

PREFACE

This Report has been prepared for submission to the Government of Orissa in accordance with the terms and conditions of the Technical Guidance and Supervision (TGS) over the maintenance of accounts and audit of Panchayati Raj Institutions (PRIs) by the Comptroller & Auditor General (C&AG) of India.

Based on the recommendations of the Eleventh Finance Commission, the State Government entrusted 20 per cent of Gram Panchayats (September 2003) and Panchayat Samitis (May 2004) for audit to the C&AG of India under section 20(1) of the C&AG's (DPC) Act 1971 and provided technical Guidance and Supervision over the work of the Examiner, Local Fund Audit (LFA).

This Report is based on the audit of Gram Panchayats conducted under Section 20(1) and Panchayat Samitis & Zilla Parishads under Section 14 of the C&AG's (DPC) Act 1971.

This is the first Report of the office of the Senior Deputy Accountant General, Local Bodies Audit and Accounts under the administrative control of the Principal Accountant General (Civil Audit), Orissa, Bhubaneswar which started functioning from October 2006.

This Report contains two chapters. Chapter I contain an overview of the Panchayati Raj institutions in Orissa and comments on accounts. Chapter II deals with the observations on transactions audit arising out of inspection of PRI units.

The cases mentioned in the Report are those, which came to notice during the course of audit of accounts conducted in 2006-07.

OVERVIEW

This report includes two chapters. Chapter I deal with an overview of the Panchayati Raj Department containing the organizational set-up, accounting and auditing arrangements, sources and flow of funds to Panchayati Raj institutions (PRIs) and audit coverage including seven paragraphs on the comments on accounts. Chapter II comprises 21 paragraphs containing the audit findings on the financial transactions of the PRIs followed by conclusions and recommendations. A summary of audit findings is given as under:

Works involving Rs.20.69 crore remained incomplete for more than five years leading to unfruitful expenditure.

(Paragraph 2.6)

Interest of Rs 57.02 lakh accrued on the deposit of scheme funds were not utilized for more than five years.

(Paragraph 2.7)

Interest of Rs 77.91 lakh was irregularly utilized towards construction of office buildings, staff quarters, etc.

(Paragraph 2.7)

Shopping units constructed with an expenditure of Rs 2.23 crore are lying vacant.

(Paragraph 2.8)

Inadmissible expenditure of Rs 27.35 lakh was incurred towards construction of office building, staff quarters etc out of SGRY funds.

(Paragraph 2.10)

Expenditure of Rs.35.14 lakh was irregularly incurred on incomplete works and construction of park out of Kendu Leaf grants.

(Paragraph 2.13)

Non-installation of MS sluice gates in the Check Dams resulted in infructuous expenditure of Rs 46.08 lakh.

(Paragraph 2.16)

Incorrect decision of the Government resulted in excess expenditure of Rs 30.82 lakh under IAY scheme.

(Paragraph 2.17)

Shortage of stocks leading to suspected misappropriation worth Rs 33.98 lakh.

(Paragraph 2.20)

Non-production of vouchers gives rise to doubtful expenditure of Rs 80.87 lakh.

(Paragraph 2.21)

CHAPTER I

AN OVERVIEW OF

**PANCHAYATIRAJ
INSTITUTIONS**

CHAPTER I

AN OVERVIEW OF THE PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

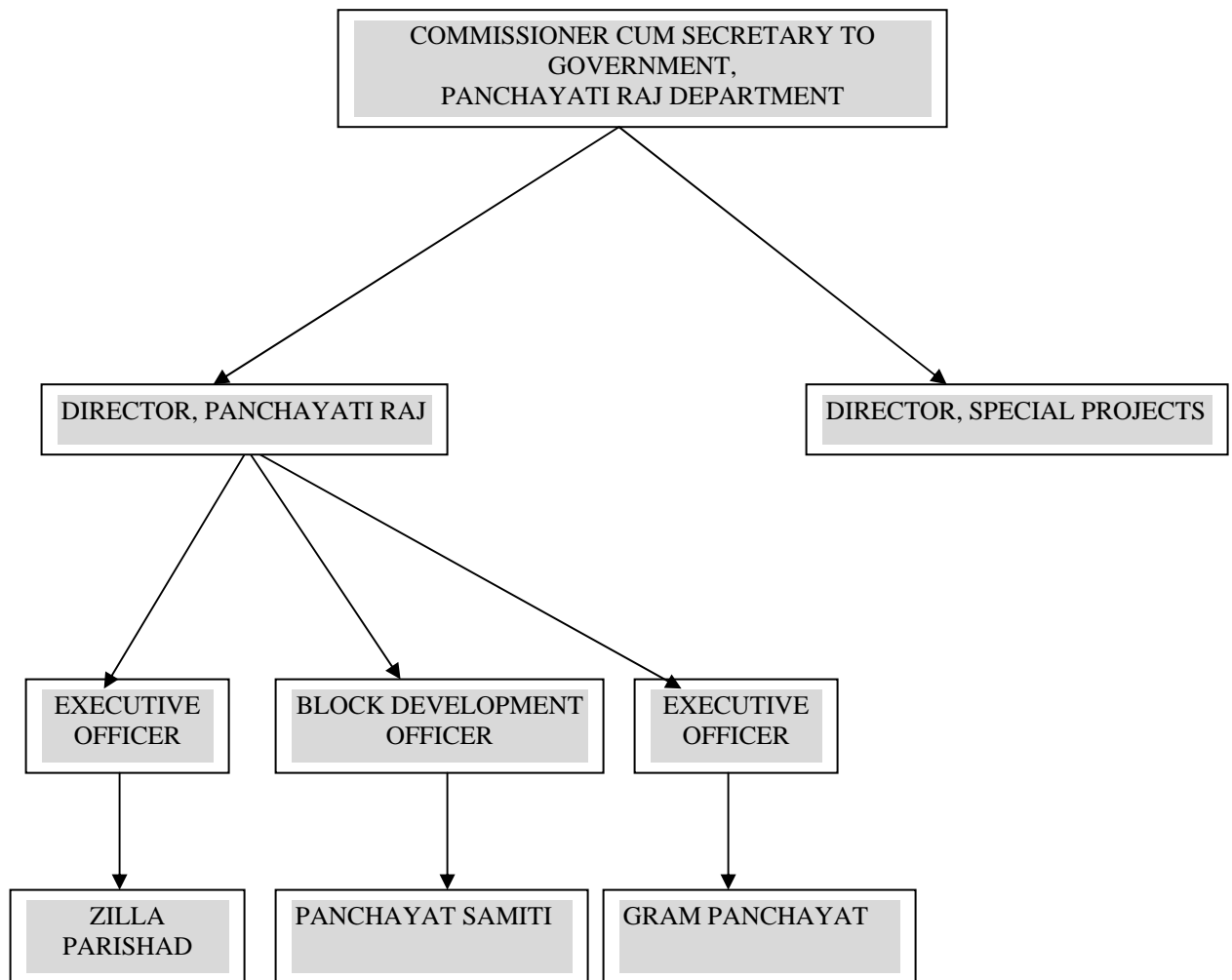
The Government of Orissa has enacted the Panchayat Samiti Act (1959), the Gram Panchayat Act (1964) and the Zilla Parishad Act (1991). The Government in pursuance of 73rd constitutional Amendment Act, 1992 made suitable amendments to the above Acts with a view to decentralize powers and strengthen the three tier structures of local governing bodies at the District, Block and village levels. At present, 30 Zilla Parishads, 314 Panchayat Samitis and 6234 Gram Panchayats are functioning in Orissa.

The Eleventh Finance Commission (EFC) recommended that the C&AG should be entrusted with the responsibility of exercising control and supervision over the proper maintenance of accounts and their audit for all the three-tiers/ levels of PRIs and Urban Local Bodies (ULBs). Accordingly, the State Government has entrusted responsibility for providing Technical Guidance and Supervision (TGS) to the CAG over the work of the Examiner, Local Fund Audit. Further, the State Government entrusted (20 per cent) audit of Gram Panchayats (September 2003) and Panchayat Samitis (May 2004) to the CAG of India under section 20(1) of the DPC Act. Presently audit of all PS is being conducted under section 14 of the DPC Act.

1.2 Organizational Set up

The Panchayati Raj Institutions (PRIs) function under the administrative control of the Panchayati Raj (PR) Department headed by the Commissioner-Cum Secretary and assisted by the Director (PR) and the Director (Special Projects) at the State level.

The organizational set-up of the PRIs is as follows:



The Zilla Parishad is headed by the President, Panchayat Samiti by the Chairman and the Gram Panchayat by the Sarpanch who are elected representatives of the respective PRIs.

At the District level, the Zilla Parishad (ZP) is constituted by the elected representatives headed by the president with the District Collector as the Chief Executive Officer (CEO). Under the CEO, one Executive Officer (EO) discharges day-to-day administrative functions of the Zilla Parishad.

The Panchayat Samiti (PS) functioning at the Block level is composed of elected representatives headed by the chairman of the PS with the Block Development Officer (BDO) as the executive head.

At the Gram Panchayat (GP) level, the elected members headed by a Sarpanch constitute the GP. The State Government by legislation has declared the Village Level Worker (VLW) as the Executive Officer entrusted with general superintendence and overall control of the GP who discharges his duties under the supervision of the District Panchayat Officer (DPO).

1.3 Devolution of Functions

The 73rd constitutional Amendmen Act 1992 envisaged devolution of funds, functions and functionaries to the Panchayati Raj Institutions (PRIs) to make them fiscally capable and autonomous. On the mandate of the above, the State Government devolved 21 subjects out of 29 enlisted in the 11th schedule to the control of 3-tier PRIs in July 2003. The remaining 8 subjects[‡] have not so far been transferred. No funds have been transferred to the PRIs in respect of 21 subjects already transferred to the PRIs.

1.4 Sources of Funds

For execution of various developmental works, the PRIs mainly receive funds from the Government of India (GOI) and the State Government in the form of Grants. The GOI Grants include grants assigned under the recommendations of Eleventh Finance Commission (EFC) & Twelfth Finance Commission (TFC). The

[‡] (1) Social Forestry and Farm Forestry (2) Small scale industries (3) Khadi, village and cottage Industry (4) Fuel and fodder (5) Rural electrification (6) Technical training and vocational education (7) Libraries (8) Cultural activities.

State government grants are received under the recommendations of State Finance Commission (SFC). Besides, the source includes the revenue earned by the PRIs out of their own resources such as taxes, rent, fees, issue of licenses, etc.

During 2005-06, Government provided financial assistance of Rs.230.79 crore by way of grants and loans to PRIs viz., Panchayat Samities, Zilla Parishads and Gram Panchayats.

1.5 Flow of Funds:

The State Government (Finance Department) on receipt of the EFC and TFC grants from the GOI releases the funds to the Panchayati Raj (PR) Department for further release to the PRIs. The GOI scheme funds and the State Government Grants are released to the PRIs through the state budget. Out of the total receipt of Rs.80.30 crore towards second installment of TFC grants for 2006-07, the State Government released Rs.72.04 crore in time. The balance of Rs.08.26 crore was released to the PRIs with the delay of 51 days.

1.6 Functioning of PRIs

The PRIs execute their functions through constitution of seven Standing Committees, namely:-

- Planning, Finance, Anti- poverty Programme and Co-ordination,
- Agriculture, Animal Husbandry, Soil Conservation, Horticulture, etc.
- Works, Irrigation, Electricity, Water Supply, etc.
- Health, Social Welfare, etc.
- Public Distribution System, Welfare of the Weaker Section, etc.
- Handicrafts, Cottage Industry, Khadi and Village Industries, etc.
- Education, Sports and Culture.

The over all monitoring and review of the programmes are conducted at the state level by the State level Co-ordination Committee (SLCC) and at the district level by the District Monitoring and Vigilance Committees.

1.7 Accounting Arrangement

The Executive Officer is responsible for maintenance of accounts in Zilla Parishad and the Block Development Officer in Panchayat Samiti maintains the accounts with the assistance of Accountants. In case of Gram Panchayat, the Executive officer/Secretary maintains the accounts.

1.8 Audit Arrangement

The Examiner, Local Fund Audit (LFA) through District Audit Officers, Audit Superintendent and Auditors conducts audit of Panchayat Samitis (PS) and Gram Panchayats (GPs). As regards arrears, 16 nos of accounts[§] in respect of the Panchayat Samities of undivided Koraput District are pending for audit by the Examiner, LFA as on 31 March 2007. Similarly in respect of 2698 GPs, 9982 nos of accounts are pending for audit as of March 2007. The LFA has not taken up audit of the accounts of Zilla Parishads since their creation though it was entrusted to the LFA vide Orissa Zilla Parishad (Amendment) Act 2000.

Audit of 20 per cent of GPs and PS is also entrusted to the C&AG of India under section 20 (1) of the C&AG's (DPC) Act, 1971 including providing of TGS to the Examiner, LFA. While the audit of GPs are conducted by the C&AG under Section 20(1), the audit of PS and Zilla Parishads (ZPs) are conducted under Section 14 of the DPC Act.

1.9 Audit Coverage

The audit of the accounts of 23 ZPs, 161 PS and 1042 GPs for the year 2005-06 were test checked during 2006-07. The important audit findings are summarized in the succeeding paragraphs and chapters.

[§] Audit of one year's accounts is treated as one account.

