

PREFACE

This Report for the year ended 31 March 2007 contains the results of audit of accounts of Urban Local Bodies in the state of West Bengal.

The Report has been prepared for submission to the Government of West Bengal in accordance with the provisions of the West Bengal Municipal Act, 1993 and other respective Acts of six Municipal Corporations.

The cases mentioned in this Report are among those, which came to notice in the course of test audit of accounts of 76 ULBs during the year 2006-07, as well as those noticed in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2006-07 have also been included wherever considered necessary.

OVERVIEW

This Report contains eight chapters, containing observations of audit on accounting procedures and financial management, revenue receipts, establishment, material management, implementation of schemes, as well as other important issues and conclusions and recommendations of Audit. A synopsis of the Audit findings is presented in this overview.

As against the recommendation of the Second State Finance Commission (February 2000) for the devolution of 3.2 *per cent* share of State taxes to the ULBs, the State Government released 0.69 and 0.52 *per cent* of State taxes in 2005-06 and 2006-07 respectively. During 2005-07, the releases fell short by of Rs.574.32 crore of the recommended entitlement.

[Paragraph 1.5.4]

Excess expenditure of Rs 9.49 crore over the budget provision incurred by 11 ULBs during 2003-04 to 2005-06 has not been regularized.

[Paragraph 2.1(b)]

Eight ULBs neither made any provision for capital expenditure during 2004-07 nor expended any amount for the same. There was an overall shortfall in actual capital expenditure by 51 *per cent* which adversely impacts the extension of social and economic infrastructure network and creation of assets by the municipalities.

[Paragraph 2.1(c)]

Due to non-preparation of annual accounts by seven ULBs, receipt of Rs 48.18 crore and expenditure of Rs 44.10 crore incurred during 2004-07 by these local bodies could not be vouchsafed.

Eighteen ULBs did not reconcile their books of account with the actual bank balance.

None of the ULBs audited, except Kolkata Municipal Corporation, submitted Balance Sheet upto the year ending March 2006.

[Paragraph 2.2(a), (b) and (c)]

Eight out of 68 ULBs in 2005-06 and one out of 24 ULBs in 2006-07 could utilise 80 *per cent* and above of the available funds respectively.

[Paragraph 2.4]

Ten ULBs diverted Rs 1.31 crore sanctioned for specific purposes during the years 2002-03 to 2006-07 depriving the beneficiaries of the intended benefits.

[Paragraph 2.5]

Nineteen ULBs did not repay loan of Rs 33.27 crore and accumulated huge liability of Rs 58.23 crore. The increasing liabilities adversely impact the financial stability of the ULBs and in turn reduce their capacity to raise market loans for developmental works.

[Paragraph 2.7]

All primary schools under the municipalities stood transferred to the District Primary School Council (DPSC) together with their lands, buildings and other properties. All teachers and other staff shall be deemed to be employed by DPSC with effect from 15 April 1992.

Despite the above arrangement for taking over liabilities of primary schools, 12 ULBs incurred a total expenditure of Rs 4.37 crore towards salary of employees and maintenance of primary schools during the period 1992-2007.

[Paragraph 2.10]

Delay by 15 ULBs ranging from one month to 22 years in crediting money in Provident Fund resulted in loss of interest on Provident Fund account to the tune of Rs 1.57 crore which accrued during the intervening period, thereby creating an additional burden on them.

[Paragraph 2.13]

No arrangement has been made in 54 ULBs for internal audit of their accounts.

[Paragraph 2.17]

Due to delay in revision of property tax ranging from six months to five years, seven ULBs suffered a loss of revenue of Rs 9.03 crore.

[Paragraph 3.3]

Inadmissible remission allowed in property tax resulted in loss of revenue of Rs 5.41 crore in five ULBs.

[Paragraph 3.4]

Non imposition of surcharge on commercial / industrial holdings by 27 ULBs resulted in loss of revenue of Rs 9.38 crore during 1997-2007.

[Paragraph 3.5]

Twelve ULBs sustained a loss Rs 5.00 crore due to non imposition or under imposition of water charge during the period from February 2003 to March 2007.

[Paragraph 3.6]

Despite prohibition, 23 ULBs irregularly spent Rs 8.77 crore during the years 2002-07 on engagement of casual staff.

[Paragraph 4.1]

Contai and Bolpur municipalities did not create Special Fund and failed to pay gratuity and pension to the retired employees and accrued a liability of Rs 55.85 lakh as of May 2007.

[Paragraph 4.4]

Six ULBs purchased materials/equipment worth Rs 1.16 crore without inviting any tender/ quotations during 2004-07.

[Paragraph 5.1]

Works left incomplete by eight ULBs, even after the lapse of a considerable period, deprived the local people of the benefits and blocked funds of Rs 4.13 crore.

[Paragraph 5.4]

Dum Dum and Chakdah municipalities did not utilize assets created at the cost of Rs 43.22 lakh.

[Paragraph 5.5]

Under utilisation of grants under National Slum Development Programme (NSDP) during 2005-06 undermined efforts of the Government in providing basic amenities to slum dwellers.

Twenty two ULBs spent Rs.20.47 crore under NSDP during 2002-07 without declaring slum areas which frustrated the objectives. Works valued at Rs.16.27 crore were executed through contractors by 28 ULBs without involving the beneficiaries.

Sixteen ULBs diverted Rs.4.25 crore from NSDP grants during 2002-07 and 39 ULBs did not take up any work for construction of shelters during 2002-07, thus depriving shelterless beneficiaries from getting the benefit of earmarked funds of Rs.4.19 crore.

[Paragraph 6.1]

Seven ULBs did not utilise any amount under the scheme of Basic Minimum Services during 2005-06 though Rs 36.14 lakh was available for this purpose. Twelve ULBs engaged contractors for execution of works valuing Rs.1.99 crore and six ULBs diverted Rs.30.19 lakh from BMS beyond the scope/purview of the scheme.

[Paragraph 6.2]

The percentage of utilisation of Swarna Jayanti Sahari Rozgar Yojana grants in 38 ULBs during 2005-06 was 56 *per cent* only.

[Paragraph 6.3]

Out of 1363 identified heritage buildings/sites in Kolkata Corporation in 1998, only 179 (13 *per cent*) were documented, 125 (9 *per cent*) were graded and 137 (10 *per cent*) were declared as heritage buildings and sites for conservation and preservation by Kolkata Municipal Corporation as of March 2007.

Buildings declared as heritage sites were de-listed without obtaining prior approval of the State Government.

Identified heritage buildings were demolished due to delay by KMC in taking effective protective measures.

Despite spending Rs.12.54 crore, the reconstructed auditorium including *sikhara* and façade of the Star Theater could not redeem the original architectural significance and design and thus the standard of the works was not commensurate with the expenditure.

The information management system on heritage buildings/sites in KMC, including its web site, was inadequate and faulty.

(Paragraph 7.1.)

KMC incurred an avoidable expenditure of Rs 33.11 lakh on air freight on the ground of urgent circumstances, although the Corporation itself at several stages delayed the approval and execution of the project for improvement of water supply.

(Paragraph 7.2)

Non allotment of stalls of shopping complex by Asansol Municipal Corporation constructed at a cost of Rs 53.76 lakh frustrated the scope of improving the infrastructure and generating revenue.

(Paragraph 7.3)

Absence of proper monitoring over implementation of mid-day-meal in Primary schools under Durgapur Municipal Corporation (DMC) resulted in misappropriation of 188.12 MT of rice worth Rs 29.06 lakh by the distributor during April 2006 to 12 September 2007.

(Paragraph 7.4)

CHAPTER I

INTRODUCTION

1.1 Background

Article 243W of the Constitution of India envisages that the State Government may, by law, endow the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to (i) the preparation of plans for economic development and social justice and (ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule.

Out of 126 Urban Local Bodies (ULB) in West Bengal, 120 municipalities are governed according to the provisions of the West Bengal Municipal Act, 1993 and six municipal corporations¹ are governed according to the provisions of the respective Acts legislated separately. Except these six municipal corporations, all other municipalities were classified into five groups on the basis of the population as ascertained in the preceding census for the purpose of application of the provision of the Act. Each municipality is divided into a number of wards, which is determined and notified by the State Government having regard to the population, dwelling pattern, geographical condition and economic consideration of the respective area. The minimum number of wards is nine and the maximum number is kept between 15 and 141 depending on the size of the ULB. An elected Councillor represents each ward.

In 2001 the urban population in West Bengal was 2.25 crore spread over 2060 sq.km. with a density of 10915 per sq.km as against the total population of

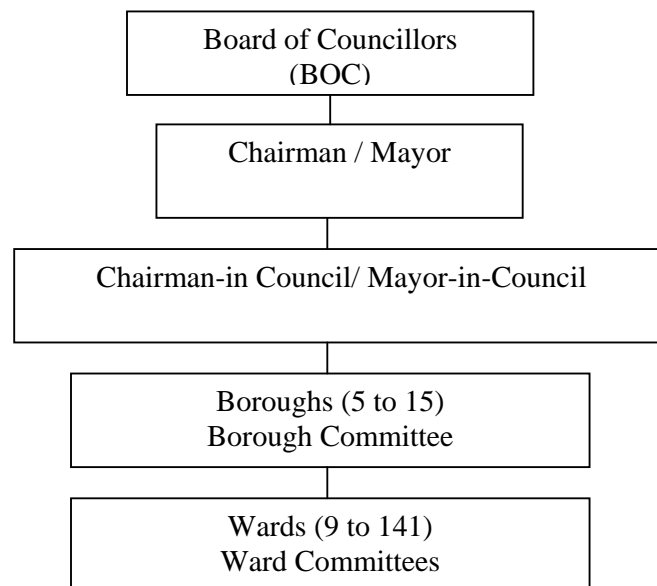
¹ Kolkata, Howrah, Siliguri, Asansol, Durgapur and Chandernagar municipal corporations.

8.02 crore. During 1991 to 2001, the urban population increased by 20.20 per cent which indicates a declining trend over the previous decade (29.49 per cent).

1.2 **Organizational Structure**

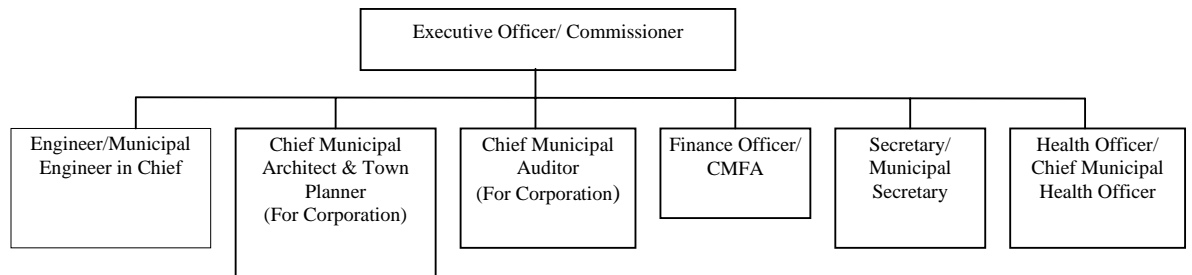
The Chairman/ Mayor, elected by the majority of the Board of Councillors (BOC), is the executive head of the ULB and presides over the meetings of the Chairman-in-Council/ Mayor-in-Council responsible for governance of the body. The executive power of a ULB is exercised by the Council. The Chairman presides over the Board of Councillors. The Chairman-in-Council/ Mayor-in-Council enjoys such power as is delegated by the Board.

Every ULB having a population of three lakh or more groups the wards into five (up to 15 in respect of municipal corporation) boroughs. Boroughs are constituted with not less than six contiguous wards and a Borough Committee is also constituted for each Borough. The Councillors of the respective wards are the members of such Borough Committee and elect the Chairman (not being a member of Chairman-in-Council/ Mayor-in-Council) from among themselves. The Borough Committee discharges such functions, as the ULB requires it to discharge. At ward level, the ULB constitutes Ward Committee under the Chairmanship of the Ward Councillor. The organizational structure of the governing body of an ULB is as under:



Under the administrative control of the Board of Councillors, the ULB creates its establishment structure headed by an Executive Officer/

Commissioner. Other officers are also appointed to discharge specific functions of respective area/ nature. Subject to the supervision and control of the Chairman/Mayor, the Executive Officer/ Commissioner functions as the principal executive of the ULB. The Executive Officer/ Commissioner and the Finance Officer exercise such powers and perform such functions as notified by the State Government from time to time. The organograph of an Urban Local Body is as below:



1.3 Powers and Functions

To function as an institution of self-government and to carry out the responsibilities conferred upon them, the ULBs exercise their powers and functions in accordance with the provisions of Article 243W of the Constitution. Some obligatory functions of the ULBs are as follows:

- Water supply for public and private purpose;
- Construction and maintenance of sewage and drainage system;
- Collection and disposal of solid waste;
- Construction and maintenance of streets, bridges, fly-overs etc.;
- Construction and maintenance of public latrines, urinals and similar conveniences;
- Lighting of public streets and other public places;
- Construction and maintenance of markets;
- Preventing and checking spread of dangerous diseases including immunization;
- Town planning and development including preservation of monuments, places of historical, artistic and other importance; and
- Overall administration including survey, removal of encroachment, dangerous buildings, registration of births and deaths and pollution control of all kinds.

Further, the ULBs may at their discretion provide the services either wholly or partially out of its property and fund for the following services:

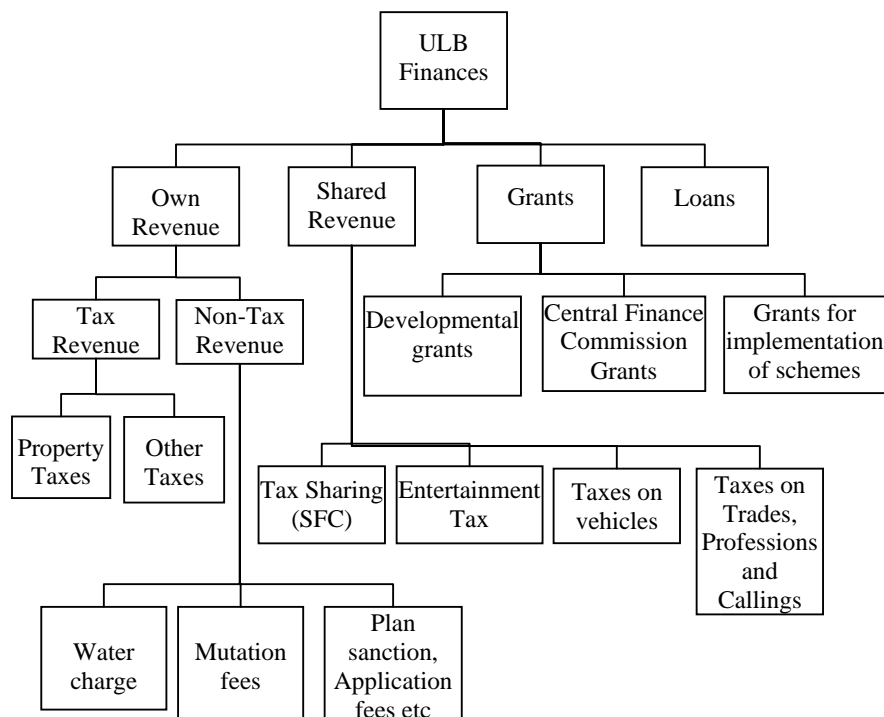
- Education;
- Sanitation;
- Relief in the time of famine, flood or earthquake;
- Old-age-homes, orphanage;
- Public works relating to relief, care of sick, medical service; and
- Low-cost dwelling houses for socially backward classes or citizens.

The State Government may impose or transfer any such functions and duties of the Government to the ULB including those performed by the departments. Such activities may include employment schemes and programmes, social forestry, health and family welfare, cottage and small-scale industries, formal and non-formal education etc.

1.4 **Financial Profile**

The ULB fund comprises receipts from its own source, grants and assistance from governments and loans obtained from any public financial institutions or nationalized banks or such other institutions as the State Government may approve. A flow chart of finances of a ULB is as under:

Sources of finances of ULBs



The property tax on land and building is the principal source of tax revenue of an ULB.

The main sources of non-tax revenue of an ULB are plan sanction fees, mutation fees and water charges.

All collections as permissible under the statute in force, such as tax and non-tax revenue, are ULB meant for maintenance of administration and services to the tax payers.

The State Government releases administrative grants to the urban local bodies to compensate their revenue expenditure.

The loans raised from different sources with prior approval of the State Government are utilised for execution of various projects/schemes.

Grants and assistance released by the State Government and the Central Government are utilised for developmental activities as specified in the respective schemes or projects.

1.5 Devolution of Functions, Functionaries and Funds to Urban Local Bodies

1.5.1 Article 243W of the Constitution stipulates that the Legislature of a State, may, by law, endow the municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon municipalities including those in relation to the matters listed in the Twelfth Schedule. The Constitution further provides that the Finance Commission constituted under Article 243-I shall also review the financial position of the municipalities and make recommendation as to (i) the principles which should govern the distribution of State taxes (ii) the determination of taxes, duties, tolls and fees which may be assigned to the municipalities (iii) the grants-in-aid from the Consolidated Fund of the State and (iv) the measures needed to improve the financial position of the municipalities. The major elements of devolution are transfer of functions, functionaries and funds to ULBs, accompanied by administrative control over staff and freedom to take administrative and financial decisions at local level. The State Legislative Assembly enacted the West Bengal Municipal Act, 1993, the Kolkata Municipal Corporation Act, 1980 and five other Municipal Corporation Acts. The Acts, *interalia*, envisaged devolution of

functions to the ULBs together with the deployment of staff to carry out the functions devolved.

The devolution of functions, functionaries and funds to ULBs was examined in audit in 11 ULBs,² together with earlier Inspection Reports paras and Audit Reports (ULB),³ during the period December 2007 to February 2008. In addition, records of the Municipal Affairs Department also were test checked.

1.5.2 Functions: The functions contemplated in the Seventy-fourth Constitution Amendment Act other than those relating to fire services were transferred to ULBs in West Bengal.

The District Planning Committee (DPC) and Metropolitan Planning Committee (MPC) have a constitutional obligation to consolidate and coordinate plans for the respective local bodies. However, a number of government organizations⁴ for regional development were set up over the years and given responsibility for preparation of plans for their respective areas alongwith the provision of fund for implementation of the same. The State Finance Commission (SFC) observed (February 2002) that execution works or schemes by such bodies was contrary to the concept of decentralized participatory planning. Accordingly, the SFC recommended reconciliation of overlapping responsibilities for planning and allocation of fund between DPC and regional development boards in rural and urban areas. The State Government agreed (July 2005) to consider the issue in consultation with the concerned departments. However, the final outcome in this regard is awaited.

The Municipal Administrative Reform Committee also recommended that after constitution of MPC, the Kolkata Metropolitan Development Authority (KMDA) would have to emerge in a new role as coordinator, adviser and facilitator of micro-level planning to be undertaken by the municipalities. However, the new role envisaged in respect of KMDA is yet to evolve.

² Barrackpore, Ashokenagar-Kalyangarh, Gayespur, Tarakeswar, Contai, Bally, Dum Dum, Rajpur Sonarpur, Halisahar, Madhyamgram and Serampur.

³ For the period from 2004-05 to 2006-07.

⁴ Kolkata Improvement Trust, Kolkata Metropolitan Water & Sanitation Authority, Kolkata Metropolitan Development Authority, Asansol-Durgapur Development Authority and Siliguri-Jalpaiguri Development Authority etc.

✚ The functions relating to water supply, construction of roads, fly-overs and bridges, and regulation of land-use are listed in the Twelfth Schedule of the Constitution and devolved to the ULBs under the West Bengal municipal laws. However, urban development organizations and also the line departments continued to be engaged in similar kind of work.

✚ Promotion of cultural, educational and aesthetic aspects has been included under the Twelfth Schedule of the Constitution. The municipal laws of West Bengal devolved functions in the sphere of education of non-formal nature viz. pre-primary schools, adult education, social education etc. under the discretionary category. Further in terms of the notification issued by the Government of West Bengal in April 1992, all primary schools under the municipalities should be transferred to the District Primary School Council (DPSC) together with their lands, buildings and other properties. All teachers and other staff were deemed to be employed by DPSC with effect from 15 April 1992.

However, several of the ULBs continued to incur expenditure on primary education though it did not fall under the devolved functions. Test check in audit revealed that 25 municipalities incurred a total expenditure of Rs 22.40 crore towards salary of employees and maintenance of primary schools during the period ranging from one to 13 years as already mentioned under para 2.11, 2.10 and 2.11 of the Reports on ULBs for the year 2004-05, 2005-06 and 2006-07 respectively.

As maintenance of primary schools does not fall even under the discretionary powers/functions of a ULB, continuing their funding adversely impact the maintenance of other civic services.

1.5.3 Functionaries: Devolution of powers and functions to the ULBs requires availability of adequate number of qualified and trained personnel for efficient discharge of those functions. To enable the local bodies to act as institutions of local government, the State Government constituted (2001) Municipal Administrative Reforms Committee (MARC) so as to explore avenues for good urban governance. The Committee reviewed the areas including resource and financial management, support agencies and decentralized planning. The important recommendations on municipal management and staffing structure relating to functionaries were as under:

- ❖ Portfolio management in larger municipal bodies needs to be streamlined in a way comparable with the departmental system in State Government;
 - ❖ Section 61(1) of the West Bengal Act, 1993 characterizes the Chairman as “the executive head of municipal administration”, which seems to have unintendedly given a handle to somewhat irregular exercise of power at least by some, if not all, chairmen. Section 61(1) should therefore be suitably amended on the basis of Corporation Acts;
 - ❖ The specific functions and responsibilities of the Executive Officers and Finance Officer should be clearly stipulated in the Act itself. The daily routine of cheque signing should vest with the Executive Officer and Finance Officer of municipal bodies along with one Councillor so authorised by Board;
 - ❖ A Standing Advisory Committee is to be set up at the State level to review from time to time the norm regulating the size of municipal establishment and the staff pattern;
 - ❖ The State Government will determine size of establishment of municipality in the light of recommendations of the Standing Advisory Committee;
 - ❖ Staff pattern determined by the State Government should be communicated to the concerned municipalities and District Magistrates, State Finance Department and Municipal Affairs Departments;
 - ❖ Any proposal for new appointment should be supported by the observation of the Finance Officer from the financial resource point of view. The proposal then should be considered by the Chairman-in-Council collectively and their recommendation should be placed before the Board of Councillors for approval and
 - ❖ District Municipal Development Officers (DMDOs) should be posted at the District level and the inspectoral functions of Director of Local Bodies should also be vested with the DMDOs. The Directorate of Local Bodies should be recognised (by Government) and it should be entrusted with developmental functions as identified by the Committee.
- ✚ It was noticed that as an executive head of a ULB, all executive and financial power including signing of cheques have been vested with the Chairman

as per Section 61(1) of the West Bengal Municipal Act, 1993. MARC recommended amending the provision. It is still awaited.

✚ The powers and functions of Executive Officer and Finance Officer were notified in April 1995. The West Bengal Municipal (Duties and Responsibilities of the Executive Officer) Rules, 2003 were framed and notified in October 2003. However, the provisions under the Rules could not be made effective due to non amendment of Section 61(1) of the West Bengal Municipal Act, 1993 as recommended by the MARC.

✚ Functionaries of departments including the Municipal Engineering Department (MED) were not under administrative control of the concerned ULB, although MARC had recommended that the existing engineering staff of appropriate category should be posted directly in the respective municipal bodies and the field units of MED should be abolished.

✚ It was also noticed in audit that the municipalities did not prepare annual staff proposal based on actual work load and the procedure recommended by the MARC as mentioned above has not yet been adopted.

1.5.4 Funds: Devolution of funds to ULBs should be a natural corollary to implement the transferred functions. In order to enable the ULBs to carry out the transferred functions, the State Government is to constitute the State Finance Commission to review the financial position of the Municipalities and make recommendations to the Governor as to the principles which should govern:

- ❖ the distribution between the State and the Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under Part IXA of the Constitution and allocation between the municipalities at all levels of their respective shares of such proceeds;
- ❖ the grants-in-aid to the Municipalities from the consolidated fund of the State;
- ❖ the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by the municipalities and
- ❖ the measures needed to improve the financial position of the municipalities.

The second State Finance Commission (SFC) constituted in July 2000 during review of financial resources of the municipalities, noted that the ULBs received substantial amount of grant from the State Government to meet their establishment cost. SFC observed that own revenues were not enough to generate

any surplus for meeting additional expenditure and essential maintenance work had been neglected in almost all the ULBs. No ULB was capable of taking up any new development activities on their own. In February 2002, the SFC submitted its Report which included the following important recommendations pertaining to the municipalities:

- ❖ Sixteen *per cent* of State taxes as entitlement fund for the local self governments (including panchayats) with the minimum of Rs 700 crore for devolution to the local self governments;
- ❖ Continuation of present arrangement of sharing of entertainment tax and
- ❖ The rates and fees levied should be revised and users and service charges should be levied.

The SFC recommended a minimum amount of Rs 700 crore per annum against 16 *per cent* of share of State taxes. Of this 16 *per cent*, 3.20 *per cent* has been recommended for ULBs. The State Government after a lapse of more than three years submitted (July 2005) the explanatory memorandum to the Action Taken on the recommendations and decided to allocate the “maximum amount possible” as against the recommendation of 16 *per cent* share of taxes without specifying any rate. The entitlement and the actual release for 2005-06 and 2006-07 were as follows:

(Rupees in crore)

Year	Tax revenue of the State	Entitlement	Release under SFC	Shortfall
2005-06	10388.38	332.42	71.58	260.84
2006-07	11694.77	374.23	60.75	313.48
Total	22083.15	706.65	132.33	574.32

As against the recommendation of 3.2 *per cent* grants to ULBs as share of tax revenue, the State Government released only 0.69 and 0.52 *per cent* of the State tax revenue in 2005-06 and 2006-07 respectively.

The SFC has not separately recommended any funds from the Consolidated Fund of the State as contemplated under Article 243(1) (a) (ii) of the Constitution. However, the State Government released funds for developmental activities and also for implementation of various Central schemes as shown below:

(Rupees in crore)

Year	State grants for developmental activities	Schemes		Total
		State share	Central share	
2005-06	19.01	172.34	26.85	218.20
2006-07	9.50	319.57	68.07	397.14
Total	28.51	491.91	94.92	615.34

During audit it was noticed that the major part of pay and allowances of the ULBs was borne by the State Government. The Government releases 65.5 per cent of salary, cent percent dearness allowance, 80 per cent of winter allowance and 20 per cent of ad-hoc bonus to all the 126 ULBs. The relief on pension is also reimbursed fully. In addition, fixed grant is released to the ULBs for general purpose both salary and non-salary. The details of grants released by the State Government during 2004-05 to 2006-07 were as under:

(Rupees in crore)

Year	Salary & allowances	Fixed grant	Relief on Pension	Total
2004-05	377.84	104.60	22.40	504.84
2005-06	384.73	102.40	30.96	518.09
2006-07	409.66	119.34	21.09	550.09
Total	1172.23	326.34	74.45	1573.02

In addition to the above grants, the State Government also shares certain taxes with the ULBs. The release of share of various taxes was as below:

(Rupees in crore)

Year	Entertainment tax	Trade Tax	Taxes on vehicles	Total
2004-05	40.51	9.39	0.00	49.90
2005-06	40.20	6.57	21.95	68.72
2006-07	45.30	10.09	6.30	61.69
Total	126.01	26.05	28.25	180.31

Scrutiny further revealed that the Municipal Affairs Department allotted a total sum of Rs 10.38 crore⁵ during 2004-05 to 2006-07 for disbursement of pay

⁵ Rs 3.03 crore in 2004-05, Rs 3.60 crore in 2005-06 and Rs 3.75 crore in 2006-07.

and allowances of the Executive Officers, Finance Officers and Health Officers appointed in various ULB. The amount spent for the ULBs was debited to head “80 – General – 00 - Direction and Administration – Non Plan - Municipal Administration” instead of being classified as “Assistance to ULBs”.

