

KARNATAKA LOKAYUKTA

No. Compt/Uplok/BCD/113/2020/ARLO-1

Multi Storied Buildings,
Dr. B.R. Ambedkar Veedhi,
Bengaluru 560 001
Dated: 11/06/2020

**REPORT UNDER SECTION 12(3) OF THE KARNATAKA
LOKAYUKTA ACT, 1984**

Sub:- Proceedings against:-

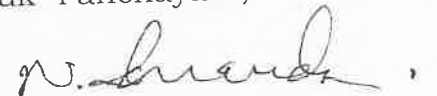
- 1) Smt. T.V. Veena, the then Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk - Presently working at Madanayakanahalli Grama Panchayath, Bengaluru North Taluk
- 2) Sri Subhan Khan, the then Panchayath Development officer, Mayasandra Grama Panchayath, Anekal Taluk - Now working at Samandur Grama Panchayath, Bengaluru South Taluk.
- 3) Sri S.G. Prakash, the then in charge Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk -Presently working at Taluk Panchayath, Anekal Taluk
- 4) Sri M. Amaresh, the then In charge Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk - presently working at Sarjapur Grama Panchayath, Anekal Taluk.
- 5) Sri A. Gopalaiah, Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk.
- 6) Sri Nomesh Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal - Presently working as Deputy Secretary, Zilla Panchayath, Chikkaballapur
- 7) Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal - Presently working as Deputy Secretary, Zilla Panchayath, Tumakuru
- 8) Sri K.C. Devaraj Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal.



1) The above complaint was registered suo-motu on the basis of source information that there is mismanagement in the maintenance of accounts and submission of periodical expenditure statements by Mayasandra Grama Panchayath of Anekal Taluk and also submission of audit reports.

2) On 27/12/2019, Upalokayukta-1 visited the office of the Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal. The Accounts officer and the Manager of Taluk Panchayath, Anekal were directed to produce the periodical returns of expenditure in relation to each of the Panchayaths within the limits of Taluk Panchayath, Anekal. The details of expenditure were not furnished by the Panchayaths. Further, at the time of spot inspection by Upalokayukta-1 to the office of the Executive Officer, Taluk Panchayath, Anekal, the audit report of Mayasandra Grama Panchayath for the year 2017-18 was furnished. The audit reports for the years 2016-17 and 2018-19 were not produced. Therefore, the above suo-motu complaint was registered against the following respondents for conducting further investigation into the matter.

- (1) Smt. T.V. Veena, the then Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk (for the period from 01/01/2016 to 09/06/2016) - now working at Madanayakanahalli Grama Panchayath, Bengaluru North Taluk
- (2) Sri Subhan Khan, the then Panchayath Development officer, Mayasandra Grama Panchayath, Anekal Taluk (for the period from 02/08/2016 to 04/11/2016 and 02/03/2017 to 26/3/2017) - Now working at Samandur Grama Panchayath, Bengaluru South Taluk.
- (3) Sri S.G. Prakash, the then in charge Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk (for the period from 04/11/2016 to 01/03/2017) -Presently working at Taluk Panchayath, Anekal Taluk



- (4) Sri M. Amaresh, the then In charge Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk (from 27/03/2017 to 27/08/2018)- presently working at Sarjapur Grama Panchayath, Anekal Taluk.
- (5) Sri A. Gopalaiah, Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk (from 28/8/2018 till date).
- (6) Sri Nomesh Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 1/1/2016 to 18/5/2017) – Presently working as Deputy Secretary, Zilla Panchayath, Chikkaballapur.
- (7) Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 19/5/2017 to 19/7/2019) – Presently working as Deputy Secretary, Zilla Panchayath, Tumakuru
- (8) Sri K.C. Devaraj Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).
- 3) The Respondent 1 Smt. Veena T.V.; Respondent No.2 Sri Subhan Khan; Respondent No.3 Sri S.G. Prakash and Respondent No.4 Sri M. Amaresh have submitted comments dated 12/2/2020. They have stated that the present Panchayath Development Officer of Mayasandra Grama Panchayath, viz., Respondent No.5 Sri A. Gopalaiah has submitted the records relating to Mayasandra Grama Panchayath and have submitted that during their tenure they had discharged duties as per Rules. Respondent No.5 Sri A. Gopalaiah has submitted comments dated 11/2/2020 that the concerned Panchayath Development Officers have prepared the budget for the year 2016-17 to 2019-20 and obtained the approval of the Executive Officer of Taluk Panchayath. Further, he has stated that the audit of the Mayasandra Panchayath was conducted for the years 2016-17 to 2019-19 and copies of the same are enclosed.



4) The Respondent No.6 has submitted comments dated 27/2/2020 stating that during his tenure the Mayasandra Grama Panchayath had submitted the audit report for the year 2016-17 to the Accounts Officer of Taluk Panchayath. and Budget for the year 2016-17 and 2017-18. He had constituted an adhoc committee and the meeting of the committee was held. He had issued oral instructions regarding the subject matter stated in the audit report. The respondent No.7 has submitted comments dated 27/2/2020 similar to the comments submitted by Respondent No.3. Respondent No.8 has submitted comments dated 12/2/2020 stating that he had instructed the Panchayath Development Officer of Mayasandra to submit the Expenditure statements and audit reports for the years 2016-17 to 2018-19.

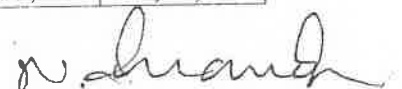
5) The Budget estimates of the above Grama Panchayath for the years 2016-17, 2017-18 & 2018-19 and copies of the Audit reports for the years 2016-17, 2017-18 and 2018-19 of Mayasandra Grama Panchayath produced by Respondent No.5 Sri A. Gopalaiah along with his comments are perused. In his comments, respondent No.5 Sri A. Gopalaiah has stated that he has enclosed the copies of budget estimates of Mayasandra Grama Panchayath for the year 2019-20, but the same has not been furnished.

BUDGET PROVISIONS

6) As per the Budget estimates for the years 2016-17, 2017-18 and 2018-19, the following income & Expenditure were estimated for the Mayasandra Grama Panchayath.