1.10 COMMENTS ON ACCOUNTS

1.10.1 Unutilized Funds.

Test check of closing balances of the PRIs for the year ended 31 March 2006 revealed huge amounts relating to different scheme funds kept unutilized as shown under:

Name of the PRI	Number of PRIs	Amount (Rupees in crore)
Zilla Parishads	07	02.23
Panchayat Samitis	68	181.91
Gram Panchayats	257	15.45
Total	332	199.59

Poor utilization of funds indicated defective planning and inadequate monitoring depriving the beneficiaries from receiving intended benefits from the schemes.

1.10.2 Non-reconciliation of cash balances

In 4 ZPs and 19 PS, differences amounting to Rs.54.26 Lakh and Rs.7.82 crore respectively (Appendix-I) remained unreconciled as of 31 March 2006 between cash books and bank pass books. In the absence of reconciliation of cash balances, authenticity of accounts of these local bodies could not be ensured.

1.10.3 Non preparation of Budget Estimates

The annual Budget Estimate of ZP, PS and GP showing the probable receipts and expenditures for the following year are required to be prepared and approved within the prescribed date by the authorized body.

Test check of 138 PRIs (8 ZPs, 29 PS and 101 GPs) revealed that none of the PRIs has prepared the budget estimates.

1.10.4 Non-preparation of Annual Accounts

Soon after the closure of the financial year, the annual accounts of ZPs and GPs should be prepared showing total receipts and payments during the year under different heads with opening and closing balances. In respect of PS, the Government of Orissa issued instruction (April 2004) to prepare Annual Receipt and Payment accounts in the formats prescribed by C&AG of India.

Scrutiny of records 8 ZPs, 29 PS and 102 GPs revealed the annual receipt and payment accounts were not prepared by any of the unit. Due to non-maintenance of accounts, the actual position of income and expenditure could not be verified and the accounts presenting true and fair view could not be ascertained.

1.10.5 Certification of Accounts

The State Government has not made any provisions in the State Acts/Rules for certification of accounts for the PRIs by the Examiner of Local Fund Audit.

1.10.6 Deficiencies in the maintenance of Cash Books

Test check of records of 16 PRIs (one ZP, five PSs and ten GPs) revealed that the maintenance of Cash Books were deficient in many ways. Some of the important deficiencies are as under:

- Cash Books are not maintained for months together.
- Physical verification of cash is not conducted.
- Heavy cash balances in excess of the prescribed limits and without immediate liability were retained.
- Consolidated Cash Book is not maintained in case where more than one Cash Books are in operation.
- Monthly analysis of closing cash balances is not prepared.
- Expenditures against which funds are not available are un-authorizedly accounted for in the Cash Book
- Interest earned in the Bank Pass Book is not regularly accounted in the Cash Book.

1.10.7 Non maintenance of Records

With a view to adopting uniform procedure for maintenance of accounts of PRIs, the Government issued instructions (April 2004) to maintain accounts in the formats prescribed by the C&AG of India, such as Annual receipt and payments accounts, Capital expenditure accounts, Statement of receivable and payables, Register for monthly receipts and payments, Monthly reconciliation statement, Accounts of movable and immovable property, Stock accounts, etc.

In addition to above, the C&AG also prescribed formats for creation of Database on Finances of PRIs. Records of test checked PRIs revealed that the said formats on accounts and the Database on Finances were not adopted. In the absence of the above, uniform accounts procedure is not maintained due to which financial and physical progress of the PRIs could not be ascertained.

CHAPTER II

RESULTS OF AUDIT

2.1 Functioning of Zilla Parishad.

Test check of records revealed, the ZPs since their creation (1997) could not implement any of the functions devolved to them despite the Government's instructions, as the responsibilities and functions assigned to the District Rural Development Agency (DRDA) have not yet been transferred to ZPs.

2.2 Idling of funds – Rs 37.02 Lakh

The Zilla Parishad receives grants from the Government and transfers them to the executing agencies like Panchayat Samitis, Gram Panchayats and other line departments for implementation of various developmental schemes and projects.

Test check of 3ZPs revealed, Rs.37.02 lakh (Appendix-II) relating to the funds of different defunct/closed schemes like RCP, TFC, ERRP, NREP, RLEGP, MWS and EAS was kept idle without disbursement to the implementing agencies during the period of operation of these schemes. Non-release of funds during the period of operation defeated the very purpose of allotment. As the schemes are closed/defunct, the amounts lying with the ZPs are to be refunded to the Government. But the amounts were kept as such without being refunded to the Government. Thus non-refund of funds to the Government after closure of the schemes resulted in idling of funds.

2.3 Advances lying unadjusted- Rs 25.60 crore.

Advances made to the individuals/contractors/suppliers should be regularly and promptly adjusted and unspent balances refunded/recovered immediately. In

case of 278 PRIs as on 31.03.2007, advance of Rs 25.60 crore were not adjusted since long as detailed below:-

Name of the PRI	No. Of units	Advance outstanding (Rs in crore)
Panchayat Samitis	74	24.40
Gram Panchayats	204	01.20
Total	278	25.60

Some advances remained outstanding for the periods ranging from one to thirty years. However the age of the advances pending could not be known in case of majority of the PRIs due to non- maintenance of list of outstanding advances and Advance ledgers. The possibility of recovery of old advances is remote and may lead to loss of Government money.

2.4 Diversion of fund- Rs 77.56 lakh

As per Panchayat Samiti Accounting Procedure (PSAP) Rules and Gram Panchayat Act, funds placed at the disposal of the PRIs by the Government by way of grant for scheme should be utilized for the purpose for which they have been received. Funds should not be diverted without approval of the Government.

In contravention of the above, Rs 77.56 lakh of scheme funds have been diverted during 2000-06 in four PS and nineteen GPs (Appendix-III) for expenditure on other schemes.

2.5 Non collection/remittance of Royalty-Rs 79.14 lakh

As per Government (Orissa Minor Mineral Concession) Rules, the royalty should be deducted from the bills on execution of works and remitted to Government account forthwith.

Royalty for Rs.8.70 lakh in two PS and 4 GPs (Appendix-IV) was not realized from the work bills. In 13 PS and 50 GPs (Appendix-V), the royalty for Rs.70.44 lakh though realized from the bills were not remitted to Government account in violation of the rules.

2.6 Un-fruitful Expenditure on incomplete works Rs 20.69 crore

As per scheme guidelines, no works should be taken up which could not be completed in one year or at the most within two financial years. Test check of records of works undertaken during 1990-06 under different schemes in 25 PS revealed, 9814 number of works (Appendix-VI) involving expenditure of Rs.20.69 crore remained incomplete for more than five years and resulted in unfruitful expenditure.

The works remained incomplete due to inaction of the PSs as no specific replies furnished.

2.7 Non-utilisation/mis-utilisation of interest – Rs 1.35 crore

The interest accrued on deposits of scheme funds shall be treated as additional resources and be utilized as per guidelines.

Test check of Z.P Balasore and 3 PS (Appendix-VII) revealed, interest of Rs 57.02 lakh was earned during 2000-07 under various schemes kept unutilized for more than five years. This shows that the implementing agencies are not keen in utilizing available resources for developmental purposes.

In case of eight PS, the interest money of Rs 77.91 lakh earned during 2002-06 (Appendix-VIII) was mis-utilised in constructing the of office building and staff quarters, meeting transportation of rice and other contingent expenditure in violation of SGRY Guidelines.

2.8 Idle Expenditure on Shopping Units Rs 2.23 crore

As per the Government instructions (April 2005), no shopping units constructed under Sampoorna Grameen Rozgar Yojana (SGRY) schemes should remain vacant without being handed over to the targeted beneficiaries.

The records of 10 P.S revealed, 529 shopping units constructed (Appendix-IX) out of the SGRY funds were not allotted to the beneficiaries thereby resulting in idle

expenditure of Rs.2.23 crore. The shopping units were not allotted to the beneficiaries as no beneficiaries were identified for distribution of the shopping units. Further, there was no demand of these units in rural areas. The units were constructed by the PSs without conducting proper survey of the areas despite Government instructions.

2.9 Wasteful expenditure on plantation- Rs 2.52 lakh

The cashew plantations made in the wasteland of the Government involving expenditure of Rs 2.57 lakh out of SGRY scheme were handed over to 105 SC/ST beneficiaries in 12 GPs under Nabarangapur PS. But, on physical verification of the plantation sites jointly by the BDO, JE and Audit in presence of beneficiaries (December 2006), no plants could be seen in the land. Reasons of non- availability of plants stated by the BDO were due to non-maintenance and absence of watch and ward by the beneficiaries. The reply was not tenable in audit since there were no arrangements made for maintenance and watch and ward by the PS. Failure to take follow up action by the PS led to wasteful expenditure of Rs.2.57 lakh on plantation.

2.10 Inadmissible expenditure of SGRY fund Rs 27.35 lakh

As per Para 6.5.1 of SGRY Guidelines, the works like soil conservation, minor irrigation, rejuvenation of drinking water sources, construction of rural link roads and creation of durable socio- economic assets such as schools, dispensaries, community centers, Panchayat Ghars and development of hats etc. could be taken up under the scheme.

In violation to the above, an inadmissible expenditure of Rs 27.35 lakh was incurred by three PSs during 2003-06 (Nawarangpur Rs 14.56 lakh, Umerkote Rs 2.50 lakh, and Balipatna Rs.10.29 lakh) towards construction of office buildings, staff quarters, conference hall, computer room, etc.

2.11 Irregular expenditure on transportation charges Rs 37.10 lakh

As per SGRY/NFFWP guidelines, the transportation charges of food grains were to be borne by the State Government from their own resources and the cash component could not be used for transportation.

Records of eight PSs and nine GPs (Appendix-X) revealed that total amounts of Rs 37.10 lakh were utilized irregularly from the scheme funds during 2001-06 towards transportation charges of food grains.

2.12 Excess expenditure on construction of Cement Concrete road -Rs 9.32 lakh

As per Government of India Guidelines (Rural Road Manual), the width of the rural Cement Concrete (CC) roads should be 3 meters. Records of Semiliguda PS revealed that 14 rural roads within the PS were constructed (Appendix-XI) with width ranging from 3.30 to 11.50 meters despite sanction of roads with 3 meters width in Estimates. This ultimately resulted in reduction of the length of the roads by 1379.40 meters from the total estimated length of 5322 metres. Had the roads of 1379.40 metres length been constructed within the same estimated cost, some more villages/habitations could have availed the connectivity facility. The roads constructed in violation of specification led to excess execution of works of 649.04 cum involving excess expenditure of Rs 9.32 lakh and resulted in denial of connectivity to some habitations/villages.

The BDO of the PS to the audit observation replied, the width of the road increased on the demand of the Village Committee (VC). The reply was not convincing, as no representation to this effect could be made available.

2.13 Irregular utilisation of Kendu Leaf Grant- Rs 35.14 lakh

The Government (Panchayati Raj Department) passed a Resolution (December 2002) specifying the principles of utilization of Kendu Leaf (KL) Grants^{**} by the Panchayati Raj Institutions (PRIs).

^{**} 90% of the K.L grants distributed to PSs and GPs of K.L. growing Sub-Divisions and 10% retained at the Government level for distribution for socially relevant purposes and activities. As per

Accordingly, 80 *percent* of KL fund should be utilised for infrastructure development and 20 *percent* for providing services to public in respect of primary education, health, drinking water, sanitation and other production activities. It was stipulated in the order that the amount available under KL grant should not be spent for completing a portion of the project.

Scrutiny of records revealed that Sundergarh Zilla Parishad had received Rs 65.54 lakh during 2001-06 of which Rs 24.22 lakh and Rs 10.92 lakh (Appendix-XII) were utilized for development of the existing Vikash Bhawan and Theme Park respectively through Block Development Officer (BDO), Sundergarh. Further scrutiny revealed that the expenditure was made in Vikas Bhawan for decoration and furnishing works and in Theme Park for constructions and installation of entertainment items like sky dome, museum show case, etc.

Since the above item of works were not admissible under the principles of utilization of KL grants, the expenditure of Rs 35.14 lakh (Appendix-XII) made by the Zilla Parishad was irregular. To an audit query, Executive Officer, ZP replied that the projects were implemented as per the resolution of the Parishad and the necessary approval from the Government would be obtained (February 2007).

2.14 Irregular expenditure on repair and maintenance- Rs 11.94 lakh

As per SGRY Guidelines, GPs were permitted to spend up to maximum of 15 *per cent* of the funds on maintenance of the public assets created under the wage employment programme.

In case of five GPs (Appendix-XIII), the expenditure in excess of prescribed limit of 15 *per cent* was incurred on repair and maintenance of assets leading to irregular expenditure of Rs 11.94 lakh.

recommendation of the State Finance Commission, the Zilla Parishad should also get a share from K.L.grant.

2.15 Creation of non-durable assets

As per SGRY guidelines read with the provisions of Rural Road Manual, the construction of rural road should be above minimum standard of Grade-I metalling, so that the road would be all weather and a durable asset.

Check of records of four GPs (Appendix-XIV) revealed, Rs 5.65 lakh was utilized during 2004-06 on construction of moorum roads which led to creation of non durable assets and ultimately resulted in wasteful expenditure

2.16 Infructuous expenditure on construction of Check Dams- Rs 46.08 lakh

As per National Food For Work Programme(NFFWP) guidelines, the works relating to water conservation, drought proofing and land development, etc. could be taken up to provide additional resources apart from the resources available under SGRY to the backward districts for generation of wage employment and creation of community assets.

Record of Chandahandi PS revealed, ten Check dams were constructed over available water resources (nalla) during 2004-06 with an expenditure of Rs 46.08 lakh under SGRY and NFFWP schemes to provide irrigation facilities to the beneficiaries. Though the civil constructions were completed, MS sluice Gates as provisioned were not installed in the check dams due to which the water could not be conserved for irrigation purposes.

