



सत्यमेव जयते

**Report of the
Examiner of Local Accounts
on
Urban Local Bodies
for the year ended March 2014**



Government of West Bengal



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PREFACE

The Government of West Bengal appointed Examiner of Local Accounts (ELA) as a primary auditor of accounts of Urban Local Bodies (ULBs) under West Bengal Municipal Act, 1993 and other Municipal Corporations Act. The ELA is an officer of Indian Audit and Accounts Department and works under the supervision of Principal Accountant General (General & Social Sector Audit), West Bengal, Kolkata.

The ELA prepares unit-wise report on the accounts / transactions of ULBs and sends such report to the Chairman of the ULB and a copy thereof to the Director of Local Bodies or such other officers as the State Government may direct.

This Report for the year ended 31 March 2014 contains major audit findings arising out of audit of accounts / transactions of ULBs in the State of West Bengal as well as Performance Audit on the Working of Siliguri Municipal Corporation.

The cases mentioned in this Report are among those which came to notice in the course of test audit of transactions of 50 ULBs and accounts of 17 ULBs during the period 2013-14, as well as those noticed in earlier years but could not be dealt with in the previous Reports; matters relating to the period subsequent to 2013-14 have also been included wherever considered necessary.

OVERVIEW

OVERVIEW

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

Four Urban Local Bodies (ULBs) incurred excess revenue expenditure of ₹ 61.79 crore and three ULBs incurred excess capital expenditure of ₹ 3.19 crore over and above the budget provisions during 2011-14.

[Paragraph 2.1.1]

Ten ULBs diverted grants amounting to ₹ 10.96 crore for purposes other than the stipulated ones.

[Paragraph 2.3]

Outstanding loans and interest accrued against 20 ULBs were ₹ 935.24 crore.

[Paragraph 2.4]

Despite transfer of liabilities of all primary schools under the ULBs to the District Primary School Council, five ULBs incurred total expenditure of ₹ 3.36 crore from municipal funds towards salary of primary school employees and maintenance of primary schools during the period 1992-2013.

[Paragraph 2.6]

Advances aggregating ₹ 24.62 crore granted by 21 ULBs to Chairpersons, Councillors, employees, suppliers, contractors, etc. for various purposes remained unadjusted as of March 2013.

[Paragraph 2.7]

Twenty two ULBs did not collect / short collected the cess of ₹ 17.18 crore while approving building plans and contracts. Seven ULBs deducted cess at source but did not deposit the amount of ₹ 3.24 crore to the concerned Board till March 2013.

[Paragraph 2.10]

Delay in revision of annual valuation of property by four ULBs led to loss / arrear of revenue amounting to ₹ 17.92 crore.

[Paragraph 3.2]

Remission allowed on property tax beyond permissible limit led to loss of ₹ 1.29 crore in two ULBs.

[Paragraph 3.3]

Non-imposition of surcharge on property tax (for commercial holdings) by 14 ULBs during July 2006 to March 2013 resulted in loss of revenue amounting to ₹ 16.80 crore.

[Paragraph 3.4]

Eight ULBs did not realise fee for certificate of enlistment for profession, trade and calling amounting to ₹ 4.25 crore as of March 2013.

[Paragraph 3.6]

Due to non-collection of revised building plan sanction fees, six ULBs lost ₹ 17.90 lakh during 2007-13.

[Paragraph 3.8]

An amount of ₹ 7.63 crore was collected by six ULBs by imposing fees / levy in the form of Development Fee for regularising unauthorised constructions in violation of the provision of the West Bengal Municipal Act, 1993.

[Paragraph 3.9]

Four ULBs spent ₹ 24.23 crore during 2009-13 on wages of casual workers.

[Paragraph 4.1]

In absence of 'Special Fund' or due to inadequate contribution to the said fund, eight ULBs created liability of ₹ 5.45 crore towards pension and gratuity as of March 2013.

[Paragraph 4.2]

Nine ULBs did not pay electricity charges amounting to ₹ 17.44 crore till the close of year 2013.

[Paragraph 4.4]

Seven ULBs either executed works or procured materials worth ₹ 36.36 crore without following proper tender procedure.

[Paragraph 5.1]

In two ULBs, even after incurring an expenditure of ₹ 1.10 crore, works remained incomplete for years.

[Paragraph 5.3]

Four ULBs spent ₹ 72.95 lakh on development works / procurement of goods which remained unutilised for years rendering the expenditure unproductive.

