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AUDIT AND INSPECTION NOTE ON THE ACCOUNTS OF MUNICIPAL COMMITTEE SOLAN, HIMACHAL PRADESH..

Period 4/87 to 3/88.

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 12/70:

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:

Para 8(e)	Unsettled.
Para 11(d) and 12(h)	Unsettled.

d) Audit note for the period from 4/75 to 3/76:

Para 6	Partially settled and payment of Rs.4351/- to S.D.O.(ele) still unsettled.
Para 12(iv) and 16	Unsettled.
Para 26(iii)& 26(iv)	Unsettled.

e) Audit note for the period from 4/76 to 3/82:

Para 9	Settled.
Para 9(d)	settled.
Para 10	Settled.
Para 11(b),11(d)&11(e)	Settled.
Para 17(c)	Unsettled.
Para 18(b), 18(d)	Unsettled.
Para 18(f) and 18(g)	Settled.
Para 19(a),20,21(viii)	Unsettled.
Para 21(iv) and 21(xxvii)	Settled.
Para 21(ix),21(xiv) and 21(~~xxvii~~)(XVII)	Unsettled.
Para 21(xix) and 21(xxv)	Unsettled.
Para 21(xxiv)	Unsettled.
Para 29 and 31(d)	Unsettled.
Para 26 and 30	Settled.

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f) **Audit note for the period from 4/82 to 3/83:**

Para 16(a),16(b)& 16(g)	Settled.
Para 16(e)& 16(f)	Unsettled.
Para 19, Para 22 & Para23	Unsettled.

g) **Audit note for the period from 4/83 to 3/84:**

Para 6, 7 and 19	Settled.
Para 8, 9,13,14, 15 & 17	Unsettled.
Para 20,21,22,24,25& 26	Unsettled.

h) **Audit note for the period from 4/84 to 3/85:**

Para 6, 8 and 9	Unsettled.
Para 11	Settled.
Para 13(vii)	Unsettled(Recovery from Sh [illegible].B.Sharma was in progress (till final recovery).
Position will be verified	
Para 14 to 28	Unsettled.
Para 29	Unsettled(Recovery of Rs.6220/- on account of excess premium given to contractor was still not made good).

i) **Audit note for the period from 4/85 to 3/87:**

Para 3(a)(i)	Settled.
Para 3(a)(ii)	Unsettled.
Para 3(a)(iii)	Unsettled.
Para 3(a)(iv)	Settled.
Para 3(a)(v)	Unsettled.
Para 3(b)&3(c),3(d)&3(e)	Settled.
Para 4	Settled.
Para 5	Unsettled.
Para 6(a)	Unsettled.
Para 6(b)	Unsettled.
Para 6(c)	Unsettled.
Para 6(d)	Unsettled.
Para 6(e)	-do-
Para 6(f)	-do-
Para 6(g)	-do-
Para 6(h)	-do-
Para 6(i)	-do-
Para 6(j)	-do-
Para 6(k)	-do-

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Para 6(i)	-Unsettled.
Para 7	-do-
Para 8(i)	-do-
Para 8(ii)	-do-
Para 8(iii)	-do-
Para 8(iv)	Settled.
Para 8(v)	Unsettled.
Para 9	Unsettled.
Para 10(i)	-do-
Para 10(ii)	-do-
Para 10(iii)	Unsettled.
Para 10(iv)	-do-
Para 10(v)	-do-
Para 10(vi)	-do-
Para 10(vii)	-do-
Para 10(viii)	-do-
Para 10(ix)	-do-
Para 10(x)	Settled.
Para 10(xi)	Unsettled.
Para 10(xii)	-do-
Para 10(xiii)	-do-
Para 10(xiv)	-do-
Para 10(xv)	-do-
Para 10(xvi)	-do-
Para 10(xvii)	-do-

Action may be taken to settle the outstanding paragraphs on priority basis.

P A R T - II.

2. Present Audit: The present test audit and examination of the accounts for the period 4/87 to 3/88, the results of which are embodied in the succeeding paragraphs, was conducted by Shri Vinod Raj Gupta, Section Officer alongwith Shri [illegible] Ram Kapil, Section Officer and Shri Kamal Dev Sharma, Junior Auditor with effect from 6.7.88 to 1.10.1988. The accounts for the months of 5/87, 9/87, 12/87 and 3/88 were subjected to detailed check.

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9. **Finances.**

(a) The financial position of the Committee is exhibited below:-

Opening balance	Rs.1545435.00
Income	6139618.00
Total	7685053.00
Expenditure	6661923.00
Closing balance	1023130.00
As per cash book Rs.	220843.00
As per P.L.A. Pass Book Rs.	802287.00

In P.L.A. cash book the closing balance as on 31.3.88 was, however shown as Rs.811887.00. There was a difference of Rs.9600 in personal ledger accounts and balance as per cash book. This difference was already pointed out in para 3(a) of Audit Notes for the period 4/75 to 3/82, 4/82 to 3/83, 4/83 to 3/84, 4/84 to 3/86 and 4/86 to 3/87, but no action was taken to reconcile the discrepancy. Needful may please be done without any further delay.