1.6 Twelfth Finance Commission Grants

The Twelfth Finance Commission (TFC) has earmarked Rs.393.00 crore for the ULBs of West Bengal for the period 2005-2010 with the recommendation to provide at least 50 *per cent* of the grants-in-aid for Solid Waste Management (SWM). The State Government may assess the requirement of funding support for data building and maintenance of accounts for each local body and earmark funds accordingly out of the total allocation. According to the recommendation, it is mandatory for the State Government to transfer the grants released by the Government of India to the ULBs within fifteen days of the amount being credited to the State Accounts.

As against the total approved outlay of Rs 235.80 crore for the years from 2005-06 to 2007-08, Government of India released Rs 196.50 crore to the State Government in five instalments of Rs 39.30 crore each. The State Government released the first instalment amounting to Rs 39.30 crore to ULBs after a delay of more than one month and also paid (May 2006) an interest of Rs 23.06 lakh to the ULBs for the delay in release of grants. The receipt and utilisation of TFC grants for 2005-08 are shown below:

(Rupees in crore)

Year	Approved allocation	Receipt from Govt. of India	Released to ULBs	Expenditure
2005-06	78.60	39.30	39.30	20.04
2006-07	78.60	78.60	78.83*	42.49
2007-08	78.60	78.60	78.60	N A
Total	235.80	196.50	196.73	62.53

* Includes an interest of Rs 23.06 lakh for delay in release of grants to ULBs. However, no further delay was noticed in subsequent releases.

Test check of accounts of funds of received by nine municipalities from TFC grants revealed that during 2005-08, these municipalities had received a total of Rs 8.42 crore comprising Rs 3.77 crore for Solid Waste Management and

Rs 4.64 crore for non-Solid Waste Management (NSWM) works. The expenditure incurred on solid waste management and on development works as of December 2007 out of total available fund of Rs 8.42 crore is shown below:

(Rupees in lakh)

Name of the ULB	Year	Receipt			Expenditure		
		SWM	NSWM	Total	SWM	NSWM	Total
Halisahar	2005-08	42.53	54.21	96.74	30.86	53.74	84.6
Contai	2005-08	19.34	31.77	51.11	15.56	23.85	39.41
Rajpur Sonarpur	2005-08	90.90	90.90	181.8	3.98	83.42	87.4
Dum Dum	2005-08	28.53	36.90	65.43	32.58	41.06	73.64
Barrackpore	2005-08	46.71	61.22	107.93	27.98	44.65	72.63
Serampur	2005-08	53.84	75.90	129.74	36.84	78.19	115.03
Ashokenagar-Kalyangarh	2005-08	40.43	50.27	90.7	12.18	39.42	51.6
Gayespur	2005-08	30.50	44.29	74.79	21.76	35.51	57.27
Tarakeswar	2005-08	24.10	19.30	43.4	15.94	14.76	30.7
Total		376.88	464.76	841.64	197.68	414.60	612.28

It may be seen from the above table that there was short release Rs 0.44 crore for Solid Waste Management in respect of these nine ULBs. Furthermore, the ULBs could only spend 52 per cent of available fund of Rs 1.98 crore of the total grants of Rs 3.77 crore that was released for Solid Waste Management.

1.7 Accounting Reforms / Arrangements

In view of the recommendation of Eleventh Finance Commission, Ministry of Finance, Government of India entrusted the responsibility for prescribing appropriate accounting formats for the Urban Local Bodies to the Comptroller and Auditor General of India.

Accrual based system of accounting recommended by the Comptroller and Auditor General of India was accepted by the West Bengal Government. A Steering Committee was formed (January 2004) to coordinate the implementation of the accrual based system of accounting. In the first phase, forty ULBs in the Kolkata Metropolitan area were selected for implementation of accrual based accounting system.

To bring about the change in the accounting system, the Accounting Manual for ULBs, West Bengal (excluding municipal corporations) was prepared in February 2006 based on the National Municipal Accounts Manual. Accordingly, the West Bengal Municipal Act, 1993 was amended with effect from 1 October 2006 and the West Bengal Municipal (Finance and Accounting) Rules, 1999 was amended with effect from 1 January 2007 for implementation from the financial year 2006-07 for the ULBs in Kolkata Metropolitan Area and from 2007-08 for other municipalities.

As of March 2007, Balance Sheets as on 1 April 2004 has been completed for the above forty ULBs.

1.8 Audit Arrangement

The recommendations of the Eleventh Finance Commission stipulate that the Comptroller and Auditor General shall be responsible for exercising control and supervision over proper maintenance of the accounts of ULBs and their audit.

The West Bengal Municipal Act, 1993 and the Acts governing other Municipal Corporations envisage that the accounts of a body shall be examined and audited by an auditor appointed by the State Government. Accordingly, the State Government in exercise of the power conferred by the Acts, appointed the Examiner of Local Accounts (ELA), West Bengal as the Auditor for audit of the accounts of the Urban Local Bodies. The Acts further envisage that the Auditor shall prepare the report on the accounts examined and shall send such report to the Chairman/ Mayor and a copy thereof to the Director of Local Bodies or such other officers as the State Government may direct.

1.9 Audit Coverage

Out of 126 ULBs, audit of accounts of 76 ULBs (**Appendix 1**) covering the financial year upto 2005-06 and 2006-07 was conducted during May 2006 to June 2007.

1.10 Response to Audit Observations

The Chairman/ Mayor are required to comply with the observations contained in the Inspection Reports (IRs) and rectify the defects and omissions and report their compliance to ELA within three months from the date of issue of IRs.

The details of IRs and the paragraphs outstanding as of December 2007 are given below:

Year of issue	No. of Inspection Reports	No. of outstanding paras	Money Value (Rupees in crore)
Upto 2001	28	57	49.08
2001-02	22	58	20.44
2002-03	53	179	89.90
2003-04	116	326	147.63
2004-05	26	111	42.89
2005-06	54	407	293.70
2006-07	94	1349	785.08
Total	393	2487	1428.72

A review of the IRs, which were pending due to non-receipt of replies, revealed that the Heads of the offices, whose records were inspected by ELA, did not send any reply to a large number of IRs/ paragraphs. The Principal Secretaries/ Secretaries of the Departments, who were informed of the position through half yearly reports, also failed to ensure that the concerned officers of the ULBs take prompt and timely action. Although a Departmental Audit Committee was formed, it met only thrice in the year 2006-07. Important findings of audit are described in the succeeding chapters.

CHAPTER-II

ACCOUNTING PROCEDURES AND FINANCIAL MANAGEMENT

According to the West Bengal Municipal Act, 1993 and Rules made thereunder, each ULB shall present the budget estimate before the Board of Councillors (BOC) for adoption after discussion. Within six months of the close of a year, a financial statement consisting of the Balance Sheet, Income and Expenditure Account, Receipts and Payments Account and Fund Flow Statement shall be prepared in the form and manner prescribed and presented before a meeting of the BOC. The deficiencies in accounts, lack of control over finance, poor utilisation of development grants and weak internal controls noticed during audit are described in the succeeding paragraphs.

2.1 Budget Provisions

(a) Overall expenditure

As per West Bengal Municipal (Finance And Accounting) Rules, 1999, the departmental heads of a municipality under the direction of the Member-in-Charge in the Chairman-in-Council shall prepare their estimated receipts and expenditure of the following year in consultation with Borough Committee or the Ward Committee and report the same to the Chairman through the Executive Officer/ Finance Officer/ the Secretary within 10 January each year. The Accounts Department shall considering the departmental requirement and having regard to the provable financial resources prepare the Draft Annual Budget Estimates. The Chairman with the help of the Executive Officer/ Finance Officer/ the Secretary finalise the draft Annual Budget Estimate and place the same to the Chairman-in-Council within 21 February each year. The draft Annual Budget Estimate after consideration by the Chairman-in-Council shall be place before BOC meeting specially convened for the purpose within 10 March each year. The BOC shall after discussion adopt the said budget estimate with or without modification within two weeks of its placement.

According to Section 82 of the West Bengal Municipal Act, 1993 no deficit shall be shown in the budget estimate. The savings in expenditure *vis-à-vis* the budget provisions noticed in audit indicates absence of a definite work plan rendering them unrealistic. The overall budget provision for the year 2004-05, 2005-06 and 2006-07 and the expenditure there against of 126 ULBs had been asked for in audit, of which, 27 ULBs furnished information as given below: (unit-wise position is detailed in **Appendix 2A, 2B and 2C**)

(Rupees in crore)

Year		Budget Provisions	Actual expenditure	Savings (-) Excess (+)
2004-05	Revenue	133.78	115.11	(-)18.67
	Capital	77.97	42.17	(-)35.80
2005-06	Revenue	153.75	132.84	(-)20.91
	Capital	85.47	52.30	(-)33.17
2006-07	Revenue	163.13	136.91	(-)26.22
	Capital	87.15	43.88	(-)43.27

It was seen that 17, 21 and 19 numbers of ULBs could utilise revenue budget and 7, 9 and 4 numbers of ULBs could utilise capital budget upto 80 *per cent* and more in 2004-05, 2005-06 and 2006-07 respectively.

(b) Excess of expenditure over grant

As per provisions of the municipal law, no payment out of Municipal Fund shall be made unless such expenditure is covered by a current budget grant and a sufficient balance of such budget grant is available, notwithstanding any reduction or transfer thereof under the provisions of the Acts.

Test check of overall budget provisions and expenditure of 27 ULBs revealed that 11 municipalities exceeded the respective provisions during 2004-05 to 2006-07 as detailed below:

Revenue Section

(Rupees in lakh)

Name of ULB	Year	Budget provision	Expenditure	Excess
Barrackpore	2004-05	403.16	410.43	7.27
	2005-06	461.51	478.58	17.07
	2006-07	468.69	479.59	10.90
Chandernagar	2004-05	1311.63	1316.17	4.54
Pujali	2005-06	279.89	283.55	3.66
Mahestala	2005-06	528.80	552.44	23.64
Ramjibanpur	2004-05	29.89	35.71	5.82
	2005-06	36.63	39.98	3.35
	2006-07	39.29	44.10	4.81
Ranaghat	2004-05	397.70	458.12	60.42
	2005-06	432.81	470.15	37.34
	2006-07	530.86	548.81	17.95
Serampore	2004-05	662.41	648.26	21.85
	2005-06	723.17	816.47	93.30
Total				311.92

Capital Section

(Rupees in lakh)

Name of ULB	Year	Budget provision	Expenditure	Excess
Barrackpore	2004-05	408.50	459.29	50.79
	2005-06	377.50	395.97	18.47
	2006-07	319.75	389.49	69.74
Guskara	2004-05	356.64	639.55	282.91
Kalna	2005-06	1.00	2.85	1.85
Kanchrapara	2005-06	6.06	8.57	2.51
Mahestala	2004-05	373.21	516.32	143.11
	2005-06	499.00	560.23	61.23
Ranaghat	2006-07	4.00	4.37	0.37
Serampore	2004-05	48.22	51.16	2.94
Sonamukhi	2004-05	21.60	25.21	3.61
Total				637.53

The municipalities neither furnished any reasons for incurring such excess expenditure over provisions nor initiated any action to regularize the excess over grant.

(c) Inadequacy in utilization of capital fund

Eight⁶ ULBs neither made any provision for capital expenditure during 2004-07 nor expended any amount for the same. The actual expenditure under capital section for creation of assets had increased to 12 *per cent* (Rs 52.30 crore) during 2005-06 from 48 *per cent* (Rs 42.17 crore) during 2004-05 but decreased by 16 *per cent* from Rs 52.30 crore in 2005-06 to Rs 43.88 crore in 2006-07. There was an average shortfall in actual capital expenditure of 51 *per cent* vis-a-vis budget provision.

A decrease in capital expenditure is considered undesirable as it adversely impacts the extension of social and economic infrastructure network and creation of assets by the municipalities.

2.2 Annual Accounts

(a) Non-preparation of Budget and Receipt and Payment Account

During audit it was seen that the following municipalities did not prepare Receipt and Payment Accounts for the period as detailed below:

(Rupees in crore)

Sl. No.	Name of ULB	Arrear in accounts	Receipt	Expenditure
1.	Raiganj	2005-06	7.39	7.62
2.	Purulia	2005-06 to 2006-07	14.68	14.05
3.	Kandi	2006-07	3.86	3.08
4.	Krishnanagar	2005-07	NA	NA
5.	Bongaon	2006-07	8.31	7.77
6.	Jiaganj-Azimganj	2005-07	NA	NA
7.	Bolpur	2004-05 to 2006-07	13.94	11.58
Total			48.18	44.10

However, Raiganj, Purulia, Kandi and Bongaon municipalities prepared budget estimates but the remaining ULBs did not prepare any budget estimate during the above mentioned period.

⁶ Balurghat, Bhatpara, Chandernagar, Haldibari, Hooghly-Chinsurah, Kalna, Ramjibanpur and Sainthia.

Due to non-preparation of annual accounts, receipt of Rs 48.18 crore and expenditure of Rs 44.10 crore during 2004-07 by these local bodies could not be vouchsafed.

(b) Deficiencies in Receipt and Payment Account

(i) Test check of annual accounts of Garulia Municipality for the period from 2004-05 to 2005-06 revealed that opening balance was not reflected in the annual accounts.

(ii) Khardah Municipality deposited receipt of Rs 0.82 lakh into the bank account on 29 March 2006 without it being posted in the books of account which resulted in understatement of revenue. Moreover, the receipt of Rs 8.99 lakh and the expenditure of Rs 8.59 lakh under National Old Age Pension Scheme was not taken into account while preparing annual accounts. The transfer of Rs 5.77 lakh to the bank account of Swarna Jayanti Sahari Rojgar Yojana was treated as expenditure which resulted in understatement of closing balance of the grant.

(iii) The Bank balance as per Cash Book and actual Bank balance should be reconciled periodically to reflect correctness of liquidity position but this was not done in 18 municipalities in 2005-06 and 2006-07. The concerned municipalities had shown a Cash Book balance of Rs 54.92 crore against actual Bank/Treasury balance of Rs 71.82 crore (**Appendix-3**). The differences need immediate investigation and early reconciliation by the respective ULBs.

2.3 Preparation of Double entry system of Accounts

(a) Non-preparation of Balance Sheet

Each ULB is required to prepare annually a balance sheet of assets and liabilities in the prescribed form, which is to be placed before the Board of Councillors.

It was noticed that none of the municipalities audited submitted Balance Sheets for the year upto 2005-06. As a result, the position of assets and liabilities of the ULBs could not be verified.

(b) Deficiencies in the Balance Sheet of Kolkata Municipal Corporation (KMC) for the year ending 31 March 2006

The deficiencies noticed during test check of the balance sheet of the KMC for the year ending 31 March 2006 have been issued separately. The important points noticed are mentioned below:

Liabilities

❖ Provident Fund is not regulated by any separate trust having a separate legal entity as per regulation framed under the KMC Act. The entire amount of employees' contribution and employer's contribution are being managed/ invested/ reinvested by the KMC management as per accounts and records maintained by the Provident Fund Cell. The deficit of Rs 14.46 crore as on 31 March 2006 has to be borne by KMC but only Rs 9.95 crore was charged in the accounts upto 31 March 2005. The balance amount of Rs 4.51 crore has not been charged in the Income and Expenditure Account for the year 2005-06 resulting in overstatement of Excess of Income over Expenditure as well as Municipal Fund by Rs 4.51 crore with corresponding understatement of current liability on account of Provident Fund.

❖ Out of the Miscellaneous Deposits of Rs 308.02 crore, Rs 36.96 crore had been irregularly written back to income in the accounts for 2003-04 under prior period adjustment. Only a sum of Rs 31.81 crore was reversed in the accounts for 2004-05 in compliance with earlier audit observation leaving a balance amount of Rs 5.15 crore. Non reversal of the balance amount resulted in understatement of Miscellaneous Deposit with corresponding overstatement of Excess of Income over Expenditure and Municipal Fund by Rs 5.15 crore. KMC admitted the fact and agreed to adjust the same in the accounts for 2006-07.

Assets

❖ The Capital work-in-progress of Rs 106.25 crore under schedule 13 C and expenditure of Rs 45.77 crore on general infrastructure improvement not yet capitalized under schedule 14 included an amount of Rs 32.86 crore shown as work-in-progress for more than 10 years without any progress and physical verification with regard to their status. These no longer justify consideration as work-in-progress and need to be written off. Thus inclusion of the said amount

resulted in overstatement of assets as well as surplus revenue and Municipal Fund by Rs 32.86 crore. KMC admitted the fact and agreed to adjust the same in the accounts for 2006-07.

❖ The opening balance of inventory for the year 2005-06 was taken as Rs 9.36 crore against the closing balance of Rs 6.62 crore of the audited Balance Sheet as on 31 March 2005. This excess valuation of Rs 2.74 crore has resulted in overstatement of Excess of Income over Expenditure as well as Municipal Fund by Rs 2.74 crore. KMC admitted the fact and agreed to settle and adjust the same in the accounts for 2006-07.

❖ Receivables – General Government dues include Rs 20.23 crore and Rs 41.85 crore towards License and Tax on Profession, Trades and Callings as on 31 March 2006 which remained stagnant for over 4 years since 2001-02. The Corporation did not produce any document in support of the said receivables rendering them doubtful. Thus, non adjustment of such irrecoverable dues resulted in overstatement of Receivables, Excess of Income over Expenditure as well as Municipal Fund to the extent of Rs 62.08 crore.

❖ Loans and Advance of Rs 345.31 crore have remained stagnant for over five years. The amount not being recoverable, as revealed in the relevant Notes to the Accounts is required to be written off in the Income and Expenditure Account. Thus, non writing off the amount resulted in overstatement of Loans and Advances, Excess of Income over Expenditure and Municipal Fund by Rs 345.31 crore.

❖ KMC has continued to show Rs 74.26 crore as receivables under ‘Dues from Government and Other Institutions’ as on 31 March 2006 for executing schemes/works on behalf of various grantors. In the absence of the commitment or acceptance of the grantors in support of the expenditure of Rs 74.26 crore, the claim for reimbursement of the amount is not valid as receivables. As a result there remains an overstatement of receivables by Rs 74.26 crore with corresponding overstatement of Municipal Fund as on 31 March 2006.

❖ Rs 85.16 lakh being shown receivable as excess Profession Tax deposited during 1997-98 to 2002-03 with the Tax authority is yet to be written off in spite of comments issued in this regard through the Audit Reports on the Financial Statements for 2003-04 and 2004-05. Since the amount was never

formally claimed from the Tax authority, the amount is not eligible for refund and, therefore, should have been written off. Non-writing off the amount resulted in overstatement of above Receivable head, Excess of Income over Expenditure and Municipal Fund to the extent of Rs 85.16 lakh.

❖ Deferred Income of Rs 1.63 crore was not arrived at as per Accounting Standard 12 and disclosed policy under 'Fixed Assets'. It was to be in proportion to the depreciation charged in respect of creation of depreciable assets out of Earmarked Fund. This led to understatement of the above income by Rs 1.38 crore resulting in the understatement of Excess of Income over Expenditure and Municipal Fund by the same amount.

2.4 **Poor utilization of developmental grants**

Grants and assistance released to the ULBs for execution of specific projects / schemes are required to be utilized in the respective year. The position of utilization of developmental grants during the year 2005-07 was as under:

No. of ULBs	Year	Opening balance	Receipts	Total	Utilisation	Percentage of utilization	Remarks
		(R u p e e s i n c r o r e)					
68	2005-06	100.35	190.78	291.13	173.23	60	ULB wise details given in Appendix 4 & 5
24	2006-07	35.28	56.42	91.70	42.95	47	

Test check of records revealed that only 60 *per cent* and 47 *per cent* of the available funds were utilized in 2005-06 and 2006-07 respectively. Only eight out of 68 ULBs in 2005-06 and one out of 24 ULBs in 2006-07 could utilise more than 80 *per cent* of available funds. The poor absorption capacity of funds by the ULBs was mainly due to non-execution of specific works and receipt of funds at the fag end of the financial year. This, in turn, deprived the targeted beneficiaries of the intended benefits.

2.5 **Diversion of fund**

During the period from 2002-03 to 2006-07 ten ULBs diverted Rs 1.31 crore which were sanctioned for specific purposes. This defeated the very purpose of the grants besides depriving the beneficiaries of their intended benefits. The details are shown in **Appendix -6**.

2.6 **Loan taken without approval of the Government**

As per Section 72(1) of the West Bengal Municipal Act, 1993, a ULB may with the prior permission of the State Government obtain loan from any public financial institution or any nationalized bank or such other lending institute as the State Government may approve in this behalf. The State Government may, if it considers so necessary, stand as the guarantor for payment.

This is subject to such financial norms in the matter of debt servicing including creation of a sinking fund as prescribed by the Government under the provisions of Acts and Rules.

In contravention of the above provisions, Garulia and Contai municipalities had obtained loan of Rs 18.55 lakh and Rs 47.34 lakh respectively during 2004-06 without prior approval of the State Government.

2.7 **Increasing liability towards loan**

Municipalities obtain loan from financial institutions or nationalized banks or other such lending institutions for implementation of various schemes / programmes. The principal and interest are payable according to the terms and conditions of the respective loan agreement.

During scrutiny in audit it was noticed that 19 municipalities did not repay any loan and interest accrued thereon resulting in accumulation of liability as detailed below:

(Rupees in lakh)					
Name of ULB	Year of loan	Source of loan	Amount of loan	Liability	As of
Baidyabati	Loan taken upto 2000-01	Eighth Plan & CUDP-III	187.77	577.61	March 2007
Garulia	2004-06	Private parties.	18.55	Not computed	March 2006
North Dum Dum	NA	Eighth Plan & CUDP-III	293.35	1194.38	March 2007
Santipur	1992-93 & September 2002	Bank IDSMT	30.00	21.34	March 2007
Chandernagar	NA	Bank	40.00	49.82	March 2006
Birnagar	NA	Not available	67.54	74.75	March 2006

Uluberia	NA	CUDP-III, Eighth Plan & KVIB.	450.97	1051.93	March 2006
Barasat	NA	Eight Plan CUDP-III and HUDCO.	4.92	Not computed	March 2006
Gayespur	1984-85 to 1993-94	CMDA under CUDP-III	65.23	181.89	March 2006
Chakdah		State and Central	20.36	Not computed	March 2006
Asansol	1980-81 to 1992-93	LIC	231.00	310.59	March 2006
North Barrackpore	1997-98 to 2000-01	CUDP-III and Eighth Plan	495.18	875.92	March 2006
Barrackpore	NA	CUDP-III	154.06	Not computed	March 2006
Dubrajpur	NA	Not available	5.00	6.43	March 2006
Kanchrapara	NA	State	109.58	109.58	March 2006
Ashokenagar-Kalyangarh	NA	Not available	18.18	22.35	March 2007
Dainhat	NA	Bank	7.65	7.95	March 2007
Hooghly-Chinsurah	NA	Not available	980.71	1199.17	March 2007
Contai	2003-04 to 2005-06	HUDCO & Bank	147.34	139.40	March 2007

Increasing liabilities on account of unpaid loans adversely impacts the financial stability of the ULBs and their capacity to raise market loans.

2.8 Liability towards outstanding water charges

Serampore, Konnagar and Uttarpara-Kotrang municipalities did not pay water charges amounting to Rs 29.65 crore to Kolkata Metropolitan Water and Sanitation Authority for consumption of water upto April 2007. Similarly, Bolpur Municipality did not pay water charges of Rs 61.23 lakh to Public Health Engineering Department (PHED) during April 2003 to November 2006. No reasons were furnished / recorded for non payment of unpaid water charges by the above municipalities.

2.9 Loss of fund due to theft/ defalcation/ misappropriation

Cases of theft/ defalcation/ misappropriation of funds were noticed in the following ULBs during the period from 2004-07 as detailed below:

(Rupees in lakh)			
Name of ULB	Year	Particulars	Amount
Kharagpur	2004-06	Non-deposit of miscellaneous receipt	0.47
Kalna	2005-07	i)Non-deposit of Rs 1.46 lakh collected by Ex-cashier	3.11

		ii)Non-deposit of Rs 1.23 lakh of Valmiki Ambedkar Malin Basti Abas Yojana collected by cashier iii)Non-deposit of Rs 0.15 lakh kept in the personal custody of the cashier at the time of retirement iv)Non-deposit of lease money of Rs 0.27 lakh	
Uttarpara-Kotrang	2004-06	Non-deposit of miscellaneous receipt	0.83
Total			4.41

In terms of Rule 26 of the West Bengal Municipal (Finance and Accounting) Rules, 1999 whenever loss of money by embezzlement, theft, or otherwise is discovered, the Chairman or the Vice-Chairman or the Executive Officer or the Secretary shall lodge a first information report in the local police station, and the fact shall be promptly reported by him to the Chairman-in-Council. When the matter has been fully enquired into, he shall submit to those authorities a further and complete report showing the total sum of money lost, the manner in which it was lost, and the steps taken to recover the amount and the punishment imposed on the offenders, if there be any. Uttarpara-Kotrang Municipality issued a show cause to the concerned employee. But the other municipalities did not take any action according to the rule.

No responsibility has so far been fixed by the respective ULBs.

2.10 Unwarranted expenditure

In terms of the notification No. 352 Edn (P) dated 15 April 1992 issued by the Government of West Bengal, all primary schools under the municipalities stood transferred to the District Primary School Council (DPSC) together with their lands, buildings and other properties and all teachers and other staff shall be deemed to be employed by DPSC from that date.

Despite the above arrangement for taking over liabilities of primary schools, twelve ULBs incurred a total expenditure of Rs 4.37 crore towards salary of employees and maintenance of primary schools during the period 1992-2007 as shown below:

(Rupees in lakh)			
Name of ULB	Year	No. of schools	Amount
Rampurhat	2004-06	2	8.87
Garulia	2004-06	5	8.88
Kalna	1994-2007	1	5.72
Old Malda	1995-2007	3	72.52
Dum Dum	2004-06	1	16.69
Asansol	2005-06	2	15.82
Raniganj	2005-06	5	4.02
Durgapur	1992-06	5	130.67
Baidyabati	2004-07	8	84.76
Konnagar	2004-07	1	21.23
South Dum Dum	2003-06	3	42.49
Balurghat	2005-07	2	25.74
Total			437.41

The Government reimbursed Rs 90.72 lakh, Rs 74.92 lakh and Rs 73.15 lakh to Durgapur M C, Asansol M C and Baidyabati Municipality against their expenditure of Rs 1.31 crore (1992-2006), Rs 1.09 crore (1999-2006) and Rs 84.76 lakh (2004-2007) respectively. Except Durgapur Municipal Corporation, no ULB took up the matter with the Government for handing over those schools. Thus, instead of handing over the schools to the DPSC, the ULBs are incurring expenditure which should have been used for providing services to the local people.

The matter was similar mentioned under para 2.11 and 2.10 in the Reports of the Examiner of Local Accounts on Urban Local Bodies for the year ending 31 March 2005 and 2006 respectively.

2.11 Non recovery / payment of electricity charges

(a) Five municipalities⁷ paid Rs 38.58 lakh towards electricity charges for the period 2003 to 2007 in respect of staff quarters, shops, stalls, markets etc. but did not realise the same from the allottees till the close of the year 2006-07.

⁷ Kharagpur: Rs 1.18 lakh, Kalna: Rs 5.25 lakh, Rajpur-Sonarapur: Rs 5.74 lakh, Konnagar (Rs 15.89 lakh) and Uttara-Kotrang: Rs 10.52 lakh.

