

# OVERVIEW

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This Report has eight chapters containing observations of audit on accounting procedures and financial management, receipts, establishment, material management and execution of works, implementation of schemes, Performance Audit as well as other important issues. A synopsis of the significant Audit findings is presented in this overview.

Four Urban Local Bodies (ULBs) incurred excess revenue expenditure of ₹ 61.79 crore and three ULBs incurred excess capital expenditure of ₹ 3.19 crore over and above the budget provisions during 2011-14.

[Paragraph 2.1.1]

Ten ULBs diverted grants amounting to ₹ 10.96 crore for purposes other than the stipulated ones.

[Paragraph 2.3]

Outstanding loans and interest accrued against 20 ULBs were ₹ 935.24 crore.

[Paragraph 2.4]

Despite transfer of liabilities of all primary schools under the ULBs to the District Primary School Council, five ULBs incurred total expenditure of ₹ 3.36 crore from municipal funds towards salary of primary school employees and maintenance of primary schools during the period 1992-2013.

[Paragraph 2.6]

Advances aggregating ₹ 24.62 crore granted by 21 ULBs to Chairpersons, Councillors, employees, suppliers, contractors, etc. for various purposes remained unadjusted as of March 2013.

[Paragraph 2.7]

Twenty two ULBs did not collect / short collected the cess of ₹ 17.18 crore while approving building plans and contracts. Seven ULBs deducted cess at source but did not deposit the amount of ₹ 3.24 crore to the concerned Board till March 2013.

[Paragraph 2.10]

Delay in revision of annual valuation of property by four ULBs led to loss / arrear of revenue amounting to ₹ 17.92 crore.

[Paragraph 3.2]

Remission allowed on property tax beyond permissible limit led to loss of ₹ 1.29 crore in two ULBs.

[Paragraph 3.3]

Non-imposition of surcharge on property tax (for commercial holdings) by 14 ULBs during July 2006 to March 2013 resulted in loss of revenue amounting to ₹ 16.80 crore.

[Paragraph 3.4]

Eight ULBs did not realise fee for certificate of enlistment for profession, trade and calling amounting to ₹ 4.25 crore as of March 2013.

[Paragraph 3.6]

Due to non-collection of revised building plan sanction fees, six ULBs lost ₹ 17.90 lakh during 2007-13.

[Paragraph 3.8]

An amount of ₹ 7.63 crore was collected by six ULBs by imposing fees / levy in the form of Development Fee for regularising unauthorised constructions in violation of the provision of the West Bengal Municipal Act, 1993.

[Paragraph 3.9]

Four ULBs spent ₹ 24.23 crore during 2009-13 on wages of casual workers.

[Paragraph 4.1]

In absence of 'Special Fund' or due to inadequate contribution to the said fund, eight ULBs created liability of ₹ 5.45 crore towards pension and gratuity as of March 2013.

[Paragraph 4.2]

Nine ULBs did not pay electricity charges amounting to ₹ 17.44 crore till the close of year 2013.

[Paragraph 4.4]

Seven ULBs either executed works or procured materials worth ₹ 36.36 crore without following proper tender procedure.

[Paragraph 5.1]

In two ULBs, even after incurring an expenditure of ₹ 1.10 crore, works remained incomplete for years.

[Paragraph 5.3]

Four ULBs spent ₹ 72.95 lakh on development works / procurement of goods which remained unutilised for years rendering the expenditure unproductive.

[Paragraph 5.4]

Ten ULBs paid an excess amount of ₹ 47.37 lakh to contractors / suppliers during 2010-13.

[Paragraph 5.5]

Seven ULBs failed to implement the Mid-day Meal Scheme in 155 schools. In five ULBs, 862.44 quintals of rice worth ₹ 13.32 lakh were damaged in the godowns up to March 2012 / March 2013. Five ULBs released ₹ 382.52 lakh excess conversion cost to schools as compared to the quantity of rice.

[Paragraph 6.1]

## **Performance Audit**

### **7.1 Working of Siliguri Municipal Corporation**

The Commercial Complex (at Ward No. 42) constructed after incurring an expenditure of ₹ 1.98 crore was lying idle which resulted in blockade of public fund.

[Paragraph 7.7.1]

The Municipal Corporation could not realise minimum sale proceeds amounting to ₹ 1.66 crore from a large number of shops / stalls (pertaining to its own portion) at *Haiderpara* Market Complex.

[Paragraph 7.7.2]

Due to non-revision of water charges for long, the Municipal Corporation had to incur an excess maintenance cost of ₹ 11.60 crore over the actual revenue realised during the period 2008-13.

[Paragraph 7.8.1.2]

Against the Notice Inviting Quotation issued in September 2010, the Municipal Corporation executed water supply works and purchased materials (aggregating ₹ 1.97 crore as of February 2014) without obtaining the approval of the State Government.

[Paragraph 7.8.1.3]

The Municipal Corporation had dumping ground / landfill site for disposal of wastes at *Dabgram Mouza*, for which authorisation from the West Bengal Pollution Control Board was not found on record.

[Paragraph 7.8.2.1]

Solid Waste Management Committees under the Municipal Corporation collected an amount of ₹ 3.01 crore from 43 Wards, during the period 2006-13. The said Committees directly incurred an expenditure of ₹ 2.74 crore on account of payment of wages to labourers / collectors / supervisors, miscellaneous purposes, etc. leaving an unspent balance of ₹ 0.18 crore and investment of ₹ 0.09 crore as of 31 March 2013. The entire collection, expenditure and investment were kept

outside the main accounts of the Municipal Corporation in violation of prescribed Rules.

[Paragraph 7.8.2.3]

There was a difference of ₹ 2.52 crore (as of 31 March 2013) in actual closing balance with that of the corresponding figure(s) shown in Monthly Progress Report relating to Integrated Housing and Slum Development Programme.

[Paragraph 7.9.1.1]

SMC did not collect cess from individuals / builders during the period 2008-13.

[Paragraph 7.11.1]

### **Other Important Cases**

Kolkata Municipal Corporation did not collect arrears of property tax amounting to ₹ 2 crore from the Institute of Neurosciences, Kolkata, in respect of land measuring about 32 *kottahs*. On the contrary, the Municipal Corporation exempted the Institute from payment of property tax for five years in violation of law in force.

[Paragraph 8.1]

Kolkata Municipal Corporation did not fix contract demand for high tension electricity connections on the basis of actual requirement which resulted in avoidable expenditure of ₹ 15.47 crore.

[Paragraph 8.2]

The water supply project in Kharagpur town was a non-starter as pipelines were procured and laid without ensuring availability of required amount of water rendering the entire expenditure of ₹ 10.94 crore unfruitful. This expenditure included an excess payment of ₹ 40.03 lakh incurred on procurement and laying of pipes.

[Paragraph 8.3]

Uluberia Municipality executed works valued at ₹ 4.94 crore relating to Water Treatment Plant under JNNURM in violation of the prescribed tender procedures and split the total work to facilitate excess payment, etc.

[Paragraph 8.4]