The BDO of the PS stated that the MS sluice gates were not installed since the beneficiaries were not taking any responsibilities for the security and maintenance of MS gates. The reply was not tenable in audit as the PS has neither fixed the MS gates in the dams permanently nor any security of the same arranged by the PS. Due to non-conservation of water in the Check dams, the assets created could not be utilized by the beneficiaries, which ultimately resulted in infructuous expenditure of Rs. 46.08 lakh

2.17 Excess Payment under IAY Scheme Rs 30.82 lakh.

As per Indira Awaas Yojana (IAY) guidelines effective from April 2004, the unit cost for construction of IAY houses including cost of sanitary latrine and smokeless chulha was Rs 25,000/- in plan areas and Rs 27,500/- in Hilly/Difficult areas respectively. The Government of Orissa considered (May 2004) all the Tribal Area Sub Plan (TASP) Blocks of Orissa as Hilly/Difficult areas without prior approval from the Government of India (GOI) and released funds to the District Rural Development Agencies (DRDAs) at the unit cost of Rs.27500/- per IAY house in TASP Blocks. The GOI did not agree (October 2005) to the State Government's request to disburse Rs 27500 to the beneficiaries of the TASP Blocks since the Orissa could not come under the category of Hilly/Difficult areas. Due to incorrect decision, the Government incurred Rs 27500 per unit of IAY house in lieu of Rs 25000 in TASP Blocks leading to excess expenditure of Rs 2500 per IAY house.

Tests check of four PS (Appendix-XV) revealed excess payment of Rs.30.82 lakh to the beneficiaries in 1231 IAY houses due to such incorrect decision of the Government.

2.18 Non realization of dues in Gram Panchayats- Rs 15.30 lakh

The Gram Panchayats collect revenues on leasing of their assets like ponds, ferries, markets, lands, tanks, etc.

Records 43 GPs (Appendix-XVI) revealed, Rs 15.30 lakh was not realized during 1966-06 towards the leasing value on the above assets owned by them.

2.19 Suspected Misappropriation of Rs 0.63 lakh

Audit of Athagarh Panchayat Samiti revealed, Rs.0.63 lakh was misappropriated due to non-accountal and excess drawal of funds as detailed below:

Amount of Rs.28,035 drawn from the Bank through self Cheque (11 December 2003) was not accounted for (May 2006).

As against the payment of Rs.5000 to the President of Ramachandrabauti Pani Panchayat though cheque (03 August 2004) shown in the Cash book, Rs 40,295 was actually drawn from the Bank leading to excess drawal of Rs 35,295 not accounted for.

On audit query, the Block Development Officer (BDO) replied to investigate the matter and intimate results to audit

2.20 Shortage of Stock leading to suspected misappropriation of funds Rs 33.98 lakh

Test check of records of five Panchayat Samitis (Appendix-XVII) showed that short accountal and shortage of stock during physical verification(January & November 2005) came to a total shortage of 483.23 MT of rice and 130 MT of cement with money value of Rs 33.98 lakh.

As revealed, rice under SGRY and National Food for Work Programme (NFFWP) shown as issued during 2003-06 by three PS were short accounted for in Gram Panchayats. It was in one PS (Bhanjanagar) that the stock of 369.59 MT of rice was found short during physical verification. In Kalimela PS, 75 MT of cement were accounted against receipt of 190 MT of cement.

2.21 Non production of vouchers to Audit parties

The supporting vouchers in respect of expenditure for Rs 80.87 lakh in 19 GPs (Appendix-XVIII) could not be produced to audit. In the absence of vouchers, the authenticity of expenditure could not be ensured.

2.22 Conclusion and recommendations

The expenditure was not commensurate with the receipts resulting in accumulation of unutilized balances. Annual Accounts were not prepared for which authenticity of accounts could not be ensured. The loss of revenue for idling of

assets, irregular/inadmissible expenditure in violation of rules, wasteful expenditure on works and non remittance of statutory deductions to Government account indicate that internal control mechanisms are not adequate to ensure proper financial management. In view of the findings as explained in previous chapters, the following recommendations are made for consideration of the Government.

The Government should ensure that:

- Annual Accounts are prepared by the PRIs regularly and timely;
- Funds are used timely and unspent balances refunded promptly;
- Data base on finances are maintained in all levels of PRIs;
- Statutory deductions are remitted to Government accounts timely;
- Schemes are implemented as per Guidelines;
- Effective control and supervision to be applied to prevent wasteful expenditure etc;
- Works are completed in time;
- Idle assets are utilized to enhance the revenue of the PRIs

Bhubaneswar
The----- day of-----2007

(K.C.Behera)
Sr.Deputy Acconntant General
(Local Bodies Audit & Accounts),
O/o the Principal Accountant General (CA)
Orissa, Bhubanes

Countersigned

Bhubaneswar
The----- day of-----2007

(Sanat Kumar Mishra)
Principal Accountant General (Civil Audit)
Orissa

Appendix-I

Statement on non-reconciliation of Cash Balances

(Ref. Para 1.10.2; Page -6)

(Rs. in lakh)

Sl.No	Name of the PRIs	Balance as per Bank PassBook as on 31.03.06	Balance as per Cash Book as on 31.03.06	Difference
Zilla Parishads (ZP)				
1	Bolangir	010.86	003.36	07.50
2	Khurda	003.50	000.78	02.72
3	Balasore	205.18	162.59	42.59
4	Rayagada	005.10	003.65	01.45
Total	ZP	224.64	170.38	54.26
Panchayat Samitis (PS)				
1	Pipili	234.79	189.83	044.96
2	Bhagarai	362.61	361.49	001.12
3	Chaipal	162.70	160.76	001.94
4	Digapahandi	230.24	206.96	023.28
5	Harichandanpur	417.44	404.28	013.16
6	Palsora	397.98	385.23	012.75
7	Titilagargh	296.06	237.53	058.53
8	Sorada	389.54	337.15	052.39
9	Umerkote	130.28	83.08	047.20
10	Balipatna	632.19	576.00	056.19
11	Binika	232.93	205.37	027.56
12	Sankhemundi	300.99	268.48	032.51
13	Danagadi	266.30	164.59	101.71
14	Balianta	221.79	158.90	062.89
15	Purusottampur	466.50	344.14	122.36
16	Bejatolla	123.54	108.43	015.11
17	Banki	166.16	137.96	028.20
18	Nayagarh	234.35	188.51	045.84
19	Aska	305.71	271.70	034.01
Total	PS	5572.10	4710.39	781.71 (7.82 crore)
Grant Total (A+B)		5796.74	4960.77	835.97 (8.36 crore)

Appendix-II
Statement on idling of funds

(Ref.Para 2.2; Page-9)

(Rupees in lakh)

SI No	Name of the ZP	Name of the schemes	Amount
1	Puri	RCP	09.98
2	Khurda	RCP	03.23
3	Ganjam	10 th FC grants	05.10
		ERRP	01.40
		NREP	01.26
		RLEGP	01.10
		MWS	13.93
		EAS	01.02
		Total	37.02

Appendix-III

Statement on diversion of funds

(Ref. Para 2.4; Page -10)

(Rs in lakh)

Sl No.	Name of the PRIs	Diversion		Period of diversion	Amount
		From	To		
	Panchayat Samiti				
1	Bolagarg	IAY	SGRY	2003-05	08.18
		SGRY	OBB	2003-04	04.89
		SGRY	Government	2004-05	00.30
		SGRY	IAY	2004-05	08.18
		MPLAD	Government	2004-05	00.53
		IAY	Government	2004-05	00.38
		MLALAD	Government	2004-05	00.67
		Calamity	SC/ST	2004-05	00.68
		Calamity	Government	2004-05	00.46
		Calamity	SGRY	2005-06	11.02
		Calamity	K.L	2005-06	01.50
2	Purusottampur	IAY	SGRY	-	05.00
3	Hinjlicut	EAS	IAY	2000-04	23.80
4	Dhenkanal	IAY	Government	-	00.60
		OBB	IAY	-	02.00
	Gram Panchayat				
5	Ampani	SGRY	TFC	2005-06	00.05
		EFC	SGRY	2005-06	00.32
7	Musapalli	EFC	PDS	2002-03	00.29
8	Pritipur	SGRY	GP Fund	2005-06	00.52
		EFC	GP Fund	2005-06	00.60
		EFC	SGRY	2005-06	00.10
9	Aunri	SGRY	GP Fund	2005-06	00.01
		SGRY	EFC	2005-06	00.02
10	Taramkani	EFC	SGRY	2004-05	01.03
		EFC	GP Fund	2004-05	00.10
11	Singhapada	SGRY	GP Fund	2003-04	00.07
12	Dabiguda	SGRY	PDS	-	00.53
		SGRY	IAY	-	00.15
13	Tarлакata	SGRY	EFC	2005-06	00.12
14	Ankariapadara	SGRY	EFC	2003-04	00.07

15	Sanohuma	SGRY	PDS	2005-06	00.54
		SGRY	EFC	2005-06	00.29
		JRY	PDS	1998-99	00.18
16	Dodameta	SGRY	IAY	2005-06	00.33
17	Mandapalli	SGRY	EFC	2004-05	00.32
		SGRY	GP Fund	2004-05	00.03
		SGRY	PDS	2004-05	00.05
		SGRY	EFC	2005-06	00.20
		SGRY	PDS	2005-06	00.20
18	Talagaluru	SGRY	IAY	2003-04	00.02
		SGRY	EFC	2003-04	00.02
		SGRY	EFC	2004-05	00.02
		SGRY	PDS	2005-06	00.50
19	Bandhagargh	SGRY	EFC	2005-06	00.48
20	Pathuri	SGRY	EFC	2004-05	00.28
21	Khudi	SGRY	GP Fund	2003-04	00.07
		SGRY	IAY	2004-05	00.06
22	Phulbari	SGRY	EFC	2003-04	01.51
		SGRY	IAY	2004-05	00.10
		SGRY	GP Fund	2004-05	00.14
23	Telkoi	SGRY	EFC	2004-05	00.05
				Total	77.56

Appendix-IV

List of non-collection of Royalty

(Ref. Para 2.5; Page-10)

(Rs in lakh)

Sl No	Name of the PRIs	Amount
	Panchayat Samiti	
1	Dasarathpur	01.97
2	Purusottampur	06.45
	Gram Panchayat	
3	Baramba	00.03
4	Baradanga	00.15
5	Rengalpalli	00.05
6	Guhali	00.05
	Total	08.70

Appendix-V**List of non-remittance of Royalty**

(Ref. Para 2.5; Page -10)

(Rs in lakh)

Sl. No	Name of the PRIs	Amount (Rs in lakh)
	Panchayat Samiti	
1	Muribahal	12.07
2	Titilagarh	07.55
3	Sorada	00.67
4	Kolnara	16.00
5	Chikiti	02.21
6	Athogarh	06.80
7	Purrusottampur	01.27
8	Bijatola	05.48
9	Laxmipur	02.08
10	Dhenkanal	04.07
11	Belaguntha	01.16
12	Rasulpur	05.38
13	Narasinghpur	00.48
	Gram Panchayat	
14	Kalina	00.03
15	Paselimabad	00.25
16	Talaguluru	00.47
17	Daleiguda	00.04
18	Salipur	00.20
19	Dugal	00.03
20	Jalangpada	00.14
21	Gopiagudsa	00.05
22	Nandika	00.05
23	Badakhandi	00.05
24	Gurupada	00.09
25	Putiapada	00.16
26	Puchilima	00.08
27	Bhabandha	00.11
28	Makarjhala	00.10
29	Kenchuru	00.03
30	Dayapalli	00.05
31	Darubandha	00.02
32	Durbandh	00.04
33	Dhabadi	00.07
34	Badamahuri	00.02
35	Khajapalli	00.05
36	Baunsia	00.07

37	Gangapur	00.17
38	Gudiali	00.14
39	Budhamba	00.06
40	Rengalpali	00.17
41	Ampani	00.13
42	Gotamunda	00.30
43	Musapalli	00.16
44	Bhainrpalli	00.02
45	Badapujariguda	00.24
46	Hirapur	00.03
47	Kuchagaon	00.05
48	Barpara	00.14
49	Mansada	00.07
50	Kapila	00.16
51	Kalyanpur	00.08
52	Aunri	00.04
53	Ranpur	00.05
54	Utangarh	00.05
55	Udranga	00.06
56	Fatepur	00.14
57	Chikna	00.04
58	Chandramu	00.10
59	Sasanda	00.03
60	Binjharpur	00.06
61	Bitana	00.16
62	Kumbharigaon	00.36
63	Sarbiguda	00.01
Total		70.44

Appendix-VI

Statement on Unfruitful expenditure

(Ref. Para 2.6; Page-11)

