

KARNATAKA LOKAYUKTA

No. Compt/Uplok/BCD/77/2020/ARLO-1

Multi Storied Buildings
Dr.B.R. Ambedkar Veedhi,
Bengaluru 560 001
Dated: **01/07/2020**

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

Sub:- Proceedings against:-

- (1) Sri Y. Manjunath Reddy, the then Panchayath Development Officer, Dommasandra Grama Panchayath – presently working as Secretary, Ballur Grama Panchayath, Anekal Taluk, Bengaluru Urban District.
- (2) Sri D. Murali, the then Panchayath Development Officer, Dommasandra Grama Panchayath – presently working at Huskur Grama Panchayath, Anekal Taluk, Bengaluru Urban District.
- (3) Sri Girimallayya, the then Panchayath Development Officer, Dommasandra Grama Panchayath, Anekal Taluk – now working at Ragihalli Grama Panchayath, Anekal Taluk
- (4) Sri M. Prasasd, the then Panchayath Development officer, Dommasandra Grama Panchayath, Anekal Taluk – Now working as Secretary, Samethanahalli Grama Panchayath, Hosakote Taluk, Bengaluru Rural Dist.
- (5) Smt. H.B. Vijetha, Panchayath Development Officer, Dommasandra 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.

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- 1) On the basis of source information that there is mismanagement in the maintenance of accounts and submission of periodical expenditure statements by Dommasandra Grama Panchayath of Anekal Taluk and also submission of audit reports a suo motu investigation was taken up.
- 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 reports of Dommasandra Grama Panchayath were not produced. Therefore, the above suo-motu complaint was registered against the following respondents for conducting further investigation into the matter.

- (1) Sri Y. Manjunath Reddy, the then Panchayath Development Officer, Dommasandra Grama Panchayath (for the period from 25/6/2016 to 19/7/2017) – presently working as Secretary, Ballur Grama Panchayath, Anekal Taluk, Bengaluru Urban District.
- (2) Sri D. Murali, the then Panchayath Development Officer, Dommasandra Grama Panchayath (for the period from 27/7/2017 to 21/9/2017) – presently working at Huskur Grama Panchayath, Anekal Taluk, Bengaluru Urban District.
- (3) Sri Girimallayya, the then Panchayath Development Officer, Dommasandra Grama Panchayath, Anekal Taluk (for the period from 29/9/2017 to 31/12/2017) – now working at Ragihalli Grama Panchayath, Anekal Taluk
- (4) Sri M. Prasasd, the then Panchayath Development officer, Dommasandra Grama Panchayath, Anekal Taluk (for the

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period from 1/1/2018 to 20/2/2018) – Now working as Secretary, Samethanahalli Grama Panchayath, Hosakote Taluk, Bengaluru Rural Dist.

- (5) Smt. H.B. Vijetha, Panchayath Development Officer, Dommasandra Grama Panchayath, Anekal Taluk (for the period from 1/4/2016 to 24/6/2016 and from 1/4/2018 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 2 Sri D. Murali and Respondent No.3 Sri Girimallayya have submitted comments dated 12/2/2020, wherein they have stated that the present Panchayath Development Officer of Dommasandra Grama Panchayath i.e., Respondent No.5 Smt. H.B. Vijetha has submitted the copies of approved budget estimates and copies of audit reports of Dommasandra Grama Panchayath. Respondent No.1 and 4 have not submitted his comments. The Respondent No.5 – Smt. H.B. Vijetha the present Panchayath Development Officers has submitted comments dated 11/2/2020, wherein she has stated the names of Panchayath Development Officers worked at Dommasandra Grama Panchayath between 1/4/2006 and 12/11/2019. She has further stated 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. The audit of the



Dommasandra Grama Panchayath was conducted for the years 2016-17 to 2019-20 and copies of the same are enclosed.

4) The Respondent No.6 Sri Nomesk Kumar, the then Executive Officer of Taluk Panchayath, Anekal has submitted comments dated 12/2/2020 and 27/2/2020 stating that during his tenure, the Dommasandra Grama Panchayath had submitted the audit report for the year 2016-17 and 2017-18 to the Accounts Officer of Taluk Panchayath. The Budget for the year 2016-17 and 2017-18 were submitted by the Dommasandra Grama Panchayath. 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 Sri T.K. Ramesh, the then Executive Officer of Anekal Taluk Panchayath, has submitted comments dated 12/2/2020 and 27/2/2020 similar to the comments submitted by Respondent No.6. Respondent No.8 Sri Devaraje Gowda, present Executive Officer of Anekal Grama Panchayath has submitted comments dated 12/2/2020 stating that he had instructed the Panchayath Development Officer of Dommasandra Grama Panchayath 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 2019-20 and copies of the Audit reports for the years 2016-17, 2017-18 and 2018-19 of Dommasandra Grama Panchayath produced by Respondent No.5 Smt. H.B. Vijetha along with her comments are perused.

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BUDGET PROVISIONS

6) As per the Budget estimates for the years 2016-17 2017-18, 2018-19 and 2019-20, the following income & Expenditure were estimated for the Dommasandra Grama Panchayath.

1. REVENUE INCOME

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	10,83,155	8,71,885	9,15,479	9,24,633
2	Rates and Taxes	72,34,730	76,21,255	80,02,217	82,84,823
3	Revenue from the Panchayath Properties	10,40,000	17,97,000	19,76,700	19,96,467
4	Revenue from Grama Panchayath Authorities	21,57,000	18,70,000	19,63,500	19,83,135
5	Grants, Donation, Subscriptions	10,45,000	10,30,000	10,81,500	17,99,315
6	Other receipts	30,000	40,000	42,000	57,570
	Total Revenue Income	125,89,885	132,30,140	139,81,496	150,45,943

REVENUE EXPENDITURES

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	General Administration				
	i) Grama Panchayath (Elected Body)	5,26,000	5,20,000	5,72,000	5,83,620
	ii) Office	26,90,000	36,95,000	40,64,500	41,05,145
	Total	32,16,000	42,15,000	46,36,500	46,88,765
2	Development Expenditure				
	1) Drinking Water	22,80,000	23,25,000	25,57,500	27,44,675
	2) Rural Sanitation	8,10,000	5,80,000	6,38,000	9,47,380
	3) General Health & Family Welfare	2,20,000	1,80,000	1,98,000	6,03,980
	4) Roads, Bridges&other connecting medias	6,80,000	3,85,000	4,23,500	9,32,735
	5) Buildings	1,15,000	1,20,000	1,32,000	3,35,320
	6) Electrification and Electricity supply	6,80,000	7,30,000	8,03,000	10,13,030
	7) Development of Non-conventional energy sources	30,000	15,000	16,500	1,17,665
	8) Social Public Service programmes	1,85,000	1,65,000	1,81,500	3,85,315
	9) Motivation Services	2,20,000	1,60,000	1,76,000	48,760
	Total Expenditure	52,20,000	46,60,000	51,26,000	71,28,860
	Transfer from Genl. fund	20,00,000	4,50,000	4,95,000	9,03,950
	25% scheme	3,81,000	4,50,000	4,95,000	7,01,950
	3% scheme	49,000	40,000	44,000	1,45,440
	Other Revenue Expenditure	8,52,000	1,00,000	1,10,000	1,11,100
	Total Revenue Expenditure	117,18,000	124,65,000	109,06,500	141,12,065
	Closing balance (i)	8,71,885	7,65,140	30,74,996	9,33,878

