

कार्यालय प्रधान महालेखाकार (लेखा परीक्षा) पंजाब, चंडीगढ़

क्रमांक: - SS-I/ Vetting Section/16-17/ 577-80

दिनांक. 20/7/2016

सेवा में,

Executive Officer,  
Municipal Council  
Tanda Distt Hoshiarpur

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CAC Audit  
report  
file

विषय: - 4/11 to 3/14 तक की अवधि का लेखा परीक्षा एवं निरीक्षण प्रतिवेदन।

इस कार्यालय की लेखा परीक्षा पार्टी द्वारा आपके कार्यालय के उक्त अवधि के लेखों की दिनांक 10/06/2016 to 22/06/2016 तक की गई लेखा परीक्षा की निरीक्षण रिपोर्ट आपको भेजी जाती है। लेखा-परीक्षा प्रतिवेदन का पूर्ण सुविधाजनक उत्तर एनोटिड फार्म में इस पत्र की प्राप्ति के चार सप्ताह के भीतर भेजने की कृपा करें।

पैरा नं. .... जो कि गम्भीर आपत्ति है और उसे सी0ए0जी0 की रिपोर्ट में लेने का विचार है। इसलिए आप से अनुरोध है कि इस रिपोर्ट की प्राप्ति के 15 दिनों के भीतर इसका उचित उत्तर इस विभाग को भेज दें।

The Inspection Report has been prepared on the basis of information furnished and made available by above referred audited unit. The office of the Pr. Accountant General (Audit) Punjab, Chandigarh disclaims any responsibility for any mis-information and or non information on the part of auditee.

Encl: Annexure-

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व. लेखा परीक्षा अधिकारी

प्रति निम्नलिखित को भेजी जाती है: -

1. The Director Urban Local Bodies, Punjab, Chandigarh
2. The Secy. Urban Local Bodies, Punjab
3. Examiner, Local Fund, Punjab, Sec-17 Chandigarh

व. लेखा परीक्षा अधिकारी

**Audit and Inspection note on the accounts of the Executive Officer, Municipal Council, Tanda Hoshiarpur for the period 04/11 to 03/16 under section 20(I) of the CAG (DPC) Act, 1971.**

**Part IA (i): Introductory**

Audit and Inspection note on the accounts of the Executive Officer, Municipal Council, Tanda Hoshiarpur for the period 04/11 to 03/16 under section 20(I) of the CAG (DPC) Act, 1971 conducted by an audit party headed by Sh. Vijay Kumar II, Asstt. Audit Officers and assisted by Sh Prem Chnad, Sr. Auditor from 10.06.2016 to 23/06/2016. The results of Audit are embodied in the succeeding paragraphs.

The office of The Municipal Council, is situated Near Bus Stand, with Telephone No.01886-222043.

The Inspection note has been prepared on the basis of information furnished and made available by the auditee. The office of the Pr. Accountant General (Audit) Punjab Chandigarh disclaims any responsibility for any mis-information and/ or non-information on the part of the auditee.

The charge of the post of the Executive Officer was held by the following officers during the period covered under audit:

Sr. No	Name of the Official S/Smt/Sh.		Period	
			From	To
1	Karminder Pall Singh	E.O	1.4.11	3.5.11
2	Hardev Singh	do	3.5.11	24.7.11
3	Karminder Pall Singh	do	25.7.11	17.5.12
4	Kamaljinder Singh	do	18.5.12	12.2.14
5	Surnder Kumar Aggarwal	do	13.2.14	20.7.14
6	Kamaljinder Singh	do	21.7.14	30.6.15
7	Ram Parkash	do	1.7.15	to date

The position of budget allotment and expenditure of MC Tanda was as under:-  
(Rs. In lakh)

Municipal Council Urmar Tanda					
Proforma regarding Year wise budget and expenditure of MC funds					(Rs. in lakh)
Year	Opening Balance	Income	Total Income	Expenditure	Closing Balance
2011-12	1090311.00	42130313.00	43220624.00	40217983.00	3002641.00
2012-13	3002641.00	51193442.00	54196083.00	51102049.00	3094034.00
2013-14	3094034.00	49104673.00	52198707.00	47412579.00	4786128.00
2014-15	4786128.00	51728392.00	56514520.00	45816803.00	10697717.00
2015-16	10697717.00	55354303.00	66052020.00	55012408.00	11039612.00