SI No.	Name of the PS	Scheme	Number of projects	Period	Amount (Rs in lakh)
1	Begunia	YAY	0113	2000-03	017.15
2	Champua	SGRY	0016	2004-05	019.41
3	Soroda	IAY	0144	1996-03	016.37
4	Dharmasala	SPL.IAY	3579	2001-02	506.77
5	Rasulpur	MPLAD	0001	2002-03	000.52
		MLALAD	0006	2003-04	000.96
		SGRY	0003	2002-03	001.06
6	Dhenkanal	IAY	3076	2000-06	822.44
7	Narasinghpur	IAY	0224	2003-05	024.84
8	Jatni	SGRY	0005	2003-04	004.17
		MLALAD	0003	2003-05	002.40
9	Kalampur	SGRY	0003	2003-04	002.68
		WODC	0002	2003-04	002.00
		OBB	0002	2001-02	002.90
10	Bhubaneswar	IAY	1177	2001-04	215.31
11	Jasipur	SGRY	0004	2003-04	008.31
12	Bijatola	RSVY	0004	2005-06	006.40
13	Bari	SGSY	0026	2003-04	012.21
		MPLAD	0019	2003-04	006.22
		SGRY	0020	2004-05	006.18
14	Nayagargh	IAY	0244	1990-04	023.57
15	Remuna	N A	0046	1993-01	012.74
16	Digapahandi	SGRY	0026	2003-04	011.94
		IAY	0103	2001-06	010.54
17	Harichandanpur	SGRY	0035	-	037.12
		RSVY	0021	-	032.16
18	Titilagarh	IAY	0172	2000-01	021.78
19	Muribahal	IAY	0133	1999-06	016.48
20	Ramanaguda	SGRY	0011	2004-05	013.68
21	Chandahandi	NFFWP	0013	2004-05	035.49
22	Bolagarh	MLALAD	0009	2002-06	001.95
		MPLAD	0014	2004-05	005.10
23	Danagadi	IAY	0447	2003-06	044.29
24	Kukudakhandi	IAY	0082	1994-02	008.74
25	Papadahandi	SGRY	0002	-	002.20
		NFFWP	0027	-	113.37
		Total	9814		2069.45

Appendix-VII**Statement on non-utilization of interest money**

(Ref. Para 2.7; Page- 11)

(Rs in lakh)

Sl. No.	Name of the ZP/PS	Scheme	Period	Amount
1	Balasore ZP	SGRY	2000-07	14.74
2	Remuna PS	MPLAD	2003-04	00.62
		MISC	2003-04	02.38
		SGRY	2004-05	03.72
		SGRY	2005-06	01.58
		SPL.IAY	2004-05	01.04
		IAY	2005-06	04.66
		WATSON	2005-06	00.18
3	Harichandanpur PS	DRDA GRANTS	-	17.82
4	Redhakhhol PS	DRDA GRANTS	-	10.28
			Total	57.02

Appendix-VIII

Statement on mis-utilisation of interest money

(Ref. Para 2.7; Page -11)

(Rs in lakh)

Sl. No.	Name of the PS	Purpose	period	Amount
1	Bolagarh	Const. of office building & staff qrs.	2003-06	06.00
2	Umerkote	-do-	2003-06	11.59
3	Balipatna	-do-, Plantation, Wel-come gate	2003-06	10.29
4	Bijatola	Const. of office building & staff qrs.	2002-05	12.71
5	Dabugaon	Const. of office building	2004-05	04.41
6	Muniguda	-do-	2004-05	00.70
7	Jashipur	-do- & transportation of rice	2002-06	24.07
8	Rayagada	Contingency expenses	2003-06	08.14
			Total	77.91

Appendix-IX
Statement on Idle Expenditure

(Ref. Para 2.8; Page -11)

(Rs in lakh)

Sl.No.	Name of the PS	Nos. of shopping units	Amount
1	Bhograi	015	07.06
2	Simulia	040	16.00
3	Digapahandi	030	15.00
4	Begunia	037	35.60
5	Bolagarh	116	35.07
6	Dasarathpur	070	43.89
7	Balipatna	048	18.32
8	Jatni	118	35.53
9	Beguniapada	050	15.00
10	Ganjam	005	01.50
Total		529	222.97 (2.23 crore)

Appendix-X
Statement on Irregular Expenditure

(Ref. Para 2.11; Page-13)

(Rs in lakh)

Sl. No.	Name of the PRIs	Name of the scheme	Period	Amount)
<i>Panchayat Samiti</i>				
1	Dasarathpur	SGRY	2004-06	02.49
2	Muniguda	NFFWP	2005-06	07.72
3	Saharapada	SGRY	2004-05	02.47
4	Ramanaguda	SGRY	2004-05	02.56
		NFFWP	2004-05	05.94
5	Beguniapara	SGRY	2004-05	01.31
6	Jashipur	SGRY	2001-04	02.66
7	Nayagarh	SGRY	2003-06	03.08
8	Rayagada	NFFWP	2004-05	06.59
			(A)Total	34.82
<i>Gram Panchayat</i>				
1	Daringbadi	SGRY	2004-06	00.78
2	Pamora	SGRY	2003-06	00.08
3	Jarangloi	SGRY	2004-06	00.14
4	Gajabandha	SGRY	2003-06	00.05
5	Marlanga	SGRY	2003-06	00.42
6	Ora	SGRY	2004-06	00.59
7	Kuchipali	SGRY	2003-06	00.06
8	Jhar	SGRY	2004-06	00.07
9	Saru	SGRY	2003-06	00.09
			(B)Total	02.28
			Grand Total (A+B)	37.10

Appendix-XI

Statement on excess expenditure

(Ref. Para 2.12; Page- 13)

(Rupees in lakh)

Sl. No.	Location of the C C road constructed.	Length of the road proposed (M)	Length of the road done (M)	Length of the road reduced (M)	Excess work done on CC work (Cum)	Excess expenditure
1	Dudhari	160	136.00	024.00	25.83	00.38
2	Ranikana	143	103.68	039.32	37.97	00.55
3	Sisaput	500	473.53	026.47	28.68	00.42
4	Maliguda	290	189.78	100.22	59.50	00.86
5	Maliput	500	456.83	043.17	25.29	00.37
6	Kulab	214	193.18	020.82	20.16	00.29
7	Kuladaba	500	407.65	092.35	54.05	00.78
8	Badachari	500	344.95	155.05	90.79	01.32
9	Podagada	435	370.70	064.30	44.57	00.65
10	Pami	500	316.65	183.35	39.18	00.57
11	Podapalma	500	199.20	300.80	52.53	00.76
12	Majhikunuli	290	214.40	075.60	38.24	00.56
13	K.Khajunaguda	290	222.85	067.15	33.95	00.49
14	Muthai	500	313.20	186.80	98.30	01.32
Total		5322	3942.60	1379.40	649.04	09.32

N.B: - C C: Cement Concrete, M: Metre, CUM: Cubic Metres.

Appendix-XII

Statement on inadmissible expenditure

(Ref. Para 2.13; Page-14)

(Rupees in lakh)

Sl.No.	Name of the work	Expenditure
	Development of Vikash Bhavan	
1	Installation of mineral filter board	03.43
2	Installation of acoustic paneling to walls	03.80
3	Installation of sound system	05.00
4	Lighting in Vikash Bhavan	04.99
5	Furnitures	05.00
6	Water supply to Vikash Bhavan	02.00
	Total (A)	24.22
	Development of Theme Park	
1	Construction of soil conservation model & Sky dome	03.86
2	Construction of Museum show case & pagoda	04.57
3	Wedding cake foundation	02.49
	Total (B)	10.92
	Grand Total (A+B)	35.14

Appendix-XIII

Irregular Expenditure on repair and maintenance

(Ref. Para 2.14; Page-14)

(Rs. In Lakh)

Sl. No.	Name of the GP	Amount Received	Admissible expenditure	Expenditure incurred	Excess expenditure
1	Korukanda	17.98	02.70	05.63	02.93
2	Tundla	05.89	00.88	02.54	01.66
3	Khadsipada	08.66	01.30	03.12	01.82
4	Dalanga	09.93	01.49	05.07	03.58
5	Kotasahi	19.88	02.98	04.94	01.95
Total		62.34	09.35	21.30	11.94

Appendix-XIV

Statement on Expenditure on Non-durable assets

(Ref. Para 2.15; Page-15)

(Rs. In lakh)

Sl.No	Name of the GP	No of projects	Estimated cost	Period	Expenditure
1	Jhar	01	00.50	2004-05	00.50
2	Gajabandha	04	01.00	2004-06	01.00
			00.35	2004-06	00.35
			00.50	2004-06	00.50
			00.50	2004-06	00.50
3	Raighar	03	00.25	2005-06	00.25
			00.20	2005-06	00.20
			00.40	2005-06	00.40
4	Timanpur	05	00.25	2004-06	00.25
			00.50	2004-06	00.50
			00.20	2004-06	00.20
			00.50	2004-06	00.50
			00.50	2004-06	00.50
Total		10			05.65

Appendix-XV

Statement on excess payment under IAY Scheme.

Reference to Para 2.17; Page-16)

(Rs. In lakh)

Sl.No	Name of the PS	No of houses	Excess paid per house	Amount
1	Umerkote	362	00.025	09.05
2	Nabarangpur	196	00.025	04.90
		001	00.048	00.05
3	Dabugaon	157	00.025	03.93
4	Koraput	117	00.025	02.93
5	Pottangi	279	00.025	06.98
6	Papadahandi	060	00.025	01.50
7	Chandahandi	059	00.025	01.48
Total		1231		30.82

Appendix-XVI**Statement of non-collection of dues.**

(Ref. Para 2.18; Page-16)

(Rs. In lakh)

Sl.No	Name of the GP	Dues towards leasing of	Period	Amount.
1	Nandika	Ponds	2005-06	00.09
2	Badakhadi	Ponds	2005-06	01.13
3	Burupada	Ponds	1997-06	01.80
4	Pochilima	Ponds, License Fees	2005-06	00.01
5	Makarjhola	Ponds, License Fees	1985-95	00.07
6	Kenchuru	Ponds, Markets and shops	2004-05	01.24
7	Gandala	Markets	2005-06	00.32
8	Chandali	Ponds	2005-06	00.19
9	Khajapalli	Ponds	1998-05	00.61
10	Baunsia	Ponds	2005-06	00.07
11	Gangapur	Ponds	2005-06	00.15
12	Gudiali	Ponds	2005-06	00.61
13	Budhamba	Ponds & Markets	2005-06	00.20
14	Ampani	Ponds	2006-07	00.04
15	Gotamunda	Ponds	1979-04	00.43
16	Musapali	Ponds	1992-06	00.37
17	Dahagaon	Ponds	1980-06	00.62
18	Mangalpur	Ponds	-	00.42
19	Badapujariguda	Ponds	-	00.07
20	Hirapur	Ponds	-	00.01
21	Pratapur	Ponds	-	00.04
22	Kuchagan	Lands and Ponds	1966-06	00.09
23	Anlabhata	Markets	-	00.05
24	Raisolpadar	Markets and Ponds	-	00.42
25	Jagalpat	Ponds		00.07
26	Pastigudi	Ponds	-	00.10
27	Gaigaon	Ponds	-	00.07
28	Mangarajpur	Ponds	-	00.02
29	R.Udaigiri	Markets Shops	-	00.01
30	Jaranglohi	Markets Shops Cycle Stand and Ponds	-	01.96
31	Dandajamiba	Markets and Ponds	-	00.75

32	Baragaon	Ponds	2005-06	00.17
33	Garenmunda	Ponds	2005-06	00.02
34	Saradhapalli	Markets & Ponds	2005-06	01.16
35	Ralab	Ponds	2005-06	00.02
36	Ghantiguda	Markets	2005-06	00.02
37	Tundula	Markets & Ponds	2005-06	00.16
38	Nagalboard	Markets	2005-06	00.05
39	Ghatmal	Ponds	2005-06	00.01
40	Beherapali	Ponds	2005-06	00.15
41	Jhar	Ponds	2005-06	00.03
42	Kuchipali	Ponds	2005-06	00.81
43	Satapur	Ponds	2005-06	00.07
			Total	15.30

Appendix-XVII

Statement on shortage of stock.

(Ref. Para 2.20; Page-17)

(Rs. In lakh)

Sl.No	Name of the PS	Scheme	Quantity (In quintal)	Rate per Quintal	Period	Total cost
Rice						
1	Ganjam	FFW	0777.99	615/-	2003-04	04.78
		SGRY	0071.36	615/-	2003-04	00.44
2	Bijatola	SGRY	0287.00	565/-	2003-04	01.62
3	Bhanjanagar	NFFWP &SGRY	3695.99	630/-	2005-06	23.28
Total (A)			4832.34		30.12	
Cement						
1	Dharmasala	N A	0150.00	318/-	2005-06	00.48
2	Kalimela	N A	1150.00	294/-	2005-06	03.38
			1300.00			03.86
Grand Total (A+B)						33.98

Appendix-XVIII

Statement on non production of vouchers.

(Ref. Para 2.21; Page- 17)

(Rs in lakh)

Sl.No	Name of the GP	Amount
1	Ampani	01.90
2	Rengalpali	01.95
3	Baradanga	00.33
4	Makarjhola	01.69
5	Dhobadi	00.50
6	Guhali	12.95
7	Kapila	01.30
8	Baunsia	00.22
9	Taramakani	00.45
10	Mulugaon	01.47
11	Chittrakonda	04.31
12	Bankipali	03.67
13	Chatiaguda	00.84
14	Raisalpadar	07.86
15	Hatimunda	01.88
16	Jagalput	05.61
17	Sonepur	07.19
18	Sirkabarg	10.52
19	Saramuli	16.23
	Total	80.87

PREFACE

This Report has been prepared for submission to the Government of Orissa in accordance with the terms and conditions of the Technical Guidance and Supervision (TGS) over the maintenance of accounts and audit of Urban Local Bodies (ULBs) by the Comptroller & Auditor General (C&AG) of India.

Basing on the recommendations of the Eleventh Finance Commission, the State Government entrusted (May 2004) the audit of ULBs to the C&AG of India under section 20(1) of the C&AG's (Duties, Power and Conditions of Services) Act 1971 and provided TGS over the work of the Examiner, Local Fund Audit (LFA)

This is the first Report of the office of the Senior Deputy Accountant General, Local Bodies Audit and Accounts under the administrative control of the Principal Accountant General (Civil Audit) Orissa, Bhubaneswar which started functioning from October 2006.