2. CAPITAL INCOME

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	8,64,156	12,74,156	14,01,571	13,51,241
2	Grants, Subscription, donation.	20,00,000	30,00,000	30,00,000	30,30,000
3	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	68,70,000	97,50,000	107,25,000	104,91,375
	Total Capital Income	97,34,156	140,24,156	154,26,571	148,72,616

Capital expenditures

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Development Expenditure				
	1) Drinking Water	10,60,000	10,00,000	11,00,000	11,11,000
	2) Rural sanitation	3,00,000	1,80,000	1,98,000	1,99,980
	3) Roads, Bridges & other connecting medias	18,00,000	17,50,000	19,25,000	19,44,250
	4) Buildings	3,00,000	4,50,000	4,95,000	4,99,950
	5) Payment of salary to staff	-	-	-	-
	6) Social & public service programmes	-	90,000	95,000	95,950
	Total Expenditure	34,60,000	34,70,000	38,13,000	38,51,130
2	Specific Project Expenditure				
	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	50,70,000	87,50,000	96,25,000	97,21,250
3	Procurement of properties	2,60,000	1,90,000	2,09,000	2,11,090
4	Repayment of loan	1,20,000	1,30,000	1,50,000	1,51,500
	Total Capital expenditure	89,10,000	124,40,000	137,97,000	139,34,970
	Closing Balance (ii)	8,24,156	19,84,156	16,29,571	9,37,646

3. DEPOSITS, ADVANCES & INVESTMENTS

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	-	-	-	-
2	Receipt	-	-	-	-
	Total Income	-	-	-	-
3	Expenditure	-	-	-	-
	Closing Balance (iii)	-	-	-	-

	Total Final Balance of the Panchayath (i) + (ii) + (iii)	16,96,041	27,49,296	47,04,567	18,71,524
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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.

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.

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8) In the Audit Reports of the above Dommasandra 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. Provision for 10% of closing balance was not provided for the Grants and Income, as per Rule 12(4)(iii) of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. Further, in the audit reports for the years 2017-18 and 2018-19, it is observed that the budget was unscientific. The estimate was not prepared nearing to the factual by balancing the receipts and expenditure for the last three years.

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 Dommasandra Grama Panchayath.

10) The Respondent No.5 Smt. H.B. Vijetha, has prepared the Budget estimates for the year 2016-17, 2018-19 and 2019-20; and Respondent No.1 Sri Y. Manjunath Reddy has prepared the estimate for the year 2017-18. These two Panchayath Development Officers are responsible for the aforesaid irregularities in the preparation of budget of the relevant years. It

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is seen from copies of Budget estimates that Respondent No.6 Sri N. Nomesh 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, and Monthly Balance sheet 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 Balance sheet in Form No.54. In relation to the above Dommasandra 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. In the audit reports for the years 2016-17, 2017-18 and 2018-19 at paragraph 15 & 16 it is stated that that monthly expenditure statements, half yearly statements and yearly statements as per Rule 108 and 109 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting &

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Accounts) Rules, 2006 were not submitted by the Dommasandra Grama Panchayath. Therefore, the Respondents 1 to 5 who were working as Panchayath Development Officers of Dommasandra Grama Panchayath are responsible for the same. The Respondents No. 6, 7 and 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, Dommasandra had not maintained the Grants Register in Form No.45, 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.

13) The Grama Panchayath, Dommasandra 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)

14) As per the Audit Report for the year 2017-18 and 2018-19 the Dommasandra Grama Panchayath had not maintained the following Registers of Lands, Buildings and other infrastructure, immovable and movable properties which belong to Grama Panchayath and vested in it by the Taluk Panchayath/ Zilla Panchayath/ Government as required under Rule 69 of the

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Karnataka' Panchayath Raj (Grama Panchayath, Budgeting and Accounting) Rules, 2006.

- (a) Register of land in Form No.30
- (b) Register of immovable properties like buildings and other infrastructure assets like roads, bridges, culverts, drains, street lamps, etc. In form No.31
- (c) Register of movable properties like furniture, equipment in form No.29.

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

15) 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 is shown as Rs.8,62,895. During the year 2016-17, a sum of Rs.3,81,000/- 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.3,81,000/- (amount reserved during the year) was spent, showing the balance of Rs.8,62,895/- at the end of the year on 31/3/2017. The Respondent No.1 Sri Y Manjunath Reddy and Respondent No.5 Smt. H.B. Vijetha who were working as Panchayath Development Officers during the year 2016-17 had not fully spent the amount under 25% scheme in accordance with Rules, thus depriving the benefits of the scheme to the above class of persons.

16) In relation to the amount reserved for the welfare of Physically Challenged persons under 3% grant scheme, as per the Audit report the opening balance as on 1/4/2016 was Rs.53,379. During the year 2016-17 a sum of Rs.49,000/- was reserved and

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during the year 2016-17 a sum of Rs.25,000/- was spent under the above scheme, thus, the closing balance as on 31/3/2017 is shown as Rs.77,379/-. The Respondent No.1 Sri Y. Manjunath Reddy and Respondent No.5 Smt. H.B. Vijetha 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.

17) 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.8,62,895/-. During the year 2017-18, a sum of Rs.21,52,000/- 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.5,25,000/- was spent showing the balance of Rs.24,89,895/- at the end of the year on 31/3/2018. The Respondent No.1 Sri Y. Manjunath Reddy, Respondent No.2 Sri D. Murali; Respondent No.3 Sri Girimallayya; Respondent No.4 Sri M. Prasad and Respondent No.5 Smt. H.B. Vijetha who were 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.

