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Audit and Inspection Note on the Accounts of Municipal Committee, S O L A N, District Solan, (Himachal Pradesh).

Period : 4/83 to 3/84.

Part-I.

1. Last Audit Note :- Unsettled Audit paras :- (A) Following paragraphs of the old audit Notes remained outstanding. Immediate action may be taken to settle these outstanding paras and compliance reported to this department.

(a) Audit Note for the period from 3/70 to 12/70 :-  
Audit paras Nos. 5 and 8.

(b) Audit Note for the period from 4/72 to 3/73 :-  
Audit para No. 9.

(c). Audit Note for the period from 4/73 to 3/75 :-  
Audit Paras Nos. 7, 8(d), (e), (f) (Partially outstanding, as quotations were not put up), 9, 10 (Partially outstanding as Rs.308-94 were still to be recovered), 11(b), (c), (d), (e), 12(b), (c), (d), (e), 13(iii), 14, 15(i) to (iv).

(d). Audit Note for the period from 4/75 to 3/76 :-  
Audit paras Nos. 6, 7(a), (c), 12(i) to (iii), (iv), as quotations were not put up, 13(ii), (iii), (v) to (vii), 14, 16, 18, 21, 22 (Partially outstanding, as Rs.2-70 had not been recovered), 23, 25, 26(iii) and (iv).

(e). Audit Note for the period from 4/76 to 3/82 :-

Audit Paras nos. 3(a), 9 (Partially outstanding, as Rs.532/- were still to be recovered), 10 (Partially outstanding as Rs.125-69 were still to be recovered), 11(b), (Partially settled as Rs.76-85 were still to be recovered), 11(c) (Partially settled, as Rs.34-44 were still to be recovered), 11(d), (Rs.52-50 were still to be recovered), 11(e) (Rs.27-85 were still to be recovered), 13(a) (v), 13(d) (Rs.45-80 were still to be recovered), 14(b), 15, 16, 17 (Except 17(a), 18(b) (Recovery effected @ Rs.25/- P.M. and progress may be watched), 18(d), e(ii), (f), g & (i), 18(f) (Recovery @ Rs.100/- P.M. got started & Progress needed to be watched), 19(a), (b), (c), (e), (f), (g), (h), & (i), 21(iy), 20(vi), (ix), (x), (xii), (xiii), (xiv), (xvi) to (xviii), (xxii) to (xxvi), 22 to 30, 31(a), (b) & (d).

(f). Old Objection Statements :- Following items of the old objection statements remained outstanding :-

Period. Pending items of objection statements.

(i). 4/73 to 3/75..

Not put up.

(ii). 4/75 to 3/76..

Not put up.

(iii). 4/76 to 3/82..

2(a) (Rs.34.44 to be recovered),  
2(b), 3(a) (Rs.38-50 to be recovered),  
3(b), (Rs.45-80 to be recovered) and  
4 to 11.

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(g). Audit Note for the period from 4/82 to 3/83 :-  
Audit paras nos. 6, 7(c), 15(1) (Rs. 110-00 were still to be recovered), 15(11), 17(b), 17(c), 18(b), 18(c), 18(e), 18(f), 18(g) and 18(j), 19, 20, 21, 22, & 23.

(B). Settled audit paras :- Following audit paras were settled during the course of audit :-

(a). Audit Note for the period from 3/70 to 12/70 :-  
Para 10.

(b). Audit Note for the period from 4/73 to 3/75 :-  
Para 7(a).

(c). Audit Note for the period from 4/76 to 3/82 :-  
Paras 5(b), 6, 8, 11(d), 11(e), 17(a), 18(b), 18(f) and 21.

(d). Audit Note for the period from 4/82 to 3/83 :-  
Paras 7(a) & (b), 8, 9, 10, 11, 12, 13, 14, 16, 17(a), 17(d), 18(a), 18(d), 18(h) & 18(i).

## PART - II.

2. Present Audit :- The present test audit and examination of accounts for the period from 4/83 to 3/84. The results of which are detailed in the succeeding paragraphs, was conducted by Shri Vinod Raj Gupta, Senior Auditor, w.e.f. 2.1.85 to 10.5.85. The accounts for the months of 5/83, 9/83, 12/83 & 3/84 were subjected to detailed check.

