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Audit and Inspection Note on the accounts of Municipal Committee, S-olan, H.P.

Period 4/85 to 3/87.

1. Last Audit Notes:

Following paragraphs of old audit notes were reviewed in audit and the position of its settlement is indicated below:-

- (a) Audit Note for the period from 3/70 to 12/76.
- (i) Para 5: Settled.
- (ii) Para 8: Unsettled.
- (b) Audit Note for the period from 4/72 to 3/73.
- Para 9: Unsettled.
- (c) Audit Note for the period from 4/73 to 3/75.
- (i) Para 8(e): Unsettled.
- (ii) Para 11(d) and 12(h): -do-
- (d) Audit Note for the period from 4/75 to 3/76.
- Para 6, 12, (iv), 16 and 26 (iii) & (iv): Unsettled.
- (e) Audit Note for the period from 4/76 to 3/82:
- (i) Para 9, Sr.No.3 pertaining to recovery of Rs.111/-
Sr.No.7 " " " Rs.421/-
Sr.No.9 " " " Rs. 50/-
chity made hence settled
- (ii) Para 9(d): Rs.34.20 recovered, Settled.
- (iii) Para 10: Rs.125.69 Settled.
- (iv) Para 11(b): Still unsettled.
- (v) Para 11(d): Rs.52.50 not yet recovered
- (vi) Para 11(e): Unsettled.
- (vii) Para 17(c): Unsettled.
- (viii) Para 18(b): Unsettled.
- (ix) Para 18(d): Unsettled.
- (x) Para 18(f) & (g): Unsettled.
- (xi) Para 19(i), 20(i), 20(iv), 20(viii): Unsettled.
- (xii) Para 20(ix), 20(xiv) and 20(xvii): Unsettled.
- (xiii) Para 20(xix), 20(xxiv) and (xxv): Unsettled.
- (xiv) Paras 20(xxvii), 21(iv), 26 and 29: Unsettled.
- (xv) Paras 30 and 31(d): Unsettled.

Contd.....2/-

- (f) Audit Note for the period from 4/82 to 3/83-
 (i) Paras 16(a,b) Unsettled.
 (ii) Paras 18(c), 18(d) and 18(g) Unsettled.
 (iii) Para 19, 22 and 23 : Unsettled.
 (g) Audit Note for the period from 4/83 to 3/84
 (i) Paras 6, 7, 8, 9, 13, 14, 15, 17 and 19: Unsettled.
 (ii) Paras 20, 21, 22, 24, 25 and 26: Unsettled.
 (h) Audit Note for period from 4/84 to 3/85.
 (i) Paras 1 to 5: Settled.
 (ii) Paras 6: Partly settled. Out of recoverable amount of Rs. 19,126.61 an amount of Rs. 13,236.75 had so far been recovered. The balance recovery may also be expeditiously made.
 (iii) Paras 7: settled.
 (iv) Para 8 & 9: Unsettled.
 (v) Para 10: Settled.
 (vi) Para 11, sub Paras --- 11(a,b,f): Settled.
 Sub Paras --- 11(c), (d)(e)(g)(h) Unsettled.
 (vii) Para 12: Settled.
 (viii) Para 13(i), (ii), (iii), (iv)(v) and (viii) Settled
 Para 13(vii) Partly settled. The recovery on

account of Rs. 100/- ^{Pm} from w.e.f. 4/82 to 3/83 as special allowance, which had duly been sanctioned by the Govt. vide letter No. LSG.B(T)14-74, dated January, 1981 for performance of duties of tax supdt. was not found to be in order. However, remaining recovery @ Rs. 112.50 be effected immediately.

(i) Old Objections Statements:- Following items of the old objections statement remained outstanding.

<u>Period</u>	<u>Pending items of objections statement.</u>
4/73 to 3/75	Not put up during audit.
4/75 to 3/76	-do-
4/76 to 3/82	Item 2(a), 2(b), 3(b) and 4 to 11

Part-II.

2. Present Audit :-

The present audit and inspection on the accounts for the period 4/85 to 3/87, the results of which are embodied in the succeeding paragraphs, was Contd.... 3/-

conducted by Sh.K.K. Malhotra, Audit Officer alongwith Sh. Vinod Raj Gupta, Senior Auditor, w.e.f. 31.3.87 to 12.6.87 and 27.7.87 to 17.10.87. The audit in between period 12.6.87 to 27.7.87 had to be suspended because of Summer Festival in Solan. The accounts for the months of 5./85, 9/85, 11/85, 3/86, 4/86, 8/86, 10/86 and 3/87 were subjected to detailed check. Connected records excepting mentioned hereafter was duly put up in audit.

3. ^(a) Finances ^(a)(i). The financial position of the committee is exhibited below in a comparative form:

	<u>1985-86</u>	<u>1986-87.</u>
	Rs.	Rs.
opening balance on 1.4.85	9,66,062/-	11,45,779/-
Income during the year	<u>52,16,235/-</u>	<u>50,97,675/-</u> ✓
	61,82,297/-	62,43,454/-
Expenditure during the year.	<u>50,36,518/-</u>	<u>47,07,619/-</u>
Closing Balance:	<u>11,45,779/-</u>	<u>15,35,835/-</u>

N.B. Closing balance for 1985-86 Rs.11,45,779/- includes Rs. 7,24,687/- as unspent balance of Grants-in-aid lying in the PLA A/c of the committee in Treasury and also unreconciled difference of Rs.9600/- in PLA A/c pointed out in audit since many years.

Similarly closing balance for 1986-87 Rs.15,35,835/- includes Rs.10,41,130/- as unspent balance of grants in aids lying in the PLA A/c of the committee in Treasury solan and also unreconciled difference of Rs.9600/- in PLA A/c pointed out in several past audit notes

④ The following was, therefore, the position of balances:-

	<u>on 31.3.86</u>	<u>on 31.3.1987.</u>
Rs per Cash Book	4,30,692/-	5,04,305/-
As per PLA Pass Book.	<u>7,24,687/-</u>	<u>10,41,130/-</u>
	11,55,379/-	15,45,435/-
Less difference of Rs.9600/- lying unreconciled	<u>9,600/-</u>	<u>9,600/-</u>
	<u>11,45,779/-</u>	<u>15,35,835/-</u>

contd...4/-

3(a)(ii): A perusal of PLA A/c Pass Book revealed that a sum of Rs.1,000/- had been given credit of to the committee on 31.3.1986 but there was no record to indicate receipt of any grant in aid for this ~~amount~~ amount. The matter may be sorted out with the Solan Treasury and compliance reported to this office.

3(a)(iii): Immediate steps may also be taken to reconcile the difference of Rs.9600/- in the PLA A/c with the Solan Treasury.

3(a)(iv):- Besides the Balance of Rs.5,04,305/- as per cash Book on 31.3.1987, the following amounts also were lying in balance in saving bank accounts of the committee:-

(i) SB A/c in P.O. (No.650021) 2,97,975/-

(ii) SB A/c in State Bank of Patiala (No.6229448).

6,373/-
3,04,348/-

3(a)(v): The sources of income of the Committee from Govt. Grants-in-aid, Interest from Investments, Sanitation Tax, Parking Fee, Rent of Building, water Rate etc. etc. and the expenditure is mainly on payment of salaries to its staff and execution of various development works. The audit observed that no sanitation tax was being realised from properties of M/S Mohan Meakin Breweries although the same are situated within its jurisdiction, causing loss of several lacs. Higher authorities are requested to pay personal interest in the matter and take necessary action.

3(b) Investments:

The following investments were held by the committee as on 31.3.1987.

<u>Nature of Investments:</u>	<u>Amount</u>	<u>Date of Investment.</u>	<u>Date of Maturity.</u>
(i) Term deposit with SBB Solan (FDR 948947)	2,00,000/-	20.7.82	20.10.87
(ii) Term Deposit for 63 months (FDR 679537).	3,00,000/-	16.9.82	16.12.87
(iii) Term deposit with S.B.I. Solan (FDR T-421171)	1,00,000/-	6.8.84	6.8.87
(iv) 7 years NSC (7 Ns/K) O-	3,00,000/-	2.3.81	2.3.88
	<u>9,00,000/-</u>		

Contd...5/-

193995 & 193996 and
193763 to 193820, 381641 to
381680(60 Nos @ Rs.5,000/- each).