18) In relation to the amount reserved for the welfare of Physically Challenged persons under 3% grant scheme, as per the Audit Report the opening balance was Rs.77,379/- as on 1/4/2017. During the year 2017-18 a sum of Rs.4,00,000/- was

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reserved and during the year 2017-18 no amount was spent under the above grant, thus, the closing balance as on 31/3/2018 is shown as Rs.4,77,399/-. The Respondent No.1 Sri Y. Manjunath Reddy, Respondent No.2 Sri D. Murali; Respondent No.3 Sri Girimallayya; Respondent No.4 Sri M. Prasad and Respondent No.5 Smt. H.B. Vijetha who were 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.

19) 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.24,89,895/-. During the year 2018-19, a sum of Rs.20,56,000/- 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.30,181/- was spent, showing the balance of Rs.45,15,714/- at the end of the year on 31/3/2019. The Respondent No.5 Smt. H.B. Vijetha who was working as Panchayath Development Officer during the year 2018-19 had not spent the full amount under 25% scheme in accordance with Rules, thus depriving the benefits of the scheme to the above class of persons.

20) In relation to the amount reserved for the welfare of Physically Challenged persons under 3% grant scheme, as per the Audit Report, there was opening balance of Rs.4,77,399/- as on 1/4/2018. During the year 2018-19 a sum of Rs.5,00,000/- was reserved under the above Scheme. During the year a sum of

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Rs.50,000/- was spent under 3% Grant for the welfare of physically challenged persons. The closing balance as on 31/3/2019 is shown at Rs.9,27,399/-. The Respondent No.5 Smt. H.B. Vijetha who was working as Panchayath Development Officer 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

21) The Dommasandra 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 & 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	10	06	01
2	Receipt of Receipt Books	10	05	11
3	Total	20	11	12
4	No. of receipt books utilized for the year	14	10	12
5	Balance of receipt books at the end of the year	06	1	0

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

22) From the Audit Report for the year 2018-19, it is noticed that the amount collected towards tax, etc. was not remitted to the Bank in time. It is found that the remittance was made twice or thrice in a month and in certain cases, there was delay of even a month. This late remittance of amount collected towards tax has led to temporary misappropriation. The Respondent No.5 Smt.

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H.B. Vijetha who was working as Panchayath Development Officer during the year 2018-19 is responsible for the late remittance of Tax collections as stated in Audit Report for the year 2018-19.

COLLECTION OF TAXES AND ITS REMITTANCE TO GOVT.
ACCOUNTS

23) As per the Audit Report for the year 2016-17, 2017-18 and 2018-19, Dommasandra 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 Sri Y. Manjunath Reddy, Respondent No.2 Sri D. Murali; Respondent No.3 Sri Girimallayya, Respondent No.4 Sri M. Prasad and Respondent No.5 Smt. H.B. Vijetha, Panchayath Development Officers of Dommasandra Grama Panchayath during the years 2016-17 to 2018-19 are responsible for the above lapse.

24) As per the Audit reports for the years 2016-17, 2017-18 and 2018-19, The Dommasandra Grama Panchayath had not maintained the Demand, Collection and Balance (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	60,72,865	42,40,500	103,13,365	42,40,373	60,72,992
2	Water Tax	7,23,560	14,26,000	21,49,560	14,25,889	7,23,671
3	Licence	0	4,75,807	4,75,807	4,75,807	0
4	Light Tax	0	69,210	69,210	69,210	0

5	Auction	0	18,00,000	18,00,000	18,00,000	0
6	Others	0	5,47,924	5,47,924	5,47,924	0
	Total	67,96,425	85,59,441	153,55,866	85,59,203	67,96,663

2017-18

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	60,72,992	40,08,988	100,81,980	26,84,565	73,97,415
2	Water Tax	7,23,671	8,80,000	16,03,671	8,00,351	8,03,320
3	Licence	0	18,22,318	18,22,318	18,22,318	0
4	Light Tax	0	1,27,550	1,27,550	1,05,224	22,326
5	Auction	0	27,65,000	27,65,000	27,65,000	0
6	Others	0	7,42,943	7,42,943	7,42,943	0
	Total	67,96,663	103,46,799	171,43,462	89,20,401	82,23,061

2018-19

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	73,97,415	40,48,003	114,45,418	30,73,193	83,72,235
2	Water Tax	8,03,320	9,00,473	17,03,793	8,43,613	8,60,180
3	Licence	0	2,12,495	2,12,495	2,12,495	0
3	Light Tax	22,326	54,450	76,776	54,450	22,326
4	Auction	0	25,50,000	25,50,000	25,50,000	0
5	Others	0	87,914	87,914	87,914	0
	Total	82,23,061	78,53,335	160,76,396	68,21,655	92,54,741

25) As per the above statements, huge amount in a sum of Rs.92,54,741/- towards house tax, water tax and light tax was not collected by the Dommasandra Grama Panchayath, which amounts to loss caused to the State Exchequer. Due to short collection of revenue due to the Panchayath, providing infrastructure facilities has become stunted. The Respondent No.1 Sri Y. Manjunath Reddy, Respondent No.2 Sri D. Murali, Respondent No.3 Sri Girimallayya; Respondent No.4 Sri M. Prasad and Respondent No.5 Smt. H.B. Vijetha, Panchayath Development Officers are responsible for short collection of House Tax, Water Tax and Light Tax during the relevant years.

26) In the audit report for the years 2016-17 it is observed that the Dommasandra Grama Panchayath had not revised the rates of tax for every 4 years, as per Rule 14 of the Karnataka Panchayath

N. Srinivas

Raj (Tax) Rules, 1994. In the Audit Reports for the year 2017-18 and 2018-19, it is stated that as per Govt. Circular No. RDP 939 GPA 2016(1) dated 19/11/2016, the rates and taxes to be levied on buildings and land under Section 199 of Karnataka Panchayath Raj Act shall be revised in every two years and other taxes stated in Annexure-IV shall be revised every year. The information for such revision of rates and taxes were not made available to the audit, which has led to loss to the income of Panchayath.

27) 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.

28) From the Audit Reports for the years 2016-17, 2017-18 and 2018-19, it is noticed that (i) the amount received through Cheque/DDs was not issued with temporary receipts in Form No.3A and the amount was directly credited to Grama Panchayath Fund; (ii) the amount collected was not remitted to the Bank on the same day, instead it was remitted belatedly; (iii) the amount noted in the Receipts was not mentioned against the properties in the DCB Register; and (iv), the demand was not revised. From the above lapses, there are chances of causing loss to the Grama Panchayath and belated remittance of collections leads to temporary misappropriation. The Respondents 1 and 2 who were working as Panchayath Development officers during the years

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2016-17, 2017-18 and 2018-19 are responsible for the above lapses.

