

PREFACE

1. As per Article 243Z of the Constitution “The Legislature of a State may by law, make provisions with respect to the maintenance of accounts by the Municipalities and the auditing of such accounts.” Government of Jharkhand has adopted the Bihar & Orissa Local Fund Audit Act, 1925 under which the Examiner of Local Accounts, Jharkhand, who heads the Local Audit Department in the office of the Accountant General (Audit), Jharkhand, has been appointed for audit of all the Local Bodies in Jharkhand.
2. This Report is prepared under the direction of the Comptroller & Auditor General (C & AG) of India for submission to the Government of Jharkhand. The cases mentioned in the Report are among those, which came to notice in course of test audit of accounts of 18 ULBs during 2006-07 & 2007-08 as well as those which had come to notice in earlier years.
3. This is the second Annual Audit Report of the Examiner of Local Accounts, Jharkhand on the ULBs. The first such report was prepared for the year ending March 2006.
4. The purpose of this report is to give an overview of the functioning of ULBs in the State of Jharkhand and to draw the attention of the State Government and ULBs for remedial action for improvement, wherever necessary.

OVERVIEW

The Report contains eight chapters containing observation of audit on accounts and financial management, revenue receipts, establishment, transaction audit, implementation of schemes, other important observations and conclusion and recommendations.

A synopsis of the audit findings contained in the Report is presented in this overview.

1. Introduction

State Government dissolved all ULBs during the period 1986 to 1995 and since then elections were not taken place. In some of the ULBs elections were conducted in March 2008. Due to non-holding of elections, the ULBs did not receive Rs 66.09 crore and Rs 918.72 crore upto 2006-07 under recommendations of the 11th & 12th Finance Commission and under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) respectively.

ULBs are financially dependent on grants and loans from the Government and their own resources are meager. The available manpower in ULBs is not sufficient. Shortage of staff ranges from 3.84 *per cent* to 63.88 *per cent*. Despite prohibition, 15 ULBs spent irregularly Rs 3.67 crore during 2000-2007 on engaging casual labourers.

(Paragraph 1.1 to 1.9)

2. Accounts and financial management

In contravention of the provisions of the Act, 15 ULBs irregularly maintained 89 additional bank accounts and deposited Rs 14.46 crore in them.

(Paragraph 2.1)

Eleven ULBs, out of 18 test checked ULBs, did not prepare budget estimates during 2002-07. Remaining seven ULBs prepared unrealistic budget and utilized only 2.95 *per cent* to 48.97 *per cent* of the budget provision.

(Paragraph 2.2)

Eleven ULBs incurred unauthorized expenditure of Rs 85.71 crore during 2002-07 without preparing budget estimates.

(Paragraph 2.3)

The expenditure of Rs 206.23 crore incurred by 18 ULBs could not be scrutinized due to non-preparation of Annual Accounts for the period 2002-07.

(Paragraph 2.4)

Only 56.98 *per cent* of grants & loans were utilized during 2002-07.

(Paragraph 2.5.1)

Basic records viz. Advance Ledger, Loan Register, Loan Appropriation Register, Grant Register, Demand and Collection Register of Holding Tax, Work Register, Unpaid Bill Register, Annual Report, Deposit Ledger, Register of lands, Register of revenue resources, Asset register were not being maintained by most of the ULBs.

(Paragraph 2.6)

In seven ULBs, a difference of Rs 2.31 crore between balances as per Cash book and Bank /Treasury Account was not reconciled.

(Paragraph 2.8)

3. Revenue receipts

Jamshedpur and Basukinath NACs did not impose municipal taxes.

(Paragraph 3.1)

Non-revision of valuation of Railway's holdings, as per agreement, resulted into short realization of Rs 1.67 crore by Madhupur Municipality on account of Holding tax.

(Paragraph 3.2)

In 12 ULBs, unrealized property tax of Rs 24.88 crore was outstanding as of 31 March 2007.

(Paragraph 3.3)

Rates of taxes were not revised for the last 7 to 49 years despite the provision for its revision after every five years. This resulted in loss of revenue to the ULBs.

(Paragraph 3.5)

Due to non-service of notices of demand and warrant to tax payers for collection of arrears of holding tax etc. Ranchi and Dhanbad Municipal Corporations were deprived of Rs 3 crore & Rs 0.11 crore respectively in the shape of fine which could have been levied on the delayed payments.

(Paragraph 3.6)

The collecting staff of 15 ULBs misappropriated Rs 65.46 lakh collected during 2000-2007. Out of this, Rs 6.97 lakh was recovered from the staff of ULBs at the instance of audit and Rs 58.49 lakh still lying with the collecting staff.

(Paragraph 3.7)

In Adityapur NAC, the staff embezzled collection money amounting to Rs 19.30 lakh during 2007-08.

(Paragraph 3.8)

Rs 75.76 lakh was outstanding against the settlement money in 15 ULBs during 2000-07.

(Paragraph 3.9)

Proceeds of the collection of Rs 5.78 crore, on account of Education/Health Cess, were not remitted into the Government account.

(Paragraph 3.10)

Due to non-imposition of Education/Health cess by three ULBs, the State Government and the ULBs suffered a loss of Rs 13.43 lakh and Rs 1.49 lakh respectively.

(Paragraph 3.11)

Eight ULBs realized Education and Health Cess at the rate of 40 *per cent* of Holding tax or lesser rate instead of prescribed rate of 50 *per cent*, which resulted in loss of Rs 83.51 lakh to the State revenue and Rs 9.28 lakh to the ULBs.

(Paragraph 3.12)

Rs 1.38 crore and Rs 7.58 crore were outstanding on account of rent of municipal properties and on account of tax on Government buildings as of 31 March 2007.

(Paragraph 3.13 & 3.14)

4. Establishment

Rs 6.94 crore and Rs 0.31 crore were paid by the Ranchi Municipal corporation and Jamshedpur NAC to NGOs for cleaning road etc. without the approval of State Government.

(Paragraph 4.1)

Dhanbad Municipality paid Rs 1.47 lakh to the staff as Board's D.A. during 2002-04 without prior sanction of the State Government.

(Paragraph 4.2)

5. Transaction audit

Tax deducted at sources of Rs 35 lakh on account of Income Tax, Sales Tax and Royalty were not credited to the heads concerned of Government Accounts.

(Paragraph 5.1)

Rs 1.75 crore were paid improperly by the nine ULBs to International Social Service Organization against the provision of State Public Works Account Code.

(Paragraph 5.2)

Recovery of Sulabh Shauchalaya loan of Rs 2.06 crore and interest thereon neither effected nor any account for the same was being maintained.

(Paragraph 5.3)

6. Implementation of schemes

287 Schemes taken up by 12 ULBs during 2002-07 are still incomplete though Rs 8.28 crore spent on them.

(Paragraph 6.1)

In Jasidih NAC, due to detection of a large stone on way of the construction of drains, the work was stopped which resulted into infructuous expenditure of Rs 13.80 lakh.

(Paragraph 6.2)

Rs 45.17 lakh sanctioned for specific purposes were diverted towards payment of salary of staff.

(Paragraph 6.3)

Rs 5.09 crore received from the State Government for construction of sewerage cum drainage system, Bus Stand & Slaughter house at Dhanbad and Rs one crore received under SJSRY Scheme remained blocked for more than five years.

(Paragraph 6.4)

Rs 28.77 lakh was paid in excess to the Contractors/ Suppliers due to non-deduction of Income tax, sales tax, royalty and cost of empty cement bags from the bills.

(Paragraph 6.5)

7. Other important observations

There was poor response to outstanding audit observations. 6046 audit paras pertaining to the period from 1978-79 to 2006-07 involving Rs 180.36 crore were outstanding as of March 2007.

(Paragraph 7.1)

Concerned Deputy Commissioners were not taking action on the Surcharge Notices issued by the Examiner of Local Accounts, Jharkhand, Ranchi. As a result, 125 notices involving Rs 1.39 crore issued during 2000-2007, were pending.

(Paragraph 7.2)

Advances aggregating Rs 24.71 crore were outstanding against employees, suppliers, Contractors and Engineers. Advance ledgers were not properly maintained by the ULBs.

(Paragraph 7.4)

The employees of seven ULBs sustained a loss of Rs 3.60 lakh upto March 2007 due to non-remittance of Provident Fund subscription, in concerned bank accounts.

(Paragraph 7.5)

Vouchers worth Rs 9.67 crore for the period 2000-07 were not produced to audit.

(Paragraph 7.6)

CHAPTER –I

INTRODUCTION

1.1. Background

Under Section 4 of the Jharkhand Municipal Act, 2000, the State Government may declare a town as a Municipal Corporation, a Municipality or a Notified Area Committee (N.A.C.), on the basis of a population of more than two lakh, not less than forty thousand and twelve thousand respectively and if the town has (1) an average number of not less than four hundred inhabitants per square Kilometer and, (2) three-fourth of the adult population are engaged on pursuits other than agriculture.

Accordingly, two Municipal Corporations, 19 Municipalities and 18 NACs, declared by the State Government, fall under the jurisdiction of the State of Jharkhand. Dhanbad Municipal Corporation was created (February 2006) by incorporating areas of Dhanbad Municipality and four NACs. The Municipal Corporations are governed by Ranchi Municipal Corporation (RMC) Act, 2001 whereas, Municipalities and NACs are governed by Jharkhand Municipal Act, 2000. The term of elected bodies of Municipal Corporation and Municipalities is five years. The State Government dissolved all local bodies during the period 1986 to 1995 and since then fresh elections have not taken place. In the absence of elections, Urban Local Bodies, as envisaged by the 74th Constitutional Amendment, have not come into existence.

1.2. Organizational setup

As elections have not taken place since 1986, Municipal Corporations, Municipalities and NACs are being administered by an Administrator, a Special Officer and a SDO (Civil)-cum-ex-officio Chairman of the NACs respectively. In the absence of elected bodies, the Secretary, Urban Development Department, Government of Jharkhand is the controlling authority.

1.3. Powers and Functions

Powers and functions of the ULBs are described in Section 11 A of Jharkhand Municipal Act, 2000 and Section 63 A of Ranchi Municipal Corporation Act, 2001. Some of the important functions of the ULBs are as follows:

- Urban planning including town planning;
- Regulation of land use and construction of buildings;
- Construction of roads and bridges;
- Water supply for domestic, industrial and commercial purposes;
- Maintenance of public health, sanitation, conservancy and solid waste management.

In addition to the above functions, some other functions, which are also performed by the ULBs, are given in APPENDIX-1.

1.4. Financial Profile

The Urban Local Body Fund comprises of receipts from own resources and grants and loans from State Government.

Under the provisions of the Acts in force, all collections such as tax on holding, water tax, latrine tax, tax on vehicles, tax on trades, professions, callings and employments, fee on registration of vehicles etc. are sources of tax revenue and building plan sanction fees, mutation of property fees, rent on shops & buildings, tolls and other fees and charges etc. constitute the main source of non-tax revenue. The State Government releases grant-in-aid and loans to the ULBs to compensate their establishment expenses. Grant and assistance are also received from the State Government and the Central Government for implementation of specific schemes and projects.

A summary of the financial profile of the 18 test checked ULBs has been furnished as follows:

(Rs in lakh)

Sl. No.	Name of the ULBs	Opening Balance	Receipt during				TOTAL	Expenditure				Closing Balance
			2004-05	2005-06	2006-07	Total		2004-05	2005-06	2006-07	Total	
1.	Ranchi	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	Dhanbad	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	Giridih	143.85	270.56	504.36	817.80	1592.72	1736.57	145.10	247.66	325.73	718.49	1018.08
4.	Godda	203.87	NA	302.84	46.90	349.74	553.61	NA	133.79	215.06	348.85	204.76
5.	Sahebganj	433.71	239.38	194.76	151.48	585.62	1019.33	156.39	181.23	213.68	551.30	468.03
6.	Madhupur	145.74	166.72	209.67	143.05	519.44	665.18	164.91	255.67	90.80	511.38	153.80
7.	Pakur	322.20	157.17	700.98	NA	858.15	1180.35	143.26	238.46	NA	381.72	798.63
8.	Jhumritelaiya	186.25	182.85	400.86	189.35	773.06	959.31	153.07	321.69	210.56	685.32	273.99
9.	Gumla	929.35	214.35	182.81	NA	397.16	1326.51	114.40	432.85	NA	547.25	779.26
10.	Chakradharpur	114.17	156.02	170.00	243.32	569.34	683.51	88.60	171.37	160.63	420.60	262.91
11.	Jamshedpur	943.94	136.90	172.55	NA	309.45	1253.39	487.24	168.30	NA	655.54	597.85
12.	Adityapur	210.97	218.55	333.09	140.06	691.70	902.67	165.68	226.80	187.39	579.87	322.80
13.	Kharsawan	170.47	198.66	379.28	NA	577.94	748.41	142.15	270.48	NA	412.63	335.78
14.	Simdega	58.87	199.22	278.44	NA	477.66	536.53	46.11	114.84	NA	160.95	375.58
15.	Hussainabad	81.99	51.91	176.51	179.70	408.12	490.11	87.37	145.74	129.87	362.98	127.13
16.	Jasidih	187.56	51.31	113.63	NA	164.94	352.50	33.34	86.13	NA	119.47	233.03
17.	Rajmahal	45.12	106.00	93.21	36.26	235.47	280.59	49.95	67.29	82.37	199.61	80.98
18.	Basukinath	283.73	105.64	103.71	NA	209.35	493.08	61.69	189.73	NA	251.42	241.66

(Vide APPENDIX-2)

From the Appendix it is clear that the ULBs are financially dependent on grants / loans from the Government and their own revenues are meager. Suitable action may be taken to enhance the revenues of the ULBs.

1.5. Audit Arrangement

The audit of the ULBs is conducted by the Examiner of Local Accounts, Jharkhand under Jharkhand & Orissa Local Fund Audit Act, 1925.

Under Section 120 (1) of R.M.C. Act, 2001, the Annual Accounts of the Corporation shall be subject to audit under the Jharkhand and Orissa Local Funds Audit Act, 1925. For the purposes of the said Act, the Corporation shall be deemed to be a local authority whose accounts have been declared by the State Government to be subject to audit under Section 3 of the said Act and the municipal fund shall be deemed to be a local fund.

1.6. Audit coverage

Accounts of eight Municipalities¹, eight NACs² and two Municipal Corporations³ for the period 2002-03 to 2006-07 were test checked and findings of the audit are set out in the succeeding paragraphs.

1.7 Supercession and non-holding of election

Under Section 16 of the Ranchi Municipal Corporation Act, 2001 and Section 29 of Jharkhand Municipal Act, 2000, the term of elected bodies of Municipal Corporation and Municipalities would be of five years. After expiry of the said period, the State Government, in exercise of powers conferred upon it under Section 530 of Patna Municipal Corporation Act, 1951 and Section 385 of Bihar Municipal Act, 1922, dissolved all local bodies during the period 1986 to 1995. Since then elections were not taken place till February 2008. No reason was assigned by the State Government for non-holding of elections in stipulated time. However, elections have been conducted in March 2008 in some of the ULBs.

1.7.1 Loss of Rs 66.09 crore due to non-receipt of grants under EFC & TFC

Due to non-holding of elections to municipal bodies, State Government did not receive Rs 66.09 crore upto 2006-07 as grants from Central Government on the recommendations of the Eleventh and Twelfth Finance Commission.

1.7.2 Loss of Rs 1294.26 crore due to non-receipt of grants under Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

JNNURM was launched by Government of India (December 2005) to ensure sustainable development of select cities. The scheme was to be implemented during 2005-2012. The State Government and ULBs seeking assistance under the JNNURM were required to enter into Memorandum of Agreement with Government of India and undertake reforms at municipal level with thrust areas like potable water supply,

¹ Gumla, Pakur, Giridih, Jhumritilaiya, Godda, Chakradharpur, Sahebganj, Madhupur,

² Simdega, Rajmahal, Hussainabad, Jasidih, Jamshedpur, Basukinath, Kharsawan, Adityapur

³ Ranchi, Dhanbad

sewerage and sanitation, solid waste management, road network, transportation, integrated development of slums, street lighting etc.

Under the scheme three cities (Ranchi, Dhanbad and Jamshedpur) of Jharkhand were selected, out of total 63 in the country. For Mission coverage, the pre condition was that the cities should have elected bodies in position. As per the Mission overview, the investment requirement for the selected ULBs were as under:

Sl.No.	Name of city/ULB	Category	Annual Funds Requirements	Grant		Loan from Financial Institutions	Loss to ULB (Central & State grant) per year
				Central	State		
1.	Ranchi	Less than one million population as per 2001 census	31.89	80%	10%	10%	28.70
2.	Dhanbad	One million plus but less than 4 million population as per 2001 census	307.62	50%	20%	30%	215.33
3.	Jamshedpur	One million plus but less than 4 million population as per 2001 census	307.62	50%	20%	30%	215.33
Total			647.13				459.36

Scrutiny revealed that the cities selected in Jharkhand neither had elected bodies nor had undertaken any reforms required under the Mission. As a result, no grant were received during 2005-07 resulting in loss of Rs 918.72 crore to the three ULBs with consequential impact on civic facilities/ development in the select cities.

1.8 Accounting reforms

1.8.1 Finalization of “State Municipal Accounts Manual”

Based on CAG’s Task Force Report on accrual accounting in ULBs, the National Municipal Accounts Manual was developed and circulated to all the States and they were requested to prepare the State specific Accounts Manual (March 2004).

The Govt. informed (March 2007) that the draft of 'State Municipal Accounts Manual' has been prepared on the basis of National Municipal Accounts Manual and is under review at the Govt. level. Despite reminder (January 2008) the Govt. has not yet intimated any progress in this regard.

1.8.2 Non-constitution of Steering Committee

As per the decisions taken in the National Seminar Organized (September 2003) by the Ministry of Urban Development, a Steering Committee was to be formed in all the states to oversee the implementation of budget and accounting formats in ULBs. A representative of State A.G. was also to be made as member of Steering Committee as an observer. Urban Development Department, Govt. of Jharkhand formed a Steering Committee (February 2004) without a representative of A.G. The Government was requested (April 2004) to include the Examiner of Local Account, Jharkhand as Member-Observer of the Steering Committee and several correspondences were made for formation of the said Committee (last reminder in September 2007), but nothing has been heard from the Government (March 2008).

1.8.3 Adoption / acceptance of database formats on finances of ULBs

Formats of database on finances of ULBs prescribed by the C & AG as per Eleventh Finance Commission, was sent to the State Govt. (October 2003) and Hindi version of the same, as desired was also sent (August 2005) for adoption and implementation by ULBs.

In spite of several reminders, formal adoption / acceptance of the same has not been received from the Government.

1.9 Devolution of functions, funds, and functionaries

Functions:

Visualizing ULBs as institutions of self-government, the 74th Constitutional Amendment Act left the extent of devolution to the wisdom of the State Legislatures. 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 Bihar Municipal Act, 1922 was amended by the Act 2 of 1995 and a new Section 11-A was inserted and the ULBs are entrusted with the functions listed in the 12th Schedule of the Constitution. Out of 18 functions mentioned in the Schedule, the number of functions transferred to the ULBs was not intimated by the State Government.

Funds:

Devolution of fund to ULBs should be a natural corollary to implement the transferred function. The State Finance Commission (SFC) was constituted by the State Government in January 2004 under Section 80-B of Jharkhand Municipal Act, 2000. The major function of the SFC was to frame the principle that would govern the distribution between the State and ULBs of the net proceeds of taxes, duties etc. and also the grants-in-aid to ULBs with the main aim of enhancing the financial position of ULBs. The recommendation of Commission and implementation by the State Govt. thereon, was not intimated to this office.

Functionaries:

Devolution of powers and functions on the ULBs requires availability of qualified and trained personnel at all levels for efficient discharge of those functions. The ULBs should have administrative control over the staff to command loyalty and directions of purpose in the new scenario. A review of the system of transfer of functionaries to ULBs revealed that the available manpower in ULBs is not sufficient and requires attention of the State Government.

The following was the position of sanctioned post and men- in- position in respect of the 15 ULBs as of 31 March 2007:

<i>Sl. No.</i>	<i>Name of the ULB</i>	<i>Sanctioned Post</i>	<i>Men in Position</i>	<i>Shortage</i>	<i>Percentage of shortage</i>
1	Ranchi	1382	903	479	34.66
2	Dhanbad	432	203	229	47.00
3	Giridih	310	137	173	56.80
5	Sahebganj	210	111	99	47.14
6	Madhupur	156	88	68	43.59
7	Pakur	26	25	01	3.84
8	Jhumritelaiya	82	58	24	29.26
9	Gumla	36	13	23	63.88
10	Chakradharpur	115	52	63	54.78
11	Kharsawan	09	04	05	44.44
12	Simdega	Nil	13	(+)13	--
13	Jasidih	26	19	07	26.93
14	Rajmahal	09	08	01	11.11
15	Basukinath	09	07	02	22.22
	Total	2802	1641	1161	41.43

The above table shows that the ULBs would be facing trouble in running offices and in performing their duties with regard to civic facilities to their inhabitants due to shortage of staff, which ranged from 3.84 *per cent* to 63.88 *per cent*.