This has resulted in undue benefit to the occupants by the ULBs without any efforts being made for recovery of the charges.

(b) It is essential to make payment of electricity charges within the due date so as to avail the rebate and also avoid payment of surcharge /penalty. Test check of records revealed that six municipalities⁸ did not pay electricity charges towards pumps, street lights, market light etc. amounting to Rs 13.84 crore during 2004-06. Thus, delay in making timely payment by ULBs created avoidable additional burden on account of surcharge/penalty.

(c) Similarly, Garulia municipality could not avail rebate of Rs 0.49 lakh due to delay in payment of electricity bills which led to avoidable expenditure of Rs 0.49 lakh.

2.12 Non adjustment of advances

Advances aggregating Rs 16.74 crore granted by 34 ULBs to employees, suppliers and contractors for various purposes remain unadjusted till March 2006/March 2007 (**Appendix - 7**).

This is indicative of weak internal control mechanisms to follow up regular adjustment of advances resulting in blocking of institutional funds.

2.13 Loss of interest on Provident Fund

Provident Fund subscription collected by deductions from salary is required to be credited to the fund account at the treasury within 15 days of the next month to avoid loss of interest payable to the subscribers. However, it was noticed that 15 ULBs did not remit Provident Fund money into the fund account in the treasury within the stipulated time in spite of regular deduction from salaries. Such delay ranging from one month to 22 years in crediting of Provident Fund money resulted in loss of interest on Provident Fund account to the tune of Rs. 1.57 crore accrued during the intervening period, thereby creating an additional burden on the ULBs (**Appendix - 8**) as the same was not payable by the Government.

⁸ Dum Dum (Rs 128.74 lakh), Ranaghat (Rs 62.63 lakh), Asansol M C (Rs 736.35 lakh), North Barrackpore (Rs 4.77 lakh), Garulia (Rs 142.84 lakh) and Serampore (Rs 308.93 lakh).

Dum Dum, Chakdah, Kanchrapara and Krishnanagar municipalities did not deposit Rs 10.81 lakh, Rs 10.24 lakh, Rs 61.73 lakh and Rs 62.04 lakh respectively pertaining to the periods from 1985-86 to 2006-07 to Provident Fund Account maintained in the treasury. Due to improper maintenance of records the loss towards interest could not be ascertained.

2.14 Non remittance of Government dues / other dues

As per provisions, tax deducted at source shall be credited to the Government account in the succeeding month. It was, however, seen that Purulia and Contai municipalities failed to deposit the Income Tax (IT), Sales Tax (ST) and Professional Tax (PT) deducted at source amounting to Rs 49.48 lakh as of March 2006. Kanchrapara Municipality did not deposit Water Cess of Rs 1.72 lakh pertaining to the period 2002-04 to the West Bengal Pollution Control Board till November 2006.

The delay in deposit of government revenues attracts interest and penalty on the non-remitted amount entailing additional financial burden on those municipalities.

A similar case of non-remittance of Government dues (Income Tax) involving additional payment towards interest and penalty was mentioned under Para 7.2 of the Report of the Examiner of Local Accounts on Urban Local Bodies for the year ending 31 March 2004.

2.15 Deficiencies in maintenance of records

During test check, following irregularities were noticed in maintenance of records in ULBs:

(a) Deficiencies in maintenance of cash book / stock register in 57 ULBs

- i) Entries in the Cash Book were not authenticated by the competent authority.
- ii) Daily cash balance was not verified and certified.
- iii) Transactions were not entered in the Cash Book on the date of occurrence.
- iv) Correction and alteration in Cash Book were made without authentication of competent authority.
- v) All receipts and issues were not entered in the stock register.

- vi) Physical verification of stock was not done.
- vii) Indents and issue of receipt books were not regularly accounted for.
- viii) Vouchers were not numbered serially and not pasted in the Guard file.

(b) Non- maintenance of basic records in 46 ULBs⁹

The prescribed basic records viz. Work Register, Stock Register, Investment Register, Loan Register, Un-paid Bill Register, Self Cheque Register, Deposit Ledger, Asset Register, Register of Tool and Plants, Register of Civil Suits and Advance Ledger were not being maintained.

2.16 Internal Audit

In terms of Section 91 of the West Bengal Municipal Act, 1993 the State Government may by rules provide for internal audit of the day-to-day accounts of a Municipality in such manner as it thinks proper.

Rule 24 of the West Bengal Municipal (Finance and Accounting) Rules, 1999 stipulates that the Chairman-in-Council (CIC) of the Municipality shall cause a checking of accounts of the Municipal Fund, at least once in every month. In course of such checking, the officer authorized in this behalf shall identify the errors, irregularities and illegalities, if any, in the matter of maintenance of accounts and make notes of the same. The CIC shall also cause the preparation of a report on checking of accounts of the Municipal Funds for every quarter which shall be placed before the Municipal Accounts Committee and the Director of Local Bodies, for examination and report.

Test check of records of 54 ULBs revealed that the ULBs and the Government did not make any arrangements to conduct internal audit of the accounts of those ULBs.

Further, Section 156 and 157 of the KMC Act, 1980 provide that the Chief Municipal Auditor shall conduct internal audit of the accounts of the Corporation and shall report thereon highlighting the material impropriety or

⁹ Bolpur, Kalyani, Balurghat, Konnagar, Kandi, Ghatal, Diamond Harbour, Habra, Ramjibanpur, Bongaon, Champdani, Tarakeswar, Old Malda, Joynagar-Mozilpur, Kalna, Bhatpara, Halisahar, North Dum Dum, Baidyabati, Guskara, Haldibari, South Dum Dum, Krishnanagar, Bally, Purulia, Jiaganj-Azinganj, Barasat, Memari, Pujali, Birnagar, Chandrakona, Chandernagar, Raiganj, Santipur, Taherpur, Durgapur, Dum Dum, Garulia, Ranaghat, Mahestala, Serampur, Raniganj, Contai, Raghunathpur, North Barrackpore and New Barrackpore.

irregularity noticed. Due to non-furnishing of the report of Internal Audit on the accounts of the Corporation for the year 2005-06 it could not be ascertained whether internal control is commensurate with the size and volume of transactions of KMC. In reply, KMC stated (January 2008) that the Report of the Chief Municipal Auditor on the accounts for the years 2004-06 was vetted by the Municipal Commissioner on 5 December 2007 and printed Report would be sent to Examiner of Local Accounts, West Bengal on completion of statutory formalities.

CHAPTER III

REVENUE RECEIPTS

The revenue receipts of an Urban Local Body comprises of receipts from its own sources (tax and non-tax revenue), assigned revenue, grants and contributions. The deficiencies in management of resources, loss in assessment/ remission of tax and short/non realisation of other dues and charges noticed during audit are described in the succeeding paragraphs.

3.1 Budget estimates and actuals

The variations between budget estimates and actuals of revenue receipts from own source and Government grants of 27 ULBs during the years 2004-05 to 2006-07 are given below (unit wise position is detailed in **Appendix – 9A, 9B & 9C**):

(Rupees in crore)

Year	Source	Budget Estimates	Actual receipts	Variations Increase(+) Shortfall(-)	Percentage of realisation
2004-05	Own fund	65.06	57.48	(-)7.58	88
	Govt. grant	72.22	67.73	(-)4.49	94
	Total	137.28	125.21	(-)12.07	91
2005-06	Own fund	75.14	65.98	(-)9.16	88
	Govt. grant	80.56	77.37	(-)3.19	96
	Total	155.70	143.35	(-)12.35	92
2006-07	Own fund	81.26	71.04	(-)10.22	87
	Govt. grant	87.95	81.95	(-)6.00	93
	Total	169.21	152.99	(-)16.22	90

The overall mobilization of resources under revenue receipts during the years 2004-05 to 2006-07 reflects shortfall upto 10 *per cent* with respect to budget estimates. The shortfall was mainly due to less realisation of receipt from own sources in comparison to the budget estimate.

The average realisation of revenue from own sources was 88 *per cent* during 2004-05 to 2006-07 and receipt of government grants around 94 *per*

cent. Nine¹⁰ ULBs failed to realise 80 per cent of estimated receipts during three years and Sainthia Municipality failed to realise 80 per cent of estimated receipts in any year during the three year period.

Only twelve¹¹ ULBs could raise 80 per cent of estimated own fund during 2004-07. Out of the remaining 15 ULBs whose collection ranged between 24 per cent and 79 per cent, six ULBs stated that shortfall was due to non receipt of dues from government holdings.

This trend of collection of revenue adversely affects the capacity of ULBs to provide services to their tax payers.

3.2 Poor monitoring of Property Tax collection

The position of arrears, current demand, collection and outstanding property tax (including service charge on Central Government properties) at the end of 2004-07 furnished by 32 ULBs was as under (unit wise details shown in Appendix – 10A, 10B and 10C):

(Rupees in crore)

Year	Demand			Collection			Total outstanding dues
	Arrear	Current	Total	Arrear	Current	Total	
2004-05	42.40	21.69	64.09	9.65	10.72	20.37	43.72
2005-06	47.40	25.78	73.18	9.15	13.68	22.83	50.35
2006-07	45.80	26.52	72.32	8.71	14.36	23.07	49.25

Only 31 to 32 per cent of the total demand has been collected during 2004-07 thereby further raising the arrear demand at the close of the year. Furthermore, 49 to 54 per cent of the current demand could be realised by the ULBs during the same period. This indicates poor monitoring in collection of tax.

¹⁰ Haldibari, Old Malda, Kharagpur, Sainthia, Balurghat, Kanchrapara, Bhatpara, Guskara and Bongaon.

¹¹ Chakdah, Chandernagar M C, Durgapur M C, Hooghly-Chinsurah, Joynagar-Mozilpur, Konnagar, Midnapur, Pujali, Ramjibanpur, Ranaghat, Serampore and Uluberia.

Except for Hooghly-Chinsurah, North Dum Dum and Ramjibanpur municipalities, the remaining ULBs failed to collect dues even equivalent to the current demand, which added to the outstanding accumulation of dues.

However, the concerned ULBs did not take appropriate steps for recovering the outstanding dues.

Test check of records of the outstanding property tax revealed that arrears are accumulating mostly in holdings of State Government Offices, School and College, Hospital, Zilla Parishad, Civil Court Bar Library, Criminal Court Bar Association, Sub-Division Civil Judge, etc. No steps were taken by the Municipality to realise the arrears of property tax.

3.3 Loss of revenue due to delay in revision of annual valuation of property

Property tax on land and building in a holding is determined on the basis of annual value of that holding. As per provisions of the Act, annual valuation of a holding shall, subject to other provisions, remain in force in respect of each ward for a period of six years (five years with effect from 1 October 2003 in respect of municipality). The ULBs shall cause a general revision of all holdings to ensure that there is a revision of annual valuation of all municipal holdings at the termination of successive period of six years or five years as the case may be.

Due to delay ranging from six months to five years in such revisions, seven municipalities suffered a loss of revenue of Rs 9.03 crore as detailed below:

(Rupees in lakh)

Name of ULB	Due date of revision	Actual date of revision	Period of delay	Loss of revenue
Ashokenagar-Kalyangarh	January 2005	Revised valuation not imposed as of March 2007	Two years and three months	18.68
Kalyani	April 2000	July 2005	Five years and three months	543.80
Hooghly-Chinsurah	October 2006	Revised valuation not imposed as of March 2007	Six months	38.84
Raiganj	July 2004	Revised valuation not effected as of June 2006	Two years	132.58

Kalna	April 2004	October 2006	Two years and six months	60.02
Jiaganj-Azimganj	April 2002	July 2004	Two years and three months	65.90
Habra	July 2005	July 2006	One year	42.81
Total				902.63

Fifteen ULBs¹² did not take action for revision of valuation as of 31 March 2007. The period of delay ranged between six months to 21 years in these ULBs. The loss of revenue in respect of the ULBs could not be ascertained for want of assessment of valuation.

Uttarpara-Kotrang merged the adjoining panchyat area including the area of Hindustan Motors Ltd. on 12 August 1991 but no property tax was realised from the unit till March 2005. The annual valuation as fixed by the Central Valuation Board, West Bengal took effect from the first quarter of 2005-06. Non-assessment of the unit for more than thirteen years caused huge loss to the Municipality.

In terms of Durgapur Municipal Corporation (DMC) Act, 1994 where the annual valuation of any land and building exceeds Rs 40000, the consolidated rate shall be determined on 40 *per cent* of the annual valuation. But while determining the annual tax of 319 holdings having annual valuation more than Rs 40000, DMC assessed tax at the rate of 30 *per cent* against the provision of 40 *per cent*. This resulted in loss of revenue of Rs 2.19 crore during July 2005 to August 2006.

3.4 Loss due to inadmissible remission in property tax – Rs 5.41 crore

In terms of Section 111(4) of the West Bengal Municipal Act, 1993 any person who is dissatisfied with the decision on valuation of his property as entered in the assessment list, may prefer an application for review before the Board of Councillors (BOC) within a period of two months from the date of presentation of bill for payment of tax.

¹² Contai, Durgapur M C, Kurseong, Rajpur-Sonarapur, Birnagar, Barasat, Serampore, Uluberia, Asansol M C, Darjeeling, Kanchrapara, Ghatal, Diamond Harbour, Taherpur and Bankura.

The provision under Section 112(1) of the Act stipulates that every application presented under sub-Section (4) of Section 111 shall be heard and determined by a Review Committee. It also provides that the Review Committee may reduce the valuation of any land or building. However, such reduction shall not be more than twenty five *per cent* of the annual valuation of such land or building except in the case of gross arithmetical or technical mistake. In contravention of the above provision, the concerned Review Committee in respect of five ULBs allowed remission, despite there being no calculation error upto the maximum of 81 *per cent*, as of March 2007 without recording any reason for such reduction. This resulted in loss to the Municipal Fund amounting to Rs. 5.41 crore during 1996-97 to 2006-07 as detailed below:

(Rupees in lakh)			
Sl No.	Name of the ULB	Period	Loss
1.	Birnagar	January 1997 to March 2006	23.22
2.	Uluberia	October 1996 to September 2005	488.52
3.	Chakdah	April 2005 to March 2006	3.03
4.	Joynagar-Mojilpur	April 2001 to March 2007	9.97
5.	Bolpur	July 2003 to March 2007	16.55
Total			541.29

3.5 Non/ under imposition of surcharge on commercial/industrial holdings – Loss of revenue of Rs 9.38 crore

As per Section 97 of the West Bengal Municipal Act, 1993, a surcharge at such rate not less than 20 *per cent* and not more than 50 *per cent* of the total property tax imposed on a holding shall be levied as the BOC may from time to time decide if such holding is wholly or in part used for commercial, industrial or such other non-residential purposes. The rate of surcharge shall form part of property tax for the purpose of recovery.

In violation of the above provision, 27 ULBs did not impose any surcharge on property tax during 1997-2007 resulting in loss of revenue of Rs 9.38 crore (**Appendix - 11**). The reasons for non imposition of surcharge

were not on record. Further more, the matter in respect of 16 ULBs¹³, out of 27 ULBs was earlier pointed out in the Audit Report ending 31 March 2004, 2005 and 2006.

3.6 Non/short realisation of water charges –Loss of revenue of Rs 5 crore

In terms of Section 226 (1) of the West Bengal Municipal Act, 1993, it shall be the duty of every municipality to provide supply of wholesome water for the domestic use of inhabitants. The supply of water for domestic and non-domestic uses may be charged for at such scale of fee or price as may be prescribed. Till September 2002, the charge for water for domestic use was to be fixed for supply in excess of such standard as may be prescribed by the BOC. The charge in a municipal area ranging from Rs 15 to Rs 150 per month for supply of water to domestic and non-domestic consumers was to be fixed on the basis of property tax and ferrule¹⁴ size. However, due to non imposition of charges or imposition of charges at a lower rate, twelve ULBs sustained a loss of Rs 5.00 crore during the period from February 2003 to March 2007 (**Appendix - 12**).

It was also noticed in audit that ten ULBs had outstanding water charges of Rs 1.27 crore at the end of March 2007 as detailed below:

(Rupees in lakh)

Name of ULB	As of	Amount
Kandi	March 2007	7.26
Bhatpara	March 2007	26.12
Kalna	March 2007	12.65
Old Malda	March 2007	6.90
Ashokenagar-Kalyangarh	March 2007	33.88
Haldibari	March 2007	0.54
Guskara	March 2007	0.41
Halisahar	March 2007	3.32
Konnagar	March 2007	32.70
Purulia	March 2007	2.69
Total		126.47

¹³ Pujali, Jamuria, Chakdah, Asansol Kurseong, Mahestala, Midnapur, Taherpur, Garulia, Kandi and Old Malda

¹⁴ A device placed on a water pipe to allow fixed quantum of water to flow through it.

3.7 **Failure in generating projected revenue due to non allotment/ delay in allotment of stalls/ shops**

The BOC with prior approval of the State Government may undertake the formulation, execution and running of commercial projects including market development schemes, industrial estates, depots for trading in essential commodities, maintain bus or tracker terminals together with commercial complexes, run tourist lodges and centers along with commercial activities or carry on similar projects on a commercial basis.

Test check of market complexes of Chandrakona and Dubrajpur municipalities revealed that non-allotment of stalls/ shops for a period ranging from two to four years failed to generate projected revenue of Rs 1.98 lakh and Rs 1.45 lakh towards *salami*¹⁵ and rent in addition to blockage of capital.

Further, Memari (July 2004), Kanchrapara (August 2004), Dainhat (April 2006), Joynagar-Mozilpur (March 2003) and Guskara (August 2002) municipalities constructed shopping / market complexes at a cost of Rs 75.22 lakh, Rs 4.55 lakh, Rs 23.34 lakh, Rs 27.48 lakh and Rs 14.40 lakh respectively. The stalls of the complexes were yet to be allotted till March 2007. Non-allotment of stalls rendered the expenditure unfruitful and frustrated the very purpose of augmentation of revenue.

This reflects inadequate planning and a weak monitoring mechanism in the ULBs resulting in loss of potential revenue.

3.8 **Non realisation of rent/ lease money – Rs 2.33 crore**

In 31 ULBs, the arrears in realisation of rent/*salami* from stalls, *hats* and shops, market complexes and land amounted to Rs 2.33 crore till the date of audit as detailed in **Appendix – 13**.

Inaction in realisation of rent from the above properties reduced the revenues of these ULBs to that extent, thereby widening the resource gap.

3.9 **Irregular collection – Rs 1.21 crore**

Test check of records of seven municipalities revealed that an amount of Rs 1.21 crore was collected from tax payers during 2002-2007 either without observing the procedure laid down or without any provision for such collection as per the details given below:

¹⁵ One time premium payable by leasee or tenant.

(Rupees in lakh)

Name of ULB	Period	Particulars	Amount
Serampore	2004-06	Collection of development fees without any provision.	59.50
	2003-06		18.56
Durgapur M C	2005-06	Collection of penalty charges /fines for unauthorized construction of buildings.	5.02
Khardah	2005-06		1.38
Ashokenagar-Kalyangarh	2005-07		0.30
Purulia	2002-07		3.24
Madhyamgram	2005-07		32.61
Balurghat	2004-07		0.15
Total			120.76

Such collection of revenue without observing any prescribed provision attracts the risk of litigation and consequent financial burden towards repayment with interest.

3.10 Recovery of misappropriated receipts at the instance of audit

As per Rule 79 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, all collections made by the collection clerk shall be entered in daily collection challan and credited to the cashier's cash book on the very day of collection.

Test check of miscellaneous receipts of Dum Dum Municipality revealed that the cashier did not deposit Rs 0.13 lakh collected from *panthaniwas* between 11 May 2005 and 27 June 2006 and retained the money with him. On this being pointed out by audit the cashier deposited the amount on 28 June 2006. Similarly, a staff member of Raniganj Municipality sold building plan forms and mutation forms valuing Rs 0.47 lakh during July 2004 to February 2007 but the money was not deposited into the Municipal Fund. On this being pointed out by audit the amount was deposited between 1 March 2007 and 6 March 2007. No action has been initiated by the municipalities against the concerned officials as per Rule 26 of the West Bengal (Finance and Accounting) Rules, 1999.

In Chakdah Municipality, a municipal staff member unauthorisedly retained an amount of Rs 0.72 lakh which had remained un-disbursed from the vouchers pertaining to November 2001, May 2002, June 2003, October 2004, January 2005 and September 2005 under the National Old Age Pension Scheme. On this being pointed out in audit, the entire amount was deposited on 14 June 2006.

Non/short deposit of institutional funds within the stipulated time limit amounts to embezzlement besides reflecting inadequate financial discipline in the Municipality and absence of internal controls and supervision.

3.11 Non accountal of receipts

According to Section 67 of the West Bengal Municipal Act, 1993, all moneys realised or realizable under this Act and all moneys otherwise received by the Municipality shall be credited into the Municipal Fund. In violation of this provision, the Maternity Home Neuro Centre and Polyclinic of the Chandernagar Municipal Corporation collected an amount of Rs 66.82 lakh as user charges during 2005-06. Out of that an amount of Rs 19.38 lakh was spent directly by the maternity home without being credited to the Municipal Fund.

3.12 Short / non realisation of revenue – Rs 44.77 lakh

Five ULBs suffered loss of Rs 44.77 lakh during 1997-2006 due to realisation of revenue at lower rate / non realisation of prescribed dues as detailed below:

(Rupees in lakh)		
Name of ULB	Particulars	Amount
Darjeeling	Realisation of lease money at lower rate than the prevailing market rate.	15.19
Tarakeswar	Short realisation of lease money	2.24
Jamuria	Non realisation penal interest on arrear property tax.	13.67
Gayespur	Interest on arrear property tax at lesser rate.	2.81
Asansol Municipal Corporation	Non realisation penal interest on arrear property tax and trade tax.	10.86
Total		44.77

Replies from the concerned ULBs/ Government are awaited.

CHAPTER IV

ESTABLISHMENT

Each ULB has its municipal establishment for the smooth running of its day to day activities. The Board of Councilors of a ULB, with the prior approval of the State Government, may create posts of officers and others employees and fix the salary and allowances to be paid out of the Municipal Fund. The ULB may also provide for pension, gratuity, incentive, bonus and reward for its employees as per their entitlement.

During scrutiny in audit several irregularities were observed which are discussed in the succeeding paragraphs:

4.1 Engagement of staff/officer without approval of the Government – irregular expenditure of Rs 8.77 crore

(a) ULBs were not authorised to create any post without prior approval of the State Government. Dum Dum Municipality appointed 16 doctors against unapproved posts (beside the sanctioned strength) without obtaining prior approval of the State Government and incurred an expenditure of Rs 65.99 lakh during 2004-06 which was irregular.

(b) In spite of having no dispensary/hospital/maternity home under its jurisdiction, Asansol Municipal Corporation retained the Health Officer whose service was discontinued by the Municipal Affairs Department with effect from January 1999 after expiry of his term in the Reproductive Child Health project under the Additional District Magistrate, Asansol Division. The Corporation incurred an expenditure of Rs 9.02 lakh between January 1999 and October 2006 on account of salary and contingent expenditure for that post.

(c) As per extant Government orders (October 2000 and March 2001), a ULB cannot appoint any employee without prior approval of the State Government. No expenditure can be made for any irregularly appointed municipal employee or casual worker from the Municipal Fund. However, Darjeeling Municipality appointed 72 staff in regular scale of pay and Uttarpara-

Kotrung Municipality appointed 60 staff on consolidated pay without approval of the Government and incurred an expenditure of Rs 38.98 lakh and Rs 36.00 lakh respectively during 2004-06. The ULBs did not approach the Government for getting approval for such appointments.

Seventeen ULBs had engaged a large number of casual labours in different departments and irregularly spent Rs 6.69 crore during the years 2002-07 (**Appendix -14**) on wages. Diamond Harbour, Old Malda and Taherpur municipalities approached the State Government for approval of those appointments. However, they did not receive approval for the same.

(d) In Uluberia Municipality, two posts of Sub Assistant Engineer (SAE) were sanctioned under CUDP III scheme on the condition of retrenchment of service on closure of the scheme. Though the scheme was discontinued with effect from April 1995, the Municipality continued to engage them in other works and drew their pay and allowances for such engagement. The SAEs drew Rs 16.47 lakh as basic pay for the period from April 1995 to May 2006.

Similarly, Barasat Municipality engaged 38 temporary workers for field work for annual valuation of land and buildings in May 1993. The work was completed in March 1996 but the Municipality retained the services of 26 workers on daily rate basis in the municipal establishment for clerical/peon jobs and spent Rs 41.58 lakh from April 1996 to March 2006 on such unauthorised engagement.

4.2 Retention of overdrawn arrear pay and allowances – Rs 40.06 lakh

Old Malda Municipality submitted a claim of Rs 11.40 lakh to the District Magistrate, Malda in February 2001 towards arrear pay and allowances in respect of 72 employees for implementation of Revision of Pay and Allowances, 1998. The claim included an unauthorised claim of Rs 4.75 lakh against 39 unapproved staff. Municipality received the amount in February 2001 and irregularly retained the amount in Provident Fund Account. It also received an interest of Rs 2.00 lakh on that amount upto 2005-06.

Jiaganj-Azimganj Municipality submitted (July 2000) a claim of arrears of pay and allowances Rs 76.50 lakh and it was sanctioned in December 2000. In

August 2001, the Municipality detected and intimated Municipal Affairs Department that the claim was erroneous and the actual requirement was Rs 43.19 lakh. But the Municipality received the sanctioned amount of Rs 76.50 lakh in October 2001 and the same was credited into the Provident Fund Account in November 2001. The excess drawal of Rs 33.31 lakh was not refunded as of May 2007.

4.3 Payment of retirement gratuity and provisional pension without approval from competent authority – Rs 76.80 lakh

Ranaghat Municipality paid Rs 2.37 lakh as lump sum gratuity to the retired employees during April 2005 to February 2007 before issue of Pension Payment Order from the Director of Pension, Government of West Bengal. Such payments were made without ascertaining the admissibility of entitlement and leaving no scope to recover/adjust any excess payments made during their service period if pointed out by the pension payment authority.

As per Pension Rules for municipal employees, pension beyond six months can be paid only after approval by the Director of Pension, Provident Fund and Group Insurance, Government of West Bengal. During 2002-07, Purulia and Bolpur municipalities irregularly paid provisional pension of Rs 28.87 lakh to 52 employees and Rs 45.56 lakh to 49 employees who retired during December 2001 to August 2006 and during October 1997 to January 2007 respectively.

4.4 Non-creation of Special Fund for payment of pension – Liability – Rs 55.85 lakh

Contai, Bolpur and Hooghly-Chinsurah municipalities did not create 'Special Fund' as required under Government Circular dated 5 May 1982. As a result, Contai and Bolpur municipalities failed to pay full amount of gratuity and arrear pension to the retired employees and accrued a liability of Rs 37.52 lakh and Rs 18.33 lakh respectively in the shape of gratuity/death gratuity and pension/family pension as of May 2007.

4.5 Miscellaneous irregular expenditure – Rs 52.58 lakh

Test check of records of five municipalities revealed that they incurred an expenditure of Rs 52.58 lakh towards various establishment matters during 2000-06 as detailed below:

(Rupees in lakh)

Sl. No.	Name of Municipality	Year	Particular of expenditure	Amount
1.	Dum Dum	2004-06	Holding allowance for extra duty	3.18
2.	Gayespur	2004-06	Overtime allowance	1.15
3.	Mahestala	2000-06	Welfare grant	37.75
4.	North Barrackpore	2005-06	Tiffin allowance	3.36
5.	Darjeeling	2002-06	Overtime allowance	7.14
Total				52.58

In the absence of any rules regulating the norms and conditions of such payments, a large amount of money was not utilised for delivering any service to the tax payers.

Replies from the concerned ULBs/ Government are awaited.

