

PREFACE

The Examiner of Local Accounts, Bihar, Patna heads the **Local Audit Department (LAD)** under the supervision of the **Principal Accountant General (Audit), Bihar, Patna**. He is the sole auditor of all the Local Bodies in the State of Bihar. Audit of all the Local Bodies is conducted under his supervision as per the powers vested in the **Examiner of Local Accounts, Bihar** by the **Local Fund Audit (LFA) Act, 1925** of the Bihar State and various other Acts of the Government of Bihar from time to time.

This report is prepared under the directions of **the Comptroller and Auditor General (C&AG) of India** for submission to the Government of Bihar and copies thereof, to all the Urban Local Bodies (**ULBs**). It is a consolidation of important audit findings that were brought out during the course of audit of the accounts of **ULBs** in the State of Bihar for the period ending 31 March 2007.

The purpose of this report is to give an overview of the functioning of **ULBs** in the State of Bihar and to draw the attention of the Executive Departments and Urban Local Bodies for remedial actions for improvement wherever necessary.

OVERVIEW

The Report contains nine chapters as detailed below:-

Sl. No.	Particulars	No. of Paragraphs
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A synopsis of the findings contained in the review and paragraph is presented in this overview:-

1. INTRODUCTION TO ULBs IN THE STATE OF BIHAR

◆Revision of Assessment of holdings was not done in 12 ULBs for long time. (Paragraph –1.5)

2. BUDGET AND FINANCIAL MANAGEMENT IN ULBs

- ◆Without preparation of budget estimates in 16 ULBs an expenditure of Rs 2856.83 lakh was incurred. (Paragraph –2.1) ◆As Annual Accounts were not prepared, the expenditure of Rs. 15724.77 lakh incurred by 40 ULBs could not be verified in audit. (Paragraph – 2.2.3)
- ◆ Difference of cash balance of Rs. 473.42 Lakh between cash book and treasury / bank pass book in 17 ULBs were not reconciled at the close of financial year ending March 2006. (Paragraph –2.2.4)
- ◆ Non- utilization of specific govt. grant to the tune of Rs.195.44 lakh in 12 ULBs. (Paragraph –2.4)
- ◆ Grant to the tune of Rs. 157.15 lakh meant for specific purposes were diverted by 16 ULBs towards payment of salary & allowances to staff and other expenditure.(Paragraph –2.5)

- ◆ Outstanding Advances stood at Rs. 2795.26 lakh in 22 ULBs at the end of 31 March 2006. (Paragraph –2.7)

3. MAJOR LAPSES IN REVENUE MANAGEMENT

- ◆ Direct appropriation of revenue collected to the tune of Rs. 106.71 lakh by 9 ULBs. (Paragraph –3.1)
- ◆ Non/ short credit of revenue collected to the tune of Rs. 127.09 lakh. (Paragraph –3.2)
- ◆ Non/ Short realization of Education and Health Cess to the tune of Rs. 83.53 lakh in 10 ULBs.

(Paragraph –

3.3)

- ◆ Non / Short deposit of Education and Health Cess of Rs. 936.36 lakh to Govt. account by 27 ULBs. (Paragraph –3.4)
- ◆ Non – realization of taxes, outstanding against government building to the tune of Rs. 187.31 lakh in 18 ULBs. (Paragraph –3.5)
- ◆ Non/ Short realization of bid amount from lessee of road side land, trees, pound, ferry, market etc. to the tune of Rs. 49.08 lakh in 21 ULBs. (Paragraph –3.6)
- ◆ Shop/Market rent amounting to Rs. 186.89 lakh was not realized as on 31st March 2006 in 22 ULBs (Paragraph –3.7)
- ◆ Loss of Rs. 2.88 lakh due to payment of interest on overdraft in Darbhanga Municipal Corporation. (Paragraph –3.8)
- ◆ Irregular expenditure of Rs. 8.44 lakh on Mobile Phones in Darbhanga Municipal Corporation. (Paragraph –3.9)
- ◆ Irregular over drawal of Rs. 4.94 lakh through self cheques in Katihar & Mahnar.
- ◆ Irregular payment of Rs. 3.21 lakh on allowances to Ward Councillors by Gaya Municipal Corporation (Paragraph –3.12)

4. LAPSES IN HUMAN RESOURCE MANAGEMENT

- ◆ Unauthorized expenditure to the tune of Rs. 128.54 lakh over salary of staff appointed in excess of sanctioned strength in Muzaffarpur Municipal Corporation.(Paragraph –4.1.2)
- ◆ Unauthorized appointment of casual staff/ labourers in 22 ULBs without prior sanction from State Government resulted in unauthorized expenditure of Rs. 643.27 lakh. (Paragraph – 4.2)

- ◆ Excess payment of House Rent Allowance(HRA) of Rs. 6.53 lakh in Darbhanga Municipal Corporation. (Paragraph – 4.3)
- ◆ Irregular payment of salary of Rs. 1.42 lakh by Gaya Municipal Corporation for staff on deputation to Patna Municipal Corporation. (Paragraph –4.4)

5. MAJOR IRREGULARITIES IN IMPLEMENTATION OF SCHEMES

- ◆ Misutilization and blocking of fund of Rs. 40.15 lakh under NSDP scheme by Muzaffarpur Municipal Corporation. (Paragraph –5.1.1)
- ◆ Irregular selection and execution of works without involvement of CDS/Neighbourhood Committees under NSDP Scheme (Paragraph –5.1.2)
- ◆ Non/ Short utilization of earmarked amount to the tune of Rs. 379.38 lakh as per guidelines of NSDP. (Paragraph –5.1.3)
- ◆ Execution of works amounting to Rs. 1.47 crore in non-slum areas by 6 ULBs.
- ◆ Undue favour of Rs. 9 lakh to Junior Engineer in Lakhisarai Nagar Parishad under SJSRY Scheme. (Paragraph –5.2.1)
- ◆ 1131 works remained incomplete after incurring an expenditure of Rs. 1378.95 lakh under various central grants. (Paragraph –5.5)
- ◆ Assets worth Rs. 19.88 lakh lying idle at Aurangabad Nagar Parishad & Gaya Municipal Corporation purchased under 11th F.C grant (Paragraph –5.6)

6. RECOVERY AT THE INSTANCE OF AUDIT

- ◆ A sum of Rs. 40.53 lakh representing non/ short credit, outstanding rent, bid money, recovered at the instance of audit in 31 ULBs. (Paragraph –6.1)

7. STATUS OF RECOVERY BY SURCHARGE PROCEEDINGS

- ◆ 22 cases of Surcharge involving Rs. 100.16 lakh were proposed and notices were issued for recovery by the Examiner of Local Accounts, Bihar in 13 ULBs. (Paragraph –7.1)

CHAPTER-I

INTRODUCTION TO ULB IN THE STATE OF BIHAR

1.1 Constitutional Background

The Urban Local Bodies (ULB) have been in existence as institutions of urban local self-governance in a limited way in the State of Bihar since 1920s. Under the Bihar & Orissa Municipal Act, 1922 various Municipalities and Notified Area Committees were constituted and functioning. Patna Municipal Act, 1951 paved way for constitution of five Municipal Corporations in major cities/towns of the state.

After the 74th Constitutional Amendment Act, all State Governments were mandated to operationalise the urban local bodies as full fledged, vibrant institutions of local self-governments by vesting them with clearly defined functions and responsibilities. Accordingly, the State Government enacted a comprehensive Municipal Act and reorganized these institutions into a three-tier system of Urban Local Bodies, namely Municipal Corporations, Nagar Parishad (erstwhile Municipalities), and Nagar Panchayats (erstwhile Notified Area Committees) on the basis of population and level of urbanization achieved in an area. Bihar Municipal Act (BMA), 2007 was enacted in January 2007 replacing all prevailing Acts.

At present, there are seven Municipal Corporations, 42 Nagar Parishads, and 75 Nagar Panchayats in the State of Bihar catering to an urban population of about 98 lakh. Each urban local body is divided into number of wards with a minimum of 10 wards and a maximum between 37 and 65 depending upon the size of the body/area. At the state level, Urban Development Department (UDD) coordinates the functioning of all ULBs. An elected Councillor for the Corporation and Ward Commissioner for Nagar Parishads/Nagar Panchayats represent each ward.

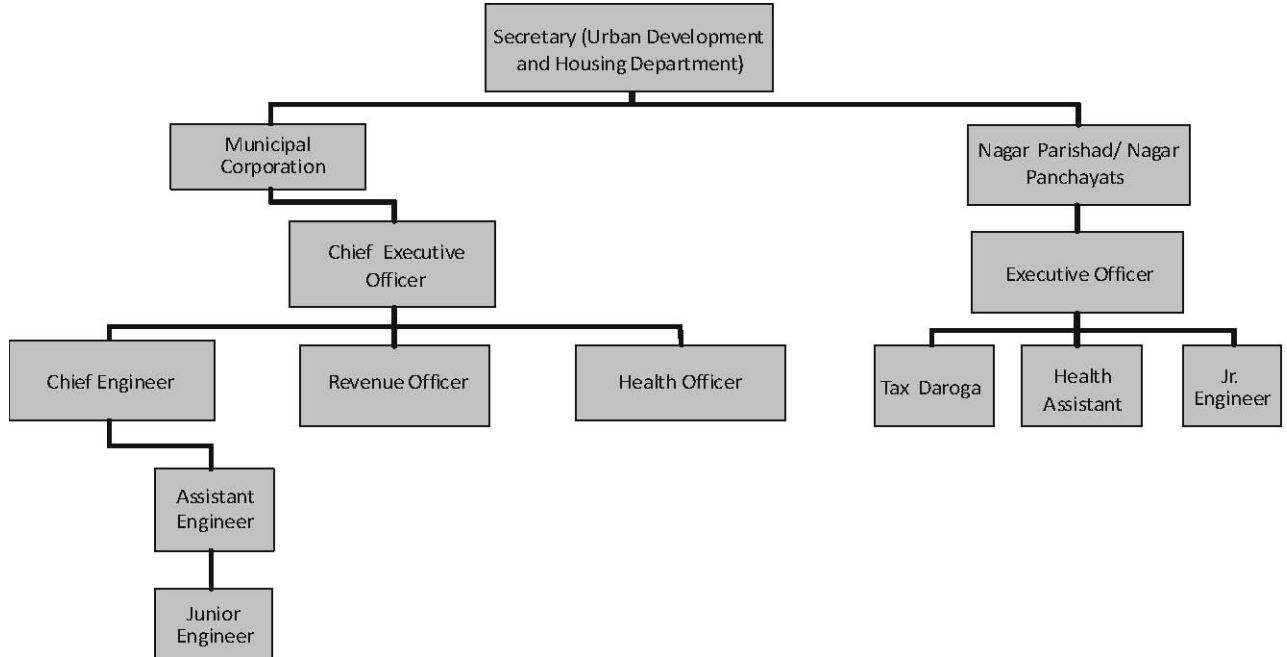
1.2 Powers, Functions, & Functionaries of ULBs

Under Article 243 of the Constitution, the ULBs were to be devolved with funds, functions and functionaries. The State Government is yet to make devolution based on complete activity mapping of functions of various departments. The transfer of functions, functionaries and consequently the funds to the ULBs by the State Government/departments, is yet to materialize.

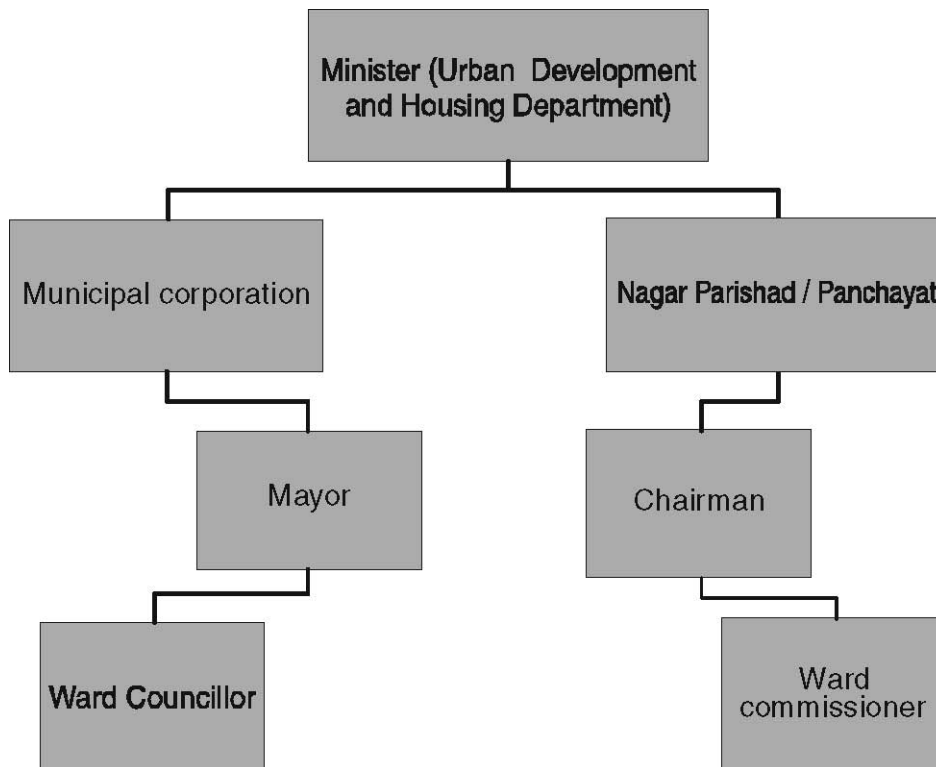
1.3 Organizational Structure of ULBs

The following organogram depicts structure of the ULBs in the State of Bihar.

ADMINISTRATIVE SET UP



ELECTED BODY



The Municipal Corporation/ Nagar Parishad / Nagar Panchayat is an institution of self-government which is a body corporate by the name of the Municipal Corporation/ Commissioners with perpetual succession having a Board of Councillors/Commissioners elected from each ward and ex-officio members of the House of People/Council of State and Members of the State Legislative Assembly/Council registered as electors within the Corporation/Municipal area.

The Mayor/Chairman elected by the majority of Councillors/Commissioners is the executive head of the Urban Local Body and presides over the meetings of the Corporation/Municipal Board and is responsible for governance of the body. To assist the Nagar Parishads/Panchayats, various Standing Committees and Ward Committees in the case of the Corporation for specified matters are functioning. Besides, there are various other committees too.

The Chief Executive Officer/Executive Officer appointed by the State Government is a whole time principal executive officer of the Corporation and Nagar Parishads/Panchayat respectively, for administrative control of the ULB. Other officers are also appointed to discharge specific functions.

Functions of the CEO/EO include general supervision control over the officials of the ULB, organize board meetings, get the budget estimates prepared, monitoring and implementation of schemes including acting as the DDO of the ULB.

1.4 Sources of Finance/Revenue

The Urban Local Bodies are mainly financed by receipts from their own resources, which form a substantial part. Other sources of finance are grants from Union Government, other recurring/non-recurring grants released by the State Government including loans to compensate their establishment expenses.

Under the provisions of the Acts in force, all collections such as tax on holding, water tax, latrine tax, tax on the vehicles, tax on the trades, professions, calling and employments, fee on the registration of vehicles kept or used or plying for hire, etc. are sources of tax revenue and building plan sanction fees, mutation of property fees, rent on shops and buildings, tolls and other fees and charges etc, constitute the main source of non-tax revenue receipts.