To combat this, 16 ULBs had engaged large number of casual staff/labourer and spent Rs 3.67 crore during 2000-2007 on wages (APPENDIX-3) despite prohibition on engaging casual labourer vide Personnel and Administrative Reforms Department letter No. 3/LB-102/85-7639 dated 11 June 1986.

Rs 3.67 crore was spent irregularly on wages of casual staff.

Appointment of regular staff against vacancy may be considered instead of engaging labourers on casual basis.

CHAPTER- II

ACCOUNTS AND FINANCIAL MANAGEMENT

2.1 Irregular lodgment of Municipal Fund

Under Section 66 of the Jharkhand Municipal Act, 2000, all sums received on account of Municipal Fund shall be paid into a Government Treasury or into any Bank used as Govt. Treasury. But in contravention to the said provision, 15 ULBs maintained 89 additional Bank Accounts during 2002-07 without approval of the Govt. and a total sum of Rs 14.46 crore, as detailed below, was lying in 76 additional bank Accounts of 12 ULBs:

Rs 14.46 crore was lodged irregularly in 76 additional bank accounts.

<i>(Rs. in lakh)</i>			
<i>Sl.No.</i>	<i>Name of the ULB</i>	<i>No. of additional Bank Accounts maintained</i>	<i>Balance as on 31.3.2007</i>
1.	Ranchi	10	324.41
2.	Dhanbad	08	N.A.
3.	Giridih	05	120.48
4.	Godda	13	77.63
5.	Pakur	08	131.43
6.	Jumritelaiya	06	39.37
7.	Gumla	01	58.80
8.	Chakradharpur	11	218.30
9.	Jamshedpur	08	127.75
10.	Adityapur	01	8.43
11.	Kharsawan	09	87.73
12.	Hussainabad	02	N.A.
13.	Jasidih	03	N.A.
14.	Rajmahal	02	6.68
15.	Basukinath	02	245.03
	Total	89	1446.04

Maintenance of more than one account is not only in contravention of the Act but it also implies lack of proper control over finances.

2.2. Budget Estimates

As provided under Section 71 (Rule 8 to 14 of Bihar Municipal Accounts Rules, 1928) of Jharkhand Municipal Act, 2000 and Section 94 of Ranchi Municipal Corporation Act, 2001, the budget estimates showing details of probable receipts and expenditure shall be prepared and placed before the Municipal Board/Standing Committee in their meeting to be held at least two months before close of the year. Further, the budget estimates shall be approved by the Municipal Body/Corporation and copies thereof shall be submitted to the State Government. As the Municipal Bodies remained superseded during the period under test check, responsibility for preparation of budget estimates was on Administrator/Special Officer appointed by the State Government.

Eleven ULBs didn't prepare budget estimates and other seven ULBs utilized only 2.95 to 48.97 per cent of the provision.

As the budget proposals for these local bodies are to be the reflection of the aspirational needs of the people of these areas, utmost care in preparing budget proposals needs to be taken. It was, however, noticed in audit that there was total absence of control over the budget formulation rendering them unrealistic. Test check of 18 ULBs revealed that 11 ULBs were not preparing budget estimates. Remaining seven ULBs had utilized only 2.95 per cent to 48.97 per cent of the budget provision during 2002-07. One ULB spent 182.34 per cent of the budget estimates during 2004-05. The details have been furnished in APPENDIX-4.

From the appendix it is clear that Budgets were prepared in an unrealistic manner without assessing the actual position.

2.3. Unauthorized/irregular expenditure without budget provision

Section 76 of Jharkhand Municipal Act, 2000 stipulates that no expenditure shall be incurred without making provisions in the budget. Audit scrutiny revealed that out of 18 ULBs test checked, 11 ULBs incurred expenditure of Rs 85.71 crore during 2002-03

Rs 85.71 crore incurred without preparation of budget estimates

to 2006-07 without preparing budget estimates in contravention of the Municipal Act as detailed below:

(Rs in lakh)

Sl. No.	Name of the ULB	2002-03	2003-04	2004-05	2005-06	2006-07	Total
		Amount incurred					
1.	Dhanbad	431.55	359.65	490.39	312.39	611.32	2205.30
2.	Godda	16.37	NA	NA	133.79	215.06	365.22
3.	Pakur	144.67	175.17	Nil ⁴	Nil ⁴	Nil ⁴	319.84
4.	Gumla	NA	184.76	114.40	432.84	645.10	1377.10
5.	Chakradharpur	Nil ⁴	Nil ⁴	88.61	171.36	160.63	420.60
6.	Jamshedpur	303.37	687.22	487.25	168.30	169.60	1815.74
7.	Simdega	12.22	14.77	46.11	114.59	146.48	334.17
8.	Hussainabad	52.53	60.07	87.37	145.74	129.87	475.58
9.	Jasidih	58.75	46.35	33.34	86.14	76.78	301.36
10.	Rajmahal	39.66	56.80	49.94	67.28	82.38	296.06
11.	Basukinath	149.34	129.81	61.69	189.73	129.41	659.98
	Total	1208.46	1714.60	1459.10	1822.16	2366.63	8570.95

Thus 11 ULBs incurred unauthorized/irregular expenditure of Rs 85.71 crore during 2002-07. Non-preparation of Budget tantamount to failure of budgetary control system in the said ULBs. Reasons for non-preparation of budget estimates was not on the records.

2.4. Annual Accounts not prepared

As per section 83 of Bihar Municipal Accounts Rules,1928, every Municipal body shall prepare an Annual Account at the end of each year but not later than 15 April and a copy of the same shall be sent not later than 30 April to the concerned District Magistrate. But in contravention of the said provision none of the 18 ULBs prepared Annual Accounts for the period 2002-07 as detailed below:

(Rs in lakh)

Sl. No.	Name of the ULB	Period for which Annual Accounts not prepared	Expenditure incurred during the said period
1.	Ranchi	2002-06	7894.29
2.	Dhanbad	2002-07	2205.30
3.	Giridih	2002-07	985.02
4.	Godda	2002-03 & 2005-07	365.22

⁴ Budget estimates were prepared for these years, hence NIL expenditure have been shown.

5.	Sahebganj	2002-07	747.65
6.	Madhupur	2006-07	90.80
7.	Pakur	2002-07	932.29
8.	Jhumritelaiya	2002-07	922.69
9.	Gumla	2003-07	1377.10
10.	Chakradharpur	2002-07	574.81
11.	Jamshedpur	2002-07	1815.74
12.	Adityapur	2006-07	23.10
13.	Kharsawan	2002-07	621.78
14.	Simdega	2002-07	334.17
15.	Hussainabad	2002-07	475.58
16.	Jasidih	2002-07	301.36
17.	Rajmahal	2002-07	296.06
18.	Basukinath	2002-07	659.98
	Total		20622.94

For want of the Annual Accounts, estimated and actual expenditure of Rs 206.23 crore incurred during 2002-2007 by these local bodies could not be ascertained and scrutinized.

2.5. Government Grants and Loans

The State Govt. released Recurring Grants and Loans at the rate of 30 *per cent* and 40 *per cent* respectively for payment of salary and allowances to the regular employees (appointed within sanctioned strength) on the basis of annual demand furnished by the ULBs, whereas Non-Recurring Grants and Loans for specific purposes were suo-motu sanctioned by them or were sanctioned based on individual requests by the ULBs.

Despite repeated comments in successive audit reports, the ULBs failed to maintain grant/loan appropriation register showing the position of grants/loans received and spent during the year and balance of unutilized grants/loans at the end of the financial year. In absence of grant/loan appropriation register, audit checks were confined to grant/loan files, scheme registers and scheme files, to the extent produced before audit.

Non-preparation of Grant / Loan Appropriation Register and Loan Register

Further, none of the 18 test checked ULBs maintained Loan Register. As such, upto date position in respect of loans received, payable instalments alongwith interest accrued and amount repaid during the years could not be ascertained.

2.5.1 Poor utilization of Government Grants and Loans

Non-recurring Grants and Loans released by the State Government to the ULBs for execution of specific schemes are required to be utilized during the respective year. In absence of grant/loan appropriation register, it was not feasible to ascertain the exact utilization. However, the utilization was computed on the findings of the audit scrutiny of the Cash Books, Scheme Registers etc. and/or on the basis of information furnished by the ULBs. During 2002-07, utilization of grants and loans received for development purposes in respect of 18 test checked ULBs was as under:

Only 56.98 per cent of Govt. grants & loans were utilized.

(Rs in crore)

<i>Opening balance as on 01.04.02</i>	<i>Grant received</i>	<i>Loan received</i>	<i>Total</i>	<i>Grant and loan spent</i>	<i>Closing balance as on 31-03-2007</i>	<i>% of utilization</i>
67.29	113.46	85.93	266.68	151.96	114.72	56.98

(ULB wise and year wise details are given in APPENDIX-5)

Thus, non-recurring Grants and Loans amounting to Rs 114.72 crore was lying unutilized in 18 ULBs as on 31 March 2007. Poor utilization of funds by the ULBs was mainly due to non-execution of schemes. Thus, delay in utilization of funds deprived the targeted beneficiaries of the desired benefits.

2.6 Non-maintenance of records/ registers

As per Rule 4 A of Bihar Municipal Accounts Rules, 1928 and Rule 9 of Bihar Municipal Accounts Rules (Recovery of Taxes), 1951, the ULBs were required to keep and maintain 86 Forms and Accounts (vide APPENDIX-6 to the report) against which ULBs maintained 10 to 25 only.

Even the prescribed basic records as detailed below were not being maintained by most of the ULBs. The implications of non-maintenance of these records are as follows:

<i>Sl. No.</i>	<i>Records/ Registers not maintained</i>	<i>Implication</i>
1.	Advance Ledger	The purpose, age and amount of advance to be realized /adjusted as of 31 March each year could not be ascertained. Due to this there is always probability of loss to the ULBs.
2.	Grant / Loan Appropriation Register	Grant/loan received, purpose & date of receipt, appropriation made from time to time, amount lying unutilized in respect of a particular grant/loan as on 31 March 2007 could not be ascertained.
3.	Loan Register	The date of receipt, amount, condition attached and overdue instalment of loan with interest could not be ascertained.
4.	Demand & Collection Register	Demand, collection and balance for a particular year could not be ascertained. In absence of posting of the collection money in the register, the detection of fraud and embezzlement becomes difficult.
5.	Work Register	In absence of work Register, schemes taken up, estimated cost, agency, the progress of work and its details viz. value of work done, payment made, materials issued, date of completion, works not completed/ suspended, outstanding amount to be paid against the work executed could not be ascertained. Any excess payment, in terms of cash/ material, is difficult to be detected.
6.	Unpaid bill Register	In absence of Unpaid Bill register, the amount of claims alongwith the reasons for withholding the payment and the actual liability of the ULB could not be ascertained.
7.	Annual Report	The workings as well as functions of the ULBs with regard to the proper utilization of grants were not ascertainable.
8.	Deposit Ledger	Amount of the deposits and their adjustment could not be ascertained and therefore possibility of misappropriation and embezzlement of money could not be ruled out.
9.	Register of lands/ Register of Revenue Resources/Asset Register	Identification and valuation of assets, proper record of all lands, sites of buildings, tanks, pounds, ferries etc. could not be ascertained.

Provision for preparation of Balance Sheet (Assets & Liabilities) has not been made in the Municipal Act and Account Rules. As such, position of Assets and Liabilities are not depicted in the accounts of ULBs. Thus, the complete financial picture of the ULBs and their Assets and Liabilities could not be ascertained.

National Municipal Accounts Manual (NMAM) provides for preparation of Balance Sheet by the ULBs. But, the Government has not adopted it as yet.

2.7 Internal Audit

Provision for Internal Audit was not made in the Jharkhand Municipal Act, 2000, Ranchi Municipal Corporation Act, 2001 or in the Municipal Accounts Rules made there under. The provision for Internal Audit has to be made so as to ensure compliance to the Internal Controls.

No provision of Internal Audit exists in the Acts or Rules.

2.8 Bank Reconciliation statement not prepared

Cash Book and Bank statement /Treasury Pass Book balances at the close of 2006-07 was not reconciled by seven ULBs though there was a difference of Rs 2.31 crore as detailed below:

(Rs in lakh)				
Sl. No.	Name of the ULBs	Balance as per Cash Book	Balance as per Treasury	Difference
1.	Ranchi	2565.29	2583.17	17.88
2.	Dhanbad	1985.85	2138.03	152.18
3.	Madhupur	153.80	173.45	19.65
4.	Pakur	798.63	793.09	5.54
5.	Adityapur	322.80	325.01	2.21
6.	Simdega	375.58	401.89	26.31
7.	Rajmahal	80.98	87.74	6.75
Total				230.52

Due to non-reconciliation, possibility of financial irregularities could not be ruled out. The authenticity of balances appearing in Cash Books of seven ULBs also remained doubtful in the absence of reconciliation with Bank Statement. In case of remaining 11 ULBs, out of 18 test checked ULBs, difference between two sets of balances could not be worked out due to non-maintenance/ non-production of Treasury Pass Books.

2.9 Deficiencies in maintenance of Cash Books

Irregularities noticed in the maintenance of Cash Books were as under:

- In many ULBs, particulars of payment, voucher nos., cheque no., classification etc. were not indicated in the payment side of the Cash Book.

- Cash Book was not closed at the end of every month and signed by the Officer authorized.
- Deletion and overwritings were frequently made.
- Heads of receipts and expenditure were not allocated.
- List of uncashed cheques were not recorded in the Cash Book.
- Cash Book balances were not reconciled with the balances of Treasury/Bank in most of the ULBs.

2.10 Supervisory Check

The supervisory checks prescribed in the following Acts/Rules of the ULBs were not exercised by any of the 18 ULBs:

Supervisory checks not exercised as required under Acts & Rules.

- Rule 20 of Bihar Municipal Accounts Rules, 1928 provides that the Administrator/Special Officer/Chairman shall, once at least in every week, examine the cashier's Cash Book together with the passbook so as to satisfy himself that all moneys received have really been remitted in to the treasury without delay. He shall further, once at least in every fortnight, examine the cashier's or the accountant's cash book with all the subsidiary forms and registers in which deposits are given or collections recorded, to check whether all sums received are actually brought to account;
- Under Rule 64, *ibid*, the Accountant shall compare and verify the entries in pass book with the cashier's cash-book to ensure that all remittances have been duly brought to account;
- Rule 66, *ibid*, stipulates that the Cash Book shall be balanced and signed by the Administrator/Special officer/Chairman. Further, the balance of the cash book shall agree with that of the Bank/Treasury pass book;
- Under Rule 105, *ibid*, the 'Register of Rents' shall be checked and signed by the authorities;
- Rule 126, *ibid*, provides for the checking of 'Register of Works' by the Accountant;

- Under Rule 30 of Municipal Account (Recovery of Taxes) Rules, 1951, the Tax-Daroga shall check the Daily Collection Registers of collecting Sarkars by comparing the credits with duplicate receipts;
- Rule 31, *ibid*, stipulates that the Administrator/ Special Officer/Chairman shall be responsible for seeing that the postings of collection in Demand and Collection Register do not fall into arrears; and
- Under Rule 39, *ibid*, the Administrator/Special Officer/ Chairman shall periodically and always at the end of every half-year, cause a list of outstandings on account of taxes of current and previous years to be prepared from the Demand and Collection Register. The purpose of the list is to check the entries with Sarkar's Ledger and Progress Statement and to reconcile the differences by tracing the error or recovering from the Tax Daroga or Sarkar and to detect any embezzlement in the collection.

Due to not exercising the prescribed supervisory checks, misappropriation and embezzlement made by the collecting staff/cashier could not be detected by the authorities. Also delay in execution of schemes and heavy outstanding revenues could not be minimized.

2.11 Cash and Accounts branches not kept distinct from each other

As per rule 2C of Bihar Municipal Accounts Rules, 1928, the cash and account branches of each Municipal office shall be kept distinct from each other and under distinct officer, who, for the purpose of this rule, will be termed Tax Daroga/Cashier and Accountant. In no case shall the same person compile the Municipal accounts and superintend the collection of the rates and other municipal income.

But in violation of the above instructions of the Government, in Rajmahal NAC the cash and account branches were not kept distinct, and the same person compiled the municipal account and made/ superintended the collection of the rates and other municipal income. This rendered the system vulnerable to financial irregularity.

CHAPTER-III

REVENUE RECEIPTS

3.1. Non imposition of Municipal Taxes

Under Section 82 of the Jharkhand Municipal Act, 2000, the ULBs, with the sanction of the State Government, are empowered to impose different taxes within their limits. But, Jamshedpur and Basukinath NACs did not impose Municipal Taxes till March 2007. Due to non-imposition of Taxes, the above ULBs were deprived of Municipal revenue that could be used to provide better civic amenities/development in those cities.

Jamshedpur & Basukinath NAC didn't impose Municipal taxes.

3.2 Short realization of Rs 1.67 crore on account of Holding Tax from Railway

Within the jurisdiction of Madhupur Municipality, Railways has three holdings for which it pays Holding Tax at the rate of seven *per cent* on the annual valuation of the holdings as detailed below:

Non-revision of valuation of Railway's holdings, as per agreement, resulted into short realization of Rs 1.67 crore by Madhupur Municipality on account of Holding tax.

Sl. No.	Holding No.	Annual valuation of holding (Rs)	Holding Tax (Rs)	Remarks
1	217	98,939.00	6925.00	Comprising residential quarters/buildings
2	218	95,986.00	6,719.00	
3	219	2,66,10,581.00	18,62,740.00	Comprising vacant lands of the following valuations- 1. 33 acre @1,72,908.00 per acre Rs. 57,05,964.00 2. 201.5 acre @ Rs. 1,03,745.00 per acre Rs 2,09,04,618.00
TOTAL			18,76,384.00	

Some part of other Railway lands was used as public passages for which the Municipality paid Licence fee of Rs 1,28,647.00 per year.

An agreement between the Municipality and the Railways was signed on 27 July 1998, which provides that if the Licence fee for usage of land as public passage was increased or decreased, the annual valuation of the land under holding no. 219 would also increase or decrease, accordingly.

Audit scrutiny revealed (September 2007) that the Railways had increased the Licence fee by 10 *per cent* every year from 1996-97 to 2003-04 and thereafter seven *per cent* from the year 2004-05 to 2006-07. However, the municipality continued to levy the holding tax at old rate of Rs 18.62 lakh per year instead of increasing the holding tax rate in line with rates of licence fees paid by it to Railways.

This resulted in a short realization of holding tax of Rs 1.67 crore during the year 1996-97 to 2006-07 (APPENDIX-7).

3.3 Outstanding Property tax

The position of arrear & current demand, collection and outstanding property tax at the end of 2006-07 in respect of 12 ULBs were as under:

(Rs in lakh)			
<i>Total Demand</i>	<i>Collection</i>	<i>Outstanding</i>	<i>Percentage of demand outstanding</i>
3249.00	760.81	2488.19	76.58

(Unit-wise details are given in APPENDIX- 8)

Half yearly list of outstanding taxes as required under Rule 39 of Municipal Accounts Rules (Recovery of Taxes), 1951 was not prepared by the ULBs. Thus, year-wise break up of arrear demand could not be furnished.

Proper steps not taken for realization of outstanding property tax of Rs 24.88 crore as on 31.3.07

ULBs did not take any of the following steps, prescribed in the Act, for recovery of outstanding dues:

- If the tax was not paid within fifteen days from the first day of the quarter, in which it was payable, the local body may issue demand notice under Section

205 and 123 of Ranchi Municipal Corporation Act and Jharkhand Municipal Act;

- If tax was not paid within twenty one/ fifteen days after receipt of the notice, *ibid*, the local body may issue warrant under Sections 206 and 124 respectively, of the Acts, *ibid*;
- ULBs may take action under Jharkhand and Orissa Public Demand Recovery Act, 1914 for recovery of the arrear as public demand under Section 218 and 129 A respectively, of the Acts; and
- ULBs may bring suit in any civil court of competent jurisdiction for recovery of the arrears under Sections 219 and 130 respectively, of the Acts.

3.4. Separate Accounts of Latrine and Water tax not maintained

Rule 14 of Bihar Municipal Accounts Rules, 1928 stipulates that the net receipts on account of water and latrine taxes shall be spent only for the execution of works for water supply and cleansing of private and public latrines urinals and cess pool as required under Rule 69 (1). Further, under Rule 69 (2), money, which has been received for specific objects, shall not be expended on any other objects.

As the ULBs, as prescribed under the Rules, did not maintain separate Accounts of Latrine Tax and Water Tax, collections on these accounts and their proper utilization could not be ascertained in audit.

3.5. Revision of Tax

Section 138 of Ranchi Municipal Corporation Act, 2001 and Section 106 of Jharkhand Municipal Act, 2000 provide for revision of rate of tax once in every five years. Test check of assessment register revealed the following position:

Non-revision of tax since long resulted into loss of revenue.