3. Finances :- (a). The financial position of the ~~fund~~ fund is exhibited below in a comparative form :-

Opening Balance on 1.4.1983..	Rs. 5,51,932-10.
Income during 1983-84...	Rs. 32,96,852-00.
Total :-	Rs. 38,48,784-10.
Expenditure during 1983-84..	Rs. 35,36,351-00.
Closing Balance on 31.3.1984...	Rs. 3,12,433-10.
Closing Balance as per Cash Book..	Rs. 3,12,433-10.
Closing Balance as per P.L.A. (G.I.A.)	Rs. 3,04,231-70.

In P.L.A., the closing balance as on 31.3.1984 was, however, shown as Rs. 3,13,831-70. There was a difference of Rs. 9,600/- in personal ledger Account. This difference was also pointed out in Para 3(a) of the previous audit notes for the period from 4/76 to 3/82 and 4/82 to 3/83, but no action was taken to reconcile the discrepancy with the Treasury. The Secretary of the Committee may take immediate action to reconcile the discrepancy.

(b). Investments :- The following investments were held by the Committee as on 31.3.1984 :-



-: 3 :-

Nature of Investment.	Amount invested.	Date of Invest- ment.	Date of Maturity.
(i). Term Deposit FDR No. 948947, (63 months).	Rs. 2,00,000/-	20.7.82.	20.10.87.
(ii). 7 Years National Saving Certificates Nos. 7, NSK 187995, to 99.	25,000/-	1.7.79.	1.1.86.
(iii). Term Deposit FDR No. 679537 (63 months).	3,00,000/-	16.9.82.	16.12.87.
(iv). 7 Years National Saving Certificates Nos. 345237 to 46.	50,000/-	23.3.79.	<del>23.3.86.</del> 23.3.86.
(v). 7 Years National Savings certificates Nos. 7 NSK 193991, 193992, 193997, 381600, 381522, 193749 to 193763 (20 Nos. each @ Rs. 5000/-).	1,00,000/-	4.3.80.	4.3.87.
(vi). 7 Years National Savings Certificates 7 NS/K/O- 193995 & 96, 7 NS/K/O- 193763 to 193820, 381641 to 381660 60 Nos. @ Rs. 5000/-	3,00,000/-	2.3.81.	2.3.88.
(vii). Term deposit with S.B. of India, Solan M FDR No. D161290.	1,25,000/-	31.5.83.	31.5.86.
(viii). Term deposit with U.Co. Bank, Solan FDR No. Af/06-067227/240/83,	1,25,000/-	31.5.83.	31.5.86.

Total :- Rs. 12,25,000/-

Besides the above deposit of Rs. 12,25,000/- (Rupees Twelve Lacs, twenty ~~four~~ thousand only) in fixed deposits, the following amounts were also in balance in Savings Bank Accounts :-

(i).	In Post Office, Solan A/C No. 650021.	Rs. 2,00,000/-	30.3.82.
(ii).	Savings Bank A/C with State Bank of Patiala, Solan A/C No. D-2948.	Rs. 1,50,000/-	1.7.83.
(iii).	Post Office Solan Savings Bank A/C No. 650021.	Rs. 3,00,000/-	27.3.84.
(iv).	Deposit in Post Office, Solan Savings Bank Account No. 650021.	Rs. 2,50,000/-	31.3.84.
Total :-		<u>Rs. 9,00,000/-</u>	

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(c). Investments out of Contributory Provident Fund of Employees were as under :-

Nature of Investment.	Amount.	Date of Investment.	Date of Maturity.
(i). Term Deposit FDR No. 948724 for 61 months.	Rs. 1,00,000/-	27.1.82.	27.2.87.
(ii). 5 Years Time Deposit A/C No. 748103.	2,00,000/-	23.12.83.	22.12.88.
(iii). 5 Year Time Deposit A/C No. 748193.	3,00,000/-	23.3.81.	23.3.86.
(iv). 5 year Time Deposit A/C No. 748238 at P.O. Solan.	1,50,000/-	16.3.83.	
(v). 5 Years Time Deposit A/C No. 748239 at P.O. Solan.	1,00,000/-	28.3.83.	
(vi). 5 Years Time Deposit A/C No. 748246 at P.O. Solan.	4,00,000/-	20.6.83.	