1.5 Non revision of Assessment of holdings

The assessment of holding, on the basis of which taxes are imposed and realised, was not revised in 12 ULBs (**Appendix I**). As per provision contained in section 106 of Bihar Municipal Act, 1922 and section 138(1) of Patna Municipal Corporation Act, 1951, assessment of the holding is required to be revised every five year. Due to non- revision of assessment, which was overdue, 12 ULBs were deprived of potential revenue of their own, which would have been received in the shape of increased taxes.

1.6 Application of funds

As per section 67 and 68 of Bihar & Orissa Municipal Act, 1922, the municipal fund is applicable firstly, for liabilities and obligations arising from a trust legally imposed upon or accepted by the Govt., secondly, for repayment of loan and interest incurred under the provisions of the Local Authorities Loans Act, 1914 and thirdly, for payment of the salaries and allowances of their own establishment including such contributions as are referred to in section 39 of the Act.

So far the new act i.e. Bihar Municipal Act, 2007 is concerned, money credited to the municipal fund from time to time shall be applied for payment of all sums, charges and costs necessary for carrying out the purposes of this Act and the rules and regulations made thereunder and for payment of all sums payable out of the municipal fund under any other law for the time being in force.

1.7 Role of Standing Committees

The Empowered Standing Committee was required to consider the audit report as early as possible and if necessary, to take prompt action therein and shall also, if necessary, to surcharge the amount of any illegal payment on the person making or authorizing it and to charge against any person responsible therein for the amount of any deficiency or loss incurred by negligence or misconduct of such person or any amount which ought to have been but is not brought into account by such person to certify the amount due from such person. However, whether the standing committees were constituted and functioning in existing 124 ULBs was not ascertainable as reply to our enquiry in this regard is still awaited.

1.8 Accounting Arrangements

In exercise of powers conferred under section 81 of Bihar and Orissa Municipal Act, 1922, the State Government enacted namely the Bihar Municipal Accounts Rule, 1928 for maintenance of accounts and records of ULBs. These rules came into effect from 1 April 1929.

Since these rules provide for maintenance on accounts in single entry system, the State Government in pursuance of decision taken, made a Steering Committee of the following members on 28 June 2004 for municipal accounting reforms and enforcing double entry system in ULBs

- (i) Commissioner cum Secretary, Finance Department, Patna.
- (ii) Commissioner cum Secretary, Urban Development Department, Patna
- (iii) Accountant General (A & E) Bihar, Patna
- (iv) Examiner of Local Accounts, Bihar, Patna

- (v) Chief Executive Officer, Patna Nagar Nigam
- (vi) Deputy Secretary-cum-Director, Directorate of Local Bodies, Bihar

The first meeting of the Steering Committee was held on 13th July 2004 in which it was decided to appoint technical expert through tender for enforcing the accounting system and for preparing specific accounting rules. The second meeting of the Steering Committee was held on 25th July 2005 wherein it was decided to take steps for updating of accounts in all ULBs and for the said purpose services of retired officials of AG office might be taken. Thereafter, no progress was reported.

Under Section 87 of the Bihar Municipal Act, 2007 the State Government is required to prepare and maintain a manual to be called Municipal Accounting Manuals containing details of all financial matters and procedures relating thereto in respect of municipality. This manual is yet to be prepared. Section 88 and 89 *ibid*, provides for preparation of Annual Financial Statements containing Income and Expenditure Account and Balance Sheet in the formats to be notified by the Government of Bihar.

1.9 Audit Arrangements

The Accounts of Urban Local Bodies are subject to audit under the Bihar and Orissa Local Fund Audit Act, 1925. The Act also provides for the Examiner of Local Accounts (ELA), Bihar as the sole auditor to carry out the mandate. With the enactment of BMA, 2007 and provisions thereunder, the State Government, in exercise of power conferred under section 91(1) of the Act, appointed the Examiner of Local Accounts, Bihar as Auditor of the Urban Local Bodies and the audit is to be conducted under the provisions of the Local Fund Audit (LFA) Act, 1925. Accordingly, the Examiner of Local Accounts (ELA), Bihar functions as the sole auditor of ULBs under the supervision of the Principal Accountant General (Audit), Bihar. The ELA is assisted by the Local Audit Department (LAD) to discharge of his duties & responsibilities.

1.10 Audit Coverage

During the financial year 2006-07, audit of accounts of 40 Urban Local Bodies were conducted covering

the period up to 2005-06. These report discuss the important audit findings of all 40 ULBs (4 Corporations, 20 Nagar Parishads, 16 Nagar Panchayats).

Nagar Nigam-Darbhanga, Gaya, Muzaffarpur, Bhagalpur, Nagar Parishad-Jamui, Sasaram, Dehri Dalmianagar, Khagaria, Katihar, Araria, Buxar, Jehanabad, Munger, Nawada, Sheikhpura, Hazipur, Bagha, Sitamarhi, Supaul, Aurangabad, Lakhisarai, Motihari, Barh, Khagaul, Nagar Panchayat-Sultanganj, Mairwa, Dumra, Shahpur, Daudnagar, Sugauli, Mahnar, Bhabhua, Nirmali, Jagdishpur, Bahadurganj, Rosera, Maharajganj, Revelganj, Dumrao, Murliganj.

CHAPTER-II

BUDGET AND FINANCIAL MANAGEMENT IN ULBs

2.1 Status of Preparation of Budgets.

Under Section 71 of Bihar & Orissa Municipal Act, 1922, the commissioners at a meeting held at least two months before close of the year, shall prepare detailed budget estimates showing probable receipt and expenditure for ensuing year and objects in respect of which it is proposed to incur such expenditure. In old Act (B&O Municipal Act 1922), Municipal Board was authorized to prepare and pass the budget.

Audit observed that in 16 ULBs, out of 40 test checked ULBs, no budget estimates were prepared for varying periods (**Appendix-II**). Without preparation of budget estimates in these 16 ULBs, an unauthorized expenditure of Rs.2856.83 lakh was incurred. Incurring of expenditure without budget is not a healthy financial practice, as it undermines the importance of prioritization of resource allocation besides diluting exercise of control over receipts and expenditures.

The Executive Officers of the ULBs are primarily responsible for preparation of budget and assisting the Board in scrutinizing and approving the same. It is obvious that this responsibility was not effectively discharged by the Executive Officers.

2.2 Status of preparation and maintenance of accounts

2.2.1 Non-maintenance of basic records

The prescribed basic records as contained in Bihar Municipal Account Rules, 1928 and Municipal Accounts Rules (recovery of taxes), 1951 viz. Government Grant Register, Loan Register, Loan Appropriation Register, Asset Register, Demand and Collection Register, Sarkar's Ledger, 'K' progress statement, 'L' list of outstanding taxes, Advance Ledger, Adjustment Register, Work Register, Audit Register, Unpaid Bill Register etc. were not being maintained by all the 40 test checked ULBs.

Due to non-maintenance of above records and registers actual financial status of ULBs could not be ascertained.

2.2.2 Deficiencies in maintenance of cashbook

Scrutiny of cashbooks of 40 ULBs revealed that transactions were not classified under relevant heads of account in 17 ULBs and the competent authority did not authenticate entries of the cashbook in 8 ULBs as given in table below.

Table-1
Deficiencies in maintenance of cashbook

Sl. No.	ULBs where transaction were not classified under relevant heads of accounts in Cash Book	ULBs where entries in Cash Book were not authenticated by competent authority
1	Darbhanga	Jehanabad
2	Dehri Dalmianagar	Shahpur (Bhojpur)
3	Sitamarhi	Muzaffarpur
4	Khagaria	Barh
5	Muzaffarpur	Maharajganj (Siwan)
6	Sugauli	Khagaul
7	Mairwa	Dumraon
8	Khagaul	Dehri Dalmianagar
9	Mahnar	
10	Shahpur (Bhojpur)	
11	Rosera	
12	Bhagalpur	
13	Dumraon	
14	Dumra	
15	Motihari	
16	Maharajganj	
17	Jehanabad	

The competent authority never verified cash in hand, as certificate of cash verification had not been recorded in cashbook in all the ULBs.

Due to wrong classification, irregular maintenance of cashbooks and inadequate monitoring by supervising officials, possibilities of any major irregularities viz. misappropriation/fraud /embezzlement in ULBs could not be ruled out.

2.2.3 Non preparation of Annual Accounts

As per rules 82 to 84 of Bihar Municipal Accounts Rules, 1928, every ULB is required to prepare quarterly and annual accounts. But out of the 40 ULBs test checked in audit, no ULB had prepared annual accounts for the period under audit. Due to non-preparation of annual accounts expenditure of Rs.15724.77 lakh incurred by ULBs could not be verified in audit, details of which are given in **Appendix-III**.

2.2.4 Non-Reconciliation of Cash Book with Treasury/Bank Passbook

Out of 40 ULBs, cash balances of 17 ULBs were not reconciled with Treasury/Bank Passbook as on 31st March 2006. As such, the difference of cash balance of Rs 473.42 lakh between CashBook and Treasury/Bank Passbook in 17 ULBs were not reconciled at the close of financial year ending March 2006. Details are given in **Appendix IV**.

Due to non-reconciliation of cash balance, possibility of defalcation and misappropriation of funds cannot be ruled out. The authenticity of these cash balances also remained doubtful.

2.3 Status of allocation and utilization of Central and State Finance Commission Grants

2.3.1 Central Finance Commission Grants

2.3.1.1 Tenth Finance Commission Grant

Tenth Finance Commission grants amounting to Rs. 1.04 lakh only was received during 2001-05 in one ULB i.e. Bhagalpur Municipal Corporation, but the closing balance on this account as on 31st March 2006 was Rs 2.17 lakh as shown by the ULB. Besides, indicating misclassification, it is obvious that the grants remained unutilized under the audit period.

2.3.1.2 Eleventh Finance Commission Grant

A sum of Rs. 2265.90 lakh (**Appendix V**) was received in 38 ULBs as Eleventh Finance Commission grant. But, Utilization Certificates, if sent to State Government, were not made available to audit. The position of schemes taken up, completed and amount of grants blocked as advance in incomplete schemes in 25 ULBs are as under:-

Table- 2 Grants received, Schemes taken up and completed out of E.F.C.Grant during period under study
(Rs. In Lakh)

Sl. No.	Name of ULB	Grant received	Schemes taken up	Completed schemes	Incomplete schemes	Amount involved as advance in incomplete Schemes
1	Babhua	35.72	5	5	0	0
2	Murliganj	19.02	4	2	2	7.18
3	Mahanar	35.25	6	2	4	21.87
4	Sitamarhi	44.23	27	24	3	2.65
5	Sugauli	38.89	52	39	13	0.7
6	Jamui	70.31	89	87	2	1.43
7	Munger	99.06	74	60	14	12.77
8	Maharajganj	14.31	18	9	7*	4.8
9	Jagdishpur	28.16	56	30	26	3.32
10	Hajipur	68	52	0	52	61.54
11	Sasaram	68.52	40	28	12	13.73
12	Sultanganj	23.34	38	28	10	5.08
13	Buxar	42.38	33	24	9	12.35
14	Bahadurganj	30.29	28	17	11	15.44
15	Aurangabad	96.52	61	57	4	3.34
16	Dehri	103.19	31	3	28	49.74
17	Araria	69.80	37	34	3	4.89
18	Supaul	38.6	22	3	19	25.24
19	Khagaul	37.62	29	23	6	2.3
20	Revelganj	23.39	21	17	4	1.11
21	Nirmali	10.73	5	5	0	0
22	Lakhisarai	76.8	58	5	53	62.44
23	Sheikpura	54.19	50	27	23	11.48
24	Muzaffarpur	160.33	230	228	2	0
25	Rosera	13.65	14	9	5	3.3
Total		1302.3	1080	766	312	326.7

- 2 Schemes abandoned involving Rs. 0.80 Lakh.

2.3.1.3 Twelfth Finance Commission Grant

A sum of Rs. 744.93 lakh (**Appendix V**) was received in 36 ULBs as Twelfth Finance Commission Grant. But, Utilization Certificates, if sent, to the Govt were not made available to audit. The position of schemes taken up, completed and amount of grant blocked as advance in incomplete schemes in 11 ULBs are as under:

Table-3 Amount received, schemes taken up and completed out of TFC Grant during period under audit

Sl.No.	ULB	Grant received (Rs. In Lakh)	Schemes taken up	Schemes completed	Incomplete schemes	Amount involved as advance in incomplete Schemes (Rs. In Lakh)
1	Mahanar	19.33	29	0	29	N.A
2	Sitamarhi	11.91	2	0	2	1.65

3	Jamui	18.99	8	6	2	2.49
4	Dumra	3.32	1	1	0	0
5	Hajipur	27.47	31	18	13	N.A
6	Sasaram	27.69	7	1	6	6.2
7	Supaul	15.59	23	3	20	1.5
8	Nirmali	4.34	7	7	0	0
9	Lakhisarai	20.73	1	0	1	2.5
10	Sheikpura	14.66	1	0	1	5.15
11	Rosera	5.52	2	0	2	0.3
Total		169.55	112	36	76	19.79

2.3.2 State Finance Commission Grants

No major Grants were found to have been received from State Finance Commission during the audit period in all 40 ULBs test checked.

2.4 Non-utilization of Specific Govt. Grants to the tune of Rs.195.44 Lakh

Govt. grants of Rs.195.44 Lakh (**Appendix VI**) released for specific purposes during 1983-84 to

2000-01 were lying unspent as on 31st March 2006. In Gaya Municipal Corporation Rs.21.67 Lakh of unspent grant pertaining to NSDP, construction of sulabh sauchalaya, water supply scheme and construction of stadium etc was lying idle since 1990-91. This not only blocked the capital but also hampered development works to be executed through those grants, as a result of which people were deprived of basic amenities even after release of funds from Government.

2.5 Diversion of Grants

Government of India sanctioned grants to the tune of Rs157.15 lakh for specific purposes were diverted by 16 ULBs towards payment of salary and allowances to staff and other normal expenditure. Thus, the very purpose for which the grants released, was defeated. (Detailed in **Appendix-VII**)

2.6.1 Tardy Utilization of Loans

ULBs did not maintain Loan Appropriation Registers, due to which the amount of loan of Rs. 1503.25 lakh

received by 39 ULBs was found merged in the cash balance.

Proper utilization of loan received for specific purposes could not, therefore, be ensured.

Utilization Certificates, if any, furnished to the sanctioning authority, were not made available to audit.

2.6.2 Non-repayment of loans

None of the 40 ULBs audited, maintained loan registers. As such, up-to-date position in respect of loans received, amount of instalments of principal and interest due

thereon for repayment, amount repaid and

st

balance as on 31 march 2006 was not ascertainable. However, from cash book, it was noticed that 39 ULBs received Rs 1503.25 lakh as government loan during the period under audit (**Appendix-VIII**).

Due to non- repayment of loan by ULBs, the State Government deducted Rs 274.92 lakh (25% of sanctioned amount) from subsequently sanctioned amount of loan of Rs.1778.17 lakh at source against previous outstanding loans.

2.7 Outstanding Advances to the tune of Rs. 2795.26 Lakh

None of 40 ULBs maintained advance ledger and adjustment register, due to which, actual position of outstanding advances was not ascertainable.

However, from cash books, related work files and vouchers so far made available to audit, it was observed that the advances aggregating to Rs. 2795.26 lakh granted by 22 ULBs for various purposes during 1994-95 to 2005-06 are yet to be adjusted / recovered. Laxity in adjustment of advances resulted in blocking of funds for 01 to 11 years, as detailed in **Appendix IX**.

Further, non-adjustment of advances in a timely manner is fraught with risk of misappropriation / embezzlement.

2.8 Non-furnishing of records

29 ULBs did not produce relevant records, viz. bills, vouchers, estimates, measurement books, case files, stock registers etc to audit for want of which expenditure of Rs 1505.67 lakh could not be vouched (**Appendix X**).

