

## **CHAPTER-VIII**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **8.1 Finance and Accounts**

Non-preparation of Budget estimates and Annual Accounts in contravention of the provision of the Jharkhand Municipal Act rendered the expenditure incurred by the ULBs irregular/ unauthorized. Budget estimates and Annual Accounts should be prepared in time.

#### **8.2 Maintenance of records**

Out of 86 Forms and Accounts, prescribed under the Rules, ULBs maintained only 10 to 25. Maintenance of primary accounting records is in complete disarray. Cash Books were not reconciled with the bank statements. Due to non-maintenance of basic records viz. Asset Register, Grant/Loan Appropriation Register, Advance Ledger, Demand & Collection Register, Work register, Unpaid bill Register, true & fair view of accounts of ULBs could not be ascertained.

Reconciliation of Cash Book with the bank Pass Book should be carried out on a monthly basis. It should be ensured that the Accounts/ Records prepared by the ULBs are as per the provision of the Acts & Rules.

#### **8.3 Accounting reforms**

The State Municipal Accounts Manual has not been finalized (July 2009). Formats of database on finances of ULBs as prescribed by the C & AG have not been adopted (March 2009). The format may be adopted by the Govt. and preparation of database by ULBs should be ensured.

#### **8.4 Revenue Receipts**

Non imposition of Municipal taxes, short realization of tax, non-revision of tax, non-realization of fee for delayed payment and misappropriation of revenue collected, huge outstanding tax & rent were indicative of non-compliance to the provision of Acts.

Overall financial management needs to be strengthened by improving collection of revenues and preventing leakage of revenue due to delay in assessment.

Misappropriation cases should be investigated on priority and recovery should be made from the persons concerned. Collection of taxes, fees and cess on behalf of Government should be remitted timely to the Government.

### **8.5 Implementation of Schemes**

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

### **8.6 Unadjusted advances**

Advances given by the ULBs were found to have been lying unadjusted since long. Advance Ledger did not contain the required details and adjustments were not monitored on regular basis. Laxity on the part of ULBs in respect of timely monitoring and adjustment of advances should be viewed seriously and proper maintenance of records and adjustments of advances should be ensured.

### **8.7 Internal control**

Non-remittances of Government money collected by the ULBs, excess and irregular payments, misappropriation of collection money etc indicated that the internal control system was weak and non-functional. Non-utilization of grants/loans, diversion & blockade of funds indicated weak operation control. There was no mechanism of internal audit and no efforts were made by the ULBs for the settlement of paras raised in the Audit Report.

Internal Audit Wing in the Department should be established through State enactment for audit of ULBs. Supervisory control, as prescribed in the Acts or Rules should be exercised invariably.

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