordance with the condition laid down by the Govt. and unspent amount refunded to Govt.

### WORKS.

#### First and Final bill

Dated 11.8.87

6.

Construction of septic tank :- In the bill, the payment for the mild steel was made for 105.76 kg but as per entries in



the measurement book the total quantity of steel worked out to 83.26 Kg. Therefore excess payment of Rs. 116.92 paise has been made for 22.50 Kg. of steel to Shri Parmanand contractor. The amount should be <sup>recovered</sup> received from the Contractor ~~from the~~ filling which from the official at fault.

Consumption of Sand :- On M.A.s page 19, the 6.02 cubic meter sand was shown as used for the sockpit. This entry was recorded at page 73 of M.B. The purchase of sand was debited to the work repair of roads in the town. The entry of consumption of sand in the sockpit appear to be fictitious for the following reasons:-

- i) In the estimate no such item was provided.
- ii) The sand was not used normally for filling of sockpit. But in very same cases it may be used while constructing the sock pit.
- iii) In old sock pit there was no question of filling the sand.
- iv) Entry of filling of sock pit with sand should have been verified by the Assistant Engineer.
- v) The entry was made when the concerned Junior Engineer was handing over the charge to <sup>new</sup> Junior Engineer.

Therefore, it is suspected that no sand was used and entry was made with the ~~inim~~ intention to adjust the stock. The matter may be looked into and further action be taken in the light of factual position.

Vr.No. 155, dated 9.10.87 :-

7. Supply of stone by Rulia Ram Contractor:-

Vide this voucher, the payment of Rs. 2398/- was made to Shri Rulia Ram for the supply of 9.05 Cm (Undressed stone) and these <sup>were</sup> entered in M.A.S register at page No. 12-13. The stone were purchased @ Rs. 265/- per cubic meter. But as per

quotations this was the rate of dressed stones and not of undressed stone. The rates of undressed stone was Rs. 160/- per cubic meter. The excess payment of Rs. 950/- (9.05 CMx 105/-) may be made good either from the Contractor or from the official at fault.

8. Income Tax:- Income tax deducted from the contractors was not credited into the treasury. This was irregular. The entire amount of income tax should be credited into the treasury immediately.

9. Award of work :- Shri Rulia Ram contractor (Ex-Vice President of N.A.C.) was advanced Rs. 1,00,762/- for the execution of works which had already been objected to vide para No. 10 of audit note for the period 4/77 to 3/81, till today neither the accounts were put up nor the amount was refunded by him. This Contractor was awarded more work during the year 1988 as under :-

<u>Construction of stall</u>	<u>Date <sup>forward</sup> forwarded</u>	<u>Payment.</u>
	10.6.88	15,364.00
Construction of mule shed	18.6.88	Rs. 15,364.00
Repair of urinal	20.1.88	Rs. 24,751.00
Repair of latrine.	20.1.88	Rs. 2,366.00
		Rs. 9,425.00

The award of work to such a contractor was objectionable. The circumstances due to which the work was awarded to him may be intimated.

10. Cement/Recovery of Rs. 4536/- While checking the cement stock register it was noticed that the total number of cement bags received was 450. These bags were entered at page No. 6 to page No. 11 of the cement stock register. These bags were shown as used for various works. But it was found that only 387 bags was found entered in M.A.S. register. Thus 63 bags of cement appeared to be misappropriated. Shri K.K.

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The amount of Rs. 4536/- on account of cost of 63 ~~bags~~ <sup>bags</sup> @ Rs. 72/- which remained unaccounted for may be made good from the person at fault.

|| Interest: Rs. 50,000/- was deposited in the Saving account of post office on 25.4.88. The interest pointed by post of upto 31.3.89 was Rs. 1375/- whereas, the interest of Rs. 2292/- should have been allowed. The postal authorities may be requested to allow correct amount of interest.

The above stated amount was surplus amount which could be invested into fixed deposits. Needful may be done and compliance shown at the time of next audit.

12. Non credit of Govt. Fee:- The Govt. 1/3 share of the fee was not found credited by into the treasury as shown below. The amount of fee should be recovered and in future Govt. share be recovered /credited regularly.

(a) Sh. J.K.Panwar, Assistant Engineer:-

<u>Date</u>	<u>Amount paid.</u>	<u>Amount to be credited:</u>
7/86 to 3/87	Rs. 1335.45	Rs. 445/-
4/87 to 2/88	Rs. 1950.00	Rs. 650.00

Total:- Rs. 1095/-

Only Rs. 715/- were found credited by him. Therefore, the rest of amount of Rs. 380/- may be recovered and credited into the treasury.

- (b) Shri B.B.Gogia, Junior Engineer was paid honorarium for the month of 4/87 and 5/87. The total amount paid for two months was Rs. 100/- The payment of honorarium to him was irregular as the committee has appointed the regular Junior Engineer. The payment of honorarium may therefore be justified failing which the same be made good from the defaulter.