3(c): Investments out of contributory provident
Fund of employees were as under:-

Nature of Investment:	Amount.	DATE of Investment	Date of Maturity.
(i) 5 years deposit A/c with P.O. (No.748246).	4,00,000/-	20.6.83	20.6.88
(ii) 5 years time deposit (No.748253)	2,00,000/-	23.12.83	23.12.88
(iii) 5 years time deposit (No.748238)	1,50,000/-	16.3.83	16.3.88
(iv) 5 years time deposit (No.748239)	1,00,000/-	28.3.83	28.3.88
(v) 5 years time deposit (No.748287)	6,00,000/-	24.12.86	24.12.91
(vi) 5 years time deposit (A-301731)	1,00,000/-	26.2.87	26.2.92
(vii) 5 years time deposit (No.748193)	3,00,000/-	25.3.1986	25.3.1991.
	18,50,000/-		

Besides above fixed deposits, the pass Book of Provident Fund showed a balance of Rs.2,47,015.40 as on 31.3.1987 in S.B. A/c No.180435.

3(d) The committee had no liability of loans etc. as on 31.3.1987.

3(e) No reconciliation of Bank and Cash Book balances had been done, which may invariably be done now and in future.

4. Audit Fee:

The Audit fee worked out to Rs.10,100/- only as detailed in Appendix 'A' to this audit note. The secretary, M.C. Solan was requested to credit this amount into Govt. Treasury under head "0070-Other Administrative Services, 60-Other Services, 110-fee for Govt. Audit, H.P."

5. Works:-

Government Grants: (a):- Grants, as per details given in Appendix "B" attached to this audit note, were received by the committee prior to 1.4.85 and were lying unspent upto 31.3.1985 These were, however, utilised during the current audit period.

(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 Audit's observations relating to execution of grants in aid works are here-under:-

Audit Observations:-

(1) Although there was pre condition that grant in aid works should be executed strictly according to approved plan and estimates, it was observed that practically in the execution of every grant in aid works approved ~~plan~~ plan and estimates were not followed and yet the works was depicted as "completed".

(2) It was observed from the perusal of the past and present grants-in-aid statements attached with ~~the~~ connected period's audit notes that amounts of grants in aid and the "Total amount spent" were exactly the same. This gives rise to a suspicion that the figures of spent balances out of grants-in-aid amounts have never been depicted correctly because it is not convincing each of the hundreds of works so far completed could be in exactly the estimated amounts without even a single variation between sanctioned estimated cost and actual execution cost. Therefore, it could easily be deduced that figures of amounts spent are hardly reliable.

(3) While issuing notice for inviting tenders, it was observed that simply list of grants-in-aids' works to be executed through tenders, was exhibited at various notice Boards without giving therein any specifications of items of works involved etc. It was, therefore, a futile effort to invite tenders when it was not known to tenderers as to what works are involved under a particular scheme. More so it could also not be known ~~from~~ from No.

Contd....7/-

N.I.T. as to what are the measurements, sites etc. in absence of which information, nobody could be in a position to fill up a tender properly.

(4) After inviting tenders under the above cited method, it was observed that a comparative statement of the rates quoted by each tenderer was prepared work wise and the lowest tenderer was issued a work order at imaginary rates much below even the lowest tender rates. The contractor concerned always used to accept these imaginary rates and started execution of the works ignoring the fact that he himself had quoted much higher rates in his tenders, which gives rise to suspicion that contractor could quote much lower rates in tender.

The above observations go to prove that works are not executed according to plans & Estimates, amounts shown spent in the grants-in-aid statements are not reliable, issuance of N.I.T. is an eye-wash, and contractors acceptance for execution of much lower rates than tendered in conclusion that rates are quoted in tenders by contractors in collaboration with Engineering Cell of the Committee. According to Rule 192(2) of the H.P.M.A Code in case no suitable rates are received, the contract is to be given by auction, which rule was not followed.

The following instances of such types are given to authenticate the audit's observations:-

- (1) Improvement of Palace Road : (Estimated sanctioned cost Rs.20,000/- during 1983-84) (Completed on 14-5-85)

For execution of above work, the connected Plan and Estimates provided following jobs:-

<u>Quality</u>	<u>Abstract of Expense:</u>	<u>Rate</u>	<u>Amount.</u>
1. 400 ² m	2.5 sq.Mtrs. thick premix carpet including seal coat and preparation of such grade.	10.83	4,332.00
2. 100 m ²	Bricks on edge flooring in cement Mortar 1:6	18.80	1,880.00

Contd...8/-

3. 25 M² H.D.C.R. Stone Masonary in Cement Mortar 1:6 205.65 5,142.00

11,354.00
8,646.00
20,000.00

Contractor's Premium.

Against above estimate, the Govt. sanctioned Rs.10,000/- as grant-in-aid with condition that balance expenditure be met out of committee's funds.

The Committee issued N.T.T of this as well as all other grants-in-aid works together ^{under} one covering letter No.21 dated 12.4.1984 alongwith a list of such works numbering 20 without giving any specifications work wise. These Contractors quoted rates "Item wise" for execution of above work against which following comparative statement was prepared:-

No.	Name of Contractor	Date of Opening	Stone	Brick	R.C.C.	E.Work	Tarring	Others.
1.	Sh.R.K.Soorma	3.5.84	60%	260%	190%	160%	195%	-
2.	Sh.Vasni Kumar	"	80%	270%	190%	-	210%	290%
3.	Sahaj Ram	"	75%	275%	210%	-	200%	200%

N.B. The above rates were above scheduled rates: Against above ~~xxx~~ tendered rates, work order dated 3.5.84 allocating work to Sh.R.K.Soorma at following rates was given:-

Stones	Bricks	R.C.C.	E.W	Tarring	Others
45%	200%	150%	100%	175%	100%

A perusal of rates quoted in tenders by Sh.R.K. Soorma, Contractor, and the rates given in the work order of the committee would indicate that the contractor accepted & even executed the works at rates low by 15% in case of stone work, 60% in case of Brick work, 40%, in case of R.C.E, 60% in case of E.W, 20% in case of tarring work and 190% in case of other works which though he did not quote had to be compared with rates quoted by other Contractors..

The M.B.No.107(Pages 20-21) where measurements of this work in final bill are recorded reveal that only 1st Item work "Premixing of Road "Tarring" was executed in enlarged length of road than estimated measuring 596.21 Sq Meters at the cost of Rs.20,182/- including

Contd.....9/-

premium of Contractor viz. Rs. 12,849.00). The Contractor has however been shown paid Rs. 20,000/- by rounding the aggregate cost. As per Govt. Instructions relating to strict following of plans & estimates the cost of 1st Item work for 400 sq. meters counts to only. Rs. 11,913/- @ Rs. 10.83 sch. rate plus @ 175% Premium of contractor over and above the sch. rates. Therefore, excess payments of Rs. 8,087/- (Rs. 20,000 - Rs. 11,913/-) need be recovered from the defaulter or otherwise full justification rendered. None of the remaining two items of works stated in Estimates were shown executed.