NON-REMITTANCE OF CESS/SURCHARGES

29) 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	Pancha yath 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	4,74,669	47467	4,27,202	21,51,798	25,79,000	0	25,79,000
2.	Education cess	3,16,446	31645	2,84,801	14,34,526	17,19,327	0	17,19,327
3.	Library cess	1,89,867	18987	1,70,880	8,35,392	10,06,272	0	10,06,272
4.	Beggars cess	94,934	9493	85,441	8,60,067	9,45,508	0	9,45,508
	Total	10,75,916	107592	9,68,324	52,81,783	62,50,107	0	62,50,107

2017-18

Sl. No	Details of Cess	Current year's collection	Pancha yath 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	3,00,511	30051	2,70,460	25,79,000	28,49,460	0	28,49,460
2.	Education cess	2,00,341	20034	1,80,307	17,19,327	18,99,634	0	18,99,634
3.	Library cess	1,20,204	12020	1,08,184	10,06,272	11,14,456	0	11,14,456
4.	Beggars cess	60,102	6010	54,092	9,45,508	9,99,600	0	9,99,600
	Total	6,81,158	68115	6,13,043	62,50,107	68,63,150	0	68,63,150

2018-19

Sl. No	Details of Cess	Current years demand	Pancha yath tax @10%	Balance cess	Opening balance	Total to be paid	Paid during the year	Balance as on 31/03/2019
1.	Health cess	3,44,013	34401	3,09,612	28,49,460	31,59,072	0	31,59,072
2.	Education cess	2,29,342	22934	2,06,408	18,99,634	21,06,042	0	21,06,042
3.	Library cess	1,37,605	13761	1,23,845	11,14,456	12,38,301	0	12,38,301
4.	Beggars cess	68,803	6880	61,922	9,99,600	10,61,522	0	10,61,522
	Total	7,79,763	77976	7,01,787	68,63,150	75,64,937	0	75,64,937

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30) It is noticed from audit reports of the years 2016-17, 2017-18, 2018-19 the Dommasandra 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.75,64,937/-. As per the Audit reports, the Dommasandra Grama Panchayath, instead of depositing the above Cess amount to the concerned heads of account of Government had utilized the same for other purposes, which is illegal and opposed to Rules. The Panchayath had also not explained as to for which purpose, the Cess amount was utilized. Non-remittance of above Cess amount in a sum of Rs.75,64,937/- as stated above, amounts to misdirection of funds and loss to the State exchequer. The respondent Nos. 1 to 5, who were working as Panchayath Development Officers of Dommasandra Grama Panchayath during the relevant years, are responsible for non-depositing the above Cess amount.

NON-PRODUCTION OF MUTATION REGISTER

31) The Dommasandra 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 be 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 Development Officer is responsible for illegal transfer of khathas or creation of bogus khatas if any.



NON-PRODUCTION OF REGISTER RELATING TO AUCTION OF PANCHAYATH PROPERTIES

32) 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 Panchayath shall maintain a register in Form No.15 regarding demand and collection. As per the Audit Report for the year 2016-17, 2017-18 and 2018-19 Dommasandra Gram Panchayath had not maintained such a register in relation to auction cases. The details of auction took place during the years 2016-17, 2017-18 and 2018-19 as detailed in the Audit Reports are as follows:-

Sl. No.	Auction details	Name of bidder	Bid amount	Receipt book No.	Receipt No. & date	Amount collected	Bal an ce
2016-17							
1	Market auction	Nagamani D/o. Doreswamy	18,00,000	5189	518804/20/3/2017	18,00,000	0
2017-18							
1	Market auction	Giriyappa	27,65,000	7344	734371/17/3/2018	27,65,000	0
2018-19							
1	Market auction	Akhil Nandakumar	25,50,000	808836	- 2/3/2019	25,50,000	0

The Respondents 1 to 5 are responsible for not maintaining the Register of auction in Form No.15, stated above.

INCIDENT OF TEMPORARY MISAPPROPRIATION

33) As per the Audit report for the year 2018-19, during the year totally a sum of Rs.70,48,389/- towards tax was collected through receipts. Out of this amount, a sum of Rs.68,21,655/- was

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remitted to Bank and the remaining amount of Rs.2,26,740/- was not remitted. On raising audit query, it was noticed that Panchayath Tax Collector has remitted the cheque bearing No.140045 for an amount of Rs.60,000/- to the Bank on 4/4/2019 and a sum of Rs.1,66,740/- was remitted to Bank on 23/7/2019. The above amount of Rs.2,26,740/- was not remitted to the Bank immediately on its collection, thus there was temporary misappropriation of the above amount.

34) As per Rule 22 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounting) Rules, 2006, details of misappropriation of amount shall be maintained in Format-6 and produced for audit. Such details were not furnished to the Audit by Panchayath Development Officer. In relation to the above temporary misappropriation, the Respondent No.5 Smt. H.B. Vijetha, who was working during the year 2018-19 had not taken action as per Rule 25 and 26 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounting) Rules, 2006. Further, she had not reported to the Competent Authority as required under Rule 111 of the above Rules, 2006. This conduct of Respondent No.5 Smt. H.B. Vijetha amounts to negligence, dereliction of duty and failure to stop the loss to Panchayath.

NON-COLLECTION OF MOBILE TOWERS' FEE

35) From the Audit Reports for the year 2017-18 and 2018-19, it is noticed that as per Order No. UDD 211 GEL 2014 (P) dated 24/2/2017, (New Telecommunication Infrastructure Towers Regulations, 2015) and Section 13E of the Karnataka Town & Country Planning Act, 1961 read with Section 427 of the Municipal

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Corporations Act, 1976 and Section 325 of Municipalities Act, 1964, the Panchayath Development Officers have to issue permission for installation mobile towers within their Grama Panchayath limits and royalty of Rs.12,000/- per year shall be collected. The Grama Panchayath, Dommasandra had not furnished information regarding number of mobile towers existing within the limits of Dommasandra Panchayath, permission granted for such installation; royalty received for such mobile towers. The Respondents 1 to 5 are responsible for non-furnishing the above information.

NON-SUBMISSION OF ANNUAL STATEMENT OF STAFF DETAILS

36) As per Rule 57 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006, a detailed annual statement in Form No.22 of pensionable employees or Government Servants on deputation existing as on the 1st March of the year shall be sent to the Accountant General, Local Audit Circle and Zilla Panchayath. From the Audit Report for the year 2016-17, it is noticed that such a statement was not sent to the Accountant General, Local Audit Circle and Zilla Panchayath during the year 2016-17. Further, 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 Respondent No.1 Sri Y Manjunath Reddy who was working as Panchayath Development Officer during March 2017 is responsible for the above irregularities.



IRREGULARITIES IN PAYMENTS

37) 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 payment; 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. The Respondents 1 to 4 who were the Panchayath Development Officers of Dommasandra Grama Panchayath, during the relevant years, are responsible for the same.