(b) **Investment:** The following investments were held by the Committee as on 31.3.88:

Nature of investment	Amount	Date	Date of maturity
1. Five year fixed deposit in SBI Solan No.SJ199960.	100000	6.8.87	6.8.92
2. Two years fixed deposit in SBP Solan No.A292145 292145	200000	16.12.87	16.12.1989
3. Five year fixed deposit in SBP Solan No.292121.	200000	20.10.87	20.10.92
Total Rs.	500000.		

Besides the above deposits of Rs.500000 in fixed deposits the following amounts were also in balance in saving bank accounts:-

1. Saving account with Post Office Rs.1132732.35
2. Saving account with S.B.P. Solan 6574.00

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

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Nature of investment	Amount	Date	Dt. of maturity.
1. Term deposit FDR in Post Office No.748246	400000	20.6.83	20.6.1988
2. 5 year time deposit No.748253	200000	23.12.83	23.12.88
3. 5 year time deposit No.748201.	150000	16.3.83	16.3.88
4. 5 year time deposit No.748239	100000	28.3.83	28.3.88
5. 5 year time deposit No.748287	600000	24.12.86	24.1991
6. 5 year time deposit No.A 301734	100000	26.2.87	26.2.92
7. 5 year time deposit No.748193	300000	25.3.86	25.3.1991
Total Rs.	1850000.		

Besides above fixed deposits the pass books of P.F. showed a balance of Rs.554056.55 as on 31.3.88.

4. **Audit Fee:** The audit fee worked out to Rs.4960 as detailed in Appendix 'A' to this audit note. It was got credited ~~vide~~ during audit Treasury challan No.13 dated 6.11.88 at Solan Treasury.

5. **Government Grants:** (a) Grants as per details given in Appendix 'B' attached to this audit note, were received by the Committee prior to 1.4.87 and were not utilised upto 31.3.87. The works should have 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 within two years.

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

6. **[illegible]** The income of the committee from its own sources was not encouraging. The Committee was dependent upon Government grants. The audit had been continuously suggesting the Committee to take steps to increase the revenue but nothing had been done so far. The Secretary, L.S.G. may kindly look into the matter and

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ask the Committee to take immediate steps to raise the income from the following sources:

a) <u>Sanitation tax:</u> This is a major source of income of the Committee. This tax is charged on the rental value of the house, for which survey is being conducted every year to assess the actual value and charge rental value of house. But it was found that survey reports for the last two years were not consulted. Had the reports of survey been taken into considerations, there could be an increase of income of several thousand. Needful may please be done now and compliance shown at the next audit.

b) <u>Rent from the stalls/shops:</u> This is also a good source of income. Rs.191595.36 were still to be recovered as detailed in Annexure 'D'. The majority of the tenants have not paying the rent regularly.(Half of them were not paying the rent for the last so many years). No legal action was taken against these defaulters. The Committee is advised to take strict action against these defaulters as warranted under the law. All out efforts should be made to liquidate the arrears

c) <u>Stacking of material:</u> It was pointed out in previous audit reports that for stacking of material in Municipal Area, the Committee was to charge Rs.30/- for each truck load material. The number of trucks of material used for the construction of house was being assessed at the time of passing the House Plans and the amount was recoverable at the time of delivery of house plan. But in a number of cases it was found that some persons were allowed to deposit the amount in due course. This relaxation resulted into non-recovery of the amount. As detailed in audit note for the period 4/85 to 3/87, the amount of Rs.18810/- was recoverable, which could have been recovered if such relaxation was not granted. Now the total amount recoverable till the date of audit worked out to Rs.21893(18810+3083). (Break ~~#/~~ up of Rs.3083 is shown in Annexure'B').

Besides there were also large number of maps approved by the Committee which were un-delivered. On their delivery, the amount of this fee should also be recovered without giving any relaxation.

d) <u>Parking Fee:</u> It was found that parking fee was not charged from the taxies who are continuously in ~~oc~~ occupation of Bus Stand space. This was also brought to the notice of the Administrator. The matter may be looked into and factual position intimated to this department.

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e) Slaughter House Fee: This is being charged at the rate of Rs.1/- for each cattle. On an average there was hardly an income of Rs.10/- every day, where as the Committee had to bear the cost of ~~[illegible]~~ and sweeper, remuneration to the doctor etc. The desirability of increasing this fee may be considered.

f) Food Licence Fee: It was found that ~~[illegible]~~ during the year 1986-87, the total number of licences issued were 394, which declined to 364 in 1987-88. Checking should be done to find out the causes of fall in number of licences and action be taken against the defaulters.

7. Miscellaneous (a) The following amounts of ~~sanitation~~ Sanitation tax was received but the posting of this amount in respective ledger was not made, This was irregular. There was also no check on the account maintained. This should be done to avoid mistakes:

Name	Date	Receipt No.	Amount Rs.
Sh Bakshi Ram	3.9.87	67/12	360.85
Sh Daulat Ram	9.9.87	74/12	232.65
Sh Ram Nath	8.12.87	19/42	325.00

(b) The balance sanitation tax of Jagat Ram, Gulshan Nagar, ward No.11, Serial No.10, for the year 1987-88 was Rs.114.25, but it was found that this was not brought forward entry to new ledger for 1988-89. Had this been not detected by the audit, this could have remained un-realised. Needful may be done and such type of omission may be avoided in future.