2.9 Overall financial position of ULBs

The following amounts were released to ULB under Xth, XIth, XIIth FC and other Central Assistance in respect of 35 ULBs out of 40 ULBs studied.

	Amount Released (Rs. in lakh)	Amount Spent (Rs. in lakh)	Unspent Balance (Rs. In lakh)
Xth, XIth, XIIth & Other Central Funds	8744.31	6633.13	2111.18

(Vide detail in Appendix-XI)

The ULBs failed to maintain any accounts of the funds received and State Govt. also did not compile the position of release of funds to ULBs. The Eleventh Finance Commission recommendation for creation and development of database of finance of ULBs has not been implemented so far. The position of total funds made available to ULBs and their actual utilization, thus, could not be known which denoted weak financial reporting practice.

CHAPTER-III

MAJOR LAPSES IN REVENUE MANAGEMENT

3.1 Direct appropriation of revenue collected to the tune of Rs. 106.71 Lakh

As per rule 22 of Bihar Municipal Accounts Rules, 1928, all money received by the municipality shall be remitted intact to the treasury as often as can be conveniently managed and shall on no account be appropriated towards expenditure. Instead of depositing the revenue collected into the municipal fund, 9 test checked ULBs appropriated Rs 106.71 lakh directly towards expenditure by the order of the executives (Table-4). Proper bills / relevant papers in support of expenditure were not found accounted for in cashbook nor passed by the executives. In Rosera, Jehanabad, Mahanar, Bagha, and Munger even executive orders for such expenditure were not made available to audit. However, in Katihar the expenditure directly appropriated was, recouped on 2-2-2007.

Table-4 Details of receipt appropriated directly towards expenditure.

Sl. No.	Name of ULB	Amount of Direct appropriation (Rs. in Lakh)	Period of appropriation	Authority which authorized the Expenditure/Remarks
1	Katihar	11.55	01-06	The expenditure was recouped on 2-2-07
2	Rosera	3.07	00-06	Relevant order not shown
3	Jehanabad	2.23	03-06	Order not shown
4	Mahanar	2.04	00-06	Order not shown
5	Dehri Dalmianagar	8.84	02-06	Passed by the Executive
6	Bagha	1.59	87-06	Order not shown
7	Munger	45.96	01-06	Order not shown
8	Araria	16.53	00-06	By Executive order
9	Hajipur	14.90	02-06	By Executive order
	Total	106.71		

Besides, violation of rules, direct appropriation indicates lack of control over revenues as per rule 20,30,64,69 & 79 of Bihar Municipal Accounts Rules, 1928 and defeats the purpose of budgetary exercise.

3.2 Non/Short credit of revenue collected to the tune of Rs 127.09 Lakh

Test check of records of collection branch of ULBs revealed that the tax collection officials of ULBs were in the habit of depositing the amount of collection in part and not wholly into Municipal fund.

In 34 ULBs the Tax Collectors, Tax Daroga, Cashier and other Collecting Staff either failed to deposit or short deposited Rs.127.09 Lakh, the amount of collection on account of taxes, fees and other miscellaneous revenues.

Sl. No.	Name of Unit	Period of Audit	Particulars of collection	Amount collected (In Rupees.)	Amount deposited (In Rupees.)	Non/Short credit (In Rupees.)	Deposited at the instance of Audit (In Rupees.)	Balance (In Rupees.)
1.	Katihar	2001-06	H'Cart receipt	1462054	1360902	101152	27779	73373
2.	Sasaram	2001-06	M' receipt	59070	29665	29405	190	29215
3.	Araria	2000-06	H' & M' receipt	2380873	86831	2294042	431268	1862774
4.	Murliganj	2002-06	H' & Tin ticket	26525	Nil	26525	Nil	26525
5.	Nawada	2002-06	H', M' receipt	458269	Nil	458269	340943	117326
6.	Mairwa	1995-06	Tin ticket	9048	Nil	9048	7018	2030
7.	Sitamarhi	1999-06	M', H', M/R	752855	246596	506259	128703	377556
8.	Dehri Dalmianagar	1995-96	H' & M' receipt	1219767	Nil	1219767	278533	941234
9.	Nirmali	1994-06	Mixed	596244	Nil	596244	Nil	596244
10.	Dumraon	1997-06	H&M receipt	171302	33029	138273	19782	118491
11.	Muzaffarpur	2000-05	H&M receipt	38801	9161	29640	22205	7435
12.	Bhabhua	1987-06	H&M receipt	68482	55283	13199	399	12800
13.	Bagaha	1987-06	H&M receipt	14683	Nil	14683	Nil	14683
14.	Munger	2000-06	H&M receipt	377909	Nil	377909	Nil	377909
15.	Sugauli	2000-06	H&M receipt	1086375	804859	281516	Nil	281516
16.	Jamui	2001-06	H&M receipt	8227	Nil	8227	2748	5479
17.	Darbhanga	2001-06	H&M receipt	128006	Nil	128006	110028	17978
18.	Supaul	2003-06	H&M receipt	1963823	1670890	292933	80000	212933
19.	Maharajganj	1996-06	H&M receipt	95462	80904	14558	Nil	14558
20.	Sheikpura	2000-06	H&M receipt	337478	161545	175933	166073	9860
21.	Barh	2003-06	H&M receipt	11984	Nil	11984	Nil	11984
22.	Revelganj	2000-06	H&M receipt	203356	88102	115254	92619	22635
23.	Buxar	2001-06	H&M receipt	193557	Nil	193557	58500	135057
24.	Gaya	2004-06	H&M receipt	726730	127513	599218	71775	527443
25.	Motihari	2003-06	H&M receipt	146691	Nil	146691	54345	92346
26.	Sultanganj	2004-06	H&M receipt	540080	315490	224590	Nil	224590
27.	Rosera	2000-06	H&M receipt	646440	186934	459506	Nil	459506
28.	Jehanabad	1993-06	H&M receipt	1107345	209887	897458	13708	883750
29.	Mahnar	2000-06	H&M receipt	2035772	1167309	868463	23930	844533
30.	Daudnagar	1996-06	H&M receipt	355395	235079	120316	92790	27526
31.	Hazipur	2002-06	H&M receipt	2509822	159697	2350125	798054	1552071
32.	Khagaul	2001-06	H receipt	1557	Nil	1557	1557	NIL
33.	Dumra	1997-06	H receipt	154	Nil	154	154	NIL
34.	Jagdishpur	2001-06	M receipt	5240	Nil	5240	5240	NIL
Total				19739376	7029675	12709701	2828341	9881360

This was apparently a case of misappropriation. However, Rs. 28.28 Lakh was deposited at the instance

of audit, leaving a balance of Rs.98.81 Lakh to be deposited as on 31st March 2007.

Above misappropriation was rendered possible due to non-observance of Rule 20 of Bihar Municipal Accounts Rules, 1928 by the executives of ULBs and Rule 30 of Municipal Account Rules (recovery of Taxes) 1951 by Tax Daroga / Revenue Officer.

3.3 Non/Short realization of Education and Health Cess to the tune of Rs.83.53 Lakh.

ULBs were authorized to collect education and health cess at the rate of 50 percent on holding tax. The revenue so collected was to be deposited in appropriate heads of government account after deducting ten per cent (10%) as collection charge.

Under the Bihar Primary Education (Amendment) Act, 1959, education cess was levied by the State Government from the year 1959-60 at the rate of 6.25% of Holding Tax, which was revised from time

to time to 50% in 1st April 1982. While 8 ULBs short realised Rs.45.49lakh, 2 ULBs did not realise any education cess during 2000-06.

Similarly, as per direction of the State Government (Health Deptt.)(Feb, 1973 and July 1983) under Health Cess Rules 1972, health cess was realizable at the rate of 20 per cent from May1972, which was revised from time to time to 50 percent from 1 April 1982 on holding tax. But, Katihar Nagar Parishad did not realize the amount of cess at the rate of 50 per cent on holding tax amounting to Rs. 18.27 lakh, 5 ULBs short realized Rs. 19.76 lakh. Further, the ULBs are required to deposit the amount of proceeds of above cess to government revenue after deducting 10% (ten percent) as collection charge.

Due to non- realization of education and health cess at prescribed rate of 50% on holding tax, not only the state exchequer was put to a loss of Rs 75.18 Lakh but the ULBs were also deprived of revenue of Rs 8.35 lakh (10% of 83.53 lakh) receivable in the form of collection charge, vide Table-6 below.

Table -6 Details of short realization of health and education cess.

	Name of ULB	Holding Tax Realised (In Rupees.)	Period	Education cess to be realised(In Rupees)	Education cess realised(In Rupees)	Short realisation of Education cess (In Rupees)	Health cess to be realised (In Rupees)	Health cess realised (In Rupees)	Health cess realised in short (In Rupees)
1	Muzaffarpur	27756300	2001 to20 05	13878150	13380270	497880	13878150	13366487	511663
2	Katihar	3656169.19	2001 to20 06	1827584.6	163921.42	1663663.18	1827584.6	0	1827584.6
3	Sasaram	2056592	2001 to 2006	1028294	788828	239466	1028294	817175	211119
4	Buxar	2736000	2000 to2006	1368000	1071000	297000	1368000	1071000	297000
5	Nawada	579233	2002 to 2003	289616.5	256978.5	32638	N.A.	N.A.	N.A.
6	Bhabhua	4285903	2000 to 2006	2142953	1721861	421092	N.A.	N.A.	N.A.
7	Lakhisarai	726454.94	2001 to 2006	363227.47	321034.54	42192.93	363227.47	363227.47	0
8	Khagaul	266582.73	2002 to 2005	133291.36	130089.99	3201.37	133291.36	86201.18	47090.18
9	Sultanganj	888462.45	2000 to 2006	444231.22	N.A.	444231.22	N.A.	N.A.	N.A.
10	Khagaria	1817210	2000 to 2006	908605	N.A.	908605	908605	0	908605
	Total	44768907.31		22383953.15	17833983.45	4549969.7	19507152.43	15704090.65	3803061.78

3.4 Non-deposit of Education and Health Cess of Rs 936.36 Lakh to Government Account

None of 40 test checked ULBs deposited 90 percent of cess in government account. Based on figures made available to audit, 27 ULBs did not deposit Rs. 936.36 lakh (Table-7) in government account and appropriated the same towards payment of salary to staff and meeting other recurring expenditure.

3.5 Non-realization of taxes outstanding against Government Buildings to the tune of Rs 187.31 lakh.

Taxes outstanding against Government buildings are payable by the concerned departments of State Government. In 18 test checked ULBs taxes of Rs. 187.31 lakh were outstanding against government buildings (Table-8). The ULBs made no effort to recover these dues from concerned department / authorities of the State Government though the same was recoverable for the period 1996-2006. No reason for non-realization was furnished to audit by the ULBs.

Table-8 Details of outstanding taxes against Govt. Buildings in 18 ULBs as on 31.03.06.

Sl No.	Name of ULB	Period	Taxes Outstanding (Rs. in Lakh)
1	Nawada	2002-06	13.09
2	Mairwa	1995-06	0.70
3	Supaul	2003-06	16.54

4	Barh	2003-06	10.69
5	Daudnagar	1996-06	2.72
6	Dumrao	2001-06	1.19
7	Dumra	1997-06	11.84
8	Hazipur	2002-06	26.47
9	Aurangabad	2003-06	6.95
10	Araria	2000-06	8.19
11	Motihari	2003-06	6.35
12	Mahnar	2000-06	1.36
13	Sheikhpura	2000-06	29.13
14	Buxar	2000-06	27.51
15	Revealganj	2000-06	0.36
16	Khagaul	2001-06	2.89
17	Sitamarhi	2001-06	16.80
18	Murliganj	2000-06	4.53
Total			187.31

3.6 Non/Short realization of bid amount of Rs 49.08 lakh

Properties of ULBs viz. roadside land, trees, pounds, ferry, market etc. situated on the lands of ULBs are leased out annually through open bid and amount of lease is to be realised from lessees. In 21 out of 40 test checked ULBs, Rs. 49.08 lakh was not realized from the lessees

(Table-9). Legal action, if any, taken to recover the amount was not made available to audit.

Sl No.	Name of ULB	Nature of Property	Period of bid	Amount not realized (in Rs)
1	Rosera	Bus Stand	1999-07	429480
2	Daudnagar	Bus stand, cycle rickshaw, Ferry Ghat and Road side land	2000-05	172486
3	Gaya	Tempo stand, Thela, Slaughter house	2004-05	20500
4	Sheikhpura	Hat/Bazar, Bus stand etc	2003-05	499947
5	Jagdishpur	Sauchalaya, Fish/meat market	2002-04	14295
6	Barh	Bus/Tempo Stand, Sabji/fish market	Up to 05-06	511792
7	Supaul	Tin ticket, Bamboo market, Bus/tempo stand Gudri market etc	1997-2006	1123476
8	Revelganj	Ghat, mela cart Registration	97-06	113073
9	Shahpur	Tin ticket, Toll tax of vehicle, sulabh sauchalaya	98 to 06	166709
10	Nirmali	Ghat, Land, market, slaughter house etc	94 to 00	508165
11	Dumraon	Road side land, slaughter house, tin tickets	00- 06	97370
12	Bagha	Cart/cycle	88-89 & 00-06	233890

13	Sugauli	Stand	03-06	163424
14	Motihari	Fatak, Registration of vehicle	03-06	39050
15	Sultanganj	Mela/Sauchalaya	00-02	109841
16	Sasaram	Fish market	05-06	55650
17	Bhabhua	Market, Entry fee	05-06	98750
18	Jamui	Kiul river Ghat and stand	01-06	415250
19	Nawada	Hat/Bazar	03-04	25400
20	Khagaria	Meat market and footpath	02-06	38300
21	Sitamarhi	Gudri bazaar	03-04	71000
Total				49,07,848

3.7 Outstanding rents to the tune of Rs 186.89 lakh

In 22 ULBs rent of shops / markets amounting to Rs. 186.89 lakh was found outstanding as on 31st March 2006 (**Appendix XII**). Non-realization of rent from tenants deprived the ULBs of their own revenue in time. No effective steps were taken to realize the outstanding dues in all these ULBs.

3.8 Loss of Rs. 2.88 lakh due to payment of Interest on overdraft in Darbhanga Municipal Corporation

Darbhanga Municipal Corporation issued cheque in excess of balance at credit from current account number 271 (Indian Bank) during June 2001 to Sept 2004. The Bank treated all such amounts as overdraft and debited Rs 2.88 lakh as interest on such overdraft. (**Appendix XIII**)

Thus, due to lack of control over financial transaction by the executive, the Corporation was put to a loss of Rs 2.88 Lakh.

3.9 Irregular expenditure of Rs. 8.44 lakh on Mobile Phones in Darbhanga Municipal Corporation

Urban Development Department, Government of Bihar in its letter number 204/76/521/NVV/Patna dated 27 January 1979 addressed to Hajipur Municipality (later communicated to all ULBs) treated expenditure on provision of phones as misutilisation of municipal fund and suggested for recovery. Further, prior sanction of the State Government as required under section 63(a)(a)(a) of Patna Municipal Corporation Act, 1951 was essential for such expenditure.

In contravention of these provisions, facilities of Mobile Phones were allowed to councillors of Darbhanga Municipal Corporation without obtaining required permission from the State Government and an expenditure of Rs 8.44 lakh was incurred on its usage during the period 2004-06.

Thus due to non-observance of above provisions and Govt. order, Rs 8.44 lakh was irregularly spent on purchase of mobile phones and subsequently on payment of monthly bills and vouchers, during 2004-06 indicating lapses in control by the Executives.