1. REVENUE INCOME

Sl. No.	Details	2016-17	2017-18	2018-19
1	Opening balance	25,65,496	6,44,470	6,44,470
2	Rates and Taxes	56,70,240	34,11,176	116,25,132



3	Revenue from the Panchayath Properties	1,44,000	1,81,500	1,97,500
4	Revenue from Grama Panchayath Authorities	7,28,984	15,20,405	54,95,627
5	Grants, Donation, Subscriptions	8,00,000	20,00,000	30,00,000
	Total Revenue Income	99,08,720	77,57,551	209,62,729

REVENUE EXPENDITURES

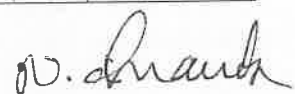
Sl. No.	Details	2016-17	2017-18	2018-19
1	General Administration			
	i) Grama Panchayath (Elected Body)	2,65,600	5,00,503	5,00,503
	ii) Office	16,60,000	14,29,772	14,29,772
	Total	19,25,600	19,30,275	19,30,275
2	Development Expenditure			
	1) Drinking Water	31,35,000	17,01,546	24,01,546
	2) Rural Sanitation	10,01,000	1,86,538	6,60,000
	3) General Health & Family Welfare	5,25,000	60,000	60,000
	4) Roads, Bridges & other connecting medias	12,00,000	50,000	1,50,000
	5) Buildings	2,00,000	0	5,00,000
	6) Electrification & Electricity supply	10,25,000	12,19,007	20,00,000
	7) Development of Non-conventional energy sources	0	0	0
	8) Social Public Service programmes	2,00,000	2,73,784	9,81,202
	9) Motivation Services	25,000	0	20,000
	Total Expenditure	73,11,000	34,90,874	67,72,748
	Transfer from Genl. fund	0	9,31,227	34,43,168
	Other Revenue Expenditure	0	0	0
	Total Revenue Expenditure	92,36,600	63,52,377	121,46,191
	Closing balance (i)	6,72,120	14,05,174	88,16,538

2. CAPITAL INCOME

Sl. No.	Details	2016-17	2017-18	2018-19
1	Opening balance	0	10,29,513	17,61,567
2	Grants, Subscription, donation.	0	0	0
3	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	48,50,000	25,56,049	30,90,000
	Total Capital Income	48,50,000	35,85,562	48,51,567

CAPITAL EXPENDITURES

Sl. No.	Details	2016-17	2017-18	2018-19
1	Development Expenditure			
	1) Drinking Water	0	2,38,909	8,00,000
	2) Rural sanitation	0	0	0
	3) Roads, Bridges & other connecting medias	0	3,50,000	39,00,000
	4) Buildings	0	0	20,00,000
	5) Payment of salary to staff	0	0	0
	6) Social & public service programmes	0	0	0
	Total Expenditure	0	5,88,909	67,00,000



2	Specific Project Expenditure			
	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	43,50,000	35,85,562	30,90,000
3	Procurement of properties	5,00,000	75,000	90,000
4	Repayment of loan	0	0	0
	Total Capital expenditure	48,50,000	42,49,471	98,80,000
	Closing Balance (ii)	0	6,63,909	50,28,433

3. DEPOSITS, ADVANCES & INVESTMENTS

Sl. No.	Details	2016-17	2017-18	2018-19
1	Opening balance	0	0	0
2	Receipt	0	0	0
	Total Income	0	0	0
3	Expenditure	0	0	0
	Closing Balance (iii)	0	0	0

	Total Final Balance of the Panchayath (i) + (ii) + (iii)	6,72,120	7,41,265	37,88,105
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7) Rule 12 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounting) Rules, 2006 provides for manner of preparation of budget estimates. The following instructions were to be followed while preparation of budget estimates.

“1. Statement II (Estimate of receipts) shall be prepared by the Secretary on the basis of information available in Form IA to IC, which shall be based on the basic details from the relevant records.

2. Similarly the Secretary shall prepare Statement II (Estimate of Expenditure) by taking out details from ID to IG which shall be based on the basic details from the relevant records.

3. After Statement II and III are ready, the gross figures classified under the respective main heads of accounts of these statements are taken to the respective heads of account in Statement I which shall form the abstract figure in the annual budget of the Grama Panchayath.

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4. Secretary shall ensure that the following guidelines shall be kept in view, while preparing the budget.

(i) Budget estimate shall be for what is expected to be received or paid during the year and not for demands or liabilities likely fall due within the year.

(ii) All existing liabilities, which cannot be liquidated before the commencement of the year for which the budget is being prepared shall be ascertained and provided for.

(iii) Allow for the balance at the end of the year of not less than such sum or percentage of income as may from time to time be fixed by the Government.

8) In the Audit Reports of the above Mayasandra Grama Panchayath for the years 2016-17, 2017-18 and 2018-19, it is observed that the above Budget estimates were not prepared in accordance with Rule 12 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. Provision for repayment of opening liabilities was not made in the budget as mandated under Rule 12(4)(ii) of the above Rules. The Panchayath did not make provision for the balance at the end of the year of not less than 10% percentage of income as provided under Rule 12(4)(iii) of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounting) Rules, 2006.

9) As per Rule 15 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006, a Budget Control Register in Form No.2 shall have to be maintained to keep a watch on expenditure to ensure that expenditure incurred under various heads of accounts are within the allocation provided in the budget. Such a Register had not been maintained by Mayasandra Grama Panchayath.

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10) The Respondent No.1 Smt. T.V. Veena, was working as Panchayath Development Officer from 1/1/2016 to 9/6/2016; Respondent No.2 Sri Subhan Khan was working as Panchayath Development Officer from 2/8/2016 to 4/11/2016 and from 2/3/2017 to 26/3/2017; Respondent No.3 Sri S.G. Prakash was working as Panchayath Development Officer from 4/11/2016 to 1/3/2017; Respondent No.5 Sri M. Amaresh was working as Panchayath Development Officer for the period from 27/3/2017 to 27/8/2018 and Respondent No.5 Sri A. Gopalaiah is working as Panchayath Development Officer since 28/8/2018. The above Panchayath Development Officers have prepared and submitted the Budget estimates during their tenures stated above and are responsible for the aforesaid irregularities in the preparation of budget of the relevant years. It is seen from copies of Budget estimates that Respondent No.6 Sri N. Nomesk Kumar, the then Executive Officer of Taluk Panchayath had approved the budget estimates for the years 2016-17 and 2017-18; Respondent No.7 Sri T.K. Ramesh, the then Executive Officer had approved the budget estimates for the years 2018-19 and 2019-20. These Executive Officers without noticing the above irregularities in the preparation of budget have approved the same and thereby they are also responsible for the above irregularities.

SUBMISSION OF MONTHLY, HALF YEARLY AND YEARLY ACCOUNTS

11) Regarding expenditure of the Panchayath, as per Rule 108 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006 the Secretary of the Grama Panchayath shall prepare monthly receipt and payment statement in Form 53,

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and Monthly Trial Balance in Form 54 and place it for review by the Grama Panchayath. The approved accounts shall be sent to the Chief Accounts Officer of the Zilla Panchayath and Assistant Controller, Local Audit Circle by 20th of the subsequent month. Similarly, half yearly accounts shall have to be prepared in Form 53 and Trial Balance in Form No.54. In relation to the above Mayasandra Grama Panchayath, no such monthly statement was prepared and submitted to the Authorities stated above. The above Panchayath had also not prepared the annual accounts in terms of Rule 109 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. The audit reports for the years 2016-17, 2017-18 and 2018-19 at paragraph 15 & 16 states that monthly expenditure statements, half yearly statements and yearly statements as per Rule 108 and 109 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting & Accounts) Rules, 2006 were not submitted by the Mayasandra Panchayath. Therefore, the Respondents 1 to 5 who were working as Panchayath Development Officers are responsible for the same. The Respondents No. 6 to 8 being Taluk Executive Officers of Taluk Panchayath, Anekal had not supervised the administration and accounts of the Panchayath and are also responsible for the above lapse.