(c) The closing balance of Mangat Ram, Ranbir Singh ward No.2, Serial No.138 was Rs.544.75 but it was carried over as Rs.540.75 in the ledger for 1988-89. This wrong entry resulted into difference of Rs.4/-. Thisshould be rectified.

(d) The closing balance of water tax of Shri Ram Saroop, S/O Shri Shyam Lal ward No.1 was Rs.392.40, but it was brought forward as Rs.292.40 for the year 1987-88. This resulted into less credit of Rs.100/-. The error may be rectified and such serious omission may be avoided in future.

8. Establishment:

Over payment of A.D.A. The following staff of the Municipal Committee had a been paid excess amount of Dearness Allowance. As per instructions the D.A. with effect from 1.7.85 was not

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permissible on special pay, whereas it was allowed to all persons having special pay. This resulted into excess pay -ment of Rs.3570/- which was worked out ~~##~~ upto June, 1988. This amount should immediately be recovered alongwith amount overpaid thereafter, if any. It may be ensured that no payment of D.A. was allowed after this period:-

		Period	Amount Excess Paid
1	Sh Ram Datt, Cashier	1.7.86 to 30.6.88	Rs. 72.00
2	Sh R.L. Sharma, Secretary.	-do-	198.00
3	All regular sweeper number fifty @Rs.66/-	-do-	3300.00
		Total Rs.	3570.00

9. <u>IRREGULAR PAYMENT of H.R.A.:</u> Shri Bhandari Ram, Kayam was paid house rent. Since he was in occupation of municipal accommodation, he was paid house rent for the period with effect from 1-86 to 6/87 irregularly. This resulted into excess payment of Rs.341.75. The amount should be recovered from him and such omission should be avoided in future.

10. <u>Excess payment of Rs.7.30:</u> Shri Ram Parkash Kohli was paid D.A. amounting to Rs. 63.50 for the month of 4/87 paid in 5-87 instead of Rs.56.20. The excess payment of Rs.7.30 may be recovered from him.

11. <u>Excess contribution to C.P.F. by Committee:</u> While checking the C.P.F. contribution made by the Committee, it was noticed that the contribution ~~toward~~ credited by the Committee was in excess. For the month of 9/87 the excess amount of Rs.32 was contributed due to wrong calculation. The amount should be made good as detailed in Annexure 'C' and in future the correct calculation be made while allowing the C.P.F. contribution by the Committee

12. <u>Excess payment of Rs.600:</u> Shri Natha Ram Record keeper was made excess payment of Rs.200 per month on account of D.A. for the months of 5/87 to 7/87. The amount of Rs.600 paid in excess should be recovered from him and compliance reported to this department.

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13. <u>Appointment of Secretary:</u> Shri R.B.Sharma was appointed as Secretary of the Municipal Committee with effect from 1.7.86 but the approval of the Government as required under Rules were not put up to the audit. This should be put up at the time of next audit so that the entries of his appointment as Secretary made in the Service Book could be verified. His fixation of pay of Rs.910 on 1.7.86 also could not be verified. This may be got verified at the next audit.

14. <u>Payment of L.T.C. to Shri B.K.Verma:</u> Vide voucher No.3 dated 4/87, an ~~account~~ amount of Rs.5568 was paid to Shri B.K.Verma Junior Engineer on account of payment of L.T.C. He claimed the concession for his mother also but the certificate that she was fully dependent upon him was not furnished by him. The claim was also not put up on prescribed proforma. The entries of the L.T.C. were also not made in his service book. The needful should be done and failing which the amount should be recovered from him.

D/R

15. Payment of Rs.22805.00 on account of conveyance allowance to the officials of Municipal Committee, Solan:
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The following officials of the Committee were in receipt of conveyance allowance for the last so many years. Till the date of audit, that is, September, 1988 the amount of Rs.22805/- had been paid to them:-

Name and designation	Rate of allowance.	Total amount paid upto 9/88.
Sh S.S.Bakshi Municipal Engineer.	240/-	Rs.6875.00
Sh R.B.Sharma, Secretary	240/-	9055.00
Sh B.K.Verma, Jr.Engineer	240/-	6875.00
	Total Rs.	22805.00

(This was already objected to vide para No.10(xvii) of the audit note for the period 4/85 to 3/87).

The payment of conveyance allowance was irregular as neither the procedure as laid ~~over~~ down under S.R.25 was followed which stipulates that for initial grant of conveyance allowance

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log book was to be maintained for three months and journey for each day was to be verified by the controlling officer and thereafter it could be granted with the sanction of the Govern-ment. But in these cases, neither the log book was maintained nor the approval of the Government was obtained.

Besides the grant of conveyance allowance by the Local Bodies was also objected to by the Director, Urban Local Bodies vide their letter No.UEB-II(3)(2)-17/87, dated 18.1.88. The Director took serious view of it and directed to stop the payment of such allowance to the employees and to effect the recovery if thepayment had already been made but these instru-ction were also ignored.

The Administrator, was informed by the Section Officer during the course of audit to stop the payment and to effect the recovery, but this was not done. This matter is again brought to the notice of authorities/Government for taking the suitable action at an early date.