Total :- Rs. 12,50,000/-

4. Audit Fee :- The audit fee due worked out to Rs. 4,050/- (Rupees Four thousand and fifty only), as detailed in the Appendix 'A' attached to this audit Note. The Secretary, Municipal Committee, Solan, was requested by the Senior Auditor vide requisition, dated 27.5.85 to credit the amount into Govt. Treasury under head "065-Other Administrative Services, -C-Other Services, Fee for Govt. Audit, (H.P.)".

5. Government Grants :- (a). Grants, as per details given in Appendix 'B' attached to this audit note, were received by the Committee prior to 1.4.1983 and were not utilized upto 31.3.1983. The works should have been commenced within one year of date of receipt of grant and executed strictly according to the approved plans estimates and for the object for which grant was sanctioned and ought to have been completed in two years.

(b). Grants, as per details given in Appendix 'C' attached to this audit note, were received by the Committee during the period under audit. The committee may ensure that these grants are utilized according to the terms and conditions of the sanctioning letters.

6. Rents of Municipal Buildings:- A sum of Rs. 65,143-31 was due from various persons as on 31.3.1984 as per details given in Appendix 'D' attached to this audit note. However, Rs. 36,821-30 were recovered at the instance of audit. Amount of Rs. 28,322-01 was still outstanding for recovery from different lessees which should be recovered immediately.

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7. Sanitation tax & Water tax :- Total amount of Sanitation tax and water tax amounting to Rs.34,726-56 Ps. was outstanding as on 31.3.84 as per details given in Appendix 'E' attached to this audit note. The cases for the recovery of dues were stated to be pending in the Court. The progress made in the recovery of dues relating to Sanitation tax and water tax should be intimated to this department.

8. Octroi :- A sum of Rs.19,126-61 was outstanding as arrears of Octroi as pointed out in para No. 7(c), of the audit note for the period from 4/82 to 3/83. The recovery thereof should be expedited.

9. Fall in Committee's Revenues :- As mentioned in para No.3 of this audit note, the income of the Committee during 1983-84 was 32,96,852/- only. The income of the Committee was mainly based on Govt. grants, which were given in lieu of abolition of Octroi. Income from own sources fell by Rs.60,111/- as detailed below :-

<u>Income in 1982-83..</u>	<u>Income in 1983-84..</u>
Rs.12,43,323-00.	Rs.11,83,212-00.

The reasons for the fall in income from the Committee's own resources should be investigated and intimated to this department.

10. Water Rate :- The Committee was bearing a net loss of Rs.1,90,222/- in making arrangements for the water supply to the inhabitants of the Municipal Area. The Government may be requested to increase the water rate in order to off set the loss being suffered by the Committee.

11. Show Tax :- Show tax was charged @ Rs.5/- per show from local cinema. The total income was Rs.8,080/- only per year. These rates were very old whereas the rates of cinema show were increased twice during this period. The rate of Cinema show tax needs to be raised upto Rs.10/- per show. The action taken in the matter may be intimated to this department.

12. Slaughter house Fee :- Income from Slaughter house was also negligible. Total income per day was hardly Rs.5/- or Rs.6/-, @ Re.1/- per Cattle. The rate of slaughter house fee per Cattle needs to be suitably raised in order to augment the income of the Committee.

13. Loss of Rs.37,500/- :- Rs.4,50,000/- was withdrawn from State Bank of Patiala and deposited into United Commercial Bank current Account No. AH/55-992301 on 22.11.81. The same amount was again withdrawn as under :-

<u>Date.</u>	<u>Amount.</u>	<u>Particulars.</u>
8.1.1982.	Rs.2,00,000/-	To meet establishment charges.
30.5.83.	Rs.1,25,000/-	Deposited in S.B.I. again in Fixed Deposit A/C No.992302.
30.5.83.	Rs.1,25,000/-	In Fixed Deposit Account in United Commercial Bank.

