

Chapter VII: Non-Tax Receipts

7.1 Results of audit

Test check of the records of Finance, General Administration, Revenue and Rehabilitation, Public Works and Home and Justice departments, during the year 2007-08, revealed irregularities amounting to Rs. 8.55 crore in 26 cases, which broadly fall under the following categories:

(In crore of rupees)

Sr.No.	Category	Number of cases	Amount
A: Finance Department			
1.	Non-realisation of audit fee	12	4.96
B: General Administration			
1.	Non-recovery of license fee	7	1.55
C: Revenue and Rehabilitation Department			
1.	Non-recovery of cost of Government land	1	1.11
D: Public Works Department			
1.	Non-recovery of rent	5	0.74
E: Home and Justice Department			
1.	Deployment of police force to private institution within the State	1	0.19
Total		26	8.55

A few illustrative cases involving Rs. 8.55 crore are mentioned in the succeeding paragraphs.

A: Finance Department

7.2 Non-realisation of audit fee

The Examiner, Local Fund Accounts (Examiner), Punjab is entrusted with the audit of urban local bodies, panchayati raj institutions, and other institutions etc. Audit fee for the services rendered to each body is recoverable in accordance with the rates prescribed by the State Government from time to time. Under the provisions of the Municipal Account Code, 1930 (Rules), the audit fee due should be paid as soon as practicable after conclusion of post audit but not later than one month from the date of conclusion of audit and in case of pre audit by the end of the financial year. The examiner is the collecting officer for the purpose of audit fee.

Test check of the records of the Examiner in July 2006 revealed that recovery of audit fee of Rs. 4.96 crore from various institutions¹ was not made though period of one month to three years from the date of conclusion of audit (post/preaudit) had elapsed. Thus, failure on the part of the Examiner to take steps for recovery as per the rules resulted in non-realisation of audit fee of Rs. 4.96 crore pertaining to the years 2003-04 to 2005-06.

The Government to whom the matter was reported in April 2007, intimated in May 2007 that it is being proposed to waive off the recovery of audit fee from *gram panchayats* or to give them grants so that audit fee could be recovered and recovery of audit fee from local bodies would be made from the auction money/excise money. A report on recovery has not been received (August 2008).

B: General Administration

7.3 Non-recovery of license fee

The Punjab State Kutchery Compound Fund Rules, 1937 provide that the rent/license fee is payable by the occupier of wooden platform, wooden cabin and wooden cabin for photostat machine, juice bar, STD and PCO at the rate prescribed by the Government from time to time. The Government vide notification of September 2003 fixed the rate ranging between Rs. 100 and Rs. 400 per month for the occupier of wooden platform, wooden cabin and wooden cabin for photostat machine, juice bar, STD and PCO with effect from September 2003.

Scrutiny of the records of seven² Deputy Commissioners (DCs) between October 2006 and November 2007 revealed that 1,757 professionals viz. lawyers, stamp vendors, typists, occupiers of fruit/juice bars, photostat machines and STD/PCOs etc. had been operating their business from the wooden cabins and platforms raised in the premises of kutchery compounds prior to September 2003. However, the DCs had taken no steps to recover the rent/license fee of Rs. 1.55 crore at the prescribed rates from the occupants of kutchery compounds from September 2003 to March 2007.

¹ Punjab Water Supply & Sewerage Board, Municipal Councils (seven), Improvement Trusts (two), Market Committee and Panchayat etc.

² Amritsar, Fatehgarh Sahib, Ferozepur, Gurdaspur, Hoshiarpur, Kapurthala and Ludhiana.

After the cases were pointed out, the DC Fatehgarh Sahib stated in July 2007 that no land/cabin had been allotted to advocates and cabins raised/occupied by the advocates were illegal. The DCs of Ludhiana, Amritsar, Gurdaspur and Ferozepur districts stated between December 2006 and November 2007 that efforts were being made to recover the amount whereas the DCs of Kapurthala and Hoshiarpur stated (October 2006 and November 2007) that the recovery would be made in due course. Further development/a report on recovery has not been received (August 2008).

The matter was reported to the department and the Government in April 2008; their replies have not been received (August 2008).

C: Revenue and Rehabilitation Department

7.4 Non-recovery of cost of land

Under the provisions of Punjab Financial Rules, any Government land or other immovable property can be sold or made over to a local authority for public, religious, educational or any other purpose with the sanction of the competent authority on payment of book or market value whichever is less where land is valued on the book.