**REGARDING ADVANCE PAID TO PANCHAYATH RAJ
ENGINEERING DEPARTMENT**

38) From the Audit Report for the year 2018-19, it is noticed that a sum of Rs.21,96,000/- was paid to the Panchayath Raj Engineering Department vide Cheque No.181171 dated 20/2/2019 for construction of Anganawadi Building slabs, Library and shops. There was no Bills/details of expenditure towards the above payment. The Respondent No.5 Smt. H.B. Vijetha who had paid the above amount is responsible for not maintaining the Bills/expenditure for the above payment.

REGARDING EXPENDITURE OF PANCHAYATHS

39) In the audit reports of Dommasandra 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

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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.

(iv) In the Audit reports of the above Panchayath for the year 2017-18 & 2018-19 it is observed that for providing drinking water to the villagers, 3 Pure Drinking Water Units were established and the same were handed over to the Panchayath. The Panchayath used to collect Rs.2/- per 10/20 liters of water through ATM/Receipts. The Panchayath had not maintained the Log Book for distribution of water. The opening balance of water, closing balance and the details of amount remitted to the Water account of the Panchayath were not forthcoming. Non-

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maintenance of Log book and register had lead to misappropriation of amount. Respondent No.1 Sri Y. Manjunath Reddy; Respondent No.2 Sri D. Murali; Respondent No.3 Sri Girimallayya; Respondent No.4 Sri M. Prasad and Respondent No.5 Smt. H.B. Vijetha who were working as Panchayath Development Officers during the years 2017-18 and 2018-19 are responsible for the same.

(v) During the year 2016-17, a computer table was purchased in the Dommasandra Grama Panchayath from Kartha Industries, Peenya, Bengaluru and a sum of Rs.21,000/- was paid through cheque No.504233 on 18/7/2016. Further, plastic chairs were purchased from M/s. RM equipment Private Limited, Dommasandra and a sum of Rs.45,800/- was paid through cheque No.678433 dated 17/10/2016. As per Govt. Order No. RD 2 TEP 2010, Bengaluru dated 30/1/2010, delegation of financial powers to purchase furniture up to Rs.50,000/- per year is vested with Taluk level officers. Thus, purchase of above furniture worth Rs.66,800/- is without authority. The following violations were noticed in the purchase of above furniture.

- (a) In case the quotations were incomplete, action as per Karnataka Transparency in Public Procurement Act, 1999 and Rules 2000 was not taken.
- (b) The details of distribution were not recorded and certified;
- (c) The payment voucher is not furnished for audit
- (d) The approval of competent authority was not obtained, while purchasing the furniture beyond the financial powers.
- (e) If the above furniture was purchased in case of necessity, after purchase, post facto sanction from the Competent Authority was not obtained.

The Respondent No.1 Sri Y Manjunath Reddy, who was working as Panchayath Development Officer during the above period, is responsible for purchase of furniture beyond the financial powers.

N. Manjunath

(vi) In relation to disposal of garbage in 13 wards of Dommasandra Grama Panchayath, two tractors were obtained from two contactors on rental basis, during the years 2016-17, 2017-18 and 2018-19. The details of rent paid to contractors Sri Keshava Reddy and Sri Babur Reddy are as follows:-

For the year 2016-17

Keshava Reddy					Babu Reddy				
Sl. No.	Month	Cheque No.	Date	Amt paid	Sl. No.	Month	Cheque No.	Date	Amt paid
1	March	574209	06/04/2016	15,000	1	March	574210	06/04/2016	15,000
2	April	504156	04/05/2016	15,000	2	April	504157	04/05/2016	15,000
3	May	504187	06/06/2016	15,000	3	May	501154	06/06/2016	15,000
4	June	504211	05/07/2016	15,000	4	June	504212	05/07/2016	15,000
5	July	773560	03/08/2016	15,000	5	July	773561	03/08/2016	15,000
6	August	775594	17/08/2016	15,000	6	August	775595	17/08/2016	15,000
7	Sept.	763636	04/10/2016	15,000	7	Sept.	763631	04/10/2016	15,000
8	Oct.	678442	05/11/2016	15,000	8	Oct.	678443	05/11/2016	15,000
9	Nov.	678474	01/12/2016	15,000	9	Nov.	678475	01/12/2016	15,000
10	Dec.	367140	03/01/2017	15,000	10	Dec.	367141	03/01/2017	15,000
11	Jan	367173	03/02/2017	15,000	11	Jan	367174	03/02/2017	15,000
12	Feb.	656159	06/03/2017	15,000	12	Feb.	656160	06/03/2017	15,000
	Total			180000		Total			180000

For the year 2018-19

Keshava Reddy					Babu Reddy				
Sl. No.	Month	Cheque No.	Date	Amt paid	Sl. No.	Month	Cheque No.	Date	Amt paid
1	March	209791	05/04/2017	15,000	1	March	209792	05/04/2017	15,000
2	April	044441	11/04/2017	15,000	2	April	044442	11/04/2017	15,000
3	May	044456	06/06/2017	15,000	3	May	044457	06/06/2017	15,000
4	June	865202	03/07/2017	15,000	4	June	865203	03/07/2017	15,000
5	July	865224	10/08/2017	15,000	5	July	865225	10/08/2017	15,000
6	August	865268	06/10/2017	15,000	6	August	865269	06/10/2017	15,000
7	Sept.	907794	07/11/2017	15,000	7	Sept.	907795	07/11/2017	15,000
8	Oct.	907822	04/12/2017	15,000	8	Oct.	907823	04/12/2017	15,000
9	Nov.	907828	11/01/2018	15,000	9	Nov.	907829	11/01/2018	15,000
10	Dec.	907848	07/02/2018	15,000	10	Dec.	907849	07/02/2018	15,000
11	Jan	907862	01/03/2018	15,000	11	Jan	907863	01/03/2018	15,000
	Total			180000		Total			180000

For the year 2016-17

Keshava Reddy					Babu Reddy				
Sl. No.	Month	Cheque No.	Date	Amt paid	Sl. No.	Month	Cheque No.	Date	Amt paid
1	March	861502	10/04/2018	15,000	1	March	861503	10/04/2018	15,000
2	April	861540	03/05/2018	15,000	2	April	861541	03/05/2018	15,000
3	May	861558	05/06/2018	15,000	3	May	861559	05/06/2018	15,000
4	June	861514	09/07/2018	15,000	4	June	861515	09/07/2018	15,000
5	July	287468	12/08/2018	20,000	5	July	287469	12/08/2018	20,000
6	August	802918	04/09/2018	20,000	6	August	802919	04/09/2018	20,000
7	Sept.	127246	05/10/2018	20,000	7	Sept.	127247	05/10/2018	20,000
8	Oct.	127300	05/11/2018	20,000	8	Oct.	127301	05/11/2018	20,000
9	Nov.	127336	04/12/2018	20,000	9	Nov.	127337	04/12/2018	20,000