3.10 Irregular over drawal of Rs. 4.94 lakh through Self-Cheque in two ULBs

In two ULBs (Katihar and Mahnar) overdrawal of Rs.4.94 lakh (Rs. 2.82 lakh for

Katihar and Rs.2.12 lakh for Mahnar) was noticed. Against several bills, one self-cheque for consolidated amount was issued and the cashier withdrew the amount for disbursement which was in excess of the actual amount to be disbursed. This resulted in overdrawal of Rs. 4.94 lakh (**Appendix-XIV**), which was rendered possible by inadequate monitoring & internal control by the Executive Officers.

Besides, misappropriation of excess amount drawn could not be ruled out.

3.11 Suspected Misappropriation of Rs. 4.5 lakh in Barh Nagar Parishad

The following amounts were drawn through self cheques by Nagar Parishad, Barh from its fund but particulars of expenditure were not found entered in cash book:

Sl. No.	Voucher No.	Cheques No.	Date	Amount (Rs. in Lakh)	Remarks
1.	96	666900	11.05.04	3,94,716	Particulars of payment as evident from counterfoils of cheques shown to have been paid to M/S Sanjeev Agency for supply of sanitary materials.
2.	198 A	295296	23.05.05	55,000	-Doto Shri Sheo Dani Pd, Accountant, Purpose not mentioned
Total				4,49,716	

Relevant vouchers in support of expenditure incurred, if any, from above amount of Rs. 4.50 lakh were not made available to audit. Further, cheque counterfoils were not found signed by the Executive Officer. Thus, genuineness of expenditure of Rs. 4.50 lakh could not be ascertained and hence chances of misappropriation cannot be ruled out.

3.12 Irregular payment of Rs. 3.21 lakh on Allowance to Ward Councillors by Gaya Municipal Corporation

A sum of Rs. 3.21 lakh was paid as allowance to ward councillors by Gaya Municipal Corporation during the period 2004-06 (**Appendix-XV**) for attending Board's meeting.

Such type of payment was not covered under section 89 of Patna Municipal Corporation Act, 1951 (Application of Municipal fund) and as such sanction of the State Government under section 89 (g) (I) of the Act was essential before making payment.

Hence, payment of Rs. 3.21 lakh was irregular. Approval, if taken, from state Government by the ULB was not furnished to audit. The Chief Executive Officer is to be held accountable for this lapse.

CHAPTER - IV

LAPSES IN HUMAN RESOURCE MANAGEMENT

4.1.1 Acute shortage of manpower in Jamui Nagar Parishad.

All the 40 test checked ULBs had the significant shortage of manpower. In Jamui Nagar Parishad against a sanctioned strength of 70, men-in-position was only 45. Efforts made to fill these vacancies were not found on record. Thus, there was acute shortage of staff which affected the vital functioning of the ULB viz. maintenance of accounts and records, levy and collection of municipal revenue, sanitation, execution and supervision of development schemes.

4.1.2 Appointment / Engagement of excess staff over sanctioned strength in Muzaffarpur Municipal Corporation.

In Muzaffarpur Municipal Corporation, staffs were appointed in excess of sanctioned strength in violation of provision as given in **Appendix-XVI**.

The appointment of staff in excess of sanctioned strength, thus resulted in unauthorized expenditure of Rs128.54 Lakh over their salary which was avoidable.

4.2 Unauthorized Appointment of Casual Staff/Labourers

Despite ban on engaging casual staff, 22 ULBs engaged huge numbers of casual staff/labourers without prior sanction of the State Government and spent Rs 643.27 lakh during 2000-2006. (**Appendix- XVII**).

The Chief Executives of the ULBs were to be held accountable for violation the Government Orders

4.3 Excess payment of House Rent Allowance (H.R.A.) of Rs. 6.53 lakh in

Sl. No.	Scale of pay	Admissible monthly H.R.A. in 'C' grade town (Rs.)
1	750-949	70
2	950-1499	120
3	1500-2799	220
4	2800-3599	300
5	3600-4499	400
6	4500 and above	500

Darbhanga

But, contrary to above provisions employees of Darbhanga Municipal Corporation were paid house rent allowance at uniform rate of 15 percent on basic pay from August 1999

to March 2003(regularized from April 2003). This resulted in excess payment of Rs 6.53 lakh (**Appendix- XVIII**).

The Chief Executive Officer of the Corporation was to be held accountable for this lapse and the excess payment was avoidable.

These excess payments need to be recovered from the employees concerned.

4.4 Irregular payment of salary of Rs. 1.42 lakh by GMC to staff on deputation to PMC

With the consent of Patna Municipal Corporation (PMC) and Urban Development Department, Govt. of Bihar, Patna (December 1999), Shri Umesh Kumar Sinha, Assistant. of Gaya Municipal Corporation (GMC) was sent on deputation to PMC on 16.01.2000. However, audit noticed that his salary continued to be paid by GMC for the period during which he worked in PMC (16.01.2000 to January 2004). His salary was paid by GMC on the absentee statement furnished by Asstt. Administrator, Bankipur circle, PMC. The total amount paid stood at Rs. 1.42 lakh.

As GMC and PMC are two separate local bodies, having separate funds, payment of salary to officials on deputation was to be borne by the borrowing department (PMC) as per rules of Foreign Service.

Hence, payment of salary of Rs. 1.42 lakh to Shri Sinha by GMC was irregular which needs to be recovered from PMC.

CHAPTER – V

MAJOR IRREGULARITIES IN IMPLEMENTATION OF SCHEMES

5.1 Implementation of National Slum Development Programme (NSDP)

5.1.1 Misutilisation and Blocking of fund of Rs. 40.15 lakh under NSDP by Muzaffarpur Municipal Corporation

As per Para 8 of the guidelines, the Urban Local Bodies shall report progress under this scheme periodically to the DUDA/SUDA/ State Government. As the ULBs did not send actual utilization of fund to State Government properly and proper monitoring of the scheme was not made at state government level, benefit of fund Rs 40.15 lakh received in the year 2001 did not reach to slum dwellers.

Muzaffarpur Municipal Corporation received Rs. 1.62 crore (September 2001) under NSDP, which was credited to a separate account (number 14023 in Bank of India). Instead of utilizing the entire amount for benefit of slum dwellers as per direction contained in guidelines of the programme, Rs. 50 lakh was invested (Rs.25 lakh for three months and Rs.25 lakh for six months) in February 2002 as shown in Table below:

Table-10

Details of misutilisation of NSDP fund by investment in Bank by MMC

Sl. No.	Name of Bank	Amount Invested (Rs. In lakh)	Period of Investment	Nature of Investment	Interest earned (Rs. In Lakh)	Interest Utilized for
1.	Bank of India	(i) 25.00	03 months	Fixed Deposit	0.37397	General purpose
		(ii) 25.00	06 months	-do-	0.52661	
2.	Dena Bank	40.00	Six Months	Fixed Deposit	1.00006	Rs. 84,521.00 was adjusted by Bank towards payment of interest of loan of Rs 30,00,000.00 contracted by Corporation and Rs. 15,185 with Principal of Rs. 40,00,000.00 was credited into Allahabad Bank
3.	Allahabad Bank	40.15 Lakh lying in A/c No. 100531	Not Utilised till June'06			

Audit scrutiny revealed the following

- (i) Interest earned on investment of NSDP fund was to be part of the fund of NSDP Grant, but the Corporation utilized the interest of Rs. 0.90 lakh towards meeting recurring expenditure of general nature.

- (ii) Against security of investment of NSDP fund, the Corporation contracted a loan of Rs. 30,00,000 for payment of salary to staff for which no sanction was obtained from the State Government. Further, interest of Rs. 0.85 lakh on loan was paid irregularly from NSDP fund.
- (iii) Proceeds of investment of Rs. 40.15 lakh was not transferred to NSDP account, rather it was lodged in a separate account in Allahabad Bank. This amount was not utilized till the close of audit (June'06)

Thus, the Corporation did not utilize NSDP fund of Rs. 40.15 lakh (June'06) received in the year 2001. This not only blocked government funds but also resulted in denial of benefit to slum dwellers as envisaged in the NSDP. Interest of Rs. 1.75 lakh (0.90 + 0.85) received from investment of NSDP Fund was misutilised for expenditure over general purpose and repayment of interest on loan. The Chief Executive Officer of the corporation is to be held accountable.

5.1.2 Irregular selection and execution of works without involvement of CDS/ Neighborhood Committees

As per guidelines issued by the State Government for selection of schemes under NSDP, Community Development Societies (CDS) were made responsible for identification of unavailable minimum basic services and required basic services in slum area. The CDS were also required to prepare two lists namely 'A' and 'B'.

Further, as per provisions contained in para 6 of guidelines of NSDP, works under NSDP were to be executed at grass root level by Neighborhood Committees and Community Development Societies.

In Contravention of above order 22 ULBs (Table-11) selected schemes under NSDP without identification of unavailable minimum basic services and required basic services in slum area.

Table-11

List of ULBs in which CDS did not identify unavailable minimum basic services and required basic services and work was done departmentally.

Sl No.	Name of ULB	CDS Constituted	Works done departmentally
1	Rosera	Not available	Not available
2	Dumraon	No	Departmentally
3	Dehri Dalmianagar	Not available	Not available
4	Katihar	Not available	Not available
5	Hazipur	Not available	Not available
6	Jamui	No	Departmentally
7	Barh	No	Departmentally
8	Bhabhua	No	Departmentally
9	Lakhisarai	Not available	Not available
10	Sitamarhi	No	Departmentally
11	Buxar	Not available	Not available

12	Dumra	No	Departmentally
13	Motihari	Not available	Not available
14	Sugauli	No	Departmentally
15	Sultanganj	No	Departmentally
16	Maharajganj	No	Departmentally
17	Nirmali	No	Departmentally
18	Mahanar	Yes	Departmentally
19	Murliganj	No	Departmentally
20	Bahadurganj	No	Departmentally
21	Darbhanga	No	Departmentally
22	Muzaffarpur	No	Departmentally

Though the said committees were found to be constituted in Nagar Panchayat Mahnar, but the works were executed departmentally and in 14 ULBs the committees were not constituted at all and all the works were executed departmentally.

5.1.3 Non/Short utilization of earmarked amount of N.S.D.P. to the extent of Rs.379.38 Lakh.

As per para 4 (v) of the guidelines, not less than ten per cent of allotment of NSDP fund was required to be utilized for construction or upgradation of house for the urban poor, however 4 ULBs did not spend any amount against the earmarked fund, 12 ULBs spent Rs.76.58 lakh in short of the earmarked amount and in 15 ULBs the position was not ascertainable whether the fund was utilized for the purpose.(**Appendix-XIX**).

Thus, the earmarked amount of Rs.381.90 lakh for construction of house for urban poor was either not utilized or diverted towards other works. This denied the benefit to slum dwellers.

5.1.4 Execution of works valued at Rs. 1.47 crore in non-slum area by six ULBs

Six ULBs executed works of Rs. 1.47 crore in non-slum area out of NSDP fund, as given in **Appendix XX** in contravention of provisions of guidelines of NSDP. This resulted in denial of benefit to slum dwellers.

5.2 Implementation of Swarn Jayanti Shahri Rojgar Yojna (SJSRY)

5.2.1 Undue favour to a Junior Engineer to the tune of Rs. 9.00 lakh in Lakhisarai Nager

(Scheme no. 38/02-03 SJSRY)

For construction of guest house and for construction of boundary wall and earthwork in Mahila Vidya Mandir Middle and High School (Estimated value Rs. 10 lakh),Nagar Parishad Lakhisarai granted advance of Rs. 1.00 lakh to Shri Rabindra Kumar Singh, JE on 15.06.02 (Cheque no. 796628). The work could not be started by the JE and finally the work was cancelled on 24 Feb. 2003 and JE was directed on the same day to prepare a revised estimate, which was not submitted by him till closure of audit (17.05.06).

Instead of recovering the amount of advance of Rs.1.00 lakh from the JE for non-commencement of work, another advance of Rs. 8.00 lakh was paid to the JE on 3 March 2003 by the same authority against old estimated value. This is a clear case of undue favour to the Junior Engineer.

5.2.2 Misutilisation of grant of SJSRY

Sasaram Nagar Parishad selected following two works from the grant of SJSRY.

Sl. No.	Schemes No.	Name of Work	Estimated value (Rs. in lakh)	Total Expenditure incurred upto 31 st March'06 (Rs. in lakh)
1	7/05-06	Construction of 17 shops on the land of Nagar Parishad	9.04	3.75
2	8/05-06	Construction of Computer cell and its ancillary cell	0.56	0.38
Total			9.60	4.13

5.3 Infructuous advances to the tune of Rs. 1.74 lakh for Preparation of DPR of the Town.

Two ULBs paid 1.74 lakh to consultants as advance for preparation of project report of the town as per details given in the following table. Preliminary report was to be submitted within one month, but even after more than one year of granting advance, the consultants did not submit even preliminary project report. The ULBs did not take any step to obtain the project report.

Table: -12 Statement of advance paid for Preparation of project reports.

Sl. No.	Name of ULB	Date of advance	Amount Paid (In Rs.)	Remarks
1.	Hajipur	07.02.05 10.12.05	25,000.00 99,000.00	DPR not submitted yet.
2.	Sasaram	15.09.04 06.05.05	15,000.00 35,000.00	-do-
Total			1,74,000.00	

5.4 Non-receipt of Machinery/non-refund of advance of Rs. 7.93 lakh

Two ULBs (Dehri Dalmianagar and Gaya) advanced Rs. 7.93 lakh to a firm for supply of machinery, but they neither received the machinery nor got back the amount advanced to firm.

- a) Dehri Dalmianagar Nagar Parishad advanced Rs. 6.93 lakh (As per condition attached by Supplier) in July 2004 to M/s Shivam Tractor and Tractors, District: - Aurangabad for Supply of 55 HP L&T Tractor, Pay Loader and Dozer (Total cost of Rs. 9.25 lakh) within 20 days from the receipt of supply order (09.07.04). The firm was reminded on 08.12.2004 to supply the machinery within a week and accordingly the firm supplied above machinery on 15.12.04, but Nagar Parishad returned above machinery on the ground that machinery was not supplied within stipulated time, though the same had been supplied within time limit given in letter of reminder. Nagar Parishad

wrote to the firm (July 2005) to refund the amount but the same was not refunded till June 2006.

Thus, due to improper decision of Nagar Parishad, objective of the grant was not fulfilled.

- b) Similarly, Gaya Municipal Corporation advanced Rs. 01 lakh (June 2004) to M/s O & G Workshop, Muffasill More, Manpur, Gaya for supply of 54 trollies within two months from date of supply order (June 2004) but even after lapse of two years the same was not supplied (June 2006). The Corporation took no action either to obtain the trollies or to get the amount refunded. Thus expenditure of Rs.1.00 lakh proved unfruitful.

5.5 Progress of Schemes/Works under Xth/XIth /XIIth Finance Commission Grants.

During 2000-2006, 3181 works were taken up by 29 ULBs but 2042 works could be completed and

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1131 works remained incomplete as on 31 March 2006. Period for which schemes remained incomplete ranged from 01 to 03 years from the year of taking up.