CHAPTER V

MATERIAL MANAGEMENT AND EXECUTION OF WORKS

ULBs are responsible for maintenance of the infrastructure which enables the provision of services to the people and also execution of various developmental works. Therefore, materials required for maintenance and developmental works are to be assessed in advance and procured and managed as per the prescribed procedures. The works are also to be executed according to the stipulated rules and codal provisions.

The deviations from prescribed procedure such as non observance of open competitive rates; non maintenance of stock register; excess procurement of material; irregular execution of works; incomplete works; excess payment and non utilisation of assets which were noticed during test check of municipal accounts are described in the following paragraphs:

5.1 Non observance of tender procedure

In terms of Rule 158 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, open competitive tender shall be called for from the public whenever the estimated general works exceed the stipulated financial limit of Rs 5.00 lakh, plumbing Rs 1.00 lakh and electrical Rs 50000. However, Panskura, Rampurhat, Joynagar-Mozilpur, Jiaganj-Azimganj, Konnagar and Guskara municipalities procured materials/equipment valuing Rs 5.58 lakh, Rs 17.44 lakh, Rs 14.18 lakh, Rs 48.24 lakh, Rs 29.08 lakh and Rs 1.73 lakh respectively without inviting open tender/ quotations during 2004-2007 in violation of the purchase procedure.

Further, Barasat Municipality did not invite open tender for hiring lorries for transportation of wastes and expended Rs 16.32 lakh during 2004-2006 without ascertaining the reasonable rate through open competition. The same contractor was allowed to continue the work year after year. Rampurhat Municipality engaged a contractor for repairing of vapor lamps without inviting

open tender and incurred an irregular expenditure of Rs 1.04 lakh during 2004-06.

Thus, the basic rules of inviting tender/quotations for execution of work and procurement of items were violated by the above municipalities.

5.2 Non-accountal of materials/equipments and improper maintenance of stock register

Chandernagar Municipal Corporation and Barrackpore municipalities procured materials/equipments worth Rs 15.42 lakh and Rs 3.45 lakh respectively during 2004-2006. However, the stock account of these materials/equipments was not maintained. In Khardah Municipality materials valued at Rs 1.22 lakh were issued from the stock without any requisition during 2005-06 and utilisation of the materials was also not recorded. As such, the possibility of misuse, theft or defalcation of materials could not be ruled out.

The physical verification of stores of Barrackpore Municipality was conducted on 13 February 2007 in the presence of the audit team and 48 items of material valuing Rs 8.41 lakh were found short. Municipality stated that shortage was mostly due to omission/non-posting of issue of materials. Thus, due to improper maintenance of stock, the actual status of stores could not be ascertained.

5.3 Irregular execution of works –Rs 6.18 crore

The vetting of estimates of a work by the appropriate authority is essential to ensure cost effectiveness and planned execution of work. The ULBs which do not have appropriate manpower in their engineering cell are required to get the estimate of work vetted from the Municipal Engineering Director (MED) before execution of the work.

Test check of records of six ULBs revealed that they executed works valued at Rs 6.18 crore during the period from 2002-07 without getting the estimates of works vetted from the MED, as detailed below:

(Rupees in lakh)

Sl. No.	Name of ULB	Year	Cost of work
1.	Chandernagar	2005-06	11.00
2.	Jamuria	2002-06	67.76

3.	Khardah	2002-06	309.51
4.	Kalyani	2005-07	200.00
5.	Tarakeswar	2005-07	22.52
6.	Guskara	2005-06	7.31
Total			618.10

Pujali, Jamuria, Rajpur-Sonarpur, Kalyani, Kaliaganj and Joynagar-Mozilpur municipalities did not obtain the approval of the State Government for execution of work valuing Rs 9.68 lakh, Rs 67.76 lakh, Rs 218.14 lakh, Rs 2.00 crore, Rs 21.04 lakh and Rs 6.36 lakh respectively. Moreover, Pujali and Kaliaganj municipalities in violation of provisions of the West Bengal Municipal (Finance and Accounting) Rules, 1999 split the work ward wise in order to maintain the value of work below Rs 5.00 lakh to obviate approval of the State Government.

Due to execution of works without getting the estimates vetted by the appropriate authority, their cost effectiveness could not be ensured. Further, the absence of approval of the State Government for execution of the works, rendered the expenditure irregular.

5.4 Infuctuous / unfruitful expenditure on incomplete work – Rs 4.13 crore

Eight ULBs undertook various developmental works during 2001-07. Test check of records revealed that most of the works remained incomplete even after the lapse of a considerable period (**Appendix -15**). The execution of the works was delayed mainly due to improper planning, constraints of fund, inaction of the ULBs on the defaulting contractors and lack of monitoring of the implementing agencies.

The expenditure on those incomplete works of Rs 4.13 crore remained unfruitful since the intended benefits could not be obtained.

5.5 Non utilisation of created assets– Rs 43.22 lakh

Dum Dum Municipality purchased (June 2002) life-saving medical equipment worth Rs 0.66 lakh for treatment of babies born prematurely. The equipment could not be utilised for want of concerned expertise. The

Municipality also constructed (February 1999) a cancer research centre at a cost of Rs 29.05 lakh including procurement of instrument and machinery worth Rs 5.12 lakh. The municipality failed to provide necessary treatment facilities for want of specialised doctors and nurses.

Chakdah Municipality expended Rs 13.51 lakh for construction of Sampriti Mancha Utsav Bhawan in September 2004 but no revenue was earned from the said Bhawan till June 2006.

5.6 Excess expenditure on works Rs 24.22 lakh

Four ULBs paid an excess amount of Rs 24.22 lakh to contractors / suppliers in finalisation of various bills during 2004-06 due to reasons as detailed below:

(Rupees in lakh)

Sl. No.	Name of ULB	Reasons	Excess payment
1.	Chandernagar	Excess consumption of bitumen for tack coat on existing road surface.	1.82
2.	Jamuria	Excess consumption of bitumen for tack coat on existing road surface.	10.39
3.	Khardah	Deployment of manpower in excess of norms.	8.14
4.	New Barrackpore	15% extra was paid on bill amount to Community Development Society for purchase of material.	3.87
Total			24.22

No action has been initiated by the local bodies to recover the amount from the contractors/suppliers for such excess payments.

5.7 Excess payment to contractors / suppliers-Rs 15.82 lakh

Rajpur-Sonarpur Municipality paid an excess amount of Rs 14.37 lakh to contractors for non-deduction of value of materials issued. Uttarpara-Kotrang Municipality also paid Rs 0.85 lakh to the suppliers towards purchase of medicine at a higher rate than that of the supplier (Hindustan Antibiotics Ltd., a Government of India Enterprise) during 2004-06.

Midnapur Municipality paid an amount of Rs 0.60 lakh to the contractor in excess of the contract value of the work.

Action taken by the respective ULBs for recovery of the irregular payments mentioned above was not made available to audit.

5.8 Works done without recording in Measurement Book – Rs 5.62 crore

It was noticed in audit that five municipalities executed various works valued at Rs 5.62 crore during 2002-03 to 2006-07. However, the Measurement Book was not maintained for those works resulting in irregular expenditure of Rs 5.62 crore as detailed below:

(Rupees in lakh)

Name of the Municipality	Period	Nature of work	Amount
Khardah	2002-06	Construction of Rabindra Bhavan.	309.51
Kaliaganj	2005-07	Construction of Vivekananda Bhavan, Community Hall, etc.	84.54
North Dum Dum	2004-07	Construction of road, drain, school building laying of pipeline, community latrine, desilting of <i>khal nala</i> , canal.	153.50
Diamond Harbour	2005-07	Construction of municipal office building.	10.54
Baidyabati	2004-07	Sinking of tube well.	4.29
Total			562.38

The measurements of the works were not recorded in the respective Measurement Books though a considerable period of time had passed and the ULBs admitted the fact. Khardah and Diamond Harbour municipalities stated that the recording was not done due to shortage of staff and pressure of work respectively.

Replies from the respective ULBs / Government are awaited.

CHAPTER VI

IMPLEMENTATION OF SCHEMES

ULBs were assigned the implementation of various Central/ State sponsored developmental schemes during the periods covered under audit.

Various irregularities including poor utilisation of funds, irregular engagement of contractors, diversion of grants and other shortcomings in the implementation of the schemes are described in the subsequent paragraphs. These are indicative of poor planning and lack of monitoring by the Board of Councillors of the respective ULBs.

6.1 National Slum Development Programme (NSDP)

NSDP, a Centrally sponsored scheme, was introduced in 1996-97 with the objective of slum improvement, slum upgradation and urban poverty alleviation by providing basic amenities like water supply, storm water drains, community centres for pre-school education, non-formal education, shelter, primary health care including immunization, provision for shelter, etc.

6.1.1 Poor utilisation of NSDP Grants

There was an opening balance of Rs 24.44 crore with 59 ULBs under NSDP at the commencement of 2004-2005. They received Rs 39.04 crore and Rs 5.76 crore during 2004-05 and 2005-06 respectively but spent only Rs 23.17 crore (36 per cent) and Rs 33.54 crore (73 per cent) during the said period leaving a balance of Rs 12.31 crore (**Appendix – 16A & 16B**). The ULBs did not record any reasons for the slow pace of implementation of the programme. The poor utilisation of NSDP grant in 12 ULBs¹⁶ was earlier highlighted in the Reports of the Examiner of Local Accounts for the years ending March 2004, March 2005 and March 2006.

¹⁶ Champdani, Dum Dum, Gayespur, Joynagar-Mozilpur, Kalna, Madhyamgram, Mahestala, Memari, Raghunathpur, Raiganj, Rajpur-Sonarpur and Uttarpara-Kotrang.

Non utilisation of funds hinders the efforts of the Government in providing basic amenities to slum dwellers.

6.1.2 Non-declaration of slum area

Programme guidelines of NSDP require each ULB to declare its slum areas / pockets before execution of developmental works. 22 ULBs incurred an aggregate expenditure of Rs 20.47 crore for implementation of the NSDP during 2002-2007 (**Appendix - 17**) without declaring the slum area/ pocket.

Due to non-declaration of slum areas by ULBs, it could not be ascertained in audit if benefits reached the targeted population.

6.1.3 Engagement of contractor

To ensure participation of the community in the development process, ULBs are required to implement NSDP departmentally with the guidance and advice of the Community Development Society (CDS) and Neighbourhood Committee (NHC), to be constituted for this purpose. Engagement of contractors should be avoided as far as possible in execution of the scheme.

However, scrutiny in audit revealed that 28 ULBs engaged contractors for execution of works valuing Rs 16.27 crore during 2002-07 under NSDP without executing the same departmentally or involving CDS and NHC (**Appendix - 18**).

The engagement of contractors, thus, defeated the objective of community participation in the execution of works.

6.1.4 Diversion of NSDP fund

Sixteen ULBs had incurred an aggregate expenditure of Rs 4.25 crore during 2002-2007 from NSDP grants towards purchase of land for playground, recurring/revenue expenditure, construction of shelter under Valmiki Ambedkar Awas Yojana, cost of fuel, payment of transport allowance, purchase of electrical goods, sanitary and conservancy article, wooden door fitting, repair and restoration of road, culvert, payment of wages to daily rated worker engaged for routine maintenance work, construction of auditorium etc. which were not within the scope of the scheme (**Appendix - 19**). This is indicative of the absence of an adequate internal control mechanism to prevent the diversion of funds.

6.1.5 No expenditure incurred for shelterless people

Ten *per cent* of the NSDP grants were earmarked for construction of shelter for people of slum areas who were shelterless. However, 39 ULBs did not take up any work for construction of shelter during 2002-2007, in violation of the guidelines and despite having earmarked funds for shelter ranging between Rs 1.36 lakh and Rs 46.73 lakh.

Thus, in these ULBs, the potential beneficiaries were deprived of availing the benefits of Rs 4.19 crore earmarked under the NSDP (**Appendix - 20**).

6.1.6 Absence of Neighbourhood Committee / Slum Development Committee

ULBs engaged in slum development activities are required to create a Neighbourhood Committee (NHC)/Slum Development Committee (SDC), which would oversee all slum development programmes within the urban area. Test check revealed that fourteen municipalities spent Rs 12.62 crore during 2003-2007 without setting up of NHC/SDC as detailed below:

(Rupees in lakh)

Sl. No.	Name of the ULB	Period	Amount
1.	Chandernagar	2005-06	56.89
2.	Birnagar	2004-06	26.99
3.	Durgapur	2005-06	261.27
4.	Asansol	2005-06	354.55
5.	Khardah	2005-06	41.73
6.	North Barrackpore	2005-06	38.90
7.	Contai	2004-06	61.44
8.	Santipur	2004-05	102.61
9.	Chandrakona	2003-06	34.16
10.	Taherpur	2003-06	37.27
11.	Midnapur	2004-06	142.30
12.	Gangarampur	2005-07	42.53
13.	Joynagar-Mozilpur	2005-07	10.00
14.	Sainthia	2004-07	51.42
Total			1262.06

As a result of such non involvement, the quality of works executed and the extent to which benefits reached the slum dwellers could not be vouchsafed.

Durgapur Municipal Corporation, Asansol Municipal Corporation and Contai Municipality did not even set up the SDC during 2004-2006 for performing various community development activities.

6.2 Basic Minimum Services (BMS)

The scheme of BMS was introduced in the year 1996 to improve the quality of life of all sections of society by providing seven basic services like safe drinking water, primary health, primary education, housing, supplementary nutrition, connectivity and streamlining the public distribution system in a time bound manner.

6.2.1 Poor utilisation of BMS grants

Test check of implementation of the scheme during the year 2005-06 revealed that 27 ULBs had an opening balance of Rs 1.73 crore and received Rs 47.00 lakh during the year. The ULBs utilised only Rs 1.11 crore leaving a closing balance of Rs 1.09 crore at the end of the year (**Appendix – 21**). Seven¹⁷ municipalities did not utilise any amount throughout the year though Rs 36.14 lakh was available for providing benefits to the poor.

The under utilisation of BMS grants indicates that the implementation of the scheme by ULBs was tardy thereby depriving the inhabitants of access to improved basic services.

6.2.2 Engagement of contractors

To ensure participation of the community in the development process, ULBs are required to implement the BMS scheme departmentally. Engagement of contractors should be avoided as far as possible in execution of the scheme.

In violation of the above guidelines, twelve municipalities¹⁸ engaged contractors for execution of works valuing Rs 1.99 crore during 2002-07 under BMS. This defeated the objective of active involvement of the community besides resulting in a minimum avoidable expenditure of Rs 19.90 lakh towards contractors' profit.

¹⁷ Barasat (Rs 8.45 lakh), Dinjata (Rs 5.40 lakh), Garulia (Rs 0.99 lakh), Haldia (Rs 8.31 lakh), Raghunathpur (Rs 7.12 lakh), Khargpur (Rs 0.56 lakh) and Taherpur (Rs 5.31 lakh).

¹⁸ Birnagar (Rs 0.94 lakh), Uttarpara-Kotrang (Rs 6.98 lakh), Jamuria (Rs 68.79 lakh), Durgapur M C (Rs 17.53 lakh), Asansol M C (Rs 6.48 lakh), North Barrackpore (Rs 6.29 lakh), Midnapur (Rs 8.46 lakh), Taherpur (Rs 4.88 lakh), Raiganj (Rs 25.79 lakh), Raghunathpur (Rs 11.50 lakh), Ghatal (Rs 34.00 lakh) and Santipur (Rs 7.12 lakh).

6.2.3 Diversion of BMS grants

Six municipalities¹⁹ diverted an aggregate expenditure of Rs 30.19 lakh during 2003-07 from BMS grants for various purposes including expenditure on strengthening of roads, routine maintenance, construction of drains, culvert, pavements, extension of office building, improvement of approach road, construction of guard wall, SJSRY building, cost of fuel for municipal tractor, repair of motor, transformer, cost of switch, lamp etc. which were not within the scope of the scheme.

6.3 Swarna Jayanti Sahari Rozgar Yojana (SJSRY)

The Swarna Jayanti Sahari Rozgar Yojana (SJSRY), a scheme sponsored by Government of India and State Government (75:25 basis) was launched in the year 1997 with the objective of providing gainful employment to the unemployed or under-employed urban poor through setting up of self employment ventures or wage employment.

The SJSRY comprised two special schemes viz.

- i) The Urban Self Employment Programme (USEP)
- ii) The Urban Wage Employment Programme (UWEP)

6.3.1 Poor utilisation of SJSRY grants

Details of grants received from Government for implementation of SJSRY and utilisation thereof during the year 2005-06 in respect of 38 ULBs revealed that there was an opening balance of Rs 2.17 crore and an amount of Rs 2.10 crore was received during the year. The above ULBs utilized only Rs 2.37 crore being 56 *per cent* of available fund leaving a balance of Rs 1.89 crore (**Appendix - 22**). The financial performance of 14 ULBs was below 50 *per cent* of available fund. The ULBs did not furnish any reasons for under utilisation of SJSRY funds.

¹⁹ Durgapur M C (Rs 1.54 lakh), North Barrackpore (Rs 6.29 lakh), Raiganj (Rs 15.20 lakh), Bankura (Rs 4.50 lakh), Kaliaganj (Rs 1.05 lakh) and Taherpur (Rs 1.61 lakh).

6.3.2 Irregularities in implementation of SJSRY

Under SJSRY, the under employed and unemployed urban poor are encouraged to set up small enterprises relating to servicing, petty business and manufacture of items etc. For this purpose, beneficiaries are trained under the programme to develop their skills at a unit cost of Rs 2000 per trainee. On completion of the training programme, each beneficiary undertakes a project at a maximum cost of Rs 50,000 and 95 *per cent* of project cost is sanctioned as composite loan (including 15 *per cent* subsidy) by the bank. On scrutiny of records made available to audit, the following irregularities were noticed in implementation of SJSRY:

(i) Uluberia Municipality received Rs 6.88 lakh for 1375 numbers of beneficiaries of Thrift and Credit Groups and Chakdah Municipality received Rs 20.97 lakh for 4194 numbers of beneficiaries of Thrift and Credit Groups and Community Development Society during March 2004. Uluberia Municipality disbursed Rs 4.78 lakh in May 2005 and Rs 2.10 lakh remained undisbursed (June 2006). But in Chakdah Municipality no amount was disbursed till June 2006. Thus a total sum of Rs 23.07 lakh remained unutilised till June 2006.

(ii) Chandernagar Municipal Corporation and Chakdah municipality did not impart any training for self employment and wage employment during 2004-06 though substantial fund of Rs 2.46 lakh and Rs 2.08 lakh respectively remained unutilised.

(iii) The following municipalities executed works during 2004-07 under Urban Wage Employment Programme (UWEP) at a cost of Rs 15.53 lakh of which Rs 12.37 lakh was spent on material and Rs 3.16 lakh on wages. This was not in accordance with the material-wage ratio of 60:40 as stipulated in the scheme.

Name of ULB	Period	No of works	Cost of work	Cost of material	Cost of wage	Ratio of cost of material and wage
			(Rupees in lakh)			
Memari	2004-05	8	3.01	2.37	0.64	79:21
Ramjibanpur	2005-07	14	1.97	1.49	0.48	76:24

Santipur	2005-06	1	4.87	4.03	0.84	83:17
Haldibari	2005-06	10	3.76	2.90	0.86	77:23
Kaliaganj	2005-06	NA	1.92	1.58	0.34	82:18
Total		33	15.53	12.37	3.16	80:20

(iv) Kurseong Municipality diverted Rs 25.40 lakh during 2002-06 towards payment of wages of casual workers and salary of general staff, administrative and office expenses which were outside the purview of the scheme.

vii) The Scheme for Development of Women and Children in the Urban Areas (DWCUA) which was extended to poor urban women to set up self employment ventures in a group, was not initiated in Chandernagar Municipal Corporation during 2005-06 and subsidy of Rs 0.43 lakh was not utilised.

6.4 Eleventh Finance Commission

Eleventh Finance Commission (EFC) recommended local body grants to augment the Consolidated Fund of the state governments to supplement the resources of the ULBs on the basis of recommendations of the State Finance Commission. The recommendation was made with a view to maintain civic services like primary education, primary health care, safe drinking water, street lighting, sanitation and maintenance of cremation and burial grounds in urban areas. The scheme was launched in the year 2000-01.

6.4.1 Diversion of fund

Twelve ULBs²⁰ incurred an expenditure of Rs 1.79 crore during the year 2004-2006 out of EFC grants for construction of daily market; municipal building; doors; store rooms; roads; dustbins; culverts; bathing *ghat*; drain; procurement of air conditioner; interior designing; electrical goods; and payment

²⁰ Birnagar (Rs 3.17 lakh), Memari (Rs 31.46 lakh), Ranaghat (Rs 5.96 lakh), Durgapur Municipal Corporation (Rs 30.67 lakh), Asansol Municipal Corporation (Rs 18.47 lakh), Dubrajpur (Rs 1.26 lakh), Pujali (Rs 21.01 lakh), Chandrakona (Rs 12.68 lakh), Santipur (Rs 30.27 lakh), Raghunathpur (Rs 11.78 lakh), Garulia (Rs 7.99 lakh) and Gangarampur (Rs 3.98 lakh).

of telephone bills; electric bills; salary; purchase of tractor and construction of retaining wall, Vivekananda Bhawan etc.

6.5 Member of Parliament Local Area Development Schemes

Under the Member of Parliament Local Area Development Schemes (MPLAD) launched in 1994, each Member of Parliament may recommend works for implementation in their constituencies. The selection of the works should be developmental in nature based on local need.

6.5.1 Irregular expenditure

(i) In terms of Annex –II of the MPLAD guidelines, thirteen works including all maintenance, renovation and repair works and all revenue and recurring expenditure are prohibited under the scheme.

The following ULBs spent Rs 43.98 lakh in violation of the MPLAD guidelines:

(Rupees in lakh)			
Name of ULB	Year	Particulars	Amount
Asansol	2005-06	Excavation of earth for renovation, cleaning and development of Gorai river but estimate was not vetted by the Municipal Engineer, AMC	11.29
Raniganj	2005-06	Repair and renovation of Primary Health Centre	1.75
Mahestala	2005-06	Reallocated the amount meant for construction of Bata Sports Complex towards Panchur Education Society	7.60
New Barrackpore	2004-06	Repairing of wooden bridge, KG and Primary School, development of Sanskriti Parishad, school and library buildings, etc.	5.27
Contai	2004-06	Recurring revenue expenditure	18.07
Total			43.98

(ii) Contai Municipality expended Rs 1.64 crore during 2004-06 by engaging private contractors in violation of the guidelines which was specified that the work in urban areas should be done through Corporations/Municipalities. Midnapur Municipality and Taherpur Notified Area Authority expended Rs 9.31 lakh and Rs 5.00 lakh respectively during 2003-06 by engaging private contractor.

(iii) Baidyabati Municipality received allotment of Rs 24.50 lakh for sinking of deep tube well, extension of pipeline and installation of submersible pump. The Municipality however diverted Rs 10.95 lakh towards payment for cost of materials for development of a maternity hall and payment of arrears of salary and pension. Though the Municipality recouped a total amount of Rs 3.72 lakh from that diversion and spent Rs 13.12 lakh for the purpose for which it was sanctioned, an amount of Rs 4.15 lakh remained unutilised till April 2008.

6.5.2 Irregular sub-allotment of grant

In terms of MPLAD Guidelines, the implementation of works in Urban areas can be done through Commissioners/ Chief Executive Officers of Corporation, Municipalities. Panskura Municipality received an amount of Rs 4.00 lakh during 2005-06 for construction of a gymnasium building for Panskura Sports Development Academy with a stipulation in the allotment order that the work would be executed by the Municipality. But the Municipality handed over the amount to Sports Academy of Panskura instead of executing the work itself. Similarly, Rs 10.06 lakh was allotted in favour of the Chairman, Kalyani Municipality from MPLAD fund for construction of a classroom of Kalyani University. Municipality was selected as the executing agency. But the entire fund was handed over to the University without executing the work.

6.5.3 Other irregularities

Konnagar Municipality did not transfer the unspent balance of Rs 1.80 lakh under MPLAD Fund as on 31 March 2004 while opening a separate bank account (current) in May 2005.

6.6 Other Schemes

6.6.1 Wastage of Mid-day-meal rice

The District Magistrate, South 24 Parganas intimated (December 2004) Rajpur-Sonarpur Municipality to implement the mid-day-meal programme not later than January 2005 and accordingly placed the requisition for funds. But the Municipality failed to draw the earmarked fund of Rs 13.28 lakh for the month of February and March 2005. The programme commenced after a delay of seven

months for 12546 students from August 2005 in 65 schools. Out of those 65 schools, 62 schools did not have any kitchen sheds in spite of having Rs 13.44 lakh from NSDP grant for the purpose of construction of kitchen sheds. Twelve tons of rice lying in the municipal stock were damaged due to delay in commencement of the programme and became unfit for human consumption. The damaged rice was written off from the stock as per order of the Chairman dated 30 June 2005.

6.6.2 Loss of Government grant

Financial Sanction was accorded to Khardah (Rs 53.25 lakh) and Kalyani (Rs 102.77 lakh) municipalities under Kolkata Urban Services for Poor Programme for various construction works during 2005-06 with a directive to complete the works and book the expenditure within 31 March 2006 to avoid lapse of financial sanction. The Municipalities could spend only Rs 32.84 lakh and Rs 94.19 lakh respectively upto 31 March 2006. As a result, allotment of Rs 20.41 lakh for Khardah Municipality and Rs 8.58 lakh for Kalyani Municipality lapsed resulting in the tax payers being deprived of the infrastructural benefits.

Replies from the concerned ULBs / Government are awaited.

CHAPTER VII

OTHER IMPORTANT OBSERVATIONS

KOLKATA MUNICIPAL CORPORATION

7.1 Heritage buildings and sites in Kolkata Municipal Corporation

HIGHLIGHTS

Separate technical wing was not created for carrying out activities related to conservation and preservation of heritage related buildings/sites in the Kolkata Municipal Corporation.

(Paragraph 7.1.6.1)

Out of 1363 identified heritage buildings/sites in 1998, only 179 (13 per cent) were documented, 125 (9 per cent) were graded and 137 (13 per cent) were declared as heritage buildings and sites for conservation and preservation by Kolkata Municipal Corporation.

(Paragraphs 7.1.6.4, 7.1.6.5 & 7.1.6.6.)

Buildings declared as heritage sites were de-listed without obtaining prior approval of the State Government.

(Paragraph 7.1.6.7)

Buildings identified as heritage sites were demolished due to delay by KMC in taking effective protective measures.

(Paragraph 7.1.6.8)

Despite spending Rs 12.54 crore, the reconstructed auditorium including the *sikhara* and façade of the Star Theatre could not redeem the original architectural significance and design and thus the standard of the works was not commensurate with the expenditure incurred.

(Paragraph 7.1.6.9)

The information management system on heritage buildings/sites in KMC, including its web site, is inadequate and faulty.

(Paragraph 7.1.6.10)

7.1.1 Introduction

The Archaeological Survey of India (ASI) took up (1904) protection of monuments of national importance according to the Ancient Monuments Preservation Act. In West Bengal, the State Government adopted the Preservation of Historical Monuments and Objects and Excavation of Archeological Sites Act in 1957. The Ancient Monuments and Archaeological Sites and Remains Act replaced the earlier Act of 1904 in 1958. These Acts were confined to only 105 number of protected buildings in the whole of West Bengal, including 18 buildings in Kolkata Metropolitan Area, leaving a large number of unidentified and unprotected buildings vulnerable to attrition. The Kolkata Municipal Corporation (KMC) was responsible for identification, preservation and conservation of heritage buildings and sites as per the provisions of Sections 425A to 425P of the Kolkata Municipal Corporation Act, 1980. However, the issues relating to preservation and conservation of heritage buildings and sites within the jurisdiction of KMC were taken up in a relatively more organized manner only since 1997.