(ii) Improvement of Shilly Roads (Grant in aid 1984-85)
(Completed on 1.7.85)

Govt. Grant 10,000/-

Committee share 10,000/-

The plan and ~~estimator~~ estimates provided for following jobs:-

		<u>Rate</u>	<u>Amount.</u>
1.	400sq.M. 5 mm thick premix carpet including seat, coat & sub grading.	10.85 m ²	4,332.00
2.	100 sq.M Brick on edge flooring	18.80 m ²	1,880.00
3.	30 sq.m ³ HPCR stone masonry	205.65 m ³	6,169.00
			<u>12,381.00</u>
		Contractor's Prem.	<u>7,619.00</u>
			<u>20,000.00</u>

The Committee issued N.I.T. in respect of 20 grants in aid works including this work without giving any specifications, site plan etc. tenders received against this work were compared in following comparative statements:-

	<u>Brick</u>	<u>Stone</u>	<u>Tarring</u>	<u>E.Work</u>	<u>Other</u>	<u>R.C.C.</u>
1. Sh. R. K. Soorma	280%	75%	220%	250%	250%	320%
2. Sh. Sham Lal	285%	85%	-	260%	-	325%
3. Sh. Ashwani Kumar	288%	83%	-	266%	291%	322%
4. Sh. Bishan Dass	300%	80%	250%	250%	200%	350%
5. Prem Kumar	290%	80%	225%	260%	260%	325%

Contd. 10/-

This work was given to Shri R.K. Soorma at following rates, which although much lower were not resented to by the contractors:-

	<u>Brick</u>	<u>Stone</u>	<u>Tarring</u>	<u>E.Work</u>	<u>R.C.C.</u>	<u>Other.</u>
	270%	60%	184%	200%	175%	125%
less rates than quoted rates by.	(10%)	(15%)	36%	(50%)	(145%)	(425%).

The Contractor executed the work relating to 1st Item work only on road 589.53 sq.m. instead of only 400 sq.m estimated for. The cost of 1st item claimed by the contractor for execution of 1st Item work on 589.53 sq.m road as entered in M.B. No.107 (Pages 24.25) comes to Rs.20,039/- including 184% premium. Against this, the contractor was paid Rs.20,000/- by rounding the payment.

According to Plan and Estimates Rs.12,303/- (including agreed 184% Premium) could have been paid for execution of 1st Item work estimated for. Thus there was excess payment of Rs.7,697/- (20,000/- - 12,303/-) which either be recovered from defaulter or else fully justified.

(iii) Improvement of Nallah behind PNB Solan: (Grant-in-aid (483-84) Completed on 15-7-85)

Govt. Grant : 10,000/-

Committee share : 10,000/-

The Plan and Estimates provided for following jobs:-

		<u>Rate</u>	<u>Unit</u>	<u>Amount</u>
1.	50 m ³ Earth Work	5.22	m ³	266.00
2.	100 sq.M Brick on edge Flooring in 18.00 cement		S.M.	1880.00
3.	50 m ³ 2nd Class Brick Masonry	158.65	m ³	7933.00
4.	50 m ² 40 mm Thick C.C.	12.40	m ²	620.00
5.	200 m ² 1/2" thick cement Plashed.	5.20	m ²	1040.00
6.	25 m ³ HDGR stone Masonry	305.65	m ³	5142.00
				16,881.00
Contractor's share				3,119.00
Premium				20,000.00

Contd... 11/-

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The Committee issued N.I.T. in respect of all the grants-in-aid works numbering 20 including this work without giving any specifications, site, plan etc. tenders received against this work were compared in comparative statement, which indicated that contractor Ashwani Kumar quoted lowest rates as follows but he was given order for execution on even less rates shown thereagainst:-

Items	Rates quoted by contractor (Sh. Ashwani Kumar)	Rates at which work order issued.
Brick	271%	245%
Stone	73%	45%
R.C.C.	175%	150%
Others	100%	100%
Tarring	199%	175%

Against above said sanctioned estimate, only following items of work were done by the contractor as recorded in M.B.107 (Pages 32 to 36)

Earth work	7.20 @ 5.32	38.00
2nd Class Brick	16.63 @ 158.65	2,638.00
1/2 Brick Masonry	12.17 @ 20/80	211.00
Brick edge Flooring	10.07 @ 18/80	189.00
1/4 thick Plaster	174.07 @ 4 5/20	904.00
C.C. 1:2:4	42.09 @ 12/40	521.00
		<u>6,432.00</u>
	Plus Premiums of Contractor's	<u>13,634.00</u>
		<u>20,065.00</u>

It would be apparent that there was vast difference between estimated works and those executed, but even then full grant plus committee share in exactness i.e. Rs.20,000/- (Rs.20,065/- rounded) were shown paid to Contractor.

The Positions stated above in 3 works above are just many instances. Every work done in the committee in the past/present would prove versions of the audit that works

Contd.....12/-

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are not executed according to Plan and Estimates, notices inviting tenders are just an eye-wash and on receipt of tenders every time rates are fixed by the Committee itself ignoring the tendered rates, expenditure on each work finishes at point where full grant plus committee ^{share} ~~share~~ exhausts with explicit exactness ignoring the fact that actual execution was done on only fraction of sanctioned estimated works. As a matter of rule, in case none of the contractor's quoted rates justifiably, then there could be only alternative to call the tenders afresh.

A perusal of all the papers of works, including grants-in-aid works of ~~at least~~ at least 5/6 years period reveal that above said mal-practices were in vogue. Plainly speaking rates used to be settled with contractors even prior to call of tenders and the tenders contained, assured rates so high that the result could be only that rates settled would be ~~struck~~ down ultimately to suit the Engineering cell of the committee so as the contractor concerned.

Non-adherence of any Plan and Estimates in Past several years is yet another mal-practise, where lot of Govt./committee funds possibly have leaked away. More instances of non-adherence of Plan and Estimates are attached at Annexure "D" to this audit note.

As already explained above, for every work tenders were invited and on receipt of tenders the lowest tenderer was allotted the work on rates fixed by the committee itself ignoring what rates were quoted by the contractor. Although rates fixed by the committee used to be very low than lowest tendered rates, the contractor concerned never hesitated to execute the allotted work on rates fixed by committee which give suspicion of the deals being fishy ones. Such type examples are given in Appendix "E" to this audit note.

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Municipal Works:

560(a) There were instances where side by side executing Grants-in-aid works, for same works separate estimate was prepared and got sanctioned simultaneously: ignoring the fact that full estimated cost got sanctioned from Govt. was separately spent on ratio 50% from out of Grant in aid and 50% from out of Municipal Fund. For instance, in the execution of work "Improvement of Dhoighat Road" a sum of Rs.20,000/- was spent viz. Rs.10,000/- out of Grant in aid received vide LSG-C(10)37/84, dated 30.3.1984 and another Rs.10,000/- from out of Municipal Fund between period 1.4.84 to 29.6.84. Another estimate was observed got sanctioned as Municipal Work for this very road and an expenditure of Rs.14,340/- booked between 22.3.84 to 30.6.85 in accordance with MB.109(page 71).

It was further noticed that no care was given to the sanctioned estimated amounts, but contrarily actual expenditure was incurred much more. Such instances are given below:-

Name of Work.	Sp.No. Estimated Sanction	Actual Expenditure
C/O Retaining wall in Jawahar Park.	15,000/-on 5.4.84 Vr. 31 of 5/85.	19,299/-

(b) Repairing of Jwala Park Road near House of Balrai(Municipal Work)

Although another work (GIA-1983-84)"Tarring of Jwala Park Road " against sanctioned estimate of Rs.10,000/- was in progress, a new sanction for Rs.3080/- was obtained from the administrator for same work and Rs.7,589/- vide MB.108(Pages 848-50) expenditure was shown incurred thereon, which is irregular and may be justified.

(c) Vr.No.145 of 9/85

Extension of Plot ^{Burning} Basing Chat.

Although this work was under execution against Grant in aid (1984-85) of Rs.15,000/- from the Govt. yet another sanction of Rs.1500/- was accorded and the work allotted to same contractor just to benefit

him. Against this sanction a sum of Rs.3111/- was found paid to the contractor over and above amount of the Grant-in-aid, which may be justified.

(d) Vr.No.147 of 9/85.

General Repairs in the Town (Municipal Work).

Against sanction of Rs.10,000/- this work was shown completed against expenditure of Rs.29,253/- i.e. Rs.19,253/- in excess of the sanction. The estimate sanction was vague without mentioning any particular work, site, measurements and type of work involved.

