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Audit and Inspection Note on the accounts of Municipal Committee, Solan, District Solan, (Himachal Pradesh)

Period : 4/84 to 3/85

Part-I

1. Last Audit Note :- Unsettled Audit Paras :-

(A) Following paragraphs of old audit notes remained outstanding. Immediate action may be taken to settle these outstanding audit paras and compliance reported to this department.

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

(i) Para 5 Unsettled.

(ii) Para 8 Recovery in a few cases had been made and regarding other cases it was stated that the employees concerned had retired from service. The amounts involved may be made good from the official at fault responsible for not making the recoveries in time.

(b) Audit Note for the period from 4/72 to 3/73:-

Para 9 No action was taken to effect the recovery from the X.E.N. P.W.D.

(c) Audit Note for the period from 4/73 to 3/75:-

(i) Para 8(e) The amount was irregularly spent for racks for co-operative store. The racks were dismantled but the wood used for the racks had not been received back in the committee's store.

(ii) Paras 11(d) and 12(h) Unsettled.

(d) Audit Note for the period from 4/75 to 3/76:-

Paras 6, 12(iv), 16 & 26 (iii) (iv) Unsettled.

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

(i) Para 9	Sr.No.3	111.00	{These amounts were still to be made good.
	Sr.No.7	421.00	
	Sr.No.9	50.00	

(ii) Para 9(d) Rs.34.20 were not made good.

(iii) Para 10 Rs.125.69 were to be recovered.

(iv) Para 11(b) still unsettled.

(v) Para 11(d) Rs.52.50 were still to made good.

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- (vi) Para 11(e) Rs.27.85 from Parkash Singh were still not made good. Hence, the para remained unsettled.
- (vii) Para 17(c) Rs.365.50, as the balance of house rent from Sh. Jagdish Kumar Dy. S.P. may be made good.
- (viii) Para 18(b) ~~Rs.25/-~~ Recovery effected @ Rs.25/- Progress will be watched at the next audit.
- (ix) Para 18(d) Unsettled.
- (x) Paras 18(f) & 18(g) Recovery effected @ Rs.50/- Progress will be watched at the next audit.
- (xi) Paras 19(i), 20(i), 20(iv) & 20(viii) Unsettled.
- (xii) Paras 20(ix), 20(xiv) & 20(xvii) Unsettled.
- (xiii) Paras 20(xix), 20(xxiv) & 20(xxv) Unsettled.
- (xiv) Paras 20(xxvii), 21(iv), 26 & 29 Unsettled.
- (xv) Paras 30 & 31 (d) Unsettled.
- (f) Audit Note for the period from 4/82 to 3/83:
- (i) Paras 16(a & b) Unsettled.
- (ii) Paras 18(c), 18(f) and 18(g) Unsettled.
- (iii) Paras 19, 22 & 23. Unsettled.
- (g) Audit Note for the period from 4/83 to 3/84:-
- (i) Paras 6, 7, 8, 9, 13, 14, 15, 17 & ¹⁹~~20~~ Unsettled.
- (ii) Paras 20, 21, 22, 24, 25 and 26. Unsettled.
- (h) Old Objection Statements :- Following items of the old objection statements remained outstanding.

Period	Pending items of objection statements.
(i) 4/73 to 3/75	The objection statement Not put up.
(ii) 4/75 to 3/86	The objection statement was not put up.
(iii) 4/76 to 3/82	Items 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.

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

- (i) Audit Note for the period from 4/73 to 3/75:-
Paras, 7, 8(d), (f), 9, 10, 11(b)(c), 11(b)(c)(e).
- (ii) Audit Note for the period from 4/75 to 3/76:-
Paras 7(a), 7(c), 12(i) to (iii), 13(ii)(iii)(iv) to (vii), 14 & 21.
- (iii) Audit Note for the period from 4/76 to 3/82:-
Paras 13, 14, 15, 16, 18(e), 18(h)(i), 19(a), 20(ii)(iii) 20(v) to (vii), 20(x) to (xiii), 20(xv)(xvi), 20(xviii), 20(xx) to (xxiii), 20(xxv), 22 to 25, 28 & 31.
- (iv) Audit Note for the period from 4/82 to 3/83:-
Paras 6, 7(c), 15, 17(b), 18(b), 18(e), 20 & 21.
- (v) Audit Note for the period from 4/83 to 3/84 :-
Paras 10, 11, 12, 16 18 & 23.