During test check of records of the Revenue and Rehabilitation department (Department) in February 2006 and information subsequently collected from Punjab Tourism Development Corporation (Corporation) (January 2008) revealed that the Corporation had unauthorisedly built the 'Mangolia Tourist Complex' on Government land (6 Kanal and 19 Marlas) at Kartarpur (Jalandhar District) during 1979-1980. As per the decision of Council of Minister's meeting (January 2006) department transferred the land to the Corporation without any consideration subject to the condition that in case dis-investment of the Corporation does not materialise for any reason within the financial year 2006-07, the Department will recover an amount of Rs. 1.11 crore from the Corporation towards cost of land. Audit further noticed that the Cabinet Committee on dis-investment, Punjab (CCD) decided (May 2006) to exclude the tourist complex from the dis-investment process. In pursuance of this decision, the department had to recover Rs. 1.11 crore from the Corporation. Failure of the department to comply with provisions of financial rules and to implement the decision of CCD, resulted in non-recovery of cost of land Rs. 1.11 crore. But the department had not taken any steps to recover this amount from Corporation till date (August 2008).

The matter was reported to the department and the Government in February 2008; their replies have not been received (August 2008).

D: Public Works Department

7.5 Non-recovery of rent

As per Punjab Government House (General Pool) Allotment Rules, 1983, rent at prescribed percentage of emoluments or approved standard rent, whichever is less, is chargeable from an employee to whom a Government accommodation is allotted. Where an employee, in occupation of a Government accommodation, is transferred outstation, he can retain the house upto two months on payment of normal rent and the House Allotment Committee (HAC) may allow retention of the accommodation by him up to further four months on payment of rent at twice the normal rent. Thereafter the allottee shall be liable to pay damages for occupation of house at the rate twice the market rent as determined from time to time.

Scrutiny of the records of the Executive Engineer (EE), Provincial Division, Public Works Department (B&R) Branch, Ludhiana in June 2007 disclosed that five officers of various departments of Punjab Government, despite their transfer, unauthorisedly retained the A-type and B-type Government accommodation allotted to them between one and 26 months beyond the period of six months sanctioned by the HAC. The EE levied penal rent amounting to Rs. 74.42 lakh by issuing rent rolls to their respective departments between November 2005 and September 2007 as mentioned below:

(In lakh of rupees)

Sr.No.	Name and designation of allottee	Period of overstay	Penal rent
1.	Sh. Kultar Singh Ghumman, Dy. Commandant, Home Guard	25.03.2004 to 31.12.2005	26.30
2.	Sh. Sohan Lal Lottey, Asstt. Director, Sports	01.07.2005 to 30.09.2007	13.63
3.	Sh. Manjit Singh, Dy. Supdt. of Police	30.03.2005 to 22.11.2005	3.13
4.	Smt. Jagdish Kaur Mander, Excise & Taxation Officer	23.10.2005 to 30.11.2005	6.21
5.	Sh. Gurnam Singh, Superintending Engineer (Retd.)	18.03.2006 to 31.01.2007	25.15
Total			74.42

The penal rent so levied had not been recovered by the respective departments so far (March 2008) though a period ranging between six and 28 months has elapsed.

After the case was pointed out in June 2007 and further pursuance in March 2008, the EE stated that the matter of recovery of rent was under process.

The matter was reported to the department and the Government in January 2008; their replies have not been received (August 2008).

E: Home and Justice Department

7.6 Deployment of police force to a private institution within the State

Under the provisions of the Punjab Police Rules, 1934, the cost of police force provided to different Government departments, autonomous bodies, private organisations and individuals is recoverable in the prescribed manner and at

the rates prescribed from time to time. The cost of police force provided to private persons/organisations, corporate bodies or commercial companies is recoverable in advance. No time limit has been prescribed for raising demands.

During test check of the records of the Commandant, 75 Battalion, Punjab Armed Police, Jalandhar (Commandant), it was noticed in May 2006 that the services of two officials were placed at the disposal of DAV Public School (a private institution) from December 1999 without finalisation of the terms and conditions of the deployment. An expenditure of Rs. 18.60 lakh was incurred on the pay and allowances of these officials from January 2000 to March 2006 which was neither demanded by the department nor paid by the institution.

The matter was reported to the department and the Government in January 2008; their replies have not been received (August 2008).

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