NON-MAINTENANCE OF REGISTERS/RECORDS IN THE PANCHAYATH

12) The Grama Panchayath, Mayasandra had not maintained the Grants Register as per Rule 99 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. This Register is a prominent register, which shows the opening balance, grants received and closing balance.

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13) The Grama Panchayath, Mayasandra had not maintained the following registers.

Sl. No.	Name of Register	Rule of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006
1	Investment Register	Rule 95 (Form No.41)
2	Loan Register	Rule 96 (Form No. 42)
3	Advances Register	Rule 98 (Form No.44)
4	Deposit Register	Rule 100 (Form No.47)
5	Issuance of Licence and collection register	Rule 35 (Form No.16)

GRANTS MEANT FOR SCHEDULED CASTE AND SCHEDULED TRIBE & PHYSICALLY CHALLENGED NOT PROPERLY UTILISED FOR THE WELFARE OF ABOVE PERSONS

14) As per the Audit Report for the year 2016-17, the opening balance of amount reserved under 25% Grant for the welfare of Scheduled Caste/Scheduled Tribe as on 1/4/2016 was Rs.3,88,685/-. During the year 2016-17, a sum of Rs.4,35,000/- was reserved for the welfare of Scheduled Caste/Scheduled Tribe under 25% grant scheme. Out of the above amount, during the year 2016-17, a sum of Rs.3,72,180/- was spent showing the balance of Rs.4,51,505/- at the end of the year on 31/3/2017. The Respondent No.1 Smt. T.V. Veena; Respondent No.2 Sri Subhan Khan; and Respondent No.3 Sri S.G. Parakash, who were working as Panchayath Development Officers during the year 2016-17 have not spent the amount under 25% scheme in accordance with Rules, thus depriving the benefits of the scheme to the above class of persons.

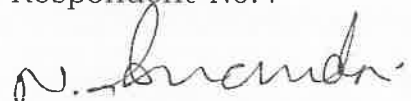
15) In relation to the amount reserved for the welfare of Physically Challenged persons under 3% grant scheme, there was no opening balance as on 1/4/2016. During the year 2016-17 a

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sum of Rs.30,000/- was reserved and during the year 2016-17 no amount was spent under the above scheme, thus, the closing balance as on 31/3/2017 is shown as Rs.30,000/-. The Respondent No.1 Smt. T.V. Veena; Respondent No.2 Sri Subhan Khan; and Respondent No.3 Sri S.G. Parakash, who were working as Panchayath Development Officers during the year 2016-17 had not spent the amount under 3% scheme in accordance with Rules, thus depriving the benefits of the scheme to the above class of persons.

16) As per the Audit Report for the year 2017-18, the opening balance of amount reserved under 25% Grant for the welfare of Scheduled Caste/Scheduled Tribe as on 1/4/2017 was Rs.4,51,505/-. During the year 2017-18, a sum of Rs.6,02,095/- was reserved for the welfare of Scheduled Caste/Scheduled Tribe under 25% grant scheme. Out of the above amount, during the year 2017-18, a sum of Rs.5,97,884/- was spent showing the balance of Rs.4,55,716/- at the end of the year on 31/3/2018. The Respondent No.4 Sri M.Amaresh who was working as Panchayath Development Officer during the year 2017-18 had not spent the amount under 25% scheme in accordance with Rules, thus depriving the benefits of the scheme to the above class of persons.

17) In relation to the amount reserved for the welfare of Physically Challenged persons under 3% grant scheme, there was opening balance of Rs.30,000/- as on 1/4/2017. During the year 2017-18 a sum of Rs.30,000/- was reserved and during the year 2017-18 a sum of Rs.30,000 was spent, thus, the closing balance as on 31/3/2018 is shown as Rs.30,000/-. The Respondent No.4



Sri M. Amaresh who was working as Panchayath Development Officer during the year 2017-18 had not spent the full amount under 3% scheme in accordance with Rules, thus depriving the benefits of the scheme to the above class of persons.

18) As per the Audit Report for the year 2018-19, the opening balance of amount reserved under 25% Grant for the welfare of Scheduled Caste/Scheduled Tribe as on 1/4/2018 was Rs.4,55,716/-. During the year 2018-19, a sum of Rs.6,82,060/- was reserved for the welfare of Scheduled Caste/Scheduled Tribe under 25% grant scheme. Out of the above amount, during the year 2018-19, a sum of Rs.6,82,060/- was spent, showing the balance of Rs.4,55,716/- at the end of the year on 31/3/2019. The Respondent No.4 Sri M. Amaresh and Respondent No.5 Sri A.Gopalaiah who were working as Panchayath Development Officers during the year 2018-19 have not spent the amount under 25% scheme in accordance with Rules, thus depriving the benefits of the scheme to the above class of persons.

19) In relation to the amount reserved for the welfare of Physically Challenged persons under 3% grant scheme, there was opening balance of Rs.30,000/- as on 1/4/2018. During the year 2018-19 a sum of Rs.72,500/- was reserved and during the year 2018-19, no amount was spent, thus showing the closing balance as on 31/3/2019 as Rs.1,02,500/-. The Respondent No.4 Sri M. Amaresh and Respondent No.5 Sri A. Gopalaiah who were working as Panchayath Development Officers during the year 2018-19 had not spent the amount under 3% scheme in accordance with Rules,



thus depriving the benefits of the scheme to the members of the above class of persons.

RECEIPT BOOKS

20) The Mayasandra Grama Panchayath had not maintained the register in Form No.5 (Rule 21) regarding the stock and issue of Receipt Books during the years 2016-17, 2017-18 and 2018-19. The details opening balance, receipt of receipt books during the year and the closing balance of receipt books are as follows;

Sl. No	Details	2016-17	2017-18	2018-19
1	Opening Balance	03	00	11
2	Receipt of Receipt Books	12	20	00
3	Total	15	20	11
4	No. of receipt books utilised for the year	07	09	07
5	Balance of receipt books at the end of the year	08	11	04

The respondents 1 to 5 are responsible for not maintaining the Stock Register of Receipt Books for the years 2016-17, 2017-18 and 2018-19.

COLLECTION OF TAXES AND ITS REMITTANCE TO GOVT. ACCOUNTS

21) As per the Audit Report for the year 2016-17, 2017-18 and 2018-19, Mayasandra Grama Panchayath had not maintained the Tax Assessment List as required under Section 199 of the Karnataka Grama Swaraj & Panchayath Raj Act, 1993. It had not maintained the Mutation Register in Form No.10 as per Rule 29 of the Karnataka Panchayath Raj (Budgeting and Accounts) Rules, 2006. The Respondent No.1 Smt. T.V. Veena; Respondent No.2 Sri Subhan Khan; Respondent No.3 Sri S.G. Prakash; Respondent No.4 Sri M. Amaresh and Respondent No.5 Sri A.Gopalaiah,

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Panchayath Development Officers of Mayasandra Grama Panchayath during the years 2016-17 to 2018-19 are responsible for the above lapse.

