

Overview

The Report comprises six chapters under two sections. Section A includes three chapters containing observations on the Accounts and Finances of Panchayati Raj Institutions, one performance review on 'District Rural Social Sector Audit of Panchayati Raj Institutions - Wardha' and five transactions audit paragraphs. Section B comprises three chapters containing observations on the Accounts and Finances of Urban Local Bodies, two performance audits on (i) Jawaharlal Nehru National Urban Renewal Mission (UIG & UIDSSMT) (ii) Information Technology Audit of Brihanmumbai Mahanagarpalika Octroi Software System (BOSS) of Municipal Corporation of Greater Mumbai, a thematic audit on repairs and maintenance to road works in Municipal Corporation of Greater Mumbai and eight transaction audit paragraphs. A summary of major audit findings is presented in this overview.

1. Accounts and Finances of Panchayati Raj Institutions

The allocation from total revenue of the state to Panchayati Raj Institutions showed a meager increase from 15.38 per cent in 2006-07 to 15.93 per cent in 2010-11 as against 40 per cent recommended by the Second Maharashtra State Finance Commission.

All the 33 Zilla Parishads had not finalised (December 2011) their accounts for 2009-10 and 2010-11 although the same should have been finalized by September 2010 and 2011 respectively. The arrears of Zilla Parishads accounts and certification by the Chief Auditor, Local Fund Accounts ranged between one and two years. The State Government had so far not amended Maharashtra Zilla Parishad & Panchayat Samiti Account Code and Bombay Village Panchayat (Budget & Accounts) Rules to maintain annual accounts in the format prescribed by the Comptroller and Auditor General of India.

(Paragraph 1.1. to 1.13)

2 Performance Audit on "District Rural Social Sector Audit of Panchayati Raj Institutions Wardha"

In Wardha district, it was noticed that District Planning Committee did not prepare Five Year Plan/Perspective Plan. DPC has sanctioned and released grant without any linkage to the requirements. Works costing ₹8.17 crore were executed under Dalit Wasti Sudhar Yojana without obtaining approval of the competent authority. Improper planning, monitoring and implementation of Indira Awas Yojana resulted in 705 incomplete houses out of 7753 sanctioned for construction during 2008-09 and 2010-11 and fund of ₹3.01 crore remaining unspent.

(Paragraph 2.1)

3 Transaction Audit Findings - Panchayat Raj Institutions

Installation of biometric devices at remote locations without ensuring internet connectivity with District Headquarters resulted in non-achievement of objective and blockage of ₹90.60 lakh in Zilla Parishad, Thane.

(Paragraph 3.1)

In Panchayat Samitis Arni and Purna, 43 staff quarters constructed between August 2004 and December 2009 at a cost of ₹1.65 crore remained vacant due to non-provision of electricity and water supply connections.

(Paragraph 3.3)

4 Accounts and Finances of the Urban Local Bodies

The total receipts of all the Municipal Corporations in the State during 2010-11 was ₹ 30137 crore which was marginally higher by 4.42 per cent over previous year. The major contribution in total receipts was from rent, taxes etc (53.05 per cent) and other income (39.43 per cent).

The Government of Maharashtra adopted National Municipal Accounts Manual for implementation from 2005-06. The draft state account code for urban local bodies prepared by Project Management Consultant has not been adopted so far.

(Paragraph 4.1 to 4.9)

5 Performance Reviews on Urban Local Bodies

Jawaharlal Nehru National Urban Renewal Mission (UIG & UIDSSMT)

Implementation of the project under Jawaharlal Nehru National Urban Renewal Mission was deficient. UIG project proposed were without assessing the immediate requirement.

Unfruitful expenditure of ₹250 crore was incurred on preparation of DPRs. Execution of water supply scheme under UIDSSMT in Jalna Council without a distribution network had resulted in depriving people of Jalna from the desired benefit of scheme.

Actual cost of award of work was as high as 66 per cent of the approved cost of work. An expenditure of ₹2.81 crore was incurred on the works that were not envisaged in the DPR.

Excess payments on account of price escalation and extra items were noticed. Awarding of work without site survey and reliable data resulted into cost overrun of ₹11.09 crore. An amount of ₹19.15 crore was blocked due to non-functioning of Inert and Refused Derived Fuel plant.

Double entry accounting system was not introduced in any of the selected Municipal Councils. Target of recovery of Property Tax and Operation and Maintenance cost as was envisaged in the agenda of reforms was not achieved in respect of six Corporations.

(Paragraph 5.1)

Information Technology Audit of Brihanmumbai Mahanagarpalika Octroi Software System (BOSS) of Municipal Corporation of Greater Mumbai

MCGM initiated computerization of various departments through Turnkey Solution Provider (TSP) route in 2000. M/s Ace Televoice and Services Pvt. Ltd. was appointed TSP in 2001 for computerisation of the Octroi department.

Annual Technical Support (ATS) for software was given to M/s HCL Infosystems Ltd from August 2005 to August 2008 and work order for ATS was also given to M/s Ace Televoice Pvt Ltd for the same period resulting in undue benefit of ₹ 0.60 crore to the TSP. Similarly, TSP was also given undue benefit of ₹ 33.39 lakh in purchase of hardware and networking items.

Classification of articles according to Schedule 'H' of MMC Act 1888 was not followed for calculation of octroi. The octroi levied through the system was less by ₹ 46.13 crore than as per corresponding Schedule 'H' rate of the article code recorded therein.

Even after 10 years of the development of the software, MCGM did not have its own personnel as Database Administrator for overall IT security and as custodian of data to ensure data integrity of such a critical system.

(Paragraph 5.2)

6 Transaction Audit Findings - Urban Local Bodies

Non-recovery of capitalised value and interest on account of redevelopment of properties by Estate Department of Municipal Corporation of Greater Mumbai resulted in loss of revenue of ₹ 45.45 crore.

(Paragraph 6.1)

Municipal Corporation of Greater Mumbai failed to communicate the supplier regarding suspension of the scheme in time led to unfruitful expenditure of ₹ 2.74 crore in purchase of flavoured milk in tetra packs.

(Paragraph 6.2)

Nashik Municipal Corporation gave undue benefit of ₹ 1.79 crore to contractor by irregular sanction of extra item.

(Paragraph 6.3)

Solapur Municipal Corporation allowed higher deduction at the rate of 15 per cent for repairs as against the stipulated 10 per cent under the Bombay Provincial Municipal Corporation Act while calculating property tax resulted in short levy of property tax of ₹ 13.36 crore.

(Paragraph 6.4)

Nanded Waghala City Municipal Corporation levied water charges on non-residential properties at residential rates resulting in short levy of ₹ 65.33 lakh for three years from 2008-09.

(Paragraph 6.5)

Non-observance of prescribed provision of Nagpur City Municipal Corporation Act, 1948 by the Municipal Corporation, Nagpur resulted in excess payment of contributions of ₹ 1.99 crore to the various organizations / Agencies towards cultural activities.

(Paragraph 6.7)

The works of software development taken up on recommendation of Standing Technical Advisory Committee to improve the ability to plan and manage road maintenance operation better was not finalised and remained incomplete after

incurring ₹1.76 crore. Three pot hole filling machines costing ₹2.34 crore imported for mechanical and speedy filling of potholes were not put to use due to narrow roads, traffic problems and were lying idle for two years. Road works valuing ₹702.31 crore (₹469.09 crore + ₹233.22 crore) were awarded by variation as additional works without inviting tenders in violation of the provision of Mumbai Municipal Corporation Act, 1888.

(Paragraph 6.9)