This Report contains two chapters: Chapter I contain a brief introduction of the functioning of various levels of the ULBs in the state with the observations and comments on accounts and Chapter II deals with the observations on transaction audit arising out of inspection of ULB units.

The cases mentioned in the Report are those, which came to notice during the course of test audit of accounts conducted in 2006-07.

OVERVIEW

This report includes two chapters. Chapter I deals with an overview of the Urban Local Bodies containing the organizational set-up, accounting and audit arrangements, sources and flow of funds to Urban Local Bodies (ULBs) and audit coverage including comments on accounts maintained by the ULBs. Chapter II comprises 20 paragraphs dealing with the result of audit findings on the financial transactions of the ULBs followed by conclusions and recommendations. A summary of audit findings is given as under:

Non-construction of office complex led to wasteful expenditure of Rs.20.98 lakh on architectural fees. **(Paragraph 2.1)**

Idling of assets created by Cuttack Municipal Corporation resulted in loss of revenue of Rs 21.15 lakh. **(Paragraph 2.2)**

Ineffective use of Mosquito Larvacidal (ML) oil resulted in infructuous expenditure of Rs 73.16 lakh. **(Paragraph 2.3)**

Irregular purchase of wheel barrows by CMC out of the EFC grants led to inadmissible expenditure of Rs 66.07 lakh. **(Paragraph 2.4)**

Procurement of Acquitab in place of Halogen tablets led to an avoidable expenditure of Rs 12.96 lakh. **(Paragraph 2.5)**

Irregular expenditure of Rs 19.90 lakh out of National Slum Development Programme (NSDP) fund. **(Paragraph 2.8)**

Cancellation of allotment of land led to wasteful expenditure of Rs 15.65 lakh on pre-construction. **(Paragraph 2.9)**

CHAPTER I

AN OVERVIEW OF

THE

URBAN LOCAL

BODIES

CHAPTER I

AN OVERVIEW OF THE URBAN LOCAL BODIES

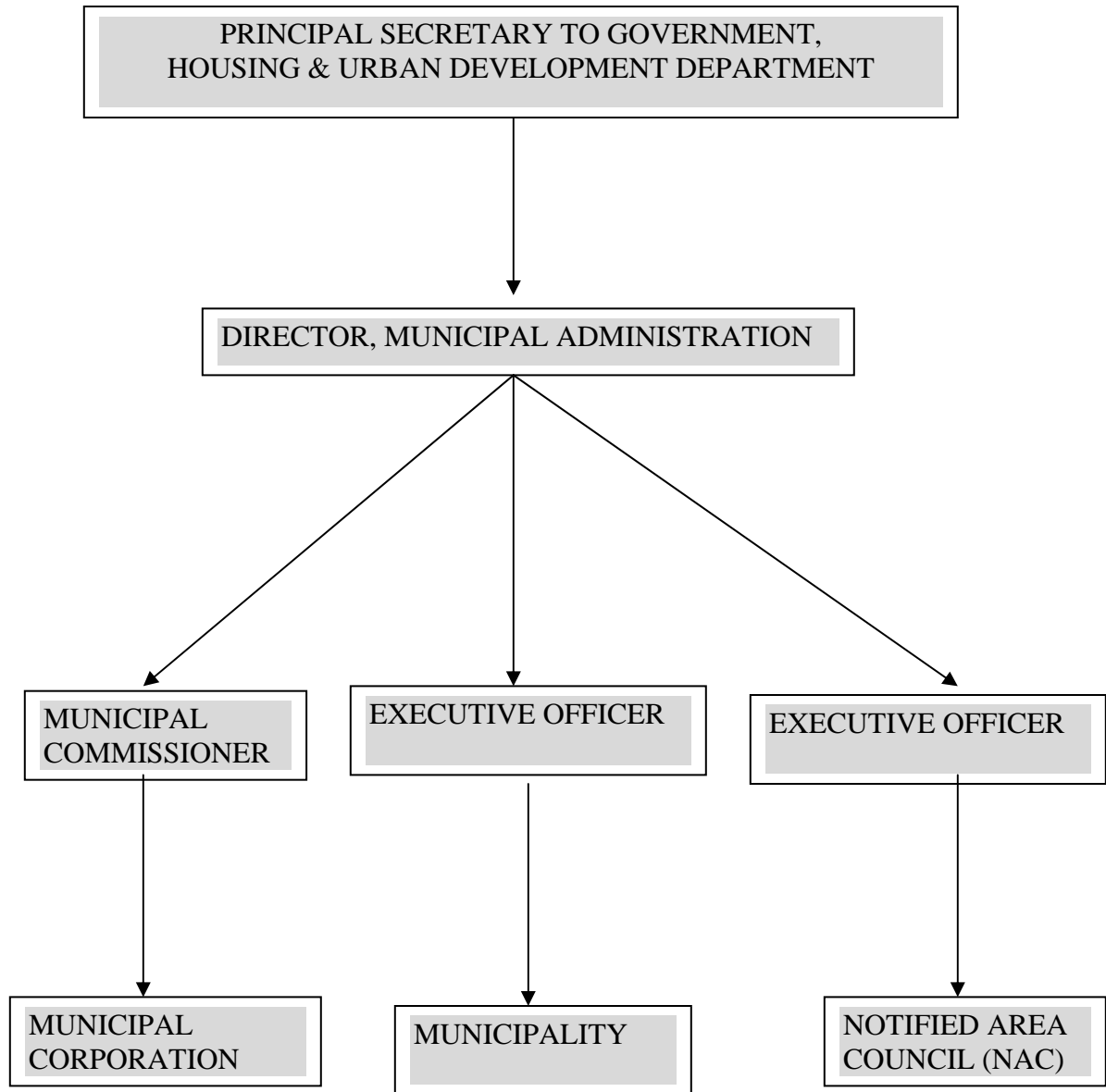
1.1 Introduction

In pursuance of the 74th amendment of the Constitution envisaging three levels of Urban Local Bodies (Municipal Corporations, Municipalities and Notified Area Councils), the Orissa Municipal Act enacted in 1950 was amended in 2002 and the Orissa Municipal Corporation Act was enacted (2003) to decentralize the powers and functions by transferring them to the Local Bodies for ensuring proper and planned growth of cities and towns with adequate infrastructure and basic amenities. At present there are 104 ULBs (2 Municipal corporations, 35 Municipalities and 67 Notified Area Councils) in the state covering 13 *per cent* (48.88 lakh) of its total population.

The Eleventh Finance Commission (EFC) recommended that the C&AG should be entrusted with the responsibility of exercising control and supervision over the proper maintenance of accounts and their audit for all the three tiers/ levels of ULBs. Based on the recommendation as accepted by the Government of India (GOI), the State Government provided Technical Guidance and Supervision (TGS) to the C&AG over the work of the Examiner, Local Fund Audit and entrusted the audit of 20 *per cent* of ULBs (May 2004) to the C&AG under section 20(1) of the C&AG's (DPC) Act' 1971.

1.2 Organizational Set up

The organizational set-up of the ULBs is as follows:



The Municipal Corporation is headed by the Mayor and the Municipality/NAC by the Chairman who are elected representatives of the respective ULBs.

1.3 Devolution of Functions

The 74th amendment of the Constitution enacted (2003) to decentralize the powers and functions to the Urban Local Bodies (ULBs) for ensuring proper and planned growth of cities and towns with adequate infrastructure and basic amenities. Out of the 18 functions enlisted in the 12th schedule of the constitution, the Government of Orissa has transferred eight functions to the ULBs so far (March 2007). The remaining 10 subjects[†] have not so far been transferred to the ULBs.

1.4 Sources of Funds

For execution of various developmental works, the ULBs mainly receive funds from the Government of India (GOI) and the State Government in the form of Grants. The GOI Grants include Grants assigned under the recommendations of Eleventh Finance Commission (EFC) & Twelfth Finance Commission (TFC). The State Government Grants are received through devolution of net proceeds of the total tax revenue under the recommendations of State Finance Commission (SFC). Besides, the source includes the revenue mobilised by the ULBs in form of taxes, rent, fees, issue of licenses, etc.

During 2005-06, Government provided financial assistance of Rs.94.61 crore by way of grants and loans to ULBs viz., Municipal Corporations, Municipalities and NACs.

1.5 Flow of Funds:

The State Government on receipt of funds under the Centrally Sponsored Plan (CSP) Schemes releases the funds to the ULBs including its matching share through the budget provision of the state. The state Government also releases its own funds under State plan and Non-Plan schemes through the state budget. However the EFC/TFC grants are released directly through sanction orders by the State to the ULBs

[†] (1) Regulation of land-use and construction of buildings (2) Roads and bridges (3) Water supply (4) Public health, sanitation and solid waste management (5) Fire services (6) Provision of Urban amenities and facilities (7) Burials and burial grounds (8) Cattle pounds (9) Public amenities including street lighting (10) Regulation of slaughter houses and tanneries.

1.6 Functioning of ULBs

The ULBs execute their functions through constitution of different Standing Committees such as: Committee on Taxation, finance & accounts, PH water supply, Public works, Planning & development, Licenses & appeal, grievances and Social justice etc. While 10 standing committees function in Municipal Corporations, five of such committees function in Municipalities and NACs.

1.7 Accounting Arrangement

The Chief Finance Officer is responsible for maintenance of accounts in Municipal Corporations whereas the Executive officers in case of Municipalities maintain the accounts with the assistance of Accountants.

1.8 Audit Arrangement

The Examiner, Local Fund Audit (LFA) conducts audit of the three tiers of ULB through the District Audit officers, Audit Superintendents and Auditors. As regards arrears 269 nos of accounts[‡] in respect of 104 ULBs are pending for audit by the LFA as of 31 March 2007. Audit of 20 *per cent* of ULBs is conducted by the C&AG of India under section 20 (1) of the C&AG's (DPC) Act, 1971.

1.9 Audit Coverage

The audit of the accounts of 18 ULBs: two Municipal Corporations, nine Municipalities and seven NACs (Appendix-I) were test checked during 2006-07. The important audit findings are summarized in the succeeding paragraphs and chapters.

[‡] Audit of one year's accounts is treated as one account.

1.10 COMMENTS ON ACCOUNTS

1.10.1 Receipt and Expenditure of funds under ULBs

The funds in form of grants received vis-a-vis the expenditure incurred by the Urban Local Bodies (ULBs) of the State during 2005-06 were as under:

(Rs in crores)

Type of ULB	Receipt	Expenditure	Balance
Municipal Corporations	65.60	65.23	0.37
Municipalities	77.75	76.97	0.78
NACs	23.30	22.18	1.12
Total	166.65	164.38	2.27

Of the total grants received by the ULBs, 78 per cent (Rs 129.85 crore) constituted octroi compensation grant, 10 per cent (Rs 16.00 crore) related to road maintenance/development grants and 12 per cent (Rs 20.80 crore) pertained to Twelfth Finance Commission (TFC) grants. The information regarding the receipt of fund by the ULBs from their own sources was not available with the Government. No centralized agency for consolidation of such information existed. Scrutiny of grants with reference to population of 48.88[§] lakh in ULBs revealed, the Government provided grants for per capita expenditure in Municipal Corporations for Rs 555.00 while in Municipalities and NACs for Rs 314.00 and Rs 190.00 respectively during 2005-06.

1.10.2 Un-utilization of Funds.

Test check of Receipt and Expenditure statements of three Municipalities and three NACs revealed that the unutilized balances of Rs.4.11 crore and Rs 5.79 crore (Appendix-II) constituted 16 to 40 per cent of the total funds available to the ULBs for expenditure during 2004-05 and 2005-06 respectively. During these years the percentage of expenditure to the total fund available was 73.72 and 67.73 respectively.

[§] The population of Municipal corporations (11.83 lakh), Municipalities (24.77 lakh) and NACs (12.28lakh)

Poor utilization of funds indicated defective planning and inadequate financial management which deprived the people of the benefits of developmental works implemented by the ULBs.

1.10.3 Non preparation of Annual Accounts

Soon after the closure of the financial year and not later than the 15th April following, the annual accounts of ULBs should be prepared showing totals of receipts and expenditure under different heads during the year. In violation of the above, Baripada and Sundargarh Municipalities did not prepare annual accounts for 2005-06.

Due to non maintenance of accounts, the actual position of income and expenditure could not be verified and the true and fair view of the accounts could not be confirmed

1.10.4 Certification of Accounts

The State Government has not made any provisions in the State Acts/Rules for certification of accounts for the ULBs by the Examiner of Local Fund Audit.

1.10.5 Non maintenance of Data Base on Finances prescribed by C&AG

On the recommendations of the EFC, data base on finances were required to be maintained at all levels of ULBs for securing accountability and transparency in maintenance of accounts. Accordingly, the Data Base Formats on Finances were prescribed by the C&AG which have not yet been adopted by the Government. The Government is preparing Accounting Manual and Municipal law on the basis of “National Municipal Accounting Manual” and “Model Municipal Law.” Apart from this no centralized accounting and financial information system is adopted by the Government for which the financial and physical progress of the ULBs could not be ascertained.

1.10.6 Non utilization of Twelfth Finance Commission Grants (TFC)

The Government (Housing & Urban Development department) received the TFC grant of Rs 20.80 crore in 2005-06 towards expenditure on Solid Waste Management and creation of Data base and maintenance of accounts. Scrutiny of records of four Municipalities (Appendix-III) revealed, Rs 1.42 crore TFC grants received by them were not utilised at all. The reason for non-utilisation of fund was attributed to non receipt of clearance from the Government to incur expenditure. Release of funds by the Government with the instructions not to spend the amount till further orders defeats the purpose for which the GOI grants were received.

