

OVERVIEW

The Report contains three chapters namely: introduction, audit of transactions and response to audit. A synopsis of the audit findings contained in the Report is presented in this overview.

1. Introduction

Devolution of functions, funds and functionaries to ULBs as envisaged in the 74th Constitutional Amendment Act, 1992 had not taken place as yet (March 2013).

ULBs were financially dependent on Grants and Loans from the Government as their own resources were meager. The available manpower in ULBs was not sufficient.

[Paragraph 1.5 and 1.6]

2. Audit of Transactions

Basic records viz. Advance Ledger, Loan Register, Loan Appropriation Register, Grant Register, Work Register, Unpaid Bill Register, Annual Report, Deposit Ledger, Register of Lands, Register of Revenue Resources, Asset Register etc. were not maintained by most of the ULBs.

[Paragraph 2.1]

In contravention to the provisions of the Act, four ULBs irregularly maintained 34 additional Bank accounts and deposited ₹ 180.31 crore.

[Paragraph 2.2.2]

The collecting staff of two ULBs misappropriated ₹ 1.94 lakh.

[Paragraph 2.3.1]

Eighty four Receipt Books were not produced before audit by four ULBs.

[Paragraph 2.3.2]

Proceeds of the collection of ₹ 41.91 crore on account of Health/Education cess were not remitted by four ULBs into the Government account.

[Paragraph 2.3.4.2]

Eight ULBs did not take prescribed steps for recovery of outstanding Holding tax, although a huge sum of ₹ 33.83 crore was outstanding.

[Paragraph 2.3.5]

Internal controls were not followed by the Officers of the ULBs. Checks, an important control tool, were not exercised as required under Acts and Rules.

[Paragraph 2.5]

3. Response to audit

Replies/Action Taken Notes on the paras appeared in the previous Reports of the Examiner of Local Accounts, Jharkhand were not furnished by the State Government.

[Paragraph 3.1]

As on 31 March 2012, 140 notices involving ₹ 1.47 crore issued during 2000-2012 were pending.

[Paragraph 3.3]