16. <u>Excess payment of Rs.4327/-</u> The Municipal Committee Rs. for the first time circulated the final seniority list of clerks on 1.6.88. The clerks were placed in the following order of the seniority:-

1. Shri Hardayal, Officiating as Accountant.
2. Shri Ram Parkash Kohli.
3. Shri Som Datt.
4. Shri Lalit Mohan.
5. Shri Mohan Lal.
6. Shri Hakim Ram.
7. Shri Ram Rattan.
8. Shri Tilak Raj.
9. Shri Dhani Ram.

But it was found that Shri Hakim Ram at present at Serial No.6 was already granted senior scale with effect from 1.1.78 whereas, as per this final seniority list which was found in order, he still did not fall in 50% of the clerks to whom this scale was to be granted. Hence, the grant of selection grade to Shri Hakim Ram w.e.f. 1.1.78 was wrong. The payment of Rs.3655 made to him in excess as detailed in Annexure 'F'. The excess payment ~~(Rs.3655 made to him in excess)~~ made after 31.8.88 may also be worked out and recovered.

ii) similarly, Shri Dhani Ram shown at Serial No.9 was

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was also granted the senior scale with effect from April, 1986. This was also wrong and resulted into excess payment of Rs.773.

Therefore, the excess payment due to grant of wrong senior scale should be recovered from these officials immediately. The senior scales may be granted after taking into consideration all the relevant instructions issued by the Government from time to time.

17. Misuse of Committee Jeep No.HIA-[illegible]:

(a) The perusal of the following log book entries reveal that the vehicle was sent to Chandigarh frequently for one reason or the other:-

Date	Place Visited.	Purpose.
3.3.87	Chandigarh	For welding of trailor
10.3.87	-do-	For fixing(nothing more written)
19.5.87	-do-	For servicing.
17.8.87	-do-	-do-
17.11.87	Shimla	-do-
9.1.88	Chandigarh	-do-
24.2.88	-do-	For the purchase of plants.
1.3.88	-do-	For servicing.
27.5.88	-do-	-do-

Entry No.1: Vehicle was sent to Chandigarh for welding of trailor. The welding being a job of very minor nature, which is being done at Solan, the journey of vehicle to Chandigarh was not justified. The welding costed Rs.900 extra by sending jeep to Chandigarh. Moreover, it was violation of the instructions to send the vehicle out of state without the permission of Chief Secretary. Responsibility

Entry No. 3 to 9: The vehicle was shown to have been sent for servicing. The vehicle was purchased from Simla and there was authorised dealer of Mahindra. So the necessity to send it to Chandigarh needs to be clarified.

(b) Use of vehicle by a private person(even not official of the Committee)

For journey Shri K.L.Sharma was allowed to use the vehicle for going to Chandigarh. However, the payment @ Rs.1.25 per kilometer was charged from him but the use of vehicle by a private person was irregular. The commercial rate of the

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market was Rs.3/- per kilometer. The difference should be charged from Shri K.L.Sharma.

Use of vehicle by a private persons should not be allowed in future.

(c) <u>Use of vehicle by officials on tour:</u>

The vehicle as detailed below was used by the Official Shri Bimal Kumar Verma, Junior Engineer and Shri Ras Bihari to undertake journey to Shimla. The use of vehicle by the official of IInd Grade was not in order.

The approval for the purchase of this vehicle was accorded by the Government on the grounds that this will exclusively be use for sanitation purpose. Therefore,their use of the vehicle for journey to Shimla was not admissible. Hence the following amount should be recovered from the official @ Rs.2.50, which is thereate of the Government for the taxies while on tour. or else the irregularity should be accounted for.

Date	Name of official	Place of visit.	Purpose	No.of K.M.	Rate	Amount tobe recovered.
7.11.88	Sh Bimal Kumar JE	Shimla	only Official	110	2.50	Rs.275.00
9.11.88	-do-	-do-	-do-	110	2.50	Rs.275.00
26.11.88	Sh Rasbihari	-do-	-do-	110	2.50	Rs.275.00
		Total		Rs.		825.00

18. **Purchases:** While making purchases it was noticed that Municipal Committee had almost ignored the rate contract and purchases were ~~###~~ made from the open market. This was highly irregular as all Local Bodies were also bound to affect the purchase -firms on rate contract basis.

<u>Voucher No.150 for Rs.20690.40 dated 9/87 and excess payment of Rs.221:</u>

The electrical articles were purchased from M/S Mathura Radio Company, Solan. Quotations were called from following firms:

1. M/S Bajaj Electrical Limited, Chandigarh.
2. M/S Telu Ram & Sons.
3. M/S Mathura Radio Company.

The calling of quotations from above firms were meaningless as the rates quoted by M/S Bajaj were for their -bajaj products and by M/S Telu Ram for Phillips and by M/S Mathura Radios for

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H.C.R. products. It is known that the cost of H.C.R. products is always lower than the cost of other products. Thus the purchase was not effected on competetive rates. The irregularity may be accounted for.

