

OVERVIEW

The report contains nine chapters. A synopsis of the findings contained in paragraphs is presented in this overview:-

1. INTRODUCTION TO ULB IN THE STATE OF BIHAR

- Despite comments in previous annual audit reports and decisions taken in Steering Committee meetings, the accounts of ULBs are still prepared and maintained in single entry system. The new National Municipal Accounting Manual and double entry system of accounting is yet to be implemented.

(Paragraph-1.8)

2. BUDGET AND FINANCIAL MANAGEMENT

- Due to non-reconciliation of Cash Book balances with Treasury/Bank balances, the unreconciled difference stood at Rs. 7.59 Crore in 32 ULBs.

(Paragraph-2.5)

- A total sum of Rs.16.48 Crore of specific grants sanctioned by the Government was diverted, by 17 ULBs, towards payment of salary and allowances to staff and other recurring expenses.

(Paragraph-2.11)

- Advance aggregating to Rs. 38.66 Crore granted by 37 ULBs for various purposes remained unadjusted.

(Paragraph - 2.12)

- Vouchers worth Rs. 17.68 Crore were not produced before audit for necessary checks.

(Paragraph -2.14)

3. MAJOR IRREGULARITIES IN REVENUE MANAGEMENT

- The Patna Municipal Corporation (PMC) sustained loss to the tune of Rs. 1.62 Crore due to under assessment of Holding Tax.

(Paragraph- 3.2.1)

- Due to undervaluation of Annual Value of Holdings, the Biharsharif Nagar Nigam suffered loss of revenue to the tune of Rs. 50.80 Lakh.

(Paragraph - 3.2.2)

- In 39 ULBs the Tax Collectors, Tax Darogas, Cashiers, Accountants and other collecting staffs either failed to deposit or short deposited Rs. 80.70 Lakh being the collection amount on account of tax, fees and other miscellaneous revenues.

(Paragraph-3.3(a))

- Collection money to the tune of Rs.79.24 Lakh was retained by the cashier of 3 Nagar Parishad - Bettiah, Begusarai and Jamalpur.

(Paragraph -3.3 (b))

- The State Government was deprived of revenue to the tune of Rs. 25.43 Crore due to non-deposit of Education and Health Cess in Government Account by 32 ULBs.

(Paragraph -3.8)

- Loss to the tune of Rs. 1.18 Crore was incurred in 28 ULBs due to non/short realisation of bid money on account of settlement of properties.

(Paragraph -3.11)

4. *LAPSES IN HUMAN RESOURCE MANAGEMENT*

- The Bettiah Nagar Parishad paid Rs. 14.04 Lakh on account of salaries and allowances to staff irregularly due to retention in service beyond the date of superannuation/maximum length of service of 40 years.

(Paragraph -4.1)

- Interim Relief amounting to Rs. 72.56 Lakh was paid irregularly to staff/employees of Gaya Nagar Nigam.

(Paragraph-4.2)

- Casual labours were paid Rs. 4.26 Crore by 24 ULBs despite ban on engagement of casual labours on daily wage basis by the State Government.

(Paragraph -4.5)

5. *MAJOR IRREGULARITIES IN IMPLEMENTATION OF SCHEMES*

- Huge amount of Rs. 10.04 Crore was involved in incomplete schemes in 37 ULBs.

(Paragraph -5.1)

- Fund to the tune of Rs. 4.29 Crore remained blocked in PMC and Muzaffarpur Nagar Nigam (MNN) meant for purchase of chlorinator, computerisation of PMC and Solid Waste Management (SWM).

(Paragraph -5.2 (a), (b), (c))

- Camp Road Sweeper Machine purchased at a price of Rs. 13.41 Lakh was lying idle in MNN.

(Paragraph -5.7)

- A total amount of Rs. 1.25 Crore was paid on hand receipts in 4 ULBs.

(Paragraph -5.11)

6. RECOVERY AT THE INSTANCE OF AUDIT

- A total sum of Rs. 14.66 Lakh representing non/short credit, rent outstanding, bid money dues etc. was recovered at the instance of audit in 30 ULBs.

(Paragraph -6.1)

7. STATUS OF RECOVERY BY SURCHARGE/CERTIFICATE PROCEEDINGS

- 48 cases of surcharge involving Rs. 1.19 Crore were proposed and notices were issued for recovery by the ELA, Bihar in 17 ULBs.

(Paragraph -7.1)

- 8 Surcharge Orders were issued in 4 ULBs amounting to Rs. 20.76 Lakh during 2007-08.

(Paragraph -7.2)

- ELA Bihar has sent six Certificate Requisitions amounting to Rs. 6.07 Lakh in 3 ULBs to respective District Certificate Officers for filing Certificate Cases under Section 5 of Public Demand Recovery Act, (PDRA) 1914 during 2008-09.

(Paragraph -7.3)

8. STATUS OF COMPLIANCE OF AUDIT REPORTS

- Compliances to 19890 paras involving Rs. 332.62 Crore were not submitted by the ULBs upto 31.03.2008.

(Paragraph -8.1)