1.10.7 Non maintenance of Records/Registers

Scrutiny of records of Cuttack Municipal Corporation and Keonjhar Municipality revealed, important records and registers like Asset Register, Property Register, Register of loans and Investment, Deposit register etc were not maintained by them. Due to non-maintenance of records, the sources of the revenue receipts of their own could not be ascertained.

To ascertain the sources of their revenue receipts, the above mentioned records should be maintained.

CHAPTER-II

2. RESULTS OF AUDIT

The summary of the findings on audit of Cuttack Municipal Corporation (CMC), Bhubaneswar Municipal Corporation (BMC), nine Municipalities and seven Notified Area Councils (NACs) are as under:

2.1 Wasteful expenditure on architectural charges - Rs 20.98 lakh.

The Cuttack Municipal Corporation (CMC) decided (1996) to construct office complex of the Corporation (Mahanagar Bhawan) at Khannanagar. The M/s Creative Architect, Bhubaneswar was awarded the work for preparation of architectural drawings and designs of the complex at a consultancy fee at 4.5 *per cent* of the total project cost. As per the agreement (May 1996) with the firm, the CMC was liable to pay Rs 35.86 lakh towards consultancy fee on the project cost of Rs 7.97 crore in seven stages and 80% of the payment was to be made before actual commencement of the work.

Records of the CMC revealed that the firm was paid Rs 20.98 lakh (59 *per cent*) in May 1997 before the commencement of the work. In 2003, the Corporation decided to change the site of the office complex to another site (Choudhury Bazar) where the Corporation office was functioning originally and the said firm again entered in to another agreement (August 2005) to prepare and submit the drawings and designs for the new site as the earlier drawings and designs were not suitable for the changed site. Commencement of the work at the second site was not taken up (December 2006) due to non-provision of funds. As the estimated cost of the work was raised from Rs.07.97 crore to Rs.11.79 crore, the consultancy fee for preparation of drawings and designs for second site raised from Rs.35.86 lakh to Rs.53.07 lakh.

In the 1st agreement it was agreed upon that the consultant will be paid 100% after 6 months even if the work is not executed. The Municipal Authorities knew fully well that such a big project can not be completed within 6 months and the clause regarding payment was to the advantage of the consultant. Lack of proper planning for constructing the office complex at Khananagar the consultancy charges of Rs 20.98 lakh paid to the firm by the CMC was rendered wasteful.

The Commissioner, CMC in a letter (August 2006) to the Government (Housing & Urban Development Department) has confirmed the fact.

2.2 Loss of revenue on idle assets involving Rs 21.15 lakh

An agreement was entered into (July 1996) between Cuttack Municipal Corporation (CMC) and one private firm (M/s Bhawani Construction Private Ltd.) for construction of a multi-storied building with commercial and residential complexes at Choudhary Bazar on the land owned by the CMC. As per the agreement, the CMC in lieu of land was to get 11293 sft^{**} floor area covering Ground floor to the fifth (top) floor as the owner's share to let out on rental basis.

Records revealed that the CMC on the proposal of the firm (December 1998) agreed to take all the residential units (eight flats) in the fifth floor instead of earlier agreement to get the said residential units from the second floor to fifth floor. However, the CMC finally took over the possession (February 2003) of all the residential units in the fifth floor, shopping units in ground floor and the office complex in the first floor covering 11293 Sq feet as agreed upon. Since then, the CMC's shares of shops/office complex and residential flats have not been let out. This has resulted in loss of rent of Rs 21.15 lakh (Appendix-IV) till December 2006. To an audit query on non-use of CMC's assets, the commissioner did not furnish any reply.

^{**} Shops in ground floor for 2040 sft, office space in first floor for 2105 sft. and residential units in second floor to fifth floor of 1787 sft. in each floor with two flats.

2.3 Infructuous expenditure on purchase of mosquito larvacidal oil - Rs 73.16 lakh

The Cuttack Municipal Corporation (CMC) procures Mosquito Larvacidal oil (ML oil) from the Indian Oil Corporation Ltd. (IOCL) to use as larvacide for checking mosquito menace within the area of the Municipal Corporation. As per the prescribed norm, 12 KL (one truck load) of ML oil should contain 11940 litres of Light Diesel oil (99.5 *per cent*) blended with Rosin Turpentine oil (RTO) of 60 liters (0.5 *per cent*)

Scrutiny of records revealed, the Superintendent of Police (SP) Vigilance, cuttack on the complaints regarding the use of low larvacide capacity of ML oil by the CMC, conducted a test of the ML oil in Regional Medical Research Centre, Bhubaneswar. It was found in the test that the mortality capacity of larvacide was only 25 per cent against the prescribed norm of 80 per cent. Further investigation revealed, the IOCL was blending 45 litres of Rosin Turpentine oil in place of 60 litres norm in a quantity of 12 KL of ML for supply to CMC. During 2004-06, the CMC procured 252 KL of ML oil involving expenditure of Rs 73.16 lakh (Rs 29093 per KL) which proved substandard and ineffective.

Since the CMC failed to test the ML oil at pre-procurement or post procurement stage, the expenditure on oil led to infructuous expenditure of Rs 73.16 lakh. The Commissioner of CMC confirming the fact stated to take appropriate action on receipt of final report from the Vigilance Department (December 2006).

2.4 Inadmissible expenditure of EFC Grants - Rs 66.07 lakh

The Housing and Urban Development Department sanctioned funds from the Eleventh Finance Commission (EFC) Grants to different Urban Local Bodies (ULBs) during 2001-05. As stipulated in the sanction orders, the purchase of Tractor, Mini Trucks, Wheel barrows, garbage handling equipment are admissible for small ULBs and Excavators, Trucks for big ULBs under Solid Waste Management programme. Since the CMC comes under big ULB, the purchase of Wheel barrows is not admissible for the Corporation.

Records revealed, the CMC in violation of the orders of the Government, purchased 3585 number of Wheel barrows for Rs 66.07 lakh leading to inadmissible expenditure out of the EFC grant. On audit query, the commissioner did not furnish any reply (December 2006).

2.5 Avoidable expenditure on procurement of Acquitab – Rs 12.96 lakh

The CMC has been procuring and using Halogen 4mg tablets as a water disinfectant since long. During 2004-06, the CMC procured eight lakh Acquitabs costing Rs 13.15 lakh (Rs 1.65 *paise* per tab inclusive of tax) to be used as water disinfectant in addition to purchase of 5.50 lakh of Halogen tablets of Rs 0.16 lakh (Rs 0.03 *paise* per tab) in 2004-05.

As the Halogen tab used was cost effective without any adverse report, the reason for procurement of Acquitab at higher cost of Rs 1.62 *paise* per tab could not be ascertained. Had eight lakh Halogen tabs in lieu of Acquitab been purchased, the CMC could have saved an avoidable expenditure of Rs 12.96 lakh. It was replied to the audit observation that the matter would be decided in Health Standing Committee of the CMC.

2.6 Futile expenditure on Indoor spraying operation for Rs 10.13 lakh

Solfac WP-10, an insecticide is used for indoor residual spraying to check mosquito menace. Regarding the procedures for spraying of the insecticide, the Director General, Health Services (DGHS), Government of India (Ministry of Health) issued guidelines which inter alia prescribed that the spraying operations should be done by the Malaria Parasite Workers (MPWs) having been duly trained before the spray operation and the spray operations should be in two rounds in a period of six months.

Records revealed, the CMC procured 250 Kg of Solfac WP-10 (October 2005) involving of Rs 10.13 lakh which were sprayed (March-April 2006) by engaging daily labourers. There was no second round spray within a gap of six months. Non-adherence to the guidelines, the spray conducted without trained MPWs and without follow-up

second round spray, could render the entire spraying operation ineffective and the expenditure of Rs.10.13 lakh on procurement and use of insecticide futile.

To an audit query, the commissioner, CMC replied that the guidelines of the DGHS would be followed hence forward.

2.7 Blockage of funds due to excess procurement of stocks of Rs 37.00 lakh

As an important element of prudent financial principles on utilization of the public fund, the purchases on stores and stock should not be made more than the requirements. Records revealed that the CMC procured (2004-06) electrical and steel stores (Appendix-V) in excess of their immediate requirement and utilized only 18 to 59 *per cent* of the above during the said period. This led to idling of stores resulting in blockage of fund of Rs 37.00 lakh on procurement of excess stores. To an audit query, the Commissioner replied that the stocks would be utilized very soon.

2.8 Irregular utilization of NSDP fund of Rs 19.90 lakh

National Slum Development Programme (NSDP), a centrally sponsored scheme was implemented during 1996-07 with a specific objective of providing basic amenities to the slum dwellers in urban areas in the form of shelter, water, health care, sanitation, education, connectivity etc. As per the scheme, 10 per cent of the allocation must be utilised for construction and upgradation of shelter for the people of slum areas. Under the programme, the CMC received Rs 1.99 crore during 2002-06 of which Rs 19.90 lakh was to be utilized for construction of shelter houses. The records revealed, no fund was utilized for the above purpose by the CMC leading to deprivation of benefits intended under the schemes for the urban slum dwellers. The commissioner did not reply to the above observation of audit (December 2006).

2.9 Idle/ wasteful expenditure on purchase of land - Rs 15.65 lakh

A piece of land measuring an area of 2.688 acres in Sahid Nagar was acquired by the BMC (1998) on lease basis from the Government (General Administration Department) on payment of a premium of Rs 1.34 crore for construction of a town hall and a public library on the leased land. Besides, the BMC incurred expenditure (1998-99) of Rs 13.20 lakh on payment of compensation to 132 slum dwellers and a sum of Rs 2.45 lakh was spent for their rehabilitation. As per lease agreement, the BMC was to commence construction on the allotted land within 36 months of the execution of the lease deed.

Records revealed, the BMC did not do any construction work on the land for which the Government cancelled the allotment after seven years and re-allotted the same to Bhubaneswar Development Authority (BDA) to save the land from encroachment. The Government decided to adjust the amount due to the BMC against future allotment of land which has not been done till date (March 2007). As the BMC failed to commence the construction work on the leased land within the stipulated period, Rs 1.34 crore paid to the Government as premium remained idle in addition to wasteful expenditure of Rs 15.65 lakh on payment of compensation and rehabilitation for slum dwellers. On this observation, no reply was furnished by the Commissioner BMC.

2.10 Loss due to excess evaporation of Diesel/Petrol - Rs 1.68 lakh

The CMC has been operating one Indian Oil Corporation Ltd (IOCL) Diesel/Petrol filling station (Kathajodi Filling Station) since 1971. Records of the filling station revealed, evaporation loss on petrol/diesel was unauthorisedly allowed in the filling station beyond the permissible limit during 2004-06 leading to a loss of CMC fund of Rs 1.68 lakh as detailed under:

Year	Diesel/ Petrol	In litres				Loss (Rupees in lakh)
		Quantity. Procured	Quantity shown as evaporatio n loss	Permissible evaporation loss ††	Excess	
2004-05	Diesel	3,40,000	1700	850	850	0.28
2005-06	-do-	3,88,000	1940	970	970	0.32
2004-05	Petrol	5,32,000	5320	3990	1330	0.59
2005-06	-do-	4,44,000	4440	3330	1110	0.49
Total		17,04,000	13400	9140	4260	1.68

On audit observation, the manager of the Filling station stated that the existing evaporation loss was continuing since long as the underground tank was not checked for last 31 years. Lack of supervision of the Filling Station has resulted in loss of Rs 1.68 lakh during 2004-06.

2.11 Delay in completion of work leading to unproductive expenditure of Rs.2crore.

The Chief Engineer, Public Health (CE PH), Orissa prepared an estimate of Rs 2.69 crore for supply of piped water from Naraj water source to Bharatpur under Bhubaneswar Municipal Corporation (BMC) jurisdiction. The work was scheduled to commence on 13.05.04 and to be completed within one year of the commencement of the work.

Scrutiny of records of BMC (January 2007) revealed that BMC deposited(May 2004) an amount of Rupees one crore with Executive Engineer, Public Health (EE PH), Division-III, Bhubaneswar for execution of the work and another amount of Rupees one crore in November 2006 for the purpose. But the work was not completed as of January 2007. On this being pointed out, the Commissioner, BMC replied that the work was delayed due to delay in land alienation (30.11.2005) and stated that the work would be completed by April 2008.

The reply was not tenable, as the land alienation was completed by November 2005 and the work was to be completed by November 2006, as per scheduled programme. Thus, due to non completion of the work, the expenditure of rupees two crore remained unproductive.

†† Permissible loss 0.25 per cent in diesel and 0.75 per cent in petrol

2.12 Non remittance of Government / other dues amounting to Rs 14.66 lakh

As per financial provisions, the Government dues like Income Tax, Sales Taxes and Royalties collected should be deposited to the respective accounts of the Government within the period of seven days. Test check of records of two NACs and two Municipalities (Appendix-VI) revealed, Rs14.66 lakh recovered from the work-bills during 2004-06 has not been remitted to the Government in violation of rules but has been kept in their Bank Accounts.