Part-II

2. Present Audit :- The present test audit and examination of the accounts for the period 4/84 to 3/85, the results of which are detailed in the succeeding paragraphs, was conducted by Shri Vinod Raj Gupta, Senior Auditor, w.e.f. 23.12.85 to 5.5.86. The accounts for the months of 5/84, 8/84, 12/84 and 3/85 were subjected to detailed check.

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

	Rs.	Paise
Opening Balance on 1.4.84.	6,16,664.80	
Income during 1984-85.	42,06,731.00	
Total	Rs. 48,23,395.80	
Expenditure during 1984-85.	Rs. 38,57,333.70	
Closing balance on 31.3.85.	Rs. 9,66,062.10	
As per Cash book	Rs. 5,43,062.10	
As per P.L.A. Pass book.	Rs. 4,32,600.00	

In P.L.A. cash book the closing balance as on 31.3.85 was, however, shown as Rs. 4,23,000/- There was a difference of Rs. 9600/- in personal ledger Accounts and balance as per P.L.A. Cash Book. This difference was also pointed out in Para No. 3(a) of audit notes for the period from 4/76 to 3/82, 4/82 to 3/83 & 4/83 to 3/84, but no action was taken to reconcile the discrepancy

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4 X with the treasury. The Secretary of the Committee may take immediate action to reconcile the discrepancy

* now, under intimation to this department.

(b) Investments :- The following investments were held by the committee as on 31.3.1985 :-

<u>Nature of investment</u>	<u>Amount invested</u>	<u>Date of investment</u>	<u>Date of Maturity</u>
(i) 7-Years National saving certificates Nos.7, NSK 187995 to 99.	Rs. 25,000/-	1.7.79	1.1.86.
(ii) 7 Years National saving certificates 7NS/K/O 193995 & 96 7 NS/K/O 193763 to 193820, 381641 to 381680, 60 Nos @ Rs.500/-	3,00,000/-	2.3.81.	2.3.88.
(iii) 7 Years National saving certificates No.7 NSK 193991 & 92, 193997, 381600, 381522, 193749 to 193763.	1,00,000/-	4.3.80	4.3.87.
(iv) 7 Years National saving certificates No.345237 to 46.	50,000/-	23.3.79	23.3.86.
(v) Term Saver Deposit FDR FDR with S.B.P Solan a-ccount FDR 948947 (For 63 months)	2,00,000/-	20.7.82	20.10.87
(vi) Term Deposit FDR No. 679537 (63 months)	3,00,000/-	16.9.82	16.12.87.
vii) Term Deposit with S.B.I. Solan No.0161290.	1,25,000/-	31.5.83.	31.5.86.
viii) Term Deposit with U.C.O. Bank Solan FDR No.AF/06-067227/240/83.	1,25,000/-	31.5.83	31.5.86.
(ix) Term Deposit with S.B.I. Solan FDR No.T.421171	1,00,000/-	6.8.84	6.8.86.

Total :- Rs. 13,25,000/-

Besides the above deposits of Rs.13,25,000/- in fixed deposits, the following amounts were also in balance in saving Bank Accounts :-

(i) In P.O. Solan A/C No.650021	Rs.7,00,000.00
(ii) S.B.P. Solan A/C No.02948.	Rs. 5,368.57

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

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Nature of Investment	Amount Rs.	Date of Investment.	Date of Maturity
(i) Term Deposit FDR No. 948724 for 61 months.	1,00,000/-	27.1.82.	27.2.87.
ii) 5 Years time Deposit No. 748103.	2,00,000/-	23.12.83.	22.12.88.
iii) 5 Years Time Deposit A/C No. 748193.	3,00,000/-	23.3.81	23.3.86.
iv) 5 Years time Deposit A/C No. 748238 in P.O. Solan.	1,50,000/-	16.3.83	15.3.88.
(v) 5 Years Deposit in P.O. No. 748239.	1,00,000/-	28.3.83	27.3.88.
(vi) 5 Years Deposit A/C No. 748246 in P.O. Solan.	4,00,000/-	20.6.83	19.6.88.
Total: Rs. 12,50,000/-			

4. Audit Fee :- The audit fee due worked out to Rs. 4350/- (Rupees four thousand three hundred fifty only) as detailed in appendix 'A' attached to this audit note. The Secretary, Municipal Committee, Solan, was requested to credit the amount in to Govt. Treasury under head, "065-Other Administrative Services-C-Other Services, Fee for Govt. Audit, (H.P.)" at an early date.