N. Srinivas

10	Dec.	481691	04/01/2019	20,000	10	Dec.	481692	04/01/2019	20,000
11	Jan	481726	04/02/2019	20,000	11	Jan	481722	04/02/2019	20,000
12	Feb.	481735	02/03/2019	20,000	12	Feb.	481736	02/03/2019	20,000
	Total			220000		Total			220000

In relation to above payments, the following irregularities were noticed during the audit for the concerned years;

- (a) In respect of disposal of garbage, trip sheets were not maintained. There is no certificate from Ward Member, President, Panchayath Development Officer and Villagers.
- (b) The Bills were not produced for audit. The details were mentioned in a Register.
- (c) In respect of garbage disposal proceedings, procedure stipulated under the Karnataka Transparency in Public procurement Act was not followed.
- (d) Approval of the Competent Authority was not obtained.
- (e) In relation to the payments made during the years 2016-17 and 2017-18, the income tax from the Bills was not deducted.

The Respondent No. 1 Sri Y. Manjunath Reddy, Respondent No.2 Sri D. Murali; Respondent No.3 Sri Girimallayya; Respondent No.4 Sri M. Prasad and Respondent No.5 Smt. H.B. Vijetha, who were working as Panchayath Development Officers during the relevant period, are responsible for the above irregularities.

(vii) From the Audit report for the year 2016-17, it is noticed that during Audit, the vouchers in respect of payments made to the tune of Rs.20,020/- were not produced for audit. The details of payments made through cheques for which vouchers were not maintained in the Panchayath are as follows:-

N. Srinivas

Sl. No.	Name of schemes	Amount paid	Details
1	Fund-1 (773556) 03/08/2016	10,000	Purchase of sports materials
2	Drinking Water	10,020	Water expenses
	Total	20,020	

From the above, it is noticed that the non-submission of vouchers in respect of above payments has led to suspicion as to whether the above expenditure was met in accordance with Rules. The respondent No.1 Sri Y Manjunath Reddy, Panchayath Development Officer working during the above period is responsible for non-maintenance & non-production of Vouchers.

(viii) From the Audit report for the year 2016-17, it is noticed that for construction of Panchayath building, a sum of Rs.3.50 Lakhs was available under Group-1 scheme and a sum of Rs.3.50 Lakhs was available under 14th Finance scheme. Provision in the action plan for construction of building was made for a sum of Rs.7.00 Lakhs. For the construction of one building (execution of one work), two estimates were prepared for a sum of Rs.3.50 Lakhs each and the work was executed through one contractor. The procedure stipulated under the Karnataka Transparency in Public Procurement Act, 1999 and Rules 2000 for execution of construction work of more than Rs.5.00 Lakhs was not followed. The details of amount paid to the contractor under two separate bills are as follows:-

Sl. No.	Name of Scheme	Estimated amount	Name of Contractor	Cheque No. and date	Amount paid
1	Fund-1	3,50,000	Lakshikanth	209761 20/3/2017	3,49,492
2	14 th Finance	3,50,000	Lakshikanth	673124 14/2/2017	3,49,723

The Respondent No.1 Sri Y. Manjunath Reddy, who was working as Panchayath Development Officer during the above period, is

S. Manjunath Reddy

responsible for violation of Karnataka Transparency in Public Procurement Act, 1999 and Rules, 2000.

(ix) From the Audit Report for the year 2017-18, it is noticed that the following purchases were made without calling for competitive quotations as required under Govt. Order No. FD 01 TCE 2012 dated 21/6/2012 and Rule 55(49) of Manual of Contingent Expenditure. Purchase of the materials without calling for quotation is illegal.

Sl. No.	Cheque No.	Date	Amount	Details
1	209799	19/04/2017	55,565	Purchase of spare parts for Drinking water
2	2097804	05/05/2017	57,700	Purchase of electrical spare parts
3	907818	27/11/2017	88,386	Purchase of spare parts for Drinking water
4	907844	5/2/2018	86,790	Purchase of spare parts for Drinking water

The Respondent No.5 Smt. H.B. Vijetha, who was working as Panchayath Development Officer during the above period is responsible for purchase of above materials without calling for quotations.

(x) From the Audit Report for the year 2018-19, it is noticed that the following purchases were made without calling for competitive quotations as required under Govt. Order No. FD 01 TCE 2012 dated 21/6/2012 and Rule 55(49) of Manual of Contingent Expenditure. Purchase of the materials without calling for quotation is illegal.

Sl. No.	Cheque No.	Date	Amount	Details
1	127269	29/10/2018	3,83,253	Purchase of Water supply materials
2	127270	29/10/2018	78,408	Purchase of Water

v. Shankar

				supply materials
		Total	4,61,661	

The Respondent No.5 Smt. H.B. Vijetha, who was working as Panchayath Development Officer during the above period is responsible for purchase of above materials without calling for quotations.

(xi) As per the Audit Report, during the year 2018-19, the Dommasandra Panchayath had paid a sum of Rs.26,00,000/- to the ESCROW Electricity Account, without maintaining the Log Book, information of meter reading. Several payments were made on the basis of the demand made by electricity department, which includes the interest also. The Grama Panchayath should have maintained a Log book mentioning the details of number of connections issued by Panchayath, Month, Bill amount, total claim, details of payment, date with cheque number, etc. The details of log book should be tallied with the bill. The above procedure was not followed in the Dommasandra Grama Panchayath. Respondent No.3 Smt. C.M. Sunitha and Respondent No.4 Sri M. Prasad, who were working as Panchayath Development Officers during the year 2018-19 are responsible for the same.

Further, in the Govt. letter No. RDP 790 GPA 2015 (Part-1) dated 12/7/2017, the electricity bills on or after 1/4/2015 shall be paid from the electricity grant. It is noticed during audit that payments were made without examining the period of the Bill. Smt. H.B. Vijetha, Panchayath Development Officer, who was working during the year 2018-19 is responsible for the same.

v. Prasad

REGARDING SCHEMES OF GOVERNMENT

40) In the Audit reports for the year 2017-18 and 2018-19, regarding implementation of MGNREGA Scheme during the year 2018-19 by the Dommasandra Grama Panchayath, the following irregularities were noticed.

(i) The Grama Panchayath had not prepared the Self up Projects after getting the approval of Grama Sabah.