It was noticed that for the following articles the rates quoted by M/S Tolu Ram were less but these articles were not purchased from him. This resulted in excess payment of Rs.221.50 as under:-

Name of article	No.	Rate by Mathura	Rate by Tolu Ram	Excess payme
Starter	50	Rs.3/- each	1.25 each	Rs.87-50
Tube holder	100	Rs.2.25 each	1.75 each	Rs.50-00
Bulbs	200	Rs.4.50 each	4.08 each	Rs.84-00
		Total Rs.		221.50.

19. <u>Voucher No.246, dated 12/87 for Rs.3773.50:</u>
Livery was purchased from M/S Anand Bhandar, Solan. This called for the following observations:-
i) It was not purchased from the firm borne on rate contract.
ii) Even quotation were not called under sealed cover.

The irregularity may be accounted for.

20. <u>Voucher No.330 dated 3/88:</u> Rs.1000 were paid on on account of advertisement on souvenir, published by the Joginder Nagar Mela Committee. This called for the following remarks:
i) In view of ban, financial position of the Committee, expenditure on advertisement in a souvenir of a petty mela Committee was not justified. This type of expenditure should not be incurred in future.
ii) The expenditure was in violation of Government instructions contained in Commissioner-cum-Secretary (Finance) letter No.Fin-1-C(14)1/85, dated 7/8 th September 1987 vide which this type of expenditure was fully barred. barred
The irregularity may be got condoned.
iii) No copy of above mentioned souvenir was received so far by the Committee. Release of payment without

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receiving the copy was irregular. The above irregularities may be accounted for.

21. Voucher No.15 dated 4/77: Rs.10020/- were shown as paid to S.E.O.(Ele) against the payment for providing some street light point. But completion certificate was not forthcoming The same may be put up at the next audit.

22. Auction of Un-serviceable articles:

a) During the course of audit it was found that un-serviceable articles for the several years were not put to sale/auction. Needful may be done and compliance shown at the next audit.

b) Stock register of water supply:

The stores were shown as consumable but no details and verification was made by the authorities. Few cases were as under:-

1) At page 38 of this register, 421 meter 50 mm G.I. pipe was purchased on 3.4.84. This was shown as consumed by the Supervisor. Visited many for various works.
But neither the entry of it was recorded in measurement Book nor the details as to where it was used were pointed out. The entries were also not verified.(To write merely that it was consumed was not admitted in to the audit).
This information may be supplied and compliance shown at the next audit.

2) At page 48 of this register, 650 meter 1½" pipe was shown as consumed. Here the position was same as detailed at point (1). Necessary information as mentioned in Sub-para(1) may be given.

c) Stock register of works: A large number of article i.e., bib cock, pipe, pick-axe, Belcha etc., etc., were being purchased for the last so many years. But fate of the old replaced articles was not known. These articles should be brought to account. These articles should be accounted for and compliance shown at the next audit.

23. Departure from instructions regarding economy in expenditure:

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The secretary(LSG) to the Government of Himachal Pradesh

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vide letter No.L.S.G.B(1)-1-79-III, dated 2.11.87 desired a separate reports regarding any departure from economy instructio-ns issued by the Government for the Local Bodies. The audit detects the following cases of departure from these instructions.

1. Appointment of daily wages:

The following persons were appointed on daily wages:

S/Shri Heera Nand, Tara Chand, Jagdish, Rajesh, Mani Ram, Dalek Ram, Parkash Chand and Rajesh Kumar.

2. Misuse of vehicles:

The vehicle No.HIA-483 was misused as un-authorise-d/un-necessary journey were undertaken to Chandigarh frequently. The vehicle was used for private journey by public persons. The vehicle was used by the official of grade-II on tour. The details of such cases are given in para 17(a), 17(b) and 17(c) of audit note for the period 4/87 to 3/88.

Date	Name of articles	Amount. Rs.
6.1.88	Shifle	1400.00
27.2.88	Refreshment	665.00
30.3.88	For advertisement in souvenir of mela Committee Joginder Nagar	1000.00
1.6.88	Mela Committee Soina	10000.00
17.6.88	Purchase of refrigerator	6000.00
23.6.88	Purchase of fans	5596.60
31.7.88	Purchase of sofa set	2500.00

The above expenditure may also be justified in view of financial position of the Committee.

24. Municipal Market: The Committee had executed works amounting to Rs.24 lacs approximately in the year 1987-88. It was observed that works rules were not followed.

(a) Defective estimates: The estimates prepared for all works were found defective as shown below:-

Name of work: Improvement of drains.

Contractor: Shri Geeta Ram.

Payment made vide: Vr.No.34 of 4/87.

Name of items.	As per estimate	As executed.
Brick work	Rs.1080.00	150.00
Earth work	Rs. 552.00	Nil.

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IInd class brick	Rs.7937.00	Rs. 906.00
40 mm thick CC 1:2:4.	Rs.1240.00	Rs.4422.00
HDCR	Rs.6169.00	Rs. 497.00

The abnormal variation may be justified.

(b) Calling of tenders: It has been observed that while calling the tenders no abstract of work was prepared. The tenders were received from the contractors for items. Needful may invariably be done

(c) ~~Splitting~~ Spliting-up of works :-

It was noticed that the major works were split-up with the intention to avoid technical and administrative approval of the higher authorities. For instance for the construction of upper storey of the Rest House the tenders were invited number of times. The irregularity may be accounted for.