5. Government Grants :- (a) Grants, as per details given in Appendix 'B' attached to this audit note, were received by the Committee prior to 1.4.1984 and were not utilized upto 31.3.1984. The works should have been commenced with in one year of date of receipt of grant and executed strictly according to the approved plans and estimates and for the objects for which grants were sanctioned and ought to have been completed with in two years. The statement of grants attached as Appendix 'B' to this audit note was also incomplete and did not serve any purpose. This should be completed and then sent to this department for further action in the matter.

(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 of these grants.

6. Octroi :- A sum of Rs. 19,126.61 was outstanding as arrears of octroi as already printed out in Para 7(c) of audit note for the period from 4/82 to 3/83 & Para 8 of the audit note for the period from 4/83 to 3/84. Efforts may be made to recover these arrears.

7. Fall in Committee's Revenues :- The income of the Municipal Committee, Solan, from its sources continued to dwindle. This alarming porotion of fall in income has already been brought to the notice of the committee, but no serious efforts were made to check this trend. During the period 1984-85, the total income of the committee was Rs.39,32,731/- but only Rs.11,93,231/- were received from own services and the remaining income was recovered from Govt. as grant in aid and as interest from investments. The income of the committee from its own sources for the last three years is detailed below :-

<u>Income in 1982-83</u>	<u>Income in 1983-84</u>	<u>Income in 1984-85.</u>
Rs.12,43,323/-	Rs.11,83,212/-	Rs.11,93,231/-

Details of the Committee's income for the two years.

<u>Source</u>	<u>Period 1983-84</u>	<u>Period 1984-85.</u>
Unclassified receipts (Fine etc.).	Rs. 1845.00	Rs. 8713.00
Rents of properties.	1,23,167.00	85,469.00
Sanitation tax.	2,73,773.00	2,74,351.00
Parking Fee.	1,09,896.00	1,08,152.00
Show Tax	8,080.00	6,970.00
Dog Tax.	6.00	54.00
Howker cant fee	1,004.00	796.00
Copying Fee.	195.00	221.00
Income from Garden.	-Nil-	540.00
Income from Rest House	13,570.00	14,950.00
Water Miscellaneous	5,173.00	5,325.00
Slaughter house.	2,049.00	2,927.00
Water Tax.	10,394.00	11,183.00
Water Rate.	3,90,302.00	3,89,253.00
Meter Rent.	4,382.00	4,797.00

8. Revenue from Committee's Stalls/Shops etc.

As mentioned above, the income from the stalls of the committee dropped in 1984-85, whereas this could be one of the major sources of revenue of the committee. It was

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found that commercial stalls i.e. situated on Bus stand, the main market were rented out on nominal rent. No efforts were made to raise the rent. The rent increased by uniform percentage for different markets according to their importance. The stalls could be classified in four categories as mentioned in Appendix 'D'. The stalls included in category 'A' fall in main commercial market, the rent of which could be substantially enhanced. The Municipal properties in 'B', 'C' & 'D' categories fall in less important localities. Their rent could be increased according to their importance now.

9. HA-MITATION TAX :- This was also an important source of income of the committee where the income of the committee could be substantially increased. The authorities of the committee did not care to make proper assessment of the tax to be realised from the house owners. First of all there was no criteria to assess the value of the house. It was only left to the municipal staff to impose any amount of the tax. The committee should adopt the proper procedure, /criteria so that the correct amount of the tax could be assessed.

10. Parking Fee :- The committee charged fee from all the buses parked on the Bus stand, but it was found that no fee was charged from taxes permanently parked on the bus stand. The omission should be accounted for.

11. WATER RATE :-

(a) Account No.A(1)(148):-

No reading was made from 2/85 to 7/85. It was stated that the meter was not in working order, but average bill was also not given. This was the negligence of the tax departments. Average bill @ Rs.15/- for six months should be issued and the amount of Rs.90/- should be made good.

(b) Accounts No.A(2)-126

No bill was supplied w.e.f. 1/85 to 6/85. Average bill @ Rs.5/- for six months which amounted to Rs.30/- should be issued and the amount be made good to Municipal Fund.

(c) Account No. A(2)-49

Meter was out of order w.e.f. 2/85. The official concerned of the Tax department stated that the house was closed. But, there was no proof that the water was not used at late hours, as the meter was closed. In such cases take electricity department average bill should be issued regularly. Hence, average bill @ Rs.15/- for the period from 2/85 onwards should be issued and the amount be made good.

(d) Account No.A(2)-102

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Average bill w.e.f. 2/85 to 9/85 @ Rs.15/- should be supplied and amount of Rs.120/- should be made good.

(e) A/C No. A (2)-206 :- Arrears of previous year amounted to Rs.16.50 P. which were not carried over and this resulted in less recovery of the amount due to negligence of the tax supdt., who is supposed to check the ledgers carefully. The amount should be made good now.

