

CHAPTER VIII

CONCLUSIONS AND RECOMMENDATIONS

A: CONCLUSIONS

8.1 Finance and Accounts

Preparation of budget proposals and financial accounting were found to be defective and not as per the West Bengal Municipal Act, 1993 and other Municipal Corporation Acts. There was lack of budgetary control and absence of reliable budget formulation. Although the ULBs dealt with substantial sums, a full fledged accounts wing with specialised staff was not in place in most of the ULBs to ensure proper budget preparation and accuracy in accounts. Despite having huge accounts establishment, some of the ULBs failed to present proper accounts in time. Loss of interest on provident fund, delay in remittance of government dues and creation of unwarranted liabilities indicate that internal control mechanisms were not adequate to ensure proper accounting of substantial public funds dealt with by ULBs. Non preparation and inordinate delay in preparation of balance sheet resulted in lack of transparency in management of public funds besides non implementation of the provisions of Acts.

8.2 Revenue Receipts

Loss of huge revenue due to non / short assessment of taxes and delay in assessment was indicative of non compliance to the provisions of Acts. Poor collection of tax revenue causes accumulation of dues which in turn added to fund constraints.

8.3 Establishment

Engagement of excess staff and unauthorised appointment of casual staff / labour were indicative of inadequate management of manpower. Irregular and

unwarranted expenditure on establishment deprived the rate payers of obligatory and discretionary services.

8.4 Procurement

Large-scale purchases without tenders/quotations were indicative of lack of general procedures and controls for making public procurement. As evidenced from idle stock, availability of funds appeared to be the sole factor determining procurement rather than the need. Non-accounting of huge materials and absence of periodical physical verification were indicative of poor material management.

8.5 Execution of works

The execution of works without vetted estimates and open tender were indicative of a lack of cost effectiveness and transparency. Abandonment and non-completion of works / projects within the stipulated date caused blocking of large amount of public funds and deprivation to the beneficiaries of intended services. Non-monitoring of execution of works by agencies / other department caused undesirable delay in providing intended services.

8.6 Implementation of schemes

Poor utilisation of assistance under several schemes was indicative of the Government objectives and policies for providing basic amenities and services being lost sight of. Non-implementation of certain schemes / component of schemes and irregular implementation frustrated the objectives.

8.7 Resource mobilization

Taxes and charges for service are the main source of municipal fund which ensure continuance of services to the rate payers. Adhocism in assessment of taxes, inadequate supervision and monitoring have reduced the mobilization of revenue from own sources.

B: RECOMMENDATIONS

In view of the above audit findings, the following recommendations are made for consideration of the State Government.

8.8 Internal control and monitoring mechanism should be strengthened to ensure:

- ❖ Full and timely flow of funds;
- ❖ Accountability of expenditure;
- ❖ Monthly reconciliation of bank and treasury accounts;
- ❖ Timely refund of unutilised of grants;
- ❖ Timely remittance of statutory deductions from salaries;
- ❖ Prompt recovery / adjustment / write-off of outstanding advances, overpayments;
- ❖ Adoption of need-based procurement at competitive prices; and
- ❖ Proper agreement with executing organisation providing penalty clause for recovery of cost overrun and delay in completion.

8.9 Overall financial management needs to be strengthened in the ULBs for augmenting their financial resources by:

- ❖ Improving collection of revenues;
- ❖ Improving assessment procedures to avoid non / short assessment;
- ❖ Preventing leakage of revenue caused due to delay in assessment;
- ❖ Initiation of action for recovery of loss arising out of non-accounting of stores; and
- ❖ Speedy recovery of dues from assesses and contractors.

8.10 Implementation and monitoring mechanism in schemes need to be strengthened by:

- ❖ Implementation as per scheme guidelines;

- ❖ Adequate controls need to be put in place to prevent irregular / excess payments and diversion of funds;
- ❖ Adherence to the provisions of Financial and Accounts Rules;
- ❖ Completion of incomplete works / projects; and
- ❖ Evaluation of derived benefits by independent agency.

The State Government could consider formation of committees to develop proper coordination between a ULB and the executing department to ensure timely completion of the on-going projects and their maintenance and utilisation.

8.11 To reduce environmental pollution and health hazards, ULBs should establish solid waste management facilities in order to ensure timely collection of wastes. A collaborative arrangement may be established amongst the Municipal Affairs Department, State Pollution Control Board and the respective ULB for proper management of solid wastes.

Kolkata
The

(Suparna Deb)
Examiner of Local Accounts
West Bengal

Countersigned

Kolkata
The

(Sarit Jafa)
Accountant General
(Receipt, Works and Local Bodies Audit)
West Bengal