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Table -13

Schemes taken up, completed, incomplete out of various grants as of 31st march 2006

Sl. No.	Name of Unit	Total Number of Schemes taken up	Total Number of Schemes completed	Total Number of Schemes remaining incomplete	Amount involved in Incomplete Schemes (Rs. In Lakh)
1.	Nawada	49	30	17(details of 2 scheme not available)	N.A
2.	Bhabua	5	5	0	Nil
3.	Murliganj	4	2	2	7.18
4.	Mahanar	35	2	33	21.87
5.	Sitamarhi	41	35	6	5.45
6.	Sugauli	120	87	33	28.90
7.	Jamui	228	170	56(details of 2 scheme not available)	53.28
8.	Dumra	1	1	0	Nil
9.	Munger	234	187	47	106.37
10.	Maharajanj	63	27	32(4 schemes abandoned)	12.62
11.	Jagdishpur	91	64	27	3.4
12.	Hajipur	362	242	120	61.54
13.	Motihari	103	91	12	N.A
14.	Sasaram	47	29	18	19.93
15.	Sultanganj	125	84	41	26.94
16.	Buxar	67	51	16	20.12
17.	Darabhanga	181	78	103	173.25
18.	Bahadurganj	152	107	45	50.17
19.	Aurangabad	152	121	31	63.41
20.	Dehri	46	3	43	181.11
21.	Araria	142	96	46	92.28
22.	Supaul	112	16	96	80.25
23.	Khagaul	77	69	08	2.30
24.	Revelganj	58	35	23	10.32
25.	Nirmali	67	66	01	0.82

26.	Lakhisarai	185	32	153	290.81
27.	Sheikhpura	155	66	89	43.16
28.	Muzaffarpur	230	228	02	N.A
29.	Rosera	49	18	31	23.47
Total		3181	2042	1131 (4 schemes abandoned & details of 4 scheme not available)	1378.95

Due to non-monitoring of progress of works by the Executives, 1030 works remained incomplete after incurring an expenditure of Rs. 1378.95 Lakh, 4 works were abandoned on which an expenditure of Rs.

0.91 Lakh was incurred. The amount involved in 101 incomplete schemes was not ascertainable and the status of 4 works could not be ascertained.

5.6 Idle Asset

Out of the grant of XIth Finance Commission, Aurangabad Nagar Parishad and Gaya Municipal Corporation purchased one Front-end loader and two loaders respectively at a cost of Rs.19.88 Lakh

(9.48 + 10.40) during 2003-04 and 2001-02 but could not utilize the said machinery till August '06.

Non-utilisation of above machinery not only defeated the purpose of grant but also rendered the expenditure of Rs. 19.88 lakh as infructuous.

CHATER-VI

RECOVERY AT THE INSTANCE OF AUDIT

6.1 Recovery at the Instance of Audit

At the instance of audit Rs 40.53 Lakh representing non/short credit, outstanding rent, bid money etc. was deposited / recovered in 31 ULBs as given in **Table-14**. These amounts were remitted to the accounts of respective ULBs.

TABLE-14 Amount recovered at the instance of audit.

Sl.No.	Name of ULB	Amount recovered at the instance of audit (In Rs.)
1	Dumra	154
2	Dehri Dalmianagar	410528
3	Dumraon	20697
4	Muzaffarpur	22205
5	Revelganj	92619
6	Nawada	340942
7	Supaul	105710
8	Sheikhpura	169451
9	Katihar	71768
10	Buxar	67297
11	Aurangabad	2313
12	Bhabhua	4797
13	Bhagalpur	1530
14	Hazipur	798054
15	Daudnagar	98790
16	Sitamadhi	554706
17	Motihari	54345
18	Munger	1535
19	Sasaram	668
20	Mahnar	351733
21	Khagaul	15057
22	Jehanabad	13708
23	Khagaria	406
24	Gaya	71775
25	Araria	431248
26	Jagdishpur	5240
27	Jamui	2748
28	Maharajganj	65000
29	Darbhanga	110028
30	Mairwa	7018
31	Lakhisarai	160959
Total		40,53,029

CHAPTER - VII

STATUS OF RECOVERY BY SURCHARGE PROCEEDINGS

7.1 Status of Recovery by Surcharge

According to provisions contained in section 9 of Bihar and Orissa Local Fund Audit Act, 1925, the Examiner of Local Accounts, Bihar is empowered to order recovery of any loss due to negligence and misconduct of employee and loss of stores through surcharge from persons responsible. In **13 ULBs, 22 cases** of surcharge involving **Rs 100.16 lakh** were proposed and notices were issued for recovery by the Examiner of Local Accounts, Bihar, as in table below.

TABLE-15 Details of Surcharge proposals issued as at the end of March 2006

Sl No.	Name of ULB	Period	No. of Proposed surcharge cases	Amount involved (In Rs.)
1	Revelganj	2000-06	2	183786
2	Buxar	2000-06	3	96894
3	Gaya	2004-06	3	1658932
4	Supaul	2003-06	4	7032042
5	Dehri Dalmianagar	2002-06	1	384055
6	Sugauli	2000-06	1	10500
7	Hazipur	2002-06	2	175721
8	Bhagalpur	2000-06	1	24750
9	Barh	2003-06	1	326900
10	Darbhangha	2001-06	1	4692
11	Rosera	2000-06	1	20650
12	Katihar	2001-06	1	35000
13	Khagaria	2000-06	1	62000
Total			22	10015922

Surcharge notices have been issued to the persons responsible for lapses through the District Magistrate (DM), but the reports of serving the surcharge notices have not been received from the DMs despite reminders. For want of service reports and replies of surchargees, further processing of surcharge proposals remained pending in all cases.

CHAPTER - VIII

FOLLOW UP OF AUDIT REPORTS

The Mayor/Chairman, Municipal Commissioner/Executive Officer of ULBs are required to comply with the observations contained in the Audit Reports and rectify the defects and omissions and send their compliance report through proper channel to the Examiner of Local Accounts, Bihar within three months from the date of its receipt.

The details of Audit reports and the paragraphs outstanding as on 31st March 2006 are given in table below.

Table-16 Details of Audit reports and outstanding Para as on 31st March 2006

Year of issue	No. of A/R	No. of Outstanding Paragraphs	Money value (Rs. in crore)
Up to 2000	835	14793	104.08
2000-01	48	1657	27.55
2001-02	41	1291	23.52
2002-03	22	929	25.59
2003-04	26	1091	45.94
2004-05	14	437	8.78
2005-06	23	644	27.05
Total	1009	20842	262.51

A review of the Audit Reports which were pending due to non-receipt of replies, revealed that the Heads of the auditee units did not send any compliance to audit paragraphs appearing in a large number of Audit Reports. Delay in complying with audit reports not only defeats the very purpose of the scrutiny by public auditors, but would help the defaulters go scot-free. Thus, accountability of the executives of local bodies is far from satisfactory.

The Principal Secretary to the Govt. of Bihar, Urban Development Department, was informed from time to time, to ensure that the officers of concerned ULBs took prompt and timely action to comply with audit paras but progress is wanting.

CHAPTER –IX

CONCLUSIONS AND RECOMMENDATIONS

9.1 Finance and Accounts

Non-preparation of budget estimates and financial accounts violated the provisions contained in Bihar Municipal Act, 1922 which resulted in unauthorized expenditure of Rs.2856.83 lakh. ULBs having separate accounting wings failed to prepare proper accounts. Non/ Short deposit of collection money, poor collection of demand and direct appropriation of collection money, indicate that internal control mechanism was weak and non-functional. Non-preparation of annual accounts and non-maintenance of accounts in double entry system of accounting resulted in lack of transparency of utilization of public funds.

Accountability of individual functionaries needs to be fixed for lapses to prevent their recurrences.

9.2 Non-maintenance of basic records

Due to non-maintenance of basic records viz. Grant Register, Loan Register, Loan Appropriation Register, Advance Ledger, Annual Accounts register, budget control register, demand and collection register, correct picture of accounts of ULBs could not be ascertained. These records are required to be maintained on priority basis.

9.3 Collection of statutory levies, dues and their remittance

The system of timely collection of taxes, fees and cess on behalf of Government and their remittance by ULBs to respective heads of Municipal fund and Government Accounts needs to be improved to prevent loss of Municipal and Government revenue.

9.4 Implementation of schemes

Poor utilisation of assistance under several schemes indicated insufficient appreciation of Govt. objectives and policies for providing basic amenities and services. Non/improper implementation of schemes frustrated the objectives for which development grants were released by the Government to the ULBs. Therefore, close monitoring and periodical evaluation of achievements of schemes is required.

Place : Patna

Date :

(D. JAI SANKAR)

Examiner of Local Accounts

Bihar, Patna

COUNTERSIGNED

Place : Patna

Date :

(ARUN KUMAR SINGH)

**Pr. Accountant General
(Audit) Bihar, Patna**

APPENDIX-I

Statement of list of ULBs where assessment list not revised (Referred to in Para 1.5 of the report)

Sl.No.	Name of ULB	Year of Last revision
1.	Shahpur (Bhojpur)	1997-98
2.	Jamui	1965-66
3.	Nirmali	1978-79
4.	Sultanganj	1975-76
5.	Revelganj	1974-75
6.	Sheikhpura	1996-97
7.	Dehri	1976
8.	Jagdishpur	1997
9.	Supaul	1965
10.	Khagaria	1995
11.	Khagaul	Not Available
12.	Mairwa	1989-90

APPENDIX - II

Statement of Non-Preparation of Budget by ULBs (Referred to in Para 2.1 of the report)

Sl. No.	Name of units	Period for which Budget estimates not prepared	Expenditure incurred without budgetary proposal (Rs. in Lakh)
1	Rosera	2000-06	156.11
2	Daudnagar	2000-06	122.77
3	Khagaul	2001-03	93.71(Partly)
4	Maharajganj (Siwan)	1996-06	87.10
5	Bhabhua	2000-06	277.67
6	Sheikhpura	2000-06	152.65
7	Araria	2000-06	161.53
8	Dumrao	2000-06	166.67
9	Murliganj	2002-06	49.66
10	Shahpur (Bhojpur)	1996-06	29.31
11	Bahadurganj	1998-06	52.79
12	Supaul	2003-06	86.07
13	Sugauli	2000-06	187.59
14	Bhagalpur	2000-02	865.11
15	Dehri Dalmianagar	2002-06	146.29
16	Khagaria	2000-06	221.80
TOTAL			2856.83

APPENDIX – III

Statement of ULBs where Annual Accounts were not prepared during the period under audit. (Referred to in Para 2.2.3 to the Report)

Sl. No.	Name of Units	Period	Total Expenditure incurred (Rs. In Lakh)
1	Rosera	2000-06	156.11*
2	Daudnagar	1996-06	122.77
3	Lakhisarai	2001-06	145.67
4	Jagdishpur	2001-06	51.52
5	Khagaul	2001-06	103.77
6	Sitamadhi	2001-06	274.83
7	Maharajganj(Siwan)	1996-06	87.10
8	Hazipur	2002-06	299.52
9	Barh	2003-06	104.92
10	Sasaram	2001-06	410.77
11	Bagha	1987-06	202.17
12	Mairwa	1995-06	23.34
13	Gaya	2004-06	1209.27
14	Bhabhua	2000-06	154.11
15	Jamui	2001-06	94.56
16	Motihari	2003-06	409.89
17	Sheikhpura	2000-06	65.33
18	Araria	2000-06	161.53
19	Dumrao	2000-06	134.30
20	Munger	2001-06	789.59
21	Revelganj	2000-06	77.74
22	Buxar	2000-06	277.43
23	Nawada	2002-06	46.96
24	Murliganj	2000-06	49.66*
25	Shahpur (Bhojpur)	1996-06	29.31
26	Sultanganj	2000-06	99.90
27	Darbhanga	2001-06	2326.23*
28	Bahadurganj	1998-06	52.80
29	Supaul	2003-06	26.81
30	Sugauli	2000-06	22.31
31	Mahnar	2000-06	159.71
32	Dumra	1997-06	72.96
33	Aurangabad	2003-06	116.65
34	Bhagalpur	2000-06	2750.18
35	Dehri Dalmianagar	2002-06	137.93
36	Muzaffarpur	2000-05	3583.63*
37	Nirmali	1994-06	102.73
38	Katihar	2001-06	459.56
39	Jehanabad	2003-06	109.40
40	Khagaria	2000-06	221.80
	Total		15724.77

* Expenditure out of scheme is also included.

APPENDIX – IV**Statement of non reconciliation of cash book with
Bank/Treasury Pass Book at the end of 31st March 2006
(Referred to in Para 2.2.4 to the report)****(Rs. In lakh)**

Sl. No.	Name of ULBs	Cash book balance	Treasury/Pass book balance	Difference
1	Rosera	12.22	16.32	4.10
2	Khagaul	15.34	14.57	0.77
3	Maharajganj (Siwan)	13.87	22.87	9.00 (scheme included)
4	Barh	13.14	13.13	0.01
5	Gaya	67.91	146.69	78.78
6	Supaul	23.05	23.63	0.58
7	Jamui	101.92	104.40	2.48 (scheme included)
8	Sheikhpura	38.18	36.11	2.07 (scheme included)
9	Revelganj	26.90	24.16	2.74 (scheme included)
10	Buxar	27.95	28.71	0.76
11	Sultanganj	22.36	22.39	0.03
12	Darbhanga	1101.69	1050.34	51.35
13	Sugauli	96.61	94.85	1.76
14	Mahnar	31.27	34.18	2.91
15	Bhagalpur	244.34(ascertained in audit)	29.27	215.07
16	Dehri Dalmianagar	173.85	180.89	7.04
17	Muzaffarpur	89.61	183.16	93.55
TOTAL				473.00

APPENDIX - V

Statement of Grants received under XIth & XIIth Finance Commission

(Referred to in Paragraph 2.3.1.2 & 2.3.1.3 of the report)

Sl. No.	Name of Units	XIth (Rs. in Lakh)	XIIth (Rs. in Lakh)
1	Katihar	146.02	39.34
2	Sultanganj	23.34	10.89
3	Aurangabad	96.52	20.21
4	Bagha	71.0	28.48
5	Dumraon	30.93	12.37
6	Dumara	0.00	3.32
7	Motihari	48.5	0.00
8	Bahadurganj	30.29	12.23
9	Darbhanga	137.79	55.68
10	Buxar	42.38	17.12
11	Jamui	70.31	18.99
12	Barh	22.15	10.34
13	Gaya	165.58	80.21
14	Maharajganj	14.31	5.78
15	Jagdishpur	28.16	0.00
16	Nawada	57.89	17.12
17	Supaul	38.60	15.59
18	Revelganj	23.39	9.45
19	Khagaria	27.02	9.35
20	Jehanabad	43.72	20.41
21	Sitamarhi	44.23	11.91
22	Murliganj	19.02	7.69
23	Dehri Dalmianagar	103.19	27.82
24	Bhabhua	35.72	9.63
25	Araria	69.8	18.87
26	Mahnar	35.25	19.33
27	Khagaul	37.62	23.9
28	Mairwa	12.48	5.04
29	Sasaram	68.52	27.69
30	Munger	99.06	40.03
31	Sugauli	38.89	10.52
32	Daudnagar	21.46	10.55
33	Nirmali	10.73	4.34
34	Muzaffarpur	160.33	0.00
35	Rosera	13.65	5.52
36	Hazipur	68.0	27.47
37	Shahpur	0.00	0.00
38	Lakhisarai	76.8	20.73
39	Bhgalpur	179.06	72.35
40	Sheikhpura	54.19	14.66
TOTAL		2265.90	744.93

APPENDIX - VI

Statement of unutilized Govt. Grants

(Referred to in para 2.4)