(ii) For providing unskilled physical work to the adults, the Grama Panchayath had to maintain 9 statement in the proforma prescribed which were not maintained in all respects.

(iii) As per Paragraph 22 of the MGREGA hand book, the implementation officers had to verify 100% of works, District Level officers had to verify 25% of works and 2% of works had to be verified by State Level Officers. But the works were not verified as stated above.

(iv) There is no record to show that permission was obtained for using the machineries for implementation of programmed as per Order No. RDP 05 EGS 2007 (P) dated 3/8/2009.

(v) Production quantity was not stated in the NMRs.

(vi) There is no record to show that the materials purchased for works were procured from registered contractors/suppliers. There is no vouchers maintained for purchase of Cement from authorized dealers.

(vii) In the measurement books, the engineers have not mentioned the details of NMRs. The details of materials, quantity and name of contractors are not mentioned in the NMRs. The vouchers/Bills do not bear the signatures of contractors. The materials were not taken to stock.



(viii) The Grama Panchayath had not conducted survey of job card holders. The job cards in relation to the persons who had left villages, died, etc. have not been deleted.

(ix) The Registers in Form No. 1 to 9 as per the Guidelines of the Scheme were not maintained. The photographs of the job card holders were not affixed in Form No.3. The work allotment in Form No.7 was not issued and notices in Form No.8 were not issued.

60) The details of grants available in the Dommasandra Grama Panchayath for implementation of various schemes, its utilization and balance available at the end of the 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	6,03,953	41,072	6,45,025	6,38,576	6,449
2	14 th Finance	3,61,537	50,35,591	53,97,128	38,33,629	15,63,499
3	Indira Awas	0	-	-	-	-
4	Ashraya	5,30,946	18,100	5,49,046	5,49,046	-
5	Total Sanitation campaign	1,04,524	-	1,04,524	1,04,524	-
6	Suvarna Gramodyog	4,15,983	16,937	4,32,920	-	4,32,920

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	13 th Finance	6,449	33	6,482	6,482	-
2	14 th Finance	15,63,499	37,28,524	52,92,023	19,70,446	33,21,577
3	Drinking Water	0	91,081	91,081	8,319	82,762
4	Swatch Grama	45,114	-	45,114	0	45,114
5	Library	28,925	0	28,925	0	28,925
6	Suvarna Grama	4,32,920	0	4,32,920	0	4,32,920

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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	14 th Finance	33,21,577	70,80,370	104,01,947	45,72,635	58,29,312
2	Drinking Water	82,762	31,420	1,14,182	94,041	20,141
3	Swatch Grama	45,414	0	45,414	0	45,414
4	Library	28,925	0	28,925	0	28,925
5	Suvarna Grama	740	27	767	0	767

As per the above statements the Dommasandra Grama Panchayath had not fully utilized the grants under different Schemes. The Dommasandra Grama Panchayath has failed to accomplish the object of 14th Finance Scheme, which results in depriving the benefits of the scheme to the beneficiaries. From the audit reports for the years 2016-17, it is noticed that the grants of 13th finance scheme was not utilized as per the guidelines of the scheme, and instead it has been diverted to other purposes, thereby the objects of the scheme is frustrated. The respondents 1 to 5, who were working as Panchayath Development Officers, during the relevant years are responsible for not utilizing the full amount under various schemes.

IRREGULARITIES FOUND IN RESPECT OF PROJECT EXPENDITURES

61) In the Audit reports for the years 2016-17, 2017-18 and 2018-19, it is stated that the Dommasandra 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

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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. In addition to the above, in the audit report for the year 2017-18 it is observed that the grants under 14th Finance scheme was utilized for purchase and other things, which amounts to diversion of funds.

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

62) 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	92,600	3,06,052	1,27,029	42,632	-
Deductions for 2016-17	1,14,333	3,08,021	80,020	77,015	-
Total	2,06,933	6,14,073	2,07,049	1,19,647	0
Remitted to Govt. during 2016-17	1,33,158	3,62,277	93,567	90,556	-
Balance to be remitted as on 31/3/2017	73,775	2,51,796	1,13,482	29,091	-

2017-18

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance as on 1/4/2017	73,775	2,51,796	1,13,482	29,091	-
Deductions for 2017-18	43,065	-	35,814	37,614	3,218
Total	1,16,840	2,51,796	1,49,296	66,705	3,218
Remitted to Govt. during 2017-18	0	0	0	0	0
Balance to be remitted as on 31/3/2018	1,16,840	2,51,796	1,49,296	66,705	3,218

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2018-19

Details	Royalty	Sales Tax/GST	Income Tax	Labour Welfare fund	CBF
Opening balance as on 1/4/2018	1,16,840	2,51,796	1,49,296	66,705	3,218
Deductions for 2018-19	84,608	97,854	48,927	47,127	0
Total	2,01,448	3,49,650	1,98,223	1,13,832	3,218
Remitted to Govt. during 2018-19	0	1,03,836	0	0	0
Balance to be remitted as on 31/3/2019	2,01,448	2,45,814	1,98,223	1,13,832	3,218

As per the above statements, as on 31/3/2019 a sum of Rs.2,01,448/- towards Royalty; Rs.2,45,814/- towards sales tax/GST; and Rs.1,98,223/- towards Income Tax; Rs.1,13,832/- towards Labour Welfare fund and Rs.3,218/- towards Contractors' Benevolent fund are due to be remitted to the concerned heads of Government. Non-remittance of above Royalty, Sales Tax/GST, Income Tax, Labour Welfare fund, CBF to the concerned Heads of Department of Government amounts to misdirection of funds and loss to the State exchequer. Respondents 1 to 5 who were Panchayath Development Officers of the relevant years' are responsible for non-remittance of the above amount to the concerned heads of Government.

63) 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.

