

**Proceeding of field visit of Sri Amrendra Pratap Singh (IAS Retd), Chairman of 5<sup>th</sup> SFC with Member of Dr. Harishwar Dayal Saraikela-Kharsawan District on 24-25 January, 2025.**

**This field visit was undertaken to understand the ground reality of the functioning of the office management of Municipal Corporations (MC), Panchyat Samiti (PS), Zila Parishad (ZP) and Gram Panchyat (GP) and upkeep of records etc.**

(ii) Ex officio member of SFC and secretary of the commission were not able to accompany the commission during the field visit.

(iii) This visit was completed as per the following details:-

Serial No.	Office Visited and Discussion Held	Date	Major Participants
1	Aditiyapur Municipal Corporation	24-01-2025	DC Saraikela-kharsawan, CEO Aditiyapur (MC), Representative of Tata Group of Industries and other important officers of ULB..
2	Panchyat Samiti, Saraikela Kharsawan	24-01-2025	DC/DDC Saraikela Kharsawan IAS(p), Pramukh/Upgramukh and Karyakarni ke nirwachit sadasya and officers of Blocks.
3	Meeting held in DC Saraikels-Kharsawan in the chamber to discuss DMFT related issues.	24-01-2025	DC West Singhbhum /DDC East Singhbhum (JSR) nominated representative of DC East Singhbhum, DC Saraikela-Kharsawan and DMOs.
4	Chaou Academy, Saraikela-kharsawan	25-01-2025	DDC/SDO/IAS(p) and Trainer and Artist of Academy.
5	Zila Parishad, Saraikela-Kharsawan	25-01-2025	Adyakash / Upadhayakash/ DDC District Engineers and others.
6	Gram Panchyat, Pandra	25-01-2025	DC/DDC/SDO/ BDO/ Mukhiya/ Upmukhiya/ Member of GP Executive Committee/and Panchyat Sachiv etc.
7	District Panchyat Raj Training Centre	25-01-2025	DC/DDC/Master Trainer and Mukhiya/Panchyat Sachiv (as trainees)

2. **Aditiyapur Municipal corporation (AMC) is made presentation about the following points:-**

- (i) The account is being maintained in the double entry system under Tally software.
- (ii) Fund received from Govt. of Jharkhand is being kept in “ **PL account**” and all the payment are routed through Treasury only and accounts are submitted to AG.
- (iii) Annually CA audit is being done, AG & Finance Department audit is also being undertaken time to time.
- (iv) There is no Internal Auditor appointed yet. This is the requirement of the Act.
- (v) Property tax is major sources of income there are other sources of incomes.
- (vi) For Public Grievance Redressal (PGMS) and CP Gram are the two portals, there are other toll free numbers for the purpose of door to door collection of house hold waste water supply and holding tax etc.
- (vii) Jharkhand State Service Guarantee Act 2011 Section-III has identified 12 services which are being provided in a time bound manner, designated authorities do attended these issues properly. No complain received yet.
- (viii) AMC has raised issue of **slow implementation of water supply scheme**. Old water supply scheme is not covering the demand properly; deep boring and other sources are being used to attend public need. The cost of O&M is not being recovered from water charges.
- (ix) There is a **dispute of holding tax collection** between AMC and JIADA-AIADA. There was a court case WPC No. 1441/2013 and others, was disposed off by Hon’ble High Court of Jharkhand, on 17<sup>th</sup> of February 2022. In view of Hon’ble High Court order, two authorities of two different departments are directed to resolve the issue amicably in the interest of the revenue of the AMC. This need to be expedited and may be raised at higher level if not get solved locally.

- (x) Integrated solid & liquidity management is being practice effectively. The facilities are provided by the Adityapur Auto Cluster.
- (xi) **Jamshedpur Industrial Township:** Government of Jharkhand has notified JIT under JMA 2011 on 28<sup>th</sup> December 2023. NAC area was large and divided. The ward no.8,9,10 of JNAC was merged as part of **Mango Municipal Corporation**. Other wards of JMAC is now JIT which will be having large area and population, if this area would have been notified as ULB this will have more than 8 lakhs population and may have acquired the status of **third largest Municipal Corporation** of the state. This JIT is not yet functional, need to make functional soon by the state Government.
4. **Audit Inspection** report for the Financial year 2018-19 – 2020-22 of **AG Jharkhand** report No. 65/2022-23 (revised) was shared by AMC which indicates following major points :-
- (i) Irregular and short deduction of royalty amounts to around Rs.4.80 lakh and 3.48 Lakh and 17,904 was reported. The total loss is about Rs. 9.0 lakh in schemes test checked. This is huge loss to State Government and consolidated fund of the state. This is only TDS. Actual loss to consolidated fund of the state must be multiple fold. The concerned vender may not had filed the proper return.
  - (ii) Certain work execution was delayed due to **non availability of non encumbrance's** certificate of the **work site**.
  - (iii) Under the **skill development** scheme 240 urban poor trained by selected institute **but employment was not** given as per agreement but full payment was made. This is reflection of connivance of authorities with contractor or authorities are not able to **understand agreement** properly.
  - (iv) **Non preparation of P- budget** as per rule 109 of JMA at 2011 as part of main budget. This is non compliance of mandatory provisions.