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This the amount of Rs.2,50,000/- was never required by the Committee for expenditure and this was the surplus amount, as it was last placed in Fixed Deposit on 30-5-1983 after a period of 1½ years. It is not understood as to why the amount was withdrawn & credited into current account of U.Co. Bank on 8.1.1982. This indicated that the Committee wanted to favour the United Commercial Bank management. This action alone caused net loss of Rs.37,500/- to the Committee, which could have otherwise been earned by way of interest on the amount of Rs.2,50,000/- in 1½ years. The matter needs to be investigated and suitable action be taken against the defaulters immediately.

14. Govt. Grants :- Vide Secretary, L.S.G. letter No.LSG-C(10)-1/83, dated 28.3.83, Grants, amounting to Rs.40,000/- were sanctioned to provide Sodium & mercury lights as detailed below :-

<u>Purpose for which grant was sanctioned.</u>	<u>Amount sanctioned.</u>
1). Providing & fixing Sodium lights..	Rs.20,000-00.
ii). Providing & fixing Mercury lights..	Rs.20,000-00.

Grant at Serial No.1, as stated above was sanctioned to fix Six Sodium light points @ Rs.3,000/- each. But, the amount of Rs.4,485-60 Paise was spent for the purchase of tube lights etc. for which the grant was actually not sanctioned. This amount was thus spent for the purpose other than for which it was sanctioned.

Similarly, Grant at Serial No.2, stated above was sanctioned for adding mercury light points in the town, but the entire amount was spent for the purchase of tube lights etc. Hence, the amount was spent for the maintenance of existing point. The purchase of tube lights out of grant was thus irregular as the grant was only sanctioned for providing 10 mercury light point @ Rs.2,000/- per point as mentioned in the estimate. The assets purchased should also be entered in Measurement Book & property register.

The grant utilization certificates were also issued, whereas the grant was actually not utilized for the purpose for which it was sanctioned. The issue of utilisation certificate to the Govt. should, therefore, be justified.

15. Rest House :- (a). The Committee has a Rest house containing Six sets. The annual income from the Rest House and expenditure incurred on its maintenance were as under :-

<u>Income.</u>	<u>Expenditure.</u>	<u>Remarks.</u>
Rs.13,459-00.	Rs.27,135-00	For Salaries of Staff only(excluding Electricity and Water charges etc.).

The Committee may look into the reasons for the less receipt of income from the Rest House as compared to the expenditure incurred on its maintenance. The Rates of Rent of Rest House Sets were as under :-

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For Govt. servants on duty.. Rs.5/- per set(limited to two sets)  
For others.. Rs.20/- per set.

It was, however, noticed that some times all the sets were booked for officials on duty @ Rs.5/- per set, which caused loss of revenue to the Committee. The decision of the Administrator to allow only two sets to officials on duty should not be relaxed in order to avoid any loss to the Committee.

(b). The Committee is also advised to curtail its expenditure on establishment & contingency like electricity, which was too much now. The electricity supply was continuously being given to the fire service, without any payment. Necessary recovery should be made now under intimation to this department.

(c). The position of store and Stock etc. i.e. Utensils, furniture etc. was not satisfactory. The old stock register was stated to have been misplaced. The committee had no record showing the particulars of articles issued to the Rest House. The chances of mis-appropriation of articles could not thus be ruled out. However, at the instance of audit, the existing articles were got entered in the new Stock register but the old stock register should be located to ascertain the factual positions. The responsibility for the loss of stock register needs to be fixed on the official at fault.

✓ 16. Income from latrine Block :- The Committee provided amenity of latrines at the Bus stand. In order to keep the latrine in good condition, the Committee charged Re.0-10 Paise from each person using the latrine. At present the income from the latrine was Rs.13/- to 15/- only per day. It was learnt that the Sweeper on duty actually charged Re.0-25 Paise or even Re.0-50 Paise from each person and it was thus a service of extra income to the Sweeper.

~~receiving~~ At present the Committee had to bear Rs.2200/- as receiving expenditure on the salary of two Sweepers and other incidental expenditure.