22) As per the Audit reports for the years 2016-17, 2017-18 and 2018-19, The Mayasandra Grama Panchayath had not maintained the Demand Collection Book (DCB Register) as per Rule 30 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. The opening balance, demand during the year, collection during the years and the balance at the end of the year are as follows:-

2016-17

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	36,70,856	36,15,235	72,86,091	36,66,256	36,19,835
2	Water Tax	6,30,318	1,65,000	7,95,318	2,31,908	5,63,410
3	Licence	0	50,000	50,000	20,000	30,000
4	Shop Rent	10,000	1,20,000	1,30,000	1,20,000	10,000
5	Light Tax	0	0	0	0	0
6	Others	0	4,34,040	4,34,040	4,34,040	0
	Total	43,11,174	43,84,275	86,95,449	44,72,204	42,23,245

2017-18

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	36,19,835	39,76,759	75,96,594	46,81,280	29,15,314
2	Water Tax	5,63,410	1,81,500	7,44,910	96,484	6,48,426
3	Licence	30,000	1,15,500	1,45,500	1,15,500	30,000
4	Shop Rent	10,000	1,65,600	1,75,600	1,44,000	31,600
5	Light Tax	0	0	0	0	0
6	Others	0	21,954	21,954	21,954	0
	Total	42,23,245	44,61,313	86,84,558	50,59,218	36,25,340

2018-19


Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	29,15,314	83,48,000	112,63,314	90,21,436	22,41,878
2	Water Tax	6,48,426	1,00,000	7,48,426	1,44,064	6,04,362
3	Licence	30,000	10,56,437	10,86,437	10,86,437	0
4	Shed Rent	31,600	1,44,000	1,75,600	1,44,000	31,600
5	Light Tax	0	0	0	0	0
6	Others	0	3,03,618	3,03,618	3,03,618	0
	Total	36,25,340	99,52,055	135,77,395	106,99,555	28,77,840

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23) As per the above statements, huge amount in a sum of Rs.28,77,840/- towards house tax, water tax and shop rent was not collected by the Mayasandra Grama Panchayath, which amounts to loss caused to the State Exchequer. The Respondent No.1 Smt. T.V. Veena; Respondent No.2 Sri Subhan Khan; Respondent No.3 Sri S.G. Prakash; Respondent No.4 Sri M. Amaresh and Respondent No.5 Sri A.Gopalaiah, Panchayath Development Officers of Mayasandra Grama Panchayath during the years 2016-17 to 2018-19 are responsible for short collection of House Tax, Water Tax and shop rent during the concerned years.

24) In the audit reports for the years 2016-17, 2017-18 & 2018-19 it is observed that the Mayasandra Grama Panchayath had not revised the rates of tax for every 4 years, as per Rule 14 of the Karnataka Panchayath Raj (Tax) Rules, 1994.

25) As per Rule 20 of Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006, General Receipts in Form No.3 have not been incorporated. The Registers in relation to the Cheque/DD is not maintained and temporary receipts as per Form-3A were not issued. The information was not provided regarding the inclusion of all buildings and sites to which the tax had to be levied and collected. In relation to receipt of taxes by Cheque/DD, the amounts were directly credited to the Panchayath Fund without issuing the temporary receipts in Form No.3A. Further, the amount received was belatedly credited to the Panchayath fund, which amounts to temporary misappropriation of funds.



26) In the Audit reports for the years 2016-17, 2017-18 and 2018-19, the following irregularities were noticed in relation to collection of amount by Mayasandra Grama Panchayath.

- i) In respect of collection of amount through DD/Cheques, temporary receipts in Form No.3A were not issued, instead the amount was directly credited to Panchayath funds.
- ii) The amount collected was not remitted on the same day, it was remitted belatedly.
- iii) The amount noted in the Receipts was not entered in the DCB Register against the properties.
- iv) The DCB demand was not revised.

NON-REMITTANCE OF CESS/SURCHARGES

27) The details regarding the surcharge/cess levied on taxes and its collection, remittance and the balance are as follows:-

2016-17

Sl. No	Details of Cess	Current year's collection	Panchayath tax @10%	Balance cess	Opening balance for the year	Total to be remitted	Remitted during the year	Balance as on 31/03/2017
1.	Health cess	4,10,401	41040	3,69,361	16,21,217	19,90,578	0	19,90,578
2.	Education cess	2,73,601	27,360	2,46,247	10,80,747	13,26,988	0	13,26,988
3.	Library cess	1,64,160	16146	1,47,744	6,46,032	7,93,776	0	7,93,776
4.	Beggars cess	82,080	8208	73,872	2,96,274	3,70,146	0	3,70,146
	Total	9,30,242	93024	8,37,218	36,44,270	44,81,488	0	44,81,488

2017-18

Sl. No	Details of Cess	Current year's collection	Panchayath tax @10%	Balance cess	Opening balance for the year	Total to be paid	Paid during the year	Balance as on 31/03/2018
1.	Health cess	5,24,023	52402	4,71,621	19,90,578	24,62,199	-	24,62,199
2.	Education cess	3,49,350	34935	3,14,415	13,26,988	16,41,403	-	16,41,403
3.	Library cess	2,09,610	20961	1,88,649	7,93,776	9,82,425	-	9,82,425
4.	Beggars cess	1,04,805	10481	94,324	3,70,146	4,64,470	-	4,64,470
	Total	11,87,788	118779	10,69,009	44,81,488	55,50,497	-	55,50,497

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2018-19

Sl. No	Details of Cess	Current years demand	Panchayath tax @10%	Balance cess	Opening balance	Total to be paid	Paid during the year	Balance as on 31/03/2019
1.	Health cess	10,09,862	100986	9,08,876	24,62,199	33,71,075	-	33,71,075
2.	Education cess	6,73,241	67324	6,05,917	16,41,403	22,47,320	-	22,47,320
3.	Library cess	4,03,945	40394	3,63,550	9,82,425	13,45,975	--	13,45,975
4.	Beggars cess	2,01,972	20197	1,81,775	4,64,470	6,46,245	-	6,46,245
	Total	22,89,021	228902	20,60,119	55,50,497	76,10,616	-	76,10,616

28) It is noticed from audit reports of the years 2016-17, 2017-18, 2018-19, the Mayasandra Grama Panchayath, had not deposited the above cess/surcharge amount collected to the concerned heads of account of Government. At the close of the year 2018-19 the cess amount to be deposited to different heads of account was Rs.76,10,616/-. As per the Audit reports, the Mayasandra Grama Panchayath, instead of depositing the above Cess amount to the concerned heads of account of Government had utilised the same for other purposes, which is illegal and opposed to Rules. The Panchayath had also not explained as to which purpose, the Cess amount was utilised. Non-remittance of above Cess amount in a sum of Rs.76,10,616/- as stated above, amounts to misdirection of funds and loss to the State exchequer. The respondent Nos.1 to 5 are responsible for the same.

NON-PRODUCTION OF MUTATION REGISTERS

29) The Mayasandra Grama Panchayath, had not maintained the files relating to change of Khatha, which were noted in the Tax Registers. Without maintenance of the files relating to transfer of khatas, it could not verified whether the transfer of khatas was on the basis of conversion of lands by the Deputy Commissioner or on the basis of Pavathi Varsa or purchase. The Panchayath

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Development Officer is responsible for illegal transfer of khathas or creation of bogus khathas if any.