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Year of last assessment</i>	<i>Years from when assessment due</i>	<i>Years in which assessment initiated</i>	<i>Position of revision as of 31 March 2007</i>
1	Ranchi	1992-93	1997-98	1992-93	Not completed as yet
2	Dhanbad	1994-95	1999-00	Nil	Not initiated as yet
3	Giridih	1957-58	1962-63	1997-98	Not completed
4	Godda	1980-81	1985-86	Nil	Not initiated as yet
5	Sahebganj	1996-97	2001-02	Nil	-do-
6	Madhupur	1993-94	1998-99	Nil	-do-
7	Pakur	1998-99	2003-04	2006-07	Not completed
8	Jhumritelaiya	1995-96	2000-01	Nil	Not initiated as yet
9	Gumla	1984-85	1989-90	Nil	-do-
10	Chakradharpur	1962-63	1967-68	Nil	-do-
11	Adityapur	1965-66	1970-71	1996.97	Not completed as yet
12	Kharsawan	1985-86	1990-91	Nil	Not initiated as yet
13	Simdega	1987-88	1992-93	Nil	-do-
14	Hussainabad	1976-77	1981-82	Nil	-do-
15	Jasidih	1988-89	1993-94	Nil	-do-
16	Rajmahal	Not initiated since inception			

From the above table it can be seen that:

- (1) 11 ULBs had not initiated the revision of assessment process though it was due for the last 7 to 26 years;
- (2) In five other ULBs, the revision was pending for the last 10 to 45 years. The process of revision was initiated after a lapse of 3 to 35 years from the year in which revision was due. The process was still incomplete in all these cases;
- (3) Non-revision of assessment in time resulted in loss of revenue to the ULBs. As provisions for the rate of increase or decrease per year were not laid down in the Municipal Act or Rules, the loss due to non- revision of Tax could not be quantified.

3.6 Loss of revenue due to non-realization of fee for delayed payment of Taxes

Section 205 of Ranchi Municipal Corporation Act, 2001, provides that if bills of taxes (Holding tax, Water tax and Latrine tax) are not paid within 15 days from their presentation under Section 204, *ibid*, a notice of demand shall be served upon the tax-payer and a fee of 25 paise per rupee of the demand shall be payable by him (tax payer) as per Rule 3 of Ranchi Municipal Corporation Accounts (Recovery of Taxes) Rules, 2001.

Fine of Rs 3.11 crore could not be levied and realized due to non-service of notice of demand & warrant to tax payers.

Further, if the taxpayer to whom notice of demand is served does not, within 21 days of the service of such notice, pay the sum demanded, a warrant may be issued under Section 206 for which a fee of 12 paise per rupee of the demand shall be charged, *vide* Rule 4.

Ranchi and Dhanbad Municipal Corporations neither maintained any register showing issue of notice of demand warrants and fee claimed and realized against it nor any amount was shown to have been realized by them in the shape of above fee.

Thus, due to non service of notice of demand and warrant to tax payers for collection of arrear of holding tax etc. as required above, Ranchi and Dhanbad Municipal Corporations were deprived of revenue of Rs 3.11 crore in the shape of fine of Rs 2.11 crore (25 paise per rupee to be included in demand notice for failure to pay tax within 15 days from presentation of bill) and fine of Rs 1.00 crore (12 paise to be included in warrant for failure to pay tax within 21 days of issue of demand notice) *vide* details below:

(Rs in crore)

<i>Sl. No.</i>	<i>Name of Corporation</i>	<i>Period</i>	<i>Arrear Taxes collected</i>	<i>Amount of fee not levied @ Rs 0.25 per rupee (Demand Notice)</i>	<i>Amount of fee not levied @ Rs 0.12 per rupee (Warrant)</i>	<i>Total amount of fee not levied @ Rs 0.37 per rupee</i>
1.	Ranchi	2004-07	8.11	2.03	0.97	3.00
2.	Dhanbad	2006-07	0.30	0.08	0.03	0.11
Total			8.41	2.11	1.00	3.11

3.7. Misappropriation of revenue collected

As per instructions of the Government under Rule 22 of Bihar Municipal Accounts Rules, 1928, all money received on account of the Municipality shall be remitted into the treasury as often as can be conveniently managed. During the audit it was found that in contravention of the above rule, staff of 15 ULBs did not remit Rs 65.46 lakh of collected money during 2000-07. Out of this, Rs 6.97 lakh was recovered from the staff of the ULBs at the instance of audit (APPENDIX-9). Rs 58.49 lakh was lying with the officials concerned. Any action taken for recovery of this misappropriated money was not intimated to this office.

Rs 65.46 lakh misappropriated by the staff. Rs 58.49 lakh still lying in their personal custody.
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3.8 Persistent embezzlement of collection money

Rule 21 & 22 of the Bihar Municipal Accounts Rules, 1928 envisages that all sums received on account of the Municipality shall be remitted intact to the treasury as often as can be conveniently managed. Further, under Rule 2C of the Rules, *ibid*, in no case the same person shall compile the Municipal Accounts and superintend the collection.

In Adityapur Notified Area Committee, embezzlement of Rs two lakh was noticed in the last audit (for 2003-04). The matter was brought to the notice of higher authorities including the Government through Audit Report no. 37/2006-07 under Para 26 and again through Annual report on Urban Local Bodies in Jharkhand for 2005-06 under Para no. 3.6.

During audit of the same Notified Area Committee in 2007-08, the audit detected that the employees had embezzled collection money amounting to Rs 19.30 lakh as detailed below:

<i>Sl. No.</i>	<i>Name of the employee who collected/received the amount</i>	<i>Nature of collection</i>	<i>Amount embezzled (Rs.)</i>	<i>Remarks</i>
1.	Arvind Kumar Singh, Accountant	Shop rent	4,71,290	Total amount collected during 2004-07 but not deposited in Notified Area Committee Fund.
2.	Bijay Kumar Mahto, Cashier	-do-	2,81,446	
3.	-do-	Municipal revenues received from Tax Collectors	10,80,566	The cashier received the amounts from Tax Collectors during 2005-07 but not deposited in Notified Area Committee Fund.
4.	Mangal Chand Mardi, Tax Collector	Municipal Taxes	72,821	
5.	Dinesh Prasad Verma, Tax Collector	-do-	4,974	
6.	Bhupendra Nath Sinha, Tax Collector	-do-	19,191	Collected during 2004-07 but not handed over to the Cashier.
<i>Total</i>			<i>19,30,288</i>	

Collecting the amount by the Accountant in lieu of any collecting staff was in contravention of Rule 2C of Bihar Municipal Account Rules, 1928 while retaining the amount by the Cashier was in contravention of Rule 21 and 22 of the Rules, *ibid.* Non-delivery of collected money to the cashier by the Tax Collectors was also in violation of Rule 30 of the Municipal Account (Recovery of Taxes) Rules, 1951. Thus, there was failure of internal control system in the ULB.

The matter was reported (June 2007) to the Government (Urban Development Department) and Deputy Commissioner of the concerned District, but response is still awaited (April 2008).

3.9. Short realization of Settlement amount

The ULBs derive their non-tax revenues by settlement of Bus Stand, Sairats⁵, Hats etc. every year. As per terms and conditions of settlements, 50 *per cent* of the bid money was to be realized at the time of agreement and balance 50 *per cent* in three equal instalments

Short realization of bid money of Rs 75.76 lakh

⁵ Properties to be settled annually or to be leased out.

after the expiry of the month of the agreement, failing which the agreement was to be cancelled. These conditions were not followed by the ULBs, which resulted in short realization of bid money of Rs 75.76 lakh during 2000-07 as detailed below:

(Rs. in lakh)			
<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Period</i>	<i>Amount of Non/ Short realization</i>
1	Ranchi	2004-07	35.32
2	Giridih	2000-07	8.67
3	Godda	2000-07	4.09
4	Sahebganj	2000-07	0.81
5	Madhupur	2000-07	3.09
6	Pakur	2000-06	10.70
7	Jhumritelaiya	2000-07	2.50
8	Gumla	2000-06	3.31
9	Chakradharpur	2002-07	0.94
10	Kharsawan	2000-06	1.80
11	Hussainabad	2002-07	1.85
12	Rajmahal	2001-07	1.55
13	Basukinath	2000-06	1.13
Total			75.76

Due to short realization of amount, the availability of fund to be spent on providing essential services was reduced with ULBs. Action taken to realize the dues was not on record.

3.10 Education Cess/Health Cess realized but not credited into Government Account

Education Cess and Health Cess at the prescribed percentage (50 per cent each of the holding tax) is to be levied & collected by the Municipalities/NACs under the Bihar Primary Education (Amendment) Act, 1959 and Bihar Health Cess Ordinance, 1972 (Bihar Ordinance No.2 of 1972) in the Municipal areas from 1 April 1959 and 4 May 1972 respectively. The proceeds of the Cess are to be credited into the State revenue after deducting 10 per cent as collection charge.

Rs 5.78 crore on account of Education & Health Cess not remitted into Govt. Account.

It was observed that Rs 6.42 crore as indicated in APPENDIX-10 was collected on account of Health Cess and Education Cess by 14 ULBs out of 18 test checked ULBs during 2002-07. Rs 5.78 crore was to be credited to State revenues after retaining 10

per cent as collection charges, but the same was not done and the ULBs spent the total collection money of Education and Health Cess on administrative expenditure. This was in violation of the ordinance and resulted in loss of Government revenue to the tune of Rs 5.78 crore.

3.11. Non- realization of Education /Health Cess

The Government of Bihar, under Bihar Primary Education (Amendment) Act, 1959 and Bihar Health Cess Rules, 1972, as amended from time to time, issued orders to the Municipalities in the State for collection of Education /Health Cess. However, it was observed that Rajmahal and Simdega NACs did not

Loss of Rs 14.92 lakh due to non-realization of Education & Health Cess by three ULBs.

collect the above Cess while Hussainabad NAC did not collect the Education Cess. Consequently, not only did the State Government, suffer loss of Rs 13.43 lakh, but the NAC itself suffered a loss of Rs 1.49 lakh during 2002-07 in the shape of 10 *per cent* collection charges, which form part of Municipal revenue vide details below:

(Rs in lakh)

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Period</i>	<i>Holding Tax realized</i>	<i>Loss of Health Cess</i>	<i>Loss of Education Cess</i>	<i>Total</i>	<i>Loss to Govt.</i>	<i>Loss of ULBs as 10 per cent collection charges</i>
1.	Simdega	2002-06	13.10	6.55	6.55	13.10	11.79	1.31
2.	Hussainabad	2002-07	2.88	Nil	1.44	1.44	1.30	0.14
3.	Rajmahal	2002-04	0.38	0.19	0.19	0.38	0.34	0.04
Total						14.92	13.43	1.49

3.12. Short realization of Education and Health Cess

As per Govt. directives, Education and Health Cess were to be realized at the rate of 50 *per cent* of Holding Tax w.e.f. 1 April 1985. But eight ULBs out of 18 test checked ULBs realized Education and Health Cess at the rate of 40 *per cent* of Holding Tax or lesser rate resulting in loss of Rs 83.51 lakh

Eight ULBs realized Education & Health Cess at lesser rate resulting loss of revenue of Rs 91.42 lakh.

to State revenue as well as loss of Rs 9.28 lakh to ULBs as 10 per cent collection charges, vide detailed below:

(Rs. in lakh)

Sl. No.	Name of ULBs	Period	Holding Tax realized	Health Cess to be realized @ 50% of H.T.	Education Cess to be realized @ 50% of H.T.	Total Cess to be realized	Amount of Cess actually realized	Short realization of Cess
1	Ranchi	2004-07	416.92	208.46	208.46	416.92	375.45	41.47
2	Dhanbad	2002-04	124.38	62.19	62.19	124.38	111.93	12.45
3	Madhupur	2003-07	19.36	9.69	9.67	19.36	9.32	10.04
4	Chakradharpur	2002-04	4.97	2.49	2.48	4.97	4.30	0.67
5	Adityapur	2004-07	27.92	13.96	13.96	27.92	2.49	25.43
6	Kharsawan	2005-07	0.070	0.035	0.035	0.07	0.062	0.01
7	Hussainabad	2002-07	2.88	1.44	1.44	2.88	0.45	2.43
8	Jasidih	2003-06	3.18	1.59	1.59	3.18	2.89	0.29
Total								92.79
Less 10% as collection charges (loss to ULBs)								9.28
Loss to State revenue								83.51

Reason for collection of cess at lower rate was not furnished (April2008).

3.13. Outstanding Rent of Municipal Properties

Rs 1.38 crore was outstanding on account of rent of municipal shops as of 31 March 2007 as detailed below:

(Rs. in lakh)

Sl. No.	Name of ULBs	Outstanding Shop Rent
1	Ranchi	41.91
2	Dhanbad	21.33
3	Giridih	9.64
4	Godda	33.45
5	Sahebganj	10.41
6	Madhupur	3.93
7	Pakur	NA
8	Jhumritelaiya	2.75
9	Gumla	NA
10	Chakradharpur	2.06
12	Adityapur	0.86
13	Kharsawan	NA
14	Simdega	NA
15	Hussainabad	10.53
16	Jasidih	NA
17	Rajmahal	1.20
18	Basukinath	NA
	Total	138.07

Action taken to realize outstanding rent was not on record.

3.14 Outstanding Taxes on Government Buildings

Rs 7.58 crore was outstanding on account of tax on Govt. Buildings as of 31 March 2007 as detailed below:

(Rs. in lakh)

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Outstanding tax on Govt. Buildings</i>
1	Ranchi	317.12
2	Dhanbad	187.96
3	Giridih	46.28
4	Godda	25.56
5	Sahebganj	55.47
6	Madhupur	7.20
7	Pakur	5.23
8	Jhumritelaiya	14.53
9	Gumla	7.40
10	Chakradharpur	14.44
12	Adityapur	47.74
13	Kharsawan	0.78
14	Simdega	4.96
15	Hussainabad	0.56
16	Jasidih	20.89
17	Rajmahal	2.32
	Total	758.44

Action taken to realize outstanding taxes was not on record.

CHAPTER-IV

ESTABLISHMENT

4.1 Irregular expenditure on payment to N.G.Os for cleaning of roads etc.

The engagement of N.G.Os for the purpose of cleaning of road etc. was made without obtaining sanction of the State Government as required under Section 63 (aaa) of Ranchi Municipal Corporation Act, 2001 and Rs 7.25 crore was irregularly and unauthorizedly spent on payment to the N.G.Os during 2002-07 by Ranchi Municipal Corporation (Rs 6.94 crore) and NAC, Jamshedpur(Rs 0.31 crore).

Without sanction of the Govt., Rs 7.25 crore was paid irregularly to NGOs.

Registration Certificate under the Societies Registration Act, 1860, bylaws and labour certificate by Labour Department, Government of Jharkhand and the Audit Report of these NGOs were not made available to audit.

In the absence of relevant documents, the genuineness of the N.G.Os could not be ascertained.

4.2 Irregular payment of Board's Dearness Allowance

Grant & loan (40 per cent & 30 per cent respectively) against admissible pay and allowances of the Municipal staff are sanctioned and paid by the State Government to the ULBs.

A sum of Rs 1.47 lakh as detailed in APPENDIX- 11 to the report was paid to staff of Dhanbad Municipality as Board's D.A. during 2002-04 without prior sanction of the Govt. As the Government did not sanction any amount to Dhanbad Municipality for payment of Board's D.A. and no such purpose is available under detailed purposes enlisted in Section 68 of the Jharkhand Municipal Act, 2000, the payment was not regular.

CHAPTER-V

TRANSACTION AUDIT

5.1. Taxes deducted at source not deposited into Government accounts

Income Tax, Sales Tax and Royalty deducted from bills of contractor/suppliers were required to be credited to the respective heads of Government accounts.

Rs 35.00 lakh deducted on account of Income Tax, Sales Tax & Royalty not credited into Govt. Account.

Test check of records revealed that seven ULBs deducted Income Tax, Sales Tax and Royalty of Rs 35.00 lakh during 2002-07, as detailed below but had not credited it in the respective heads of government accounts and instead retained the money in their respective funds.

(Rs in lakh)					
Sl.No.	Name of ULBs	Amount of Sales Tax deducted	Amount of Income Tax deducted	Amount of Royalty deducted	Total
1.	Ranchi	---	6.16	6.05	12.21
2.	Dhanbad	2.72	---	4.68	7.40
3.	Madhupur	0.45	0.50	5.31	6.26
4.	Kharsawan	---	2.54	1.14	3.68
5.	Hussainabad	---	1.31	1.51	4.13
6.	Jasidih	1.31	---	0.15	0.15
7.	Rajmahal	---	---	1.17	1.17
	Total	4.48	10.51	20.01	35.00

This affected the budgetary provision of State Government to the extent of Rs 35.00 lakh.

5.2. Improper grant of supervision charge of Rs 1.75 crore to Sulabh International Social Service Organization

The Government of Jharkhand sanctioned Grants and Loans (50 per cent each) during 2002-07 for construction of Sulabh Sauchalayas and conversion of dry latrines into septic ones within Municipal areas. The Government directed (February 2002) that (i) the estimates for construction of Shauchalayas would be prepared on the basis of schedule of rates and technical approval would be taken from Public Health

Improper payment of Rs 1.75 crore to SISSO as 15 per cent Supervision charges on estimated cost inclusive of 10 per cent contractor's profit.

and Engineering Department (ii) the work would be executed by the Sulabh International Social Service Organisation (SISSO) and 15 *per cent* supervision charges would be paid to the SISSO on the estimated cost.

Scrutiny revealed that the estimated cost was inclusive of 10 *per cent* contractor's profit and it appeared that government did not take into account this aspect while issuing directive for payment of 15 *per cent* supervision charges on estimated cost. The State Public Works Account Code, which is applicable to municipal works, does not provide for payment of supervision charges to a Contractor/Agency over and above the contractor's profit involved in the estimated cost.

The matter was referred to the State Government (June 2004). In reply, Government stated that the supervision charge was paid for works, which included planning, designing, motivation, implementation and follow-up. The Government, further, referred to the sub-group on strategies to address unmet needs for Public Health Drinking Water, Sanitation and Nutrition set by the National Commission on Population of the Planning Commission that recommended implementation charge of 15 *per cent* to be paid to such voluntary organizations. The government's reply was not tenable in view of the fact that necessary amendments to State Public Works Account Code was not made for payment of supervision charges by disallowing contractor's profit.

Thus, due to injudicious decision of the Government without suitable amendment to Public Works Account Code, Rs 1.75 crore was improperly paid as supervision charges on the construction of Sulabh Sauchalaya and for conversion of dry latrines into septic ones up to March 2007 by nine ULBs as detailed below:

(Rs. in lakh)			
<i>Sl.No.</i>	<i>Name of ULBs</i>	<i>Period</i>	<i>Amount paid to SISSO as 15% supervision charges</i>
1.	Ranchi	2001-07	92.56
2.	Dhanbad	2002-04	14.21
3.	Giridih	2000-03 and 2005-07	9.16
4.	Godda	2003-07	6.89
5.	Jhumritelaiya	2005-07	3.24
6.	Chakradharpur	2004-07	9.32
7.	Jamshedpur	2004-07	28.95
8.	Hussainabad	2002-07	7.59
9.	Rajmahal	2004-07	3.16
Total			175.08

5.3 Non-recovery of Sulabh sauchalaya Loan

The Government released 50 per cent grant and 50 per cent loan to ULBs for construction / conversion of dry latrines into septic ones during 2001-07. As per terms and conditions of the scheme 50 per cent of the construction cost was to be borne by the Government and balance 50 per cent i.e. loan portion to be borne by the beneficiaries, whose dry latrines were converted into septic ones. Thus 50 per cent of the construction cost was to be treated as Govt. subsidy where as balance 50 per cent alongwith interest was to be recovered from the concerned beneficiaries.

Recovery of Sulabh Shauchalaya loan of Rs 206.47 lakh and interest thereon neither effected nor any account for the same was being maintained.

During audit it was noticed that an expenditure of Rs 4.13 crore was incurred on account of construction/conversion of dry latrines into septic ones by eight ULBs, but recovery of such loan of Rs 2.06 crore (50 per cent of Rs 4.13 crore), as detailed below, was neither effected nor any account for the same was maintained by the concerned ULBs:

(Rs. in lakh)			
<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Period</i>	<i>Amount of Loan recoverable</i>
1.	Ranchi	2001-07	73.29
2.	Giridih	2005-07	17.92
3.	Pakur	2003-06	3.47
4.	Jhumritilaiya	2005-07	73.94
5.	Gumla	2004-06	7.91
6.	Chakradharpur	2001-07	8.99
7.	Adityapur	2004-07	16.76
8.	Rajmahal	2004-07	4.19
Total			206.47

For want of maintenance of loan accounts, dues against each beneficiary were not ascertainable at any date. Further, the liability of the ULBs on account of repayment of loan with interest thereon was increasing with the lapse of time and chances of recovery are also remote.