The Committee is advised to evolve proper procedure to plug the chances of leakage of revenue from this source by changing the duties of Sweepers as often as possible or adopt any other measures as may be deemed feasible/practicable in the interest of applying proper financial control.

17. Purchase of Tube lights :- Every year, the Committee purchased more than 700 Tubes. During the period under audit 675 electric tubes were purchased. The purchase was, however, effected in piece meals @ Rs.25/- per electric tube. The quotations for the supply of tubes were called and the rate of Mathara radio and Company was approved for Rs.25/- for E.C.E. tube of 40 Watt. But, the other firms quoted the rates for the Bengal & Sylvenia tubes. The quotations from the other firms should also have been called for E.C.E. tubes. While calling quotations, the quantity of the tubes to be purchased was also



not mentioned, with the result the firms quoted the rates for retail supply. Actually the whole sale rate of the tubes was lower, as the tubes were purchased by the Committee @ Rs.22/- in the next year, which clearly indicated that the rate of tubes a year back should definitely be lower than Rs.22/-. By purchasing the tube lights at a higher rate by Rs.3/- per tube, the Committee had to bear the loss of Rs.2025/- in a year. The responsibility for the loss caused may be fixed.

18. Establishment :- (a). Shri Hari Nand, Key man, was given fixed Medical allowance @ Rs.10/- P.M., w.e.f. 10/82 to 7/83, but he did not opt for it and medical reimbursement bill for out door medical treatment was also submitted by him. The payment of fixed medical allowance should be stopped & Rs.100/- on account of irregular payment may be made good, immediately.

(b). Shri Harphal, Sweeper was also paid fixed Medical allowance w.e.f. 9/83 to 2/85, but he did not opt for it. Payment of fixed Medical allowance should be stopped and Rs.180/- on account of irregular payment made to him may also be made good.

(c). Shri Jeewan Singh was also given ~~at~~ fixed Medical allowance w.e.f. 10/84 to 5/85. He was also given the reimbursement of the cost of medicine amounting to Rs.34-20Ps., vide Vr.No.248, dated 12/83. This was irregular, the payment of fixed Medical allowance should be stopped and irregular payment Rs.80/- may be recovered forthwith.

19. Irregularities in Payments :- (a) Locks for Rs.56-25 Ps. were purchased in 5/83 as under :- The specification and stock entries were not indicated/ pointed out. Needful should be done at the next audit.

<u>Vr.No.</u>	<u>Date.</u>	<u>Amount paid.</u>
16	5/83..	Rs.15-00.
17	5/83..	Rs.41-25.

(b). Vide Vr.No.35 of 5/83, Rs.222/- were paid to M/S Raj Tent house, but the quotations were not ~~correct~~ obtained from ~~the~~ other firms. The reasons for not calling the quotation should be intimated.

(c). In 4/83, Rs.98-60Ps. were paid vide Vr.No. 16, for the News Papers bill. The news Papers were being purchased for Slogra reading room. But, actually there was no ~~news~~ Municipal Reading room and the papers were given to a 'Halwai'. This fact was brought to the notice of the Administrator by the Senior Auditor and he agreed to discontinue the news papers w.e.f. 6/85. This position may be confirmed and the disposal of old news papers may be shown at the time of next audit and their sale proceeds may be credited into the Municipal fund.

(d). In 5/83, Rs.500/- were paid to Premjees, Solan, vide Vr.No.25, for the supply of tea and Sweets to the guests. The contract was for providing refreshments @ Rs.5/- per head. But, no quotations were invited from the other Shopkeepers and the expenditure could not be justified. The needful should be done at the time of next audit.

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(e). An amount of Rs.6400/- was advanced to Shri A.K. Lal, who because of transfer of Fire Services to Himachal Govt., is an employee of Himachal Fire Services. Upto 8.8.1984 he only refunded Rs.4,000/-. The balance amount of Rs.2400/- and interest due thereon is still to be recovered. It is surprising that Committee did not make any efforts to recover the amount. The matter may be brought to the notice of higher authorities of fire services and amount due be recovered, immediately

20. Cement Account :- A sum of Rs.1040/- on account of cost of Cement issued to Shri Prem Kumar, Contractor on 5.3.84, was not recovered. Similarly, Cement worth Rs.10,400/- was also issued to various contractors on credit during the period from 4/84 to 5/85. This practice should be stopped in future. The amount due should immediately be recovered from the Contractors concerned, failing which the entire amount alongwith interest due on the amount may be made good from the official at fault.