7.1.2 Scope of Audit

Audit on the topic was conducted during November 2006 to March 2007 to review enforcement of the provisions of the Acts and implementation of the recommendations of the Expert Committee on Heritage during 2001-02 to 2006-07 in Kolkata Municipal Corporation (KMC).

7.1.3 Audit objectives

Keeping in view the serious risks and deleterious impact associated with demolition, encroachment and attrition of heritage buildings and sites of social, architectural, historic, national and local importance, the following audit objectives were set to assess whether:

- ❖ any technical group was created to monitor the survey, maintenance, restoration and preservation;
- ❖ listing, documentation, gradation and declaration were taken up within the stipulated period;
- ❖ the existing provisions of law and rules were adequate and were implemented properly;
- ❖ conservation policy was formulated;

- ❖ adequate resources were mobilized and judicious expenditure was made; and
- ❖ efforts were made to disseminate information about heritage sites to create awareness of the people at large.

7.1.4 Audit Methodology

The methodology for conducting the audit included the following:

- ❖ Review of records of KMC.
- ❖ Study of records of the Heritage Commission, Government of West Bengal.
- ❖ Visit to some of the sites.
- ❖ Review of the materials on the web site of KMC.

7.1.5 Expert Committee on Heritage

Prior to the constitution of the Expert Committee (EC) on Heritage Buildings in October 1997, lists of heritage buildings were published in different land use and development control plans by the Kolkata Metropolitan Development Authority. The State Government constituted EC to review the necessity of addition or deletion of built heritage in such lists by identifying heritage buildings and suggesting measures for their preservation.

The Report of the EC was submitted in September 1998 to the Government of West Bengal along with a list of 1363 heritage buildings and sites in the KMC area. The important recommendations of the EC are summarized below:

- ❖ The enlistment be given explanatory and authoritative history with reasons for significance and salient architectural style with photographs by a professional group in six months.
- ❖ A manual be prepared including final enlistment with annotation giving reasons for marking the significance of each item and photographs and be published in Bengali and English.
- ❖ A technical manual be prepared with the help of specialists for the work of preservation and maintenance of architectural and cultural heritage. An autonomous Institute of Conservation be set up to train existing technical manpower and create new human and financial resources for research and development in this field.

- ❖ A West Bengal State Heritage Commission be created as a statutory body by legislation in the Assembly.
- ❖ Setting up of a corpus fund by the State Heritage Commission for mobilizing resources from various individuals and institutions and such fund should be liable to exemption from income tax.

The Report was forwarded (December 1998) to Kolkata Municipal Corporation for adoption and necessary action under the KMC Act, 1980. The KMC in September 2000 and January 2001 approved the list in principle subject to proper survey and documentation of buildings/ sites by the Heritage Conservation Committee (HCC) and placement of the final list before the relevant authority in phases for sanction.

KMC prepared the draft Heritage and Buildings Rules and Regulations, 2000 to carry out the purpose of the KMC Act, 1980 (Amended) and forwarded the same to the State Government in January 2001. However, approval from the State Government is awaited (September 2007).

The Government set up (21 March 2001) the West Bengal Heritage Commission under the West Bengal Heritage Commission Act, 2001. The West Bengal Heritage Regulation was framed in September 2004.

7.1.6 Audit findings

7.1.6.1 Absence of separate technical group/wing

KMC constituted (1999-2000) the Heritage Conservation Committee (HCC) as per the provisions of Section 425D of the KMC Act, 1980 (Amended). The function of the Committee was to scrutinize every application or proposal for declaration of a building as a heritage site /building.

Although KMC decided in April 1999, that a separate technical team be created to take care of heritage buildings, this was yet to be developed as of January 2007. The Town Planning Cell headed by the Chief Municipal Architect is also tasked with heritage related work in addition to its normal functions. It was staffed with an Executive Engineer and an Assistant Engineer only in September 2005 and November 2006 respectively, leaving little scope for additional work related to heritage preservation and conservation.

Seven conservation architects were empanelled by KMC in July 1999 for offering consultancy required for preservation and conservation of listed buildings. However, no list of trained masons, carpenters etc. for undertaking such specialised work has been prepared till date although it was decided by KMC in October 2000. KMC stated (February 2008) that a Project Management Unit had been established in February 2007 and necessary work force would be created.

There is absence of any system for recording follow up action taken against the decisions of the municipal authority on heritage related matters on the recommendation of the HCC.

7.1.6.2 Tardy pace of declaration procedures

As per the recommendations of the EC, the buildings/sites enlisted were to be given explanatory and authoritative history with reasons for significance and salient architectural style and photographs within six months from the date of listing. The procedure involves notification, documentation, gradation and finally declaration of heritage buildings. The table below indicates the progress at each stage in KMC:

Intended heritage sites as on September 1998	Progress as on March 2007			
	Notified	Documented	Graded	Declared
1363	352	179	125	137
Percentage with respect to intended number of heritage sites	26	13	9	10

The poor progress as well as the declaration of 137 sites against completion of gradation of only 125 sites indicates that the system of notification, documentation, gradation and declaration is flawed.

7.1.6.3 Issuance of notice

Caretakers /owners of only 352 buildings in KMC area were notified during 2001-2006 intimating that the respective buildings were approved in principle and were to be classified as heritage buildings. But no justification for doing so was clarified /explained in the notices. Reasons for non-issuing of notice for the remaining 1011 intended heritage buildings was not furnished to audit.

KMC replied (February 2008) that notices could not be issued due to anomaly in mailing address of some buildings.

7.1.6.4 Documentation

Survey and documentation was completed for 179 out of 1363 intended heritage buildings/sites (13 *per cent*) in KMC area till December 2006. The proforma used for collecting data/ information in respect of 179 buildings was not uniform in nature and therefore systematic documentation was not carried out. Thus, even after preparation of intended list of heritage buildings/sites in September 1998 by EC, no updating and /or systematic listing was carried out by KMC in respect of 87 *percent* of intended heritage buildings/ sites till date. This delay would have adversely impacted the preservation/conservation of heritage buildings and sites in the KMC area.

KMC stated that as of February 2008 out of 1363 intended heritage structures/precincts/sites etc. photo documentation with basic information collection for more than 1200 heritage sites has been completed. However, since the supporting documentation was not furnished for the additional 1021 sites, it could not be verified in audit as to whether the basic information stated to have been collected by KMC is comprehensive in terms of the recommendation of the EC.

KMC further stated (February 2008) that initially the format was not standardized. Afterwards the format was standardized and necessary detailed documentation would be made in a phased manner after completion of the gradation process.

7.1.6.5 Grading

Section 425 C of the KMC Act, 1980 (Amended) also stipulates that the gradation of a heritage building according to its historical, architectural, environmental or ecological purpose shall be such as may be prescribed.

As of January 2007 gradation of 125 out of 1363 intended heritage buildings/ sites (9 *per cent*) is stated to have been completed by KMC. Since the gradation of a heritage building is a categorization which facilitates the prioritization of action to be taken for proper conservation, the poor progress in this regard stymied the very purpose of conservation of heritage.

KMC stated (February 2008) that grading has been done by the Sub-Committee of the Heritage Conservation Committee for more than 600 buildings so far. Final listing will be done after completion of grading of all the listed buildings. For finality in respect of already graded 600 Heritage Structures/Precincts/Sites etc. proposal will be placed before the Mayor-in-Council for approval.

7.1.6.6 Declaration

Section 425 B of the KMC Act, 1980 (Amended) provides that where the Corporation, on the recommendation of the HCC and also of the Mayor-in-Council, is of the opinion that any building in Kolkata should be preserved and conserved for historical, architectural, environmental or ecological purpose, it may declare such building as a heritage building.

As per provision of West Bengal Heritage Commission Regulation, 2004 the process of declaration of a building is to be completed within 6 months from the date of the initiation of a proposal. But test check of records revealed that KMC had (January 2007) declared only 137 out of 1363 buildings (10 *per cent*) till January 2007. Thus, KMC could not finalize declaration procedures for 1226 items (90 *per cent*) of intended heritage buildings/ sites due to non-completion of documentation and gradation. It could not be clarified by KMC as to how an additional 12 buildings have been declared as heritage when gradation was completed in respect of only 125 buildings. Additionally four sites viz. (i) Choto Rasbari (ii) Baro Rasbari (iii) Satkhira Rajbari and (iv) House of Raja Subodh Mallick were declared as heritage sites by KMC even before completion of their documentation.

KMC stated (February 2008) that after completion of grading, declaration would be done in the near future.

7.1.6.7 Delisting even after documentation and declaration as heritage building/site

As per Section 425 O of the KMC Act, 1980 (Amended) if the Corporation decides that any heritage building has ceased to be of public interest or has lost its importance for any reason, it may with the approval of the State Government, declare that such building has ceased to be a heritage building.

Scrutiny in audit revealed that the Satkhira Rajbari and House of Harish Mukherjee were de-listed by KMC after their declaration as heritage sites without obtaining prior approval of the State Government. Harish Mukherjee was a social reformer and editor of the Hindu Patriot. His house was declared as a heritage building after following the standard procedure. The house was however de-listed on the basis of the owner furnishing documents that it was not the residence of Harish Mukherjee. However, it could not be verified whether due process of law for delisting of the building was followed by KMC since records of cross verification of the claims/documents of the owner by the HCC were not furnished to audit. Thus, classification of this building by HCC without being appraised by general public did not satisfy the provisions of the Act leading to dismissal of the classification.

7.1.6.8 Listed heritage items demolished due to delay in declaration

(a) The YMCA²² at 5 Russel Street was the residence of the first Bishop of Calcutta and it had a huge arched gateway. The building was an identified heritage building having historical, religious and archaeological value. Timely action was not taken to review the status of this site and the Bishop's Gate was demolished in August 2001. KMC did not take any step for reconstruction of the Gate although a reputed NGO offered reconstruction of the same free of cost.



Erstwhile Bishop's Gate

²² Youngmen's Christian Association.

While admitting the fact of demolition of Bishop's Gate, KMC stated (February 2008) that efforts were on for restoration of the Gate.

(b) The house of Promothesh Barua was included in the intended list of heritage sites and documented but it was not declared as a heritage building for reasons not available on record. Promothesh Barua was a legendary film maker of the Indian film history and star actor. Despite receiving prior information regarding demolition of the house, KMC failed to take proper action to stop the same. KMC stated (February 2008) that the matter came to their notice after demolition.

The reply is not tenable since it is evident from the KMC record dated 22nd March 2006, that though KMC had prior information as to the fact that the said building was under threat of demolition, it failed to take effective measures to stop the loss of an important heritage building.

7.1.6.9 Other findings

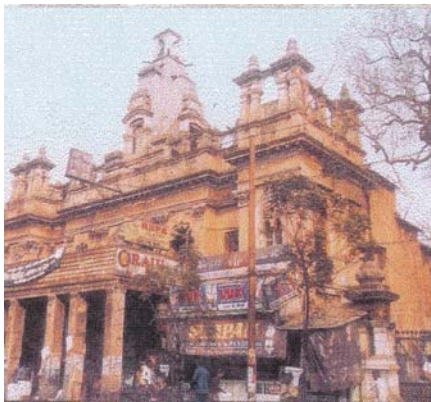
For conservation and preservation of Heritage buildings/sites, KMC mobilized resources from own fund, MP LAD Fund and a Corpus Fund constituted in February 2006 under Section 425M of KMC Act, 1980 (amended 1997) which provides that the Municipal Commissioner may receive voluntary contributions towards the cost of maintaining any heritage building. The Corporation, however, did not initiate mobilisation of any resources for a Corpus Fund for a period of eight years from December 1997. It was also noticed that KMC had not taken any action to get such donations exempted from income tax as recommended by the EC. KMC incurred a total expenditure of Rs 14.29 crore during 2001-02 to 2006-07. The details of available fund and expenditure for the last six years have been shown in **Appendix – 23**.

❖ Out of the total expenditure i.e. Rs 14.29 crore, KMC spent Rs 83.00 lakh on beautification of the burning *ghat* at Keoratala which was not a scheduled classified heritage site resulting in diversion of heritage fund. KMC also spent Rs 12.54 crore on Star Theatre which was gutted by a devastating fire in 1991. It is pertinent to mention that the Star Theatre (1888) is a historical auditorium associated with the modern Indian theatre movement. KMC acquired the premises with 28 cottahs of land valued at Rs 2.21 crore with a view to reviving the façade and to construct an ultra modern auditorium, commercial plaza and car

parking, the construction of which was completed at a cost of Rs 8.90 crore in February 2006. The auditorium so constructed does not bear resemblance to the original auditorium.

The work for revival of the façade was awarded (March 2004) to a contractor without documentary evidence in support of his experience in heritage related work. The work was completed at a cost of Rs 1.43 crore.

The shape of the *Sikhara* and the front view were changed. Two designated gates situated on the both sides of the facade were not restored. The erstwhile auditorium was not visible from the front but the height of the newly constructed auditorium has been raised beyond the facade.



Deviation in the façade of Star Theatre.

Original Facade

Reconstructed Facade

As result, the reconstructed façade could not redeem the original frontal architectural significance and design. It was seen that for this purpose HCC and empanelled architects were not consulted. Therefore, the standard of the works carried out for the preservation of the Star Theatre as a heritage building were not commensurate with the expenditure of Rs 12.54 crore. KMC while accepting the fact, stated (February 2008) that it would try to use the available resource in an effective manner in future.

❖ Section 425A of KMC, Act 1980 (Amended) provides that every owner or occupier of any heritage building declared as such by the Corporation shall maintain, preserve and conserve it. However no rules and procedure were framed to protect and preserve the listed and / or declared heritage items from demolition and natural attrition due to non maintenance.

- The *Atchala* constructed in 1610 by the Roy Chowdhury family has historical significance where in 1698 Sabarna Roy Chowdhury sold three villages viz. Sutanati, Gobindapur and Kalikata for Rs 1,300/- paving the way for the foundation of Calcutta by the East India Company/British. Although, the *Atchala* is well maintained by the owners, KMC has not as yet identified and declared such a significant site as a heritage one. Even the narrow passage to such a historic site has not been widened by KMC.

While accepting the suggestions of audit, KMC stated (February 2008) that the proposal for widening the approach road is a difficult proposition but did not provide a justification for the same.



ATCHALA-place of transfer of three villages comprising Calcutta

- Raja Subodh Mallick, a great nationalist and founder of Jadavpur University donated his residence at 12 Subodh Mallick Square to Calcutta University. However, non maintenance of a building of such historic and social significance by Calcutta University and lack of monitoring by KMC led to the severe deterioration of the building.



House of Raja Subodh Mallick

KMC stated (February 2008) that Calcutta University had been taking legal action for taking over full possession of the property.

- Baro Rasbari, a temple at 78 Tollygunge Road was constructed by Uday Narayan Mondal in 1834 and has enormous architectural and social importance. The condition of the temple is grave and it is on the verge of attrition.



One of the dilapidated temples of Baro Rasbari

- The residence of Rani Rashmani, the founder of Dakshineswar Temple, is a declared heritage building. Due to non maintenance, the building is facing

attrition. KMC did not initiate action to restore a building of such significant historical and social value.



House of Rani Rashmoni

In reply, KMC stated (February 2008) that the collapsed portion of Rani Rashmoni's building was restored recently. However, documentation in support of the stated restoration including prior/post photographs and evidence that the proper procedure was followed by KMC in this regard could not be furnished to audit.

- The Duff College at Nimtala Ghat Street constructed in 1843 was a pioneer centre for education initiated by the British. The building owned by the State Government is on the verge of destruction.



Abandoned Duff College on the verge of destruction.

- Besides, the status of a few declared heritage buildings of note along with their importance/value attached is given below:

Building Address	Status documented by KMC as of	Importance / Value attached	Owner
1. House of Sister Nivedita, Bose para Lane	Bad (March 2002)	Sister Nivedita, a foreign disciple of Swami Vivekananda used to reside here from 1898. A number of distinguish personalities like Swami Vivekananda, Rabindranath Tagore, Ma Sarada Devi and others used to come to this house. European and Indian culture mingled here with the initiative of Nivedita who dedicated her life for the service of the people and development of women's education.	Private/ Individual.
2. Bhukailash Rajbari and temple. Karl Marx Sarani	Bad (July 2000)	The building has got great architectural, cultural and archeological significance. This was constructed in 1780 by Raja Joynarayan Ghosal the recipient of the title of Maharaja from the Mughal. He founded two temples of Shiva and wide spread pond. People still gather here for celebration of festivals and for offering puja.	Private/ Debottar.
3. House of Nandalal and Pasupati Bose Bagbazar Street and Pashupati Bose Lane	Bad (July 2000)	The building has got great historic and architectural value. Many historical events are attached with this house. Swami Vivekananda after representing India in Chicago International Convocation came straight to this house. C R Das, Matilal Nehru, B Patel and Dadabhai Nauraji used to meet here on political issues. The first National Fund was formed here in 1905.	Government and multiple.
4. House of Sambhunath Pandit Sambhunath Pandit Street	Bad (March 2001)	It was the residence of Sambhunath Pandit. He devoted his life for socio-economic and educational development of Indian society. Many distinguished personalities like Vidyasagar and Harish Mukherjee used to visit this house.	Private/ multiple.
5. Birendra Kutir, S P Mukherjee Road	Bad (December 2001)	The building has got great historical significance. Deshpran Birendra Shasmal, owner of the house, dedicated his life for well being of common people. It is associated with the history of the Bengal Movement against the British rule.	Private/ multiple.

KMC in reply stated (February 2008) that it is true that a few of the buildings were demolished since the introduction of the Act but the demolished buildings were not so important heritage buildings. KMC further stated that fragmentation of property, Premises Tenancy Act and the declining financial condition of the owners may be the factors inhibiting works relating to/for restoration of the heritage buildings.

However, the reasons for deterioration of heritage buildings/sites attributed by KMC are not satisfactory since the lack of monitoring and slow process of documentation, gradation and declaration has contributed significantly to the steady decline of a large number of heritage buildings of Kolkata.

7.1.6.10 Inadequacy in information management system

There is no comprehensive information management system on heritage buildings/sites in KMC. The records and website of KMC on heritage do not reveal the following information and data:

- (i) outline of conservation policy;
- (ii) policy regarding maintenance of heritage buildings and sites;
- (iii) status of survey, investigation and gradation;
- (iv) guiding rules and regulations; and
- (v) roadmap to facilitate identification of the location of heritage sites and buildings.

The existing information on the KMC website on heritage is therefore inadequate and the available information is also faulty. Though 137 sites had already been declared upto December 2006, the website displayed 89 heritage buildings as on 8 March 2007. Furthermore, in 26 cases, no image was made available on the website. This included the AG Bengal's office, Basu Bigyan Mandir, House of Sir Asutosh Mukherjee, Mahajati Sadan etc. Thus owners/caretakers of heritage buildings/sites and citizens are deprived of getting updated information on all heritage related matters which in turn also affects the public awareness and interest on heritage issues. KMC admitted (February 2008) the fact and stated that refreshed information would be provided in KMC's website after completion of the grading.

The time frame for completion of the grading process has, however, not been indicated by KMC.

7.1.7 Conclusion

The protection of heritage buildings and sites did not receive due attention of the implementing authorities. Although KMC has made a beginning in this huge task, the recommendations of the EC could not be implemented.

7.1.8 Recommendations

To ensure proper conservation and preservation of heritage buildings and sites, KMC should develop:

- (i) a separate heritage wing equipped with technical staff and supporting infrastructure;
- (ii) heritage manual and guidelines for regulation, conservation and preservation of heritage buildings and sites including management of the corpus fund;
- (iii) final list of buildings and sites after proper review and due documentation and gradation;
- (iv) scheme for income tax/ other tax benefits / fiscal relief to contributors and owners / care takers of heritage buildings;
- (v) appropriate modification /amendment to the Act and procedures of declaration; and
- (vi) a comprehensive information management system to generate greater public awareness and facilitate development of heritage tourism.

7.2 Avoidable expenditure of Rs 33.11 lakh towards air freight

KMC incurred an avoidable expenditure of Rs 33.11 lakh on air freight on the ground of urgent circumstances, although the Corporation itself at several stages delayed the approval and execution of the project of construction of reservoir with booster pumping station.

KMC initiated (2000) construction of a reservoir with booster pumping station at Kalighat Park, for improvement of water supply in the adjoining areas which were under low pressure. The tenders called for were cancelled because the lowest rate received in this connection was not workable. In April 2001, M/s. IRCON International Ltd. (IRCON) proposed to take up the work and KMC

decided (August 2001) to appoint IRCON as the turnkey executing agency for construction of 4 MGD semi-under ground reservoir with booster pumping station at a lump sum estimated cost of Rs 20 crore. KMC entered into an agreement with IRCON in September 2001 with the stipulation to complete the project within 30 months either from the date of handing over the site to the contractor or payment of mobilization advance, whichever was later. The agency was entitled to 11 *per cent* commission on the cost of the project. KMC issued work order in September 2001 and paid mobilization advance in November 2002, after a delay of 14 months.

The work of electro-mechanical part of the project including procurement and installation of imported motors was put to tender in July 2003 without incorporating any clause for exemption benefit of excise/custom duties. This necessitated invitation of a revised offer in November 2003. KMC accepted (March 2004) the offer of M/s Voltas Ltd. excluding supply of soft starter which was an inherent component of the machinery. The contractor expressed inability to execute the work without the soft starter. After negotiation with the contractor, KMC finally accepted (May 2004) the offer with soft starter and awarded (May 2004) the work at Rs 4.38 crore. Non inclusion of the clause for exemption of excise/customs duties and soft starter in the notice inviting tender and subsequent ratification delayed the work by 10 months.

The work was scheduled to be completed by February 2005. However, the drawings and design of the pumps were submitted (July 2004) by M/s Voltas Ltd. after a delay of 50 days and thereafter approved by KMC (November 2004) after a further delay of three months. The contractor informed that two out of four motors would be ready by 14 February 2005 and considerable time would be required to transport them by sea route from the UK. KMC directed the contractor to transport the motors by air which was approved in view of the urgency of commissioning the booster pumping station. The motors were air freighted on 28 February 2005 and 5 March 2005 respectively at a cost of Rs 36.11 lakh as against shipment by sea of Rs 3.00 lakh, thereby incurring an extra expenditure of Rs 33.11 lakh.

The urgency of commissioning the project by KMC was an afterthought at a much later stage (February 2005). Prior to that at several stages KMC delayed the approval of the project for improvement of water supply and its operationalisation thereon as evident from the belated finalisation of tenders (over a year), the late release of the mobilisation advance and delay in finalisation of drawings and design. This resulted in an avoidable expenditure of Rs 33.11 lakh on the subsequent air freight of the imported motors.

The matter was reported to the Corporation and the Government in February 2008; their replies have not been received (March 2008).

ASANSOL MUNICIPAL CORPORATION

7.3 Unfruitful expenditure under IDSMT scheme led to blockage of Rs 53.76 lakh

Non allotment of stalls of shopping complex constructed at a cost of Rs 53.76 lakh frustrated the scope of improving the economic infrastructure and generating revenue.

The Integrated Development of Small and Medium Towns (IDSMT), a centrally sponsored scheme was launched in the year 1979-80 with the objective of development of small and medium towns by improving economic and physical infrastructure as well as promoting resource generation for urban local bodies.

The IDSMT scheme for the Asansol Municipal Corporation (AMC) was sanctioned in the year 1996 for Rs 2.32 crore which was revised to Rs 6.23 crore and sanctioned (June 1999) by the Town and Country Planning Organisation (TCPO), Government of India. The project was to be funded through Central Government grant of Rs 2.24 crore, State Government grant of Rs 1.50 crore and institutional loan of Rs 2.49 crore.

In February 2003, the Municipal Engineering Directorate (MED) and AMC modified the project components within its revised cost of Rs 6.23 crore and incorporated the construction of Kalyanpur Shopping Complex without conducting any survey regarding users' demand. However, AMC did not obtain fresh approval from TCPO.

AMC received the entire grant of Rs 3.74 crore during June 1996 to February 2004 but did not arrange the institutional loan of Rs 2.49 crore.

Scrutiny of the implementation of Kalyanpur Shopping Complex revealed that the complex was taken up for construction at a spot in Ward No.30 which was about five km away from the central bazaar of the city. The construction of 50 stalls estimated at Rs 62.00 lakh was taken up in December 1998 and was completed in August 2002 at a cost of Rs 53.76 lakh. AMC in its financial viability report projected a premium of Rs 55.32 lakh and yearly rent of Rs 9.76 lakh from the complex. However, despite floating two successive auction notices (March and May 2003) for allotment of 50 stalls no buyers showed interest in it.



Shopping complex lying idle since August 2002

The shopping complex remained unutilised since August 2002 rendering the expenditure of Rs 53.76 lakh unfruitful. AMC has also not been able to make alternative use of the shopping complex. The condition of the shopping complex has also deteriorated as reported (September 2004) by the Assistant Engineer of the Corporation. Furthermore, AMC has informed (February 2008) that no arrangement has been made to look after the property.

Thus, due to injudicious selection of site and not ascertaining users' demand prior to taking up the scheme, the shopping complex constructed at a cost of Rs 53.76 lakh failed to augment revenue rendering the investment unfruitful.

The matter was reported to the Corporation and the Government in February 2008; their replies have not been received (March 2008).

DURGAPUR MUNICIPAL CORPORATION

7.4 Misappropriation of 188.12 MT of rice worth Rs 29.06 lakh under mid-day-meal programme

Absence of proper monitoring over implementation of mid-day-meal in primary schools by Durgapur Municipal Corporation led to misappropriation of 188.12 MT of rice worth Rs 29.06 lakh during April 2006 to 12 September 2007.

The mid-day-meal programme is designed for distribution of rice or cooked food to the students to give a boost to universalisation of primary education by increasing enrolment, retention and attendance and simultaneously impacting on the nutritional level of students in primary classes. The Central Government assists the ULB by providing fully subsidized food grain. Primary schools within Durgapur Municipal area also had the programme and DMC has been responsible for its implementation.

The District Magistrate allots the quantity of rice based on the number of students on roll in DMC area as per their record. The authorized distributor appointed by DMC lifts rice from Food Corporation of India and distributes it amongst the schools within DMC area. The Corporation is responsible for supervising and monitoring the implementation and collecting utilization certificate for onward transmission to the district authority.

Scrutiny of records of DMC and the distributor revealed that 897.36 MT of rice was allotted by the district authority for the schools under the Corporation during the period from April 2006 to August 2007. During the period the distributor got a total stock of 904.29 MT of rice together with opening balance of 6.93 MT on 1 April 2006 against which he distributed 780.79 MT as per his stock register leaving a closing balance of 123.5 MT of rice.

Scrutiny of the challans acknowledged by schools for the period from April 2006 to 12 September 2007 revealed that only 594.07 MT of rice was actually received by the various schools. Therefore the distributor should have

had with him 310.22 MT of rice as on 12 September 2007. A joint physical verification was conducted on 12 September by DMC in presence of the audit team and it revealed only 122.10 MT of rice in the godown of the distributor. The distributor could not satisfactorily account for 188.12 MT of rice worth Rs 29.06 lakh at the rate of Rs 1545.00 per quintal (2006-07).

The Mayor-in-Council, DMC on 25 September 2007 held the distributor responsible for the shortage of rice and decided not to issue further rice till the shortfall in quantity was provided by the distributor to the schools.

The misappropriation of above amount of rice was facilitated by the fact that District Authority allotted to the distributor rice based on their own data for number of students within DMC area notwithstanding the fact that DMC had intimated less number of students.

The Corporation without due monitoring of lifting of rice and receipt by schools (through acknowledged challan) to ensure whether actual distribution corresponds to the amount of lifting, furnished utilization certificates to the District Authority for the whole quantity of rice lifted which was always in excess of requirement even as per records of DMC.