The lowest tenderer for this work was shown Sh. Bishan Dass, who despite quoting his rates was shown accepted the work order of the committee at much lower rates without any hesitation or correspondence. The rates quoted by the contractor are compared with the rates of work order here below:-

<u>Bricks Work</u>	<u>@ 270% above S.Rates.</u>		<u>Work order.</u> <u>Rates: 270%</u>
<u>Stone</u>	65%	-do-	60%
<u>R.C.C.</u>	230%	-do-	175%
<u>E.Work</u>	225%	-do-	200%
<u>Tarring</u>	215%	-do-	184%
<u>Others</u>	210%	-do-	125%

The exact sites & measurements may be pointed out before the expenditure is accepted in audit.

(e) Vr.No.334 of 3/86 for Rs.34,438/-

In the Work "Laying slate over Municipal Rest House" M.B.109(Pages 80 to 83) depicted that the C.G.I. Sheets and other connected roof materials were dismantled over an area of 133.50 M² before taking up the work in hand. No list of materials containing C.G.I. sheets, wood etc. was found accounted for anywhere. The dismantling cost was shown to the tune of Rs.2961.75 and naturally, therefore, materials so removed must be in good shape.

During the audit period, a govt. grant for Rs.40,000/- was received on 31.3.1986 for construction of Hall at Place Roof material was removed for the purpose.

Contd...15/-

It was observed that the work had already been contracted with Sh. Ashwani Kumar, Contractor. It may, therefore, be ensured that the removed material is duly accounted for by the Contractor before any payment is released.

(f) Vr.No.273 of 1/86:

Rs.4,173/- had been shown paid to Sh. R.K. Soorma for dismantling of Coop. Store near D.C's office. Solan, which store had been constructed only in year 1973, as per M.B.s 58 and 59 with the Engineering call of the Committee. Evidently, this huge cost of dismantling was incurred with motive to extract wooden doors, windows & other wooden fixtures, steel etc. in good shape. No record could be shown where these materials have been accounted for.

Since this material costs thousands of rupees, either its proper account may be shown to audit or else the defaulter may be proceeded against, according to provision of rules;

(g) Vr.No.128 of 9/86:

Rs.10,000/- had been shown paid to Shri H.R. Soorma, Contractor, in connection with work "Improvement of Roads in the Town". Against this work a sum of Rs.10,000/- already had been paid in 1st Running Bill.

It was observed from the entries in M.B.113 (pages 15,26 to 29) that various items of works had been entered without mentioning any specific site where the work was carried out. Evidently, the actual site was tried to be hidden. In absence of this vital information in the MB, expenditure of Rs.20,000/- shown incurred cannot be admitted in audit.

Similarly, there were many more instances, in which case estimates had been prepared on presumption by indicating improvement of roads, nullahs, galls etc. of the town without any specific mention of the site etc. The higher authorities are requested to look into the matter so that this ^{vague} term could not be found in shape of

Contd...16/-

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entering of expenditure in the M.B.'s which cannot be known in future.

(h) Vr.No.138 of 8/86.

Rs.1417/- were shown spent on electric fittings in Rest House in this Vr. besides Rs.4,275/- already spent in other Vr.No for the purpose. No MB entries regarding fixation etc. of additional electric fittings in the Rest House were forthcoming in absence of which the audit cannot admit this expenditure. Full details of fittings and use of electrical materials may be shown in the MB and shown to audit next time.

(i) Vr. 155 of 8/86.

Rs.858/- and Rs.1100/- were shown paid to Sh. Suk Ram Contractor for removal of silt from 8 Lac gallon tank and 12 Lac gallons tank respectively. Relevant entries shown in MB. 105 (Page 66) during 8/86 and MB 105 (page 64) indicated that 27.72 m³ and 44 m³ silt respectively was removed & payment made accordingly to contractors. However, this work had previously been done in 4/84 as per MB, entries in MB 105 (page 4) where also exact quantities of silt shown above were entered as removed. It transpires that after a fixed interval this entry of similar silt is repeated in the MB and expenditure shown incurred, since it could never be that each time the same quantity of silt is removed without variation any time. The expenditure may, therefore, be justified.

(j) Vr.No.147 of 8/86.

Rs.19,211/- had been shown spent for the repairs /construction of lavatory Block at Bus stand.

As per report recorded by the Municipal Engineer on the estimate dated 28.6.86, the lavatory block at Bus Stand has been damaged while dismantling some portions of that building by the contractor, to whom contract at exorbitant rates of dismantling was given. In terms of chapter 20 at page 217 of standard schedule of rates, 1979, dismantling contract includes charges for any damage to adjoining property. As such, cost of damage done by the contractor during the course of

Contd. 117/-



dismantling was the responsibility of the Contractor concerned. The expenditure of Rs.19,211/- therefore, is not admitted in audit unless and until fully justified.

(k) Construction of Rest House Extension.

Till 3/87, Rs.2,11,650/- were spent for the above work without obtaining technical sanction of the Superintending Engineer, as required under rules. Instead this work was sanctioned in piece meals in order to keep the preview of technical sanction within the purview of Municipal Engineer it-self. The matter is brought to the notice of higher authorities for such action, as may be deemed fit.

(1) II nd and Final Bill of Shri Ram. Contractor relating to Inspection of slaughter House- G.I.A. 1984-85. (M.A. 111. pages 49-52)

As per note of the Administrator dated 10.5.85 on the comparative statement following contract rates were negotiated with the contractor, as his quoted rates were not approved.

B. Rates above Sch. Rates-Bricks-Stone-R.C.C. Steel-E					
Work					
B. Rates above Sch.	Rates for Bricks	Stone	RCC	E Steel Work	Other
	272%	65%	175%	200%	125%

Against above negotiated rates, however, the M.E. issued work order at rates:-

Bricks	Stone	RCC	E.W.	Wood	Marble	Others.
268%	60%	175%	200%	300%	175%	125%

It was, however, observed that one contractor, Shri Parvesh Kumar had quoted rate of E. Work @ 150% above Sch. rates whereas the above negotiation struck this rate for 200% above. Further, according to estimates, there was no wood work involved for which work order @ 300 % was issued ignoring even above said negotiation which mentioned other items @ 125% above only. In the Bill, therefore, payment of 300% above Rs.160/- i.e. 480/- on wood work works out to only Rs.200/- @ 125% resulting in excess payment of Rs.280/-.

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Further, marble chips work had been negotiated @ 125% above but was paid @ 175% above. This work amounted to Rs. 2223/- and hence as premium on it was paid Rs. 3890/- instead of Rs. 2778.75 resulting in excess payment of Rs. 1,111.25.

Therefore, excess payments of Rs. 1391.25 may either be recovered from the contractor or otherwise from the defaulter. Further it may also be explained as to how varied work order was issued by the ME after negotiations had been struck.

6. In following works much more expenditure had been incurred from M. Fund than the actual sanction of competent authority.

Sl. No.	Name of Work.	Estimated Sanction.	Actual Expenditure
1.	C/O R/Wall on J/Parta	Rs. 15,000/- 5.4.84	19,299/-
2.	C/O Drain Etc. near B.C. Residence	500/- 2.7.84	1,316/-
3.	Repair of drain near House of Chaman Lal	500/- 2.7.84	1,545/-
4.	C/O Road & Drainage near Morni Niwas	6,200/- 16.7.84	10,605/-
5.	Imp. of drainage in chambaghat	1200/- 11.6.84	2,166/-
6.	Construction of Retaining Wall near Champa Bhawan.	5,000/- 9.5.84	7,493/-
7.	Construction of Parking places near Municipal Office Building.	14,000/- 2.4.84	18,852/-
8.	Cleaning of 18 Lac gallons tank.	500/- 11.6.84	1,100/-
9.	Construction of Path to Motary near Distt. Hospital.	8,852/- 19.9.84	18,918/-
10.	Petty repairs of Roads.	4,500/- 19.9.84	13,378/-