- (v) **Inadmissible payment** of 133.54 lakh was made to **MS Sparrow soft Tach Pvt Ltd**, inspite of deficient service and not fulfilling the bench mark fixed in the agreement. Such situation may be prevailed in **other ULBs** as well.
- (vi) It is evident that **AMC and its account team** is not fully competent to handle contract related payment as per the terms and conditions of Contract. Such **deficiency must be in other ULBs** as well.
- (vii) **Irregular payment on carriage of minor minerals** and others of about 48.14 lakh. This also confirm the point mentioned in Para 4(v) & (vi).
- (viii) There are other mistakes as well.
- (ix) **The department is requested to put a team** to understand **short coming** appearing **frequently in audit** reports of different PRIs and which are common in nature. A sincere effort is to be made to handle such issues in a comprehensive manner. This exercise may **add many 100** crore to the resources of PRI and to the consolidated fund of Jharkhand.

#### 5. Panchyat samiti (PS) Saraikela:

- (i) Panchyat samiti meetings are not held regularly. **Standing Committee** constituted but meetings are not held regularly in last two years. From records it is clear that only few standing committee meetings were organized once in last two years.
- (ii) There is **acute shortage of supervisory** staff at block level, almost all posts of supervisors are vacant.
- (iii) A question was raised in the standing committee about closer of few schools or shortage of teacher. A BEEO who was holding additional charge of this block, mentioned that due to shortage

of teachers this situation remained the same for the many school which are having adverse student/teacher ratio.

- (iv) There are certain issue of **Abua Awas** was raised and it was mentioned that most deserving were not selected as beneficiaries.
- (v) The training for newly elected members of PS was **not organized** even after two years have passed for their election.
- (vi) Members of panchyat samiti has mentioned that **15<sup>th</sup> FC grant** of about **50 lakh is received** annually. **The nature of selected scheme** are almost the same as at **GP** level. A major question was raised about **execution of work** with the **beneficiary committee** that is executing work of **Rs. 5 lakh at GP level** but **only 2.5 lakh at PS** supervisor level. This needs to be change as demanded by the members of PS in chores. It appears that **non is interested in transparent procedure of tender** in the execution of schemes. **The constitution of beneficiaries committee need to be relooked and an objective criteria** is to be fixed for the constitution of such committee.
- (vii) **Energy bill** of **Rs. 1 lakh is pending** due to lack of allotment.
- (viii) **15<sup>th</sup> FC** payment are made by the joint signature of BDO cum Secretary PS and PDO who is normally a PS (Panchyat Secretary) whereas Mukhiya and PS do financial transaction at GP. Pramukh is not doing same financial transaction at Block Level but payment are made with the approval of Pramukh as indicated by BDO.
- (ix) **Even the unspent grant of 13<sup>th</sup> and 14<sup>th</sup> FC** are available in the block level under several bank Account which needs to be

closed and PRD must take appropriate view on this subject urgently.

6. **Audit Report of PS:- Draft Audit Report of AG Jharkhand** was perused. This was representing mainly initial objection which were raised by the auditors during audit period and BDOs had to reply to these objections. But this has raised many pertinent questions as mentioned below:-
- (i) Financial and Technical manpower are not **properly trained at block level to handle the contract**. Proper training is needed and software based solution may be most effective way to avoid it guilty officers and employees may be punished duly to avoid recurrence of the same.
  - (ii) Any contract must have all terms and conditions specifically mentioned. The draft model contract document must be provided to PRI for the fixed and frequent activities happening in the blocks so the uniformity of contract conditions are maintained at all PRI.
  - (iii) Time of completion of project was not mentioned normally. Even when it is mentioned it appears illogical for many work, it is mentioned as 1 or 3 months irrespective of amount of project cost and/ or the nature of work.
  - (iv) Non TDS reduction of GST, Mines Royalty, IT, Labour cess etc causing loss to state exchequer- consolidated fund of the state. Even the beneficiary committee is working as agencies for the individual scheme. It is extremely difficult to get such committee to registered with concern Govt Deptt and such agencies to file return timely. The loss of revenue must be controlled PRD in consultation with finance department and other related department may device digital solution that admissible TDS must be deducted before the payment to contractor/supplier on the digital platform. The human error may be

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avoided/ controlled by improving payment method. Nowadays, MB etc are on line – digital, BOQ/estimate with complete material analysis is given along the max applicable tax rate may be placed in the payment system. For beneficiary committee 100% payable tax may be collected at source and deposited in appropriate heads if it is legally possible, which may reduced the burden of compliance by the beneficiaries committees.