A test check of seven months at random revealed that the District Authority allotted 475.27 MT of rice for 275706 student (as per record of District Authority) against entitlement of 415.17 MT for the enrolment of 222017 i.e. allotment of 60.10 MT in excess.

The distributor misrepresented the position of physical stock of rice in the stock book and DMC never physically verified the stock position.

The matter was reported to the Corporation and the Government in November 2007 and March 2008. In reply, DMC referred (December 2007) to subsidized rate against actual rate of rice but did not furnish any reasons for such loss. The matter was reminded in March 2008. Their replies have not been received.

CHAPTER VIII

CONCLUSIONS AND RECOMMENDATIONS

A: CONCLUSIONS

8.1 Finance and Accounts

Preparation of budget proposals and financial accounting were found to be defective and not in accordance with the West Bengal Municipal Act, 1993 and other Municipal Corporation Acts. There was lack of budgetary control and absence of reliable budget formulation. Although the ULBs dealt with substantial sums, a full fledged accounts wing with skilled staff continued to be lacking in most of the ULBs to ensure proper budget preparation and accuracy in accounts. Most of the ULBs failed to present accounts in time. Loss of Government grant, loss of interest on provident fund, increasing liability on unpaid loan, unwarranted expenditure, non adjustment of huge advances, irregular maintenance of cash book and non reconciliation of bank book indicated inadequate internal control and monitoring to ensure proper accounting of substantial public funds spent by the ULBs. Non preparation of balance sheet was indicative of lack of transparency of assets and liabilities in the management of public funds besides non implementation of the provisions of Acts.

8.2 Devolution

The State Finance Commission observed that no ULB of their own was capable of maintaining services and taking new developmental activities. Accordingly the Commission in February 2002 recommended 3.2 *per cent* of State taxes as entitlement fund for the ULBs and also continuing the present arrangement of sharing entertainment tax. As against the entitlement of Rs 706.65 crore for 2005-07, the State Government released only Rs 132.33 crore being only 0.6 *per cent* of State taxes of the same period. The State Government, however, releases share of taxes on entertainment, trade and vehicles and also grant for salary and development activities. The pay and allowances of the

officers working in the ULBs are paid from departmental fund without being debited to the respective ULBs. The devolution of fund to ULBs, thus, remained scattered and inconsistent with the entitlement of the ULBs. Transfer of functionaries was inadequate and inconsistent with the work load and without proper delegation of power.

8.3 Revenue Receipts

Loss of huge revenue due to delay in assessment, inadmissible remission of tax, non imposition of surcharge on commercial buildings, non/short realisation of water charges, non accountal of receipts and non recovery of lease money reflects non observance of the provisions of Acts. Lack of monitoring over collection of property tax, water charges, fees and other charges caused accumulation of dues which adversely affect the capacity of ULBs to provide services to their tax payers.

8.4 Establishment

Engagement of staff without approval of the Government and appointment of casual staff / labour were indicative of inadequate management of manpower. Irregular expenditure on establishment deprived the rate payers of obligatory and discretionary services. Non creation of a special fund for terminal benefits of the retired employees and payment of provisional pension for years together would have adverse implication as regards their assured social security.

8.5 Procurement

Large-scale purchases without tenders/quotations in violation of the general procedures for purchase evidenced deficient procurement practices. Non accountal of huge materials and absence of periodical physical verification indicated inadequate material management.

8.6 Execution of works

The execution of works without vetted estimates showed a lackadaisical approach as regards the economy and efficiency of expenditure. Works done

without recording in Measurement Book indicated lack of transparency. Infructuous/unfruitful expenditure on incomplete works / projects within the stipulated date blocked public funds and caused undesirable delay providing intended services to the beneficiaries. Non utilisation of created assets frustrated the very purpose of augmentation of revenue.

8.7 Implementation of schemes

Poor utilisation of assistance under several schemes suggested inadequate attention to the Government objectives and policies for providing basic amenities and services. Non-implementation of certain schemes / component of schemes and irregular implementation including diversion of fund frustrated the very purpose of the scheme.

8.8 Resource mobilization

Taxes and charges for service are the main source of Municipal Fund which ensure continuance of services to the rate payers. Adhocism in assessment of taxes, inadequate supervision and monitoring have reduced the mobilization of revenue from own sources.

B: RECOMMENDATIONS

In view of the above audit findings, the following recommendations are made for consideration of the State Government.

8.9 Internal control and monitoring mechanism should be strengthened to ensure:

- ❖ Full and timely flow of funds;
- ❖ Accountability of expenditure;
- ❖ Monthly reconciliation of bank and treasury accounts;
- ❖ Timely remittance of statutory deductions from salaries;

- ❖ Prompt recovery / adjustment / write-off of outstanding advances, overpayments;
- ❖ Adoption of need-based procurement at competitive prices.

8.10 The State Government may consider:

- ❖ Devolution of appropriate funds to the ULBs;
- ❖ Sharing of State taxes in a consolidated manner;
- ❖ Grants for development activities as contemplated under Article 243(1)(a)(ii) of the Constitution;
- ❖ Transfer of adequate functionaries;
- ❖ Delegation of appropriate powers to the officers and
- ❖ Reforms of municipal administration.

8.11 Overall financial management needs to be strengthened in the ULBs for augmenting their financial resources by:

- ❖ Improving collection of revenues;
- ❖ Improving assessment procedures to avoid non / short assessment;
- ❖ Preventing leakage of revenue caused due to delay in assessment;
- ❖ Initiation of action for recovery of loss arising out of non-accounting of stores; and
- ❖ Speedy recovery of dues from assesses and contractors.

8.12 Implementation and monitoring mechanism in schemes need to be strengthened by:

- ❖ Implementation as per scheme guidelines;

- ❖ Adequate controls need to be put in place to prevent irregular / excess payments and diversion of funds;
- ❖ Adherence to the provisions of Financial and Accounts Rules;
- ❖ Completion of incomplete works / projects;
- ❖ Evaluation of derived benefits by an independent agency.

The State Government may strengthen internal audit so as to cover all the ULBs at regular intervals and ensure time bound and sustained action on the deficiencies pointed out therein.

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The

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The

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APPENDIX - 1
Name of ULBs
(vide para: 1.9; page: 14)

Sl. No.	Name of ULB	Period of Audit	Sl. No.	Name of ULB	Period of Audit
1.	Asansol Municipal Corporation	2005-06	39.	Kalna	2005-07
2.	Ashokenagar-Kalyangarh	2005-07	40.	Kalyani	2005-07
3.	Baidyabati	2004-07	41.	Kanchrapara	2005-06
4.	Bally	2005-07	42.	Kandi	2005-07
5.	Balurghat	2005-07	43.	Kharagpur	2004-06
6.	Bankura	2005-07	44.	Khardah	2005-06
7.	Barasat	2004-06	45.	Khirpai	2004-06
8.	Barrackpore	2004-06	46.	Kolkata Municipal Corporation	2005-06
9.	Bhatpara	2004-07	47.	Konnagar	2004-07
10.	Birnagar	2004-06	48.	Krishnanagar	2005-07
11.	Bolpur	2004-07	49.	Kurseong	2002-06
12.	Bongaon	2005-07	50.	Madhyamgram	2005-07
13.	Chakdah	2004-06	51.	Mahestala	2005-06
14.	Champdani	2005-07	52.	Memari	2004-06
15.	Chandernagar Municipal Corporation	2005-06	53.	Midnapur	2004-06
16.	Chandrakona	2003-06	54.	New Barrackpore	2004-06
17.	Contai	2004-06	55.	North Barrackpore	2005-06
18.	Dainhat	2005-07	56.	North Dum Dum	2004-07
19.	Darjeeling	2004-06	57.	Old Malda	2005-07
20.	Diamond Harbour	2005-07	58.	Panskura	2005-06
21.	Dinhata	2005-07	59.	Pujali	2002-06
22.	Dubrajpur	2005-06	60.	Purulia	2005-07
23.	Dum Dum	2004-06	61.	Raghunathpur	2003-06
24.	Durgapur Municipal Corporation	2005-06	62.	Raiganj	2002-06
25.	Gangarampur	2005-07	63.	Rajpur-Sonarpur	2004-06
26.	Garulia	2004-06	64.	Ramjibanpur	2005-07
27.	Gayespur	2004-06	65.	Rampurhat	2004-06
28.	Ghatal	2004-07	66.	Ranaghat	2005-06
29.	Guskara	2005-07	67.	Raniganj	2005-06
30.	Habra	2005-07	68.	Sainthia	2004-07
31.	Haldia	2004-06	69.	Santipur	2004-07
32.	Haldibari	2005-07	70.	Serampur	2004-06
33.	Halisahar	2005-07	71.	Sonamukhi	2005-07
34.	Hooghly-Chinsurah	2005-07	72.	South Dum Dum	2005-07
35.	Jamuria	2002-06	73.	Taherpur	2003-06
36.	Jiaganj-Ajimganj	2005-07	74.	Tarakeswar	2005-07
37.	Joynagar-Mozilpur	2005-07	75.	Uluberia	2004-06
38.	Kaliaganj	2005-07	76.	Uttarpara-Kotrang	2004-06

APPENDIX 2A

Statement showing budget estimate and actual expenditure for the year 2004-05

(vide para: 2.1(a); page: 18)

Sl. No.	Name of ULB	Revenue				Capital			
		(R u p e e s i n l a k h)							
		Budget estimate	Actuals	(-) Savings (+) Excess	Percentage of utilization	Budget estimate	Actuals	(-) Savings (+) Excess	Percentage of utilization
1.	Balurghat	387.57	285.70	(-)101.87	73.72	0	0	0	0
2.	Barrackpore	403.16	410.43	(+)7.27	101.80	408.50	459.29	(+)50.79	112.43
3.	Bhatpara	1517.80	1069.26	(-)448.54	70.45	0	0	0	0
4.	Bongaon	348.50	273.50	(-)75.00	78.48	1144.34	303.07	(-)841.27	26.48
5.	Chakdah	138.91	128.66	(-)10.25	92.62	276.18	122.48	(-)153.69	44.35
6.	Chandernagar	1311.63	1316.17	(+)4.54	100.35	30.00	14.28	(-)15.72	47.60
7.	Durgapur	1389.98	1247.38	(-)142.60	89.74	734.32	574.69	(-)159.63	78.26
8.	Gayespur	335.83	203.00	(-)132.83	60.45	670.30	265.28	(-)405.02	39.58
9.	Guskara	124.47	91.14	(-)33.33	73.22	356.64	639.55	(+)282.91	179.33
10.	Haldibari	91.55	75.68	(-)15.87	82.67	0	0	0	0
11.	Hooghly Chinsurah	858.62	663.26	(-)195.36	77.25	0	0	0	0
12.	Joynagar-Mozilpur	104.56	93.42	(-)11.14	89.35	72.10	60.10	(-)12.00	83.36
13.	Kalna	215.38	192.97	(-)22.41	89.60	0	0	0	0
14.	Kanchrapara	363.36	254.07	(-)109.29	69.92	65.06	9.92	(-)55.14	15.25
15.	Kharagpur	694.10	440.55	(-)253.55	63.47	800.00	0	(-)800.00	0
16.	Khardah	401.53	373.48	(-)28.05	93.01	265.24	235.85	(-)29.39	88.92
17.	Mahestala	525.73	451.76	(-)73.97	85.93	373.21	516.32	(+)143.11	138.35
18.	Memari	73.23	55.84	(-)17.39	76.25	1.40	0.81	(-)0.59	57.86
19.	Midnapur	698.53	626.35	(-)72.18	89.67	70.49	7.46	(-)63.03	10.58
20.	Pujali	192.49	161.46	(-)31.03	83.88	38.53	28.64	(-)9.89	74.33
21.	Ramjibanpur	29.89	35.71	(+)5.82	119.47	0	0	0	0
22.	Ranaghat	397.70	458.12	(+)60.42	115.19	4.00	1.36	(-)2.64	34.00
23.	Sainthia	153.97	119.07	(-)34.90	77.33	0	0	0	0
24.	Serampur	662.41	684.26	(+)21.85	103.30	48.22	51.16	(+)2.94	106.10
25.	Siliguri	1672.16	1554.48	(-)117.68	92.96	2416.25	901.22	(-)1515.03	37.30
26.	Sonamukhi	94.55	86.75	(-)7.80	91.75	21.60	25.21	(+)3.61	116.71
27.	Uluberia	190.86	158.83	(-)32.03	83.22	1.00	0.09	(-)0.91	9.00
		13378.47	11511.30	(-)1867.17	86	7797.38	4216.78	(-)3580.60	54

APPENDIX 2B

Statement showing budget estimate and actual expenditure for the year 2005-06

(vide para: 2.1(a); page: 18)

Sl. No.	Name of ULB	Revenue				Capital			
		(R u p e e s i n l a k h)							
		Budget estimate	Actuals	(-) Savings (+) Excess	Percentage of utilization	Budget estimate	Actuals	(-) Savings (+) Excess	Percentage of utilization
1.	Balurghat	421.51	317.00	(-)104.51	75.21	0	0	0	0
2.	Barrackpore	461.51	478.58	(+)17.07	103.70	377.5	395.97	(+)18.47	104.89
3.	Bhatpara	1772.78	1169.32	(-)603.46	65.96	0	0	0	0
4.	Bongaon	360.05	289.41	(-)70.64	80.38	1056.18	303.85	(-)752.33	28.77
5.	Chakdah	171.27	138.84	(-)32.43	81.06	388.36	371.41	(-)16.95	95.64
6.	Chandernagar	1427.66	1389.33	(-)38.33	97.32	5	3.36	(-)1.64	67.20
7.	Durgapur	1751.72	1558.06	(-)193.66	88.94	2017.2	1518.58	(-)498.62	75.28
8.	Gayespur	331.2	252.54	(-)78.66	76.25	310.27	199.21	(-)111.06	64.21
9.	Guskara	127.95	105.1	(-)22.85	82.14	285.53	135.58	(-)149.95	47.48
10.	Haldibari	98.32	85.33	(-)12.99	86.79	0	0	0	0
11.	Hooghly Chinsurah	994.3	789.26	(-)205.04	79.38	0	0	0	0
12.	Joynagar-Mozilpur	118	108.51	(-)9.49	91.96	102.6	46.56	(-)56.04	45.38
13.	Kalna	226.79	219.39	(-)7.4	96.74	1.00	2.85	(+)1.85	285.00
14.	Kanchrapara	402.21	342.93	(-)59.28	85.26	6.06	8.57	(+)2.51	141.42
15.	Kharagpur	547.16	449.06	(-)98.1	82.07	100.00	0	(-)100.00	0
16.	Khardah	470.71	416.45	(-)54.26	88.47	182.16	123.6	(-)58.56	67.85
17.	Mahestala	528.8	552.44	(+)23.64	104.47	499	560.23	(+)61.23	112.27
18.	Memari	102.19	63.07	(-)39.12	61.72	8.2	2.82	(-)5.38	34.39
19.	Midnapur	790.42	665.69	(-)124.73	84.22	56.37	43.68	(-)12.69	77.49
20.	Pujali	279.89	283.55	(+)3.66	101.31	116.06	115.26	(-)0.8	99.31
21.	Ramjibanpur	36.63	39.98	(+)3.35	109.15	0	0	0	0
22.	Ranaghat	432.81	470.15	(+)37.34	108.63	4.00	2.08	(-)1.92	52.00
23.	Sainthia	202.73	123.00	(-)79.73	60.67	0	0	0	0
24.	Serampur	723.17	816.47	(+)93.30	112.90	33.37	31.07	(-)2.30	93.11
25.	Siliguri	2173.25	1816.33	(-)356.92	83.58	2956	1327.97	(-)1628.03	44.92
26.	Sonamukhi	116.71	96.82	(-)19.89	82.96	34.60	30.44	(-)4.16	87.98
27.	Uluberia	304.85	247.06	(-)57.79	81.04	7.50	6.86	(-)0.64	91.47
Total		15374.59	13283.67	(-)2090.92	86	8546.96	5229.95	(-)3317.01	61

APPENDIX 2C

Statement showing budget estimate and actual expenditure for the year 2006-07

(vide para: 2.1(a); page: 18)

Sl. No.	Name of ULB	Revenue				Capital			
		(R u p e e s i n l a k h)							
		Budget estimate	Actuals	(-) Savings (+) Excess	Percentage of utilization	Budget estimate	Actuals	(-) Savings (+) Excess	Percentage of utilization
1.	Balurghat	474.43	313.08	(-)161.35	65.99	0	0	0	0
2.	Barrackpore	468.69	479.59	(+)10.9	102.33	319.75	389.49	(+)69.74	121.81
3.	Bhatpara	1764.37	1239.06	(-)525.31	70.23	0	0	0	0
4.	Bongaon	371.98	321.09	(-)50.89	86.32	630.30	252.97	(-)377.33	40.13
5.	Chakdah	166.24	155.15	(-)11.09	93.33	373.6	293.91	(-)79.69	78.67
6.	Chandernagar	1599.84	1438.31	(-)161.53	89.90	0	0	0	0
7.	Durgapur	2127.94	1853.13	(-)274.81	87.09	2292.2	1336.17	(-)956.03	58.29
8.	Guskara	132.33	123.97	(-)8.36	93.68	344.77	86.87	(-)257.9	25.20
9.	Haldibari	111.68	98.16	(-)13.52	87.89	0	0	0	0
10.	Hooghly Chinsurah	500	284.51	(-)215.49	56.90	0	0	0	0
11.	Joy nagar-Mozilpur	129.94	127.12	(-)2.82	97.83	129.25	92.37	(-)36.88	71.47
12.	Kalna	235.73	228.71	(-)7.02	97.02	1.00	0.18	(-)0.82	18.00
13.	Kanchrapara	356.24	293.28	(-)62.96	82.33	10.06	4.04	(-)6.02	40.16
14.	Kharagpur	628.95	557.65	(-)71.3	88.66	100	0	(-)100	0
15.	Khardah	512.25	477.31	(-)34.94	93.18	324.84	162.79	(-)162.05	50.11
16.	Mahestala	828.34	616.1	(-)212.24	74.38	953.6	567.37	(-)386.23	59.50
17.	Memari	99.89	75.57	(-)24.32	75.65	4.15	0.44	(-)3.71	10.60
18.	Midnapur	888.18	718.67	(-)169.51	80.91	47.71	11.95	(-)35.76	25.05
19.	Pujali	286.45	275.00	(-)11.45	96.00	122.36	101.84	(-)20.52	83.23
20.	Ramjibanpur	39.29	44.1	(+)4.81	112.24	0	0	0	0
21.	Ranaghat	530.86	548.81	(+)17.95	103.38	4.00	4.37	(+)0.37	109.25
22.	Sainthia	167.55	129.29	(-)38.26	77.17	0	0	0	0
23.	Serampur	858.94	852.08	(-)6.86	99.20	22.56	20.31	(-)2.25	90.03
24.	Siliguri	2559.35	1998.37	(-)560.98	78.08	2967.95	1014.8	(-)1953.15	34.19
25.	Sonamukhi	127.24	106.97	(-)20.27	84.07	43.35	33.88	(-)9.47	78.15
26.	Uluberia	346.42	335.86	(-)10.56	96.95	23.10	14.32	(-)8.78	61.99
	Total	16313.12	13690.94	(-)2622.18	84	8714.55	4388.07	(-)4326.48	50

APPENDIX - 3

**Statement showing un-reconciled difference between Cash Book and
Bank/Treasury statement**

(vide para: 2.2 (b) (iii), page: 21)

Sl. No.	Name of the Municipality	As on	Balance as per Cash Book	Bank balance as per Bank/Treasury	Difference
(R u p e e s i n c r o r e)					
1.	Barasat	March 2006	6.47	6.80	(-)0.33
2.	Gayespur	March 2006	2.28	2.71	(-)0.43
3.	Uttarpara-Kotrang	March 2006	3.40	3.89	(-)0.49
4.	Darjeeling	March 2006	3.27	4.09	(-)0.82
5.	New Barrackpore	March 2006	0.94	0.65	(+)0.29
6.	Kanchrapara	March 2006	2.78	3.41	(-)0.63
7.	Kalyani	March 2007	6.23	6.90	(-)0.67
8.	Raiganj	March 2006	1.65	1.91	(-)0.25
9.	Kharagpur	March 2006	1.77	4.39	(-)2.62
10.	Garulia	March 2006	0.90	1.08	(-)0.18
11.	Sainthia	March 2007	1.59	1.99	(-)0.40
12.	Bally	March 2007	9.00	7.70	(+)1.30
13.	Champdani	March 2007	1.15	0.93	(+)0.22
14.	Diamond Harbour	March 2007	3.14	13.15	(-)10.01
15.	Baidyabati	March 2007	2.27	2.76	(-)0.49
16.	Konnagar	March 2007	0.09	0.11	(-)0.02
17.	Habra	March 2007	4.64	4.88	(-)0.24
18.	Bankura	March 2007	3.35	4.47	(-)1.12
Total			54.92	71.82	(-)16.90

APPENDIX -4
Statement showing utilisation of developmental grants during the year 2005-06
(vide para: 2.4; page: 24)

Sl. No.	Name of ULB	Opening Balance	Receipts	Total	Expenditure	Closing Balance	Percentage of Utilisation
1.	Asansol	466.12	725.73	1191.85	745.58	446.27	62.56
2.	Ashokenagar-Kalyangarh	88.21	190.10	278.31	203.05	75.26	72.96
3.	Baidyabati	110.28	186.00	296.28	72.20	224.08	24.37
4.	Bally	135.37	353.21	488.58	203.40	285.18	41.63
5.	Balurghat	325.85	751.88	1077.73	413.18	664.55	38.34
6.	Bankura	175.14	199.88	375.02	196.21	178.81	52.32
7.	Barasat	138.01	261.15	399.16	180.58	218.58	45.24
8.	Barrackpore	59.89	306.75	366.64	298.11	68.53	81.31
9.	Bhatpara	414.77	395.32	810.09	523.55	286.54	64.63
10.	Birnagar	-14.66	100.48	85.82	62.02	23.80	72.27
11.	Bolpur	7.70	27.81	35.51	32.55	2.96	91.66
12.	Chakdah	82.05	194.43	276.48	166.26	110.22	60.13
13.	Champdani	292.03	194.60	486.63	153.51	333.12	31.55
14.	Chandernagar	133.86	265.31	399.17	179.36	219.81	44.93
15.	Chandrakona	38.60	94.42	133.02	90.49	42.53	68.03
16.	Contai	137.88	163.42	301.30	229.67	71.63	76.23
17.	Darjeeling	86.85	125.11	211.96	146.05	65.91	68.90
18.	Dainhat	74.47	69.44	143.91	74.93	68.98	52.07
19.	Dinhata	115.09	125.03	240.12	103.98	136.14	43.30
20.	Dubrajpur	156.32	103.32	259.64	135.10	124.54	52.03
21.	Dum Dum	67.05	238.70	305.75	161.71	144.04	52.89
22.	Durgapur	511.84	1397.13	1908.97	1565.99	342.98	82.03
23.	Gangarampur	212.65	241.75	454.40	216.58	237.82	47.66
24.	Garulia	68.12	125.64	193.76	81.29	112.47	41.95
25.	Gayespur	57.38	81.61	138.99	49.93	89.06	35.92
26.	Ghatal	94.67	284.33	379.00	365.55	13.45	96.45
27.	Guskara	68.97	136.82	205.79	28.96	176.83	14.07
28.	Haldibari	33.78	50.34	84.12	42.99	41.13	51.11
29.	Haldia	45.42	490.12	535.54	446.99	88.55	83.47
30.	Halisahar	41.53	164.70	206.23	161.76	44.47	78.44
31.	Hooghly-Chinsurah	71.19	561.09	632.28	547.54	84.74	86.60
32.	Jamuria	346.41	196.01	542.42	94.37	448.05	17.40
33.	Joynagar-Mozilpur	126.51	117.68	244.19	46.21	197.98	18.92
34.	Kaliaganj	23.09	111.43	134.52	84.33	50.19	62.69
35.	Kalyani	43.39	102.71	146.10	105.40	40.70	72.14
36.	Kanchrapara	260.54	545.90	806.44	522.17	284.27	64.75

37.	Kandi	16.01	132.20	148.21	130.28	17.93	87.90
38.	Kharagpur	451.90	274.55	726.45	377.18	349.27	51.92
39.	Khardah	119.34	368.39	487.73	273.65	214.08	56.11
40.	Khirpai	53.04	94.86	147.90	85.51	62.39	57.82
41.	Konnagar	49.69	172.01	221.70	172.46	49.24	77.79
42.	Kurseong	22.51	174.71	197.22	72.08	125.14	36.55
43.	Madhyamgram	95.31	308.53	403.84	224.46	179.38	55.58
44.	Mahestala	408.72	877.52	1286.24	673.50	612.74	52.36
45.	Memari	90.98	125.63	216.61	72.79	143.82	33.60
46.	Midnapur	499.88	368.35	868.23	416.63	451.60	47.99
47.	New Barrackpore	52.73	349.45	402.18	310.18	92.00	77.12
48.	North Barrackpore	115.64	220.96	336.60	221.89	114.71	65.92
49.	North Dum Dum	141.45	859.49	1000.94	639.37	361.57	63.88
50.	Old Malda	58.48	189.02	247.50	151.09	96.41	61.05
51.	Panskura	92.57	118.57	211.14	102.30	108.84	48.45
52.	Pujali	43.46	59.85	103.31	64.29	39.02	62.23
53.	Raghunathpur	113.26	93.31	206.57	59.35	147.22	28.73
54.	Raiganj	143.70	252.63	396.33	273.20	123.13	68.93
55.	Rajpur Sonarpur	309.48	590.69	900.17	280.41	619.76	31.15
56.	Ramjibanpur	82.91	88.65	171.56	90.60	80.96	52.81
57.	Rampurhat	72.01	89.36	161.37	103.55	57.82	64.17
58.	Ranaghat	140.31	108.39	248.70	167.88	80.82	67.50
59.	Raniganj	254.47	138.53	393.00	59.28	333.72	15.08
60.	Sainthia	70.08	71.25	141.33	52.49	88.84	37.14
61.	Santipur	197.33	436.94	634.27	506.71	127.56	79.89
62.	Serampur	563.06	631.09	1194.15	1063.63	130.52	89.07
63.	Siliguri M.C.	509.45	1072.82	1582.27	1120.78	461.49	70.83
64.	Sonamukhi	31.70	81.17	112.87	51.82	61.05	45.91
65.	South Dum Dum	101.36	575.90	677.26	413.98	263.28	61.13
66.	Taherpur	119.78	85.47	205.25	130.89	74.36	63.77
67.	Uluberia	-164.03	177.77	13.74	71.38	-57.64	519.51
68.	Uttarpara-Kotrang	82.01	210.17	292.18	158.17	134.01	54.13
Total		10034.96	19077.58	29112.54	17323.33	11789.21	59.50

APPENDIX -5

Statement showing utilisation of developmental grants during the year 2006-07
(vide para: 2.4 page: 24)