Contd.....19/-

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11.	Painting of Thodo Ground	500/- dt.8.10.84	933/-
12.	Furnishing of new stage in Thodo Ground	500/- dt.8.10.84	1150/-
13.	General Repair of paths in Town.	5200/- dt.19.9.84	10,920/-
14.	Re-construction of road near House of Gian on Hospital Road.	8500/-dt.19.9.84	13,816/-
15.	Tarring and Inspection of Shilly Road.	10,000/-dt.6.10.84	19,981/-
16.	Laying sewerage in Main holes.	4,810/-dt.6.8.84	9,805/-
17.	Petty repair of M.Shops	410/- dt.31.10.84	820/-
18.	Repair of M.Stall.	500/-dt.3.10.84	1,100/-
19.	Construction of drainage near Radha Swami Satsang Building.	7,972/- dt.16.7.84	12,861/-
20.	Tarring of Ganj Bazar	8,000/-dt.28.11.84	19,171/-
21.	Digging of road for laying 2" dia distribution line on National Highway.	4,953/-dt.29.8.84	9,716/-
22.	^{Imp} Inspection of Nalla Near Jethaji Road.	12,000/- dt.21.9.84	20,000/-
23.	Repair to Road/Nalla palace Road	14,000/-dt.24.1.85	25,600/-
24.	Construction of stalls on Shilly Road.	20,000/- dt.19.9.84	21,039/-
25.	Inspection of J/Parth	8,500/- dt.12.3.85	19,442/-
26.	Repair of B/Ghat Area	2,500/- dt.19.5.84	6,363/-
27.	Construction of stall over Arora Bros. Stall.	4,932/-,dt.17.4.85	13,529/-
28.	White washing of 8 lacs Lac gallons tank tank.	500/-dt.2.3.85	1060/-
	-do- 12 Lac gallons	500/-dt.12.3.85	1200/-

Contd...20/-

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29. Repair of drain near ITI Solan.	4,750/- dt. 16.5.85	11,769/-
30. Extension and covering wall in Dhobighat.	7,870/- dt. 16.5.85	17,471/-
31. ^{Imp.} Inspection of Path leading to Hari Mander.	8,800/- dt. 10.5.85	19,588/-
32. ^{Imp.} Inspection of Nalla Mohan Colony.	11,294/- dt. 18.3.85	22,593/-
33. Repair of street in W.No.1.2,7,8,9.	10,000/- dt. 16.5.85	29,253/-
34. ^{Imp.} Inspection of ^{L.V.} Mag. Block in Mahal Park (C/O soak pit).	9,500/- dt. 31.8.85	32,706/-
35. C/O Soak Pit & Brick Wall along Municipal R/House.	5,000/- dt. 19.9.84	15,664/-
36. ^{Imp.} Inspection of Palace road near M.C. Park.	6,266/- dt. 1.7.85	15,198/-
37. M/T of road near Slaughter House.	14,000/- dt. 14.10.85 14,400/- dt.	35,220/-
38. Tarring of U/Bazar & Club Road.	6,440/- dt. 6.8.85	16,895/-
39. C/O drain behind Central State Library. Central State Library.	4,250/- dt. 16.7.85	7,332/-
40. ^{Imp.} Inspection of Nalla near House of Diwan W/Man	8,200/- dt. 16.7.85	17,060/-
41. ^{Imp.} Inspection of road near PWD Colony, Jawahar Park, Area.	5,850/- dt. 16.7.85	13,279/-
42. Furnishing of Municipal Office Building.	16,354/- dt. 16.7.85	33,756/-
43. C/O steps Thodo ground	24,000/- dt. 16.7.85	44,549/-

Contd. . . . 21/-

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Sr.No.	Name of Work.	Estimated Sanction.	Actual Expenditure.
44.	Widening of Road near Partap Niwas.	20,000/- on 20.6.86	33,533/-
45.	General Repairs of roads and drains in the Town (Municipal Work). Vr. 21 of 5/85	5,200/-	10,920/-
46.	Imp. Inspection of furnishing of Jawahar Park (M.W.) vr. 22 of 5/85	8,500/-	19,442/-
47.	White washing & cleaning of 8 Lac gallons tank and 12 Lac gallon tank (vr. 29 of 5/85).	500/-	1,049/-
	For cleaning of Thodo ground	500/-	1,200/-
48.	Reconstruction of retaining Wall of Children Park (vr.133 of 9/85) (Municipal Work)	10,600/-	1,141/-
49.	Repair of Parapet Circular Road (vr.144 of 9/85).	500/-	17,098/-
50.	Imp. Inspection of Palace Road near Municipal Park. (193 of 11/85)	6,266/-	1,785/-
51.	Repair of drain/path near I.T.I. Solan (vr.No.194 of 11/85).	4,750/-	8,932/-
52.	Tarring of upper chowk club road & Lakkar Bazar. (Vr. 205 of 11/85)	6,440/-	11,769/-
53.	Metalling & Tarring of road near old slaughter House (vr. 206 of 11/85).	14,000/-	16,895/-
54.	Tarring of Road near Modi Bhawan. (vr.No.208 of 11/85).	16,081/-	35,220/-
55.	C/O Parking Place near M.C. Building (vr. 312 of 3/86).	12,783/-	43,265/-
			22,757/-



Sr.No.	Name of Work	Estimated Sanction.	Actual Exp.
56.	Imp. of Path near Office's Colony. (vr. 319 of 3/86).	1750/-	4038/-
57.	Imp. of Nallah in Dhohi Ghat. (vr.185 of 10/86)	8200/-	17060/-

7. Vr.311 of 3/86 for Rs.9,26,097.53

Rs.9,26,097.53ps were deposited with District Judge, Solan vide cheque No.706463, dated 5.3.1986 as a consequent of H.P. High Court's Order dated 10.1.1986 in appeal against Judgement of Distt. Judge Solan dated 25.6.85 in case No.25-S/4 of 83" Shri Sant Ram & Nand/Ram Vrs.State of H.P. & the Land Acquisition Officer, Solan H.P.

The audit noticed that in above judgement, M.C. Solan was not in party and hence action of the committee in filing an appeal before the H.P. High Court and thereafter taking ~~onus~~ onus of depositing the above sum with the Distt. Judge Solan appears to be unwarranted.

However, it was found that in judgement of the Distt. Judge, Solan dated 25.6.85, there were references concerning M.C. Solan in relation to:-

- a) That the M.C. Solan was in possession of land of the petitioners since year 1960-61 without payment of any compensation/price to the petitioners (being owners of the land).
- (b) That on 29.3.76, a civil court held in its judgement that the land belonged to the petitioners while the M.C.Solan to be in an unauthorised occupation.
- (c) Before the acquisition proceedings could be finalised by the petitioners, the committee ventured to issue a notification u/s U of the Land Acquisition Act on 21.3.80 for the acquisition of the Land under reference for the public purpose namely for the improvement of Thodo ground Solan for games etc. The land Acquisition Collector announced

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the award on 17.11.80 assessing the said land to be paid @ Rs.42/- per sq.meter. which was duly paid

(d) That the Distt. Judge in above case, however, decided the award to be Rs.1,55,628/- plus solatium @ 30% on this amount, plus 15% per annum from January, 1962 on the aforesaid enhanced amount of compensation till the same is deposited in the court, plus costs of the suit assessed as Rs.500/- by the court.

(e) That the M.C. Solan filed an appeal with H.P. High Court against above judgement and engaged Sh.Kapil Dev, Advocate, Shimla against payment of Rs.7100/- vide Vr.321 of 3/86 vide cheque No.706479 dated 19.3.86.

(f) That the High Court in above appeal passed following orders dated 10.1.86.

" The awarded amount together with solatium, interest and costs, if any, will be deposited in the Distt. court on or before March, 10, 1986?

To be listed for admission after the deposit is made".

The above details prove that there had been many ~~serious~~ serious lapses on the part of Committee and due to such sheer negligences the burden of huge losses have been sustained by the committee as detailed below :-

1) In year 1960-61 when the committee felt need of this land for public purposes, it could have easily approached the land Acquisition Authorities for acquiring this land. Had this action been taken at appropriate time, the spending on this land would have been between Rs.5,000 to 10,000 at the most and could have avoided expenditure of lacs of rupees.

2) The said land is merely a part of play ground and hence the committee was not justified to show the same as under their possession because the land is in the Public Use and the committee utilised it for more of its purposes except maintenance of the same.