CHAPTER-VI

IMPLEMENTATION OF SCHEMES

6.1 Incomplete schemes

The Govt. released non-recurring grants & loans for various schemes of construction/renovation of roads, drains, drilling of tube wells, water supply schemes etc. during 2002-07. During audit, it was noticed that 287 schemes taken up by 12 ULBs during 2002-07 remained

287 Schemes taken up during 2002-07 are still incomplete though Rs 8.28 crore spent on them.

incomplete till September 2007, although Rs 8.28 crore as detailed below, was spent on advance payments against these pending schemes as on 31 March 2007:

(Rs in lakh)				
<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>No. of pending schemes</i>	<i>Estimated expenditure</i>	<i>Expenditure incurred</i>
1.	Ranchi	08	66.06	22.31
2.	Dhanbad	68	N.A.	98.73
3.	Giridih	11	120.21	61.70
4.	Madhupur	8	59.95	33.95
5.	Pakur	30	288.83	217.22
6.	Jhumritileya	27	131.07	48.06
7.	Gumla	45	93.87	56.38
8.	Rajmahal	02	40.00	30.30
9.	Kharsawan	56	143.44	139.35
10.	Simdega	17	82.15	30.79
11.	Jasidih	09	149.24	67.34
12.	Basukinath	06	28.29	21.69
Total		287	1203.11	827.82

(Details vide APPENDIX-12)

Due to non-completion of these schemes, the public was deprived of the benefits of the schemes.

Reasons for non-completion of these pending schemes were not stated (March 2008).

6.2 *Infructuous expenditure of Rs 13.80 lakh*

The State Government sanctioned and released (June 2002) Rs 15.76 lakh as grant and loan (each 50 *per cent*) to Jasidih NAC for construction of two brick drains according to administrative approval. Both schemes were technically sanctioned by the Executive Engineer, Rural Development Special Division, Deoghar. The works were executed departmentally. The work order issued on 03 September 2002 and date of completion of work was 30 October 2002. Further details of the works were as under:

Construction of drains stopped due to detection of a large stone resulting into infructuous expenditure of Rs 13.80 lakh.

<i>Sl. No.</i>	<i>Scheme no.</i>	<i>Name of scheme</i>	<i>Name & designation of Executing Agent</i>	<i>Estimated Cost (Rs)</i>	<i>Amount Spent (Rs)</i>	<i>Remarks</i>
1.	02/2002-03	Construction of brick drain at south side of Main Road, Jasidih	Sri Mahesh Singh, J.E. and Satan Ramani of NAC Jasidih	6,99,700	6,27,500	Payments made upto 3 rd on account bill
2.	03/2002-03	Construction of brick drain from primary school (north side) Jasidih to Red Cross under NAC Jasidih.	Sri Mahesh Singh, J.E. and Sohan Ram of NAC Jasidih	8,75,900	7,52,500	Payments made upto 4 th on account bill
Total				15,75,600	13,80,000	

Both the works were stopped (March 2003) due to detection of large stone on way of the drains. The work was neither restarted nor any reply in this regard was furnished by the NAC. The purpose of construction of the drains was defeated and the public remained deprived of the benefit of the drains.

The action of the NAC was not justified as proper survey for the works were not done. Further execution could have been stopped in course of earthwork only after detection of the stone on the way of drain, but this was also not done.

Thus, the total expenditure of Rs 13.80 lakh was infructuous.

6.3. Diversion of specific grants and loans

Under Rule 14 A of Bihar Municipal Accounts Rules, 1928, any grant made by the Government for specific purpose, such as, MLA/MP Fund, Zila Yojana, SJSRY etc. shall not be spent for any other purpose. Further, under Section 89 of the Jharkhand Municipal Act, 2000, unspent balance amount of Government Loan for specific purpose shall not be appropriated even temporarily for any other purpose. However, in contravention of the above instructions of the Govt., four ULBs as detailed below, diverted Rs 45.17 lakh towards payment of salary of staff during 2002-07:

Specific grant & loan worth Rs 45.17 lakh diverted towards payment of salary.

(Rs. in lakh)					
Sl. No.	Name of ULBs	Purpose of Fund	Amount diverted	Amount refunded	Amount remained diverted
1.	Giridih	MLA/MP/Zila Yojna	21.52	11.85	9.67
2.	Godda	SJSRY	0.79	Nil	0.79
3.	Sahebganj	Xth Finance	13.85	9.35	4.50
4.	Chakradharpur	SJSRY	9.01	Nil	9.01
Total			45.17	21.20	23.97

Out of Rs 45.17 lakh, Rs 21.20 lakh was refunded leaving Rs 23.97 lakh still diverted.

Due to the diversion of above funds, physical targets of the schemes concerned could not be achieved.

6.4. BLOCKING OF GOVERNMENT FUND

6.4.1 Underground sewerage cum drainage system at Dhanbad

The Jharkhand Government sanctioned and released (March 2002) Rs 2.50 crores to Dhanbad Municipality (Corporation since

February 2006) as grants and loans (50 per cent each) for underground sewerage cum drainage system under Mal Nikasi Yojna. On being approval of estimate by the Government, the amount would be spent. Scrutiny of the records of the Municipality revealed that no action in this regard was taken upto 2003-04. For Detailed Project

Rs 5.09 crore received from the State Govt. for construction of sewerage cum drainage system; Bus Stand & Slaughter house at Dhanbad and Rs one crore received under SJSRY Scheme remained blocked for more than five years.

Report (DPR), advertisement was made (October 2004) but the appointment of a consultant could not materialize as the Government rejected (June 2005) the proposal of Dhanbad Municipality for appointment of M/s Operation Research Group Private Limited, New Delhi as consultant as the Government desired to appoint an experienced technical expert by itself. No further progress in the matter could be done either by the Municipality or by the Government (September 2007).

Thus, Rs 2.50 crore remained blocked for over five years and prevented the beneficiaries from the facilities.

6.4.2 Construction of Modern Bus Stand

The Jharkhand Government sanctioned and released (March 2002) Rs 2.50 crores to Dhanbad Municipality (Corporation since February 2006) as grants and loans (50 *per cent* each) for construction of modern Bus Stand with the instruction to obtain model and design for the work from RITES Ltd., Ranchi and thereafter Technical Sanction was to be accorded. Due to want of this preliminary work construction of Bus Stand could not be started. After obtaining (May 2003) model design from RITES, several correspondence were made with Land Acquisition Officer and the Deputy Commissioner for transfer of Government land but it could not be materialized. In the meantime model and design from RITES Ltd. was cancelled by the State Govt. (July 2006) and it was decided to construct the Bus Stand by Public Private partnership on the basis of BOT Model.

As against the proposal for construction of commercial complex including Bus Stand, the State Government further released Rs 2.25 crore (March 2007), the cost of 27.37-acre of Govt. land at mauza Bheltand, Thana Govindpur. The amount of Rs 2.25 crore was paid to Land Acquisition Officer, Dhanbad (May 2007) by the Corporation. But the said plot of land has not yet transferred to the Corporation (October 2007).

Thus, Rs 2.50 crore remained blocked for over five years and prevented the beneficiaries from availing the facilities of a modern convenient bus stand.

6.4.3 Construction of Slaughter House at Dhanbad

The Jharkhand Government sanctioned and released (February 2002) Rs 9.35 lakh to Dhanbad Municipality as grant for construction of a Slaughter House. The Government also accorded (December 2002) administrative sanction for the work. Site for the work was not available and for acquisition of the land for the work, the Municipality has been active since receipt of the grant but could not be successful as yet (October 2007). Scrutiny of the records revealed that the Government sanctioned and released the amount without site selection and also accorded administrative approval for the work on the basis of model estimate prepared by Hazaribag Municipality.

Thus, Rs 9.35 lakh remained blocked for over five years and prevented the beneficiaries from the facilities.

The Government should release any grant/loan after receiving proposal from the ULBs and after ascertaining the availability of proper site.

6.4.4 Swarna Jayanti Shahari Rojgar Yojana (SJSRY) at Ranchi

The Govt. sanctioned Rs one crore during 2003-04 under Swarna Jayanti Shahari Rojgar Yojana (SJSRY) to the Ranchi Municipal Corporation for the purpose to train the unemployed person in different professions and to support them financially, so that they may start their own business/profession. But the RMC did not initiate any action in this regard and the amount remained unutilized till date (February 2008). The amount was deposited in Bank in June 2003 and earned Rs 14.85 lakh as interest upto March 2007.

Due to non-implementation of the Scheme, the very purpose of the scheme was defeated and the beneficiaries were deprived of the facility and opportunity.

6.5 Excess payment due to non-deduction of Income Tax, Sales Tax, Royalty etc. from Contractors/Suppliers bills

A sum of Rs 28.77 lakh as detailed in APPENDIX-13 to the report, was not deducted from Contractors/Suppliers bills as Income Tax (Rs 2.41 lakh), Sales Tax (Rs 19.36 lakh), Royalty (Rs 3.82 lakh) and cost of empty cement bags (Rs 3.18 lakh), resulting in excess payment of Rs 28.77 lakh to the concerned Executing Agents/Contractors/Suppliers.

6.6 Loss due to execution of schemes by contractors in lieu of departmental

As per UDD's letter no. 1263 dated 24 June 2005, Schemes with estimated cost below Rs 5 lakh were to be executed departmentally. But, in contravention of the said instruction, Ranchi Municipal Corporation executed 14 schemes at a cost of Rs 36.89 lakh through contractors in lieu of departmental though the Corporation had its own technical staff for execution of the schemes. Due to this, the Corporation sustained a loss of Rs 3.69 lakh on account of contractor's profit (10 *per cent*) vide details in APPENDIX- 14.

CHAPTER-VII

OTHER IMPORTANT OBSERVATIONS

7.1 Response to Audit Observation

The Administrator, Special Officer and S.D.O are required to comply with observations contained in the Audit Reports (ARs) and rectify the defects and omissions and report their compliance through proper channel to Examiner of Local Accounts (E.L.A.) within three months from the date of issue of audit report. The number of Audit Reports and paragraphs outstanding as of 31 March 2007 are given below:

Sl. No	No. of Audit Reports pending	Year under audit	Name of the ULBs	Total no. of Paras		No. of Paras settled		No. of outstanding Paras	Value of outstanding Paras	
				N.M.V. ⁶	M.V. ⁷	N.M.V.	M.V.		Rs.	P.
1.	9	93-94 to 05-06	Ranchi	333	319	27	10	615	64,06,91,518.95	
2.	14	79-80 to 03-04	Dhanbad	334	228	133	60	369	9,14,05,505.89	
3.	2	2000-01 to 04-05	Giridih	66	35	44	4	53	1,69,89,145.15	
4.	6	83-84 to 04-05	Godda	123	64	19	3	165	2,01,08,346.30	
5.	6	87-88 to 06-07	Sahebganj	160	83	32	8	203	4,59,54,356.25	
6.	3	91-92 to 02-03	Madhupur	101	60	00	00	161	1,66,73,866.11	
7.	5	87-88 to 05-06	Pakur	135	51	28	5	153	19,71,28,040.05	
8.	3	2000-01 to 06-07	Jhumritelaiya	63	22	36	6	43	42,68,215.15	
9.	3	2000-01 to 05-06	Gumla	68	24	00	00	92	4,63,69,120.70	
10.	2	01-02 to 06-07	Chakradharpur	54	27	00	00	81	3,13,72,247.37	
11.	2	01-02 to 06-07	Jamshedpur	34	14	00	00	48	2,18,60,916.00	
12.	9	84-85 to 01-02	Adityapur	212	44	59	5	192	1,94,28,998.36	
13.	3	2000-01 to 05-06	Kharsawan	76	30	18	6	82	20,79,813.56	
14.	12	78-79 to 05-06	Simdega	201	68	103	11	155	75,88,964.61	
15.	9	82-83 to 06-07	Hussainabad	152	61	69	2	142	10849934.33	
16.	8	79-80 to 02-03	Jasidih	202	69	121	24	126	46,73,890.61	
17.	7	88-89 to 06-07	Rajmahal	135	49	27	4	153	2896283.96	
18.	6	87-88 to 02-03	Basukinath	126	39	98	2	65	5285625.17	

⁶ Non-money value Para

⁷ Money value Para

19.	8	86-87 to 05-06	Deoghar	309	131	127	21	292	64950256.93
20.	9	89-90 to 05-06	Hazaribagh	273	171	150	43	251	84690906.53
21.	3	98-99 to 05-06	Dumka	77	20	00	00	97	33636946.81
22.	9	85-86 to 04-05	Daltonganj	219	139	79	22	257	41794450.01
23.	7	93-94 to 05-06	Lohardaga	181	79	80	9	171	55819203.09
24.	15	80-81 to 05-06	Chaibasa	347	174	161	33	327	50147875.28
25.	10	84-85 to 05-06	Jugsalai	259	124	123	31	229	32688691.85
26.	8	85-85 to 05-06	Chas	166	84	8	2	240	75911693.62
27.	8	82-83 to 03-04	Mihijam	138	40	76	3	99	2362606.97
28.	11	84-85 to 06-07	Adityapur	267	71	59	5	274	63819537.32
29.	9	90-91 to 05-06	Khunti	193	54	112	16	119	59315171.45
30.	7	83-84 to 06-07	Bundu	135	39	67	03	104	29,76,333.61
31.	2	87-88 to 05-06	Chhatatand	42	18	00	00	60	6659638.60
32.	6	89-90 to 07-08	Garhwa	138	57	74	16	105	8530624.68
33.	2	84-85 to 05-06	Fusro	45	12	00	00	57	6444552.98
34.	5	82-83 to 03-04	Katras	96	28	00	00	124	10748522.16
35.	5	91-92 to 03-04	Latehar	104	15	58	3	58	4730777.80
36.	11	79-80 to 05-06	Chatra	226	111	83	19	235	6706734.52
37.	2	04-05 to 2000-01	Jamtara	40	20	11	00	49	5988896.15
Total				5830	2674	2082	376	6046	180,35,48,208.88

(Unit wise details given in APPENDIX- 15)

A review of the Audit Reports revealed that the Heads of the offices, whose records were inspected by the Examiner of Local Accounts (E.L.A.), did not send any reply in respect of most of the outstanding audit reports /paragraphs. The Secretary of the Urban Development Department, who was informed of the position, failed to ensure that concerned officers of the ULBs take prompt and timely action. The Secretary of the Urban Development Department and the Chief Secretary of the Government were also apprised of the position in meetings with the Government held on 03 August 2005 and 15 June 2006 respectively. The Secretary of the Urban Development Department and the Finance Department were once again requested through D.O. letters (May 2007 & January 2008) to take proper action for the disposal of outstanding paragraphs. The Chief Secretary to the State Government was also apprised of the fact (September 2007).

In addition, the Chief Secretary to the State Government was also requested to take action for the disposal of outstanding paragraphs having surcharge cases.

7.2. Surcharge under Local Fund Audit Act, 1925 made ineffective

Section 9 (2) (b) of the Jharkhand and Orissa Local Fund Audit Act, 1925 required the notices to be served upon the surcharges, responsible for irregular payments, loss of amount etc. ascertained in course of audit. The Examiner of Local Accounts (E.L.A.) sent the notices to the Collector of the District where the ULBs are situated for service to the surchargees.

Audit found that in the case of 21 ULBs, 125 notices covering Rs 138.50 lakh issued during 2000-2007 were pending due to non-receipt of service reports of the notices from the concerned Deputy Commissioners. As a result, further action viz. issue of surcharge order and requisition of certificate for recovery of the amounts from the surcharges could not be taken (APPENDIX-16). The matter was taken up with the Chief Secretary (August 2006, November 2006, May 2007) also but no action has yet been taken.

7.3 Result of Audit

Besides proposal for recovery by surcharge, as dealt in previous paragraph, excess and irregular payment amounting to Rs 35.05 crore, which were detected in audit in 18 ULBs were suggested for recovery from person(s) responsible. At the instance of audit Rs 7.14 lakh were recovered from the persons responsible during the period of audit.

Owing to non-production of records/vouchers/supporting documents/sanction of competent authority, Rs 33.91 crore was held under objection. (APPENDIX- 17)

7.4 Non-adjustment of Advances

Advances aggregating to Rs 24.71 crores, as detailed in APPENDIX-18 to the report, granted by 18 ULBs to employees, suppliers, contractors and engineers for various purposes up to 2006-07 were yet to be adjusted.

Laxity in adjustment of advances over the years has encouraged undesirable practice of blocking of institutional funds for indefinite period and is fraught with the risk of defalcation/misappropriation of Government money. The ULBs had also not maintained the ledger accounts properly. Category wise and year-wise analysis of outstanding advances as of 31 March 2007 could not be prepared due to non/improper maintenance of ledger.

7.5 Loss of interest on Provident Fund

Provident Fund subscription collected by ULBs by deduction from salary of the employees is required to be credited to the fund accounts at Bank between the first and fourth of the next month to avoid loss of interest payable to the subscribers. However, it was noticed that Rs 25.76 lakh, as detailed below, deducted from salary of employees during 1994-95 to 2006-07 in respect of seven ULBs, was not remitted to concerned individual Bank Accounts till March 2007 and the deducted amounts remained in the Municipal Funds.

(Rs in lakh)				
<i>Sl.No.</i>	<i>Name of ULBs</i>	<i>Period of deduction</i>	<i>Amount deducted but not deposited</i>	<i>Minimum loss of interest @ 5% p.a.</i>
1.	Dhanbad	3/2006 to 2/2007	17.29	0.86
2.	Giridih	1/1995 to 3/2005	4.46	2.29
3.	Madhupur	23/8/2000 to 8/10/2002	0.46	0.03
4.	Chakradharpur	5/2005 to 3/2007	1.68	0.16
5.	Jasidih	5/2000 to 3/2006	1.53	0.23
6.	Rajmahal	3/2002 to 7/2004	0.05	0.01
7.	Basukinath	1/2006 to 3/2007	0.29	0.02
Total			25.76	3.60

Hence, the employees sustained a loss of interest of Rs 3.60 lakh upto March 2007 due to non-deposit of P.F. money.

7.6 Payment vouchers not produced to audit

In case of 13 ULBs, payment vouchers for the years 2000-07 amounting to Rs 9.67 crore were not made available to audit for test check (APPENDIX-19).

Due to non-production of the vouchers before audit, the genuineness of payment could not be ascertained in audit and the expenditure could not be vouchsafed. Thus, non-production of payment vouchers rendered the system vulnerable to fraud and corruption.

7.7 Irregular appointment of lawyers

As per Cabinet Secretariat, Govt. of Bihar letter no. 3/CS/M-704/94-3897 dated 16 August 1994, all civil suits cases relating to Boards, Corporations, Govt./semi-Govt. organizations under the control of the State Government; were to be dealt with by a panel of advocates constituted by the Law Department of the State Govt. In violation of the above instruction, Ranchi Municipal Corporation directly engaged lawyers other than from panel to deal with their cases during 2005-07 and spent Rs 17.71 lakh on them, which was irregular.

This vitiated the internal control mechanism of the Department.

7.8 Follow up action on previous Annual Audit Report

The Urban Development Department, Government of Jharkhand did not send any reply/ action taken notes as of March 2008, on the paragraphs appeared in the Annual Audit Report for the year ended March 2006, which was forwarded to the Government in September 2007.

Government was also requested for incorporating a suitable clause in the Acts providing institutional arrangement for discussion on the Report. Their response is still awaited (March 2008).