2.13 Idle expenditure of NSDP fund of Rs 21.56 lakh

The NAC Anugul received Rs 21.56 lakh (Rs 5.86 lakh Grants and Rs 15.10 lakh Loan) out of the centrally sponsored National Slum Development Programme (NSDP) fund during 1999-2003 and utilized the above fund for construction of a hospital building to provide healthcare facilities to the slum dwellers and others. Records revealed, the construction of the said hospital building at an estimated cost of Rs 43.89 lakh commenced from March 1999 has been lying incomplete since 2003-04. To the audit query, the Executive Officer NAC replied that the building could not be completed due to paucity of fund and the Government was requested to make provision for it.

Failure to make adequate provision of funds before the commencement of work led to idle expenditure of Rs 21.56 lakh on incomplete works.

2.14 Non realization of Rent , Rates and Taxes - Rs 3.33 crore

The ULBs earn major portion of their revenues from their own sources through collection of taxes, rents, fees and issue of licenses etc. The Demand Collection and Balance (DCB) position of six Municipalities and three NACs (Appendix-VII) revealed that the revenue of Rs 4.59 crore was outstanding for realization by the above ULBs as of March 2006. Out of the above amount, Rs 3.33 crore (73 per cent) related to arrear demand. The year wise breakup of arrear demand can not be worked out. The rate of collection of which was 22 per cent (Rs 0.96 crore collected out of demand of Rs 4.29 crore) during 2005-06. Lack of determined efforts in realization depressed the revenue receipts of the ULBs.

2.15 Unfruitful expenditure on Incomplete works- Rs 86.67 lakh

Test check of records of three ULBs (Two Municipal Corporations and One Municipality) revealed that the works started under different schemes/ programmes/ projects involving expenditures of Rs 86.67 lakh (Appendix-VIII) were incomplete with delays ranging from 2 to 10 years from the scheduled period of completion. Non completion of works defeated the purpose of allotment and resulted in unfruitful expenditure of Rs 86.67 lakh.

2.16 Advances lying unadjusted - Rs 2.74 crore

Advances made to individuals / contractors / suppliers for departmental purposes should be promptly adjusted and the unspent balances refunded/recovered immediately. Test check of seven Municipalities and three NACs (Appendix-IX) revealed, advances of Rs 2.74 crore had not been adjusted since long. In Keonjhar and Baripada Municipalities, the advances were rolling from 1957-58 and 1968-69 respectively. The age of the advances outstanding could not be known in majority of ULBs due to non preparation of

list of outstanding advances and improper maintenance of Advance Ledgers. The possibility of recovery of old advances is remote and ultimately it may end up in loss of money.

2.17 Non-recovery of professional tax for Rs 5.90 lakh

As per the Government of Orissa (Finance Department) orders (November 2000), the professional tax is required to be recovered from every person engaged in any profession/ trade and employment at the rate specified in the schedule from the date of issue of orders. The record of CMC showed that the said tax was not deducted at all from the employees of the CMC till date (December 2006) Failure to deduct tax in violation of rules attracted liability of the CMC for Rs 5.90 lakh.

2.18 Short realization of royalty of Rs 1.49 lakh

As per Government of Orissa Minor Mineral Concession Rules, the royalty is recoverable from the works bill for use of minor minerals like sand, clay, morrum, chips, road metals etc in execution of works. Scrutiny of 22 nos of works bills (Appendix-X) under Anugul NAC and Bhubaneswar Municipal Corporation (BMC) revealed, royalty of Rs 1.49 lakh was short realized from the works bills as realization was not made as per the revised rate with effect from 31 August 2004 (Orissa Gazette Notification No SRO 421). Short realization of revenue in violation of rules by the ULBs led to loss of Government revenue of Rs 1.49 lakh.

2.19 Doubtful expenditure of Rs 11.98 crore

The case records and Measurement Books (MBs) in support of expenditure on works etc. for Rs 11.98 crore (Appendix-XI) were not be produced to audit in spite of repeated requests during audit. Due to non production of records, the authenticity of the execution of works by BMC and CMC authorities; and the expenditure involved could not be ensured.

2.20 Failure of Internal control system in BMC

“Internal audit” functions as an important part of Internal Control Mechanism (ICM) to enforce financial discipline in an organization. As per provisions of the Orissa Municipal Corporation Act, the Chief Auditor (CA) of the corporation should conduct monthly examination and audit of the Corporation accounts and report thereon to the Standing Committee on Taxation, Finance and Accounts.

Records of BMC revealed, the CA issued 385 audit memos (July 2005 to December 2006) indicating irregularities involving money value for Rs 3.00 crore against which no compliance was received (March 2007). The CA was also not provided with files/ records from January 2007 onwards. Non production of records to CA and non compliance to observations of CA involving Rs 3.00 crore indicated failure of internal audit system in BMC. So also 102 nos of audit memos were issued by the Audit Party (Office of the Sr.DAG/ Local Bodies Audit & Accounts) in course of inspection (January-March 2007) which were not replied to.

Although the matter was brought to the notice of the Commissioner in writing, reply to 102 audit memos did not come forth.

2.21 Conclusion and recommendations

There was accumulation of unutilized balances. Receipt & Payment accounts were not maintained for which authenticity of accounts could not be ensured. The loss of revenue for idling of assets, irregular/inadmissible expenditure in violation of rules, wasteful expenditure in procurement of stores and non remittance of statutory deductions to Government indicated that internal control mechanisms are not adequate to ensure proper financial management. In view of the findings as explained in previous chapters, the Government should ensure that:

- Accounts are upto date;
- Funds are utilized timely and unspent balances refunded promptly;
- Data base on finances are maintained in all levels of ULBs;
- Statutory Government deductions are remitted to Government accounts timely;
- Schemes are implemented as per Guidelines;
- Adequate control exists to prevent loss of fund, wasteful expenditure etc;
- Works are completed in time;
- Idle assets are utilized to enhance the revenue of the ULBs

Bhubaneswar
The----- day of-----2007

(K.C.Behera)
Sr.Deputy Accountant General
(Local Bodies Audit & Accounts),
O/o the Principal Accountant General (CA)
Orissa, Bhubaneswar

Countersigned

Bhubaneswar
The----- day of-----2007

(Sanat Kumar Mishra)
Principal Accountant General (Civil Audit)
Orissa

APPENDIX-I

List of ULBs audited during 2006-07

(Ref. Para 1.9 ; Page- 4)

Sl. No	Name of the ULBs
	Municipal Corporations
1	Cuttack Municipal Corporation
2	Bhubaneswar Municipal Corporation
	Municipalities
3	Balasore
4	Baripada
5	Bhadrak
6	Bolangir
7	Bhawanipatna
8	Keonjhar
9	Paralakhemundi
10	Sambalpur
11	Sundergarh
	Notified Area Councils (NACs)
12	Anugul
13	Boudh
14	Khurda
15	Phulbani
16	Paradeep
17	Koraput
18	Sunabeda

APPENDIX-II

Statement on un-utilization of funds (2005-06)

(Ref. Para 1.10.2 ; Page- 6)

(Rupees in lakh)

Sl. No	Name of the ULB	Period	Opening Balance	Receipt	Total fund	Expenditure	Closing Balance (per cent to total fund)
	Municipalities						
1	Paralakhemundi	2004-05	138.90	148.89	287.79	183.11	104.68(36)
		2005-06	104.68	199.71	304.39	185.04	119.35(39)
2	Baripada	2004-05	169.60	291.32	460.92	351.38	109.54(24)
		2005-06	109.54	374.86	484.40	331.66	152.74(32)
3	Keonjhar	2004-05	025.22	163.49	188.71	149.10	039.61(21)
		2005-06	039.61	179.01	218.62	148.07	070.55(32)
	NACs						
4	Angul	2004-05	058.68	214.78	273.46	230.31	043.15(16)
		2005-06	043.15	288.38	331.53	226.36	105.17(32)
5	Phulbani	2004-05	048.93	132.43	181.36	122.79	058.57(32)
		2005-06	058.57	174.88	233.45	138.44	095.01(40)
6	Boudh	2004-05	096.32	076.78	173.10	117.35	055.75(32)
		2005-06	055.75	165.41	221.16	185.18	035.98(16)
	Total	2004-05	537.65	1027.69	1565.34	1154.04	411.30 (4.11crore)
		2005-06	411.30	1382.25	1793.55	1214.75	578.88 (5.79 crore)

APPENDIX-III

Statement on non-utilisation of TFC grants

(Ref. Para 1.10.6; Page-7)

(Rupees in lakh)

Sl No.	Name of the Municipality	order & date of receipt of grants	Amount received	Amount kept un-utilised
1	Sundergarh	6755/HUD Dated 13.03.2006	13.04	13.04
2	Keonjhar	-do-	15.60	15.60
3	Baripada	-do-	12.09	12.09
	-do-	576 & 566/HUD dated 07.01.2006	12.09	12.09
4	Sambalpur	571/HUD dated 07.01.2006	89.14	89.14
	Total		141.96	141.96 (1.42 crore)

Appendix-IV

Statement on Loss of Revenue on idle Assets

(Ref. Para 2.2; Page-9)

(Rupees in lakh)

	Name of the Unit	Rent per Month	Total loss (for 45 months from March 2003 to November 2006)
Ground Floor (Shopping Complex)	Shop – 1	1112.00	0.50
	Shop -2	1251.00	0.56
	Shop -3	1842.00	0.83
	Shop -4	1342.00	0.60
	Shop -5	1680.00	0.76
First Floor (Office Complex)	Office-1	5149.00	2.32
	Office-2	7035.00	3.16
5 th Floor (Residential units)	R No- 2	3644.00	1.64
	R. No - 4	3509.00	1.60
	R. No - 5	3910.00	1.76
	R. No - 7	3329.00	1.50
	R. No - 8	3315.00	1.49
	R. No - 9	3445.00	1.55
	R. No - 10	3658.00	1.65
	R. No - 11	2737.00	1.23
Total			21.15

Appendix-V

Statement of Blockage of funds

(Ref. Para 2.7; Page-12)

Sl No	Name of the article	OB as on 1st April 2004	Purchase during April'04 to March'06	Utilised from April'04 to March'06	Balance as on March'06	Rate per unit (in rupees)	Cost (Rupees in lakh)
1	70 watt Sodium Vapor lamp	370	6753	2857 (42%)	3896	328	12.78
2	150 watt Sodium Vapor lamp	585	3606	2153 (59%)	2053	433	08.89
3	250 watt Sodium Vapor lamp	324	1474	607 (41%)	807	540	04.36
4	400 watt Sodium Vapor lamp	147	497	248 (50%)	249	656	01.63
5	Fabricated M/s Angles	Nil	2037 pcs	938 (46%)	1099 pcs	272	02.99
6	BRC fabric wire mess	Nil	32280 sft	5798 (18%)	26482	24	06.35
Total							37.00

APPENDIX-VI

Statement on non-remittance of Government dues

(Ref. Para No 2.12; Page - 15)

(Rupees in lakh)

Sl. No.	Name of the ULB	Amount not deposited to government account			Total
		Income tax	Sales tax	Royalty	
1	Sundergarh	2.75	5.10	1.48	9.33
2	Paralakhemundi	-	-	1.44	1.44
NACs					
3	Boudh	-	-	1.21	1.21
4	Phulbani	-	0.75	1.93	2.68
Total		2.75	5.85	6.06	14.66

Appendix-VII

Statement on non-realization of Rent, Rates & Taxes

(Ref. Para 2.14; Page -16)

(Rupees in lakh)

Name of ULB	Demand as on 1 April 2005	Collection During 2005-06	Balance as on 31 March 2006
Baripada	161.58	64.97	096.61
Bhadrak	153.51	123.26	030.25
Khurda	111.88	34.91	076.97
Paralakhemundi	95.22	35.04	060.18
Sambalpur	214.51	81.33	133.18
Sundargarh	09.32	03.17	006.15
Angul	46.67	28.59	018.08
Boudh	40.37	09.28	031.00
Phulbani	13.47	06.94	006.53
Total:	846.53 8.46 crore \$	387.49 3.87 crore *	459.04 4.59 crore #

\$ Demand Rs 8.46 crore (arrear demand Rs 4.29 crore, current demand Rs 4.17 crore)

* Collection of Rs 3.87 crore constitutes collection from arrear demand 0.96 lakh (22 per cent of arrear demand of Rs 4.29 crore) and current demand Rs 2.91 crore

Balance of Rs 4.59 crore (arrear demand Rs 3.33 crore, current demand Rs1.26crore)

Appendix – VIII

List of Incomplete works

(Ref. Para No 2.15; Page -16)

(Rupees in lakh)

Sl No	Name of the ULB	Name of the work	Schedule period of completion	Not completed as of & reasons thereon.	Expenditure incurred
1	Bhubaneswar Municipal Corporation	S/R to road in W.No- 13	March 2004	March 2007 (3 Years)	03.24
		Constn. of compound wall around proposed garbage disposal yard Tulasadeipur	March 2004	March 2007 (3 Years)	03.41
		S/R to road from Gangadhar Meher Marg to Vivekananda Sikhya Kendra	March 2004	March 2007 (3 Years)	04.43
		Imp. of road from Isaneswar temple to Niladri Vihar	April 2004	March 2007 (3 Years)	03.57
		Imp. of road from Puri Canal Embakment to Vivekanand Bhoi Sahi	April 2004	March 2007 (3 Years)	04.26
		Flood damage repared at Jagannath Vihar	April 2004	March 2007 (3 Years)	01.43
		S/R to road at Chandaka main road.	June 2004	March 2007 (2 Years)	03.25
		Constn. of drain from Akhandalamani Chhak to Gupteswar Temple	June 2004	March 2007 (2 Years)	02.74
2	Cuttack Municipality Corporation	Modern Library building	February 1996	November,06 (10 Years) & Contractor left the work in 06/1998.	59.42
3	Bhadrak Municipality	Constn. of Bhagirathi Pathagar	October 2003	January 2007 (3 Years) & Delay execution of work by the Executant.	00.17
		Constn. of Danatola Community Centre	December 2003	January 2007 (3 Years)	00.50
		Tube well with platforms in Jagannath Pur	December 2003	January 2007 (3 Years) & Land dispute.	00.25
Total :					86.67