3) That in accordance with H.P. High Court's order, stated above, the amount to be deposited was the one

Contd...24/-

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ordered in the Judgement of Distt. Judge so as to enable the committee to further proceedings of their appeal in the High Court. This amount has been calculated by the audit hereunder:-

1,55,628/-	Granted as award calculated by the court as on 21.3.1980
46,688/40	30% Solatium on above amount granted to the petitioners.
5,48,588/70	15% interest awarded to the petitioners on award w.e.f 1.1.62 upto june, 1985 when the Distt. Judge delivered its judgement.
500/-	Costs of the suit fixed by Distt. Judge.

7,51,405.10

Therefore, there was excess deposit of Rs.1,74,692/43 even on the basis of Distt. Judge's Judgement i.e. Rs.9,26,097.52 minus Rs.7,51,405.10 which has unnecessarily been deposited in the Distt. Court without personally reading the Judgement and calculating the amount involved. This ~~irresponsibility~~ irresponsible action has harmed the committee in as much as Rs.1,74,692.43 have been blocked and the committee is sustaining loss @ Rs.26,203.85 per year on account of interest calculated @ 15% awarded to the petitioners by the Distt. Judge. The responsibility may be fixed for this continuing huge loss @ Rs.26,203.85 per year to the committee. Also action may be taken to approach the court to let the committee withdraw this amount deposited due to oversight.

8. Irregularities on Income Side:-

(1) WATER RATES:- During year 1985-86, the committee incurred an expenditure of Rs.7,11,401/- on maintenance of water supply in the townships against the total income of only Rs.4,32,435/- accrued resulting in net loss of Rs.2,78,966/-. This loss could have been avoided but for negligence and carelessness on the part of management. The main reason for the loss was that

Contd...25/-

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atleast 50% meters in the town were reported to be out of order and hence water rate was charged on average bills. Following measures are recommended by the audit in this connection:-

- a) Steps may be taken for replacing/repairing all out of order meters in the town.
- b) The Government may be approached for enhancing the water rate, which was fixed decades back. This steps would also be helpful in ~~economising~~ economising the use of water, whose shortage is being felt in the town.
- c) The authorities must get inspected atleast 10% of meters in a year to mitigate chances of tampering with meters by the consumers.
- d) Water bills should be charged from all consumers on record with exception to those who apply for disconnection before hand only.

(ii) Rest House:-

The committee runs its own Rest House, which is open to general public besides officials of the Govt. & other Local Bodies. It was observed that the committee incurred an expenditure of Rs.63,412/- during 1985-86 whereagainst only income of Rs.10,800/- accrued resulting in a net loss of Rs.52,612/- which fact tells upon the inefficiency on the part of management. Corrective measures may, therefore, be taken to mitigate this loss in future.

(iii) Sanitation Tax:-

This is major source of income of the committee. ^{During} During year 1985-86, the income from this source was to the tune of Rs.3,93,218/-. This tax is charged on the rental value of the house for which a survey is being conducted. In cases, where the house is self occupied the rental value is assessed by the committee.

It was, however, observed that in several cases the report of survey was completely ignored and much less assessment was recorded, which is indicative of the fact that pick and choose method was being adopted in the matter of assessment of rental value. It is, therefore, suggested that an effective survey may be got conducted through some responsible Officer and the audit anticipates an increase in income atleast by 50% if impartiality is done in the survey report.

(iv) Rent of Municipal Stalls:-

It was observed that the tenants in Municipal Stalls had adopted a practice of not depositing the rent for years together, unless and until cases are sent to the Courts for recovery. A list of such type defaulters is attached at Annexure "F" to this Audit Note.

The audit, therefore, suggest that legal action for such type defaulters may be initiated in a court of law for their ejection on grounds of non-payment of rent for years together so that every now and then there is no need to send this type of cases for recovery through a court of law in future, which process is time entailing besides exhaustive.

v) Stalking of Building materials on Municipal areas:-

As per practice in vogue, maps relating to constructions used to be passed after assessing the possible truck loads of building materials likely to be unloaded in Municipal areas and realisation of charges @ Rs.30/- per truck. However, in cases indicated at "Annexure" G to this audit note, no realisation on this account were made prior to the handing over of approved maps. The total recovery worked out to Rs.18,810/- as indicated in the annexure, which may be recovered immediately or otherwise got made good by the defaulters and credit pointed out to audit next time.

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9. Working Women Hostels:-

Working ^{Women} Hostel is also under the Administrative control of the Municipal Committee, while checking the record of the Hostel the following irregularities have come to the notice:-

a) According to the instructions of Govt. of India, Ministry of Social Welfare contained in Rule 27(1), which says that the Hostel provides accommodation to the working women whose income (Basic Pay) does not exceed Rs.750/- P.M and Rs.1500/- (consolidated), but the above instructions were ignored while admitting the woman in Hostel. For example, Miss Amarjit Kaur, Assistant Professor in Horticulture University Solan was ~~admitted~~ allowed to get admission, whereas she was in receipt of Rs.1134/- basic pay. This not only violates the instructions but debar the deserving /low paid women to get admission in to the Hostel. The negligence/favour to admit the women who were not eligible to get admission may be looked into by the higher authorities and necessary action be taken against the defaulter.

Besides this, the following women were also allowed admission without obtaining the certificate from the Employer that the women admitted in Hostel were actually working women and what was her basic pay. In absence of these information, the admission of women to hostel were illegal and the action of authorities allowing such admission was arbitrary and illegal. The following were admitted:-

- i) Miss Dinesh Negi.
- ii) Miss Dharam Devi.
- iii) Miss Suma Devi.
- iv) Miss Suhita Devi.
- v) Miss Urmil Devi.
- vi) Miss Anupama Sharma.
- vii) Miss Chander Mohini.

The Executive Committee, which is only empowered to admit the women were ignorant about this condition.

Cont.....28/-

b) The amount of Rs.230.40ps was realised less from the following women as detailed below:-

<u>Name</u>	<u>Amount</u>	<u>Particulars.</u>
Indu Sharma	100.00	Rent for 6/87 & 7/87.
Lajwanti.	100.00	Remained in Hostel w.e.f. 8.10.86 to 28.2.1987 hgt paid Rs.150/-, where 250/- should be realised.
Neetu Kochhar	30.40	Charged @ Rs.94.30 where Rs.100 p.m to be charged Hence from 9/86 to 6/87.
		Total amount of Rs.30.40 paid less.
	<u>230.40Ps</u>	

10. Miscellaneous Objections:-

1) Vr.203 of 11/85 for Rs.33,278.76:-

Electric goods worth Rs 33,278.76 had been shown purchased from M/S Khillan & Co. Chandigarh for Rs.17,005.94 and M/S ^{Bajaj} ~~Shree~~ E-electricals Ltd., Chandigarh for Rs.16,272.82 without first making any assesment of actual requirements or report of the connected officials. Moteover, there was no sanction for purchase of these goods. Furthermore, codal formalities like inviting of quotations etc. were also not observed. In absance of facts ~~stated~~ stated above, the expenditure could not be admitted in audit till full justification with relevant papers is shown to addit. It was, however, noticed that a note of Secretary, M.C. Nahan seeking sanction of the administrator had been ^{appended} ~~appended~~ with the Vrs. but there was not trace of this note having been submitted to the administrator because the signature of the Administrator were not found recorded therein. The authorities are requested to look into the matter and take necessary action.

(11) Vr.1 of 4/86 for Rs.17,700/-

300 quintals of fire wood costing Rs.17,700/- was shown purchased, which called for following observations:-

Contd...29/-

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a) Incharge, Burial G hat reported on 1.3.86 that fire wood has exhausted and that approval for fresh purchase of 300/- quintals of wood on an estimated cost of Rs.18,000/- may be ~~see~~ accorded. The administrator, accorded sanction for Rs.18,000/- for purchase of 300 quintals on 3.3.1986.

It was, however noticed that quotations had already been gathered on 20.2.1986 from Sh.Sohan Dass @ Rs.59/- per quintal, Sh. Sant Ram @ Rs.63/- per quintal and M/S Himachal Enterprises @ Rs.60/- per quintal. It, therefore, transpires that it was pre-planned to purchase wood from Sh.Sohan Dass @ Rs.59/- per quintal when the case for sanction was submitted to the Administrator after these quotations had been personally obtained.