[Paragraph 5.4]

Ten ULBs paid an excess amount of ₹ 47.37 lakh to contractors / suppliers during 2010-13.

[Paragraph 5.5]

Seven ULBs failed to implement the Mid-day Meal Scheme in 155 schools. In five ULBs, 862.44 quintals of rice worth ₹ 13.32 lakh were damaged in the godowns up to March 2012 / March 2013. Five ULBs released ₹ 382.52 lakh excess conversion cost to schools as compared to the quantity of rice.

[Paragraph 6.1]

Performance Audit

7.1 Working of Siliguri Municipal Corporation

The Commercial Complex (at Ward No. 42) constructed after incurring an expenditure of ₹ 1.98 crore was lying idle which resulted in blockade of public fund.

[Paragraph 7.7.1]

The Municipal Corporation could not realise minimum sale proceeds amounting to ₹ 1.66 crore from a large number of shops / stalls (pertaining to its own portion) at *Haiderpara* Market Complex.

[Paragraph 7.7.2]

Due to non-revision of water charges for long, the Municipal Corporation had to incur an excess maintenance cost of ₹ 11.60 crore over the actual revenue realised during the period 2008-13.

[Paragraph 7.8.1.2]

Against the Notice Inviting Quotation issued in September 2010, the Municipal Corporation executed water supply works and purchased materials (aggregating ₹ 1.97 crore as of February 2014) without obtaining the approval of the State Government.

[Paragraph 7.8.1.3]

The Municipal Corporation had dumping ground / landfill site for disposal of wastes at *Dabgram Mouza*, for which authorisation from the West Bengal Pollution Control Board was not found on record.

[Paragraph 7.8.2.1]

Solid Waste Management Committees under the Municipal Corporation collected an amount of ₹ 3.01 crore from 43 Wards, during the period 2006-13. The said Committees directly incurred an expenditure of ₹ 2.74 crore on account of payment of wages to labourers / collectors / supervisors, miscellaneous purposes, etc. leaving an unspent balance of ₹ 0.18 crore and investment of ₹ 0.09 crore as of 31 March 2013. The entire collection, expenditure and investment were kept

outside the main accounts of the Municipal Corporation in violation of prescribed Rules.

[Paragraph 7.8.2.3]

There was a difference of ₹ 2.52 crore (as of 31 March 2013) in actual closing balance with that of the corresponding figure(s) shown in Monthly Progress Report relating to Integrated Housing and Slum Development Programme.

[Paragraph 7.9.1.1]

SMC did not collect cess from individuals / builders during the period 2008-13.

[Paragraph 7.11.1]

Other Important Cases

Kolkata Municipal Corporation did not collect arrears of property tax amounting to ₹ 2 crore from the Institute of Neurosciences, Kolkata, in respect of land measuring about 32 *kottahs*. On the contrary, the Municipal Corporation exempted the Institute from payment of property tax for five years in violation of law in force.

[Paragraph 8.1]

Kolkata Municipal Corporation did not fix contract demand for high tension electricity connections on the basis of actual requirement which resulted in avoidable expenditure of ₹ 15.47 crore.

[Paragraph 8.2]

The water supply project in Kharagpur town was a non-starter as pipelines were procured and laid without ensuring availability of required amount of water rendering the entire expenditure of ₹ 10.94 crore unfruitful. This expenditure included an excess payment of ₹ 40.03 lakh incurred on procurement and laying of pipes.

[Paragraph 8.3]

Uluberia Municipality executed works valued at ₹ 4.94 crore relating to Water Treatment Plant under JNNURM in violation of the prescribed tender procedures and split the total work to facilitate excess payment, etc.

[Paragraph 8.4]

CHAPTER I

INTRODUCTION

CHAPTER I

INTRODUCTION

1.1 Background

Out of 128 Urban Local Bodies¹ (ULBs) in West Bengal, 122 ULBs (119 Municipalities, two Notified Area Authorities and one Industrial Township Authority) are governed according to the provisions of the West Bengal Municipal Act, 1993. Kolkata Municipal Corporation and Howrah Municipal Corporation are governed by the respective Acts of 1980. Other four Municipal Corporations are governed by the Acts² of 1990 and 1994. In the year 2008, all Municipal Corporations (except Kolkata and Howrah) have been brought under the West Bengal Municipal Corporation Act, 2006³. Municipalities are categorised into five groups on the basis of population as ascertained in the preceding census for the purpose of application of provisions of the Act. Each municipality is divided into a number of wards, which is determined and notified by the State Government having regard to the population, dwelling pattern, geographical condition and economic consideration of the respective area. Numbers of wards were between 9 and 141 depending on the size of the ULBs. An elected councillor represents each ward. In 2011, the urban population in West Bengal was 2.91 crore spread over 5,119 sqkm, with a density of 5,683 per sqkm as against the total population of 9.13 crore. During 2001 to 2011, the urban population increased to 31.87 *per cent*, which was higher than the previous decade (27.97 *per cent*).