21. Excessive Expenditure on the purchase of Charcoal :- While checking the charcoal register, it was noticed that the Charcoal was shown issued even after 15.3.84. The issue of Charcoal after 15th of March should be justified. The consumption of 5.68 Qtls. of Charcoal @ Rs.166/- amounting to Rs.942-88, may be justified with reference to the Government orders for use of Charcoal in Government offices located at Solan during the winter season.

22. Sanitation Tax :- The maintenance of ledger was not satisfactory. The tax Superintendent did not exercise proper check on the arrears brought forward in the new ledger. For example, the amount of Rs.114-25 in respect of M/S Jagat Ram, Gulshan Kumar, Ward No.10, Sr.No. 10 was not carried over to new ledger, with the result that the said amount could not be realised, the amount of Rs.319/- which was due for recovery from Sh. Mansa Ram, Sr.No.152, Home No.221, was carried over as Rs.219/- only. This also resulted into loss of Rs.100/-. Again, the amount of Rs.775/- to be realised from Sh. Sukh Dev, Sr.No.60 B, as arrears of Rent was not brought forward to the new ledger. Similar cases of short recovery/losses may be scrutinised departmentally and results thereof may be intimated to this Department.

23. Water Rate :- The following amounts should be made good:-

Date.	Ledger No.	Amount.	Particulars.
4.5.83.	D(9)69	Rs.0-75 Ps.	Late credit penalty.
25.5.83.	F(12)119	Rs.1-50.	-do-
15.12.83.	A(2)83.15	Rs.2-90.	-do-
14.4.84.	A(8)5	Rs.1-00.	-do-

24. Works :- (a). The Committee had eighteen registered Contractors, out of which 16 Contractors took the Committee's contracts during the period under audit. During the year 38 tenders were called by the Committee and all the contractors got almost equal number of contracts. It was also found that if any contractor could not get the contract on a certain occasion, he definitely got the chance at the time of subsequent

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tender. For instance, tenders were called for 7 Works and eleven contractors submitted the tenders and the contract was given to all the seven contractors ~~xxxxxx~~ one for each work. Thereafter the tenders were called on 6.6.83 for only one work and the same was given to Sh. Gulzari Lal, as he did not get any work on 7.5.83 and again on 7.6.83, the contract was given to M/S Him Const. Co. Similarly, throughout the year, the contracts were given as if these were given on demand and turn. The factual position should be intimated to this department. In case the contractors have their lobby and are in league with each other, then remedial measures may be taken to discontinuing this practice, which is not in the interest of the Committee. The following steps may be taken while ~~calling~~ calling the tenders :-

(i). The tenders should also be called from contractors residing outside Solan in order to have competition among contractors.

(ii). Sufficient time should be given to submit the tenders as it was found that in some cases hardly three days' time was only given, which cannot be deemed as sufficient time for submitting tenders.

(iii). While approving the tenders the Municipal Engineer should prepare the justification for allowing the higher rate of premium over and above the Schedule of rates.

(iv). Cutting in the tenders should be strictly avoided.

(v). Drawing of the works executed should invariably be prepared. As per present practice, in the case of most of works, the drawings were not forthcoming.

(b). Sanitary fittings at Slogra :- Vide Vr.No.36 of 5/83, Rs.1999-12Ps. were spent for providing Sanitary fittings in Slogra lavatory block. 173 meter, 1" G.I. pipe & other material was shown to have been consumed although the estimate was prepared for Rs.1700/- only. Entries were, however, not pointed out in the measurement book. The omission should be accounted for.