CHAPTER-VII

OTHER IMPORTANT OBSERVATIONS

7.1 Response to Audit Observation

The Administrator, Special Officer and S.D.O are required to comply with observations contained in the Audit Reports (ARs) and rectify the defects and omissions and report their compliance through proper channel to Examiner of Local Accounts (E.L.A.) within three months from the date of issue of audit report. The number of Audit Reports and paragraphs outstanding as of 31 March 2007 are given below:

Sl. No	No. of Audit Reports pending	Year under audit	Name of the ULBs	Total no. of Paras		No. of Paras settled		No. of outstanding Paras	Value of outstanding Paras	
				N.M.V. ⁶	M.V. ⁷	N.M.V.	M.V.		Rs.	P.
1.	9	93-94 to 05-06	Ranchi	333	319	27	10	615	64,06,91,518.95	
2.	14	79-80 to 03-04	Dhanbad	334	228	133	60	369	9,14,05,505.89	
3.	2	2000-01 to 04-05	Giridih	66	35	44	4	53	1,69,89,145.15	
4.	6	83-84 to 04-05	Godda	123	64	19	3	165	2,01,08,346.30	
5.	6	87-88 to 06-07	Sahebganj	160	83	32	8	203	4,59,54,356.25	
6.	3	91-92 to 02-03	Madhupur	101	60	00	00	161	1,66,73,866.11	
7.	5	87-88 to 05-06	Pakur	135	51	28	5	153	19,71,28,040.05	
8.	3	2000-01 to 06-07	Jhumritelaiya	63	22	36	6	43	42,68,215.15	
9.	3	2000-01 to 05-06	Gumla	68	24	00	00	92	4,63,69,120.70	
10.	2	01-02 to 06-07	Chakradharpur	54	27	00	00	81	3,13,72,247.37	
11.	2	01-02 to 06-07	Jamshedpur	34	14	00	00	48	2,18,60,916.00	
12.	9	84-85 to 01-02	Adityapur	212	44	59	5	192	1,94,28,998.36	
13.	3	2000-01 to 05-06	Kharsawan	76	30	18	6	82	20,79,813.56	
14.	12	78-79 to 05-06	Simdega	201	68	103	11	155	75,88,964.61	
15.	9	82-83 to 06-07	Hussainabad	152	61	69	2	142	10849934.33	
16.	8	79-80 to 02-03	Jasidih	202	69	121	24	126	46,73,890.61	
17.	7	88-89 to 06-07	Rajmahal	135	49	27	4	153	2896283.96	
18.	6	87-88 to 02-03	Basukinath	126	39	98	2	65	5285625.17	

⁶ Non-money value Para

⁷ Money value Para

19.	8	86-87 to 05-06	Deoghar	309	131	127	21	292	64950256.93
20.	9	89-90 to 05-06	Hazaribagh	273	171	150	43	251	84690906.53
21.	3	98-99 to 05-06	Dumka	77	20	00	00	97	33636946.81
22.	9	85-86 to 04-05	Daltonganj	219	139	79	22	257	41794450.01
23.	7	93-94 to 05-06	Lohardaga	181	79	80	9	171	55819203.09
24.	15	80-81 to 05-06	Chaibasa	347	174	161	33	327	50147875.28
25.	10	84-85 to 05-06	Jugsalai	259	124	123	31	229	32688691.85
26.	8	85-85 to 05-06	Chas	166	84	8	2	240	75911693.62
27.	8	82-83 to 03-04	Mihijam	138	40	76	3	99	2362606.97
28.	11	84-85 to 06-07	Adityapur	267	71	59	5	274	63819537.32
29.	9	90-91 to 05-06	Khunti	193	54	112	16	119	59315171.45
30.	7	83-84 to 06-07	Bundu	135	39	67	03	104	29,76,333.61
31.	2	87-88 to 05-06	Chhatatand	42	18	00	00	60	6659638.60
32.	6	89-90 to 07-08	Garhwa	138	57	74	16	105	8530624.68
33.	2	84-85 to 05-06	Fusro	45	12	00	00	57	6444552.98
34.	5	82-83 to 03-04	Katras	96	28	00	00	124	10748522.16
35.	5	91-92 to 03-04	Latehar	104	15	58	3	58	4730777.80
36.	11	79-80 to 05-06	Chatra	226	111	83	19	235	6706734.52
37.	2	04-05 to 2000-01	Jamtara	40	20	11	00	49	5988896.15
Total				5830	2674	2082	376	6046	180,35,48,208.88

(Unit wise details given in APPENDIX- 15)

A review of the Audit Reports revealed that the Heads of the offices, whose records were inspected by the Examiner of Local Accounts (E.L.A.), did not send any reply in respect of most of the outstanding audit reports /paragraphs. The Secretary of the Urban Development Department, who was informed of the position, failed to ensure that concerned officers of the ULBs take prompt and timely action. The Secretary of the Urban Development Department and the Chief Secretary of the Government were also apprised of the position in meetings with the Government held on 03 August 2005 and 15 June 2006 respectively. The Secretary of the Urban Development Department and the Finance Department were once again requested through D.O. letters (May 2007 & January 2008) to take proper action for the disposal of outstanding paragraphs. The Chief Secretary to the State Government was also apprised of the fact (September 2007).

In addition, the Chief Secretary to the State Government was also requested to take action for the disposal of outstanding paragraphs having surcharge cases.

7.2. Surcharge under Local Fund Audit Act, 1925 made ineffective

Section 9 (2) (b) of the Jharkhand and Orissa Local Fund Audit Act, 1925 required the notices to be served upon the surcharges, responsible for irregular payments, loss of amount etc. ascertained in course of audit. The Examiner of Local Accounts (E.L.A.) sent the notices to the Collector of the District where the ULBs are situated for service to the surchargees.

Audit found that in the case of 21 ULBs, 125 notices covering Rs 138.50 lakh issued during 2000-2007 were pending due to non-receipt of service reports of the notices from the concerned Deputy Commissioners. As a result, further action viz. issue of surcharge order and requisition of certificate for recovery of the amounts from the surcharges could not be taken (APPENDIX-16). The matter was taken up with the Chief Secretary (August 2006, November 2006, May 2007) also but no action has yet been taken.

7.3 Result of Audit

Besides proposal for recovery by surcharge, as dealt in previous paragraph, excess and irregular payment amounting to Rs 35.05 crore, which were detected in audit in 18 ULBs were suggested for recovery from person(s) responsible. At the instance of audit Rs 7.14 lakh were recovered from the persons responsible during the period of audit.

Owing to non-production of records/vouchers/supporting documents/sanction of competent authority, Rs 33.91 crore was held under objection. (APPENDIX- 17)

7.4 Non-adjustment of Advances

Advances aggregating to Rs 24.71 crores, as detailed in APPENDIX-18 to the report, granted by 18 ULBs to employees, suppliers, contractors and engineers for various purposes up to 2006-07 were yet to be adjusted.

Laxity in adjustment of advances over the years has encouraged undesirable practice of blocking of institutional funds for indefinite period and is fraught with the risk of defalcation/misappropriation of Government money. The ULBs had also not maintained the ledger accounts properly. Category wise and year-wise analysis of outstanding advances as of 31 March 2007 could not be prepared due to non/improper maintenance of ledger.

7.5 Loss of interest on Provident Fund

Provident Fund subscription collected by ULBs by deduction from salary of the employees is required to be credited to the fund accounts at Bank between the first and fourth of the next month to avoid loss of interest payable to the subscribers. However, it was noticed that Rs 25.76 lakh, as detailed below, deducted from salary of employees during 1994-95 to 2006-07 in respect of seven ULBs, was not remitted to concerned individual Bank Accounts till March 2007 and the deducted amounts remained in the Municipal Funds.

(Rs in lakh)				
<i>Sl.No.</i>	<i>Name of ULBs</i>	<i>Period of deduction</i>	<i>Amount deducted but not deposited</i>	<i>Minimum loss of interest @ 5% p.a.</i>
1.	Dhanbad	3/2006 to 2/2007	17.29	0.86
2.	Giridih	1/1995 to 3/2005	4.46	2.29
3.	Madhupur	23/8/2000 to 8/10/2002	0.46	0.03
4.	Chakradharpur	5/2005 to 3/2007	1.68	0.16
5.	Jasidih	5/2000 to 3/2006	1.53	0.23
6.	Rajmahal	3/2002 to 7/2004	0.05	0.01
7.	Basukinath	1/2006 to 3/2007	0.29	0.02
Total			25.76	3.60

Hence, the employees sustained a loss of interest of Rs 3.60 lakh upto March 2007 due to non-deposit of P.F. money.

7.6 Payment vouchers not produced to audit

In case of 13 ULBs, payment vouchers for the years 2000-07 amounting to Rs 9.67 crore were not made available to audit for test check (APPENDIX-19).

Due to non-production of the vouchers before audit, the genuineness of payment could not be ascertained in audit and the expenditure could not be vouchsafed. Thus, non-production of payment vouchers rendered the system vulnerable to fraud and corruption.

7.7 Irregular appointment of lawyers

As per Cabinet Secretariat, Govt. of Bihar letter no. 3/CS/M-704/94-3897 dated 16 August 1994, all civil suits cases relating to Boards, Corporations, Govt./semi-Govt. organizations under the control of the State Government; were to be dealt with by a panel of advocates constituted by the Law Department of the State Govt. In violation of the above instruction, Ranchi Municipal Corporation directly engaged lawyers other than from panel to deal with their cases during 2005-07 and spent Rs 17.71 lakh on them, which was irregular.

This vitiated the internal control mechanism of the Department.

7.8 Follow up action on previous Annual Audit Report

The Urban Development Department, Government of Jharkhand did not send any reply/ action taken notes as of March 2008, on the paragraphs appeared in the Annual Audit Report for the year ended March 2006, which was forwarded to the Government in September 2007.

Government was also requested for incorporating a suitable clause in the Acts providing institutional arrangement for discussion on the Report. Their response is still awaited (March 2008).

CHAPTER-VIII

CONCLUSIONS AND RECOMMENDATION

8.1 Finance and Accounts

Non-preparation of Budget estimates in contravention of the provision of the Jharkhand Municipal Act rendered the expenditure incurred by the ULBs Irregular/ unauthorized. Annual Accounts was not prepared by most of the ULBs.

Budget estimates and Annual Accounts should be prepared in time.

8.2 Maintenance of records

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

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

8.3 Accounting reforms

The State Municipal Accounts Manual has not been finalized at yet. Formats of database on finances of ULBs as prescribed by the C & AG have not been adopted.

The format may be adopted by the Govt. and preparation of database by ULBs should be ensured.

8.4 Revenue Receipts

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

Overall financial management needs to be strengthened for improving collection of revenues and preventing leakage of revenue due to delay in assessment. Misappropriation cases should be investigated on priority and recovery should be made from the persons concerned. Collection of taxes, fees and cess on behalf of Government should be remitted timely to the Government.

8.5 Implementation of Schemes

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

8.6 Unadjusted advances

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

8.7 Internal control

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

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

Ranchi

The

**(S HANSDA)
Examiner of Local Accounts,
Jharkhand, Ranchi**

Countersigned

Ranchi

The

**(MUKESH P SINGH)
Accountant General (Audit),
Jharkhand**

APPENDIX- 1

List of other functions and powers of ULBs

(Vide para 1.3 , page 2)

- Fire Services;
- Urban forestry, protection of the environment and promotion of ecological aspects;
- Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded;
- Slum improvement and upgradation;
- Urban poverty alleviation;
- Provision of urban amenities and facilities such as parks, gardens, playgrounds;
- Promotion of cultural, educational and aesthetic aspects;
- Burials and burial grounds; cremations, cremation grounds and electric Crematoriums;
- Cattle ponds, prevention of cruelty to animals;
- Vital statistics including registration of births and deaths;
- Public amenities including street lighting, parking lots, bus stops and public conveniences;
- Regulation of slaughter houses and tanneries;
- Construction and maintenance of markets;
- The regulation of offensive and dangerous trades;
- The removal of obstructions and projections in or upon streets, bridges and other public places; and
- The giving of relief and the establishment of relief works, in times of scarcity or general calamity.

APPENDIX-2**Statement showing financial profile of selected ULBs
(Vide para 1.4, page 3)****Year 2004-05****(Rs in lakh)**

Sl. No.	Name of the ULB	Opening Balance	Receipt					TOTAL	Expenditure				Closing Balance
			Grant	Loan	Own Source	Other	Total		Estt.	Schemes	Other	Total	
1.	Ranchi	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	Dhanbad	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	Giridih	143.85	153.43	72.24	44.89	-	270.56	414.41	100.77	43.76	0.57	145.10	269.31
4.	Godda	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	Sahebganj	433.71	118.63	81.02	39.73	-	239.38	673.09	58.43	85.80	12.16	156.39	516.70
6.	Madhupur	145.74	76.94	60.77	29.01	-	166.72	312.46	40.48	124.43	-	164.91	147.55
7.	Pakur	322.20	106.24	30.47	20.46	-	157.17	479.37	22.78	120.48	-	143.26	336.11
8.	Jhumritelaiya	186.25	-	-	-	-	182.85	369.10	-	-	-	153.07	216.03
9.	Gumla	929.35	93.98	94.68	9.97	15.72	214.35	1143.70	13.53	100.87	-	114.40	1029.30
10.	Chakradharpur	114.17	53.76	77.71	9.91	14.64	156.02	270.19	-	-	-	88.60	181.59
11.	Jamshedpur	943.94	-	-	-	-	136.90	1080.84	-	-	-	487.24	593.60
12.	Adityapur	210.97	106.33	111.11	1.11	-	218.55	429.52	13.34	152.34	-	165.68	263.84
13.	Kharsawan	170.47	-	-	-	-	198.66	369.13	-	-	-	142.15	226.98
14.	Simdega	58.87	115.28	80.99	2.95	-	199.22	258.09	-	43.25	2.86	46.11	211.98
15.	Hussainabad	81.99	-	-	-	-	51.91	133.90	-	-	-	87.37	46.53
16.	Jasidih	187.56	25.48	17.48	8.35	-	51.31	238.87	12.34	21.00	-	33.34	205.53
17.	Rajmahal	45.12	42.86	45.63	2.63	14.88	106.00	151.12	7.16	34.47	8.32	49.95	101.17
18.	Basukinath	283.73	37.45	41.29	17.75	9.15	105.64	389.37	21.52	40.17	-	61.69	327.68

Year 2005-06

(Rs in lakh)

Sl. No.	Name of the ULB	Opening Balance	Receipt					TOTAL	Expenditure				Closing Balance
			Grant	Loan	Own Source	Other	Total		Estt.	Schemes	Other	Total	
1.	Ranchi	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	Dhanbad	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	Giridih	269.31	174.73	273.62	56.01	-	504.36	773.67	94.45	153.21	-	247.66	526.01
4.	Godda	203.87	183.44	96.82	22.58	-	302.84	506.71	-	-	-	133.79	372.92
5.	Sahebganj	516.70	115.46	37.63	41.67	--	194.76	711.46	56.27	123.27	1.69	181.23	530.23
6.	Madhupur	147.55	109.18	66.65	33.84	-	209.67	357.22	233.48	22.19	-	255.67	101.55
7.	Pakur	336.11	392.51	263.06	45.41	-	700.98	1037.09	40.10	198.36	-	238.46	798.63
8.	Jhumritelaiya	216.03	203.95	166.01	30.90	-	400.86	616.89	37.68	284.01	-	321.69	295.20
9.	Gumla	1029.30	85.59	67.35	21.46	8.41	182.81	1212.11	19.53	413.32	-	432.85	779.26
10.	Chakradharpur	181.59	88.15	43.96	32.89	5.00	170.00	351.59	-	-	-	171.37	180.22
11.	Jamshedpur	593.60	-	-	-	-	172.55	766.15	-	-	-	168.30	597.85
12.	Adityapur	263.84	178.61	125.86	28.62	-	333.09	596.93	14.58	197.22	15.00	226.80	370.13
13.	Kharsawan	226.98	-	-	-	-	379.28	606.26	-	-	-	270.48	335.78
14.	Simdega	211.98	-	-	-	-	278.44	490.42	-	109.34	5.51	114.84	375.58
15.	Hussainabad	46.52	-	-	-	-	176.51	223.03	-	-	-	145.74	77.29
16.	Jasidih	205.53	57.48	51.06	5.09	-	113.63	319.16	8.93	77.20	-	86.13	233.03
17.	Rajmahal	101.17	64.73	23.87	2.49	2.12	93.21	194.38	5.41	61.21	0.67	67.29	127.09
18.	Basukinath	327.68	50.39	20.44	23.73	9.15	103.71	431.39	46.73	143.00	-	189.73	241.66

Year 2006-07

(Rs in lakh)

Sl. No.	Name of the ULB	Opening Balance	Receipt					TOTAL	Expenditure				Closing Balance
			Grant	Loan	Own Source	Other	Total		Estt.	Schemes	Other	Total	
1.	Ranchi	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	Dhanbad	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	Giridih	526.01	231.15	522.77	63.63	-	817.80	1343.81	68.69	257.04	-	325.73	1018.08
4.	Godda	372.92	16.84	6.52	23.54	-	46.90	419.82		-	-	215.06	204.76
5.	Sahebganj	530.23	49.30	53.54	48.64	-	151.48	681.71	54.18	157.37	2.13	213.68	468.03
6.	Madhupur	101.55	70.81	56.04	16.20	-	143.05	244.60	34.76	56.04	-	90.80	153.80
7.	Pakur	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
8.	Jhumritelaiya	295.20	88.60	57.32	43.43	-	189.35	484.55	46.68	163.88	-	210.56	273.99
9.	Gumla	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
10.	Chakradharpur	180.22	177.37	29.75	29.74	6.46	243.32	423.54	-	-	-	160.63	262.91
11.	Jamshedpur	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
12.	Adityapur	370.13	66.53	65.07	8.46	-	140.06	510.19	14.28	173.11	-	187.39	322.80
13.	Kharsawan	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
14.	Simdega	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
15.	Hussainabad	77.30	-	-	-	-	179.70	257.00	-	-	-	129.87	127.13
16.	Jasidih	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
17.	Rajmahal	127.09	15.40	15.93	4.76	0.17	36.26	163.35	12.69	69.52	0.16	82.37	80.98
18.	Basukinath	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

APPENDIX- 3

Statement showing expenditure made on account of salary to daily wages staff during 2000-01 to 2006-07
(Vide para 1.9, page 8)

(Rs in lakh)

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Period</i>	<i>Amount incurred</i>
1	Ranchi	2004-07	273.54
2	Dhanbad	2002-03 to 2006-07	4.17
3	Giridih	2002-03 to 2006-07	23.30
4	Godda	2002-03 to 2006-07	2.67
5	Sahebganj	2002-03 to 2006-07	19.44
6	Madhupur	2002-03 to 2006-07	1.23
7	Pakur	2002-03 to 2005-06	6.28
8	Jhumritelaiya	2002-03 to 2006-07	4.48
9	Gumla	2002-03 to 2006-07	15.67
10	Chakradharpur	2001-02 to 2006-07	0.95
11	Jamshedpur	2001-02 to 2006-07	0.45
12	Adityapur	2006-07	1.94
13	Kharsawan	2000-01 to 2005-06	0.14
14	Simdega	2002-03 to 2005-06	10.19
15	Rajmahal	2001-02 to 2006-07	1.03
16	Basukinath	2000-01 to 2005-06	1.85
Total			367.33

APPENDIX- 4

Statement showing variations in Budget Estimates and Actual Expenditure during 2002-03 to 2006-07 (Vide para 2.2, page 10)

(Rs in lakh)						
Sl. No.	Year	Name of the ULBs	Estimated Expenditure	Actual Expenditure	Per centage of Actuals	Savings(+) Excess(-)
1	2002-03	Kharsawan	67.17	10.27	15.29	(+) 56.90
		Jhumritileya	784.86	125.88	16.04	(+) 658.98
		Giridih	424.32	129.03	30.41	(+) 295.29
		Sahebganj	N.A.	N.A.	N.A.	N.A.
		Madhupur	N.A.	N.A.	N.A.	N.A.
		Adityapur	N.A.	N.A.	N.A.	N.A.
		Ranchi	N.A.	N.A.	N.A.	N.A.
		Total	1276.35	265.18	20.77	1011.17
2	2003-04	Kharsawan	104.55	17.07	16.33	(+) 87.48
		Jhumritileya	937.15	115.71	12.35	(+) 821.44
		Giridih	561.17	137.50	24.50	(+) 423.67
		Sahebganj	N.A.	N.A.	N.A.	N.A.
		Madhupur	N.A.	N.A.	N.A.	N.A.
		Adityapur	N.A.	N.A.	N.A.	N.A.
		Ranchi	N.A.	N.A.	N.A.	N.A.
		Total	1602.87	270.28	16.86	1332.59
3	2004-05	Kharsawan	77.97	142.17	182.34	(-) 64.20
		Jhumritileya	912.92	154.85	16.96	(+) 758.07
		Giridih	531.56	145.10	27.30	(+) 386.46
		Adityapur	1020.53	165.68	16.23	(+) 854.85
		Sahebganj	N.A.	N.A.	N.A.	N.A.
		Madhupur	N.A.	N.A.	N.A.	N.A.
		Ranchi	11626.26	2553.37	21.96	(+) 9072.89
		Total	9829.42	3161.17	22.31	11008.07
4	2005-06	Kharsawan	733.97	270.48	36.85	(+) 463.49
		Jhumritileya	804.80	321.69	39.97	(+) 483.11
		Giridih	3585.29	247.66	6.91	(+) 3337.63
		Adityapur	1009.65	226.80	22.46	(+) 782.85
		Sahebganj	N.A.	N.A.	N.A.	N.A.
		Madhupur	N.A.	N.A.	N.A.	N.A.
		Ranchi	9829.42	9906.24	100.78	(-) 76.82
		Total	15963.13	10972.87	68.73	4990.26
5	2006-07	Jhumritileya	782.28	204.56	26.15	(+) 577.72
		Giridih	11025.99	325.73	2.95	(+) 10700.26
		Adityapur	1115.26	187.38	16.80	(+) 927.88
		Kharsawan	N.A.	N.A.	N.A.	N.A.
		Sahebganj	N.A.	N.A.	N.A.	N.A.
		Madhupur	N.A.	N.A.	N.A.	N.A.
		Ranchi	8610.74	4216.70	48.97	4394.04
		Total	21534.27	4934.37	22.91	16599.90