Proforma regarding Year wise budget and expenditure of Grant received under BRGF Scheme					(Rs. in lakh)
Year	Opening Balance	Income	Total Income	Expenditure	Closing Balance
2011-12	11056.00	305000.00	316056.00	0.00	316056.00
2012-13	316056.00	2999014.00	3315070.00	2532800.00	782270.00
2013-14	782270.00	4404945.00	5187215.00	1643228.00	3543987.00
2014-15	3543987.00	1286966.00	4830953.00	2858724.00	1972229.00
2015-16	1972229.00	66282.00	2038511.00	1715730.00	322781.00
Proforma regarding Year wise budget and expenditure of Grant received under PIDB Scheme					(Rs. in lakh)
Year	Opening Balance	Income	Total Income	Expenditure	Closing Balance
2011-12	0.00	0.00	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	0.00	0.00
2015-16	0.00	3939410.00	3939410.00	0.00	3939410.00
Proforma regarding Year wise budget and expenditure of Grant received under 13th & 4th Finance Commission Scheme					(Rs. in lakh)
Year	Opening Balance	Income	Total Income	Expenditure	Closing Balance
2011-12	69193.00	826084.00	895277.00	840815.00	54462.00
2012-13	54462.00	2386432.00	2440894.00	2195945.00	244949.00
2013-14	244949.00	0.00	244949.00	32010.00	212939.00
2014-15	212939.00	1010346.00	1223285.00	476913.00	746372.00
2015-16	746372.00	4786463.00	5532835.00	861396.00	4671439.00

Municipal Council Urmar Tanda					
Proforma regarding Year wise budget and expenditure of Grant received under MPLAD Scheme					(Rs. in lakh)
Year	Opening Balance	Income	Total Income	Expenditure	Closing Balance
2011-12	7445.00	225000.00	232445.00	165442.00	67003.00
2012-13	67003.00	0.00	67003.00	0.00	67003.00
2013-14	67003.00	200000.00	267003.00	155000.00	112003.00
2014-15	112003.00	1300000.00	1412003.00	201395.00	1210608.00
2015-16	1210608.00	350000.00	1560608.00	1294324.00	266284.00
Proforma regarding Year wise budget and expenditure of Grant received under Basic civic Amenities Scheme					(Rs. in lakh)
Year	Opening Balance	Income	Total Income	Expenditure	Closing Balance
2011-12	0.00	0.00	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	0.00	0.00

2014-15	0.00	0.00	0.00	0.00	0.00
2015-16	0.00	5137402.00	5137402.00	1802008.00	3335394.00
<b>Proforma regarding Year wise budget and expenditure of Grant received under PMIDC - HUDCO Scheme</b>					(Rs. in lakh)
Year	Opening Balance	Income	Total Income	Expenditure	Closing Balance
2011-12	0.00	0.00	0.00	0.00	0.00
2012-13	0.00	8350832.00	8350832.00	8193706.00	157126.00
2013-14	157126.00	7785955.00	7943081.00	7198742.00	744339.00
2014-15	744339.00	138391.00	882730.00	789589.00	93141.00
2015-16	93141.00	5121.00	98262.00	0.00	98262.00
<b>Proforma regarding Year wise budget and expenditure of Grant received under PMIDC - PUDA Scheme</b>					(Rs. in lakh)
Year	Opening Balance	Income	Total Income	Expenditure	Closing Balance
2011-12	0.00	8200000.00	8200000.00	3138246.00	5061754.00
2012-13	5061754.00	189953.00	5251707.00	4638399.00	613308.00
2013-14	613308.00	8976346.00	9589654.00	358817.00	9230837.00
2014-15	9230837.00	5237129.00	14467966.00	98989.00	14368977.00
2015-16	14368977.00	228376.00	14597353.00	5087412.00	9509941.00

Sr. No	Stream	Target 2011-16 (In lakh)	Achievement 2011-16 (In lakh)
1	Octori on Petrol & Diesel	28	18.12
2	Otroi on Electricity	98	78.47
3	House Tax	208.5	190.1
4	Rent & Tehbazari	55.44	38.68
5	Water supply & Sewerage	77	61.30
6	License Fee	3.65	1.77
7	Advertisement Tax	4.1	0.19
8	Bus Adda	76	57.39
9	Excise Duty	350	98.89

Internal audit was conducted upto 03/2008. Further, no internal audit has been conducted during audit period.