(c). Construction of Nala at Dhobighat :- Vide Vr.No.304 of 3/84, Rs.2795/- were paid to Sh. Gulzari Lal against the construction of work 'Nala' at Dhobighat, Rs.8749/- were spent for the construction of the 'Nala'. Initially the Municipal Engineer prepared the estimate for Rs.9000/-, but the same was approved by the Administrator for Rs.5000/-. The excess expenditure should be got regularised with the sanction of the competent authority.

(d). Vide Vr.No.37 of 5/83, the payment of Rs.2766/- was made to Sh. Sehaj Ram against the contract for the furnishing of Municipal properties. He was given the contract for Rs.10,000.00 at 120% above the schedule rates. The estimate prepared was as under :-

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Name.	Amount provided in the Estimate.	Amount paid as per Measurement.
Distemparing..	Rs. 740/-	Rs. 1644/-.
Steel work.	Rs. 4950/-	Rs. 5328/-
Snow Cream..	Rs. 2000/-	Rs. 1274/-
Paints & wood work.	Rs. 2125/-	Rs. 889/-.

The estimate for distemparing was for Rs. 740/- only against which Rs. 1644/- were paid. The variation of more than 200% needs to be justified being abnormal.

(e). Electric goods worth Rs. 642-70Ps. were purchased vide Vr. No. 250 of 26.12.83. The requisitions to buy these articles was put up by Sh. S. S. Bakshi, Municipal Engineer himself. The articles i.e. tubes, bulbs, Chokes etc. were, however, entered in the Stock register at page No. 8 and after that all were shown as consumed. This way the consumption of the articles was not properly shown date wise and place wise. In the absence of the requisition from the Incharge of Park and the rooms for which electric goods were actually used, the consumption thereof was not justified. Full details of electric goods consumed at different places should be supplied or the cost thereof may be made good to the committee's funds.

(f). Electrical goods worth Rs. 456-68Paise were purchased vide Vr. No. 250 of 26.12.83. This material was shown as consumed in the fittings in the room allotted to line man Shri Shakti. But, no estimate was prepared. Entry was also not made in the measurement book. The omission should be accounted for.

(g). While checking the Stock register of water works deptt. it was observed that the old unserviceable articles replaced were not shown back in to the Store/Stock register. For example, at Page 55 of Stock register 39 number of Brass Bibcocks of 1" dia were replaced from 6.9.82 to 2.2.84. The old unserviceable brass Bibcocks may be auctioned and sale proceeds be credited into the Municipal fund. All other articles of such type should be auctioned and income from their sale be credited into the Municipal fund.

25. Repair of Jeep :- (a). Rs. 893/- were paid to Deepal auto store, Chhabhat vide Vr. No. 219 of 12/83 for the repair of Municipal jeep. This called for the following audit observations, which should be attended to :-

- (i). The old parts of the Jeep were not handed over to the Store-incharge.
- (ii). No estimate of the repair work was put up in order to ascertain the correctness of the amount spent.
- (iii). The complete specification of spare parts replaced was not given in the quotation.

All the above omissions should be accounted for.

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(b) Rs.35/- were paid for servicing and greasing of jeep on 3.5.83 to M/S Himachal Service Station, Serghat, but as per log book of the Vehicle, the Jeep was never taken to serghat on the above mentioned date. The bill appeared to be fictitious which needed looking into.

26. Miscellaneous:- (a). The stock and store accounts of the Committee were not maintained satisfactorily. Either the non-consumable articles were entered in different registers or in the stock registers of consumable articles. The articles like tables, Almira's, 'Durries', etc. issued for various rooms were not entered anywhere. This indicated that all the articles were not entered in the Stock registers. Physical verifications of stock and Store was never done. This position was also brought to the notice of the Administrator and the articles which were actually available in the Committee were got entered in the proper stock registers at the instance of audit. But, the stock registers and movable property registers are required to be completely checked with reference to the expenditure vouchers and other relevant record being maintained by the Committee. Immovable property register was stated to have been misplaced. It was not understood as to how all such important registers were misplaced. These should be located or responsibility for the loss be fixed on the defaulter(s). Register of movable property was also not maintained properly. It should also be prepared as suggested during the course of audit.