- (v) The carriage cost, and master roll are not maintained in proper way, with the relevant details. **Labour cess** was not been deducted as required, payment without voucher were made, **non deduction of contractors profit** before making payment to beneficiaries committees are relevant issue to be addressed properly. **Non deduction of GST**, royalty as TDS, excess carriage cost etc. are the main defects which are causing huge loss to state exchequer.
- (vi) In one schemes **9 defects are reported** with loss of Rs. 1.2 Lakh this shows that the quality of documentation and knowledge level of employees and others at block level. To monitor the contract properly urgent corrective action is needed.
- (vii) The some area of block is under **dry zone** which needs water supply by **tankers**.
- (viii) Members of panchyat samitits are not given any responsibility under MGNREGA etc.
- (ix) The **two** housing project – **PM awas and Abua Awas** are running. The payment is being made by PFMS at block level and District level respectively in PM Awas & Abua Awas.
- (x) Member of PS were part of survey team of abua awas selection but under Abua Aawas genuine poor have not been covered in first phase. This was the normal complain raised at several places with most of the elected representatives.

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(xi) **Pramukh** has a office chamber to sit in block premises but **Uppramukh** and members has **no place to sit whenever they visit** the block HQ.

(xii) Pramukh has **no dedicated staff** who may help him in disposing the responsibility as Pramukh. A person/employee is normally deputed by BDO as the additional charge to look the office of the Pramukh. The main work load is such that concern employee normally remained busy with office work only.

(xiii) Honorarium and TA etc are not paid regularly.

(xiv) There is even **no DPRO** is posted in the district.

7. **ZILA PARISHAD:** During interaction with Adkhskscha and Upadhakasha and CEO following points have emerged:-

1. ZP Saraikela-Kharsawan has **no sanction post** till now, even after **25 years of** creation of the district.
2. There is no major source of income (OSR) except rental income from few shops, newly constructed IB etc at block level by state funded scheme.
3. **Building plan approval** is only main source of income (OSR)of ZP currently. This is being done on the application by individual/organization only. There is **no mechanism to check the defaulters** who are constructing building without approval of ULB/RLB/ZP - Regulator.
4. **Elected representative** were only perusing that the **proposal of Bus stand**, shops etc will be send to the PRD for allocation of fund for the construction of utility building for the OSR generation. **PRD may come up with PPP policy** to create assets for ORS at PRI level instead of supporting the current prevailing practice.

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5. There was resentment on **transfer of DRDA** employees to ZP only for the **salary payment**. They are no asset to ZP as mentioned by elected chairman of ZP, because most of them are still working under DC in the development cell.
6. This has also reported that **ZP is being kept out from the implementation of Rural Development schemes**. This was also a source of concern for the elected PRIs. Elected representatives were of the view that in other state such situation does not exist normally with ZP.
7. The **sitting space** for the elected member does not exist at ZP on their district visit, their TA/DA, honorarium, training issues were also raised prominently. There is urgent need to attend these issues on the priority.
8. Selection of schemes under 15<sup>th</sup> FC at ZP level are normally similar to GP type. Annual allocation is about **4.00 crore**, but no big project with common social impact was taken up. This tendencies are to be corrected.
9. **Audit report** (Inspection) of AG Jharkhand for the period of Financial Year 2020-21 and 2021-22 was perused. This was send to **CEO ZP Saraikela-Kharsawan vide letter no. 730** dated 01-03-2023 from **AG audit**.
  - (i) PL account is being maintained.
  - (ii) 13<sup>th</sup> & 14<sup>th</sup> CFC, BRGF account are having **unspent balance of Rs. 10.73 crore**.
  - (iii) Rs. 30.00 lakh Rural infrastructure fund –received with objective that it should be made available to GPs but remained unspent at ZP only, a serious lapse happened which was never pointed out by the PRD. This shows that **regular monitoring** is missing from state HQ.

