

OVERVIEW

OVERVIEW

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

Fifteen Urban Local Bodies (ULBs) had incurred excess revenue expenditure of ₹ 17.75 crore and three ULBs had incurred excess capital expenditure of ₹ 4.23 crore *vis-à-vis* the budget provisions during 2008 – 11.

[Paragraph 2.2]

Seven ULBs diverted ₹ 5.56 crore sanctioned for specific purposes during the period 1999 – 2010 depriving the beneficiaries from the intended benefits.

[Paragraph 2.4]

In absence of 'Special Fund' or due to inadequate contribution to the said fund, 10 ULBs accrued a liability of ₹10.17 crore towards pension and gratuity as of March - June 2010.

[Paragraph 2.5]

Twenty seven ULBs accumulated a liability of about ₹ 503.51 crore due to non-payment of loan in time.

[Paragraph 2.6]

Eight ULBs did not pay electricity charges amounting to ₹ 14.01 crore till the end of 2010.

[Paragraph 2.10]

Advances aggregating ₹ 28.88 crore granted by 27 ULBs for various purposes remained unadjusted till March 2010.

[Paragraph 2.11]

Inadmissible remission allowed in property tax resulted in loss of revenue of ₹ 7.20 lakh and ₹ 23.76 lakh in Kalna and Rishra Municipalities respectively.

[Paragraph 3.3]

Non-imposition of surcharge on property tax by 18 ULBs for commercial holdings during July 2000 to March 2010 resulted in loss of revenue of ₹ 6.22 crore.

[Paragraph 3.4.1]

Due to non / partial imposition of water charges or imposition of water charges at a lower rate, eight ULBs sustained a loss of ₹ 13.19 crore during the period from February 2003 to December 2010. It was also noticed that seven ULBs had partly realised water charges since the date of imposition by them, resulted ₹ 2.08 crore outstanding at the end of March 2011.

[Paragraph 3.5]

Due to non-allotment of constructed stalls / shops for a period ranging from four to five years, North Dum Dum Municipality and Siliguri Municipal Corporation failed to generate projected revenue of ₹ 52.00 lakh and ₹ 164.13 lakh towards *salami* / lease / rent in addition to blockage of capital.

[Paragraph 3.7]

Twenty six ULBs utilized only 47 and 55 *per cent* of the grants available under the Employment Generation Scheme (EGS) during the period 2008 – 09 and 2009 – 10 respectively. Twelve ULBs spent ₹ 10.28 crore under the scheme during 2008 - 10 without involving the Ward Committees / Community Development Societies. The expenditure incurred by eight ULBs on wages was below 40 *per cent* of the total cost of works during 2007 - 10, implying non-generation of employment of approximately 1,66,027 man-days. Four ULBs executed works worth ₹ 76.12 lakh during 2007 – 10 engaging contractors in violation of government guidelines.

[Paragraph 4.1]

Other Important Cases

Kamarhati Municipality issued 1649.72 quintals of rice during the period 2008 – 10 and released ₹ 78.34 lakh as cost of conversion under Mid-Day Meal Scheme to different schools and *sishu siksha kendras* against the actual entitlement of ₹ 43.13 lakh resulting in excess payment of ₹ 35.21 lakh.

[Paragraph 5.1]

Improper maintenance of stores and absence of periodical monitoring by the Chandernagore Municipal Corporation led to shortage of 333.76 quintals of rice

worth ₹ 5.16 lakh. The poor condition of godown damaged 12.50 quintals of rice worth ₹ 0.19 lakh.

[Paragraph 5.2]

The construction cess of ₹ 59.65 lakh collected during 2008 – 10 was retained by the Baranagar Municipality in violation of provisions of the Act and Rules.

[Paragraph 5.3]

Arambagh and Bongaon Municipalities did not collect the cess of ₹ 25.13 lakh at the time of sanctioning building plans.

[Paragraph 5.4]