COLLECTION OF BUILDING RENTS FOR PANCHAYATH BUILDINGS

30) The Mayasandra Grama Panchayath, had not maintained the Register in Form No.15 (Rule 34) relating to monthly rents to be recovered from the shops/buildings of the Panchayath. The details of rents due and collection of rents during the year 2016-17, 2017-18 and 2018-19 are as follows:-

2016-17

Sl. No.	Name of tenant	Monthly rent	Balance as on 1/4/16	Due for the year 2016-17	Total	Collection during the year 2016-17	Balance as on 31/3/2017
1	Syndicate	10,000	10,000	1,20,000	1,30,000	1,20,000	10,000
	Total	10,000	10,000	1,20,000	1,30,000	1,20,000	10,000

2017-18

Sl. No.	Name of tenant	Monthly rent	Balance as on 1/4/16	Due for the year 2016-17	Total	Collection during the year 2016-17	Balance as on 31/3/2017
1	Syndicate	12,000	10,000	1,44,000	1,54,000	1,44,000	10,000
	Total	12,000	10,000	1,44,000	1,54,000	1,44,000	10,000

2018-19

In the Audit Report for the year 2018-19, information relating to name of tenant, monthly rent, opening balance, demand and collection and closing balance are not furnished. However, as per the statement relating to tax and other demand, collection and balance, the shed rent for the year 2018-19 is as follows:-

Sl. No.	Name of tenant	Monthly rent	Balance as on 1/4/18	Due for the year 2018-19	Total	Collection during the year 2018-19	Balance as on 31/3/2019
1	Not furnished	Not furnished	31,600	1,44,000	1,75,600	1,44,000	31,600
	Total		31,600	1,44,000	1,75,600	1,44,000	31,600

The Mayasandra Grama Panchayath had not taken action for collection of full rents from the shops/shed let out by it. As on 31/3/2019, a sum of Rs.31,600/- was due from the tenants. The Respondents 1 to 4 are responsible for failure to collect the rents in time.

DETAILS REGARDING AUCTION

31) As per Rule 34 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounting) Rules, 2006, the tax collection rights of properties yielding income of the Panchayath used to be given to the contractors through auction and the successful bidders shall give security deposit of three months' income. In this regard, the Panchayaths shall maintain a register in Form No.15 regarding demand and collection. The Mayasandra Gram Panchayath had not maintained such a register in relation to auction cases. As per audit report for the year 2017-18, 4 auctions were conducted and total amount of Rs.57,500/- was collected during the year. The Respondents 1 to 5 are responsible for not maintaining the Register of auction in Form No.15, stated above.

MISAPPROPRIATION CASES

32) During the year 2016-17, one Sri Bathegowda, Bill collector had collected a total sum of Rs.42,88,387/- and remitted a sum of Rs.37,00,399/-. He had short remitted a sum of Rs.5,87,988/- to the Panchayath. The Respondents 1 to 4 who were working as Panchayath Development Officers during the year 2016-17 had not taken action as per Rule 25 and 26 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounting) Rules, 2006 and had not reported to the competent authority, which show the dereliction of duty and failure to stop misappropriation.

V. Srinivas

33) As per the Audit Report for the year 2017-18, there was opening balance of short remittance of a sum of Rs.2,25,213/- by Sri Bathegowda, Bill Collector. During the year a sum of Rs.50,813/- was remitted and a balance of Rs.1,74,400/- was the balance of short remittance at the close of the year. The Panchayath Development Officer Respondent No. 4 had not taken action for recovering the misappropriated amount from Bathegowda, Bill Collector and did not report the same to the competent authorities as per Rules.

34) As per Audit Report for the year 2018-19, the Bill Collector Sri Bathegowda had collected a sum of Rs.106,99,555/- and remitted a sum of Rs.103,95,937/-. He had short remitted a sum of Rs.3,03,618/-. The respondent Nos. 4 & 5 who were working as Panchayath Development Officers during the year 2018-19 are responsible for not taking action for recovering the short remittance and they are responsible for not reporting the same to the competent authority.

**NON-FURNISHING OF VOUCHERS REGARDING
PAYMENTS**

35) As per the Audit report for the year 2016-17, payments in respect of the Bills were made as per cash book and bank statements. In relation to payment of Rs.36,64,879/-, the Panchayath Development Officers had not furnished the vouchers, which lead to suspicion as to whether the payments were made or not. The Respondent No.1 Smt. T.V. Veena and Respondent No.3 Sri S.G. Prakash, Panchayath Development Officers are responsible for non-furnishing of vouchers.



36) In relation to the year 2018-19, for payment of a sum of 9,99,810/- under different bills from 13/4/2018 to 23/7/2018, vouchers were not furnished to the audit. Respondent No.4 Sri M. Amaresh, who was working as Panchayath Development Officer during the above period is responsible for non-furnishing of vouchers.

AMOUNTS DRAWN THROUGH SELF-CHEQUES

37) In the Audit report for the year 2016-17, it is observed that on 17/1/2017 a sum of Rs.5,000/- and on 30/1/2017 a sum of Rs.6,300/- was drawn through self cheques and payment was made. As per Article 3 of the Karnataka Financial Code, payments of more than a sum of Rs.100/- shall be made through crossed cheque to the parties. In the Circular No. RDP 23 AFN (2) 2000 dated 14/6/2000, instructions were given for not drawing the amount through self cheques. The Respondent No.3 Sri S.G. Prakash in violation of the above Code and instructions had drawn the amounts through self cheques.

IRREGULARITIES IN PAYMENTS

38) In relation to payments, it is observed in the Audit reports for the years 2016-17, 2017-18, 2018-19 that no approval was obtained in the concerned files respect of each payments; in respect of works and purchases, quality test of materials/works was not conducted. Failure to follow the above procedure, lead to misappropriation of funds.

NON-SUBMISSION OF ANNUAL STATEMENT OF STAFF DETAILS

39) As per Rule 57 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006, an annual

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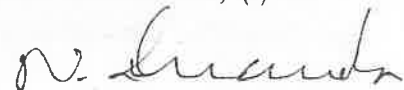
statement in Form No.22 of staff working in the Panchayath, who are eligible for pension and the staff working on deputation shall be sent to the Accountant General, Local Audit Circle and Zilla Panchayath. Such a statement was not send to the Accountant General, Local Audit Circle and Zilla Panchayath during the years 2016-17, 2017-18 and 2018-19. The register in Form No.23 relating to Scale of pay of staff was not maintained as required under Rule 58 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounting Rules) 2006. The Respondents No.1 to 5 are responsible for the above irregularities.

REGARDING EXPENDITURE OF PANCHAYATHS

40) In the audit reports of Mayasandra Grama Panchayath, in relation to payment of bills, it is observed that;

(i) The provisions of Karnataka Transparency in Public Procurement Act were not followed in procurement of goods. The purchase rules as clarified in Govt. Circular No. RDP 242 Ji.Pa.Sa 2000 dated 9/4/2001 and PWD 33 FC 111/2001 dated 23/3/2001, were not followed. The Karnataka Transparency in Public Procurement Rules, 2000 was not followed in respect of purchases.