APPENDIX- 5

**Statement showing position of Non-Recurring Grants & Loan received for
development purposes during 2002-03 to 2006-07
(Vide para 2.5.1, page 13)**

(Rs in lakh)									
Sl. No.	Name of ULBs	Period of Audit	Opening Balance	Grants	Loans	Total	Grant & Loan spent	Closing Balance as on 31.03.07	Per centage of uililisation
1.	Ranchi	2004-07	3977.59	3345.59	2226.30	9549.48	5857.85	3691.63	61.34
2	Dhanbad	2002-07	915.67	1550.70	873.28	3339.65	953.80	2385.85	28.56
3	Giridih	2002-07	81.06	655.28	890.07	1626.41	540.62	1085.79	33.24
4	Godda	2002-07	103.01	373.37	199.04	675.42	351.49	323.93	52.04
5	Sahebganj	2002-07	393.02	333.47	182.23	908.72	484.79	423.93	53.35
6	Madhupur	2002-07	69.61	320.41	354.28	744.30	529.43	214.87	71.13
7	Pakur	2002-07	165.29	781.51	496.77	1443.57	848.22	595.35	58.76
8	Jhumritelaiya	2002-07	126.86	522.52	326.35	975.73	707.61	268.12	72.52
9	Gumla	2002-07	126.38	629.85	1066.76	1822.99	1425.30	397.69	78.18
10	Chakradharpur	2002-07	116.73	165.62	151.66	434.01	349.70	84.31	80.57
11	Jamshedpur	2002-04	279.73	552.85	372.19	1204.77	491.29	713.48	40.78
12	Adityapur	2006-07	72.65	41.98	61.73	176.36	173.11	3.25	98.16
13	Kharsawan	2002-07	20.37	530.65	229.95	780.97	614.21	166.76	78.65
14	Simdega	2002-07	23.04	297.82	292.24	613.10	309.64	303.46	50.50
15	Hussainabad	2002-07	24.76	285.06	198.63	508.45	475.59	32.86	93.54
16	Jasidih	2002-07	195.11	269.43	205.00	669.54	264.38	405.16	39.49
17	Rajmahal	2002-07	32.00	157.70	108.19	297.89	219.03	78.86	73.65
18	Basukinath	2002-07	6.02	532.51	358.24	896.77	599.65	297.12	66.87
Total			6728.90	11346.32	8592.91	26668.13	15195.71	11472.42	56.98

APPENDIX - 6

Statement showing list of Forms & Registers to be kept by the ULBs (Vide para 2.6, page 13)

(A) Forms and Registers to be kept by ULBs as per Municipal Accounts Rules, 1928

<i>SL. No.</i>	<i>Name of forms and registers</i>	<i>Prescribed Form No.</i>
1.	Budget estimates	I
2.	Schedule for the budget estimate	IB
3.	Form of subsidiary account of special taxes	II
4.	Cashier's cash book	III
5.	Chalan.	IV
6.	Register of deferred bills	V
7.	Order-book	VI
8.	Salary bills	VII
9.	Alternative forms of the salary bill	VIIA
10.	Absentee statement	VIIIB
11.	Periodical increment certificate	VIIIC
12.	Permanent advance account	VIII
13.	Voucher of recoupment of permanent advance account	IX
14.	Cash-book of the municipality	XI
15.	Subsidiary cash book	XIA
16.	Abstract register of receipt	XII
17.	Abstract register of expenditure	XIII
18.	Register of adjustments	XIV
19.	Advance ledger	XV
20.	Register of outstanding advances	XVI
21.	Deposit ledger	XVI
22.	Register of outstanding deposits	XVIA
23.	Register of quarterly and annual accounts of receipts	XVII
24.	Register of quarterly and annual accounts of expenditure	XVIII
25.	Audit register	XIXA
26.	Register of Government securities	XX
27.	Loan register	XXI
28.	Appropriation register of loan fund	XXIA
29.	Register of tax on vehicles and animals	XXII
30.	License for vehicles and animals	XXIII
31.	Application for license for vehicles of animals	XXIV
32.	Cart registration register	XXV
33.	Stock account of cart register tickets	XXVI
34.	License register for vehicles plying for hire	XXVII
35.	Drivers' license register	XXVIII
36.	Miscellaneous receipt forms	XXIX
37.	Register of land	XXIXA
38.	Register of rents	XXX
39.	Jamabandi register	XXXA
40.	Ledger of lessees	XXXB
41.	Daily collection register	XXXC
42.	Arrear list	XXXD
43.	Miscellaneous subscription register	XXXI
44.	Abstract of subscription	XXXII
45.	Register of miscellaneous bills	XXXIII
46.	Miscellaneous bill form	XXXIV

47.	Form of Agreement	XXXIVA
48.	Contract certificate	XXXV
49.	Petty contract bill	XXXVI
50.	Measurement book	XXXVII
51.	Normal muster roll	XXXVIII
52.	Register of works (for account not to be kept by sub-head)	XXXIX
53.	Register of works (for account to be kept by sub-heads)	XL
54.	Stock and store register	XLI
55.	Service book	XLII(a)
56.	Service roll for inferior servants	XLII(b)
57.	Form of security	XLIII
58.	Additional form of security bond	XLIIIA
59.	Register of interest-bearing securities	XLIV
60.	Depreciation fund register	XLV

(B) Forms and Registers be kept by ULBs as per Municipal Accounts (Recovery of Taxes) Rules, 1951

<i>Sl. No.</i>	<i>Name of forms and registers</i>	<i>Prescribed Form No.</i>
1	Assessment list prepared u/s 105 of the Municipal Act.	FORM A (1)
2	Assessment list prepared u/s 89 of the Municipal Act.	FORM A (2)
3	Demand and Collection Register.	FORM B
4	Petition of objection against assessment or valuation u/s 116 of the Municipal Act.	FORM C
5	Register of petition for exemption from or reduction of assessment.	FORM D
6	Mutation Register.	FORM E
7	Remission Order.	FORM F
8	Register of Remission Order.	FORM G
9	FORM H Receipt Form.	FORM H
10	Stock Account of Receipt Forms.	FORM I
11	Sarkar's Daily Register of collection on account of	FORM J
12	Sarkar's Ledger.	FORM K
13	Progress Statement.	FORM L
14	Warrant Register.	FORM M
15	Register of distraints of Property & Sales.	FORM N
16	Notice of Demand u/s 122, Jharkhand Municipal Act VII of 2000.	FORM O
17	Sarkar's copy of Demand and Collection Register.	FORM P
18	Distress Warrant u/s 125, Jharkhand Municipal Act , 2000.	FORM Q
19	Inventory and notice u/s 125, Jharkhand Municipal Act , 2000.	FORM R
20	Notice to be published of the preparation of the valuation and rating list of holding u/s 115, Jharkhand Municipal Act , 2000.	FORM S
21	Notice to be published of the preparation of list of Assessment on persons u/s 115, Jharkhand Municipal Act , 2000.	FORM T
22	Table of Fees payable upon distraints, u/s 124, Jharkhand Municipal Act , 2000.	FORM U
23	Demand Notice Register.	FORM V
24	Register of Requisition for Certificates.	FORM W
25	Register of Civil Suits.	FORM X
26	Register of Execution of Decrees.	FORM Y

APPENDIX- 7

**Statement showing holding Tax not collected at higher rate (Madhupur Railway)
as on 31.03.2007
(Vide para 3.2, page 19)**

A. 10 % increase from 1996-97 to 2003-04						
Year	Annual Valuation	Increase in Annual Valuation	Total Valuation	Holding Tax @ 7%	Holding Tax realised	Balance to be realised
1996-97	2,66,10,581.00	26,61,058.00	2,92,71,639.00	20,49,015.00	18,62,740.00	1,86,275.00
1997-98	2,92,71,639.00	29,27,164.00	3,21,98,803.00	22,53,916.00	18,62,740.00	3,91,176.00
1998-99	3,21,98,803.00	32,19,880.00	3,54,18,683.00	24,79,308.00	18,62,740.00	6,16,568.00
1999-00	3,54,18,683.00	35,14,868.00	3,89,60,551.00	27,27,239.00	18,62,740.00	8,64,499.00
2000-01	3,89,60,551.00	38,96,055.00	4,28,56,606.00	29,99,962.00	18,62,740.00	11,37,222.00
2001-02	4,28,56,606.00	42,85,661.00	4,71,42,267.00	32,99,959.00	18,62,740.00	14,37,219.00
2002-03	4,71,42,267.00	47,14,227.00	5,18,56,494.00	36,29,955.00	18,62,740.00	17,67,215.00
2003-04	5,18,56,494.00	51,58,649.00	5,70,42,143.00	39,92,950.00	18,62,740.00	21,30,210.00
B. 7 % increase from 2004-05 to 2006-07						
2004-05	5,70,42,143.00	39,92,950.00	6,10,35,093.00	42,72,457.00	18,62,740.00	24,09,717.00
2005-06	6,10,35,093.00	42,72,457.00	6,53,07,550.00	45,71,528.00	18,62,740.00	27,08,788.00
2006-07	6,53,07,550.00	45,71,529.00	6,98,79,079.00	48,91,536.00	18,62,740.00	30,28,796.00
					Total	1,66,77,685.00

APPENDIX- 8

Statement showing arrear of Property Tax as on 31.03.2007 (Vide para.3.3, page 19)

(Rs in lakh)

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Arrear Demand</i>	<i>Current Demand</i>	<i>Total Demand</i>	<i>Collection</i>	<i>Arrear as on 31.03.2007</i>	<i>Percentage of collection to total demand</i>
1	Ranchi	N.A.	N.A.	2533.86	593.64	1940.22	23.42
2	Dhanbad	150.38	70.45	220.83	72.03	148.80	32.62
3	Giridih	NA	NA	38.01	29.81	8.20	78.43
4	Sahebganj	120.94	31.90	152.84	22.45	130.39	14.68
5	Madhupur	23.75	6.81	30.56	5.59	24.97	18.29
6	Pakur	12.29	2.67	14.96	5.25	9.71	35.09
7	Jhumritelaiya	18.56	3.80	22.36	8.07	14.29	36.09
8	Chakradharpur	NA	NA	22.95	5.62	17.33	24.49
9	Adityapur	NA	NA	182.52	11.14	171.38	6.10
10	Kharsawan	0.73	0.16	0.89	0.60	0.29	67.42
11	Simdega	9.83	3.83	13.66	5.03	8.63	36.82
12	Jasidih	13.22	2.34	15.56	1.58	13.98	10.15
	Total	NA	NA	3249.00	760.81	2488.19	23.42

APPENDIX-9

Statement showing Non/Short Credit of collection money and recovery at the instance of Audit during 2000-01 to 2006-07
(Vide para 3.7, page 23)

(Rs. in lakh)					
<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Period</i>	<i>Amount of Non/Short credit</i>	<i>Recovery at the instance of Audit</i>	<i>Balance</i>
1	Ranchi	2000-07	2.25	0.74	1.51
2	Dhanbad	2002-04	0.02	Nil	0.02
3	Giridih	2000-07	5.76	0.79	4.97
4	Godda	2000-07	2.19	1.07	1.12
5	Sahebganj	2000-07	1.23	0.77	0.46
6	Madhupur	2000-07	25.38	1.26	24.12
7	Pakur	2000-06	0.84	0.70	0.14
8	Jhumritelaiya	2000-07	0.37	0.37	Nil
9	Gumla	2000-06	4.25	Nil	4.25
10	Chakradharpur	2002-07	0.27	0.27	Nil
11	Jamshedpur	2001-07	0.01	Nil	0.01
12	Adityapur	2002-04	21.55	1.00	20.55
13	Simdega	2002-06	0.002	0.002	Nil
14	Hussainabad	2002-07	0.24	Nil	0.24
15	Jasidih	2000-06	0.08	Nil	0.08
16	Rajmahal	2001-07	1.02	Nil	1.02
17	Basukinath	2000-06	0.002	Nil	0.002
Total			65.46	6.97	58.49

APPENDIX- 10

**Statement showing amount of Health Cess & Education Cess collected but not remitted to Govt. Treasury during 2002-03 to 2006-07
(vide para 3.10, page 25)**

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Period</i>	<i>Amount of Cess collected</i>			<i>Less 10% as collection charges</i>	<i>Amount to be remitted to Govt. Head</i>
			<i>Health Cess</i>	<i>Education Cess</i>	<i>Total</i>		
1	Ranchi	2004-07	208.46	166.99	375.45	37.54	337.91
2	Dhanbad	2002-07	62.19	49.74	111.93	11.19	100.74
3	Giridih	2002-07	15.49	15.49	30.98	3.10	27.88
4	Godda	2002-03 & 2005-07	0.69	0.70	1.39	0.14	1.25
5	Sahebganj	2002-07	22.70	22.70	45.40	4.54	40.86
6	Madhupur	2002-07	9.56	9.56	19.12	1.91	17.21
7	Pakur	2002-07	4.50	4.50	9.00	0.90	8.10
8	Jhumritelaiya	2002-07	12.19	12.16	24.35	2.41	21.91
9	Gumla	2002-07	1.31	1.31	2.62	0.26	2.36
10	Chakradharpur	2002-07	5.15	5.20	10.35	1.04	9.31
11	Adityapur	2004-07	1.34	1.14	2.48	0.25	2.23
12	Kharsawan	2002-07	1.61	2.03	3.64	0.36	3.28
13	Hussainabad	2002-07	0.45	Nil	0.45	0.04	0.41
14	Jasidih	2002-07	2.61	2.12	4.73	0.47	4.26
Total			348.25	293.64	641.89	64.18	577.71

APPENDIX- 11

**Statement showing payment of Board's DA to staff of Dhanbad Municipality during
2002-03 to 2003-04
(Vide para 4.2,page 29)**

<i>Sl.No.</i>	<i>Month</i>	<i>No. of persons</i>	<i>Amount paid (in Rs)</i>	<i>Total</i>
1.	03/2002	235	7545.00	2002-03 - Rs. 77005.00
2.	04/2002	210	6890.00	
3.	05/2002	203	6695.00	
4.	06/2002	175	5765.00	
5.	07/2002	178	5840.00	
6.	08/2002	187	6195.00	
7.	09/2002	191	6265.00	
8.	10/2002	191	6305.00	
9.	11/2002	191	6255.00	
10.	12/2002	194	6360.00	
11.	01/2003	194	6360.00	
12.	02/2003	200	6530.00	
13.	03/2003	144	4910.00	2003-04 - Rs. 70475.00
14.	04/2003	182	6070.00	
15.	05/2003	161	5365.00	
16.	06/2003	144	4740.00	
17.	07/2003	167	5595.00	
18.	08/2003	202	6650.00	
19.	09/2003	207	6805.00	
20.	10/2003	182	6020.00	
21.	11/2003	196	6500.00	
22.	12/2003	180	5870.00	
23.	01/2004	180	5870.00	
24.	02/2004	186	6080.00	
Grand Total	2002-03 to 2003-04			Rs. 147480.00

APPENDIX-12

Statement showing incomplete schemes

(Vide para 6.1, page 33)

(Amount in Rs)

Sl. No	Name of ULB	Construction/repair of road			Construction of building, boundary wall etc.			Construction/repair of drain			Tube well / Chapakal/ Deep boring etc			Misc.		
		No. of scheme	Estimate	Amount paid	No. of scheme	Estimate	Amount paid	No. of scheme	Estimate	Amount paid	No. of scheme	Estimate	Amount paid	No. of scheme	Estimate	Amount paid
1.	Giridih	5	78,77,900	31,93,145	--	---	---	2	15,38,000	5,59,718	3	11,36,000	21,42,000	1	14,68,800	2,75,000
2.	Madhupur	3	8,51,300	7,94,958	1	20,68,000	4,07,638	2	9,34,800	4,67,100	--	--	--	2	21,41,000	17,24,811
3.	Jhumari-Teliya	8	49,13,005	23,32,648	3	26,15,900	--	1	8,39,000	2,08,164	12	23,01,100	11,16,000	3	24,38,840	11,49,918
4.	Kharsawan	21	47,60,700	46,27,400	19	62,06,590	61,48,000	14	26,01,000	23,90,000	1	3,00,000	3,00,000	1	4,76,000	4,70,000
5.	Rajmahal	--	--	--	2	40,00,000	30,30,946	--	--	--	--	--	--	--	--	--
6.	Jasidih	3	16,29,100	6,39,021	3	16,29,800	5,09,150	2	7,69,200	3,92,150	1	1,08,96,000	51,93,678	--	--	--
7.	Simdega	8	34,46,612	20,84,362	--	--	--	8	26,96,350	9,95,100	--	--	--	1	20,72,225	--
8.	Basukinath	1	1,06,800	47,500	1	12,24,600	9,92,026	1	1,29,200	50,000	--	--	--	3	13,66,300	10,79,000
9.	Gumla	32	59,81,651	32,14,354	--	--	--	13	34,05,295	24,23,716	--	--	--	--	--	--
10.	Pakur	5	17,94,200	11,65,031	9	2,09,28,748	1,78,57,687	1	84,900	55,000	14	47,75,605	26,00,000	1	13,00,000	44,666
11.	Dhanbad	6	--	4,44,000	13	--	23,75,000	5	--	2,70,000	37	--	61,49,000	7	--	6,35,000
12.	Ranchi	2	7,46,354	6,34,574	6	58,59,724	15,96,204	--	--	--	--	--	--	--	--	--
Total		94	3,21,07,622	1,91,76,993	57	4,44,33,362	3,29,16,651	49	1,29,97,745	78,10,948	68	1,94,08,705	1,75,00,678	19	1,12,63,165	53,78,395

APPENDIX-13

Statement showing excess payment due to non deduction of Income Tax, Sales Tax, Royalty and cost of empty cement bags from Contractors Bill during 2002-03 to 2006-07
(Vide para 6.5, page 38)

(Rs in lakh)

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Year</i>	<i>Income Tax</i>	<i>Sales Tax</i>	<i>Royalty</i>	<i>Cost of empty cement bags</i>	<i>Total</i>
1	Ranchi	2005-07	NIL	2.61	0.05	NIL	2.66
2	Dhanbad	2002-04	0.89	4.38	0.78	2.44	8.49
3	Giridih	2000-07	0.39	NIL	2.47	NIL	2.86
4	Godda	2003-07	0.59	0.59	NIL	0.01	1.19
5	Sahebganj	2003-07	0.28	0.36	0.06	NIL	0.70
6	Madhupur	2003-07	0.05	0.96	0.01	NIL	1.02
7	Jhumritelaiya	2003-07	NIL	3.20	0.02	Nil	3.22
8	Gumla	2004-06	NIL	0.31	0.16	0.04	0.51
9	Chakradharpur	2005-07	NIL	2.76	NIL	0.47	3.23
10	Kharsawan	2003-05	NIL	1.67	0.18	0.08	1.93
11	Simdega	2004-07	Nil	0.11	0.03	0.01	0.15
12	Hussainabad	2004-07	NIL	0.07	0.01	0.03	0.11
13	Rajmahal	2004-07	Nil	0.94	NIL	0.06	1.00
14	Basukinath	2002-06	0.21	1.40	0.05	0.04	1.70
Total			2.41	19.36	3.82	3.18	28.77

APPENDIX - 14

Works executed through contractors in lieu of departmental (R.M.C.) (Vide para 6.6, page 38)

<i>Sl. No.</i>	<i>No./Name of Scheme</i>	<i>Estimated cost (Rs)</i>	<i>Agreement Cost (rs)</i>	<i>Actual Expenditure (Rs)</i>	<i>Name of Contractor (s/shri)</i>	<i>Work order No./Date</i>
1.	13/05-06. Construction of road from Krishna Nagar Colony, Booty Road, Bariatu to house of Dr. P.N. Singh via house of Shri R.C.P. Sinha	3,74,900	3,18,632	3,15,550	Abhishek Singh	154/01.12.05
2.	14/05-06. Improvement of road from house of Shri U., Sharma to Dr. P. Narayan's house near Middle School at Pandra Basti	4,36,000	3,70,600	3,69,746	Vivek Kumar	150/01.12.05
3.	15/05-06. Construction of road in Sunder Vihar, Tiril Kokar	1,72,900	1,74,658	1,73,420	Rajiv Kumar	152/01.12.05
4.	16/05-06. Construction of drain near house of Shri S.N. Prasad at Indrapuri, Road No. 12	4,53,700	4,53,666	4,51,100	Shyam Kumar	171/06.12.05
5.	22/05-06. Construction of drain from house of Prof. B.N. Lal to S.O. Mission	2,05,700	1,74,810	1,36,374	M/s Praveen Construction	158/01.12.05
6.	23/05-06. Construction of drain at Teli tola, Chutiya	4,44,000	3,77,369	3,53,468	Ramesh Kumar	149/01.12.05
7.	26/05-06. Wire fencing at Corporation's Dumping ground at Jhiri	3,60,400	3,41,396	3,17,864	Harendra Kumar	267/20.01.06
8.	36/06-07 Construction of Ward office in Ward No. 08	3,96,400	3,13,516	4,01,510	Sri Ram Electrical	852/Eng 26.8.06
9.	49/06-07 Construction of Dr. Fatallah road	2,62,000	2,61,546	2,44,846	Sri Hari Ram Singh	75/Eng 24.1.07
10.	61/06-07 Construction of Dal Patti Road	2,60,000	2,50,732	2,20,206	Sri O.P. Pandey	2723/2.12.06
11.	Road Construction South of SBI in Harmu Housing Colony	2,70,500	2,70,464	2,70,040	M/S Navin Construction	2723/2.12.06
12.	PCC in Patel Nagar Path no. 13	2,03,700	1,73,787	1,77,016	Sri Devendra Singh	2723/2.12.06
13.	Ward No. 9 PCC in West Side of Harmu by pass	3,01,400	2,56,243	1,86,671	M/S Tiger Construction	167/Eng 3.2.07
14.	Road Construction with stone bricks Kanke Road Mission gate.	87,000	73,698	71,166	M/S Devendra Singh	73/Eng 24.01.07
Total		42,28,600	38,11,117	36,88,977		