(f) A/C No. F (13)-10 :- Average bill was not issued w.e.f. 10/84 to 4/85. The amount due @ Rs.10/- for 7 months amounting to Rs.105/- should be made good.

(g) A/C No. A (2)-197 :- A amount of Rs.241.15P. was still outstanding inspite of the disconnection of meter. The recovery shall be made by all possible means.

(h) A/C No. A (2)-201 :- Amount of Rs.100.10 was not recovered despite the disconnection of meter. The recovery should be made by all possible means.

12. Sanitation Tax recovery :- In the following cases, the arrears were not brought forward to new ledger, with the result that the amount could not be made good. The balance should be brought forward to the new ledger and the amounts be made good :-

Sl. No.	House No.	Ward	Amount
1. 74	180	5	Rs.236.50
2. 06	139	7	Rs.275.25
3. 17	51	8	Rs. 55.25
4. 10	-	11	Rs.114.25

13. Establishment :- (i) Wr.No.209, dated 5.12.84.
L.T.C. Advance of Rs.360/- was given to Sh. Vishal Mani Supervisor, but he did not avail the L.T.C. concession and the amount was refunded on 1.8.85. The belated refund of the amount should be justified.

(ii) Vr.No.130, of 8/84. :- Livery cloth for Rs.1357.85 paise was purchased which included a Rain Coat for Rs.106/- which was issued to the following Meter Readers. As meter readers were Class III employees and moreover there was no provision/order to issue livery/Rain coats to Meter readers. The amount of Rs.106/- from each official should be made good.

1. Sh. Ragu Nath	2. Sh. Shiv Parkash.
3. Sh. Krishan Dutt.	4. Sh. Shayam Lal.

(iii) Vr.No.305 of 3/85.

Rs.400/- were given to Durga club, solan as grant. This was irregular. As per provisions contained in section (2)(d) of the H.P. Municipal Act.1968, the grant in aid could be given to school, hospital, dispensary, poor houses, asylums and other educational or charitables institutions. The club did not fall in the above category and the

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amount of grant paid to the club was used for their own activities which could not be said as public activities. The amount so paid should be justified.

(iv) An amount of Rs.1384/- was given to Shri B.K.Verma, Junior Engineer on 16.7.84, & Rs.1374/- were advanced on 2.6.84. But, it was not mentioned that for what purpose the amount was advanced. The accounts of advances were not submitted till 5/86. The adjustment accounts should be got checked at the time of next audit or the amount should be made good from the official concerned.

(v) Rs.10,000/- were ^{paid} ~~peried~~ to the Chairman, festival committee as a grant for summer festival on 5.6.84, but no receipt thereof was obtained. The same should be obtained now and shown at the time of next audit.

(vi) Vr.No.111, dated 7.8.84

Rs.3184.36 were paid to the employees of water works as overtime, out of which the overtime allowance was also paid to Sh. Goberdhan Singh, T. Mate for the period from 26.4.84 to 12.5.84. But in fact the said employees was on earned leave during the period the overtime allowance was paid to him. The incharge of the water works deptt. and Municipal Engineer had marked him present in the attendance register. Necessary action should be taken against the defaulter and excess payment of overtime @ Rs.2.50 for each day amounting to Rs.42.50 should be recovered from him.

(vii) Recovery from Sh. R.B.Sharma as objected vide para 16 of the audit note for the period from 4/82 to 3/83.

Vide para 16 of audit note for the period from 4/82 to 3/83, payment of allowance of Rs.212.50 P. was objected to and this case was discussed with the Administrator of the Committee and the irregular payment of Rs.7650/- made to him for the full period under objection was to be recovered. But, no deductions was made from his salary after one year. This was irregular. The amount involved may be made good and the persons for the delay in effecting the recovery be intimated to this department.

(viii) Sh. B.K.Verma, Junior Engineer was given an advance of Rs.300/- in 5/84. But adjustment accounts thereof was not submitted in two years. The amount involved may be made good from the defaulter without further loss of time.

14. Purchase of Electric Material vide.
Vr.No.110, dated 7.8.84 for Rs.4623.25 :-

Electric material was purchased from M/S Verma Electronics, Solan. For this quotations were also received from sunny electrical works and it was found that the rates of the electric starter was Rs.2.35 P. and ~~where~~ as this was purchased from Verma Electronics for Rs.3.90 P. each. 500 number of starters were purchased @ Rs.3.90., but it

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is not understood that why the same were not purchased from Sunny electricals @ Rs.2.35 P. This resulted in excess payment of Rs.775/- as under :-

Payment made @ Rs.3.20 for 500 starter to M/S Verma Electronics, Solan Rs.1950/-

Payment due @ Rs.2.35 for 500 starters to M/S Sunny electricals works should be Rs.1175/-

Amount of Rs.775/- paid in excess should be made good from the official at fault.