Sl No.	Name of ULBs	Amount of Unutilized Govt. Grant (Rs. in Lakh)	Purpose of Grant	Unutilized Since
1	Aurangabad	0.51	Const. Of Drain/road	15 to 17 Years
		14.45	Sulabh sauchalaya	15 Years
2	Buxar	14.06	Misc Funds	15 Years
3	Rosera	14.14	Const. Of Drain/road	5 to 25 years
4	Sitamarhi	13.78	Const. Of Road/Drain/Sulabh Sauchalaya/Water Supply	13 to 16 years
		3.00	Const. Of road	9 years
5	Nawada	1.31	Road construction	Since 89-90
		7.95	Conversion of Latrine	Since 92-93
6	Daudnagar	10.00	Water supply	Since 99-00
		3.51	Const. of road/drain	Since 02-03
7	Sultanganj	5.27	Const of drain/latrine etc	Since 87-88
8	Seikhpura	0.37	Misc/road const	Since 99-03
9	Shahpur	3.82	Const. of Road/town hall/ repairing of hand pump	11 to 23 Years
10	Bhagalpur	2.46	Const. and repair of road	Since 99-00
11	Gaya	21.67	Misc. Purpose	Since 90-91
12	Darbhangha	79.14	Electric works, Constn. of drain, sulabhsauchalya and tube well works etc.	As per Grant register of 200001
	Total	195.44		

APPENDIX-VII

Statement of diversion of Govt. Grants (Referred to in paragraph 2.5 of the report)

Sl No.	Name of Units	Particular of grant	Amount of diversion (Rs in Lakh)	Where diverted
1	Lakhisarai	NSDP	3.20	Estb. Exp
		SJSRY	3.57	Estb. Exp
		MLA/MLC	2.82	Estb. Exp
2	Buxar	NRV	6.78	Payment to arrear pension
3	Maharajganj	NSDP	1.54	Estt& sanitation
		SGRY	1.11	Repair of Road
4	Supaul	NSDP+ XI F.C	3.85	Pay & allowance
5	Katihar	SJSRY	7.47	Estab.
6	Sasaram	NSDP	12.59	Estt
		SGSRY	4.13	Estt
7	Gaya	XI F C	0.39	Retirement benefit
8	Motihari	SJSRY	4.51	Other scheme
		IDSMT	59.82	Estb.
		NSDP	3.75	Salary
9	Hazipur	SJSRY	1.21	Other Scheme
			0.50	Other Scheme
		NSDP	1.40	Other Scheme
			1.16	Other Scheme
10	Muzaffarpur.	NSDP	6.77	Estt.
11	Araria	NSDP	22.48	Estt.
12	Mahnar	Sanitary equip.	1.67	Pay & allowance
13	Jehanabad	NSDP, SJSRY, MP/MLA, XI F.C	1.09	Sanitation Work
14	Rosera	SJSRY	4.12	Salary
Total			157.15	

APPENDIX - VIII

Statement of loans sanctioned and deducted at source against non-repayment of previous loans

(Referred to in paragraph 2.6.2 of the report)

SI No.	Name of ULBs	Amount of loan sanctioned (Rs in Lakh)	Amount deducted at source (Rs in lakh)
1.	Rosera	110.77	NA
2	Daudnagar	13.17	NA
4	Jagdishpur	13.05	3.26
5	Khagaul	18.85	NA
6	Sitamarhi	202.26	28.59
7	Maharajgang (Siwan)	7.57	1.72
8	Hazipur	31.81	NA
9	Barh	11.64	NA
11	Bagha	5.81	NA
12	Mairwa	4.69	NA
13	Gaya	97.88	NA
14	Bhabhua	12.64	3.16
15	Jamui	19.06	4.76
16	Motihari	34.60	NA
17	Sheikhpura	7.79	1.95
18	Araria	16.84	NA
19	Dumrao	10.03	NA
20	Munger	145.96	NA
21	Revelganj	15.66	3.92
22	Buxar	49.68	12.42
23	Nawada	10.40	2.60
24	Murliganj	2.94	NA
25	Shahpur (Bhojpur)	1.74	NA
26	Sultanganj	7.90	NA
27	Darbhangha	168.43	42.11
28	Bahadurganj	0.97	NA
29	Supaul	4.72	NA
30	Sugauli	3.23	0.81
31	Mahnar	20.47	NA
32	Dumra	13.34	NA
33	Aurangabad	6.62	1.66
34	Bhagalpur	256.62	64.16
35	Dehri (Dalmianagar)	14.78	NA
36	Muzaffarpur	330.51	82.13
37	Nirmali	16.26	3.46
38	Katihar	58.33	14.58
39	Jehanabad	14.52	3.63
40	Khagaria	16.63	NA
	Total	1778.17	274.92

APPENDIX - IX
Statement of Outstanding Advance as on 31-3-2006
(Referred to in para 2.7 to the report)

Sl.No.	Name of Units	Period	Amount (Rs. in Lakh)
1.	Rosera	2000-06	19.50
2.	Daudnagar	2000-06	9.27
3.	Lakhisarai	2001-06	997.15
4.	Jagdishpur	2001-06	3.48
5.	Khagaul	2001-06	5.77
6.	Sitamarhi	2001-06	12.44
7.	Hazipur	2002-06	29.23
8.	Gaya	2004-06	364.67
9.	Bhabhua	2000-06	24.81
10.	Sheikhpura	2000-06	(Part) 1.78
11.	Munger	2001-06	65.61
12.	Revelganj	2000-06	39.34
13.	Buxar	2000-06.	116.60
14.	Nawada	2002-06	5.43
15.	Sultanganj	2000-06	5.03
16.	Darbhangha	2001-06	467.49
17.	Bahadurganj	1998-06	(Part) 1.43
18.	Supaul	2003-06	97.13
19.	Bhagalpur	2000-06	408.82
20.	Muzaffarpur	2000-05	115.57
21.	Jehanabad	2003-06	2.65
22.	Nirmali	1994-06	2.06
	Total		2795.26

APPENDIX - X

Statement of details of records viz. Bill, Vouchers, estimate, Measurement Books,

**Case files, Stock register, sanction order etc. not produced before audit.
(Referred to in para 2.8 to the report)**

Sl.No.	Name of ULB	Particulars of relevant records not produced	Amount Spent (Rs.)
1	Sasaram	Bill of computer purchase	50880
		Suit register	41832
		Vouchers	1284024
2	Hajipur	Telephone register	22491
		Approved rate of hire charge and Log book	335490
		Log book of vehicle/ fuel register	360443
		Suit register	67838
		Vouchers wanting	381917
		Supporting Papers wanting	48495
3	Daudnagar	Log book	2088
4	Munger	Suit register	133946
		log book & Stock register of fuel	1354674
		Concerning Paper	1695332
		Concerning Paper	1995931
5	Bagha	Connecting paper r/o publication expense	16589
		Suit register	30984
		Vr.	226547
6	Bhabhua	Connecting paper r/o Advertisement	6580
7	Muzaffarpur	Vr. For lighting materials	1347491
		Stock entry not shown	220511
		Vr. not produced	9952709
		Vr. not produced	6900214
8	Dumraon	Vr. Not produced	3542650
9	Dehri Dalmianagar	Connecting paper Vr./Bill of scheme	329637
		Cash memo/Bill r/o Vapour lamp	79900
		Stock entry utilisation Paper	112563
		Vr.	2588444
10	Dumra	Connecting papers related to B.S.Y.	75500
11	Mairwa	Purchase file stock entry connecting papers	20782
		Suit register	10255
		Purchase voucher, completion certificates and connecting papers of work	108026
		Vouchers	3600
12	Khagaria	Vouchers	1681558
		Stock entry and utilisation of purchase materials	50000
		Muster roll and purchase Vr.	128213
		Muster Roll and connecting papers	306668
		M.Bs and connecting papers	437324
13	Sitamarhi	Connecting papers related to gratuity, stock, legal expenses	557567
14	Murliganj	Suit register	10692
15	Nawada	Connecting paper of works viz. M.B, Vr. Estimate utilisation	772200
16	Skeikpura	Vouchers	621254
17	Maharajganj	Vouchers	1259912

Sl.No.	Name of ULB	Particulars of relevant records not produced	Amount Spent (Rs.)
18	Darbhanga	Stock register of materials	4259442
		Connecting paper of works	690896
		Connecting paper of works	1306500
		Connecting paper of works	1187820
		Connecting paper of works	52577533
		Log book of vehicle & Gensate	1956291
		Stock Entry, Connecting Papers	4709042
		Suit Register	588036
19	Gaya	Calculation of charge of Retirement Claims	7788032
		suit register	743011
		Log book of fuel	4278048
		Stock Entry etc.	161540
		Vouchers	10580515
		Telephone register	22491
		Approved rate of hire charge and Log book	335490
		Log book of vehicle fuel register	360443
		Suit register	67838
		Vouchers wanting	381917
		Supporting Papers wanting	48495
20	Barh	Connecting papers-works	1726414
		Log Book	86845
		Suit Register	9000
		Vouchers	3732138
		Supporting papers	67170
		Pay orders	506032
21	Bahadurganj	Connecting papers r/o refund	776490
		Payers receipt	1300
22	Motihari	Retirement claims paper viz. Gratuity, P.F.	425463
		Suit register	46323
		Connecting papers	39657
		Connecting papers for repair of vehicles	227456
23	Bhagalpur	Receipt/bills against purchase under scheme	3294269
24	Revelganj	Connecting papers/Vouchers	372585
		Vouchers of Mela	757518
25	Mahnar	Vouchers	642280
26	Jehanabad	Connecting paper viz. Log Book, Order etc.	143596
27	Rosera	Suit Register	41870
28	Sultanganj	Stock entry quotation, Bank Statement, Pension Fund	254896
29	Katihar	Suit register	212804
		Purchase of Chair	78000
		Log Books of Vehicle	645420
		Log Book of tractor	7125
		Vouchers	4910256
Total			150567260 i.e 1505.67 lakh

APPENDIX - XI

Statement of grant received, spent & unutilised balance

(Referred to in Para 2.9) (Rs. in lakh)

Sl. No.	Name of ULB	Period	Nature of Grants	Amount Received	Amount Spent	Balance Amount
1.	MAHNAR	02-05	XI th F.C.	35.25	32.71	2.54
		05-06	S.G.S.R.Y.	4.65	4.64	0.01
		2000-06	NSDP	112.15	112.15	0.00
2.	KHAGAUL	01-06	XI th F.C.	37.62	36.91	0.71
		05-06	XII th F.C.	23.90	0.00	23.90
		2000-06	NSDP	74.63	70.26	4.37
3.	BARH	03-06	XI th F.C.	22.15	21.76	0.39
		03-06	SJSRY	6.02	6.02	0.00
		03-06	NSDP	23.75	23.75	0.00
		05-06	IDSMT	66.00	45.71	20.29
4.	NIRMALI	02-04	XI th F.C.	10.73	10.73	0.00
		05-06	XII th F.C.	4.34	4.26	0.08
		03-06	NSDP	33.88	29.90	3.98
		94-06	SJSRY	18.90	15.87	3.03
		99-2000	Repair/ Const. of Road	5.00	5.00	0.00
5.	BAGHA	97-06	SGSRY	88.10	49.40	38.70
		2000-06	NSDP	105.22	40.29	64.93
		02-05	XI th F.C.	71.00	54.16	16.84
6.	SITAMARHI	01-05	XI th F.C.	44.23	42.30	1.93
		05-06	XII th F.C.	11.91	1.65	10.26
		01-06	NSDP	150.08	111.53	38.55
		01-06	SJSRY	32.19	32.19	0.00
7.	KATI HAR	01-06	XI th F.C.	146.02	146.02	0.00
		01-06	XII th F.C.	39.34	0.60	38.74
		01-06	NSDP	460.99	414.40	46.59
		01-06	SJSRY	76.98	71.25	5.73
		01-06	IDSMT	22.20	22.05	0.15
8.	LAKHISARAI	02-06	XI th F.C.	76.80	67.24	9.56
		05-06	XII th F.C.	20.73	2.50	18.23
		01-06	NSDP	263.27	240.77	22.50
		01-06	SJSRY	262.65	257.03	5.62
		05-06	IDSMT	47.34	0.00	47.34
9.	SEIKHPURA	02-06	XI th F.C.	54.19	38.37	15.82
		05-06	XII th F.C.	14.66	5.15	9.51
		2000-06	NSDP	61.27	49.73	11.54
		2000-06	SJSRY	13.74	13.74	0.00
10.	SULTANGANJ	2000-06	SJSRY	38.75	33.68	5.07
		04-05	XI th F.C.	23.34	23.34	0.00
		05-06	XII th F.C.	10.89	0.00	10.89
		2000-06	NSDP	65.24	34.65	30.59
11.	SUGAULI	2000-06	SJSRY	10.48	10.48	0.00
		2000-06	NSDP	97.49	53.06	44.43
		2000-05	XI th F.C.	38.89	25.77	13.12
		2000-06	IDSMT	76.00	34.13	41.87

Sl. No.	Name of ULB	Period	Nature of Grants	Amount Received in Lakh	Amount Spent	Balance Amount
12	MURLIGANJ	2000-05	XI th F.C.	19.02	19.02	0.00
		05-06	XII th F.C.	7.69	0.00	7.69
13	JAMUI	01-06	NSDP	83.19	72.47	10.72
		01-05	XI th F.C.	70.31	67.68	2.63
		05-06	XII th F.C.	18.99	7.54	11.45
		05-06	IDSMT	74.16	30.27	43.89
		01-06	SJSRY	7.97	1.30	6.67
14	NAWADA	02-05	XI th F.C.	57.89	52.65	5.24
		05-06	XII th F.C.	17.12	2.07	15.05
		02-06	SJSRY	26.44	26.44	0.00
		02-06	NSDP	66.44	63.59	2.85
		02-05	XI th F.C.	57.89	52.65	5.24
15	DUMRA (SITAMARHI)	05-06	XII th F.C.	3.32	0.13	3.19
16	DUMROAN (BUXAR)	2000-06	NSDP	62.90	19.82	43.08
		2000-06	SJSRY	12.74	9.28	3.46
		2000-06	USEP	2.37	0.20	2.17
		03-06	SJGSRY	3.14	3.07	0.07
		2000-06	NSDP	62.90	19.82	43.08
17	DHARBHANGA	01-06	NSDP	379.76	261.13	118.63
18	JEHANABAD	03-05	XI th F.C.	43.72	43.72	0.00
		05-06	XII th F.C.	20.41	0.00	20.41
		03-06	SJSRY	24.16	24.16	0.00
		03-06	NSDP	125.51	117.13	8.38
19	JAGDISHPUR	01-04	SGSRY	11.65	9.84	1.81
		01-06	XI th F.C.	28.16	27.01	1.15
		04-06	NSDP	4.01	0.59	3.42
20	MUNGER	02-05	XI th F.C.	99.06	89.11	9.95
		05-06	XII th F.C.	40.03	0.00	40.03
		04-06	NSDP	57.74	38.68	19.06
		01-06	SGSRY	91.93	82.28	9.65
21	BAHADURGANJ	02-04	XI th F.C.	30.29	11.67	18.62
		05-06	XII th F.C.	12.23	0.00	12.23
		01-06	NSDP	80.29	53.54	26.75
22	DEHRI DALMIANAGAR	02-06	XI th F.C.	103.19	91.66	11.53
		05-06	XII th F.C.	27.82	0.00	27.82
23	REVELGANJ	02-06	XI th F.C.	23.39	23.19	0.20
		2000-06	SJSRY	10.39	10.39	0.00
		00-06	NSDP	32.66	32.66	0.00
		05-06	XII th F.C.	9.45	0.00	9.45
24	ROSERA	05-06	XII th F.C.	5.52	0.30	5.22
		01-02	NSDP	36.58	15.18	21.4
		05-06	IDSMT	75.77	8.48	67.29
25	SUPAUL	03-06	NSDP	60.15	45.85	14.30
		05-06	XII th F.C.	15.59	1.73	13.86
		02-04	XI th F.C.	38.60	25.46	13.14
		02-06	SJSRY	27.85	15.03	12.82
26	AURANGABAD	03-06	SJSRY	14.58	13.15	1.43
		03-06	NSDP	93.59	66.11	27.48
		03-06	ISDMT	24.18	22.60	1.58

