

OVERVIEW

This report includes three chapters. Chapter I deals with an overview of the Urban Local Bodies (ULBs) containing the organizational set-up, accounting and audit arrangements, sources and flow of funds to ULBs and audit coverage including comments on accounts maintained by the ULBs. Chapter II deals with performance audit on TFC grants by ULBs. Chapter III deals with the findings on transaction audit arising out of inspection of ULBs. A summary of audit findings is given as under:

Audit of financial transactions, subjected to test-check in Municipal Corporations, Municipalities and Notified Area Councils (NACs) showed instances of idling of funds, loss, irregular payments, avoidable expenditure, infructuous expenditure etc. The major points noticed in audit are enumerated below.

Non recovery of service tax ₹67.67 lakh resulting undue benefit to the contractor.

(Paragraph 3.1)

Payments of off day allowances and medical allowances to the ULB staffs to the tune of ₹165.52 lakh resulted in undue burden on Cuttack Municipal Corporation.

(Paragraph 3.3)

Non recovery of EPF dues of NMR staff resulted in loss of ₹15.13 lakh to Paradeep Municipality

(Paragraph 3.4)

Non completion of the projects after an expenditure of ₹48.87 lakh and further keeping the projects abandoned for more than two years rendered the amount so spent infructuous.

(Paragraph 3.5)

Improper planning and assessment of fund position in construction of Kalyan Mandap resulted unfruitful expenditure of ₹36.31 lakh

(Paragraph 3.8)

Irregular diversion of ₹114.76 lakh deducted as PF contribution of employees of the Berhampur Municipality for more than 15 years led to deprivation of the legitimate benefit of PF to the staff.

(Paragraph 3.11)

Non availing of the Delayed Payment Surcharge (DPS) waiver offer of electricity distribution companies by five ULBs resulted in extra burden of ₹7.62 core as delayed payment surcharge.

(Paragraph 3.12)

Parking of scheme funds in Personal Ledger Account rendered loss of interest money to the tune of ₹90.02 lakh.

(Paragraph 3.13)

Misappropriations by way of non depositing of the Government money received as tax, LIC premium and CPF.

(Paragraph 3.14)