- (iv) PL account is having **unspent balance of 21.98 cr.** This is the blockage of development fund.
- (iv) Around **3.47 cr was unspent balance** in the cash book.
- (vi) Rs.6.27 cr was not spent under scheme and even no monitoring is being done.
- (vii) **Deducted Royalty of Rs. 25.00 lakh and labour cess of Rs. 3.91 lakh** was not deposited under proper head. Such lapses of account office and account officer deserve serious punishment.
- (viii) **Rent from shops are not collected regularly and not being revised periodically.**
- (ix) There are many shortcomings in execution of contract and implementation of the schemes. No one is maintaining quality check on this. **Most decisions are appear to be taken** in favor of contractors by the authorities.
- (x) **Cash book is not maintained regularly and overwriting is done** frequently. This is a serious matter of concern. **Digital accounting practice** may be considered with all safety measurement.

8. **PANDRA GRAM PANCHYAT:-**

- (i) There is need of solar street light in all area.
- (ii) Even ward member of GP are deprived of all benefits under the many Govt. schemes even being most eligible under the guidelines of the relevant scheme on or before being elected.
- (iii) Honorarium of Mukhiya was demanded to be increase at least make it equal to traditional pradhan.
- (iv) Timely payment of Honorarium and TA of PRI –GP must be ensured.

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- (v) Regular training is needed to Mukhiya and ward members and Panchyat Secretary.
- (vi) Gyankendra has no space to sit and study.
- (vii) Toilets are required regular maintenance in GP Bhawan in much better way. Normally the current status of toilets can't be said satisfactory and make the toilets useable.
- (viii) **Sitting space of other visiting officials** need to be provided and extra space needs to be added in Panchyat Bhawan.
- (ix) **Cash book and account must be digitalized** and regular monitoring must be done by **making a PMU at state HQ**. This PMU can monitor all aspects of PRI under PRD.
- (x) Implementation of other schemes of the PRD should also be maintained as a MNREGA type digital platform and **arrangement**. This will be useful for regular monitoring of the scheme and will ensure adequate transparency.
- (xi) **Social audit** must be introduced in all the schemes of PRD.

9 **District Training center (DPRC)** was visited. It is not being used adequately and properly to achieve the desired objectives. This has **adequate physical infrastructure**. The short comings of DPRC may be studied and addressed earliest.

- (i) **Training of engineers/staff** and elected representatives must be done regularly with specific modules. The defects are being identified by inspection, AG/FD audit etc must be addressed by proper training.
- (ii) Biometric Attendance of trainees must be kept in record.
- (iii) Intensive Financial training is must for Panchyat Secretary and Mukhiya, BDO- Najir-PDO.

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10. **Action by PRD:-**

- (i) A PMU be setup to follow up **AG audit report**, common and recurring mistakes properly and such mistakes must be corrected, so it should not **be repeated** in future anywhere. These common mistakes must be happening to all the PRI office, which have not being audited by AG yet.
- (ii) **Reward & punishment mechanism** must be followed in transparent manner. A state policy be devised and followed on the subject to keep all the **individuals accountable** who are the part of the system. Their accountability be fixed and appropriate action be taken.
- (iii) **Director LFA** must also take note of **AG reports** and ensure interaction with AG office and ZP/PRI to resolve the audit para in coordination with PRD & Finance Department.
- (iv) The defects pointed out by AG, may be brought before state Assembly while preparing annual audit report as DLFA is authorized by the Act.
- (v) Regular VC with elected representative by PRD (Panchayati Raj Deptt) may help PRD for ensuring better understanding of the issues of PRI and the resolution of such common issues may become easy.

*Harishwar Dayal*  
25/01/2025

(Harishwar Dayal)

Member

Memo No. 29.....

Copy to: Secretary, Finance Commission, Govt of Jharkhand, Ranchi for Information.

*Amrendra Pratap Singh*  
25/01/2025

(Amrendra Pratap Singh)

Chairman

Ranchi, Dated. 27/01/2025

*Kaushal*  
27/1/25

Deputy Secretary

Memo No...29.....

Ranchi, Dated...27/01/2025

**Copy to:** ACEO, Adityapur Municipal Corporation /DC /DDC/ Saraikela-Kharsawan for information and for sharing to related office. The common mistakes may be looked comprehensively for all the wings and necessary action may be started.

Kaushal  
27/1/25

Deputy Secretary

Memo No...29.....

Ranchi, Dated...27/01/2025

**Copy to:** Principal Secretary, Panchyati Raj Deptt & Principal Secretary, Urban Development and Housing Deptt/ Secretary Finance Deptt/Secy, Commercial Tax Deptt. & Secretary Mines & Geology for necessary corrective steps on resource issue.

Kaushal  
27/1/25

Deputy Secretary

Memo No...29.....

Ranchi, Dated...27/01/2025

**Copy to:** Secretary, Deptt. Of Labour employment and Skill Development for action.

Kaushal  
27/1/25

Deputy Secretary