1.2 Organisational Structure

Department of Municipal Affairs is entrusted with the responsibility of providing legal and administrative support to the ULBs of the State and implementing some of the development programmes through the municipal bodies. Urban development planning and infrastructural development are looked into by the Urban Development Department through various autonomous authorities / agencies created under relevant Acts. Currently, one Minister-in-Charge looks after the affairs of both the Departments. The Secretariat supervises the various functions of the Directorate and other organisations which are related to the Department.

Chairman / Mayor, elected by the majority of the Board of Councillors (BoC), is the executive head of the ULB and presides over the meetings of the Chairman-in-

¹ Six Municipal Corporations, 119 Municipalities, two Notified Area Authorities and one Industrial Township Authority.

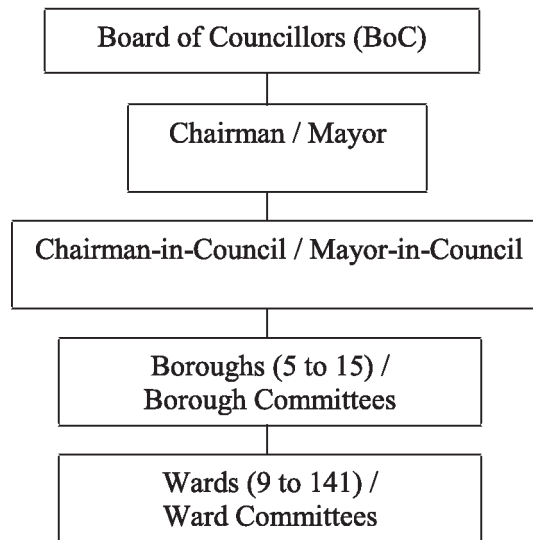
² Siliguri, Asansol and Chandernagore by respective Acts of 1990 and Durgapur by the Act of 1994.

³ First published in the Kolkata Gazette, Extraordinary, Part III dated 29 May 2008, *vide* Notification No. 957 L, dated 29 May 2008.

Council / Mayor-in-Council responsible for governance of the ULB. The executive power of a ULB is exercised by the Council. The Chairman-in-Council / Mayor-in-Council enjoys such power as is delegated by the Board.

Every ULB, having a population of three lakh or more, groups the wards into five (up to 15 in respect of a Municipal Corporation) boroughs. The boroughs are constituted with not less than six contiguous wards and a Borough Committee is constituted for each borough. The councillors of the respective wards are the members of such Borough Committee and elect the Chairman (not being a member of Chairman-in-Council / Mayor-in-Council) from among themselves. The Borough Committee discharges such functions as the ULB assigns. At ward level, the ULB constitutes Ward Committee under the chairmanship of the Ward Councillor.

The organisational structure of the governing body of a ULB is as under :



Establishment of ULB is headed by an Executive Officer / Commissioner. Other officers are also appointed to discharge specific functions of respective area / nature. Executive Officer / Commissioner, subject to the supervision and control of the Chairman / Mayor, functions as the principal executive of the ULB. Executive Officer / Commissioner and Finance Officer exercise such powers and perform such functions as are notified by the State Government from time to time.

1.3 Powers and Functions

ULBs exercise their powers and functions in accordance with the provisions of Article 243W of the Constitution. Some obligatory functions of ULBs are as follows :

- Water supply for public and private purpose;
- Construction and maintenance of sewerage and drainage system;
- Collection and disposal of solid waste;
- Construction and maintenance of streets, bridges, flyovers etc.;

- Construction and maintenance of public latrines, urinals and similar conveniences;
- Lighting of public streets and other public places;
- Construction and maintenance of markets;
- Preventing and checking spread of dangerous diseases including immunisation;
- Town planning and development including preservation of monuments, places of historical, artistic and other importance; and
- Overall administration including survey, removal of encroachment, registration of births and deaths and pollution control of all kinds.