(ii) In relation to purchase of materials of water supply and electricity, (a) the quotations were not called for, for most of the purchases; (b) In many cases, after payment, the Bills were not cancelled and certified; (c) Certificate with regard to qualitative procurement of goods were not mentioned; (d) After payment, the bills were not converted as Vouchers and numbers were not given; (e) On some of the Bills, Bill Passing Orders were not noted; (f) on



the obverse of the Bills, certificate with regard to the materials taken to stock register is not noted; (g) in relation to issuance of materials and balance, date wise entries were not attested.

(iii) In relation to repair of motor pumps, (a) estimates for repair were not prepared through Junior Engineer and for payment of repair bills, approval of estimates were not obtained; (b) the log book in respect of drilling of bore wells, mentioning the details of bore wells drilled, depth of bore well, place of bore well, was not maintained. The details of installation of motor and its previous repairs, complaints regarding repair and other details are not mentioned in the Log Book; (c) the dead stock materials removed after repairs were not taken to stock and the same were not disposed of.

41) As per the Audit Reports for the years 2017-18 and 2018-19, the materials detailed below were purchased in the Mayasandra Grama Panchayath without calling for quotations, as required under Govt. Order No. FD 01 TCE 2012, dated 21/6/2012 and Rule 55(49) of the Manual of Contingent Expenditure.

2017-18

Sl. No.	Details of materials	Cheque No.	Date	Amount paid
1	Materials for Water supply		27/7/2017	34,338
2	Electrical items		16/8/2017	28,000
3	Water Pipe and Valves		20/11/2017	12,957

2017-18

Sl. No.	Details of materials	Cheque No.	Date	Amount paid
1	Materials for water Supply	918421	18/05/2018	8,125
2	Materials for water supply	918449	28/06/2018	17,405

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3	Videos	918447	28/06/2018	10,500
4	Printing expenses	918463	23/07/2018	30,000
5	Purchase of Chair	918452	02/07/2018	15,600
6	Materials for water supply	918440	11/06/2018	23,010
7	Printing expenses	918435	04/06/2018	21,594

The Respondent No.4 Sri M. Amaresh is responsible for purchase of above materials without calling for quotation.

IRREGULARITIES IN THE EXECUTION OF MGNREGA WORKS

42) In the audit reports for the years 2017-18 and 2018-19, in relation to MGNREGA works undertaken by Mayasandra Grama Panchayath, the following common irregularities are observed:

(i) As per Paragraph 22 of the NREGA manual and relevant Government Orders the works are to be inspected 100% by implementing officers, atleast 25% by District level officers and atleast 2% by State level officers. There is no information regarding inspection of MGNREGA works by above officers.

(ii) As per Govt. Order No. RDP 05 EGS 2008 (P), in case of usage of machineries for execution of work, permission from programme officer shall have to be obtained. There is no details of such permission obtained from Programme officer.

(iii) In the Nominal Muster Rolls, the productive quantities are not entered.

(iv) There is no information regarding purchase/supply of materials for the works from the registered contractor/organization. In relation to purchase of cement, the Bills/Vouchers obtained from authorized dealers were not maintained in the file and the same were not furnished.

(v) In the entries relating to NMRs recorded in measurement books by engineer, the details of NMR number, date

Sri M. Amaresh

of recording and period of NMR are not recorded. In relation to the entries of materials in the Measurement books, the details of materials, date of recording and name of contractors are not recorded. The signatures of Contractors on the Measurement book and Bills were not found. The materials purchased were not taken to stock, which lead to suspicion regarding payment of bills.

(vi) The survey of Job cards was not undertaken by the Panchayath. The persons interested in work were not identified by conducting survey every day. Every year, the Validation of job cards was not done by removing the job cards of persons who had, left the place, not residing in the town, died, etc.

(vii) In the audit report for the year 2018-19, it is observed that the registers in Form No. 1 to 9 of the NREGA guidelines were not maintained. The photographs of job card holders are not affixed in Form No.3.

(viii) In the Audit report for the year 2017-18, apart from the above common irregularities, it is observed that the Grama Panchayath has not prepared the Self up projects list after getting the approval of the Grama Sabha. As per NREGA Rules, an amount not less than 20% of the amount spent for all works shall be spent for afforestation and not more than 20% of the amount shall be spent for all time weather rural road formation. In spite of this rule, during the year 2016-17, an amount of more than 10% was spent for formation of road, which should be given last priority. The expenditure towards wages and materials was not made in the ratio of 40:60. As per Rules, the wages shall be paid at the end of the week, in any case, it should not prolonged for more than 15 days. But, in Mayasandra Grama Panchayath, it is noticed that the wages were paid after one month, two months and further belatedly, which is unlawful.



REGARDING SCHEMES OF GOVERNMENT

43) The details of grants available in the Mayasandra Grama Panchayath for implementation of various schemes, its utilization and balance available at the end of the year, as shown in the Audit Reports of the relevant year are as follows:-

For the year 2016-17

Sl. No.	Name of the Scheme	Opening balance	Grants for the year (including interest & others)	Total	Total expenditure during the year	Balance at the end of year
1	13 th Finance	61,179	89,515	1,50,694	1,44,031	6,663
2	Indira Awas	1,770	0	1,770	0	1,770
3	Ashraya	21,926	3,43,963	3,69,889	3,69,889	0
4	Total Sanitation Campaign	17,050	262	17,312	17,312	0
5	14 th Finance	6,61,553	29,25,362	35,86,915	20,05,155	15,81,760

For the year 2017-18

Sl. No.	Name of the Scheme	Opening balance	Grants for the year (including interest & others)	Total	Total expenditure during the year	Balance at the end of year
1	14 th finance	87,432	21,78,269	22,65,701	20,32,541	2,33,160
2	ESCROW	6,77,933	13,03,356	20,01,289	14,72,525	5,28,764
3	Water Grant	1,169	3,62,410	3,63,579	3,62,117	1,462
4	Establishment	3,30,477	4,12,054	7,42,531	73,898	3,551

For the year 2018-19

Sl. No.	Name of the Scheme	Opening balance	Grants for the year (including interest & others)	Total	Total expenditure during the year	Balance at the end of year
1	ESCROW	5,28,764	10,42,305	15,71,069	15,49,246	21,823
2	14 th Finance	2,33,160	28,62,831	30,95,991	10,25,757	20,70,234
3	Drinking Water	1,755	0	1,755	0	1,755

As per the above statements, the Mayasandra Grama Panchayath had not fully utilised the grants under 14th Finance Scheme and thus failed accomplish its full target, which results in depriving the benefits of the scheme to the beneficiaries. From the audit reports



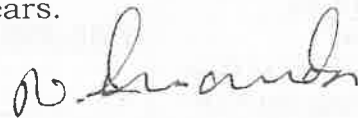
for the years 2016-17 2017-18 and 2018-19, it is noticed that the grants of 13th and 14th finance scheme were not utilised as per the guidelines of the scheme, and instead it has been diverted to other purposes, thereby the objects of the scheme is frustrated.