Sl. No.	Name of ULB	Opening Balance	Receipts	Total	Expenditure	Balance	Percentage of Utilisation
1.	Ashokenagar-Kalvanganrh	75.26	244.70	319.96	156.41	163.55	48.88
2.	Baidyabati	224.07	83.66	307.73	65.54	242.19	21.30
3.	Bally	285.18	281.22	566.40	239.54	326.86	42.29
4.	Balurghat	664.54	497.12	1161.66	536.24	625.42	46.16
5.	Bankura	178.82	400.67	579.49	210.94	368.55	36.40
6.	Bolpur	2.97	13.94	16.91	7.58	9.33	44.83
7.	Dainhat	68.98	151.86	220.84	94.23	126.61	42.67
8.	Dinhata	136.14	180.60	316.74	116.93	199.81	36.92
9.	Gangarampur	237.82	303.56	541.38	245.72	295.66	45.39
10.	Ghatal	13.44	301.20	314.64	206.09	108.55	65.50
11.	Guskara	176.83	149.25	326.08	59.31	266.77	18.19
12.	Haldibari	41.13	54.37	95.50	41.12	54.38	43.06
13.	Halisahar	44.47	129.31	173.78	78.12	95.66	44.95
14.	Hooghly-Chinsurah	84.74	285.36	370.10	205.49	164.61	55.52
15.	Joynagar-Mozilpur	197.99	46.11	244.10	55.57	188.53	22.77
16.	Kaliaganj	50.19	164.23	214.42	96.01	118.41	44.78
17.	Konnagar	49.25	190.02	239.27	94.10	145.17	39.33
18.	Madhyamgram	179.37	261.47	440.84	271.71	169.13	61.63
19.	North Dum Dum	361.56	791.43	1152.99	961.72	191.27	83.41
20.	Old Malda	96.41	279.04	375.45	148.83	226.62	39.64
21.	Ramjibanpur	80.95	72.20	153.15	77.53	75.62	50.62
22.	Sainthia	88.84	43.14	131.98	80.25	51.73	60.80
23.	Santipur	127.57	693.89	821.46	200.36	621.10	24.39
24.	Sonamukhi	61.05	23.59	84.64	45.25	39.39	53.46
Total		3527.57	5641.94	9169.51	4294.59	4874.92	46.84

APPENDIX -6
Diversion of funds
(vide para: 2.5, Page: 24)

Sl No.	Name of the ULB	Purpose of the grant	Expended for	Amount (Rupees in lakh)
1.	Chandernagar	Specific grant for construction of houses for scavengers under National Scheme of Liberation and Rehabilitation Scheme	Purchase of land for construction of housing project on commercial basis	40.00
2.	Pujali	Maintenance work and creation of database	Construction of guest house	21.01
3.	Durgapur	Health service	Purchase of material for auditorium	8.66
4.	Panskura	Taxes on vehicles to be used for emergent road repair	Construction of boundary wall, guard wall, repair and development of existing pond banks.	1.40
5.	Kurseong	Grant sanctioned for construction of Taxi Stand-cum-Market Complex	Improvement of roads	24.58
6.	Kandi	Grant-in-aid for payment of arrear energy bills	Payment of wages to the casual workers during 2005-06 to 2006-07.	6.00
7.	Jiaganj-Azimganj	i) Water supply	Bonus and Salary to the employee	4.42
		ii) Road repair	Wages to the casual employees	2.55
		iii) Sinking/Re-sinking of tube well.	Wages to the casual employees	1.86
8.	Bolpur	Government. Grant for improvement of water supply	Payment of salaries, wages, pension etc.	7.00
9.	Kalna	Development of playground	Ad-interim payment to the contractor under IDSMT.	4.00
10.	Bongaon	Construction of Yatri Nibas	Cost of lunch, sales tax & income tax, sinking of tube well, improvement of road, construction of sweepers' quarters.	9.94
Total				131.42

APPENDIX - 7
Statement showing outstanding advances
(vide para 2.12, page: 29)

Sl. No.	Name of ULB	As on	Outstanding advances (Rupees in lakh)
1.	Chandernagar M C	March 2006	68.62
2.	Rajpur-Sonarpur	March 2006	5.01
3.	Memari	March 2006	0.47
4.	Uttarpara-Kotrang	March 2004	1.41
5.	Barasat	March 2006	22.68
6.	Gayespur	March 2006	74.59
7.	Chakdah	March 2006	16.68
8.	Durgapur M C	March 2006	91.05
9.	Asansol M C	March 2006	94.96
10.	Panskura	March 2006	0.76
11.	Khardah	March 2006	0.61
12.	Mahestala	March 2006	29.07
13.	North Barrackpore	March 2006	2.77
14.	Dubrajpur	March 2006	13.07
15.	Contai	March 2006	155.58
16.	Krishnanagar	March 2007	92.37
17.	Serampur	March 2006	42.16
18.	Joynagar-Mozilpur	March 2007	56.88
19.	Hooghly-Chinsurah	March 2006	45.47
20.	Midnapur	March 2006	570.60
21.	Santipur	March 2005	4.42
22.	Raiganj	March 2006	15.93
23.	Kharagpur	March 2006	8.60
24.	Garulia	March 2006	21.64
25.	Rampurhat	March 2006	1.89
26.	Gangarampur	March 2007	0.94
27.	Bally	March 2007	12.28
28.	Purulia	March 2007	97.26
29.	Diamond Harbour	March 2007	17.76
30.	Kalna	March 2007	22.20
31.	Jiaganj-Azimganj	March 2007	22.89
32.	Konnagar	March 2007	23.05
33.	South Dum Dum	March 2006	2.78
34.	Balurghat	March 2007	37.15
Total			1673.60

APPENDIX - 8

Statement showing loss of interest due to non-deposit/delay in deposit of General Provident Fund in the Treasury

(vide para:2.13, page:29)

Sl. No.	Name of Municipality	Period	Loss of interest towards GPF (Rupees in lakh)
1.	Dum Dum	May 2004 to February 2006	1.12
2.	Chakdah	March 2004 to December 2005	0.07
3.	Durgapur M C	2002-2006	0.82
4.	Asansol M C	April 2005 to September 2006	4.24
5.	Kanchrapara	June 2000 to September 2002	39.04
6.	Serampur	January 2005 to April 2005	2.11
7.	Krishnanagar	1985-2007	43.82
8.	Midnapur	2000 06 (upto August 2006)	9.36
9.	Santipur	2004-05	0.16
10.	Raiganj	2003-06	1.15
11.	Garulia	1997-06	20.24
12.	Jiaganj-Azimganj	2005-07	0.54
13.	Bolpur	2004-07	1.38
14.	Konnagar	October 1994 to February 2002	33.01
15.	South Dum Dum	April 2005 to March 2006	0.19
Total			157.25

APPENDIX – 9A

Statement showing budget estimate and actual receipts for the year 2004-05

(vide para 3.1; page: 33)

(Rupees in lakh)

Sl. No.	Name of ULB	Budget Estimate			Actual Realisation			Percentage of realisation
		Own Fund	Govt Grant	Total	Own Fund	Govt Grant	Total	
1.	Balurghat	246.21	258.98	505.19	157.35	255.78	413.13	82
2.	Barasat	419.90	209.00	628.9	320.18	209.49	529.67	84
3.	Bhatpara	480.87	762.50	1243.37	402.79	655.72	1058.51	85
4.	Bongaon	136.94	207.00	343.94	180.45	165.06	345.51	100
5.	Chakdah	121.16	130.00	251.16	114.27	128.33	242.6	97
6.	Chandernagar M C	501.57	848.46	1350.03	490.30	860.27	1350.57	100
7.	Durgapur	866.85	879.77	1746.62	782.22	840.13	1622.35	93
8.	Guskara	82.16	44.14	126.3	43.47	57.82	101.29	80
9.	Haldibari	54.82	50.51	105.33	39.98	38.14	78.12	74
10.	Hooghly-Chinsurah	311.49	462.25	773.74	250.3	393.31	643.61	83
11.	Joynagar-Mozilpur	34.42	49.59	84.01	30.32	46.96	77.28	92
12.	Kalna	76.51	148.18	224.69	62.02	147.46	209.48	93
13.	Kanchrapara	117.47	199.52	316.99	96.05	184.88	280.93	89
14.	Kharagpur	328.35	332.50	660.85	173.90	277.13	451.03	68
15.	Khardah	267.15	210.52	477.67	244.12	203.13	447.25	94
16.	Konnagar	174.65	197.24	371.89	185.54	188.91	374.45	101
17.	Memari	143.17	30.37	173.54	102.47	51.42	153.89	89
18.	Midnapur	283.36	397.24	680.6	293.96	323.70	617.66	91
19.	Old Malda	201.05	114.38	315.43	77.30	65.47	142.77	45
20.	Pujali	122.65	30.50	153.15	195.41	34.42	229.83	150
21.	Ramjibanpur	14.63	22.00	36.63	12.21	29.30	41.51	113
22.	Ranaghat	176.96	207.65	384.61	252.38	202.34	454.72	118
23.	Sainthia	53.53	125.10	178.63	29.34	72.26	101.6	57
24.	Serampur	255.08	398.43	653.51	271.23	399.88	671.11	103
25.	Siliguri	946.20	580.00	1526.2	875.09	624.37	1499.46	98
26.	Sonamukhi	30.37	62.51	92.88	18.23	63.12	81.35	88
27.	Uluberia	58.57	263.68	322.25	47.53	254.41	301.94	94
		6506.09	7222.02	13728.11	5748.41	6773.21	12521.62	91

APPENDIX 9B
Statement showing budget estimate and actual receipts for the year 2005-06

(vide para 3.1; page: 33)

(Rupees in lakh)

Sl. No.	Name of ULB	Budget Estimate			Actual Realisation			Percentage of realisation
		Own Fund	Govt Grant	Total	Own Fund	Govt Grant	Total	
1.	Balurghat	264.09	304.87	568.96	176.18	273.62	449.8	79
2.	Barasat	422.90	199.00	621.9	400.92	221.16	622.08	100
3.	Bhatpara	592.60	807.00	1399.6	379.17	771.66	1150.83	82
4.	Bongaon	160.05	211.00	371.05	148.98	178.00	326.98	88
5.	Chakdah	82.71	139.00	221.71	83.63	134.60	218.23	98
6.	Chandernagar M C	553.90	882.70	1436.6	484.92	907.86	1392.78	97
7.	Durgapur	1105.26	1151.23	2256.49	1143.08	1064.86	2207.94	98
8.	Guskara	79.14	48.70	127.84	47.42	52.59	100.01	78
9.	Haldibari	50.05	60.15	110.2	44.00	55.83	99.83	91
10.	Hooghly-Chinsurah	357.52	462.00	819.52	321.5	434.50	756	92
11.	Joynagar-Mozilpur	39.05	53.72	92.77	32.86	49.25	82.11	89
12.	Kalna	84.86	146.40	231.26	65.38	148.74	214.12	93
13.	Kanchrapara	185.91	201.53	387.44	62.97	205.36	268.33	69
14.	Kharagpur	238.06	292.70	530.76	174.89	267.62	442.51	83
15.	Khardah	320.51	317.01	637.52	250.51	290.98	541.49	85
16.	Konnagar	177.66	196.46	374.12	175.03	252.76	427.79	114
17.	Memari	86.80	37.67	124.47	109.86	53.63	163.49	131
18.	Midnapur	229.41	516.35	745.76	366.84	346.95	713.79	96
19.	Old Malda	275.09	127.33	402.42	67.54	75.04	142.58	35
20.	Pujali	278.10	33.00	311.1	270.68	37.73	308.41	99
21.	Ramjibanpur	12.62	26.67	39.29	11.57	28.73	40.3	103
22.	Ranaghat	177.00	188.00	365	330.97	172.31	503.28	138
23.	Sainthia	76.09	125.60	201.69	43.31	77.53	120.84	60
24.	Serampur	217.57	443.24	660.81	296.27	417.04	713.31	108
25.	Siliguri	1344.87	693.00	2037.87	1020.00	753.83	1773.83	87
26.	Sonamukhi	29.05	89.52	118.57	21.59	78.90	100.49	85
27.	Uluberia	73.19	302.59	375.78	68.13	385.77	453.9	121
		7514.06	8056.44	15570.50	6598.20	7736.85	14335.05	92

APPENDIX 9C

Statement showing budget estimate and actual receipts for the year 2006-07

(vide para 3.1; page: 33)

(Rupees in lakh)

Sl. No.	Name of ULB	Budget Estimate			Actual Realisation			Percentage of realisation
		Own Fund	Govt Grant	Total	Own Fund	Govt Grant	Total	
1.	Balurghat	237.97	423.66	661.63	182.00	291.94	473.94	72
2.	Barasat	414.85	258.50	673.35	374.93	259.15	634.08	94
3.	Bhatpara	486.9	822.00	1308.9	326.02	656.61	982.63	75
4.	Bongaon	198.80	210.50	409.3	120.93	183.28	304.21	74
5.	Chakdah	142.21	147.10	289.31	160.92	148.16	309.08	107
6.	Chandernagar M C	510.05	1061.15	1571.2	499.19	1014.50	1513.69	96
7.	Durgapur	1338.82	1172.16	2510.98	1307.17	1116.36	2423.53	97
8.	Guskara	86.41	52.61	139.02	45.92	56.17	102.09	73
9.	Haldibari	65.01	41.60	106.61	55.18	39.78	94.96	89
10.	Hooghly-Chinsurah	417.82	550.00	967.82	357.89	476.49	834.38	86
11.	Joynagar-Mozilpur	40.52	66.37	106.89	41.34	82.39	123.73	116
12.	Kalna	84.10	164.23	248.33	71.26	153.84	225.1	91
13.	Kanchrapara	106.95	213.72	320.67	67.82	238.34	306.16	95
14.	Kharagpur	503.07	301.20	804.27	182.90	322.13	505.03	63
15.	Khardah	333.52	267.76	601.28	303.20	299.86	603.06	100
16.	Konnagar	152.67	235.81	388.48	165.20	256.76	421.96	109
17.	Memari	68.36	39.78	108.14	101.83	68.48	170.31	157
18.	Midnapur	252.37	599.95	852.32	368.55	395.02	763.57	90
19.	Old Malda	82.50	82.65	165.15	65.62	76.51	142.13	86
20.	Pujali	184.75	41.66	226.41	163.71	44.08	207.79	92
21.	Ramjibanpur	13.97	31.43	45.4	12.47	30.38	42.85	94
22.	Ranaghat	224.11	203.10	427.21	358.34	189.57	547.91	128
23.	Sainthia	64.78	104.60	169.38	37.42	94.29	131.71	78
24.	Serampur	255.16	526.20	781.36	245.07	485.95	731.02	94
25.	Siliguri	1752.30	770.00	2522.3	1394.47	780.00	2174.47	86
26.	Sonamukhi	30.53	97.60	128.13	26.71	86.16	112.87	88
27.	Uluberia	77.19	310.15	387.34	68.10	348.86	416.96	108
		8125.69	8795.49	16921.18	7104.16	8195.06	15299.22	90

APPENDIX – 10A

Statement showing demand and collection of property tax for the year 2004-05

(vide para: 3.2 page: 34)

(Rupees in lakh)

Sl. No.	Name of ULB	Demand		Collection		Balance	
		Arrear	Current	Arrear	Current	Arrear	Current
		(R u p e e s i n l a k h)					
1.	Ashokenagar-Kalyangarh	50.42	26.03	12.44	10.82	37.98	15.21
2.	Bally	531.42	528.91	382.26	187.53	149.16	341.38
3.	Balurghat	15.48	74.21	13.18	51.43	2.3	22.78
4.	Bankura	93.1	77.18	36.97	36.26	56.13	40.92
5.	Bongaon	46.37	15.19	5.75	5.77	40.62	9.42
6.	Champdani	407.77	64.54	7.97	32.97	399.8	31.57
7.	Diamond Harbour	106.29	18.78	3.09	12.67	103.2	6.11
8.	Dinhata	19	24.26	11.93	10.21	7.07	14.05
9.	Gangarampur	22.38	18.09	2.87	8.63	19.51	9.46
10.	Ghatal	26.51	18.4	4.89	10.98	21.62	7.42
11.	Guskara	23.34	1.35	3.18	6.11	20.16	-4.76
12.	Haldibari	20.02	10.77	3.47	5.17	16.55	5.6
13.	Halisahar	137.38	89.31	13.09	67.23	124.29	22.08
14.	Hooghly Chinsurah	54.61	87.86	28.96	66.49	25.65	21.37
15.	Joynagar-Mozilpur	22.31	12.26	5.04	6.27	17.27	5.99
16.	Jiaganj Azimganj	81.47	18.65	7.32	3.65	74.15	15
17.	Kaliaganj	29.56	8.02	5.05	4.19	24.51	3.83
18.	Kalyani	7.45	2.73	0.84	1.27	6.61	1.46
19.	Kalna	37.5	24.97	5.26	14.85	32.24	10.12
20.	Kandi	27.14	25.21	9	13.39	18.14	11.82
21.	Konnagar	354.13	72.01	10.16	32.49	343.97	39.52
22.	Krishnanagar	135.82	62.35	22.37	33.61	113.45	28.74
23.	Madhyamgram	170.03	136.12	22.98	77.1	147.05	59.02
24.	North Dum Dum	133.15	125	32.49	11.07	100.66	113.93
25.	Old Malda	23.03	26.13	11.29	16.96	11.74	9.17
26.	Purulia	172.62	125	17.54	47.22	155.08	77.78
27.	Ramjibanpur	1.39	3.33	0.45	2.71	0.94	0.62
28.	Santipur	74.66	24.21	5.38	14.01	69.28	10.2
29.	Sainthia	66.71	18.51	5.32	9.33	61.39	9.18
30.	Sonamukhi	30.03	10.05	2.46	3.98	27.57	6.07
31.	South Dum Dum	1279.58	405.08	266.11	261.94	1013.47	143.14
32.	Tarakeswar	39.37	14.67	5.69	5.29	33.68	9.38
Total		4240.04	2169.18	964.80	1071.60	3275.24	1097.58

APPENDIX – 10B

Statement showing demand and collection of property tax for the year 2005-06

(vide para: 3.2 page: 34)

(Rupees in lakh)

Sl. No.	Name of ULB	Demand		Collection		Balance	
		Arrear	Current	Arrear	Current	Arrear	Current
		(R u p e e s i n l a k h)					
1.	Ashokenagar-Kalyangarh	53.18	26.02	11.8	8.83	41.38	17.19
2.	Bally	370.8	491.25	86.97	170.14	283.83	321.11
3.	Balurghat	34.72	83.2	16.26	61.28	18.46	21.92
4.	Bankura	98.05	77.38	27.74	37.67	70.31	39.71
5.	Bongaon	50.04	15.71	7.47	6.73	42.57	8.98
6.	Champdani	286.06	62.41	20.58	39.03	265.48	23.38
7.	Diamond Harbour	21.12	24.68	8.56	9.56	12.56	15.12
8.	Dinhata	94.6	18.78	48.57	11	46.03	7.78
9.	Gangarampur	28.97	18.09	6.21	9.77	22.76	8.32
10.	Ghatal	28.95	18.98	6.51	11.31	22.44	7.67
11.	Guskara	27.48	13.77	8.26	6.43	19.22	7.34
12.	Haldibari	21.26	14.66	6.74	7.31	14.52	7.35
13.	Halisahar	146.38	91.71	13.84	57.08	132.54	34.63
14.	Hooghly Chinsurah	47.02	89.29	26.54	69.84	20.48	19.45
15.	Joy nagar-Mozilpur	23.26	12.55	6.37	6.67	16.89	5.88
16.	Jiaganj Azimganj	89.15	35.47	11.15	3.95	78	31.52
17.	Kaliaganj	42.39	24.98	8.05	15.65	34.34	9.33
18.	Kalyani	28.44	8.02	5.19	4.56	23.25	3.46
19.	Kalna	796	267	57	137	739	130
20.	Kandi	31.94	25.2	7.87	12.48	24.07	12.72
21.	Konnagar	214.54	134.7	49.32	63.09	165.22	71.61
22.	Krishnanagar	383.49	72.01	42.41	34.67	341.08	37.34
23.	Madhyamgram	213.53	145.14	34.83	90.45	178.7	54.69
24.	North Dum Dum	114.99	125.06	32.18	114.3	82.81	10.76
25.	Old Malda	19.81	26.12	6.6	16.37	13.21	9.75
26.	Purulia	232.86	130.84	54	35.34	178.86	95.5
27.	Ramjibanpur	1.57	3.44	0.42	2.66	1.15	0.78
28.	Santipur	70.57	18.86	3.26	9.4	67.31	9.46
29.	Sainthia	79.48	24.12	6.41	12.58	73.07	11.54
30.	Sonamukhi	32.87	10.19	2.46	3.36	30.41	6.83
31.	South Dum Dum	1013.47	450.22	287.24	293.1	726.23	157.12
32.	Tarakeswar	43.07	17.6	4.23	5.93	38.84	11.67
Total		4740.06	2577.45	915.04	1367.54	3825.02	1209.91

APPENDIX – 10C

Statement showing demand and collection of property tax for the year 2006-07

(vide para: 3.2 page: 34)

(Rupees in lakh)

Sl. No.	Name of ULB	Demand		Collection		Balance	
		Arrear	Current	Arrear	Current	Arrear	Current
		(R u p e e s i n l a k h)					
1.	Ashokenagar-Kalyangarh	56.99	26.03	17.92	13.00	39.07	13.03
2.	Bally	509.10	524.04	147.09	194.53	362.01	329.51
3.	Balurghat	40.38	82.88	22.39	67.36	17.99	15.52
4.	Bankura	108.37	77.81	22.43	37.43	85.94	40.38
5.	Bongaon	51.54	16.30	8.12	7.62	43.42	8.68
6.	Champdani	286.86	62.61	26.00	39.17	260.86	23.44
7.	Diamond Harbour	53.82	9.39	4.79	2.32	49.03	7.07
8.	Dinhata	27.68	24.87	9.46	12.52	18.22	12.35
9.	Gangarampur	31.08	18.09	4.40	9.00	26.68	9.09
10.	Ghatal	30.11	18.99	4.00	11.18	26.11	7.81
11.	Guskara	26.56	13.90	2.89	7.16	23.67	6.74
12.	Haldibari	18.18	14.72	5.89	8.84	12.29	5.88
13.	Halisahar	167.15	96.32	13.69	62.19	153.46	34.13
14.	Hooghly Chinsurah	39.94	88.15	25.98	72.15	13.96	16.00
15.	Joynagar-Mozilpur	22.76	12.59	10.67	6.16	12.09	6.43
16.	Jiaganj Azimganj	109.53	35.47	15.24	4.96	94.29	30.51
17.	Kaliaganj	21.33	7.53	4.26	4.74	17.07	2.79
18.	Kalyani	859.96	269.51	47.43	141.60	812.53	127.91
19.	Kalna	43.67	25.27	6.92	16.50	36.75	8.77
20.	Kandi	34.81	25.22	10.96	10.34	23.85	14.88
21.	Konnagar	37.81	71.33	15.17	36.00	22.64	35.33
22.	Krishnanagar	236.84	135.12	41.54	64.12	195.30	71.00
23.	Madhyamgram	241.69	149.61	30.85	93.33	210.84	56.28
24.	North Dum Dum	93.58	126.87	60.50	116.92	33.08	9.95
25.	Old Malda	21.65	26.12	7.94	17.47	13.71	8.65
26.	Purulia	274.36	148.37	32.38	33.86	241.98	114.51
27.	Ramjibanpur	1.93	3.44	0.59	2.68	1.34	0.76
28.	Santipur	84.61	24.09	6.31	11.03	78.30	13.06
29.	Sainthia	76.77	18.86	2.45	8.44	74.32	10.42
30.	Sonamukhi	36.85	10.33	7.99	3.25	28.86	7.08
31.	South Dum Dum	883.35	470.25	245.87	311.20	637.48	159.05
32.	Tarakeswar	50.51	17.63	8.56	8.84	41.95	8.79
Total		4579.77	2651.71	870.68	1435.91	3709.09	1215.80

APPENDIX - 11

Statement showing loss of revenue due to non imposition of surcharge

(vide para: 3.5; page: 37)

Sl. No.	Name of ULB	Period	Loss (Rupees in lakh)
1.	Pujali	January 2002 to March 2006	4.66
2.	Memari	2004-06	1.08
3.	Uttarpara-Kotrang	January 1999 to December 2005	41.64
4.	Jamuria	October 2001 to March 2006	31.20
5.	Gayespur	2004-06	39.91
6.	Chakdah	May 2002 to June 2006	7.13
7.	Durgapur M C	July 2005 to June 2006	196.74
8.	Asansol M C	April 1997 to October 2006	404.43
9.	Kurseong	2002-06	2.94
10.	Raniganj	2005-06	9.77
11.	Mahestala	2005-06	62.58
12.	Barrackpore	2004-06	14.71
13.	New Barrackpore	2004-06	0.26
14.	Kanchrapara	2005-06	7.00
15.	Serampur	2002-06	17.94
16.	Krishnanagar	2004-07	5.19
17.	Midnapur	2004-06	34.38
18.	Chandrakona	2003-06	1.09
19.	Taherpur	2003-06	3.31
20.	Raghunathpur	2003-06	0.66
21.	Garulia	2004-06	19.71
22.	North Dum Dum	2004-07	7.08
23.	Kandi	2005-07	0.58
24.	Old Malda	2005-07	3.06
25.	Tarakeswar	2005-07	1.85
26.	Bolpur	2004-07	6.05
27.	Habra	July 1999 to June 2007	13.36
Total			938.31

APPENDIX - 12**Statement showing loss due to non-imposition /short imposition of water charges**

(vide para 3.6; page: 38)

Sl. No.	Name of ULB	Period	Minimum amount chargeable	Amount charged	Loss
			(R u p e e s i n l a k h)		
1.	Barasat	April 2005 to March 2006	18.33	Nil	18.33
2.	Gayespur	2004-06	19.99	6.25	13.74
3.	Asansol M C	February 2003 to October 2006	154.77	Nil	154.77
4.	Barrackpore	April 2004 to March 2006	58.94	Nil	58.94
5.	Kanchrapara	April 2005 to March 2006	13.98	Nil	13.98
6.	Mahestala	April 2005 to March 2006	1.54	0.43	1.11
7.	Midnapur	February 2003 to March 2006	128.05	Nil	128.05
8.	Santipur	April 2003 to June 2006	1.76	Nil	1.76
9.	Garulia	February 2003 to June 2006	3.58	Nil	3.58
10.	Rampurhat	February 2003 to September 2006	3.64	Nil	3.64
11.	Konnagar	February 2003 to March 2007	28.73	18.25	10.48
12.	South Dum Dum	August 2005 to March 2007	92.09	Nil	92.09
Total			525.40	24.93	500.47

APPENDIX - 13
Statement showing non realization of rent/salami from stalls/shops/land

(vide para: 3.8; page: 39)

Sl.No.	Name of the ULB	As on	Rent not realised from stalls / shops etc. (Rupees in lakh)
1.	Rajpur-Sonarpur	31.03.2005	1.51
2.	Uttarpara-Kotrang	31.10.2006	8.55
3.	Barasat	30.06.2006	20.36
4.	Jamuria	31.07.2006	4.15
5.	Kurseong	31.03.2006	9.83
6.	Dubrajpur	31.03.2006	2.46
7.	Kanchrapara	31.03.2006	2.25
8.	Krishnanagar	31.03.2007	3.02
9.	Dainhat	31.03.2007	1.62
10.	Kaliaganj	31.03.2007	7.67
11.	Serampur	31.03.2006	16.08
12.	Gayespur	31.05.2006	1.20
13.	Midnapur	31.03.2006	17.38
14.	Chandrakona	31.03.2006	0.27
15.	Santipur	31.03.2005	5.86
16.	Raiganj	31.03.2006	8.11
17.	Kharagpur	31.03.2006	7.97
18.	Raghunathpur	31.03.2006	5.14
19.	Rampurhat	31.03.2006	4.25
20.	Gangarampur	31.03.2007	17.14
21.	Sainthia	31.03.2007	2.60
22.	Bally	31.03.2007	4.39
23.	Kandi	31.03.2007	8.59
24.	Diamond Harbour	31.03.2007	3.48
25.	Bhatpara	31.03.2007	8.55
26.	Old Malda	31.03.2007	5.93
27.	Tarakeswar	31.03.2007	23.65
28.	Bongaon	31.03.2007	3.36
29.	Bankura	31.05.2007	9.44
30.	Haldibari	31.03.2007	1.14
31.	Balurghat	31.03.2007	16.64
Total			232.59