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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	Fund -1	61,150	61,150	-	66,099	-
	13 th finance	7,022	7,022	-	7,022	-
	14 th finance	46,161	44,575	1,586	60,037	-
Total		1,14,333	1,12,747	1,586	1,33,158	-
Sales Tax	Fund -1	1,57,298	1,57,298	-	1,77,629	-
	13 th finance	19,982	19,982	-	19,982	-
	14 th finance	1,30,741	1,24,468	6,273	1,64,668	-
Total		3,08,021	3,01,748	6,273	3,42,277	-
Income Tax	Fund -1	41,748	41,748	-	46,815	-
	13 th finance	4,996	4,996	-	4,996	-
	14 th finance	33,276	33,276	-	41,756	-
Total		80,020	80,020	-	93,567	-
Labour Welfare Bd Fee	Fund -1	39,342	39,342	-	44,403	-
	13 th finance	4,996	4,996	-	4,996	-
	14 th finance	32,677	32,677	-	41,157	-
Total		77,015	77,015	-	90,554	-
Grand Total		5,79,389	5,79,389	7,859	6,80,027	-

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	Fund-1	34,088	34,088	-	-	34,088
	14 th finance	13,032	8,977	4,055	-	8,977
Total		47,120	43,065	4,055	-	43,065
Sales Tax	Fund-1	-	-	-	-	-
	14 th finance	-	-	-	-	-
Total		-	-	-	-	-
Income Tax	Fund-1	28,330	28,330	-	-	28,330
	14 th finance	7,484	7,484	-	-	7,484
Total		35,814	35,814	-	-	35,814
Labour Welfare Board Fee	Fund-1	30,130	30,130	-	-	30,130
	14 th finance	7,484	7,484	-	-	7,484
Total		37,614	37,614	-	-	37,614
CBF	Fund-1	2,469	2,469	-	-	2,469
	14 th finance	749	749	-	-	749
Total		3,218	3,218	-	-	3,218
Grand Total		1,23,766	1,19,711	4,055	-	1,19,711



2018-19

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	Fund-1	69,909	69,909	-	0	69,909
	14 th finance	14,699	14,699	-	0	14,699
Total		84,608	84,608	-	0	84,608
Sales Tax	Fund-1	72,020	72,020	-	72,020	0
	14 th finance	25,834	25,834	-	25,834	0
Total		97,854	97,854	-	97,854	0
Income Tax	Fund-1	36,010	36,010	-	-	36,010
	14 th finance	12,917	12,917	-	-	12,917
Total		48,927	48,927	-	-	48,927
Labour Welfare Board -Fee-	Fund-1	34,210	34,210	-	-	34,210
	14 th finance	12,917	12,917	-	-	12,917
Total		47,127	47,127	-	-	47,127
CBF	Fund-1	0	0	-	-	0
	14 th finance	0	0	-	-	0
Total		0	0	-	-	0
Grand Total		2,78,516	2,78,516	-	97,854	1,80,662

As per the above Statements, in relation to the year 2016-17 an amount of Rs.1,586/- was short deducted towards Royalty and Rs.6,273/- was short deducted towards Sales Tax from the Contractor/Supplier Bills, which is the loss caused to the State exchequer.

In relation to the year 2017-18 a sum of Rs.4,055/- towards Royalty was short deducted and an amount of a sum of Rs.1,19,711/- deducted towards Royalty, Income Tax, Labour Welfare fund and Contractors Benevolent fund was not remitted to the concerned Heads of Account of Government.

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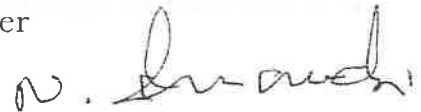
In relation to the year 2018-19 an amount of Rs.1,80,662/- deducted from the Contractor/Supplier's bills towards Royalty, , Income Tax and Labour Welfare Fund was not remitted to the concerned Heads of Account of Government.

The above short deductions and Non-remittance of amount 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 short deduction, misdirection and causing loss to the Government exchequer.

From the Audit Reports for the years 2016-17 and 2017-18, it is noticed that 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 shall be remitted to the Chief Executive Officer, Buildings and other construction Labour Welfare Board, Karmika Bhavan, Bannerghatta Road, Bangalore. The Dommasandra Panchayath had not followed the above instructions.

64) The Dommasandra 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.

65) Apart from the above Registers Dommasandra 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.

66) As per the Audit Reports, in the preparation of financial statements for the years 2016-17, 2017-18 and 2018-19, the Grama Panchayath, Dommasandra has committed the following irregularities.

(i) The Classification of receipts and payments was not made in specified heads. Certain assets were formed under

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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.

(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 Payments 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 audit reports several discrepancies are noticed in the preparation of Balance sheet.

67) 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 Dommasandra Grama Panchayath.

Sl. No.	Name of the Executive Officer	Period of work at Taluk Panchayath Anekal
1	Sri N. Nomesesh 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

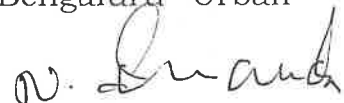
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of Grama Panchayath, Dommasandra Panchayath. Due to their lapses in properly supervising the accounts and administration of Grama Panchayaths, the irregularities/ misappropriation stated supra at Dommasandra Grama Panchayath had crept in. Therefore, they are also responsible for the irregularities/ misappropriation, stated supra. Respondent No.8, Smt. Mamatha.A.P has reported as Panchayath Development Officer in Dommasandra Grama Panchayath in November 2019. Therefore, she cannot be held responsible for the lapses/irregularities/loss to the State exchequer noted above.

68) The respondents while submitting their comments have stated that the budgets of the Dommasandra Gram Panchayath were prepared every year as per rules and audits of Dommasandra 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 for initiating disciplinary proceedings against Respondents 1 to 8.

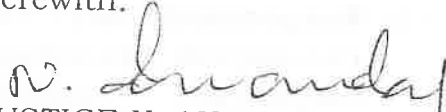
69) Therefore, acting u/s. 12(3) of Karnataka Lokayukta Act, 1984 recommendation is hereby made to the Competent Authority for initiating disciplinary proceedings against the following respondents and to entrust the same to this Authority under Rule 14A of the Karnataka Civil Services (Classification,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

- (1) **Respondent No.1:** Sri Y. Manjunath Reddy, the then Panchayath Development Officer, Dommasandra Grama Panchayath – presently working as Secretary, Ballur Grama Panchayath, Anekal Taluk, Bengaluru Urban District.



- (2) **Respondent No.2:** Sri D. Murali, the then Panchayath Development Officer, Dommasandra Grama Panchayath- presently working at Huskur Grama Panchayath, Anekal Taluk, Bengaluru Urban District.
- (3) **Respondent No.3:** Sri Girimallayya, the then Panchayath Development Officer, Dommasandra Grama Panchayath, Anekal Taluk- now working at Ragihalli Grama Panchayath, Anekal Taluk
- (4) **Respondent No.4:** Sri M. Prasasd, the then Panchayath Development officer, Dommasandra Grama Panchayath, Anekal Taluk- Now working as Secretary, Samethanahalli Grama Panchayath, Hosakote Taluk, Bengaluru Rural Dist.
- (5) **Respondent No.5:** Smt. H.B. Vijetha, Panchayath Development Officer, Dommasandra Grama Panchayath, Anekal Taluk
- (6) **Respondent No.6:** Sri Nomesh Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal- 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- 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.
- 70) As per Section 12(4) of the 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 to this Authority within three months from the date of receipt of this Report.

Connected records are enclosed herewith.


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