Non observance of codal formalities may be justified. It may also be justified as to how quotations could be called earlier than the sanction by 13 days.

(iii) Vr.11 of 4/86 for Rs.500/-

Rs.500/- had been spent on publication of following advertisement in the Sogvernir on Levi Fair, Rampur, 1985:-

"With best compliments from Administrator"

It was observed that no purpose of the Municipality was served from the above contents and as such it was an infructuous expenditure, which may either be justified or recovered.

(iv) Loan by the Committee for disbursement of pay of Staff:

A loan of Rs.1,25,000/- alongwith interest thereon of Rs.1315.05 was found deposited with S.B. of Patiala on 2.8.86. On verification it was observed that on 1.7.86 a loan of Rs.1,25000/- was obtained from S.B. of Patiala against F.D. Rs No.948987 &c without obtaining sanction of competent authority, which is irregular and may be justified.

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It was further observed, that in preceding month of June, 1986, the committee had sufficient balance with it, which was spent on payments to contractors hurriedly. Had these payments been delayed for a little time, ~~the~~ interest paid of Rs.1315.05 could have been saved. The discrepancy may, therefore, be reconciled.

(v) Vr.33 of 3/87 for Rs.3,484.45/-

A sum of Rs.276.10 was shown refunded to Sh.R.N.Dass on account of excess deposit of sanitation tax vide Rt.No.325 book No.15 on 21.5.85 on basis that his house No.281 in ward No.11 of Tank Road remained vacant for 7 months w.e.f. Sept. 1985 to March, 1986.

A perusal of record revealed that S-h.R.N.Dass submitted an application dated 23.1.86 stating that his house remained vacant for period september, 1985 to March, 1986, which apparantly could not be accepted because he submitted this application after lapse of vacant period.

The refund may either be justified or recovery be made from the defaulter.

(vi) Vr.200 of 11/85:-

Fuel wood worth Rs.5092.75 had been shown purchased from one Sh.Bessi Ram @ Rs.65/- per quintal. It was, however, observed from records that 3 ~~quintal~~ quotations, one from Sh.Bessi Ram and remaining two from two contractors had been obtained. All these persons were not wood contractors. Moreover, Sh.Bessi Ram was simply an employee of Himachal Furniture House, Solan who never was engaged in wood contractor's business. This purchase, therefore, appeared to be suspicious, which may be justified.

(vii) Vr.153 of 10/85:-

1.82 cu.ft. cheel wood plants were shown purchased for Rs.350/-, which work out to @ Rs.180/-

Contd....31/-

per cu.ft. The approved Govt. rate at that time for this wood was @ 100 cu.ft. Evidently, there was excess payment of Rs.168/- involved in this deal which may be recovered from the defaulter and credit pointed out to audit next time.

(viii) 153 of 10/85:-

Two wooden boxes fitted with jali had been shown purchased for Rs.500/-. It was observed that whereas the supervisor, Sh.Vishal Mani D put up his requisition dated 13.3.1985 about the necessity for its purchase for the tank, the quotation attached with the Vr.was dated 8.3.85 duly signed by Municipal Engineer on this date. Furthermore, order for its purchased had been placed even earlier on 1.3.85. Similarly, requisition for purchase of cheel planks had been submitted by the supervisor on 21.2.85, whereas the quotation for the same is dated 16.2.85. Evidently, it is suspicious as to how quotations could be called even before the sanctions for these purchases are accorded. The discrepancy may, therefore, be reconciled.

(ix) Vr.93 of 7/85:-

E-lectrical articles worth Rs.3,798.45 had been shown purchased from M/S Telu Ram and Sons, Solan which called for following discrepancies:-

as on 3.12.84, Sh.RBL. Sharma, Tax Supdt. submitted a request for purchase of aforesaid electrical articles.

by The letter inviting quotations against this purchase is dated 30.11.84, which evidently prove that it had already been decided to purchase these articles prior to the processing of sanction from competent authority. Furthermore, a perusal of 3 quotations attached with the Vr. reveal two quoting firms viz. M/S Telu Ram & Sons and M/S J.P. Enterprises bear same Telephone No.304 although these are situated atleast two Kms away. This fact prove that

Contd...32/-

calling of quotations is just a manipulation.

Similarly Vide vr.23 of 4/86 purchase of electrical goods worth Rs.5884.72 from M/S Telu Ram & Sons were observed to have been purchased in the like manner.

It is, therefore, evident that no benefit of market competition had been availed in above two purchases and the quotations on record were procured personally by manipulation.

The authorities are requested to look into the matter and take necessary action as deemed fit.

(x) Vr.131 of 9/85:-

Rs.1015/- were shown refunded to Sh. Ishwar Dass / Mukesh Kumar on the basis of a report of Municipal Engineer on account of removal of pipe line, from their land in clear violation of Committee's Resolution No.68/82 dated 20.10.82 in compliance of which these persons had deposited this amount vide R.No.108/98 etc- dated 14.12.82.

Allowing above refund, therefore, being irregular may be got made good from the defaulter and credit pointed out to audit next time.

(xi) Vr.145 of 7/86:-

Shri Ajay Kumar was allotted a stall in open auction on 16- 17.12.1985 against cash security of Rs.600/- However, on a request by this person next day saying that he do not require this stall refund of security was allowed to him, which is violative of rules. The refund of security being violative of rules, may now be made good from the defaulter and credit pointed out to audit next time.

(xii) Vr.213 of 11/85:-

Parallel and Horizontal have been purchased for the use in a park as under:-

Vr.No.213 dated 11/85

Rs.3112.53

Vr.No.187 dated 10/85

Rs.3037.14.

Total Rs. 6149.67ps

Contd.....33/-

1ch

For which quotations were received as under:-

Solan Sprayers Solan	Phone No.890	Rs.705.00
Spray Well Solan	Phone No.890 PP	Rs.750.00
Spray Santosh Enterprises Solan.	---	Rs.765.00

But the quotations appears to be fictitious as:-

- 1) No official order was issued for calling of quotations and quotations were collected in hand.
- 2) Both the firms i.e. Solan Sprayers and Spray Well Solan appear to be one firm as both the firms have same telephone number 890.
- 3) It is also suspected that except firm Solan Sprays to whom order was placed no other firm was dealer in such articles.

Hence, the calling of quotation was just a formality and it is suspected that purchase was effected on very exorbitant rates besides following the rules. The matter needs to be investigated.

(xiii) Vr.No 136 dated 8/86:-

Purchase of Geyzor for Rs.1900/- from B.S. Trader Solan. For which Junior Engineer of the committee put the note that a geyzor was necessary to be installed in Rest House set No.3. This note ~~was put up~~ was put up by the Junior Engineer on 14.4.1986, and on the same date i.e. 14.4.1986, the Municipal Engineer/Secretary/Administrator allowed to make purchase. Thereupon on the same day the quotations were called and order was supplied and purchase was effected from M/S B.S. Trader. This was a unique loss of purchase in which a single day was taken for all the above processes. This was evident that actually no quotation was called and the purchase was effected direct and the whole process recorded in the books was just a drama. The authorities are requested to look into the matter, and see that geyzor is used for the purpose it has been purchased.

Contd....34/-

(xiv) Consumption of Electrical articles:-

Electrical articles amounting to several thousands of rupees were purchased and issued to Sh. Shakti Chand Line man of committee. Sh. Shakti Chand has shown all these articles consumed as detailed below:-

<u>Name of articles</u>	<u>Period when used</u>	<u>No. of Articles</u>	<u>Rate.</u>	<u>Cost.</u>
Choke 40 w.	9.4.85 to 31.3.86	162 No.	28/-	4536.00
Tubes 40 w.	1.4.85 to 31.3.86	638 No.	25/-	15950.00
Bulb 100 w.	-do-	80 No.	6/-	480.00
Bulb 60 w.	-do-	200 No.	4/-	800.00
Total :				Rs. 21766.00

The consumption of articles were not verified by the Secretary/Administrator. Merely with a stroke of pen, all articles were shown consumed by the Line man, who is also a store keeper could not be admitted in audit. The consumption of these articles needs to be clarified from the official or else recovered from the defaulter.