**Part IA (ii) Non production of Records.**

**Nil**

**Part I-B Review of Old Objection**

Nil (Being first audit)

**Part-IC Schedule of Persistent irregularities.**

-Nil-

Part-II Section-'A'

-----NIL-----

**Part-II Section-'B'**

**Para-1 Unfruitful expenditure due to non utilization of fire brigade van of Rs. 27.39 lakh.**

As per codal provision, items should be purchased on the requirement basis from the government funds. so that purchased items can be used for public welfare.

During examination of the records it was noticed that funds amounting to Rs. 32.94 lakh was received for purchase of fire brigade van under (Backward region grant fund scheme ( BRGF) during 2013-14. Consequently, a fire brigade van was purchased by MC Tanda on 08.08.2014 after incurring an amount of Rs. 27.39 lakh and rest amount of Rs.5.35 lakh was refunded to BRGF scheme. But fire brigade station was not established, Which resulted into non utilization of the fire brigade van .Non utilization of fire brigade van even after the 2 years from the date of purchase resulted into unfruitful expenditure of Rs. 27.39 lakh and denial of intended benefits to the peoples of the block.

On being pointed out in audit, it was stated by the department that fire station would be established during this year After that van of fire brigade will be utilized. Final action is awaited.

**Para-2 Non-utilization of funds Rs. 331.83 lakh.**

Rule 8.14 (C ) (2) of PFR Vol-I provides that grants received from the government for specific purpose should be utilized for the purpose sanctioned during the financial year and unutilized amount if any should be refunded to the government account.

During examination of the records, it revealed that amount of Rs. 33183123/- under MC and Schemes funds was unspent balances available in cash book up to 03/2016.

Name of Scheme	Total Income	Expenditure	CB
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Municipal Council Urmals Talab

Ansuro 1

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Ansuro 2

MC Funds	66052020	55012408	11039612
BRGF	2038511	1715730	322781
PIDB	3939410	0	3939410
13&14FC	5532835	861396	4671439
MP-LAD	1560608	1294324	266284
BCAS	5137402	1802008	3335394
PMIDC HUDCO	98262	0	98262
PMIDC PUDA	14597353	5087412	9509941
<b>Total</b>	<b>98956401</b>	<b>65773278</b>	<b>33183123</b>

**Para-2 (B) Maintenance of multiple bank accounts.**

As per the orders of the Finance Department only one bank account should be maintained for one scheme / purpose and in nationalized bank.

Examination of the records, it was noticed that various bank accounts have been maintained for a single purpose of schemes, of these, 11 bank accounts with the private banks, resulted in contravention of the orders of finance department, as detailed below:

Sr. No.	Name of Scheme	Bank A/c No.	Name of Bank	Nature of Account	Closing balance as on 31-03-2016	Closing balance as on 31-03-2016 (Cash Book)
1	MC Fund	30077531983	State Bank of India	Saving	608996	11039612
2	do	55071433171	State bank of Patiala	do	1168404	
3	do	055420100459 30	OBC	do	258420	
4	do	055420100373 50	do	do	9538813	
5	13&14FC	055421510218 93	OBC	do	776526	4671439
6		501001298293 30	HDFC	do	2436698	
7		087801000444	ICICI	do	1496778	

8	MP LAD	17911	P&S BANK	do	9047	266284
9		022207000005	Capital Local Area Bank	do	302801	
10	PMIDC PUDA	143214500000 69	HDFC	do	98262	9509941
11		022207000007	Capital Local Area Bank	do	829936	
12		087805000113	ICICI	do	77023	
13		911010055512 985	Axis bank	do	5000000	

On being pointed out in audit, it was stated by the department that Excess bank accounts would be closed and funds related to all schemes utilized within year 2016-17. Final action is awaited.

**Para3- Non-recovery of House Tax and property tax of Rs 24.35 lakh.**

Chapter VII.1 (2) of Municipal Account Code states that the tax Superintendent in addition to any other duties imposed upon them by these rules shall be responsible for the assessment and collection in accordance with these rules of all taxes other than octroi, and of such other fees and dues as the Corporation or committee may direct.

During examination of the records / files of the House Tax branch it was noticed that there was an overall pending recovery of Rs.1.42 lakh against 28 household units pending so far.