Sl. No.	Name of ULB	Period	Nature of Grants	Amount Received (in Lakh)	Amount Spent	Balance Amount
27	MUZAFFARPUR	2000-05	NSDP	498.98	473.48	25.50
		2000-05	SJSRY	117.27	117.27	0.00
		03-05	XI th F.C.	160.33	160.33	0.00
28	MOTIHARI	03-06	SJSRY	33.88	27.85	6.03
		03-06	IDSMT	102.17	72.41	29.76
		03-06	NSDP	129.21	112.18	17.03
29	BUXAR	2000-06	NSDP	120.47	70.21	50.26
		2000-05	XI th F.C.	42.38	42.38	0.00
30	BHABHUA	2000-06	NSDP	108.80	102.86	5.94
		2000-06	SJSRY	21.46	20.65	0.81
		02-03	IDSMT	132.44	112.35	20.09
		05-06	XII th F.C.	9.63	0.00	9.63
31	BHAGALPUR	2000-05	X th F.C.	1.04	1.04	0.00
		05-06	XII th F.C.	72.35	0.00	72.35
		2000-06	NSDP	614.35	481.57	132.78
		2000-05	XI th F.C.	179.06	158.06	21.00
32	MAHARAJGANJ	02-06	XI th F.C.	14.31	12.39	1.92
		05-06	XII th F.C.	5.78	00.00	5.78
33	HAZIPUR	02-06	XI th F.C.	68.00	61.53	6.47
		05-06	XII th F.C.	27.47	0.00	27.47
		05-06	IDSMT	50.00	0.00	50.00
		98-06	NSDP	172.10	148.71	23.39
		02-06	SJSRY	17.10	17.10	0.00
34	SASARAM	02-04	XI th F.C.	68.52	48.60	19.92
		05-06	XII th F.C.	27.69	14.32	13.37
		2000-06	NSDP	176.55	168.87	7.68
35	GAYA	04-06	XI th F.C.	165.58	165.58	0.00
		05-06	XII th F.C.	80.21	4.14	76.07
		04-06	NSDP	110.07	6.00	104.07
		04-06	SJSRY	41.14	11.94	29.20
		2004-05	XII th F.C.	53.54	50.99	2.55
Total				8744.31	6633.13	2111.18

APPENDIX - XII

Statement of outstanding rent of shops/market (Referred to in Para 3.7 of the report)

Sl No.	Name of ULB	Period	Rent outstanding on 31-03-06(in Rs)
1	Aurangabad	03-06	441771
2	Hazipur	02-06	902189
3	Jehanabad	93-06	792500
4	Rosera	99-01	72295
5	Gaya	04-06	4180
6	Shekhpura	00-06	170994
7	Dehri Dalmianagar	95-96	1811910
8	Dumraon	97-06	119661
9	Munger	00-06	280452
10	Motihari	03-06	904120
11	Sultanganj	04-06	99300
12	Araria	00-06	369235
13	Sasaram	01-06	1341178
14	Katihar	01-06	2221879
15	Bhagalpur	00-06	170493
16	Khagaul	01-06	218000
17	Bhabhua	87-06	490654
18	Darbhanga	01-06	1692084
19	Buxar	01-06	922974
20	Nawada	02-06	1746695
21	Khagaria	02-06	130106
22	Sitamarhi	99-06	3786375
Total			18689045

APPENDIX - XIII

Statement of amount of interest paid on over draft by Darbhanga Municipal Corporation

(Referred to in Para 3.8 of the report)

Sl.No.	Date	Amount of interest deducted (In Rs)
1.	30-06-01	650
2.	12-09-01	1786
3.	25-09-01	5
4.	31-03-02	3855
5.	30-06-02	5205
6.	30-08-02	215
7.	30-09-02	9966
8.	10-12-02	27022
9.	31-03-03	64700
10.	30-06-03	34700
11.	29-09-03	34242
12.	31-12-03	88879
13.	14-05-04	6204
14.	29-09-04	10570
Total		287999 i.e 2.88 Lakh

APPENDIX - XIV

Statement of overdrawal through self-cheque in Katihar and Mahnar (Referred to in Para 3.10) Katihar

Sl No.	Voucher No.	Date	Cheque no. & date	Amount of cheque (In Rs.)	Amount of Voucher (In Rs.)	Difference Excess (+), short (-)(In Rs.)
1	433-662	10/08/01	261945/10.08.01	162293.80	162124.80	169.00
2	17-202	28/04/01	261928/28.04.01	1012405.70	1011745.70	660.00
3	1169-1278	20/03/02	261981/20.03.02	98813.00	91630.00	7183.00
4	358-363	12/07/02	255105/12.07.02	100000.00	98114.00	1886.00
5	364-458	19/07/02	255106/19.07.02	88935.95	68935.95	20000.00
6	519	02/09/02	255112/02.09.02	100000.00	53539.00	46461.00
7	715-725	25/09/02	255115/25.09.02	100000.00	87162.00	12838.00
8	1209-1338	11/03/03	255156/11.03.03	479321.00	479121.00	200.00
9	1339&1690	11/03/03	255157/11.03.03	200926.00	186904.65	14021.35
10		23/03/03	255158/23.03.03	482177.00	418611.00	63566.00
11	12-231	24/05/03	255168/24.05.03	815132.00	809682.00	5450.00
12	234-365	07/06/03	255171/07.06.03	713220.00	712420.00	800.00
13	370-401	16/06/03	255174/16.06.03	221582.00	221227.00	355.00
14	468-784	19/09/03	255181/19.09.03	187302.00	184476.65	2825.35
15	814-837	17/11/03	255199/17.11.03	73442.70	73352.70	90.00
16	838-840	20/11/03	255200/20.11.03	314150.00	284150.00	30000.00
17	866-1052	15/12/03	255407/15.12.03	170364.00	170064.00	300.00
18	1481-1697	23/02/04	255440/23.02.04	172234.00	172757.00	-523.00
19	1699-1781	01/03/04	255442/01.03.04	904956.00	896898.00	8058.00
20	1786-2092	13/03/04	255446/13.03.04	276757.00	271940.70	4816.30
21	2097-2098	19/3/04	255450/19.03.04	22018.00	22108.00	-90.00
22	2099-2257	23/03/04	255451/23.03.04	300930.00	270271.00	30659.00
23	1007-1133	10/08/04	255464/10.08.04	896952.00	874727.00	22225.00
24	1450-1538	08/12/04	255486/08.12.04	923350.00	905570.00	17880.00
25	1729-1889	15/01/05	255496/15.01.05	610263.00	622263.00	-12000.00
26	2003-2094	01/03/05	255899/01.03.05	219985.00	216745.00	3240.00
27	1375-1459	11/03/06	255866/11.03.06	1424879.00	1424979.00	-100.00
28	1464-1492	23/03/06	255870/23.03.06	1039457.00	1038093.00	1364.00
Total						282234.00

Mahnar (Amount in Rs.)

Sl No.	Voucher No.	Date	Cheque no. & date	Amount of cheque	Amount of Voucher	Difference Excess (+), short (-)
1	N.A.	07/04/04	610607/07.04.04	1150000	1386489	212054
N.A.	15/04/04	610608/15.04.04	448543			

Grand Total: Rs 494288.00

APPENDIX - XV

Statement of irregular payment of allowance to Councillors of G. M. C (Referred to in para 3.12)

Sl No.	Ward No./Date	Amount (Rs.)	Board Meeting held on	No. of members
1	56/18.05.04	15500	30.04.04	31
2	85/02.06.04	19000	26.02.04	38
3	86/02.06.04	17000	31.05.04	N.A.
4	229/05.08.04	20000	Not indicated	N.A.
5	278/31.08.04	17000	28.08.04	N.A.
6	321/16.09.04	500	Not indicated	N.A.
7	400/19.10.04	18500	28.09.04	N.A.
8	463/02.12.04	16500	29.11.04	N.A.
9	497/20.12.04	16500	09.12.04	N.A.
10	109/01.06.05	17000	31.05.05	N.A.
11	158/07.07.05	15500	02.07.05	N.A.
12	173/27.07.05	17000	27.07.05	N.A.
13	257/12.09.05	17000	09.09.05	N.A.
14	258/12.09.05	8500	12.09.05	N.A.
15	412/28.11.05	17000	28.11.05	N.A.
16	490/30.01.06	13500	28.01.06	N.A.
17	521/11.02.06	17000	07.02.06	N.A.
18	534/24.02.06	14500	22.02.06	N.A.
19	567/12.03.06	15000	09.03.06	N.A.
20	568/12.03.06	13000	11.03.06	N.A.
21	580/21.03.06	15000	20.03.06	N.A.
Total		320500		

APPENDIX - XVI

Statement of unauthorized expenditure due to appointment of staff in excess of sanctioned strength

(Referred to Para 4.1.2 of the report)

1. Muzaffarpur

Post & Pay Scale	Year	Sanctioned Strength	Men in position	Excess	Period	Payment on account of excess staff (In Rs)
LDC (975-1150)	2000-01	58	99	41	2000-01	1727535
	2001-02	58	101	43	4/01 to 3/02	1867146
	2002-03	58	98	40	4/02 to 3/03	1736880
	2003-04	58	97	39	4/03 to 3/04	1734524
	2004-05	58	97	39	4/04 to 3/05	1929593
Total						8995678

Post & Pay Scale	Year	Sanctioned Strength	Men in position	Excess	Period	Payment on account of excess staff (In Rs)
Peon (775-955)	2000-01	66	85	19	4/00 to 3/01	638685
	2001-02	66	84	18	4/01 to 3/02	623484
	2002-03	66	82	16	4/02 to 3/03	554208
	2003-04	66	82	16	4/03 to 3/04	567600
	2004-05	66	78	12	4/04 to 3/05	473409
Total						2857386

Post & Pay Scale	Year	Sanctioned Strength	Men in position	Excess	Period	Payment on account of excess staff (In Rs)
Pump Driver (825-1200)	2000-01	32	35	3	4/00 to 3/01	107235
	2002-03	32	33	1	4/01 to 3/02	36834
Total						144069

Post & Pay Scale	Year	Sanctioned Strength	Men in position	Excess	Period	Payment on account of excess staff (In Rs)
Vaccinator (775-1025)	2000-01	5	7	2	4/00 to 3/01	67230
	2001-02	5	6	1	4/01 to 3/02	34638
	2002-03	5	6	1	4/02 to 3/03	34638
	2003-04	5	6	1	4/03 to 3/04	34268
	2004-05	5	6	1	4/04 to 3/05	37986
Total						208760

Post & Pay Scale	Year	Sanctioned Strength	Men in position	Excess	Period	Payment on account of excess staff (In Rs)
Cleaner (7751025)	2000-01	2	4	2	4/00 to 3/01	70020

	2001-02	2	4	2	4/01 to 3/02	69276
	2002-03	2	3	1	4/02 to 3/03	34638
	2003-04	2	3	1	4/03 to 3/04	35474
	2004-05	2	3	1	4/04 to 3/05	39450
Total						248858

Post & Pay Scale	Year	Sanctioned Strength	Men in position	Excess	Period	Payment on account of excess staff (In Rs)
Ward Inspector (825-1200)	2001-02	32	34	2	4/01 to 3/02	73668
	2002-03	32	33	1	4/02 to 3/03	73668
	2003-04	32	33	1	4/03 to 3/04	37670
	2004-05	32	33	1	4/04 to 3/05	40903
Total						225909

Post & Pay Scale	Year	Sanctioned Strength	Men in position	Excess	Period	Payment on account of excess staff (In Rs)
Mate (800-1200)	2000-01	23	28	5	4/00 to 3/01	173400
Total						173400

**Gross Total = 8995678+2857386+144069+208760+248858+225909+173400
=12854060/-**

APPENDIX - XVII

Statement of expenditure incurred for engagement of Casual staff/labourers

(Referred to in para 4.2)

Sl No.	Name of ULB	Number of Casual labourers appointed	Period of payment	Amount paid (Rs in Lakh)
1.	Revealganj	Not ascertainable	N.A.	0.45
2.	Buxar	Not ascertainable	N.A.	2.02
3.	Sheikhpura	Not ascertainable	N.A.	4.92
4.	Lakhisarai	Not ascertainable	2001-06	12.82
5.	Munger	Not ascertainable	N.A.	7.09
6.	Bhagalpur	Not ascertainable	N.A.	158.94
7.	Motihari	Not ascertainable	N.A.	5.41
8.	Rosera	11	2000-06	4.97
9.	Khagaul	Not ascertainable	2001-06	4.90
10.	Sitamarhi	Not ascertainable	N.A.	3.39
11.	Hazipur	Not ascertainable	N.A.	6.73
12.	Barh	Not ascertainable	2005-06	0.90
13.	Sasaram	Not ascertainable	N.A.	1.17
14.	Bagha	Not ascertainable	N.A.	1.71
15.	Mairwa	Not ascertainable	N.A.	2.92
16.	Gaya	Not ascertainable	N.A.	42.91
17.	Bhabhua	Not ascertainable	2000-06	12.59
18.	Nawada	Not ascertainable	N.A.	39.93
19.	Murliganj	Not ascertainable	N.A.	1.34
20.	Sugauli	Not ascertainable	N.A.	2.40
21.	Aurangabad	Not ascertainable	N.A.	13.05
22.	Muzaffarpur	Not ascertainable	N.A.	312.71
Total				643.27

APPENDIX - XVIII

Statement of excess Payment of H.R.A. by Darbhanga Municipal Corporation

(Referred to in para-4.3)

Sl. No	Average Basic Pay	HRA paid @ 15 % per month of Basic pay (Rs.)	HRA admissible per month (Rs.)	HRA paid in excess per month (Rs.)	No. of employees	Excess payment per month (Rs.)
1.	3500	525	300	225	1	225
2.	2100	315	220	95	1	95
3.	1920	288	220	68	2	136
4.	1900	285	220	65	1	65
5.	1750	263	220	43	13	559
6.	1330	200	120	80	12	960
7.	1240	186	120	66	10	660
8.	1225	184	120	64	5	320
9.	1200	180	120	60	52	3,120
10.	969	145	120	25	336	8,400
11.	750	113	70	43	7	301
					Total	14841/-

Excess payment for 44 month = 44X 14841=Rs. 653004 i.c. 6.53 lakh.

APPENDIX - XIX

Statement of non/short utilization of earmarked amount of construction / up gradation of house of the urban poor under NSDP.