(d) Correct site not on record: While awarding the work, the exact location where work was to be executed was not mentioned in the Measurement Book. This should be mentioned invariably.

(e) Inspection of works: Inspection of works was not made by the Administrator. Even Municipal Engineer had not recorded any certificate on the measurement book.

Needful may invariabley be done.

(f) History of work: It was found that while preparing the estimate for the construction of retaining wall etc., no previous history was given, i.e., whether the proposed wall was a new one or a damaged one with the result that it was not possible for audit and other inspecting authorities to know that whether the work previously executed was damaged or the material of old work , i.e. stone etc were again used by the Committee or not. Therefore, the full history of all works executed during the period 87-88 may be recorded and compliance shown at the next audit.

25. **Tempering of rates:**

G.I.A. for 86-87 IInd and final bill of Jenta Co. for Rs.23874/- dated 8/87:

For the work of construction of retaining wall in ward No.13, the following tenders were received:-

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1. M/S Janta Construction Company.
2. M/S G.S.Uprdi.
3. Sh. Sehaj Ram.
4. Shri Bishan Dass.
5. Shri Gulzari Lal.

The administrator while opening the tenders attested the cuttings. It was found that only on the tender of Shri Bishan Dass there was only one cutting of Earth Work written as 450% above and that was attested by the Administrator.

But it was noticed that in case of other cuttings, Municipal Engineer had attested the over-writing of rates. This was doubtful. Had there been cutting/over-writing on other tenders, that could have also been attested by the Administrator as was done in respect of tender of Shri Bishan Dass.

The tampering of rates of Bricks from 265% to 365%(only attested by Municipal Engineer) resulted in excess payment of Rs.687/- to M/S Janta Construction Company.

The other tampering on the tender of Shri Sehaj Ram was as under:-

Earth work	130% to 430%
Store	90% to 98%

These tampering were possibly made with the intention to award work to M/S Janta Construction Co.. The matter may be investigated and factual position intimated to this department at an early date.

26. MR. Award of work on exhorbitant rates and providing of G.C.I. sheets in Municipal Rest House of below specifications of 40 lbs.

The work for providing and laying of G.C.I. sheets in the Municipal Rest House Solan was awarded to Shri Karam Chand Contractor. The total amount paid to him was Rs.64483/- as under:

Vide Vr.No.101 dated 11.8.88	Rs.35483.00
out of G.I.A. for 86-87	Rs.29000.00
Total Rs.	64483.00

This work was awarded to him on 245% premium above the on Schedule of rates of 1979, which was found on very higher scope as shown below:-

1) The contract should have not been awarded at more than 135% above the schedule of rates as this was the highest premium allowed by the P.W.D.during this period in Solan town.

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ii) The schedule of rates which was issued by the H.P.Government in 1987 had shown the following percentage increase in the revised rates:

Old rates for this work in 1979 schedule Rs. 57.35
New rates for this work in 1987 schedule Rs. 115.40
Percentage increase in new rates only 101%.

However, Municipal Committee in 1986 had allowed the premium of 84% which was too high. The justification had also not been proposed while awarding the contract, with the result that the works were found executed on very higher side as compared to other agency i.e., P.W.D. etc.

(b) It was also noticed that 40 mm sheet of C.G.I. was allowed to be fixed for the rest house which was found to be below specification as per P.W.D.Manual only C.G.I. Sheets of 63 MM and 80 MM could only be provided on the Government building(because sheets of 40 MM will ~~definitely~~ definitely ~~definitely~~ will collapse in a very short time).

This may also be justified.

27. __Wrong calculation and excess payment of Rs.113/-__

Out of G.I.A., Rs.26426/- were paid to M/S Janta Construction Company on 1.6.87. This first running bill was paid for the construction of retaining wall in ward No.13, but calculation made were wrong as under:-

Name of item	Rate	Measurement	Amt.Paid	To be paid
DRR Stone Masonry.	12.55	153.65	1991.00	Rs.1928.00

Excess paid	Add Premium	Total excess payment.
Rs.63	80%	Rs.113.00

The amount of Rs.113/- paid in excess may be ~~recovered~~ recovered and credited into the fund.

28. __Repairs of beds on exhorbitant rates:__ Twelve number of old Rest House beds having NAWAR were replaced by the 6 MM sheet of ply-wood(Board). For this work quotations were shown as received from three Municipal contractors and the rates of Shri Anup Dutta were accepted @ Rs.300/- for each bed and he was paid Rs.3600/- vide vr.No.72 dated 6/87.

This called for the following further remarks:-

i) The quotations were collected by hand.

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ii) These were not called from the persons dealing with the furniture. The rates paid for fixing ply were exhorbitant(In the market, the rates paid for fixing ply of 6 MM were about Rs.170/- in any case) Even the folding beds provided with 6 MM ply were available for Rs.250/- every where in the market of Solan.

The excess payment made may be worked out and recovered. Besides this the stock entry of Niwar replaced from the bed was also not forthcoming. Disposal of Niwar replaced may also be pointed out at the next audit.

