

## **CHAPTER-IX**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### ***9.1 Finance and Accounts***

Non preparation of Budget Estimates and Financial Accounts violated the provisions contained in BMA 1922 resulting in unauthorised expenditure of Rs.26.02 crore. Improper maintenance of Cash Book and non-reconciliation of Bank Pass Book, loss of interest on Provident Fund, non-adjustment of huge advances indicated inadequate internal control and monitoring did not ensure proper accounting of public money.

Internal control and monitoring needs to be strengthened to ensure proper realisation of revenue, accounting of expenditure, reconciliation of accounts, adjustment of outstanding advances.

#### ***9.2 Non-maintenance of Basic Records***

As most of the ULBs did not maintain basic records viz Grant Register, Loan Register, Loan Appropriation Register, Advance Ledger, Annual Account Register, Budget Control Register, Demand and Collection Register, indicative of proper accountability structure not in place in ULBs.

Maintenance of basic records should be ensured in all ULBs.

#### ***9.3 Revenue Receipt***

Loss of revenue due to delay in assessment/underassessment of taxes, non/short account of huge municipal receipts and non recovery of lease money reflects non observance of provisions of Municipal Acts and Financial Rules. Lack of monitoring over realization of taxes outstanding against Government building, shop rent, transmission tower resulted in shortfall of revenue collection which adversely affected the financial capability of ULBs to provide services to their tax payers.

In order to enhance revenue of ULBs collection of various taxes is to be improved. Proper assessment procedure be followed to avoid non/short assessment. There is an urgent need to make the collection agents responsible for the delays in order to ensure that the revenue collected is deposited into the ULBs accounts immediately within the prescribed period instead of being misappropriated at least temporarily.

#### **9.4 Establishment**

Engagement of staff without approval of the Government and appointment of casual labourers/staff was irregular and indicative of lack of manpower in ULBs. Payment of pay and allowances to the staff appointed without approval and continuation of staff after retirement added additional financial burden on ULBs thus depriving the tax payers the benefit of obligatory and discretionary services.

Enhancement of manpower through devolution of functionaries from other departments, regular appointment against vacant posts and proper training to the staff will certainly improve the work culture of ULBs.

#### **9.5 Implementation of Schemes**

Infructuous/unfruitful expenditure on incomplete works and poor utilisation of grant, blockage of public money were noticed. This resulted in providing services to the beneficiaries, belatedly defeating the objectives for which the development grants were released by the Government.

Execution of schemes needs to be improved by scrupulously following the scheme guidelines. Proper scrutiny of bills may be made to prevent irregular/excess payment and diversion of funds. Timely completion of works should be ensured to pass on the benefits to the public.

The State Government may be impressed upon to take effective step to strengthen the internal audit. Steps are required to be taken for compliance to Audit Reports which will be a stepping stone to check financial irregularities in the ULBs.

**Place: Patna**

**Date:**

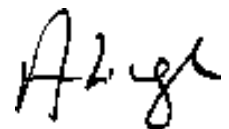
**Countersigned**

**Place: Patna**

**Date:**



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