15. Purchase of electric Material vide Vr. No.30 of 5/84, for Rs.11,386.76 :- The payment was made to M/S Mathura Radio company for the purchase of electrical articles. The purchase was effected in piece meals during the period from 30.7.83 to 5.1.84. While 259 nos of tubes were purchased @ Rs.25/- each, the actual retail rate of SGs & Mysore electric tube in the local market was only Rs.23/- per tube during the same period and the whole sale rate was only Rs.21/- per tube.

This resulted in excess payment of Rs.518/- in the purchase of 259 Nos of tubes @ Rs.2/- excess paid in the case of each tube. The amount excess paid should be made good and ~~the~~ electric articles in future be purchased from the firm on approved rate contract only.

16. Appointment of electrician :- Sh. Shakti Chand was appointed as electrician on 1.4.76 in the scale of Rs.110-4-130 /5-180/6-240, but the approval of the Local Self Government Department to create this new post was not obtained by the municipal Committee. Even no provision was made in the sanctioned budget right from 1.4.76 to 31.3.86. The salary of the Official was debited to electricity contingencies Deputy Secretary (LSG) to the Government of H.P. vide his letter No.12-24-LSG, dated 27.6.1978, had strongly stressed not to appoint any person without obtaining the sanction to the creation of the post from the Govt. In the absence of any approved of Government and provision made in the sanctioned budget of the committee the appointment of Shri Shakti Chand was irregular. The irregularity should be accounted for. *no effort was made to increase*

17. Rest House :- In spite of credit observations contained in para No.15 of the credit note for the period from 4/83 to 3/84 the income from the rest house. The Administrator vide his order No.SLN-Misc (ADM) ST-29296, dated 29.11.84, revised the rates of rest house charges as under :-

Previous Rate Rs.15/- per day for all persons

Revised Rate Rs.20/- per day for general public
Rs.5/- per day for officers on duty.

The Administrator of the Committee was not competent to revise the rates of Rest house charges. The rates of the Rest house could not be revised without the permission of the State Government.

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Government Officers were found occupying the sets for Rs.5/- per day through out the year and Rest house had virtually become officers mess. Remedial steps may be taken to enhance the income from the Rest House of Committee.

18. Work of Tarring at Dhobighat executed through Sh. Prem Kumar :-

Vr.No.117, dated 7/84, Rs.13710/- were paid to Shri Prem Kumar, contractor of Tarring at Dhobighat Road. Total amount for this work was paid as Rs.20,000/- But it was found that no tenders were called before awarding this work to the contractors. Only quotations by hand were called from three contractors. It was stated by the Municipal Engineer that the work was of urgent nature and there was no available time to call the tenders. But this plea was wrong as the work was awarded on 30.11.83, which was completed by the contractor on 30.6.84 after 7 months. Had this work been of urgent nature, this could have been completed in a month. Thus there was no urgency and moreover, work of tarring of road was not a work of urgent nature. The work was awarded to Sh. Prem Kumar just to unduly favour him. The irregularity should be accounted for.

19. Repair of Sweeper's quarters in ward No.5

Vide Vr. No.120 of 7/84, Rs.1100/- were paid Sh. Sahaj Ram, Contractor for the repair of sweepers' quarters in Ward No.5. This payment called for the following further remarks :-

- i) The quotations were collected personally.
- ii) The lowest quotations was not got approved from the administrator.
- iii) The quotation of Sh. Sahaj Ram contained the cutting.

The work was awarded at premium of 120% above the schedule of rates. It was also observed that for the C.C. work, the premium of 100% above the schedule of rates was allowed in all cases through out the year, but the premium of 120% above the schedule of rates was allowed in this case which needed justification. This also resulted in to excess payment of Rs.100/- as under :-

Payment made @ 120% premium	=	Rs. 1100.00
Payment to be made @ 100% premium	=	1000.00
Excess Payment	=	Rs. 100.00

The excess payment of Rs.100/- should be recovered.

20. Re-Construction of Retaining wall near the House of Sh. Gian old hospital Road.

Through Vr. No.208, 1st and Final bill of Rs.13816/- was paid to Sh. Sukh Ram, Contractor, This called for the following further remarks :-

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(1) The wall was only constructed 9 months back by Shri Sahaj Ram, Contractor on 20.12.83 and within 9 months only, the wall had to be re-constructed. It was suspected that there were some serious irregularities in the constructions work of wall. The matter needed to be enquired into and the factual position in this behalf be intimated to this department.