APPENDIX- 15

Amount involved in outstanding paras of selected Urban Local Bodies

(Vide para 7.1 , page 40)

Sl. No.	A.R.No./ year	Year under audit	Name of the ULBs	Total no. of paras		No. of paras settled		No. of outstanding paras	Value of outstanding paras	
				N.M.V.	M.V.	N.M.V.	M.V.		Rs.	P.
1.	65/97-98	93-94 to 94-95	Ranchi Municipal Corporation	38	45	Nil	Nil	83	3,73,57,380=70	
2.	143/98-99	95-96		21	46	Nil	Nil	67	2,49,70,913=70	
3.	29/00-01	96-97 to 98-99		31	39	Nil	Nil	70	9,44,82,948=35	
4.	33/02-03	99-2000		31	32	Nil	Nil	63	4,95,98,337=95	
5.	3/03-04	2000-01		19	39	Nil	Nil	58	6,27,49,092=41	
6.	01/04-05	01-02 to 02-03		53	53	27	10	69	2,38,87,610=54	
7.	37/04-05	03-04		72	12	Nil	Nil	84	1,59,55,4046=78	
8.	38/05-06	04-05		33	20	Nil	Nil	53	3,10,95,221=51	
9.	34/06-07	05-06			35	33	Nil	Nil	68	15,69,95,967.01
Total				333	319	27	10	615	64,06,91,518.95	
1.	453/82-83	79-80	Dhanbad Municipality	20	16	Nil	Nil	36	3,20,40,473.02	
2.	204/83-84	81-82		10	25	8	16	11	18,08,000.00	
3.	5/84-85	82-83		30	8	Nil	Nil	38	4,91,902.72	
4.	15/85-86	83-84		19	08	10	5	12	7,35,894.00	
5.	147/86-87	84-85		31	21	Nil	Nil	52	15,97,610.97	
6.	141/87-88	85-86		21	24	Nil	Nil	45	3,84,266.55	
7.	52/88-89	86-87		31	11	29	9	4	21,000.00	
8.	155/90-91	87-88		30	18	24	4	20	18,96,000.00	
9.	39/93-94	88-89 to 89-90		20	27	17	16	14	11,24,684.00	
10.	80/95-96	90-91 to 94-95		49	23	35	6	31	44,71,660.24	
11.	17/04-05	97-98 to 99-2000		35	25	Nil	Nil	60	366,69,000.00	
12.	5/06-07	2000-01		13	5	10	4	4	98,09,060.00	
13.	2/2007-08	2001-02		25	17	Nil	Nil	42	3,55,954.39	
14.	46/07-08	02-03 to 03-04		31	18	Nil	Nil	49	1,32,16,973.21	
Total				334	228	133	60	369	9,14,05,505.89	
1.	11/04-05	2000-01 to 02-03	Giridih Municipality	31	17	19	Nil	29	46,10,766.08	
2.	25/05-06	2003-04 to 2004-05		35	18	25	4	24	1,23,78,379.07	
Total				66	35	44	4	53	1,69,89,145.15	
1.	83/88-89	1983-84 to 86-87	Goddā Municipality	12	7	10	2	7	69,077.81	
2.	111/91-92	1987-88 to 90-91		18	9	9	Nil	18	2,72,234.49	
3.	74/95-96	1991-92 to 94-95		22	11	Nil	Nil	33	12,05,547.95	
4.	3/2000-01	1995-96 to 1999-2000		28	15	Nil	1	42	66,84,291.90	
5.	26/03-04	2000-01 to 02-03		23	9	Nil	Nil	32	45,55,586.15	
6.	29/05-06	2003-04 to 04-05		20	13	Nil	Nil	33	70,21,608.00	

Total				123	64	19	3	165	2,01,08,346.30
1.	41/93-94	1987-88 to 91-92	Sahibganj Municipality	19	16	10	6	19	11,91,423.52
2.	11/95-96	1992-93 to 93-94		26	9	12	--	22	25,92,010.90
3.	66/2000-01	1994-95 to 99-2000		31	17	10	2	36	36,30,593.08
4.	13/03-04	2000-01 to 02-03		37	10	--	--	47	1,00,65,251.65
5.	44/05-06	2003-04 to 04-05		24	17	--	--	41	2,66,20,639.72
6.	20/07-08	2005-06 to 06-07		23	14	--	--	37	18,54,437.38
Total				160	83	32	8	203	4,59,54,356.25
1.	17/95-96	1991-92 to 93-94	Madhupur Municipality	32	12	Nil	Nil	44	10,95,631.56
2.	34/01-02	1994-95 to 99-2000		43	24	Nil	Nil	67	80,10,884.55
3.	37/03-04	2000-01 to 02-03		26	24	Nil	Nil	50	75,67,350.00
Total				101	60	Nil	Nil	161	1,66,73,866.11
1.	153/92-93	1987-88 to 91-92	Pakur Municipality	21	11	17	5	10	1,84,279.85
2.	5/96-97	1992-93 to 94-95		35	6	Nil	Nil	41	39,08,804.78
3.	2/2000-01	1995-96 to 1999-2000		24	10	11	Nil	23	54,15,495.02
4.	34/03-04	2000-01 to 02-03		32	11	Nil	Nil	43	2,07,90,483.00
5.	10/06-07	2003-04 to 05-06		23	13	Nil	Nil	36	16,68,28,977.40
Total				135	51	28	5	153	19,71,28,040.05
1.	23/03-04	2000-01 to 02-03	Jhumri-Tilaiya Municipality	23	5	22	2	4	2,07,687.15
2.	16/05-04	2003-04 to 04-05		17	11	14	4	10	3,47,184.00
3.	36/07-08	2005-06 to 06-07		23	6	Nil	Nil	29	37,13,344.00
Total				63	22	36	6	43	42,68,215.15
1.	18/03-04	2000-01 to 02-03	Gumla Municipality	24	7	Nil	Nil	31	25,57,328.84
2.	34/05-06	2003-04		23	7	Nil	Nil	30	38,76,178.04
3.	40/06-07	2004-05 to 05-06		21	10	Nil	Nil	31	3,99,35,613.82
Total				68	24	Nil	Nil	92	4,63,69,120.70
1.	29/04-05	2001-02 to 03-04	Chakardharpur Municipality	24	15	--	--	39	2,69,78,385.37
2.	28/07-08	2004-05 to 06-07		30	12	--	--	42	43,93,862.00
Total				54	27	--	--	81	3,13,72,247.37
1.	31/05-06	2001-02 to 03-04	Jamshedpur N.A.C.	13	6	Nil	Nil	19	1,31,49,155.00
2.	21/07-08	2004-05 to 06-07		21	8	Nil	Nil	29	87,11,763.00
Total				34	14	Nil	Nil	48	2,18,60,916.00
1.	36/87-88	84-85 to 85-86	Adityapur N.A.C.	32	7	22	5	12	3060=00
2.	84/89-90	86-87 to 87-88		21	6	Nil	Nil	27	1,09,504=90
3.	81/90-91	88-89		22	3	Nil	Nil	25	4,64,721=57
4.	109/91-92	89-90 to 90-91		28	6	Nil	Nil	34	8,34,132=75
5.	109/94-95	91-92 to 93-94		26	4	11	Nil	19	3,54,364=78
6.	24/96-97	94-95		26	1	14	Nil	13	4,52,902=10
7.	16/97-98	95-96		16	-	12	Nil	04	10,09,286=84
8.	05/00-01	96-97 to 98-99		24	3	Nil	Nil	27	1,08,786=29
9.	46/02-03	99-00 to 01-02		17	14	Nil	Nil	31	1,60,92,239=13
Total				212	44	59	5	192	1,94,28,998=36
1.	15/03-04	2000-01 to 02-03	Kharsawan N.A.C.	21	11	7	Nil	25	15,55,168.78
2.	6/06-07	2003-04 to 04-05		30	10	11	6	23	2,88,820.52
3.	3/07-08	2005-06		25	9	Nil	Nil	34	2,35,824.26
Total				76	30	18	6	82	20,79,813.56
.	357/79-80	78-79	Simdega N.A.C.	12	2	--	--	14	337.00

2.	388/82-83	80-81		25	5	20	1	9	7,644.99
3.	57/83-84	82-83		11	5	10	3	3	35,674.00
4.	18/86-87	83-84		11	3	10	1	3	28,593.00
5.	102/85-86	84-85		12	7	6	--	13	51,873.35
6.	78/89-90	86-87 to 87-88		21	6	--	1	26	1,35,622.70
7.	111/90-91	88-89 to 89-90		13	8	6	1	14	3,61,368.43
8.	64/93-94	90-91 to 92-93		19	8	--	--	27	5,10,341.64
9.	68/98-99	93-94 to 97-98		19	6	11	--	14	30,72,973.50
10.	16/03-04	98-99 to 01-02		23	7	20	2	8	24,98,054.00
11.	3/06-07	02-03 to 03-04		19	5	14	2	8	1,52,465.00
12.	17/07-08	04-05 to 05-06		16	6	6	Nil	16	7,34,017.00
Total				201	68	103	11	155	75,88,964.61
1.	213/83-84	1982-83	Hussainabd N.A.C.	21	1	18	Nil	4	16,795.55
2.	8/84-85	1983-84		11	2	9	Nil	4	11,699.25
3.	111/85-86	1984-85		12	3	11	1	3	480.25
4.	85/87-88	1985-86 to 86-87		12	3	11	1	3	58,708.00
5.	96/93-94	1987-88 to 92-93		19	8	5	--	22	5,81,142.95
6.	25/98-99	1993-94 to 97-98		25	8	15	--	18	3,22,342.00
7.	7/02-03	1998-99 to 01-02		20	10	Nil	Nil	30	1,98,249.58
8.	20/04-05	2002-03 to 03-04		21	4	Nil	Nil	25	3,71,739.00
9.	24/07-08	04-05 to 06-07		11	22	Nil	Nil	33	92,41,233.00
Total				152	61	69	2	142	10849934.33
1.	359/82-83	1979-80 to 80-81	Jasidih N.A.C.	35	14	32	8	9	26,836.81
2.	116/85-86	1981-82 to 83-84		22	7	13	4	12	----
3.	247/85-86	1984-85		19	3	16	3	3	Nil
4.	119/86-87	1985-86		18	4	14	4	4	Nil
5.	98/91-92	1986-87 to 90-91		25	14	22	5	12	6,23,011.48
6.	120/94-95	1991-92 to 93-94		24	14	4	Nil	34	1,81,064.78
7.	53/2000-01	1994-95 to 1999-2000		32	7	20	Nil	19	14,22,607.54
8.	38/03-04	2000-01 to 02-03		27	6	Nil	Nil	33	24,20,370.00
Total				202	69	121	24	126	46,73,890.61
1.	62/91-92	1988-89	Rajmahal N.A.C.	10	3	Nil	Nil	13	9,698.45
2.	63/91-92	1989-90		10	2	Nil	Nil	12	1,58,642.00
3.	64/91-92	1990-91		17	4	Nil	Nil	21	1,91,979.20
4.	12/98-99	1991-92 to 96-97		27	12	13	Nil	26	5,38,952.74
5.	02/02-05	1997-98 to 2000-01		20	9	14	4	11	1,99,131.57
6.	32/04-05	2001-02 to 03-04		29	8	Nil	Nil	37	6,71,991.00
7.	37/07-08	04-05 to 06-07		22	11	Nil	Nil	33	11,25,889.00
Total				135	49	27	4	153	2896283.96
1.	128/90-91	1987-88	Basukinath N.A.C.	17	3	14	Nil	6	7,834.50
2.	170/91-92	1988-89 to 90-91		17	7	9	Nil	15	1,32,073.45
3.	88/94-95	1991-92 to 92-93		22	11	21	Nil	12	2,49,879.77
4.	148/97-98	1993-94 to		21	5	19	1	6	1,66,422.45
5.	113/00-01	94-95 to 99-2000		26	2	14	Nil	14	3,240.00

6.	49/05-06	2000-01 to 02-03		23	11	21	1	12	47,26,175.00
Total				126	39	98	2	65	5285625.17
1.	192/87-88	1986-87	Deoghar Municipality	35	18	13	4	36	1,29,2783=37
2.	158/92-93	87-88 to 88-89		24	12	8	8	20	2,45,560=86
3.	1/95-96	89-90 to 93-94		62	42	39	5	60	28,51,933=37
4.	83/98-99	94-95 to 1997-98		62	11	23	Nil	50	30,50,759=00
5.	20/02-03	1998-99		31	9	22	3	15	28,14,882=25
6.	10/03-04	99-00 to 2001-02		28	7	22	1	12	75,08,662=84
7.	33/05-06	2002-03 to 04-05		38	16	Nil	Nil	54	3,00,22,219=96
8.	31/06-07	2005-06		29	16	Nil	Nil	45	1,58,70,671.91
Total				309	131	127	21	292	64950256.93
1.	123/94-95	89-90 to 93-94	Hazaribagh Municipality	32	0	20	Nil	12	85,98,225=42
2.	19/97-98	94-95 to 95-96		31	25	19	1	36	80,07,306=31
3.	6/2000-01	96-97 to 97-98		35	10	26	4	15	55,31,613=95
4.	106/2000-01	98-99 to 99-2000		41	18	19	6	34	41,40,862=13
5.	12/02-03	2000-01		24	20	21	6	17	36,72,170=16
6.	37/02-03	2001-02		22	24	20	12	14	32,19,273=05
7.	36/04-05	02-03 to 03-04		22	38	16	14	30	1,78,40,117=26
8.	23/05-06	2004-05		39	17	Nil	Nil	56	1,45,90,594=87
1.	32/06-07	2005-06		27	19	9	Nil	37	1,90,90,743.38
Total				273	171	150	43	251	84690906.53
1.	21/02-03	1998-99 to 01-02	Dumka Municipality	23	7	Nil	Nil	30	2,08,93,951.00
2.	7/04-05	2002-03 to 03-04		26	10	Nil	Nil	36	1,25,98,006.75
3.	36/06-07	04-05 to 05-06		28	3	Nil	Nil	31	1,44,989.06
Total				77	20	Nil	Nil	97	33636946.81
1.	160/87-88	1985-86	Daltonganj Municipality	20	14	14	10	10	27.94=93
2.	70/89-90	1986-87 to 87-88		17	15	12	7	13	13,79941=92
3.	102/90-91	1988-89		14	8	9	Nil	13	6,03,393=61
4.	84/93-94	1989-90 to 92-93		27	18	21	3	21	1,61,02,353=21
5.	112/95-96	1993-94 to 94-95		35	15	23	52	25	19,32,716=90
6.	98/00-01	1995-96 to 98-99		28	25	Nil	Nil	53	7172522=91
7.	07/01-02	1999-2000		27	6	Nil	Nil	33	1114894=39
8.	45/02-03	2000-01 to 01-02		18	25	Nil	Nil	43	12727456=79
9.	26/05-06	2002-03 to 04-05		33	13	Nil	Nil	46	6758375=35
Total				219	139	79	22	257	41794450=01
1.	76/94-95	93-94	Lohardaga Municipality	28		26	Nil	2	37,951=00
2.	86/95-96	94-95		21		5	Nil	16	36,83,034=54
3.	63/00-01	95-96 to 99-2000		26	15	20	2	19	79,27,777=95
4.	22/02-03	2000-01		26	14	14	6	20	22,83,054=43
5.	42/02-03	01-02		29	16	15	01	29	19,38,018=94
6.	30/05-06	02-03		24	14	Nil	Nil	38	49,18,032=19

7.	27/06-07	2005-06		27	20	Nil	Nil	47	3,50,31,334.04
Total				181	79	80	9	171	55819203.09
1.	306/81-82	80-81	Chaibasa Municipality	26	9	19	7	9	986=26
2.	431/82-83	81-82		26	6	23	5	4	2000=00
3.	140/85-86	82-83 to 83-84		21	21	3	3	36	71,863=14
4.	195/85-86	84-85		24	14	23	6	9	3,70,151=38
5.	27/87-88	85-86		13	8	13	4	4	71,676=29
6.	57/89-90	86-87 to 87-88		14	11	4	2	19	6,88,285=20
7.	150/90-91	88-89		18	9	13	2	12	7,89,688=15
8.	20/93-94	89-90		18	6	18	2	4	76,832=88
9.	22/94-95	90-91 to 92-93		50	10	12	Nil	48	19,54,008=34
10.	155/96-97	93-94 to 94-95		27	13	Nil	Nil	40	3,08,168=20
11.	38/01-02	95-96 to 99-2000		32	13	21	2	22	11,29,196=80
12.	03/02-03	2000-01		25	10	12	Nil	23	24,08,874=85
13.	31/02-03	01-02		14	14	Nil	Nil	28	6,08,278=52
14.	06/04-05	02-03 to 03-04		23	19	Nil	Nil	42	1,71,82,716=53
15.	30/06-07	04-05 to 05-06		16	11	Nil	Nil	27	2,44,85,148.74
Total				347	174	161	33	327	50147875.28
1.	132/86-87	84-85	Jugsalai Municipality	20	2	20	1	1	39,582=17
2.	101/89-90	85-86 to 86-87		27	11	24	6	8	55,468=70
3.	91/90-91	87-88 to 88-89		29	12	24	10	7	20=00
4.	28/93-94	89-90 to 91-92		43	25	13	12	43	33,61,377=22
5.	119/94-95	92-93 to 93-94		38	12	35	2	13	2,22,878=30
6.	43/99-00	94-95 to 98-99		22	16	07	Nil	31	44,91,032=38
7.	10/02-03	99-2000		17	7	Nil	Nil	24	36,05,175=00
8.	26/02-03	00-01 to 01-02		19	13	Nil	Nil	32	46,28,468=08
9.	27/05-06	02-03 to 04-05		19	15	Nil	Nil	34	1,35,29,910=00
10.	29/06-07	2005-06		25	11	Nil	Nil	36	27,54,780.00
Total				259	124	123	31	229	32688691.85
1.	30/88-89	85-86 to 1986-87	Chas N.A.C.	14	4	8	1	9	55,620=14
2.	181/89-90	1987-88		13	6	Nil	Nil	19	1,36,215=26
3.	95/91-92	88-89 to 1990-91		17	11	Nil	Nil	28	63,626=15
4.	94/94-95	91-92 to 1993-94		25	13	Nil	Nil	38	7,84,335=52
5.	70/00-01	1994-95 to 99-00		25	14	Nil	Nil	39	3,97,65,099=63
6.	35/02-03	2000-01 to 01-02		21	12	Nil	Nil	33	6601068=72
7.	08/06-07	2002-03 to 04-05		20	11	Nil	Nil	31	30565082=97
8.	35/06-07	2005-06		31	13	Nil	1	43	38,81,645.23
Total				166	84	8	2	240	75911693.62
1.	80/84-85	1982-83	Mihijam N.A.C.	12	2	11	1	2	4172=00
2.	93/85-86	83-84 to 1984-85		16	8		1	23	60,221=55
3.	131/87-88	85-86 to 1986-87		19	2	15	Nil	6	1,06,896=40