IRREGULARITIES FOUND IN RESPECT OF PROJECT EXPENDITURES

44) In the Audit reports for the years 2016-17, 2017-18 and 2018-19, it is stated that the Mayasandra Grama Panchayath had not maintained the Works Register in Form No.35 as per Rule 79 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006. As per Grama Panchayath Budgeting and Accounting Rules, 1994 and Rule 94 of the Karnataka Public Works Code, the Stock Register of works and maintenance of machineries were not maintained.

REGARDING MEASUREMENT BOOKS

45) In the Audit Reports for the year 2016-17. 2017-18 and 2018-19 it is noticed that the Mayasandra Grama Panchayath, had not procured the Measurement books from Government Printing Press. If the Govt. Printing Press had not supplied the Measurement books, the procedure as prescribed under KTPP Act shall have to be followed. It is noticed that the measurement books were purchased from private agencies, which is a serious lapse. The stock register of measurement book was not maintained. The measurement book is an important document, which should be preserved for number of years.



**NON - REMITTANCE/SHORT REMITTANCE OF ROYALTY, ETC
TO CONCERNED HEADS OF ACCOUNT OF GOVERNMENT**

46) During the audit for the year 2016-17, 2017-18 & 2018-19, it is noticed that the following amount of royalty, sales tax, income tax and labour welfare tax which were deducted from works bills were not remitted to the concerned heads of the Government.

2016-17

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance as on 1/4/2016	1,34,491	1,27,363	4,67,605	725	-
Deductions for 2016-17	9,036	89,704	23,216	498	-
Total	1,43,527	2,17,067	4,90,821	1,223	-
Remitted to Govt. during 2016-17	-	-	-	-	-
Balance to be remitted as on 31/3/2017	1,43,527	2,17,067	4,90,821	1,223	-

2017-18

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance as on 1/4/2017	1,43,527	2,17,067	4,90,821	1,223	-
Deductions for 2017-18	21,905	10,978	47,860	42,120	5,506
Total	1,65,432	2,28,045	5,38,681	43,343	5,506
Remitted to Govt. during 2017-18	-	-	-	-	-
Balance to be remitted as on 31/3/2018	1,65,432	2,28,045	5,38,681	43,343	5,506

2018-19

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance as on 1/4/2017	1,65,432	2,28,045	5,38,681	43,343	5,506
Deductions for 2017-18	23,458	-	66,073	10,399	-
Total	1,88,890	2,28,045	6,04,754	53,742	5,506
Remitted to Govt. during 2017-18	-	-	-	-	-
Balance to be remitted as on 31/3/2018	1,88,890	2,28,045	6,04,754	53,742	5,506

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As on 31/3/2019 a sum of Rs.1,88,890/- towards Royalty; Rs.2,28,045/- towards sales tax/GST; Rs.6,04,754/- towards Income Tax; Rs.53,742/- towards labour Welfare Fund; and Rs.5,506/- towards Contractors Benevolent Fund are due to be remitted to the concerned heads of Government. Non-remittance of above Royalty, Sales Tax, Income Tax, Labour Welfare Fund and Contractor's Benevolent Funds to the concerned Heads of Department of Government amount to misdirection of funds and loss to the State exchequer. Respondents 1 to 5, who were Panchayath Development Officers are responsible for non-remittance of the above amount to the concerned heads of Government during the relevant years.

47) During the audit for the year 2016-17, 2017-18 and 2018-19, it is noticed that the following amount of royalty, sales tax, income tax, labour welfare tax and CBF which were deducted from Contractors/materials suppliers were not remitted to the concerned heads of the Government.

2016-17

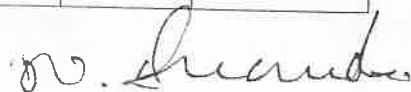
Taxes	Schemes	Amount to be deducted during 2016-17	Amount deducted during the year 2016-17	Amount short deducted /left out	Amount remitted to Treasury	Amount short remitted to treasury.
Royalty	Group 1 & 2	4,000	4,000	0	0	4,000
	14 th finance	5,036	5,036	0	0	5,036
Total		9,036	9,036	0	00	9,036
Sales Tax	Group 1 & 2	15,969	15,969	0	0	15,969
	14 th finance	73,735	73,735	0	0	73,735
Total		89,704	89,704	0	0	89,704

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Income Tax	Group 1 & 2	4,000	4,000	0	0	4,000
	14 th finance	19,216	19,216	0	0	19,216
Total		23,216	23,216	0	0	23,216
Labour Welfare Board Fee	Group 1 & 2	0	0	0	0	0
	14 th finance	498	498	0	0	498
Total		498	498	0	0	498
Grand Total		1,22,454	1,22,454	0	0	1,22,454

2017-18

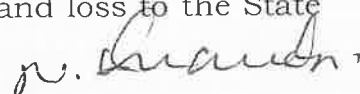
Taxes	Schemes	Amount to be deducted during 2017-18	Amount deducted during the year 2017-18	Amount short deducted / left out	Amount remitted to Treasury	Amount short remitted to treasury
Royalty	Group 1 & 2	11,872	11,872	0	0	11,872
	14 th finance	10,033	10,033	0	0	10,033
Total		21,905	21,905	0	0	21,905
Sales Tax	Group 1 & 2	10,978	10,978	0	0	10,978
	14 th finance	0	0	0	0	0
Total		10,978	10,978	0	0	10,978
Income Tax	Group 1 & 2	24,441	24,441	0	0	24,441
	14 th finance	23,419	23,419	0	0	23,419
Total		47,860	47,860	0	0	47,860
Labour Welfare Board Fee	Group 1 & 2	18,281	18,281	0	0	18,281
	14 th finance	23,839	23,839	0	0	23,839
Total		42,120	42,120	0	0	42,120
C.B.F	Group 1 & 2	3,761	3,761	0	0	3,761
	14 th Finance	1,745	1,745	0	0	1,745
Total		5,506	5,506	0	0	5,506
Grand Total		1,28,369	1,28,369	0	0	1,28,369



2018-19

Taxes	Schemes	Amount to be deducted during 2018-19	Amount deducted during the year 2018-19	Amount short deducted /left out	Amount remitted to Treasury	Amount shorted remitted to treasury.
Royalty	Group 1 & 2	15,626	15,626		-	15,626
	14 th finance	7,832	7,832		-	7,832
Total		23,458	23,458		-	23,458
G.S.T	Group 1 & 2	-	-		-	-
	14 th finance	-	-		-	-
Total		-	-		-	-
Income Tax	Group 1 & 2	50,098	50,098		-	50,098
	14 th finance	15,975	15,975		-	15,975
Total		66,073	66,073		-	66,073
Labour Welfare Board Fee	Group 1 & 2	29,249	10,399	18,850	-	10,399
	14 th finance	10,254	0	10,254	-	0
Total		39,503	39,503	29,104	-	39,503
Grand Total		1,29,034	1,29,034	29,104		1,29,034

As per the above Statements, in relation to the year 2016-17 an amount of Rs.1,22,454/- was not remitted to the concerned Heads of Account of Government. In relation to the year 2017-18 an amount of Rs.1,28,369/- was not remitted to the concerned Heads of Account of Government. In relation to the year 2017-18 an amount of Rs.1,29,304/- was not remitted to the concerned Heads of Account of Government. Non-remittance of above Royalty, Sales Tax, Income Tax, Labour Welfare Fund and Contractor's Benevolent Funds to the concerned Heads of Department of Government amount to misdirection of funds and loss to the State



exchequer. The respondents 1 to 5 who were the Panchayath Development Officers during the relevant years, are responsible for above misdirection of above funds and causing loss to the Government exchequer.