(B) Punjab Government has implemented property tax in the state. The implementation of property tax law as would directly impact the public in the state from the year 2013-14.

During examination of the records it was notice that an amount of Rs. 22.93 lakh was pending as property tax of 3983 units. Resulting into, loss of government revenue and in contravention of the guideline of Punjab Government.

On being pointed out in audit, it was stated by the department that outstanding recovery of house and property Tax would be realized from the users/concerned house hold during this year.. Final action is awaited.

**Para-4 Non achievement of target.**

Chapter VII, I (2) of Municipal Account code states that tax supdt. in any other duty imposed upon them by those rules shall be responsible for the assessment and collection in accordance with these rules of all the taxes other than octroi and of such other fees and dues as the corporation or committee may direct.

Examination of the Income statement it revealed that target fixed were not achieved during 2011-16, as for details given below.

Sr. No	Stream	Target 2011-16 (In lakh)	Achievement 2011-16 (In lakh)	Shortfall in %
1	Octori on Petrol & Diesel	28	18.12	35
2	Otroi on Electricity	98	78.47	20
3	House Tax	208.5	190.1	9
4	Rent & Tehbazari	55.44	38.68	30
5	Water supply & Sewerage	77	61.30	20
6	License Fee	3.65	1.77	51
7	Advertisement Tax	4.1	0.19	95
8	Bus Adda	76	57.39	24
9	Excise Dury	350	98.89	72

Above Table shows that target were not received ranging between 9 to 95.

On being pointed out in audit, it was stated by the department that all target would be achieved shortly. Final action is awaited.

**Para-5 Outstanding recoverable amount of renewal charges of Mobile towers-Rs. 2.80 lakh.**

Government of Punjab Department of Information & Technology vide letter dated 11-2-05, had fixed one time installation charges @ Rs. 10,000 and annual renewal charges @ Rs.5000/-of BTS/CDMA Mobile Tower.

Examination of record and information supplied by the M.C Tanda Hoshiarpur, it was noticed that 65 mobile tower were installed by the various companies however, an amount of Rs. 2.80 lakh was pending against 56 mobile towers so far. This had resulted into outstanding municipal revenue of Rs. 280000/- with penalty, details given below:-.

Sr. No.	No'r of mobile tower	Rate of license fee per year	Pending license fee so far
1.	56	5000	280000

On being pointed out in audit, it was stated by the department that outstanding recovery of Mobile towers would be realized from concerned users during this year. Final action is awaited.

**Para-6 Outstanding recovery of rent of municipal council shops of Rs. 1.35 lakh.**

M.C. Tanda have its shops under its jurisdiction in different markets which have been rented out to the tenants on prescribed monthly rent basis and on lease basis under agreement previously executed between council and concerned owners, tenants are required to pay the prescribed amount of rent of respective shop in the council account, failing which penalty on delayed payment of rent is charged. Govt. of Punjab, Department of Local Govt.(Unit-II) vide memo no.9954 dated 21-7-1986 had made policy regarding periodical increase in the rents of the properties of Municipal Council vide which rent will be increased @ 20% after a period of every three years.

During examination of the records of rent of shops and information supplied by the council for the year 2011-16 it was noticed that against total demand of rent of 51 council shops and booths in different markets a sum amounting to Rs.1.35 lakh was pending upto 03/2016. This has result in loss of revenue to government .

On being pointed out in audit, it was stated by the department that outstanding recovery of Shop rent would be realized from concerned shops during this year. Final action is awaited.

**Para-7 Outstanding recoverable amount of water and sewerage charges Rs. 5.96 (4.08+1.88) lakh.**

M.C. Tanda levies water and sewerage charges on residential /commercial households situated under the jurisdiction of corporation at the specified rates fixed by government from time to time and makes collections against demands issued to the users. While according approval of the budget for the year 2011-12 Govt. of Punjab, Department of Local Govt. has issued instructions that survey should be conducted of all the properties falling under the municipal limits and be completed within three months for collection of house tax and other dues and recovery of 100% of arrears should be ensured.