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13. Payments:-

Vr.No. 224, dated 4.1.88

(a) An amount of Rs. 2500/- was paid to Neelama furniture Solan, for the purchase of 25 No chairs. The purchase of these item was shortly banned by the finance department in order to effect the economy in expenditure. The purchase may therefore be got regularised by obtaining ex post facto sanction for relaxation of ban.

(b) Vr.No. 126, dated 1.9.88

Electrical articles amounting to Rs. 2960/- were purchased but the expenditure was not got approved by the committee nor ~~it~~ <sup>second &</sup> recovery consumption of these articles was shown to audit. The needful should be done, failing which amount involved to be refunded to the fund.

(c) Vr.No. 232, dated 1.3.89.

An advance of Rs. 500/- was granted to Sh. Dinesh Kumar Sharma in order to meet legal expenses in connection with the case of Sohan Lal V/S N.A.C. Arki. But the adjustment account of the same was still awaited. The amount may be adjusted or recouped. It was also found that committee had to spend lot of fee in order to engage lawyer. The desirability of appointing a <sup>part</sup> ~~that~~ time legal adviser may be considered so that the expenditure on legal matters could be minimised.

(d) Vr.No. 143, dated 1.10.88:-

Vide LSG Letter No. LSG(C)(10)-22/87 dated 28.3.87, grant of Rs. 2000/- was received for the plantation. Out of this Rs. 450/- were paid to engage the Mali. The expenses on engaging Mali were not covered in order this grant as this amount could be spent for the plantation only. The expenditure t should therefore be justified.



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14. Rent of the stall:- It was generally found that the tenants were not making the payments of rents of the stalls as per instances detailed below:-

<u>Name</u>	<u>Arrear</u>	<u>Period.</u>
Dina Nath	600.00	4/89 to onward
Naresh Kumar	800-00	6/89 to onward.
Nek Ram.	800.00	6/89 to onward.
Wariyu Ram	390.00	6/89 to onward.
Laiq Ram.	300.00	9/89 to onward.

In such cases the interest @ 9% may also be charged as per provision contained in H.P. Urban rent control Act, 1987 term of agreement etc.

- (b) It was found that stall No. IV was vacated by Sh. Devender Kumar on 2/89, but it was not further auctioned up to 10/89. This resulted in less of Rs. 1040/- to the committee had it been auctioned intime. The responsibility for the loss may be fixed and amount recovered from the defaulter.

15. Stock:- Old electrical and water supply articles were still lying in the S + c/c, where as these could have been auctioned. Needful may be done and compliance shown at the next audit.

16. Review of audit para No. 10 of the audit report for the period regarding non adjustment/misappropriation of advance amount to Rs. 1,00,762/- by Shri Rulia Ram,

During the review of old outstanding paragraphs it was found that very serious paragraphs were found fully unattended by the N.A.C. Authority. In Para No. 10 of the audit report for the period 4/77 to 3/81 an advance of Rs. 1,00,762/- to Sh. Rulia Ram, was objected to on the ground of non adjustment of advance. This case was referred to the authorities vide

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letter No. XIII(102)81-Fin(LA) dated 2.4.90 .No information about the action taken has been sent to this department. Needful may kindly be done at the earliest.

17. Review of case under Section 409 of I.P.C. against Shri Nand Lal, Ex-Secretary of N.A.C. Arki.

This case was also referred to the authorities vide letter No. XIII(102)/81-Fin(LA) dated 2.4.90 . Necessary action may kindly be taken at the earliest and this department be informed about the latest position of this case from time to time.

18. Objection Statements:- It was not issued.

19. Conclusion:- Paras No. 10, 16 and 17 required to be attended to immediately.

*Sd/-*  
Deputy Examiner,  
Local Fund Accounts,  
Himachal Pradesh, Shimla-171002.

पृष्ठान्क संख्या : 584/75- फिन एन ए 0 खण्ड- 3, दिनांक, शिमला-171002.

प्रतिलिपि सूचना एवं आवश्यक कार्रवाई हेतु प्रेषित है :- 16 JUL 1990

1. प्रधान, अधिसूचित क्षेत्र समिति, अर्की जिला सोलन हिमाचल प्रदेश को इस आशय के साथ प्रेषित की जाती है कि वे इस अवेक्षण प्रतिवेदन पर की गई कार्रवाई का सटिप्पण उत्तर इस विभाग को अतिशीघ्र भेजें।
2. अध्यक्ष, सचिव, स्थायी शासन हिमाचल प्रदेश शिमला-2.
3. निदेशक, स्थानीय शहरी निकाएँ शिमला-2 & हिमाचल प्रदेश &
4. जिलाधीश सोलन, जिला सोलन हिमाचल प्रदेश .
5. श्री कृति विनोद राज गुप्ता, अनुभाग अधिकारी, द्वारा.....

*Sd/-*  
उप परीक्षक,  
स्थानीय निधि लेखा,  
हिमाचल प्रदेश, शिमला-171002.