As per Govt. Order No. LD 300 LET 2006 dated 18/1/2007, 1% of the Development/Maintenance works shall have to be deducted towards Labour Cess and the same amount shall be remitted to the Chief Executive Officer, Buildings and other construction Labour Welfare Board, Karmika Bhavan, Bannerghatta Road, Bangalore. The Mayasandra Panchayath had not followed the above instructions.

48) The Mayasandra Grama Panchayath, had not maintained the following registers, which shall be maintained in the Panchayath.

- (i) Advertisement demand and collection Register
- (ii) Water charges demand and collection register
- (iii) Property register through which income is generated
- (iv) Licence Issue Register,
- (v) Entertainment Taxes demand register
- (vi) Stock and Issue Register of purchases
- (vii) Register of estimates of works.
- (viii) Nominal Muster Rolls Register
- (ix) Works Register
- (x) Measurement books' Register
- (xi) Loan Repayment Register
- (xii) Land records register
- (xiii) Immovable properties (Other than lands)



- (xiv) DCB Register of Taxes
- (xv) Mutation Register,
- (xvi) Register of newly created properties.

49) Apart from the above Registers Mayasandra Grama Panchayath had not maintained the following registers and ledgers

- (i) Double entry system of Cash Book in Form No. 49 as per Rule 104 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006
- (ii) Journal Booking form No.50 as per Rule 106 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006.
- (iii) Ledger Accounts in Form No. 52 as per Rule 107 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006.

50) In the preparation of financial statements for the years 2016-17, 2017-18 and 2018-19, the Grama Panchayath, Mayasandra has committed the following irregularities.

- (i) The Classification of receipts and payments was not made in specified heads. Certain assets were formed under schemes, which were not shown under expenditure. Instead they were shown under Revenue expenditure.
- (ii) In the cash book, all the cash flows in the Cash/Bank column were not properly classified under different heads and the same was not brought to statement.
- (iii) The revenue expenditures met out under grants of specified schemes, were not brought under other revenue expenditure accounts.

v. Shrinivas

- (iv) While computing the incomes and expenditure all the incomes (whether received or not received) and all expenditures (whether actually incurred or not incurred) were not considered.
- (v) The depreciation on the properties were not accounted and shown as loss.
- (vi) In the receipt and expenditure statement, index numbers were not mentioned.
- (vii) The income derived due to sale of dead stock materials and properties of Grama Panchayath were not shown in the profit and loss statement.
- (viii) In the balance sheet also, there are several discrepancies.

51) The following Executive Officers were working at Taluk Panchayath Anekal, who had control and supervision over the working of the Grama Panchayaths within the limits of Anekal Taluk, which includes the Mayasandra Grama Panchayath.

Sl. No.	Name of the Executive Officer	Period of work at Taluk Panchayath Anekal
1	Sri N. Nomesh Kumar	13/7/2015 to 19/5/2017
2	Sri T.K. Ramesh	19/5/2017 to 12/7/2019
3	Sri K.C.Devarajegowda	24/7/2019 till date

The above Executive Officers, during their tenure at Anekal Taluk Panchayath had not supervised the accounts and administration of Grama Panchayath, Mayasandra Panchayath. Due to their lapses in properly supervising the accounts and administration of Grama Panchayaths, the irregularities/ misappropriation stated supra at Mayasandra Grama Panchayath had crept in. Therefore, they are also responsible for the irregularities/ misappropriation, stated supra.



52) The respondents while submitting their comments have stated that the budgets of the Mayasandra Gram Panchayath were prepared every year as per rules and audits of Mayasandra Gram Panchayath was conducted. They have not explained the irregularities/loss to the State exchequer stated supra. Their comments cannot be accepted. In view of the above discussions, there is prima facie material to hold that the respondents have committed misconduct.

53) Therefore, acting u/s. 12(3) of Karnataka Lokayukta Act, 1984 recommendation is made to the Competent Authority for initiating disciplinary proceedings against the following respondent and to entrust the same to this Authority under Rule 14A of the Karnataka Civil Services (Classification, Control and Appeal) Rules, 1957.

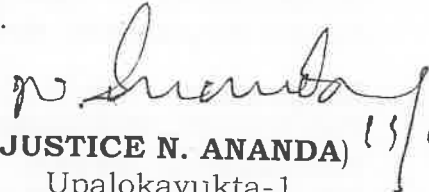
- (1) **Respondent No.1:** Smt. T.V. Veena, the then Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk (for the period from 01/01/2016 to 09/06/2016) – now working at Madanayakanahalli Grama Panchayath, Bengaluru North Taluk
- (2) **Respondent No.2:** Sri Subhan Khan, the then Panchayath Development officer, Mayasandra Grama Panchayath, Anekal Taluk (for the period from 02/08/2016 to 04/11/2016 and 02/03/2017 to 26/3/2017) – Now working at Samandur Grama Panchayath, Bengaluru South Taluk.
- (3) **Respondent No.3:** Sri S.G. Prakash, the then in charge Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk (for the period from 04/11/2016 to 01/03/2017) -Presently working at Taluk Panchayath, Anekal Taluk
- (4) **Respondent No.4:** Sri M. Amaresh, the then In charge Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk (from 27/03/2017 to 27/08/2018)- presently working at Sarjapur Grama Panchayath, Anekal Taluk.

N. Amaresh

- (5) **Respondent No.5:** Sri A. Gopalaiah, Panchayath Development Officer, Mayasandra Grama Panchayath, Anekal Taluk (from 28/8/2018 till date).
- (6) **Respondent No.6** Sri Nomesk Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 1/1/2016 to 18/5/2017) – Presently working as Deputy Secretary, Zilla Panchayath, Chikkaballapur.
- (7) **Respondent No.7** Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 19/5/2017 to 19/7/2019) – Presently working as Deputy Secretary, Zilla Panchayath, Tumakuru.
- (8) **Respondent No.8** Sri K.C. Devaraj Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).

54) As per Section 12(4) of Karnataka Lokayukta Act, 1984, the Competent Authority shall intimate or caused to be intimated the action taken or proposed to be taken on the above recommendation, within three months from the date of receipt of this report.

Connected records are enclosed.


(JUSTICE N. ANANDA) 13/6
Upalokayukta-1
State of Karnataka, Bengaluru