Appendix-IX
Statement on outstanding advance
(Ref. Para 2.16; Page -16)

(Rupees in lakh)

SI No	Name of the ULB	No of cases advance paid	Period for which pending	Amount of outstanding advance
1	Paralakhemundi	--	No. and period not available since figure brought from Adv. Repr.	19.83
2	Sundargarh	73	2004-05 & 2005-06	17.08
3	Boudh	3	2004-05 & 2005-06	00.88
4	Phulabani	71	Period of advance not available	35.14
5	Khurda	---	1971-72 to 2005-06	07.01
6	Angul	83	1979-80 to 2005-06	73.15
7	Bhadrak	339	Period not available	69.97
8	Baripada	202	1968-69 to 2005-06	16.85
9	Keonjhar	102	1957-58 to 2005-06	22.08
10	Sambalpur	34	2002-03 to 2005-06	12.41
	Total	907		274.4 (Rs 2.74 crore)

Appendix-X

Statement on non-realisation of Royalty

(Ref.Para No- 2.18, page-17)

Sl No	Name of the ULB		Name of the work	Royalty (in Rupees)		
				Due	Realised	Short realised
1	Angul	1.	Constn. of Pucca drain at Milanvilla	753	274	479
		2.	Imp. of road in W.No-19	1810	905	905
		3.	Constn. of Community Centre in W.No-5	469	201	268
		4.	Imp. of road in W.No-2	2028	726	1302
		5.	Constn. of one class room of UttarPara M.E.School	1454	575	879
		6.	Spl. repair to Women's College Angul	3605	1503	2102
		7	Spl. repair to slim building (1 st RA)	604	224	380
		8.	Development of Park in front of Baji Rout Chhatrabas	1817	747	1070
		9.	Construction of additional class room in Women's College (1 st RA)	1759	725	1034
			Construction of additional class room in Women's College (2nd RA)	734	274	460
2	Bhubaneswar Municipal Corporation	10.	S.R. to internal drains in rental colony	14,475	5163	9312
		11.	Imp. to road from ESI Hospital to Telugu Basti W.No-20	21,302	7991	13
		12	Widening of B.T.Road and constn. of C.C. drain in W.No-22	25,753	7147	13,311
		13.	Constn. of drain and road	20,232	7589	16,606
		14.	Constn. of deain in W.No-44	17,881	6565	12,643

		15.	S/R to drain from PWD central store to BJD party office.	15,121	5021	11,316
		16.	Constn. of C.C.Road from LB-366 to LB-379 in Bhimtangi H.B.Colony	14,708	5293	10,100
		17.	Drain work in W.No-37	11,596	4287	9415
		18.	S.R. to road and drain near BMC flat quarter at Malisahi	4345	1515	7309
		19.	Constn. of road from Dharma vihar to Jagamara in W.No-31	20,396	8872	2830
		20.	Constn. of internal drains and road in Lingaraj Nagar (1 st RA)	24,928	9322	11,524
			Constn. of internal drains and road in Lingaraj Nagar (2 nd RA)	14,863	5635	9228
		21.	Constn. of C.C.road from SK. Saibuddin House to Mir house in W.No-33	4186	1607	2579
		22.	Imp. to road and drain in W.No-39 (1 st RA)	3718	1362	2356
			Imp. to road and drain in W.No-39 (2 nd RA)	9682	3533	6149
Total:				2,38,219	89,056	1,49,163 (1.49 lakh)

Appendix-XI

Statement on non- production of case records

(Ref. Para 2.19; Page-17)

Sl No	Name of the ULB	Sl No	Name of the Work	Ward No	Cost of the work (in rupees)
1	Bhubaneswar Municipal Corporation	1	Pot-hole repair	41	49,000.00
		2	Constn. of road	34	6,87,,300.00
		3	Constn. of drain	31	13,71,000.00
		4	Constn. of drain	37	9,52,800.00
		5	Constn. of drain	31	4,53,000.00
		6	Constn. of road & drain	25	2,55,000.00
		7	Constn. of road & drain	42	4,17,500.00
		8	Pot hole – repair	43	48,500.00
		9	Constn. of road	28	5,70,300.00
		10	Constn. of road	43	17,41,000.00
		11	Constn. of road	43	1,68,000.00
		12	Constn. of C.C.road	9	2,26,640.00
		13	S/R to B.T.Road	41	1,50,700.00
		14	Constn. of C.C.road	45	4,27,100.00
		15	Constn. of C.C.road	33	1,30,900.00
		16	Imp. to road and drain	39	4,40,600.00
		17	Constn. of C.C.road	34	5,59,600.00
		18	Constn. of C.C.road	42	2,83,200.00
		19	Constn. of C.C.road	31	6,30,122.00
		20	Constn. of C.C.road	30	2,06,300.00
		21	S/R to internal roads	25	7,95,800.00
		22	Constn. of road	43	4,60,000.00
		23	Constn. of road	45	7,87,000.00
		24	S/R to road	44	1,81,550.00
		25	S/R to road	30	1,05,700.00
		26	S/R to drain	40	2,10,000.00
		27	Constn. of C.C.drain & raod	25	9,93,000.00
		28	Constn. of C.C.drain & raod	37	2,18,100.00

		29	S/R to C.C.road	31	1,08,700.00
		30	S/R to C.C.road	41	3,07,800.00
		31	S/R to C.C.road	35	2,06,600.00
		32	S/R to internal drains	11	11,87,000.00
		33	Additional work to C.S.Pur, Kalyanmandap	4	11,24,400.00
		34	Constn. of drain at Chakeisihani	5	10,00,000.00
		35	Constn. at Sastrinagar	17	9,99,700.00
		36	Repair of road	26	8,16,000.00
		37	Constn. of road & drain	45	10,00,000.00
		38	Imp. of road	43	8,64,000.00
		39	Imp. of road	12	9,87,000.00
		40	S/R to road	16	12,23,000.00
		41	S/R to road	21	11,40,600.00
		42	S/R to road	20	11,07,900.00
		43	S/R to road	11	11,87,300.00
		44	C.C.drain	11	11,79,800.00
		45	C.C.road	1	10,68,578.90
		46	B.T.road	22	12,08,400.00
		47	Constn. of raod	7	9,37,400.00
		48	Constn. of raod	17	18,18,500.00
		49	Constn. of raod	4	12,61,100.00
		50	Constn. of raod	14	11,56,300.00
		51	R.C.C.drain	10	17,01,065.00
		52	R.C.C.drain	7	12,38,100.00
		53	R.C.C.drain	15	14,81,700.00
		54	R.C.C.drain	19	11,81,000.00
		55	R.C.C.drain	12	14,93,500.00
		56	R.C.C.drain	16	12,78,400.00
		57	R.C.C.drain	19	18,06,000.00
		58	S/R to Sahidnagar KalyanMandap	20	12,80,000.00
		59	Imp. to road	3	21,04,000.00
		60	S/R to C.S.Pur, Kalyan Mandap	4	14,19,000.00
		61	Constn. of 10 seated public toilet	37	15,77,200.00
		62	Const. of 10 seated public toilet	41	12,57,000.00
			Total (A)		5,32,26,755.00
2	Cuttack Municipal	1	Constn. of RCC drain from Jhanjirimangala To		5,98,700.00

	Corporation		Thakurani Ghar		
		2	Desilting of MSC(i) from Keshrpur to Bajrakabati Bridge		5,26,500.00
		3	Constn. of C.C.road of the balance work on Main road at Netaji Nagar		5,47,364.00
		4	Constn. of Delivery Diversion Channel of Matgajpur Sluice		5,00,000.00
		5	Constn. of C.C.road from Sayeevani Chhaka to Plot no 1267 of Mahanadi Vihar		9,30,048.00
		6	S/R to B.T.road from Bidanasi High School to Ballibandh		7,93,000.00
		7	Imp. of raod from Rajendra Nagar to Kalyan Nagar		9,85,503.00
		8	Constn. of Market comelex at Nuapara		9,99,350.00
		9	S/R to Road and drain from Binod bihari fish market to Kajibazaar Chhak		9,99,600.00
		10	Constn. C.C.Road and drain –culvert from D.Hansraj residence to Taldanda		3,00,021.00
		11	S/R to Patapola Slaughter house		2,13,700.00
		12	Constn. of C.C.road and drain at Bahkrabad		3,90,200.00
		13	Renovation of drain from Bombay Hotel to Lenkasahi culvert		12,56,000.00
		14	Completion of Balance road work at Nankar Village ward-42		9,65,300.00
		15	Imp. of Taldanda Canal		11,30,000.00
		16	Constn. of Market Complex -1 st Floor Ramsankar More		12,27,000.00

		17	C.C.Road and drain at Sreevihar Main Road		7,01,000.00
		18	Constn. of Mahanadi Vihar Women's College		7,86,000.00
		19	S/R to BT road from Rajabagicha to Southpoint Nursing Home		6,50,000.00
		20	Constn. of food bridge at RD-17 Km of Puri Main Canal near village Nuapara		15,49,000.00
		21	Constn. of balance road work from Prasanna Mohanty house to Buladei Temple		5,20,600.00
		22	Repair of Hydraulic Ladder		14,00,000.00
		23	Repair of road Roller		17,375.00
		24	Purchase of Mahila Health Van		7,26,247.00
		25	S/R to BT road from Bidanash H.S. to Balibandha	1	7,93,000.00
		26	Constn. of drain from ring road to Baula Gachha at Bidangi	2	9,99,500.00
		27	S/R to BT road from Tulasipur Panchamukhi Temple to Gymnasium Chhak	3	6,74,600.00
		28	S/R to road, drain & culvert from Matha Sahi Chhak to Deula Sahi Chhak	4	9,99,700.00
		29	S/R to Road , drain from Binod bihari fish market to Kajibajar Chhak	8	9,99,600.00
		30	Constn./ renovation of Rausapatna fund	19	5,00,000.00
		31	Constn. of C.C.road at Lunia Sahi	23	2,97,000.00
		32	Constn. of C.C.road at Rajabagicha Sarbodaya Nagar	24	4,76,754.00

		33	Constn. of CC road and drain at Bisram Nagar to Das Sahi Main road	30	5,98,700.00
		34	Constn. of drain from Sibaji Colocy to College Chhak	33	6,52,400.00
		35	Constn. of C.C.road from Sanjibani Chhak to Plot no 1267 of Mahanadi vihar	40	8,24,400.00
		36	Constn. of R.C.C. drain from Behera Sahi Chhaka to Kendrapara canal via-Majhisahi	42	15,84,700.00
		37	Devl. of port at Madhusudan Nagar of CMC		10,49,700.00
		38	Reconstruction of culvert over M & WC -1 at Oriya Bazar		23,57,440.00
		39	Renovation of drain from Bombay Hotel Lenka Sahi Culvert to Law college hostel	32	12,56,000.00
		40	Completion of balance C.C.road at Nanhar Village main road	42	9,65,300.00
		41	Improvement of road Taladanda canal to Nuapara Via-Tinigharia		11,30,000.00
		42	Constn. of C.C.road at Friends colony main road from Siba Mandir to Mehentar Sangha		16,44,000.00
		43	Constn. of C.C.road and drain		7,95,000.00
		44	Constn. of R.C.C.drain with cross drainage works from Sari to beautiparlour back side of Cembridge School	10	9,20,000.00
		45	Procurement of Sodium Vapour Lamps on DGS & D Rate contract		24,92,589.00

		46	Constn. of Retaining wall over surface drain from Sankarpur souchalaya to NSWC-I	30	13,30,550.00
		47	Constn. of Sibaji Colony to College Chhak		12,44,242.00
		48	Re-constn. of drain from Mehendipur Chhak to Mahidaspur Chhak	8	11,88,000.00
		49	S/R to road & drain from the House of Manorama Mahapatra to Bapuji Sikhya Niketan	4	19,13,000.00
		50	Constn. of Retaining wall from Bapuji Nagar Sikhya Nagar to Hanuman Temple	4	19,35,600.00
		51	Constn. of C.C road at Balabhadrapr	29	10,00,000.00
		52	Constn. of road at Jagannath Temple lane at Mahanadi vihar	40	10,74,500.00
		53	Imp. of road at sector-I of Mahanadi vihar	40	16,50,200.00
		54	Procurement of ASTM PVC pipes & fittings for CMC		22,04,105.00
		55	Procurement of I & II pumpset for CMC		10,57,000.00
		56	Imp. of Beleswar Village Road	43	7,00,000.00
		57	Imp. of road from Beleswar Level crossing to Beleswar School	43	7,84,700.00
		58	Remoduling of BSWC at Badambadi to link road	37	17,05,385.00
		59	Procurement of 250W HPSV 250W MH-4 X40W SFT & 3x400W semi Highmost fittings		22,08,250.00
		60	Supply of installation for commissioning of different sites of High mast		24,69,221.00

		61	Procurement of 70 watt and 150 watt HPSV fittings group-B		22,93,500.00
		62	Procurement of 70/150/250/400 HPSV Balast Ignitor, tubelight ballast 125W MVlamp and 250 W MH lamps		11,37,750.00
				Total (B)	6,66,18,894.00
Grand Total (A+B)		124			11,98,45,649.00