

OVERVIEW

The Report contains eight chapters containing observation of audit on accounting procedures and financial management, revenue receipts, establishment, procurement, implementation of schemes and conclusion and recommendations. A synopsis of the audit findings contained in the Report is presented in this overview.

There was poor response to outstanding audit observations. 2639 audit paras pertaining to the period from 1980-81 to 2004-05 involving Rs 91.23 crore, were outstanding as of March 2006.

(Paragraph 1.7)

Seven ULBs incurred unauthorized expenditure of Rs 31.57 crore without preparing budget estimates. Besides, Ranchi Municipal Corporation (RMC) incurred irregular expenditure of Rs 76.82 lakh over and above the budget provision.

(Paragraph 2.2)

The expenditure of Rs 165.52 crore incurred by 12 ULBs could not be scrutinized due to non-preparation of Annual Financial Statements for the period 2001-06.

(Paragraph 2.3)

Only 47.05 per cent of grants & loans were utilized during 2004-06.

(Paragraph 2.4)

Due to non-holding of elections to municipal bodies, State Government did not receive Rs 46.49 crore upto 2005-06 in the shape of grants from Central

Government on the recommendations of the Eleventh and Twelfth Finance Commission.

(Paragraph 2.9)

Advances aggregating Rs 30.05 crore were outstanding against employees, suppliers, Contractors and Engineers.

(Paragraph 2.10)

The employees of five ULBs sustained a loss of Rs 6.09 lakh upto March 2006 due to non-remittance of Provident Fund money deducted during 1989-2006.

(Paragraph 2.11)

In five ULBs, a difference of Rs 1.21 crore between balances as per Cash book and Bank /Treasury Account was not reconciled.

(Paragraph 2.12)

None of the test checked ULBs maintained the Asset Register, Register of Land & Deposit Ledger.

(Paragraph 2.7.2 & 2.7.3)

Basic records viz Advance Ledger, Loan Register, Loan Appropriation Register, Grant Register, Demand and Collection Register of Holding Tax, Work Register, Unpaid Bill Registers were not being maintained by most of the ULBs.

(Paragraph 2.14)

In 12 ULBs, unrealised property tax of Rs 6.92 crore was outstanding as of 31 March 2006.

(Paragraph 3.1)

Rates of taxes were not revised for the last three to 36 years despite the provision for its revision after every five years.

(Paragraph 3.3)

Due to non service of notices of demand and warrant to tax payers for collection of arrears of holding tax etc., RMC was deprived of Rs 2.06 crore in the shape of fine which could have been levied on the delayed payments.

(Paragraph 3.4)

Rs 23.87 lakh of revenue collected during 1999-2006 remained in personal custody of the collecting staff. Rs 7.11 lakh was recovered from the staff of ULBs at the instance of audit.

(Paragraph 3.5 & 3.6)

Loss of Rs 3.28 crore to Government due to non-remittance of money, collected on account of Education/Health cess, into the Government account.

(Paragraph 3.7)

Loss of Rs 72.34 lakh to the State Government and Rs 8.03 lakh to the ULBs during 2001-06 due to non-imposition of Education/Health cess.

(Paragraph 3.8)

Rs 3.12 crore was outstanding on account of rent of municipal properties. Rs 8.31 crore was outstanding on account of tax on Government buildings as of 31 March 2006.

(Paragraph 3.9)

Shortage of staff ranges between 16 per cent and 100 per cent. Despite prohibition, the ULBs irregularly spent Rs 3.07 crore during 2004-06 on engagement of casual staff.

(Paragraph 4.1)

Rs 5.23 crore was paid to NGOs for cleaning road etc. without the approval of State Government.

(Paragraph 4.2)

Tax deducted at sources of Rs 6.60 lakh on account of Income Tax, Sales Tax and Royalty etc. were not credited to the heads concerned of Government Accounts.

(Paragraph 5.1)

Improper payment of Supervision charges of Rs 82.25 lakh to International Social Service Organization against the provision of State Public Works Account Code.

(Paragraph 5.2)

Payment on fake bills of cement resulted into misappropriation of Rs 9.79 lakh.

(Paragraph 5.3)

Rs 1.40 crore sanctioned for specific purposes were diverted towards salary and other purposes.

(Paragraph 6.1.1 & 6.1.2)

Rs 21 lakh of advance were lying with a store keeper for an abandoned work for the last 24 months. Even FIR has not been lodged against him.

(Paragraph 6.2)

Rs 3.25 crore lying blocked with two Municipalities for construction of Bus Stands for the last four years due to delay in selection of sites at one place and due to non-commencement of work at another place.

(Paragraph 6.3)

ULBs were not taking action on the Surcharge Notices issued by the Examiner of Local Accounts, Jharkhand, Ranchi. No action was taken in case of 63 notices involving Rs 34.99 lakh, issued under section 9 (2) (b) of the Local Fund Audit Act, 1925 by the Examiner of Local Accounts, Jharkhand.

(Paragraph 7.1)

Vouchers worth Rs 6.14 crore for the period 2004-06 were not produced to audit.

(Paragraph 7.5)