29. Non-imposition of penalty: The working pertaining to construction of stall was awarded to Shri Vishnu Kumar on 19.5.86(The estimated cost was Rs.25000/-) This work was to be completed by the contractor within six months. But he failed to execute this work in the stipulated period. It was reported by the Junior Engineer that since Sh Vishnu Kumar failed to start work within six months by which it would have been completed, the work should be awarded to Shri Anup Dutta on same terms and condition and it was awarded on 19.6.87 to Shri Anup Dutta. But the Engineer ignored the conditions of contract under clause 2 " that contractor should be penalised for not completing the work within the stipulated period." The amount of earnest money of Rs.500/- should have been forfeited as a penalty at least but this was not done. The prescribed penalty may be imposed in this case and in other similar cases.

ii) As above, the contractor Shri Vasni Kumar again failed to execute the work pertaining to stalls which was awarded to him on 1.5.86. On the report of the Junior Engineer on 23.6.87, the contract was awarded to Shri Anup Dutta and Shri Vasni Kumar was declared a defaulter. But no penalty was imposed.

Needful may be done immediately under intimation to this department.

iii) Similarly, for the improvement of drains in ward No.5 and 6, the work was executed by Shri Geeta Ram and he was paid Rs.20000/- for this work. The final bill was paid on 4/87 vide Vr.No.34, dated 4/87.

But initially this work was awarded to Shri Prem Kumar but he failed to do this in stipulated period.. Subsequently the work was awarded to Shri Geeta Ram.

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The prescribed penalty may be imposed in this case.

30. **Awarding of work without inviting tenders:**

(a) For the improvement of path in Mohan Colony, the work was awarded to Shri Parvesh Kumar for which Rs.22090/- were paid in First Running bill on dated 5/87.

This work was awarded to him without inviting the tenders. The reasons for this was that since ~~dated~~ Shri Parvesh Kumar had done similar work [illegible] may be awarded work on the same terms and conditions. The action of the Committee was in violation of work rules.

The irregularity is brought to the notice of authorities for taking suitable action.

(b) For the improvement of drains IIIrd and Final bill to Shri Prem Kumar, Payment vide Voucher No. 224, dated 12/87 for Rs.4192/-

Tenders were received from the following contractors and rates quoted were in the order:-

1. Shri Wasni Kumar.
2. Shri Geeta Ram.
3. Shri ~~[illegible]~~ Sehaj Ram.
4. Shri Prem Kumar.
5. Shri Naresh Kumar.

As shown above, Shri ~~Wasni~~ Vasni Kumar quoted the lowest rates but the contract was awarded to Shri Prem Kumar on the grounds that the on negotiation The Administratorawarded the work to Shri Prem Kumar on the rates quoted by Shri Wasni Kumar. This action needs to be justified.

31. **Non-production of records:**

(a) As pointed out ~~out~~ vide para No.24(iii) of the Audit note for the period 4/84 to 3/85 the Measurement Book pertaining to the work of bitumen was not put up which was awarded for the last 4 years. This should be put-up to verify the payment made for bitumen work.

(b) The record of working Women Hostel was not put up to the Audit. This should be put up at the time of next audit.

OBJECTION STATEMENT: It was not issued.

Conclusion: The accounts need improvement and closer Supervision. Para 8, 12, 15,.16, 17,23, 24, 25, 26 and 28

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required special attention of the authorities.

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

Endst.No.F(4)/75-Fin(LA)Vol.V, dated:Shimla-171002,the..........
Copy forwarded to:-

17 OCT 1989

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, Urban Local Bodies, Himachal Pradesh, Shimla-171002, for information and necessary action.

3. The Secretary, (L.S.G.) to the Government of Himachal Pradesh, Shimla-171002, for information and necessary action.

4. The Deputy Commissioner, Solan, District Solan, Himachal Pradesh, for information and necessary action.

5. Shri Vinod Raj Gupta, Section Officer, G/O______________

आप्रति
Deputy Examiner,
Local Fund Accounts,
Himachal Pradesh, Shimla- 171002.
पत्र

सत्यापित प्रति

"Suran"

ANNEXURE 'A' 237

Details of audit fee(Referred to in Para 4).

Period	No. of Auditors	Rate Rs.	Days.	Amount Rs.
6.7.88 to 8.7.88	S.O.	50	3	150
11.7.88 to 16.7.88	S.O.	50	6	300
18.7.88 to 23.7.88	S.O.	50	6	300
26.7.88 to 27.7.88	S.O.	50	2	100
28.7.88	Two SO	100	1	100
29.7.88 to 30.7.88	-do-	100	2	200
1.8.88 to 6.8.88	-do-	100	6	600
8.8.88	S.O.	50	1	50
9.8.88 to 12.8.88	Two SO	100	4	400
16.8.88to 19.8.88	-do-	100	4	400
20.8.88 to -	Two SO & 1 JA	120	1	120
22.8.88 & 23.8.88	-do-	70	2	140
25.8.88 to 27.8.88	-do-	70	3	210
29.8.88 to 1.9.88	-do-	70	4	280
5.9.88 to 9.9.88	-do-	70	5	350
12.9.88 to 17.9.88	-do-	70	6	420
19.9.88 to 24.9.88	-do-	70	6	420
26.9.88 to 30.9.88	-do-	70	5	350
1.10.88	-do-	70	1	70
	Total:	...	Rs.	4960.