Establishment:-(xv) Vr. No. 3, dated 4/85:-

Mr. Bimal Kumar Verma, Junior E-engineer was advanced a sum of Rs. 6400/- for the purchase of Scooter. The relevant papers i.e. Registration Certificate, Mortgage bond, which were urgently required were not asked for in two years. As these papers were required to be submitted by Sh. Bimal Kumar after a month of the receipt of advance, the advance granted to him should be recovered in lump sum, failing which the committee authorities will be responsible for not asking Mr. Bimal Kumar about the papers which were required under rules. The omission should be explained fully.

(xvi) Vr. No. 316, 3/86:-

Rs. 92/- were paid to S/y. Governdhan Singh, as

Contd. Rs. 35/-

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a payment of L.T.C. But the claim was not put up by him on prescribed form. In absence of full detail of Journey performed by him, the claim could not be admitted in the audit. The full details may be asked to submit otherwise the payment already made to him should be recovered.

(xvii) Conveyance Allowance:-

The following official were granted conveyance allowance:-

<u>Name.</u>	<u>Amount</u>	<u>Particular</u>
Sh. S. S. Bakshi. (Municipal E-ngeiner)	Rs. 195.00 PM	For the use of Scooter
Sh. Vimal Kumar. (Junior Engineer).	Rs. 195.00 PM	-do-
Sh. R. L. Sharma, (Secretary)	Rs. 195.00 PM	-do-

The above payment of conveyance allowance to these officials were irregular on following grounds:-

- 1) For the intial fixation of allowance S.R.25 says that a Government servant should be required to maintain a log book of journey on duty qualifying for a grant of allowance for a minimum period of three months. Controlling Officer should scrutinize the log book as frequently as possible during this period.

The log book shall contain the following particulars:-

- a) The distance ~~xxxx~~ travelled daily on official duty.
- b) Place visited with distance covered and purpose of such visit.
- c) The mode of conveyance maintained.

The log book should be scrutinised by the sanctioning authority for determining the average mileage per month justified for official work for the post and the rate of conveyance allowance should be fixed on that basis.

Contd. 36/-

After that the rates should be allowed as under:-

Average monthly Travel on official duty.	Rates of conveyance allowance for Journey by.	
	<u>Owned Motor Car</u>	<u>Other mode of Conveyance.</u>
201 -300 K.M.	Rs.180.00 PM.	Rs.63.00 PM.
301 -450 K.M.	Rs.270.00 PM.	Rs.90.00 PM.
451- 600 K.M.	Rs.315.00 PM.	Rs.108.00 PM.
601 -800 K.M.	Rs.360.00 PM.	Rs.126.00 PM.
Above 800	Rs.405.00 PM.	Rs.135.00 PM.

But while allowing the conveyance allowance to these officials, no log book was maintained, without which the grant of conveyance allowance was irregular.

The order of Head of Department which was required under rules was also not obtained.

Either, the payment of conveyance allowance to above officials may be justified or else recoveries effected and credit pointed out to audit.

11. Minor Objections Statements:-

Minor objections were got complied on the spot, hence on such statement was issued.

12. Conclusion:-

The accounts require much improvement and prompt attention of the higher authorities on the matters pointed out in audit para 5 of the audit report. Highest authorities may also issue necessary instructions to the committee to realise sanitation tax from properties of Mohan Brewries as pointed out in para 3(a)(v) above.

Sd/-
(Audit Officer)
Local Audit Department,
Himachal Pradesh, Shimla-2.

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

Copy forwarded to:-

26 MAY 1988

tered.

1. The Administrator, Municipal Committee, Solan, Distt. 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 Director of Urban Local Bodies, Himachal Pradesh, Shimla-2.
3. The Secretary(LSG)to the Government of Himachal Pradesh, Shimla-171002.
4. The Deputy Commissioner, Solan, District Solan(H.P).
5. Sh.Vinod Raj Gupta, Section Officer,

of
Assistant Examiner,
Local Fund Accounts,
Himachal Pradesh, Shimla-2.
-..

"HSS"

Annexure "A"Audit Fees details:-

<u>Date</u>	<u>No. of Auditor</u>	<u>Days</u>	<u>Rate</u>	<u>Amount.</u>
31.3.87 to 4.4.87	One Sr. Auditor	5	Rs. 50/-	Rs. 250/-
8.4.87 to 10.4.87	-do-	3	Rs. 50/-	Rs. 150/-
13.4.87 to 14.4.87	-do-	2	Rs. 50/-	Rs. 100/-
16.4.87 to 18.4.87	-do-	2	Rs. 50/-	Rs. 100/-
20.4.87 to 25.4.87	One Sr. Auditor & One Inspection Officer.	6.	Rs. 100/-	Rs. 600/-
27.4.87 to 30.4.87	One Inspection Officer.	4	Rs. 50/-	Rs. 200/-
1.5.87 to 2.5.87	One Sr. Auditor and one Inspection Officer.	2	Rs. 100/-	Rs. 200/-
4.5.87 to 8.5.87	-do-	5	Rs. 100/-	Rs. 500/-
11.5.87 to 12.5.87	-do-	2	Rs. 100/-	Rs. 200/-
14.5.87 to 15.5.87	-do-	2	Rs. 100/-	Rs. 200/-
16.5.87	One Sr. Auditor	1	Rs. 50/-	Rs. 50/-
18.5.87 to 23.5.87	One Senior Auditor & one Insp. Officer.	6	Rs. 100/-	Rs. 600/-
25.5.87 to 28.5.87	-do-	4	Rs. 100/-	Rs. 400/-
30.5.87	-do-	1	Rs. 100/-	Rs. 100/-
1.6.87	One Insp. Officer.	1	Rs. 50/-	Rs. 50/-
2.6.87 to 6.6.87	One Sr. Auditor & One Insp. Officer.	5	Rs. 100/-	Rs. 500/-
8.6.87 to 12.6.87	-do-	5	Rs. 100/-	Rs. 500/-
Total Rs.				4700/-

Contd...39/-

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<u>Date</u>	<u>No. of Auditor.</u>	<u>Days.</u>	<u>Rate</u>	<u>Amount.</u>
27.7.87 to 31.7.87	Inspection Officer.	5	Total R/F @ Rs.50/-	4700.00 250.00
1.8.87 to 3.8.87	-do-	2	-do-	100.00
4.8.87 to 5.8.87	One Insp. Officer & Sr.Auditor.	2	Rs.100/-	200.00
7.8.87	Insp. Officer	1	Rs.50/-	50.00
10.8.87 to 14.8.87	Insp. Officer & Sr.Auditor	5	Rs.100/-	500.00
18.8.87 to 19.8.87	-do-	2	Rs.100/-	200.00
20.8.87	Insp. Officer	1	Rs.50/-	50.00
21.8.87 to 22.8.87	Insp. Officer and Sr.Auditor.	2	Rs.100/-	200.00
24.8.87 to 29.8.87				
24.8.87 to 29.8.87	-do-	6	Rs.100/-	600.00
31.8.87 to 1.9.87	Sr.Auditor	2	Rs.50/-	100.00
2.9.87 to 3.9.87	Sr.Auditor & Insp. Officer	2	Rs.100/-	200.00
3.9.87	-do-	1	Rs.100/-	100.00
7.9.87 to 11.9.87	Sr.Auditor	5	Rs.50/-	250.00
14.9.87 to 19.9.87	Insp. Officer and Sr.Auditor	6	Rs.100/-	600.00
21.9.87 to 26.9.87	-do-	6	Rs.100/-	600.00
28.9.87 to 29.9.87	-do-	2	Rs.100/-	200.00
1.10.87 to 3.10.87	-do-	2	Rs.100/-	200.00
5.10.87 and 6.10.87	-do-	2	Rs.100/-	200.00
8.10.87 and 9.10.87	-do-	2	Rs.100/-	200.00
12.10.87 to 17.10.87	-do-	6	Rs.100/-	600.00

Total Rs- 10,100.00