4.	75/91-92	87-88 to 1990-91		17	5	13	Nil	9	7,04,451=00
5.	132/94-95	91-92 to 1993-94		20	6	16	nil	10	4,66,340=11
6.	08/00-01	94-95 to 1999-00		17	6	10	Nil	13	1,74,565=49
7.	16/02-03	2000-01		16	6	11	1	10	94590=75
8.	30/04-05	2001-02 to 03-04		21	5	Nil	Nil	26	751369=67
Total				138	40	76	3	99	2362606=97
1.	36/87-88	84-85 to 85-86	Adityapur	32	7	22	5	12	3060=00
2.	84/89-90	86-87 to 87-88	N.A.C.	21	6	Nil	Nil	27	1,09,504=90
3.	81/90-91	88-89		22	3	Nil	Nil	25	4,64,721=57
4.	109/91-92	89-90 to 90-91		28	6	Nil	Nil	34	8,34,132=75
5.	109/94-95	91-92 to 93-94		26	4	11	Nil	19	3,54,364=78
6.	24/96-97	94-95		26	1	14	Nil	13	4,52,902=10
7.	16/97-98	95-96		16	-	12	Nil	04	10,09,286=84
8.	05/00-01	96-97 to 98-99		24	3	Nil	Nil	27	1,08,786=29
9.	46/02-03	99-00 to 01-02		17	14	Nil	Nil	31	1,60,92,239=13
10.	37/06-07	02-03 to 03-04		25	12	Nil	Nil	37	3,00,66,989.02
11.	19/07-08	04-05 to 06-07		30	15	Nil	Nil	45	1,43,23,549.94
Total				267	71	59	5	274	63819537.32
1.	86/91-92	90-91	N.A.C. Khunti	16	2	14	Nil	04	12,720=40
2.	141/92-93	91-92		8	7	Nil	Nil	15	38,73,000=00
3.	112/94-95	92-93 to 93-94		23	2	17	2	6	1,20,140=80
4.	1/97-98	94-95		21	4	14	3	8	40,016=15
5.	158/97-98	95-96		27	2	22	2	5	49,074=65
6.	144/98-99	96-97 to 97-98		28	7	23	4	8	4,86,443=00
7.	24/02-03	98-99 to 01-02		35	16	22	5	24	60,68,216=34
8.	46/05-06	02-03 to 04-05		18	11	Nil	Nil	29	4,01,78,083=11
9.	26/06-07	2005-06		17	3	Nil	Nil	20	84,87,477.00
Total				193	54	112	16	119	59315171.45
1.	83/94-95	90-91 to 93-94	N.A.C. Bundu	24	10	18	3	13	2,27,616=16
2.	18/97-98	94-95		22	7	15	Nil	14	79,730=00
3.	139/97-98	95-96 to 96-97		22	4	14	Nil	12	1,36,431=20
4.	80/98-99	97-98		19	4	11	Nil	12	1,02,835=25
5.	13/02-03	98-99 to 01-02		27	7	9	Nil	25	5,37,000=00
6.	31/04-05	02-03 to 03-04		21	7	Nil	Nil	28	18,92,721=00
7.	25/06-07	04-05 to 05-06		19	2	Nil	Nil	21	2,67,376.00
Total				135	39	67	03	104	29,76,333=61
1.	31/03-04	87-88 to 02-03	Chhatatand	23	11	Nil	Nil	34	19,91,204.90
2.	11/06-07	03-04 to 05-06	N.A.C.	19	7	Nil	Nil	26	46,68,433.70
Total				42	18	Nil	Nil	60	6659638.60

1.	10/93-94	89-90 to 91-92	Garhwa	22	2	10	Nil	14	24,104.25
2.	108/94-95	92-93 to 93-94	Municipality	26	5	20	Nil	11	8,61,372.90
3.	73/00-01	94-95 to 99-2000		22	10	11	10	11	9,40,653.05
4.	9/03-04	2000-01 to 02-03		21	12	14	2	17	15,51,529.00
5.	48/05-06	03-04 to 04-05		23	17	19	4	17	14,24,302.48
6.	40/07-08	05-06 to 06-07		24	11	Nil	Nil	35	37,28,663.00
Total				138	57	74	16	105	8530624.68
1.	5/03-04	84-85 to 02-03	Fusro N.A.C.	23	5	Nil	Nil	28	15,02,447.18
2.	9/06-07	03-04 to 05-06		22	7	Nil	Nil	29	49,42,105.80
Total				45	12	Nil	Nil	57	6444552.98
1.	82/95-96	82-83 to 94-95	Katras N.A.C.	21	6	Nil	Nil	27	3,15,441.05
2.	15/97-98	95-96		17	5	Nil	Nil	22	6,28,942.10
3.	107/98-99	96-97 to 97-98		22	5	Nil	Nil	27	1,42,776.61
4.	30/02-03	98-99 to 01-02		16	8	Nil	Nil	24	8,40,106.00
5.	21/04-05	02-03 to 03-04		20	4	Nil	Nil	24	88,21,256.40
Total				96	28	Nil	Nil	124	10748522.16
1.	84/94-95	91-92 to 93-94	Latehar N.A.C.	25	4	17	1	11	33,56,116.80
2.	14/97-98	94-95		13	3	11	Nil	5	2,49,027.00
3.	99/98-99	95-96 to 97-98		15	2	12	1	4	1,56,560.00
4.	47/02-03	98-99 to 01-02		29	4	18	1	14	5,31,528.00
5.	26/04-05	02-03 to 03-04		22	2	Nil	Nil	24	4,37,546.00
Total				104	15	58	3	58	4730777.80
1.	159/80-81	1979-80	Chatra	31	3	30	2	2	30,512.50
2.	333/83-84	1981-82	Municipality	13	1	1	Nil	13	1,875.49
3.	23/84-85	82-83 to 83-84		7	13	1	2	17	4,95,069.36
4.	45/86-87	84-85		17	3	10	2	8	1,29,790.72
5.	28/87-88	85-86		22	8	3	Nil	27	3,15,596.84
6.	111/88-89	86-87 to 87-88		22	16	14	4	20	2,20,632.33
7.	38/93-94	88-89 to 92-93		25	12	16	6	15	5,63,448.84
8.	145/97-98	93-94 to 96-97		21	22	8	3	32	10,55,298.05
9.	27/01-02	97-98 to 2000-01		20	17	Nil	Nil	37	22,04,020.89
10.	35/04-05	01-02 to 03-04		28	8	Nil	Nil	36	4,27,698.50
11.	45/06-07	04-05 to 05-06		20	8	Nil	Nil	28	12,62,791.00
Total				226	111	83	19	235	6706734.52
1.	47/06-07	04-05 to 05-06	N.A.C. Jamtara	22	11	Nil	Nil	33	46,34,554.25
2.	09/02-03	98-99 to 2000-01		18	9	11	Nil	16	13,54,341.90
Total				40	20	11	Nil	49	5988896.15

APPENDIX- 16

Statement showing Surcharge cases pending in respect of selected Urban Local Bodies (Vide para 7.2, page 41)

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Period</i>	<i>Surcharge Notice No.</i>	<i>Date of issue of Notices</i>	<i>Amount of surcharge (Rs.)</i>	<i>Remarks No. of reminders / date of last reminder</i>
1.	Ranchi Municipal Corporation	96-97 to 98-99	29/2000-01	28.9.2000	23,400.00	02/10.12.03
2.			30/2000-01	28.9.2000	4,70,416.00	
3.			31/2000-01	28.9.2000	73,483.00	
4.			32/2000-01	29.9.2000	11,077.00	
5.			33/2000-01	29.9.2000	1,30,000.00	
6.			34/2000-01	29.9.2000	15,510.00	
7.			35/2000-01	29.9.2000	3,000.00	
8.			36/2000-01	29.9.2000	15,000.00	
9.			37/2000-01	29.9.2000	4,000.00	
10.			38/2000-01	29.9.2000	10,276.00	
11.			39/2000-01	16.10.2000	4,000.00	
12.			40/2000-01	18.10.2000	4,000.00	
13.			41/2000-01	18.10.2000	9,000.00	
14.			42/2000-01	18.10.2000	20,000.00	
15.			43/2000-01	18.10.2000	5,000.00	
16.			44/2000-01	19.10.2000	5,000.00	
17.			45/2000-01	19.10.2000	700.00	
18.			46/2000-01	19.10.2000	2,600.00	
19.			47/2000-01	19.10.2000	12,868.00	
20.			48/2000-01	19.10.2000	5,000.00	
21.			49/2000-01	24.10.2000	15,000.00	
22.			50/2000-01	24.10.2000	7,900.00	
23.			51/2000-01	24.10.2000	4,609.00	
24.			52/2000-01	24.10.2000	200.00	
25.			53/2000-01	24.10.2000	49,500.00	
26.			54/2000-01	25.10.2000	2,100.00	
27.			55/2000-01	25.10.2000	10,600.00	
28.			56/2000-01	25.10.2000	14,000.00	
29.			57/2000-01	25.10.2000	20,000.00	
30.			58/2000-01	25.10.2000	45,000.00	
31.			59/2000-01	1.12.2000	200.00	
32.			60/2000-01	1.12.2000	1,000.00	
33.			61/2000-01	1.12.2000	2,000.00	
34.			62/2000-01	1.12.2000	700.00	
35.			63/2000-01	1.12.2000	12,000.00	
36.			01/2001-02	15.12.2000	37,900.00	
37.			02/2001-02	15.12.2000	1,500.00	
38.			03/2001-02	15.12.2000	10,000.00	
39.			04/2001-02	15.12.2000	500.00	
40.			05/2001-02	15.12.2000	300.00	
41.			06/2001-02	15.12.2000	8,000.00	
42.			07/2001-02	15.12.2000	500.00	

43.	Pakur Municipality	95-96 to 99-2000	01/2001-02	25.5.2001	56,250.00	
44.			02/2001-02	25.5.2001	400.00	
45.			03/2001-02	25.5.2001	500.00	
46.			04/2001-02	25.5.2001	2,000.00	
47.			05/2001-02	25.5.2001	1,90,000.00	
48.			06/2001-02	25.5.2001	1,679.00	
49.	Godda Municipality	95-96 to 99-2000	07/2001-02	28.5.2001	17,075.00	05/19.07.2005
50.			08/2001-02	28.5.2001	35,000.00	
51.			09/2001-02	28.5.2001	42,200.00	
52.			10/2001-02	28.5.2001	61,250.00	
53.	Mihijam N.A.C.	94-95 to 99-2000	18/2001-02	20.7.2001	57,334.00	Amount recovered, para settled 04/23.11.06
54.			19/2001-02	26.2.2002	6,00,000.00	
55.			20/2001-02	26.2.2002	4,00,000.00	
56.			21/2001-02	26.2.2002	4,00,000.00	
57.	Madhupur Municipality	94-95 to 99-2000	05/2002-03	25.9.2002	7,000.00	At present, the surcharge case is at certificate stage. Reminder for certificate case issued on 18.07.05
58.			06/2002-03	25.9.2002	24,150.00	
59.			07/2002-03	25.9.2002	1,500.00	
60.			08/2002-03	25.9.2002	5,700.00	
61.			09/2002-03	25.9.2002	8,590.00	
62.			10/2002-03	25.9.2002	3,100.00	
63.			11/2002-03	25.9.2002	3,001.00	
64.			12/2002-03	25.9.2002	1,475.00	
65.			13/2002-03	25.9.2002	2,751.00	
66.			14/2002-03	25.9.2002	3,352.00	
67.			15/2002-03	25.9.2002	24,500.00	
68.			16/2002-03	25.9.2002	2,000.00	
69.			17/2002-03	25.9.2002	3,250.00	
70.			18/2002-03	25.9.2002	8,150.00	
71.	Jugsalai Municipality	1999-2000	24/2002-03	10.2.2003	53,050.00	
72.	Lohardaga Municipality	2000-01	25/2002-03	28.2.2003	1,18,000.00	03/19.07.2005
73.			26/2002-03	28.2.2003	77,500.00	
74.			27/2002-03	28.2.2003	2,00,000.00	
75.			2002-03	06/05-06	15.12.05	9,00,000.00
76.		2001-02	01/2004-05	17.5.04	1,00,000.00	01/20.12.2006
77.	N.A.C. Khunti	2001-02	04/2003-04	24.6.2003	26,256.00	03/26.07.06
78.	N.A.C. Jharia	98-99 to 01-02	06/2003-04	26.8.03	32,650.00	02/31.12.2007
79.	Chas Municipality	2000-01 to 01-02	08/2003-04	31.10.2003	33,035.00	03/06.12.2006
80.			09/2003-04	31.10.2003	4,07,000.00	
81.			10/2003-04	31.10.2003	2,45,000.00	
82.			11/2003-04	28.11.2003	44,800.00	03/27.11.2006
83.			12/2003-04	28.11.2003	4,125.00	
84.			13/2003-04	28.11.2003	5,755.00	
85.			14/2003-04	28.11.2003	8,403.00	
86.			15/2003-04	28.11.2003	6,350.00	
87.			16/2003-04	15.12.2003	1,16,653.36	
88.			17/2003-04	15.12.2003	10,000.00	

89.			18/2003-04	15.12.2003	1,82,244.00	
90.	Chas Municipality		19/2003-04	15.12.2003	25,667.32	03/27.11.2006
91.			20/2003-04	15.12.2003	47,535.91	
92.			21/2003-04	15.12.2003	31,000.00	
93.			22/2003-04	15.12.2003	14,404.00	
94.			23/2003-04	15.12.2003	2,486.00	
95.			24/2003-04	18.12.2003	38,234.42	
96.			25/2003-04	18.12.2003	3,595.40	
97.	Garhwa Municipality	2000-01 to 2002-03	04/2004-05	5.7.04	27,680.00	02/05.04.2006
98.			09/2004-05	26.7.04	21,461.00	
99.			15/2004-05	14.10.04	11,200.00	
100.			16/2004-05	14.10.04	80,500.00	
101.			17/2004-05	14.10.04	3,750.00	
102.			18/2004-05	31.3.05	15,354.72	
103.			19/2004-05	31.3.05	16,338.31	
104.			20/2004-05	31.3.05	11,472.80	
105.			21/2004-05	31.3.05	28,423.00	
106.			22/2004-05	31.3.05	1,75,000.00	
107.	N.A.C. Hussainabad		23/2004-05	31.3.05	14,750.00	Amount recovered
108.	N.A.C. Jamtara	01-02 to 03-04	24/2004-05	18.5.05	2,74,537.00	05/27.06.2007
109.	Hazaribagh Municipality	02-03 to 03-04	02/2005-06	2.8.05	7,501.00	01/25.01.2007
110.			03/2005-06	2.8.05	36,740.00	
111.			04/2005-06	2.8.05	6,000.00	
112.	N.A.C. Kodarma	2003-04 to 04-05	07/2005-06	15.12.05	2,807.00	Amount recovered & para settled
113.	Gumla Municipality	2003-04	08/2005-06	15.12.05	21,505.00	01/25.01.2007
114.		04-05 to 05-06	08/06-07	16.2.07	3,08,741.00	
115.			09/2005-06	15.12.05	32,030.00	
116.	Medininagar Municipality	2002-03 to 04-05	10/2005-06	18.1.06	52,377.00	01/25.01.2007
117.	N.A.C. Jharia	2002-03 to 03-04	11/2005-06	18.1.06	24,45,000.00	02/04.07.2007
118.			12/2005-06	19.1.06	6,05,000.00	
119.			13/2005-06	19.1.06	29,65,000.00	
120.			14/2005-06	19.1.06	7,32,000.00	
121.	N.A.C. Simdega	02-03 to 03-04	03/06-07	24.7.06	1,875.00	02/25.02.2008
122.	Chaibasa Municipality	04-05 to 05-06	05/06-07	27.11.06	75,173.00	
123.	Dhanbad Municipality	2000-01	06/06-07	27.11.06	58,699.00	
124.			07/06-07	27.11.06	31,000.00	
125.	Sahebganj Municipality	05-06 to 06-07	02/07-08	10.10.07	24,782.00	
	Total				1,38,50,487.24	

APPENDIX-17

Statement showing result of audit

(Vide para 7.3, page 41)

(Amount in Rs)						
Sl. No.	Name of ULBs	A.R.No.	Years audited	Amount Recovered at the instance of audit	Amount suggested for recovery	Amount held under objection
1.	Dhanbad Municipality	46/07-08	2002-04	115.00	4600881.52	8616091.69
2.	Chakradharpur Municipality	29/04-05	2001-04	680.00	2905312.37	24022573.00
		28/07-08	2004-07	25962.00	3114910.90	2089621.00
3.	Godda Municipality	26/03-04	2000-03	53288.82	2867339.00	1688246.90
		29/05-06	2003-04	17675.00	4245814.00	2775794.00
		23/07-08	2005-06	35852.00	550196.00	4092817.00
4.	Sahebganj Municipality	13/03-04	2000-03	22246.00	555458.00	9541227.00
		44/05-06	2003-05	7343.00	17542728.00	9088182.00
		20/07-08	2005-07	45538.31	784996.38	1069441.00
5.	Jhumri Tilaiya Municipality	23/03-04	2000-03	8142.80	38659.15	1051635.00
		16/05-06	2003-05	---	2667107.00	408662.00
		36/07-08	2005-07	29358.00	1337742.00	2375602.00
6.	Giridih Municipality	11/04-05	2000-03	---	4265780.00	25607.53
		25/05-06	2003-05	22936.52	10866568.00	2300487.00
		41/07-08	2005-07	45745.00	2886796.93	3762003.00
7.	Gumla Municipality	18/03-04	2000-03	---	801188.20	1756140.64
		34/05-06	2003-04	---	99316.04	3723327.00
		40/06-07	2004-06	---	1020458.82	38731414.00
8.	Pakur Municipality	34/03-04	2000-03	31963.65	1441597.00	9341620.95
		40/06-07	2003-06	38147.00	2063954.00	14765022.64
9.	Madhupur Municipality	37/03-04	2000-03	---	4831008.03	5935521.00
		38/07-08	2003-07	126457.50	2789067.80	329999.00
10.	Jamshedpur N.A.C.	31/05-06	2001-04	---	42115.00	13107040.00
		21/07-08	2004-07	---	2517736.00	8711763.00
11.	Jasidih N.A.C.	38/03-04	2000-03	---	5935521.00	4831008.00
		53/06-07	2003-06	---	8746298.00	48608.00
12.	Basukinath N.A.C.	49/05-06	2000-03	---	57059.50	415708.00
		55/06-07	2003-06	---	832431.00	4163488.00
13.	Kharsawan N.A.C.	15/03-04	2000-03	---	1475371.52	79797.26
		06/06-07	2003-05	---	368734.50	89760.00
		03/07-08	2005-06	---	271622.74	63782.00
14.	Hussainabad N.A.C.	20/04-05	2002-04	---	117082.00	254657.00
		24/07-08	2004-07	---	2084859.00	7156374.00
15.	Rajmahal N.A.C.	32/04-05	2001-04	---	620191.00	51800.00
		37/07-08	2004-07	---	1055492.00	70397.00

16.	Simdega N.A.C.	03/06-07	2002-04	---	450590.00	505436.00
		17/07-08	2004-06	200.00	10023.00	633894.00
17.	Adityapur N.A.C.	37/06-07	2002-03 to 03-04	100000.00	4820162.94	9503387.00
		19/07-08	2004-05 to 06-07	25312.61	6242052.33	23824936.69
18.	Ranchi Municipal Corporation	01/04-05	2001-02 to 02-03	14001.27	7599933.32	29475171.00
		37/04-05	2003-04	12456.00	122777543.7 8	36776503.00
		38/05-06	2004-05	47072.75	6796442.79	242276.99
		34/06-07	2005-06	3481.77	105398068.6 1	51597893.40
Total				713975.00	350496209.17	339094715.69

APPENDIX –18

Statement showing position of outstanding advances as of 31 March 2007
(Vide para 7.4, page 41)

(Rs in lakh)

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Amount of Advances outstanding as of 31.03.2007</i>		
		<i>Municipal Staff</i>	<i>Others</i>	<i>Total</i>
1	Ranchi	58.38	602.95	661.33
2	Dhanbad	NA	NA	315.16
3	Giridih	NA	NA	42.72
4	Godda	NA	NA	127.19
5	Sahebganj	NA	NA	154.75
6	Madhupur	NA	NA	19.88
7	Pakur	NA	NA	87.59
8	Jhumritelaiya	NA	NA	33.74
9	Gumla	NA	NA	142.97
10	Chakradharpur	NA	NA	16.90
11	Jamshedpur	NA	NA	12.35
12	Adityapur	NA	NA	507.14
13	Kharsawan	NA	NA	147.05
14	Simdega	NA	NA	43.53
15	Hussainabad	NA	NA	105.44
16	Jasidih	NA	NA	39.17
17	Rajmahal	NA	NA	Nil
18	Basukinath	NA	NA	13.62
<i>Total</i>				<i>2470.53</i>

APPENDIX- 19

Statement showing vouchers wanting during 2000-01 to 2006-07

(Vide para 7.6, page 42)

(Rs in lakh)

<i>Sl. No.</i>	<i>Name of ULBs</i>	<i>Period</i>	<i>No. of vouchers not produced</i>	<i>Amount involved</i>
1	Ranchi	2004-07	50	292.32
2	Dhanbad	2002-04	39	83.29
3	Giridih	2000-07	46	31.66
4	Godda	2000-07	153	14.24
5	Sahebganj	2000-07	327	173.53
6	Madhupur	2000-07	42	3.47
7	Pakur	2000-06	109	12.10
8	Gumla	2000-06	137	104.41
9	Chakradharpur	2001-07	242	159.99
10	Jamshedpur	2001-07	47	46.60
11	Adityapur	2004-07	43	40.80
12	Hussainabad	2002-07	13	2.55
13	Jasidih	2000-06	5	1.57
Total			1253	966.53