Signed.

(Vinod Raj Gupta)
Section Officer.

ANNEXURE '[illegible]'

(Referred to in Para 6(c) of the report).

THE STATEMENT OF PERSONS FROM WHOM AMOUNT OF STACKING FEE WAS TO BE RECOVERED.

Sr. No.	Name and Address	Date of sanction	Amt. due	Amount Received	Balance Rs.
1.	Shri B.S.Mehta Hospital Rd. Solan	25.4.87	900	600	300
2.	Shri K.L.Gupta Hospital Rd Solan	-do-	900	600	300
3.	Shri Subhash Chand Sood, Sakti Nagar	9.7.87	1800	1050	750
4.	Shri Y.P.Verma Kamni Niwas.	31.8.87	1070	650	420
5.	Shri Nand Singh	19.9.87	1110	540	570
6.	Shri Sundar Kant	10.2.88	1132	566	566
7.	Shri Mohani Goyal	30.3.88	354	177	177
	Grand Total			Rs.	3083.

Sd/-xx

Vinod Raj Gupta.

Section Officer.

ANNEXURE 'P'. 239

Details of excess payment made on account of wrong Senior scale to the Clerks.

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Basic Pay. **Shri Mehta Ram.**

Period	Drawn	Due	Excess	Months	Amount Rs.
1.3.83 to 28.2.84	620	600	20	12	240
1.3.84 to 28.2.85	640	615	25	12	300
1.3.85 to 28.2.86	660	615	45	12	540
1.3.86 to 28.2.87	680	630	50	12	600
1.3.87 to 29.2.88	700	630	70	12	840
1.3.88 to 31.10.88	725	645	80	8	640
		Total Rs.			3160

House Rent

1.3.83 to 31.3.88 .	@ 5% of full amount of Basic Pay paid Rs.2600	Rs.130-00
1.4.88 to 31.10.88	@ Rs.5 for 5 months.	Rs. 25-00
	Total Rs.	... 155-00

A.D.A.

Period	Paid	To be paid	Months	Amount Rs.
1.7.86to 31.12.86	54	52	6	12.00
1.1.87 to 28.2.87	109	105	2	8.00
1.3.87 to 30.6.87	111	105	4	24.00
1.7.87 to 31.12.87	180	170	6	60.00
1.1.88to 28.2.88	249	235	2	28.00
1.3.88to 30.6.88	256	238	4	72.00
1.7.88to 31.8.88	256	238	2	36.00
	Total Rs.			... 240.00

(Total excess payment Rs.3555.00).

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[illegible]

Period	Drawn	Due	Month.	Excess payment.
1.4.86 to31.3.87	510	495	12	Rs. 100.00
1.4.87to 31.3.88	525	510	12	100.00
		Total	Rs.	200.00
A.D.A.:				
1.7.86to31.12.86	45	43	6	12.00
1.1.87to 31.3.86	89	87	3	6.00
1.4.87to 30.6.87	92	89	3	9.00
1.7.87to 31.12.87	149	145	6	30.00
1.1.88to 31.3.88	206	201	3	15.00
		Total	Rs.	72.00
D.A.:				
1.4.86to 31.3.87	507	492	12	100.00
1.4.87to 31.3.88	522	507	12	100.00
		Total	Rs.	200.00
	Total excess payment		Rs.	472.00

sd/-xxx
Vinod Raj Gupta,
Section Officer.

ANNEXURE 'B'

(Referred in Para 11 of the Report).

DETAILS OF CONTRIBUTORY PROVIDENT FUND EXCESS PAID IN ...

Sr. No.	Name of person	To be paid	Amount paid	Excess paid Rs.
1	Sh Lalit Mohan	98	99	1
2	Sh Tilak Raj	98	99	1
3	Sh Om Parkash	98	99	1
4	Sh Sohan Lal	98	99	1
5	Sh Sangat Ram	98	99	1
6	Sh Baljeet	98	99	1
7	Sh Haripal	98	99	1
8	Sh Jagdish	98	99	1
9	Sh Sardara	98	99	1
10	Sh Nathu Ram	98	99	1
11	Sh Kamal	98	99	1
12	Sh Mohan Parkash	98	99	1
13	Sh Gurdayal	98	99	1
14	Sh Raj Kumar	98	99	1
15	Sh Pritam Chand	98	99	1
16	Sh Gian	98	99	1
17	Sh Om Parkash	98	99	1
18	Sh Sohan Bir	98	99	1
19	Sh Mango Ram	98	99	1
20	Sh Ram Kumar	98	99	1
21	Sh Sham Lal	98	99	1
22	Smt Shanti	98	99	1
23	Smt Kanta	98	99	1
24	Smt Punni	98	99	1
25	Smt Parkasho	98	99	1
26	Smt Leela	98	99	1
27	Smt Bimla	98	99	1
28	Smt Ragi	98	99	1
29	Smt Saroj	98	99	1
30	Smt Santi	98	99	1
31	Smt Savitry	98	99	1
32	Smt Sobti	98	99	1

Total excess paid Rs. 32.00.