

## Overview

This Report has six chapters containing observations of audit on accounting procedures and financial management, receipts, implementation of schemes, performance audit as well as other important cases. A synopsis of the Audit findings is presented in this overview.

Five ULBs had incurred excess revenue expenditure of ₹ 19.39 crore and six ULBs had incurred excess capital expenditure of ₹ 17.44 crore *vis-à-vis* the budget provisions during 2007 – 10.

**[Paragraph 2.1.1]**

Eight ULBs diverted ₹ 5.34 crore sanctioned for specific purposes during the years 2007 – 10 depriving the beneficiaries of the intended benefits.

**[Paragraph 2.4]**

In absence of ‘Special Fund’ or due to inadequate contribution to the said fund, six ULBs accrued a liability of ₹ 3.86 crore towards pension and gratuity as of March 2009.

**[Paragraph 2.6]**

Fifteen ULBs accumulated a liability of about ₹ 18.18 crore as of March 2009 due to non-payment of loan in time. The trend of increase in liabilities adversely affects the financial stability of the ULBs.

**[Paragraph 2.7]**

Five municipalities did not pay electricity charges amounting to ₹ 5.28 crore.

**[Paragraph 2.11]**

Titagarh Municipality deducted Professional Tax (₹ 4.95 lakh) at source during 2007 – 09 but did not deposit the amount into government account in time.

**[Paragraph 2.16]**

Inadmissible remission allowed in property tax, resulted in loss of revenue of ₹ 4.37 lakh in Habra Municipality.

**[Paragraph 3.3]**

Non-imposition of surcharge on property tax by 16 ULBs for commercial holdings during July 2000 to September 2009 resulted in loss of revenue of ₹ 1.43 crore.

**[Paragraph 3.4.1]**

Due to non imposition of water charges or imposition of water charges at a lower rate, seven ULBs sustained a loss of ₹ 4.04 crore during the period from April 2003 to August 2009. It was also noticed in audit that 16 ULBs had partly realised water charges since the date of imposition resulting ₹ 32.46 crore remaining outstanding at the end of March 2009/ 2010.

**[Paragraph 3.5]**

Due to non-allotment of constructed stalls / shops for a period ranging from two to fifteen years, four ULBs could not generate projected revenue of ₹ 42.33 lakh towards *salami* / lease / rent in addition to blockage of capital.

**[Paragraph 3.7]**

In 13 ULBs unspent funds under Employment Generation in Urban Area Scheme increased from ₹ 5.17 crore as on 1 April 2007 to ₹ 6.55 crore as on 31 March 2009. Four ULBs spent ₹ 1.53 crore under the scheme during 2006 - 09 without involving the Ward Committees / Community Development Societies. The expenditure incurred by six ULBs on wages was far below 40 *per cent* of the total cost of works during 2007 - 09, implying non-generation of employment of approximately 97,146 man-days. Two ULBs executed works worth ₹ 59.96 lakh during 2007 – 08 engaging contractors in violation of government guidelines.

**[Paragraph 4.1]**

In two ULBs an amount of ₹ 60.77 lakh remained unutilized under National Old Age Pension Scheme as of March 2009 depriving 1265 intended beneficiaries for the year 2008 – 09. Kandi Municipality utilised the fund of ₹ 5.21 lakh from the NOAPS Grant between August 2007 and March 2008 towards improvement of roads, drains, etc. depriving 108 intended beneficiaries for the year 2007 – 08.

**[Paragraph 4.3]**

### **Performance Audit**

#### **Twelfth Finance Commission Grants**

An amount of ₹ 23.06 lakh was released by the State Government towards interest for delay of 16 to 48 days in releasing the first installment of 2005 – 06. The release of fund for SWM in respect of 34 ULBs fell short by ₹ 1.84 crore out of the actual entitlement of ₹ 53.76 crore. There was improper segregation, handling and disposal of solid waste / bio-medical waste by the ULBs. Nineteen ULBs did not spend any amount for creation of database and maintenance of accounts from the available fund. Ten ULBs spent only 0.30 to 4.75 *per cent* for this purpose. Fourteen ULBs diverted ₹ 3.19 crore during the period 2005 – 10 for expenditure outside the purview of the TFC grants. The Khardah Municipality gave ₹ 3.00 lakh from TFC grants to Titagarh MFP School for development purpose during 2009 – 10 but could not furnish any utilisation certificate for the same.

**[Paragraph 5.1]**

#### **Other Important Cases**

The Cooch Behar Municipality extended undue favour to the supplier by enhancing the originally accepted rate, paying advance from time to time without ensuring timely receipt of bricks and thereby paid ₹ 41.37 lakh and allowed advance of ₹ 33.90 lakh in excess of total cost.

**[Paragraph 6.1]**

Construction of cold storage without complying with the provisions of the West Bengal Cold Storage (Licensing & Regulation) Act, 1966 and resultant denial of trade license by the concerned authority led to unfruitful expenditure of ₹ 61.12 lakh.

**[Paragraph 6.2]**

Non-maintenance of stock register, poor monitoring mechanism and absence of physical verification of stocks at regular intervals, led to shortage of 585.66 quintals of rice worth ₹ 9.05 lakh.

**[Paragraph 6.3.1]**

Absence of proper monitoring mechanism in the execution of Mid-Day Meal programme by the Panskura Municipality, led to shortage of 278.24 quintals of rice worth ₹ 4.30 lakh.

**[Paragraph 6.3.2]**