



Report
of the Examiner of Local Accounts
on
Urban Local Bodies
for the year ending March 2013

Government of West Bengal



Report
of the Examiner of Local Accounts
on
Urban Local Bodies
for the year ending March 2013

Government of West Bengal

TABLE OF CONTENTS

		Reference No.	
		Para No.	Page No.
Preface			vii
Overview			ix-xiii
Chapter I – Introduction	Background	1.1	1
	Organizational Structure	1.2	2
	Powers and Functions	1.3	3
	Fund Flow Arrangement	1.4	4
	Accounting Reforms / Arrangements	1.5	5
	Audit Arrangement	1.6	5
	Audit Coverage	1.7	6
	Follow up Action on Audit Reports	1.8	6
	Response to Audit Observations	1.9	7
Chapter II – Accounting Procedures and Financial Management	Budget Provision	2.1	9
	Annual Accounts of ULBs	2.2	11
	Utilisation of funds	2.3	12
	Outstanding loans	2.4	12
	Cases of theft / defalcation / misappropriation reported	2.5	12
	Unwarranted expenditure	2.6	13
	Adjustment of advances	2.7	14
	Timely credit of Provident Fund subscription in the treasury	2.8	15
	Monitoring of Property Tax collection	2.9	15
	Collection of Labour cess and remittance thereof	2.10	16
	Maintenance of cash book / stock register	2.11	18
	Maintenance of basic records	2.12	18
	Internal Audit	2.13	18
Conclusion	2.14	19	
Recommendations	2.15	19	
Chapter III – Receipts	Budget estimates and actual receipts of own fund	3.1	21
	Loss of revenue due to delay in revision of annual valuation of property	3.2	21
	Remission in property tax beyond permissible limit led to loss of ₹ 13.21 crore	3.3	23
	Non-imposition of surcharge leading to loss of revenue of ₹ 5.59 crore	3.4	23
	Outstanding water charges	3.5	24

		Reference No.	
		Para No.	Page No.
Chapter III – Receipts	Outstanding Fee - ₹ 4.93 crore	3.6	24
	Rent / lease money not realised - ₹ 9.14 crore	3.7	25
	Loss of revenue of ₹ 33.89 lakh due to delay in revision of building plan fee	3.8	25
	Collection of penalty for unauthorised construction	3.9	26
	Recovery of misappropriated receipts at the instance of audit	3.10	27
	Conclusion	3.11	27
	Recommendations	3.12	28
Chapter IV – Establishment	Appointment of staff in excess of sanctioned strength resulting in excess expenditure of ₹ 11.42 crore	4.1	29
	Accumulation of outstanding liability of ₹ 7.23 crore towards pension and gratuity	4.2	30
	Liability towards outstanding water charges	4.3	31
	Irregularities in payment of electricity charges	4.4	31
	Conclusion	4.5	32
	Recommendations	4.6	32
Chapter V – Material Management and Execution of Works	Tender procedures not followed	5.1	33
	Incomplete works	5.2	34
	Procured items were not utilized properly	5.3	35
	Excess payment / issuance of material	5.4	36
	Payment without measurement	5.5	37
	Conclusion	5.6	37
	Recommendations	5.7	37
Chapter VI – Implementation of Schemes	Employment Generation in Urban Area Scheme	6.1	39
	Mid-day Meal Scheme	6.2	42
	Conclusion	6.3	45
	Recommendations	6.4	45
Chapter VII – Compliance Audit	Implementation of Waiver Scheme, 2012 by Kolkata Municipal Corporation	7.1	47
Chapter VIII – Performance Audit	Internal Control & Service Delivery Mechanism – Maheshtala Municipality	8.1	57
	Management of Water Supply in Urban Area	8.2	76
Chapter IX – Other Important Cases	Extension of undue benefit to a private medical research institute	9.1	99
	Non recovery of Cess amounting to ₹41.34	9.2	104

		Reference No.	
		Para No.	Page No.
Chapter IX – Other Important Cases	crore resulting in loss of municipal revenue of ₹ 41.34 lakh		
	Unauthorized expenditure on repairing and maintenance of bridges / flyovers - ₹ 53.18 lakh	9.3	106
	Idle expenditure - ₹ 0.79 crore	9.4	108
	Wasteful expenditure - ₹ 34.60 lakh	9.5	109
	Excess expenditure of ₹ 5.42 lakh	9.6	111
	Loss of ₹ 27.98 lakh	9.7	112
	Avoidable payment of late payment surcharge ₹ 45.81 lakh	9.8	113
	Wasteful expenditure - ₹ 29.55 lakh	9.9	114

APPENDICES

Appendix No.	Description	Page No.
Appendix – 1	Name of ULBs	117
Appendix – 2A	Statement showing budget provisions and actual expenditure for the year 2010 – 11	118
Appendix – 2B	Statement showing budget provisions and actual expenditure for the year 2011 – 12	119
Appendix – 2C	Statement showing budget provisions and actual expenditure for the year 2012 – 13	120
Appendix – 3A	Statement showing excess of expenditure over budget provision under revenue section	121
Appendix – 3B	Statement showing excess of expenditure over budget provision under capital section	121
Appendix – 4	Separate Audit Report issued during 1 June 2012 and 31 March 2013 and opinion on the accounts	122
Appendix – 5	Effects of Audit comments on Accounts	123
Appendix – 6	Number of journal vouchers passed and incorporated in Annual Accounts without any authorization of competent authority and their money value	124
Appendix – 7	Statement showing utilization of funds	125
Appendix – 8	Statement showing outstanding loans of ULBs	127
Appendix – 9	Statement showing outstanding advances	128
Appendix – 10	Loss of interest on Provident Fund	130
Appendix – 11A	Statement showing demand and collection of property tax for the year 2010-11	131
Appendix – 11B	Statement showing demand and collection of property tax for the year 2011-12	132
Appendix – 11C	Statement showing demand and collection of property tax for the year 2012-13	133
Appendix – 12	Statement showing non / short collection of labour cess	134
Appendix – 13	Statement showing Budget Estimate, Actual Realisation and Percentage of Own Fund during the period 2010-11, 2011-12 and 2012-13	135
Appendix – 14	Statement showing loss of revenue due to non-imposition of surcharge	136
Appendix - 15	Statement showing outstanding water charges as of March 2013	137
Appendix – 16	Statement showing outstanding fee	138
Appendix – 17	Statement showing outstanding rent / <i>salami</i> / development fees / parking fee from stalls / shops / ferry service	139
Appendix – 18	Coverage of water supply	141
Appendix – 19	Actual supply in respect of CPHEEO norms	141

Appendix No.	Description	Page No.
Appendix – 20	Frequency of water supply	143
Appendix – 21	Quality control	144
Appendix – 22	Water charges collection	146
Appendix – 23	Revenue receipts & Revenue expenditure	148
Appendix – 24	Source of water	150
Appendix – 25	Manpower in respect of per km pipeline	151
Appendix – 26	Manpower in respect of per 1000 connection	152
Appendix – 27	Status of implemented projects	153
Appendix – 28	Shortfall in supply of water during 2012-13	154
Appendix – 29	Building plan sanction fee and fee for issuing completion certificate not realized from private MRI	155
Appendix – 30A	Statement Showing Excess Demand Charges at <i>Jharia</i> Water Supply Pump (Consumer No. C21112)	156
Appendix – 30B	Statement Showing Excess Demand Charges at <i>Cheripal</i> Water Supply Pump (Consumer No. C21013)	157
	Glossary of abbreviations	159