APPENDIX – 14

Statement showing expenditure incurred for casual labour

(vide para: 4.1(c); page:44)

(Rupees in lakh)

Sl. No.	Name of Municipality	Year	No. of casual labour	Expenditure incurred
1.	Kurseong	2002-06	48	33.96
2.	North Barrackpore	2005-07	NA	28.32
3.	Barrackpore	2004-06	222	81.92
4.	Dubrajpur	2005-06	20	4.01
5.	Raiganj	2003-05	NA	5.38
6.	Taherpur	2003-05	29	16.91
7.	Kharagpur	2004-06	135	52.52
8.	Raghunathpur	2003-06	27	7.86
9.	Gangarampur	2005-07	NA	23.00
10.	Diamond Harbour	2005-07	50	44.56
11.	Ashokenagar-Kalyangarh	2005-07	NA	45.48
12.	Joynagar-Mozilpur	2005-07	52 (2005-06) 40 (2006-07)	14.42
13.	Hooghly-Chinsurah	2005-07	NA	35.18
14.	Halisahar	2005-07	95	17.71
15.	Haldibari	2005-07	35	36.87
16.	South Dum Dum	2005-07	320	155.73
17.	Old Malda	2005-07	62	65.53
Total				669.36

APPENDIX 15

Statement of incomplete works

(vide para: 5.4; page: 49)

(Rupees in lakh)

Sl. No.	Name of ULB	Particulars of works	Schedule date of completion	Expenditure
1.	Asansol M C	Construction of Bus Terminus.	Within 90 days of issue of work order dated 11.3.2001	74.65
2.	Raniganj	Water supply scheme to be done by PHED as deposit work within three years as per project report (Govt. approval – August 2000)	1 st phase completed by PHED on 10.3.2005 and handed over to Municipality but the 2 nd phase has not yet been completed (February 2007)	230.00
3.	New Barrackpore	Construction of level crossing.	Amount deposited to Eastern Railway between February 2003 and December 2005	34.12
4.	Kaliaganj	Construction of Vivekananda Bhavan	No Project Report /detail estimate was prepared before execution. Execution started on 4.9.2002.	21.04
5.	Kurseong	Construction of community Seva Kendra	January 2006	1.98
6.	Taherpur	Construction of balance work of Matrisadan	4.10.2005	2.28
7.	Gangarampur	Construction of bridge over river Brambhani	30.6.2004	42.54
8.	Baidyabati	Installation of deep tube well	10.9.2005	6.72
Total				413.33

APPENDIX – 16A

Statement showing utilisation of NSDP grants during the year 2004-05

(vide para: 6.1.1; page: 53)

Sl. No.	Name of ULB	Opening Balance	Receipt	Total	Expenditure	Balance	Percentage of utilisation
1.	Ashokenagar-Kalyangarh	7.84	76.77	84.61	47.80	36.81	56
2.	Asansol M C	142.76	326.52	469.28	108.18	361.10	23
3.	Baidyabati	57.57	30.47	88.04	0.12	87.92	0
4.	Bally	95.30	62.40	157.70	29.64	128.06	19
5.	Balurghat	74.05	83.48	157.53	69.36	88.17	44
6.	Bankura	10.49	79.37	89.86	89.78	0.08	100
7.	Barasat	24.27	89.14	113.41	81.80	31.61	72
8.	Bhatpara	114.32	165.30	279.62	68.64	210.98	25
9.	Birnagar	1.91	21.35	23.26	18.30	4.96	79
10.	Bolpur	20.33	39.66	59.99	20.33	39.66	34
11.	Champdani	61.60	35.53	97.13	2.06	95.07	2
12.	Chandernagar M C	16.51	52.22	68.73	9.28	59.45	14
13.	Chandrakona	9.76	15.36	25.12	7.09	18.03	28
14.	Chakdah	26.57	53.22	79.79	20.84	58.95	26
15.	Contai	3.61	45.56	49.17	34.37	14.80	70
16.	Darjeeling	15.43	63.30	78.73	15.14	63.59	19
17.	Dainhat	12.36	17.37	29.73	1.85	27.88	6
18.	Dinhata	7.68	27.29	34.97	15.84	19.13	45
19.	Dubrajpur	26.78	19.88	46.66	8.78	37.88	19
20.	Dum Dum	8.49	31.17	39.66	3.80	35.86	10
21.	Durgapur M C	141.23	301.06	442.29	219.77	222.52	50
22.	Gangarampur	29.38	32.33	61.71	36.45	25.26	59
23.	Garulia	11.55	30.47	42.02	14.19	27.83	34
24.	Gayespur	10.23	23.69	33.92	9.80	24.12	29
25.	Haldia	10.33	111.72	122.05	80.73	41.32	66
26.	Haldibari	8.05	8.19	16.24	5.69	10.55	35
27.	Halisahar	3.75	46.01	49.76	25.98	23.78	52
28.	Hooghly-Chinsurah	24.24	57.28	81.52	26.62	54.90	33
29.	Jamuria	101.79	83.88	185.67	67.70	117.97	36
30.	Joynagar-Mozilpur	18.50	14.50	33.00	9.17	23.83	28
31.	Kaliaganj	8.99	4.59	13.58	9.94	3.64	73
32.	Kalna	30.59	32.25	62.84	24.51	38.33	39
33.	Kharagpur	150.86	117.48	268.34	108.33	160.01	40
34.	Khardah	11.22	40.82	52.04	11.20	40.84	22
35.	Khirpai	4.52	12.12	16.64	6.44	10.20	39
36.	Kurseong	4.92	23.40	28.32	14.97	13.35	53
37.	Madhyamgram	19.79	53.14	72.93	14.98	57.95	21
38.	Mahestala	146.78	123.35	270.13	106.36	163.77	39
39.	Memari	17.80	21.81	39.61	18.69	20.92	47
40.	Midnapur	80.47	91.16	171.63	54.40	117.23	32

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41.	New Barrackpore	6.46	32.21	38.67	16.40	22.27	42
42.	North Barrackpore	27.65	44.69	72.34	23.99	48.35	33
43.	North Dum Dum	24.71	75.07	99.78	20.73	79.05	21
44.	Old Malda	3.68	41.77	45.45	2.28	43.17	5
45.	Panskura	49.42	25.93	75.35	0.00	75.35	0
46.	Pujali	4.48	15.72	20.20	4.56	15.64	23
47.	Raghunathpur	31.34	19.46	50.80	13.50	37.30	27
48.	Raiganj	177.13	102.33	279.46	100.50	178.96	36
49.	Rajpur-Sonarpur	75.00	105.70	180.70	51.58	129.12	29
50.	Rampurhat	17.09	39.29	56.38	14.66	41.72	26
51.	Ranaghat	1.31	42.52	43.83	39.01	4.82	89
52.	Raniganj	72.32	72.52	144.84	45.00	99.84	31
53.	Santipur	108.12	83.31	191.43	102.60	88.83	54
54.	Sainthia	16.05	40.20	56.25	15.37	40.88	27
55.	Serampur	9.68	62.88	72.56	31.22	41.34	43
56.	Siliguri M.C.	175.32	341.80	517.12	237.79	279.33	46
57.	South Dum Dum	33.45	128.71	162.16	39.43	122.73	24
58.	Taherpur	9.70	15.52	25.22	18.65	6.57	74
59.	Uttarpara-Kotrang	28.88	50.17	79.05	20.93	58.12	26
	Total	2444.41	3904.41	6348.82	2317.12	4031.70	36

APPENDIX – 16B

Statement showing utilisation of NSDP grants during the year 2005-06

(vide para: 6.1.1; page: 53)

Sl. No.	Name of ULB	Opening Balance	Receipt	Total	Expenditure	Balance	Percentage of utilisation
1.	Ashokenagar-Kalyangarh	36.82	15.50	52.32	35.27	17.05	67
2.	Asansol M C	361.09	20.93	382.02	354.55	27.47	93
3.	Baidyabati	87.92	4.03	91.95	49.46	42.49	54
4.	Bally	116.93	30.06	146.99	88.60	58.39	60
5.	Balurghat	88.17	10.07	98.24	97.79	0.45	100
6.	Bankura	0.07	9.41	9.48	5.30	4.18	56
7.	Barasat	31.60	9.78	41.38	41.71	-0.33	101
8.	Bhatpara	210.98	11.11	222.09	158.26	63.83	71
9.	Birnagar	4.96	3.62	8.58	8.69	-0.11	101
10.	Bolpur	39.66	4.26	43.92	39.09	4.83	89
11.	Champdani	94.86	1.87	96.73	16.15	80.58	17
12.	Chandernagar M C	59.44	6.98	66.42	56.88	9.54	86
13.	Chandrakona	18.03	2.99	21.02	18.94	2.08	90
14.	Chakdah	58.85	12.35	71.20	62.04	9.16	87
15.	Contai	14.79	12.57	27.36	27.07	0.29	99
16.	Darjeeling	63.59	8.48	72.07	55.13	16.94	76
17.	Dainhat	27.88	2.67	30.55	16.39	14.16	54
18.	Dinhata	19.14	8.64	27.78	17.38	10.40	63
19.	Dubrajpur	37.88	4.79	42.67	15.30	27.37	36
20.	Dum Dum	35.86	6.53	42.39	17.28	25.11	41
21.	Durgapur M C	222.52	38.75	261.27	261.27	0.00	100
22.	Gangarampur	25.26	13.03	38.29	38.29	0.00	100
23.	Garulia	27.82	5.49	33.31	27.54	5.77	83
24.	Gayespur	24.11	1.11	25.22	14.45	10.77	57
25.	Haldia	31.31	15.55	46.86	46.87	-0.01	100
26.	Haldibari	10.55	1.80	12.35	9.85	2.50	80
27.	Halisahar	23.77	3.98	27.75	25.77	1.98	93
28.	Hooghly-Chinsurah	54.89	5.49	60.38	60.96	-0.58	101
29.	Jamuraia	117.96	12.10	130.06	127.06	3.00	98
30.	Joynagar-Mozilpur	23.83	3.29	27.12	10.00	17.12	37
31.	Kaliaganj	3.64	31.40	35.04	28.26	6.78	81
32.	Kalna	38.33	7.15	45.48	27.66	17.82	61
33.	Kharagpur	160.01	12.82	172.83	150.04	22.79	87
34.	Khardah	40.83	4.88	45.71	41.73	3.98	91
35.	Khirpai	10.20	1.83	12.03	10.69	1.34	89
36.	Kurseong	13.34	6.60	19.94	19.90	0.04	100
37.	Madhyamgram	56.81	7.22	64.03	29.00	35.03	45
38.	Mahestala	163.77	17.37	181.14	77.93	103.21	43
39.	Memari	20.91	5.42	26.33	14.59	11.74	55
40.	Midnapur	117.23	11.90	129.13	87.90	41.23	68

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41.	New Barrackpore	22.27	0.82	23.09	22.50	0.59	97
42.	North Barrackpore	48.34	4.49	52.83	42.20	10.63	80
43.	North Dum Dum	79.05	8.14	87.19	76.48	10.71	88
44.	Old Malda	43.17	9.20	52.37	48.75	3.62	93
45.	Panskura	75.35	5.15	80.50	60.34	20.16	75
46.	Pujali	15.64	1.25	16.89	16.89	0.00	100
47.	Raghunathpur	37.29	1.64	38.93	17.45	21.48	45
48.	Raiganj	179.56	11.63	191.19	61.07	130.12	32
49.	Rajpur-Sonarpur	129.12	16.77	145.89	44.97	100.92	31
50.	Rampurhat	41.71	7.20	48.91	37.42	11.49	77
51.	Ranaghat	4.82	9.38	14.20	14.20	0.00	100
52.	Raniganj	99.83	2.11	101.94	59.10	42.84	58
53.	Santipur	88.82	9.06	97.88	62.38	35.50	64
54.	Sainthia	40.88	13.99	54.87	20.46	34.41	37
55.	Serampur	41.34	9.13	50.47	49.79	0.68	99
56.	Siliguri M.C.	279.33	32.87	312.20	276.41	35.79	89
57.	South Dum Dum	122.73	21.58	144.31	102.92	41.39	71
58.	Taherpur	6.59	12.54	19.13	12.50	6.63	65
59.	Uttarpara-Kotrang	58.12	5.17	63.29	37.25	26.04	59
	Total	4009.57	575.94	4585.51	3354.12	1231.39	73

APPENDIX - 17**Statement showing expenditure incurred without declaring slum area**

(vide para: 6.1.2; Page: 54)

Sl. No.	Name of ULB	Year	Expenditure (Rupees in lakh)
1.	Chandernagar M C	2005-06	56.89
2.	Barasat	2004-06	123.52
3.	Gayespur	2004-06	27.27
4.	Asansol M C	2005-06	365.62
5.	Kurseong	2002-06	63.95
6.	Raniganj	2005-06	59.10
7.	Mahestala	2005-06	79.36
8.	North Barrackpore	2005-06	42.20
9.	Darjeeling	2002-06	130.79
10.	Contai	2004-06	61.45
11.	Midnapur	2004-06	142.30
12.	Chandrakona	2003-06	34.23
13.	Taherpur	2003-06	7.98
14.	Santipur	2004-05	103.61
15.	Raiganj	2003-05	312.47
16.	Kharagpur	2004-06	258.38
17.	Rampurhat	2004-06	52.09
18.	Kandi	2005-07	13.49
19.	Tarakeswar	2005-07	21.95
20.	Bolpur	2004-07	63.68
21.	Ashokenagar-Kalyangarh	2005-07	16.69
22.	Joynagar-Mozilpur	2005-07	10.00
Total			2047.02

APPENDIX - 18

Statement showing expenditure incurred on engagement of contractor under NSDP

(vide para: 6.1.3; page: 54)

Sl. No.	Name of ULB	Year	Expenditure (Rupees in lakh)
1.	Chandernagar M C	2005-06	56.89
2.	Pujali	2002-06	3.48
3.	Khirpai	2004-06	1.72
4.	Birnagar	2004-06	25.61
5.	Jamuraia	2002-06	201.91
6.	Durgapur M C	2005-06	152.58
7.	Asansol M C	2005-06	136.15
8.	Khardah	2005-06	40.42
9.	Kurseong	2002-06	20.72
10.	Mahestala	2005-06	79.36
11.	North Barrackpore	2005-06	42.20
12.	Darjeeling	2002-06	86.15
13.	New Barrackpore	2004-06	30.83
14.	Mahestala	2005-06	14.12
15.	Kharagpur	2004-06	240.00
16.	Raghunathpur	2003-06	42.75
17.	Rampurhat	2004-06	2.98
18.	Champdani	2005-07	9.32
19.	Kandi	2005-07	0.85
20.	Diamond Harbour	2005-07	20.69
21.	Old Malda	2005-07	25.53
22.	Tarakeswar	2005-07	14.63
23.	Bolpur	2005-07	63.68
24.	South Dum Dum	2005-07	102.93
25.	Habra	2005-07	158.86
26.	Garulia	2005-07	41.68
27.	Ashokenagar-Kalyangarh	2005-07	10.10
28.	Joynagar-Mozilpur	2005-07	0.92
Total			1627.06

APPENDIX – 19
Statement showing expenditure incurred outside the scope of NSDP
(vide para: 6.1.4; page: 54)

Sl. No.	Name of ULB	Year	Particulars of expenditure	Amount (Rupees in lakh)
1.	Khirpai	2004-06	Purchase of a land for playground and payment of subsidy for low cost sanitary units	5.90
2.	Durgapur M C	2005-06	Construction of housing units under VAMBAY and recurring/revenue expenses	28.37
3.	Asansol M C	2005-06	Cost of fuel, repairing of pipes and roads, supply of sanitary items like Harpic, etc.	52.05
4.	Kurseong	2002-06	Construction of roads, protection wall of drains, water supply lines, reservoirs, purchase of store items, payment of transport allowance, audit fees, contingencies etc.	43.20
5.	Midnapur	2004-06	Purchase of electric goods, clearing bush, nala, etc, payment of salary, wages and contingent expenses.	48.48
6.	Chandrakona	2003-06	Repairing of roads	24.35
7.	Taherpur	2003-06	Construction of office buildings	2.00
8.	Raiganj	2003-05	Supply of street light materials, sanitary and conservancy article, electric goods, green room painting and new wooden door fittings, etc.	10.39
9.	Kharagpur	2004-06	Development of roads and culvert	79.00
10.	Raghunathpur	2003-06	Supply of tube well, spare parts, repairing of drain, boundary wall, culvert and payment to contractor relating to BMS works.	17.69
11.	Garulia	2004-06	Construction of road, drain and water supply main.	41.68
12.	Tarakeswar	2005-07	Repair of sub-mercible pump, pathway, market, construction of boundary wall of office premises, purchase of mosquito oil	2.27
13.	Santipur	2005-07	Repair and resolution of road	18.23
14.	Haldibari	2005-07	Construction of Kali Mandir, kitchen shed in primary school, boundary wall at office premises, repairing of drain and payment, toll office	2.14
15.	Balurghat	2005-07	Payment of wages to daily rated workers engaged for routine maintenance work	30.88
16.	Haldia	2004-06	Construction of auditorium and commercial complex	18.00
Total				424.63

APPENDIX – 20

Statement showing under utilization for shelterless people in NSDP

(vide para: 6.1.5; page: 55)

Sl. No.	Name of ULB	Year	Total available fund	Amount earmarked for shelter
			(R u p e e s i n l a k h)	
1.	Chandernagar M C	2005-06	66.42	6.64
2.	Birnagar	2004-06	26.89	2.69
3.	Barasat	2004-06	123.19	12.32
4.	Gayespur	2004-06	35.03	3.50
5.	Durgapur M C	2005-06	261.27	26.12
6.	Asansol M C	2005-06	382.03	38.20
7.	Panskura	2005-06	80.53	8.05
8.	Khardah	2005-06	45.71	4.57
9.	Kurseong	2002-06	63.99	6.40
10.	Raniganj	2005-06	101.94	10.19
11.	North Barrackpore	2005-06	52.83	5.28
12.	Darjeeling	2002-06	141.75	14.18
13.	Contai	2004-06	61.74	6.17
14.	Midnapur	2004-06	183.54	18.35
15.	Chandrakona	2003-06	36.28	3.63
16.	Taherpur	2003-06	35.00	3.50
17.	Santipur	2004-06	83.31	8.33
18.	Kharagpur	2004-06	258.00	25.80
19.	Garulia	2004-06	75.30	7.53
20.	Rampurhat	2004-06	46.50	4.65
21.	Sainthia	2004-07	70.24	7.02
22.	North Dum Dum	2004-07	107.92	10.79
23.	Kandi	2005-07	13.58	1.36
24.	Diamond Harbour	2005-07	37.94	3.79
25.	Bhatpara	2004-06	290.73	29.07
26.	Old Malda	2005-07	52.37	5.24
27.	Tarakeswar	2005-07	22.45	2.25
28.	Santipur	2005-07	97.88	9.79
29.	Halisahar	2005-07	27.79	2.78
30.	Bolpur	2004-07	64.25	6.43
31.	Guskara	2005-07	25.65	2.57
32.	Madhyamgram	2005-07	64.03	6.40
33.	South Dum Dum	2005-06	144.31	14.43
34.	Habra	2004-06	148.87	14.89
35.	Balurghat	2005-07	98.24	9.82
36.	Haldia	2004-06	127.60	12.76
37.	Ashokenagar-Kalyangarh	2005-07	52.31	5.23
38.	Krishnanagar	1996-2006	467.27	46.73
39.	Hooghly-Chinsurah	2003-06	115.25	11.53
Total			4189.93	418.98

APPENDIX -21**Statement showing utilisation of BMS grants during the year 2005-06**

(vide para: 6.2.1; page:56)

Sl. No.	Name of ULB	Opening Balance	Receipt	Total	Expenditure	Balance	Percentage
1.	Asansol M.C.	14.34	0.00	14.34	4.55	9.79	32
2.	Bankura	0.00	20.38	20.38	4.18	16.20	21
3.	Barasat	8.04	0.41	8.45	0.00	8.45	0
4.	Barrackpore	0.22	0.23	0.45	0.07	0.38	16
5.	Chandrakona	0.00	0.06	0.06	0.06	0.00	100
6.	Darjeeling	0.74	10.00	10.74	4.95	5.79	46
7.	Dinhata	5.30	0.10	5.40	0.00	5.40	0
8.	Dum Dum	-0.46	2.46	2.00	1.71	0.29	86
9.	Durgapur M C	16.00	1.48	17.48	17.48	0.00	100
10.	Gangarampur	0.00	0.16	0.16	0.00	0.16	0
11.	Garulia	0.99	0.00	0.99	0.00	0.99	0
12.	Gayespur	1.77	6.40	8.17	3.45	4.72	42
13.	Haldia	8.31	0.00	8.31	0.00	8.31	0
14.	Halisahar	2.42	0.19	2.61	0.66	1.95	25
15.	Jamuria	14.16	0.77	14.93	9.04	5.89	61
16.	Kharagpur	0.00	0.56	0.56	0.00	0.56	0
17.	Memari	1.94	0.10	2.04	0.78	1.26	38
18.	Midnapur	37.64	0.44	38.08	24.58	13.50	65
19.	North Barrackpore	6.94	0.19	7.13	6.48	0.65	91
20.	New Barrackpore	2.72	0.57	3.29	3.29	0.00	100
21.	Raghunathpur	7.05	0.07	7.12	0.00	7.12	0
22.	Rampurhat	13.45	0.15	13.60	13.16	0.44	97
23.	Raniganj	5.06	0.33	5.39	2.24	3.15	42
24.	Santipur	0.73	0.00	0.73	0.32	0.41	44
25.	Serampur	7.96	0.30	8.26	3.19	5.07	39
26.	Siliguri M.C.	12.35	1.41	13.76	10.72	3.04	78
27.	Taherpur	5.25	0.06	5.31	0.00	5.31	0
Total		172.92	46.82	219.74	110.91	108.83	50

APPENDIX - 22

Statement showing utilisation of SJSRY grants during the year 2005-06

(vide para: 6.3.1; page: 57)

Sl. No.	Name of ULB	Opening Balance	Receipt	Total	Expenditure	Balance	Percentage
		(R u p e e s i n l a k h)					
1	Ashokenagar-Kalyangarh	0.07	2.56	2.63	2.63	0.00	100
2	Asansol M.C.	1.88	0.59	2.47	1.98	0.49	80
3	Baidyabati	23.58	0.00	23.58	0.00	23.58	0
4	Barrackpore	6.82	46.37	53.19	48.55	4.64	91
5	Birnagar	0.17	2.13	2.30	2.22	0.08	97
6	Chandernagar M C	9.36	15.62	24.98	14.35	10.63	57
7	Chandrakona	0.00	2.03	2.03	1.01	1.02	50
8	Chakdah	0.00	3.96	3.96	3.96	0.00	100
9	Contai	2.84	2.92	5.76	4.37	1.39	76
10	Dainhat	8.79	1.08	9.87	3.15	6.72	32
11	Dinhata	8.49	4.54	13.03	6.42	6.61	49
12	Dubrajpur	14.52	3.53	18.05	4.35	13.70	24
13	Dum Dum	3.67	0.00	3.67	0.75	2.92	20
14	Durgapur M C	4.25	1.24	5.49	1.09	4.40	20
15	Garulia	0.84	1.39	2.23	0.34	1.89	15
16	Gayespur	8.86	4.23	13.09	2.83	10.26	22
17	Haldia	13.26	21.08	34.34	14.05	20.29	41
18	Halisahar	0.89	1.53	2.42	1.98	0.44	82
19	Hooghly-Chinsurah	5.87	0.90	6.77	1.30	5.47	19
20	Kanchrapara	6.53	0.01	6.54	0.03	6.51	0
21	Kharagpur	11.07	2.71	13.78	11.60	2.18	84
22	Khirpai	3.21	1.74	4.95	3.89	1.06	79
23	Kurseong	0.33	7.72	8.05	6.23	1.82	77
24	Mahestala	0.00	3.20	3.20	3.01	0.19	94
25	Memari	10.67	6.05	16.72	6.90	9.82	41
26	Midnapur	8.23	3.51	11.74	6.84	4.90	58
27	New Barrackpore	5.99	3.38	9.37	4.65	4.72	50
28	Pujali	1.63	1.25	2.88	2.88	0.00	100
29	Raghunathpur	2.86	0.00	2.86	0.75	2.11	26
30	Rajpur-Sonarpur	15.30	15.11	30.41	15.18	15.23	50
31	Rampurhat	2.83	0.00	2.83	2.19	0.64	77
32	Ranaghat	3.08	8.90	11.98	9.16	2.82	76
33	Raniganj	5.87	2.53	8.40	1.72	6.68	20
34	Sainthia	3.23	5.45	8.68	4.44	4.24	51
35	Siliguri M.C.	11.34	23.59	34.93	28.17	6.76	81
36	Taherpur	3.04	5.18	8.22	6.76	1.46	82
37	Uluberia	5.56	0.53	6.09	4.96	1.13	81
38	Uttarpara-Kotrang	2.34	2.94	5.28	2.63	2.65	50
Total		217.27	209.50	426.77	237.32	189.45	56

APPENDIX 23

Statement showing source and expenditure on heritage activities for
the years from 2001-02 to 2006-07

(vide para: 7.1.6.9; page: 71)

Year	Source				Expenditure
	Own provision	MP LAD	Corpus fund constituted in February 2006	Total	
(Rupees in lakh)					
2001-2002	100.00	10.00	Nil	110.00	59.85
2002-2003	50.00	3.00	Nil	53.00	51.49
2003-2004	50.00	54.00	Nil	104.00	151.73
2004-2005	700.00	Nil	Nil	700.00	749.23
2005-2006	300.00	Nil	110.00	410.00	294.88
2006-2007	300.00	Nil	600.00	900.00	122.13
Total	1500.00	67.00	710.00	2277.00	1429.31

APPENDIX 24

GLOSSARY OF ABBREVIATIONS

AMC	Asansol Municipal Corporation
BMS	Basic Minimum Service
BOC	Board of Councilors
BPL	Below Poverty Line
CAG	Comptroller and Auditor General of India
CDS	Community Development Society
CIC	Chairman-in-Council
CMFA	Controller of Municipal Finances and Accounts
CUDP	Calcutta Urban Development Programme
CVB	Central Valuation Board
DMC	Durgapur Municipal Corporation
DMDO	District Municipal Development Officer
DPC	District Planning Committee
DPSC	District Primary School Council
DWCUA	Development of Women and Children in Urban Area
EFC	Eleventh Finance Commission
ELA	Examiner of Local Accounts
IDSMT	Integrated Development of Small and Medium Towns
IRs	Inspection Reports
IT	Income Tax
MARC	Municipal Administrative Reforms Committee
MED	Municipal Engineering Directorate
MPC	Metropolitan Planning Committee
MPLAD	Member of Parliament Local Area Development
KMC	Kolkata Municipal Corporation
KMDA	Kolkata Metropolitan Development Authority
LC	Letter of Credit
NHC	Neighbourhood Committee
NSDP	National Slum Development Programme
PHED	Public Health and Engineering Department
PT	Professional Tax
PWD	Public Works Department
SAE	Sub Assistant Engineer
SDC	Slum Development Committee
SFC	State Finance Commission
SJSRY	Swarna Jayanti Shahari Rozgar Yojana
ST	Sales Tax
SUME	Scheme of Micro Enterprises
SWM	Solid Waste Management
TCPO	Town and Country Planning Organisation
TFC	Twelfth Finance Commission
ULB	Urban Local Bodies
USEP	Urban Self Employment Programme
UWEP	Urban Wage Employment Programme