(Referred to in para 5.1.3)

(Rs. in Lakh)

Sl. No.	Name of ULB	Period of receipt of Grant under N.S.D.P.	Total Grant received	10% earmarked amount	Amount utilized	Amount utilized in short
1	Sasaram	00-06	176.55	17.66	10.03	7.63
2	Bhabhua	00-06	108.80	10.88	7.44	3.44
3	Muzaffarpur	00-05	689.86	68.99	39.43	29.56
4	Dehri Dalmianagar	02-06	62.47	6.25	3.54	2.71
5	Sitamarhi	01-06	191.84	19.18	N.A	N.A
6	Murliganj	00-06	40.00	4.00	N.A	N.A
7	Nawada	00-06	101.55	10.16	6.52	3.64
8	Sheikhpura	00-06	61.27	6.13	1.42	4.71
9	Supaul	01-02	38.89	3.89	Nil	3.89
10	Darbhanga	01-06	379.76	37.98	Nil	37.98
11	Jamui	01-06	83.19	8.32	N.A	N.A
12	Lakhisarai	01-06	228.57	22.86	9.55	13.31
13	Buxar	00-06	120.47	12.05	N.A	N.A
14	Revelganj	00-06	32.66	3.27	1.94	1.33
15	Khagaul	00-06	74.63	7.46	N.A	N.A
16	Sultanganj	00-06	65.24	6.52	N.A	N.A
17	Katihar	01-06	434.94	43.50	N.A	N.A
18	Rosera	N.A	36.58	3.66	Nil	3.66
19	Khagaria	00-06	39.33	3.93	Nil	3.93
20	Dumraon	00-06	56.01	5.60	N.A.	N.A
21	Maharajganj	96-06	27.02	2.70	2.03	0.67
22	Nirmali	03-06	33.88	3.39	N.A	N.A
23	Motihari	03-06	129.21	12.92	N.A	N.A
24	Bahadurganj	98-06	80.29	8.03	4.57	3.46
25	Munger	01-06	57.74	5.77	N.A	N.A
26	Shahpur	99-06	35.55	3.56	1.31	2.25
27	Mahnar	00-06	112.15	11.22	N.A.	N.A
28	Dumra	00-06	6.15	0.62	N.A.	N.A
29	Sugauli	00-06	17.95	1.80	N.A.	N.A
30	Bagha	00-06	105.22	10.52	N.A.	N.A
31	Hajipur	02-06	166.01	16.60	11.40	5.20
Total						127.37

Abstract: Short Utilisation in 12 ULBs- Rs. 77.91 Lakh Non-Utilisation in 4 ULBs- Rs. 49.46 Lakh.

Information about Utilisation- Not available in 15 ULBs

APPENDIX - XX
Statement of Works Executed in Non slum Area
(Referred to in Para 5.1.4)

HAZIPUR

Sl.No.	Name of Work	Actual Expenditure (Rs.)
1.	Construction of P.C.C. ROAD from Patelwashwar Gate to P.W. road moh. Hassan Khan Katra	246520.00
2.	Construction of drain From Binda thakur to welt-do	16550.00
3.	Construction of road from Kahar toli to Katra P.W.D. road	494802.00
4.	Construction of road from Marai Chauraha to Salesh Nagar	231000.00
5.	Brick Soling work from Anuth Sah to Harijan Colony Road No.-17	169580.00
6.	Brick soling Work Mahrauli mistry Kartangul W. No.I	19885.00
7.	-do- from Nuralam to Seyakat Ali Moh-Iaduria W. No.-15	106033.00
8.	Construction of road from P.W.D. road to P.H.E.D. Baundry from Hazipur Muzaffarpur road	72260.00
9.	Repairing of Nagar Bhawan	98980.00
10.	Construction of road at Magistrate Colony	66330.00
11.	Brick Soling work from Ramesh Chaudhry to Minto Paswan Moh. Hela Bazar Ward No.-3	48500.00
12.	-do- from w/o Mansoor miga to Upendra Rai W. No. 9	45800.00
13.	-Do- from Mahnar P.W.D. Road to Suresh Pd. Singh Moh. Kanhaimal W. No.-10	45800.00
14.	Construction of road from W/O Sri Indradeo Chaudhry to Jai Krishna Choudhry Moh Yusuf pur W.No.-13	151200.00
15.	Brick Soling work from Rajendra Choudhry to Ram Chandra Choudhry-Moh. Chhoti Marai. W. No.-13	96993.00
16.	-do- from W/O Audh Rai to Devendra Rai Ward No.-17	134300.00
17.	Earth Filling at Veer Kunwar Singh Colony W.No.-11	22650.00
18.	Brick Selling work from R. N. Collage Gate to W/O K.K Baitha.	141200.00
19.	Brick Soling work from Adarsh Vidyalaya to Raghunath Sah W.No.-2	65970.00
20.	Construction of drain from Sod Narain Chaurasia to Court road Moh. Pokhra W. No-6	47666.00
21.	Vapour light near Excise office Moh- Pokhra	51000.00
22.	Earth filling From Dina Nath Sah to Mednimal School W. No. 11	88260.00
23.	-do- and construction of drain from Suresh Singh to Nand Lal Singh W. No-11	39192.00

Sl.No.	Name of Work	Actual Expenditure (Rs.)
24.	Construction of P.C.C. road from Zimna Dulha Bazar to Baboo Sahib Moh Nungala. W. No.-13	159748.00
25.	Repair of well and chabutra Moh. Chakwara W. No.-18	23788.00
26.	Brick Soling work from w/oNiranjan Singh to Nagar Parishad road moh- Rajput toil- W.No.21	73440.00
27.	Construction of slab above drain from w/o Mohan Choudhary to Dr N K Singh Moh Marai W. No. 21	45525.00
28.	-do- from N.H. to Dashai Singh Moh Paehnil Kurwa W.No.-21	16542.00
29.	Vapour light at Marai chouk W.No. -21	5000.00
30.	-Do- Near Durga Asthan Rajput colony w.no. 21	5000.00
31.	Brick Soling work from w/o Jamun Singh to near Mahesh Rai Moh Chiknauta. W.No.-23	151517.00
32.	-do- from w/o Devendra Das to Jagdamba Asthan w.no.-25	53458.00
33.	-do- Ambika Singh to Banka Singh ward No.-25	22200.00
34.	-do- construction of calvert from w/o Yogendra Singh to Jai Narain ward No. 25	78510.00
35.	-do- from w/o Shankar Singh to Ram Devi Singh ward No.-27	58625.00
36.	-Do- from Kali Ashthan to Gudri Bazar w.no. 27	37722.00
37.	-do- at Kasai Tola w.no.-27	43840.00
38.	-Do- from w/o Jagan Chaudhary to well w.no. 28	52600.00
39.	-Do- from Jagar Nath Sah to Suraj Deo W.No. 28	51100.00
40.	Earth filling from Bala Rai to Harihar Rai ward No.-28	51100.00
41.	Construction of community hall beside Jagdamba Asthan. W.no.-1	140190.00
42.	Construction of drain from Jamun Chaudhary to Baju Rai w. no.-3	125380.00
43.	-Do- and brick soling from Rahmat Ali to Shukla Ji. W.no.-7	102710.00
44.	-Do- from Aaryani Miya to Devenandan Paswan at w.no. 8	80100.00
45.	Construction of drain& slab from w/o Ashok Singh to Ramashish Singh at w.no. 11	12060.00
46.	Brick solling from w/o Digvijay Singh to Upendra Sah at w. no.-11	15770.00
47.	Construction of drain from Rajkiya middle School to town thana w.no. 13	141300.00
48.	Brick solling work from Shukla Ji to Radha Devi at w.no.-14	72050.00
49.	Construction of P.C.C. road from Nakhas Chauk to RajBali Sahni w. no.-4	53195.00
50.	Construction of stand Post from Muna choudhary to Asalam Ansari & Sagir Haidar to Mubarak w.no.-17	31735.00
51.	Repairing of Rajkiya Middle School Chakbara- ward No.-15	68640.00
52.	Brick Solling from w/o Jawala Pd to Ram Balak Rai w. no.-19	94100.00

Sl.No.	Name of Work	Actual Expenditure (Rs.)
53.	-do- from w/o Bharat Singh to Nagendra Singh w.no. -21	93000.00
54.	Construction of drain w/o Shakal Deo Chaudhary to Jagdamba Asthan w.no.22	60670.00
55.	Brick solling work from w/o Ram Naresh Rai to Yogendra Sah w.no. -25	139907.00
56.	Construction of road from w/o Chandradeep Rai to Kumhar toli w.no. -26	140800.00
57.	-Do- from w/o Md Hamid to Bishwa Nath Sah- w.no. 27	78830.00
TOTAL		48,80,623.00

MUZAFFARPUR

SI No.	Name of Scheme	Amount spent (Rs.)
1	Construction of road and drain in ward no. 15 in Farida Katra gali	380258.00
2	Construction of residence part of road from Kalambagh check to R. D. S. College gate via refugee coloney Sc. No. 7/2004-05	504457.00
3	Construction of drain and road near Garilesthan Sc. No. 3/2004-05	687002.00
4	Construction of road from residence of D. S. P.(West) to Prag Sweet Sc. No. 12/2004-05	450378.00
TOTAL		2022095.00

MAHNAR

SI No.	Name of Scheme	Amount spent (Rs.)
1	Nine scheme viz. 21/04-05, 26/04-05, 40/04-05, 41/04-05, 42/04-05, 43/04-05, 50/04-05,75/04-05 and 78/04-05	731000.00

LAKHISARAI

SI No.	Name of Scheme	Amount spent (Rs.)
1	Construction of P.C.C. road within campus of D.M. office	900000.00
2	Construction of link road & main Gate near Town Hall	500000.00
3	Construction of drain, earth work, Brick soling road within town hall	880546.00
4	Construction of Road from main road, Lakhisarai to B.D.O. residence via R.E.O. office	50000.00

5	Construction of road, pulia, misc. work from Sheikhpura P.W.D. road to the campus of D.M. Office.	850000.00
TOTAL		31,80,546.00

MOTIHARI

Sl. No.	Sch. No.	Name of scheme	Amount spent (Rs.)
1	35/03-04	Construction of PCC road from Ranjeet Jee house to Lalbabu Pd. At w. n. 5	100200.00
2	36/03-04	Repair of drain and upgradation of road from Basant Bhawan to Panchmandil road	199700.00
3	37/03-04	Construction of PCC road from H/o Hiralal Jee to H/o Lakhman Swarnkar in front of Post Office in w. no. 6	109080.00
4	43/03-04	Construction of PCC road from Md. John Saheb to H/o Arun Kumar Swarnkar at ward No. 6	54700.00
5	46/03-04	Construction of PCC road and drain from Ramjee Pd. Advocate to H/o Bholi Sah Swarnkar at w. No.-10	294600.00
6	46/03-04	Construction of PCC road from Land Mortgage Bank to h/o Sukadev Babu at W.No.-15	184701.00
7	51/03-04	Construction of PCC road from Prof. Ramashraya Singh to H/o Prof. R. B. Singh at W. No. -18	307800.00
8	05/04-05	Construction of PCC road from Santoshi Ma Temple to Hanuman Mandir at W. No.-5	108300.00
9	06/04-05	Construction of brick soling work from Shiv Mandir Gali to H/o Shivnath Hazam at w. no.-8	99407.00
10	14/04-05	Construction of PCC road from H/o Pappu Thakur to PWD Road at W. No.-18	101600.00
11	15/04-05	Construction of Brick Soling from H/o Manoranjan Singh to J. Thakur at W.No. -19	99825.00
12	17/04-05	Construction of B/S from Raghunath Pen Pull to South Muhalla W. No.-33	106800.00
13	19/04-05	Construction of B/S & drain from H/o Motilal to Hari Shankar Yadav at W. No.-24	111896.00
14	20/04-05	Construction of B/S from H/o Bishnu Pd. To Harendra Pd. at W. No.-25	70200.00
15	21/04-05	Construction of B/S from H/o Late Shanti Sinha to Munna Jee at W. No.-25	34400.00
16	24/04-05	Construction of B/S from PWD road to H/o Jagannath Thakur and PWD road to S. C. Srivastava Via H/o Awadh Pd. to Satyanrayan Jee at W. No. 28	99579.00
17	37/05-06	Construction of Balance PCC road and drain from Sports Club to PWD road and const. of drain from Sangit cinema to Chiraiya PWD road at W. No.-13	260000.00

18	39/05-06	Construction of PCC road and drain from H/o Bishwanath to Radha Krishana and B/S from H/o Harinandan to Bhattacharya Jee W.No.-15	155400.00
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Sl. No.	Sch. No.	Name of scheme	Amount spent (Rs.)
19	42/05-06	Construction of B/S and drain with slab from H/o Mukti Road to Gaya Pd. W. No.-24	408400.00
20	48/05-06	Construction of E/W & B/S in PWD road from H/o Srivastava to Baidhnath Pandey at W. No.-28	92900.00
21	51/05-06	B/S from H/o Anil Kumar to H/o Ram Chandra Tiwari at W. No.-25	66200.00
22	52/05-06	Construction of B/S and drain from PWD road to Kashi Sh House at W. No.- 28	50000.00
23	57/05-06	Construction of b/S from H/O Madan Singh to Manjharia Post office at W. No.-25	29600.00
TOTAL			31,45,288.00

BARH

Sl No.	Name of work	Actual Expenditure (Rs.)
1	Construction of PCC from Sitaram Singh to Suresh Yadav at W. No. 7	95465.00
2	Construction of culvert at W. N.11	6037.00
3	Construction of PCC road & drain from Baleshwar Saw to Bindeshwar Saw at W. N. 11	142509.00
4	Construction of Drain from Kalali Chowk to Navin Saw at W.N. 9	104866.00
5	Construction of PCC road from Harisaw to Sawitri Devi at W. N. 22	92729.00
6	Construction of PCC road from Bacha Babu to Ashok Kr at W. N. 12	5900.00
7	Brick on edge soling from Mehrunmiya to Jangali Miya at W.N. 3	72685.00
8	Construction of PCC road from Station road to Dr. R.K. Sinha at W. N. 2	85600.00
9	Brick on edge soling at W. N. 21	85500.00
10	Brick on edge soling from Court Road to Ramakant Singh at W. N. 1	99200.00
	Total	790491.00

ABSTRACT

Sl No.	Name of U.L.B.	Amount (Rs in lakh)
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1	Muzaffarpur Municipal Corporation	20.22
2	Barh Nagar Parishad	7.90
3	Motihari Nagar Parishad	31.45
4	Lakhisarai Nagar Parishad	31.81
5	Hajipur Nagar Parishad	48.81
6	Mahnar Nagar Panchayat	7.31
		147.50

APPENDIX - XXI

Glossary of Abbreviations

C& AG	Comptroller and Auditor General of India.
AG	Accountant General
ELA	Examiner of Local Accounts
LAD	Local Audit Department
ULB	Urban Local Bodies
NP	Nagar Parishad/ Nagar Panchayat
LFA	Local Fund Audit
DM	District Magistrate
UDD	Urban Development Department
CEO	Chief Executive Officer
EO	Executive Officer
DDO	Drawing and Disbursing Officer
JE	Junior Engineer
DMC	Darbhanga Municipal Corporation
BMC	Bhagalpur Municipal Corporation
PMC	Patna Municipal Corporation
GMC	Gaya Municipal Corporation
MMC	Muzaffarpur Municipal Corporation
BM Act	Bihar Municipal Act
ARs	Audit Reports
RCC	Reinforced Concrete Cement
PCC	Plain Concrete Cement
MB	Measurement Book
FC	Finance Commission
NSDP	National Slum Development Programme
NRY	Nehru Rojgar Yojna
SJSRY	Swarna Jayanti Shahri Rojgar Yojna
IDSMT	Integrated Development for Small and Medium Towns
BSY	Balika Samridhi Yojna
DUDA	District Urban Development Authority
SUDA	StateUrban Development Authority
HUDCO	Housing and Urban Development Corporation
MP	Member of Parliament
MLA	Member of Legislative Assembly
Sft	Square Feet
NA	Not Applicable/ Not Available
ARV	Annual Rental Value
EFC	Eleventh Finance Commission
TFC	Twelfth Finance Commission
HRA	House Rent Allowance
A/C	Account
CDS	Community Development Societies
DPR	Detailed Project Report
B&O Municipal Act, 1922	Bihar and Orissa Municipal Act, 1922

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