(11) While re-constructing the wall, 64.70 cu-meter of earth work in excavation was stated to have been done for which the Rate of Rs.5.32 P per Cu.meter was ~~paid~~ allowed to the contractor. The municipal engineer stated that the rate was allowed for pick work and jumper work as per schedule of rates i.e.

Pick work	Rs.2.85
Jumper work	Rs.7.80
	<u>2 10.65</u>
Average rate	Rs.5.32P.

This was wrong, The engineer should specify the nature of work done separately in the measurement book, As, there was loose earth which got accumulated at the site due to damage of old retaining wall as mentioned above, so there was ~~not~~ question of jumper work, which could only be due to rocky surface. Since there was only loose earth, which accumulated due to land slide/damage of retaining wall, only pick work appeared to have been done. The rate of pick work according to schedule of rates was Rs.2.85 per Cu.metre. Hence, the payment at the rate of Rs.5.32 per cubic metre allowed to the contractor was on the high side and needed to be recovered. Rs.409/- which were paid in excess, as detailed below, should be made good :-

Measurement as per M.B.	Rate allowed	Amount	Total amount paid including premium of 150% above the schedule of rates.
	Rs.P.	Rs.	
64.70 Cu.Metre	5.32	344.00	Rs.860.00
	<u>Rate to be allowed</u>		
64.70 Cu.Metre	Rs.2.85	184.40	<u>Rs.451.00</u>
	Excess payment		<u>Rs.409.00</u>

21. Improvement of Thodo general Road:- Vide Vr. No.223, Second and ~~third~~ Final bill, amounting to Rs.210.80.P was paid to Shri Varni Kumar, Contractor in 12/84. The amount was paid for sub-Greding of road. The rate of Rs.32.60 per 100 meter was paid, where as the rate of Rs.23/- only was payable. The rate of Rs.32.60 for sub-greding could be given only for sub-greding by using the road roller but in this work no roller was used and hence the higher rate was given irregularly. This resulted into excess payment of Rs.60.75, which should be made good, immediately :-

Quantity/Measurement

Rate allowed

Amount

Amount including premiums of 170%

241.20 m

Rs.32.60 (Paid)

Rs. False

78.00

210.60

241.20 m

for 100 metre

Rs.23.00 (Payable)

55.50

149.85

Excess payment. Rs.

60.75 P

22. Laying sewerage line on I.T.I Road
Vr.No.225, of 12/84 for Rs.9805/-

The payment was made to Sh.R.K. Sharma for the above work, out of which he was paid Rs.315/- for earth work. The rate for the excavation of earth was allowed as Rs.5.32 per cubic metre, which was 50% for pick work and 50% for jumper work. No separate measurements were recorded in the M.B. Moreover, There could not be jumper work, as had there been the jumper work, the collections of stones should also have been shown. In the absence of collection of stones ~~which~~ at the most Rate of Rs.2.85 per cubic metre for pick work only should have been allowed. Hence the payment for 29.15 cubic metres of earth work was made in excess to the tune of Rs.143.85, as detailed below. ~~Excess~~ The excess payment of Rs.143.85P should be made good from the official at fault :-

Quantity/Measurement

Rate

Total

100% Premium

Total amount paid inclusive Premium. Premium -

9.15 Cub.metre

Rs.5.32

Rs.155.00

Rs.155.00

Rs.310/- (Total amount paid inclusive of premium.)

-do-

Rs.2.85

83.07

Rs.83.07

Rs.166.15 (Amount payable inclusive of premium.)

Excess payment. Rs.143.85

23. Execution of Deposit work :- Rs.8649/- were paid to Shri Sahaj Ram for the construction of private Stairs in Madan Miwas in 5/84. The Deputy Commissioner had asked to construct these stairs and for treatment of this work as deposit work. But, it was found that only Rs.8649/- were received from M/S Amar Khadi Udyog for this work, but the departmental charges @ 16% for private deposit work which worked out to Rs.1383.50 were not realised. This was irregular. As, this was a private work the departmental charges @ 16% should be made good from the official at fault.

24. Miscellaneous Irregularities noticed in the execution of municipal Works :-

(i) Tenders were accepted without furnishing any justification which should be prepared according to the schedule of rates by the Municipal Engineer Local Market rates should also be kept in view while accepting the tenders.

(ii) Cuttings were made in the tenders. The tenders containing cuttings should be rejected.