Examination of the records and information of water and sewerage charges of MC, Tanda for the year 2011-16 it revealed that billing of water & sewerage charges for residential & commercial purposes were made on the basis of old rates notified for the year upto 2007-08 vide notification no.2/2/2003-3LGIV/6510 dated 02-05-2003 and henceforth no such charges were revised. Against total demand of water and sewerage charges amounting to Rs. 18.68 lakh (16.22+2.46) including arrears of previous years (Rs.5.30 Lakh (3.75+1.55) made for the year 2011-16 an amount of Rs. 12.72 lakh (12.14+0.58) was only collected from the users which resulted in outstanding recoverable amount of Rs 5.96 lakh (4.08+1.88) as on 31/03/16 respectively.

On being pointed out in audit, it was stated by the department that outstanding recovery of water and sewerage charges would be realized from concerned users during this year. Final action is awaited.

**Para-8 Non implementation of notification regarding levy of Cow Cess.**

Government of Punjab , Department of Local Government (Local Government I branch) vide letter no. 475153/1 dt.04.05.2005 addressed to all the commissioners/Executive Officer of Municipal Corporation/Municipal Councils/Nagar Panchayats has supplied a copy of notification dt. 29.04.2015 regarding imposition of Cow Cess on the specified items in the MC areas and asked the MCs to implement this notification after completing the necessary process. As Per notification following rates on specified items have been fixed.

Sr. No	Name of items	Cow Cess levied per item (In Rs.)
1	Oil tanker per round	100
2	English wine per bottle	10
3	Wine desi & beer per bottle	5
4	Cement per bag	1
5	Electricity per unit	0.02
6	Marriage palace AC per function	1000
7	Marriage palace Non-AC per function	500
8	Four wheeler vehicle per vehicle sale	1000
9	Two wheeler per vehicle sale	200

Examination of the records/information supplied by MC it revealed that no such Cow Cess was levied/collected as yet, however the council had passed the resolution for collecting the Cow Cess vide Resolution No. 42 dt. 29.09.2015, but it had not been implemented as yet.

On being pointed out in audit, it was stated by the department that implementation of the cow cess levy would be made with the consent of higher authorities Final action is awaited.

**Para-9 Non contribution to Cancer & Drug Addiction Treatment Infrastructure Fund out of Property Tax.**

As per guideline of Government of Punjab, 2% of total collection of the property tax should be contributed to Cancer & Drug Addiction Treatment infrastructure Fund.

During examination of the records of property tax supplied by the council for the year 2013-16 it was noticed that an amount of Rs. 132.49 lakh was collected as Property Tax. Of these Rs. 2.65 lakh @2% was to be contributed to Cancer & Drug Addiction Treatment infrastructure Fund. However, contribution was not made to the above said fund. Non contribution of the funds resulted into deprival of the benefit of the scheme to the beneficiaries.

On being pointed out in audit, it was stated by the department that contribution would be sent to concerned fund with the consent of competent authority. Final action is waited.

**Para-10 Pendency of Building plans.**

During examination of the records of building branch supplied by the council for the year 2013-15 it was noticed that 706 building plan was approved in MC Tanda ,of these, 24 building plans were pending so far.

On being pointed out in audit, it was stated by the department that pending building plans would be approved in due course of time. Final action is awaited.

**Para-11 Annual Account not prepared.**

As per codel provision annual account should be prepared by the MC in each year.

Examination of the records it revealed that no annual account were made during 2012-16 in contravention of the above guideline.

On being pointed out in audit, it was stated by the department that compliance would be noted. Compliance is waited.

**Para-12 Excess expenditure, in comparison of income on account of water supply.**

As per codal provision, no funds should be diverted from one fund to another funds.

During examination of the records it was noticed that an amount of Rs. 160.04 lakh was incurred on a/c of water supply during 2012-15 whereas, sum amounting to Rs.35.86 lakh was collected ,thereby Rs. 124.18 lakh was excess incurred in comparison of income.

On being pointed out in audit, it was stated by the department that expenditure on a/c of water supply was made on the requirement with the consent of competent authority from MC funds. Reply is not tenable as other MC funds were diverted for water supply account. which is in contravention of the financial rules . Final action is awaited.

**Para-13 Non Conducting of survey by MC.**

As per guideline regular survey should carried out through MC of each block.

During examination of the records it was noticed that no survey was conducted by the MC Tanda during 2014-16, due to which no property tax could be ascertained, in contravention of the guideline.

On being pointed out in audit, it was stated by the department that compliance would be noted. Compliance is awaited.

Part-III

**Test Audit Note**

No test audit note was issued as all the minor points were discussed and settled on the spot.

**Sr. Audit Officer (Vetting)**