(b). Supply of Electricity articles:- Several thousand rupees were spent for the purchase of electric tubes, chokes, etc. for the maintenance of Street light. The consumption thereof was shown only by the line men Sh. Shakti that the articles were consumed and then verified by the Tax Superintendent. No check was examined by the Secretary on the actual consumption of stock. The satisfaction of the Tax Superintendent did not justify the consumption of these cartly articles. Proper requisition as prescribed under the rules should have also been given, that for which point what articles were to be replaced. As the repair of and replacement of the articles was only to be done by the staff of the Electricity Board, so the staff of the Board only could know that what fault actually existed on the point. As the articles were finally consumed by the staff of the Electricity Board, so their requisition/signatures should be obtained as the stock register and then verified by the Secretary also.

(c). Articles connected with water supply were purchased for Rs.46,222/- in a year. The purchase was effected in piece meals, which definitely resulted into purchases having been made at higher rates. The consumption of these articles was also not properly shown.

As bulk purchase of store articles was always economical, the same should be resorted to after assersing the requirements of a year or so and the purchase should be effected after calling tenders etc. and issues of articles

Contd..p.13/-



should be made on proper indents to be submitted by the authorised officials.

27. Objection Statement:- It was not issued.

28. Conclusion:- The accounts stand in need of improvement, and closer supervision.

Sd/-  
( B.L. THAPAR )  
Assistant Examiner,  
Local Fund Accounts,  
Himachal Pradesh, Shimla-171002.

Endst. No. V(4)/75-Fin(LA) Vol. IV, Dated: Shimla-2, the

Copy forwarded to :-

58 NOV 1985

- stered. 1. The Administrator, Municipal Committee, Solan, District Solan, (H.P.) with the request that an annotated copy showing the action taken on the audit note may please be sent to this department, at an early date.
2. The Secretary(LSG) to the Government of Himachal Pradesh, Shimla-171002.
- stered. 3. The Deputy Commissioner, Solan, District Solan, (H.P.).
4. Shri Vinod Raj Gupta, Senior Auditor, C/O...

g/c  
( B.L. THAPAR )  
Assistant Examiner,  
Local Fund Accounts,  
Himachal Pradesh, Shimla-171002.

(OFFICE COPY)

CSHAMA\*



Appendix 'A'

(Referred to in Para 4 of the Audit Note of Municipal Committee, SOLAN, for the period from 4/83 to 3/84.)

DETAILS OF AUDIT FEE.

<u>Period.</u>	<u>No. of auditors.</u>	<u>Rate.</u>	<u>No. of days.</u>	<u>Amount. Rs.-Ps.</u>
2.1.85 to 5.1.85.	One Senior Auditor.	Rs. 50/-	4	200-00.
7.1.85 to 11.1.85.	One Senior Auditor.	Rs. 50/-	5	250-00.
14.1.85 to 19.1.85.	One Senior Auditor.	Rs. 50/-	6	300-00.
21.1.85 to 24.1.85.	-do-	Rs. 50/-	4	200-00.
28.1.85 to 2.2.85.	-do-	Rs. 50/-	6	300-00.
4.2.85 & 6.2.85. to 8.2.85.	-do-	Rs. 50/-	4	200-00.
11.2.85 to 14.2.85.	-do-	Rs. 50/-	4	200-00.
16.2.85 & 18.2.85 to <del>23.2.85</del>	-do-	Rs. 50/-	7	350-00.
25.2.85 to 2.3.85.	-do-	Rs. 50/-	6	300-00.
4.3.85 <del>to</del> & 8.3.85	-do-	Rs. 50/-	2	100-00.
11.3.85 to 16.3.85.	-do-	Rs. 50/-	6	300-00.
6.4.85 & 8.4.85 to 12.4.85.	-do-	Rs. 50/-	6	300-00.
16.4.85 to 20.4.85.	-do-	Rs. 50/-	5	250-00.
22.4.85 to 27.4.85.	-do-	Rs. 50/-	6	300-00.
29.4.85 to 3.5.85.	-do-	Rs. 50/-	5	250-00.
6.5.85 to 10.5.85.	-do-	Rs. 50/-	5	250-00.
Total :-				<u>Rs. 4,050-00.</u>

Contd..p..15/-