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(iii) Measurement Book was not written properly. Some time specifications of work done were not recorded properly. For example, in Bituman work, the quality of Bituman used was not recorded in the M.B. The quality of Bituman used in works should be recorded in all the measurement books and compliance be shown at the time of next audit.

(iv) Rates should also be allowed according to schedule of rates. No average rate may be allowed as was done in the case of excavation of earth work.

(v) For tarring works, Bituman should be issued by the Municipal Committee or be purchased by the contractors from Government agencies, the receipt of which should be kept in Municipal record. It was noticed that contractors were procuring the Bituman from unauthorised firms. This was in contravention of instructions issued by the Deputy Secretary (F&S) to the Govt. of H.P. vide his letter No.FDS-F(6)-5/85, dated 20.11.85 according to which all the Government departments and local bodies are required to supply the Bituman by them to the contractors. Contractors should not be allowed to purchase the bituman from private service in any case. The Senior Auditor had accordingly asked the Municipal Engineer vide his requisition dated 8.8.86 to comply with the Government instruction failing which the municipal Engineer would be personally responsible for the loss caused to the committee.

25. Water works :-

G.I pipe of 2" dia was purchased as under but it was found that the consumption of the pipe was shown by issuing the same to Shri VISHAL ANI, Supervisor of the Committee. The pipes were not shown as used against any work. This was irregular. The consumption of these pipes should be entered in the M.B. or the amount be made good from the official at fault :-

<u>Date of purchase</u>	<u>Quantity</u>	<u>Amount spent.</u>
22/x/84	400 metres	Rs.18,491.00
27/x/84	36.90 M	Rs.1,710.00
	Total :-	Rs.20,201.00

26. Purchase of steel Gate :-

Steel Gates were purchased from Amar Khadi Udyog in 3/85, vide Vr. No.301. The total amount paid was 8201.85P. These gates were shown as fixed in Bazar area, but no entries were made in the Measurement Book. This was irregular. The entries should be shown in the M.B., failing which the amount should be made good from the official at fault.

27. Recovery of cost of cement :-

The Municipal Engineer had supplied huge quantity of cement to the contractors on credit, the cost of which was not deducted from the bills of the contractors with the result that huge amount was still to be recovered for the last several years. The Municipal Engineer should be asked to explain as to

Contd. page..15/-

why the cost of cement was not deducted from the contractors' bills. The following amounts should be made good immediately and such irregularity be strictly avoided in future :-

Sr.No.	Name of the person/Contractor	Amount due for Recovery
1.	Sh. Prem Kumar	Rs. P.
2.	Sh. R.K. Sharma.	3170.00
3.	Sh. Jaiswal	520.00
4.	Sh. Bali	780.00
5.	Sh. Parkash <i>Parkash</i>	919.00
		570.00

28. Tenders :- On 3.5.84, contract was given to Janta constructions company for tarring of shilly road. But there were cuttings on all the tenders. The acceptance of such tenders should be justified.

29. Miscellaneous :- (a) The contractors were allowed very high premium for the execution of municipal works. As provided in Rule 189(2) of Municipal ~~Account~~ Account code, 1975, The committee should from time to time at an interval of not more than one year sanction a schedule of rates for municipal works i.e. how much premium was actually to be allowed on H.P.P.W.D. schedule of rates? The municipal Engineer had never submitted the justifications for the high premiums allowed on the Municipal works.

(b) Painting and Distempering :- During the year 1984-85 the premium for painting and distempering was allowed 120% above the schedule of rates which was too high in view of the fact that :-

1. In the P.W.D., the premium for same work was only 60% above the schedule of Rates.
2. In H.P. Agriculture University Nauni, the ~~premium~~ premium for this work was only 40% above the schedule of rates.

Thus this was surprising that the Municipal Committee, Solan had allowed the premium of 120% above the schedule of Rates.

Secondly, there was no justification to allow such a high premium by the Engineer. When asked to supply the justifications, the municipal engineer supplied the justification as under :-

For 10 M²

Cost of paint Brush &
sand paper etc.
Cartage waste

Rs. 60.00

Rs. 5.00

Total :- Rs. 65.00

Labour painter $\frac{1}{2}$ days
" Coolie $\frac{1}{2}$ days

Rs. 20.00

Rs. 10.00

Rs. 95.00

Rs. 15.00

Contractor's profit 15%

Total :- Rs. 110.00

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Say Rs.11/- per M²

Schedule Rate	Rs. 4.25 M ²
Contractor's premium @ 120%	Rs. 5.10
Total :-	<u>Rs. 9.35 per M²</u>

According to schedule of rate 1977, item No.19.73, the factual position should be as under :-

Point	0.90 Litre	Rate Rs.40.00 (Market rate)
Carriage	L.8/	Rs.100.00
Putty	L.8/	1-00
<u>Labour</u>		
Mazdoor	0.36 No	Rs.3.60 as per D.C.rates.
Painter	0.36 No	Rs.7.20
Broush sand papers etc		Rs.3.00
Sundry i.e. rate 1%		<u>Rs.0.50</u>
Contractor's profit 10%		<u>Rs.5.70</u>
For 10M ²		Rs.61.00
For 1M ²		<u>Rs.6.10</u>
Schedule of rate		Rs.4.25
Add 40% premium		<u>Rs.2.44</u>
		<u>Rs.6.69</u>

50%. Actually at the most, this should not be higher than

The justification submitted by the Municipal Engineer did not appear to be correct, as he had worked out the cost of 1 litre of paint as Rs.66/- He charged 1 day labour for painter and Mazdoor where as this should be only 0.36 day. He charged 15% contractor's profit where as this should be only 10%. In view of above facts, The premium allowed to contractor was on the higher side i.e. 70% higher which resulted in loss of Rs.6220/- during the entire period of one year as detailed in Annexure 'E' attached to this audit note.

30. Objection statement:- It was not issued separately.

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

Sd/-
(B.L. THAPAR)
Assistant Examiner,
Local Fund Accounts,
Himachal Pradesh, Shimla-2.

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Endst.No.V (4)/75-Fin(LA)Vol.IV, Dated, Shimla-2, the ¹¹⁸ 5 JAN 1987

Copy forwarded to :-

- Registered
1. The Administrator, Municipal Committee, Solan, District Solan (Himachal Pradesh), 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 Director of Urban Local Bodies, Himachal Pradesh, Shimla-2.
 3. The Secretary (L.S.G.) to the Government of Himachal Pradesh, Shimla-171002.
 4. The Deputy Commissioner, Solan, District Solan (H.P.).
 5. Shri Vinod Raj Gupta, Senior Auditor, C/O.....
- Registered

2.1.87
(B.L. THAPAR)
Assistant Examiner,
Local Fund Accounts,
Himachal Pradesh, Shimla-2.
(Office Call)

LEKH RAM

Appendix 'A'

Referred to in Para 4 of the Audit Note on the accounts of Municipal Committee Solan, for the period from 4/84 to 3/85).

Details of Audit Fee.

Period	No. of Auditors.	Rate	No. of days	Amount
23.12.85 to 24.12.85	One Sr. Auditor	Rs. 50/-	2	Rs. Paise 100.00
26.12.85 to 28.12.85	-do-	Rs. 50/-	3	150.00
30.12.85 to 4.1.86	-do-	Rs. 50/-	6	300.00
6.1.86 to 10.1.86	-do-	Rs. 50/-	5	250.00
15.1.86 to 18.1.86 (except 17.1.86)	-do-	50/-	3	150.00
20.1.86 to 24.1.86	-do-	Rs. 50/-	5	250.00
27.1.86 to 1.2.86	-do-	Rs. 50/-	6	300.00
3.2.86 to 7.2.86	-do-	Rs. 50/-	5	250.00
12.2.86 to 15.2.86	-do-	Rs. 50/-	4	200.00
17.2.86 to 22.2.86	-do-	Rs. 50/-	6	300.00
25.2.86 to 1.3.86	-do-	Rs. 50/-	5	250.00
3.3.86 to 6.3.86	-do-	Rs. 50/-	4	200.00
10.3.86 to 14.3.86	-do-	Rs. 50/-	5	250.00
17.3.86 to 22.3.86	-do-	Rs. 50/-	6	300.00
24.3.86 to 25.3.86	-do-	Rs. 50/-	2	100.00
27.3.86 to	-do-	Rs. 50/-	1	50.00
29.3.86	-do-	Rs. 50/-	1	50.00
31.3.86 to 3.4.86	-do-	Rs. 50/-	4	200.00
7.4.86 to 9.4.86	-do-	Rs. 50/-	3	150.00
16.4.86 to 17.4.86	-do-	Rs. 50/-	2	100.00
19.4.86	-do-	Rs. 50/-	1	50.00
21.4.86	-do-	Rs. 50/-	1	50.00
28.4.86 to 3.5.86	-do-	Rs. 50/-	6	300.00
5.5.86	-do-	Rs. 50/-	1	50.00
	Total		87 days.	Rs. 4350.00

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