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

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

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

1.4 Fund Flow Arrangement

ULB fund comprises receipts from its own source, grants and assistance from Government and loans obtained from public financial institutions or nationalised banks or such other institutions as the State Government may approve.

Property tax on land and building is the principal source of tax revenue of a ULB. Non-tax revenue of a ULB includes plan-sanction fees, mutation fees and water charges. All collections as permissible under the statute in force, such as tax and non-tax revenue, are meant to be utilised for administration and provision of services to the tax payers.

The State Government releases administrative grants to ULBs to finance their revenue expenditure. Grants and assistance released by the State Government and the Central Government are utilised for developmental activities as specified in the respective guidelines of schemes or projects.

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

1.5 Accounting Reforms / Arrangements

Accounting Manual for ULBs (except Kolkata Municipal Corporation⁴) in West Bengal, based on the National Municipal Accounts Manual, was prepared in February 2006 for switching over to double entry accounting system. Accordingly, Section 84 (effective from October 2006) of the West Bengal Municipal Act, 1993 and Rule 22 (2) (effective from January 2007) of the West Bengal Municipal (Finance and Accounting) Rules, 1999⁵ were amended for mandatory preparation of Balance Sheet, Income & Expenditure Account, Receipt & Payment Account and Cash Flow Statement with effect from the financial year 2006-07 for the ULBs in Kolkata Metropolitan Area and from 2007-08 for other ULBs.

1.6 Audit Arrangement

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

1.7 Audit Coverage

Out of 128 ULBs, audit of transaction of 50 ULBs⁶ (**Appendix 1**) covering the financial years 2008-09 to 2012-13, was conducted during 2013-14.

1.8 Follow up action on Audit Reports

Reports⁷ of the Examiner of Local Accounts on Urban Local Bodies for the years 2003-04 to 2011-12 were submitted to the Government of West Bengal between

⁴ Kolkata Municipal Corporation (KMC) is not governed by the Accounting Manual but has been following 'Accrual based Double Entry Accounting System'.

⁵ Not applicable in case of KMC.

⁶ Selected on the basis of Risk Analysis (risk factors considered are: expenditure, percentage of increase in expenditure over previous year, category of ULBs, etc.).

⁷ The Reports contained important observations on 'Accounting Procedures & Financial Management', 'Revenue Receipts / Receipts', 'Establishment', 'Material Management and Execution of Works' and 'Implementation of Schemes'. The Reports included various draft paragraphs and observations on the 'Devolution of Functions, Functionaries and Funds to Urban Local Bodies', 'Heritage buildings and sites in Kolkata Municipal Corporation', 'Internal Control mechanism in Bidhannagar Municipality', 'Solid Waste Management', 'Car parking projects on PPP basis', 'Twelfth Finance Commission Grants', 'Projects under JNNURM – Kolkata Municipal Corporation', 'Internal control & service delivery mechanisms – Burdwan Municipality', 'Implementation of Waiver Scheme, 2012 – Kolkata Municipal Corporation', 'Internal control & service delivery mechanisms – Maheshtala Municipality', 'Management of water supply in urban area', etc.

May 2005 and July 2013⁸. A State Level Audit Committee⁹ (SLAC) was constituted in February 2006 to examine the findings of the Audit Reports on ULBs. Provision for laying the Report of the ELA on ULBs along with Action Taken Report (for every year) before the State Legislature has been made through section 90A of the West Bengal Municipal Act, 1993 (inserted by the West Bengal Municipal (Amendment) Act, 2011). Similar amendments have been made by inserting section 80A in the Howrah Municipal Corporation Act, 1980 in November 2012, section 163A in the Kolkata Municipal Corporation Act, 1980 in December 2012 and section 91A in the West Bengal Municipal Corporation Act, 2006 (for other Municipal Corporations) in November 2012. Accordingly ELA Reports for the years ended March 2010, 2011 and 2012 were laid before the State Legislature between February and November 2014.

The SLAC, since its constitution, had three meetings in April 2008, September 2010 and September 2012. It was decided (April 2008) that priority would be given in the matter of submission of replies on the selected paragraphs by the Municipal Affairs Department and replies to all other paragraphs should also be submitted by the Department to the Accountant General so as to facilitate the process of consideration of the ELA Reports by the SLAC. However, SLAC has so far discussed no audit paragraphs.

1.9 Response to Audit Observations

The ULB is required to comply with the observations contained in the Inspection Reports (IRs) and rectify the defects and omissions and report their compliance to ELA within three months from the dates of issue of IRs. Till 2013-14, 491 IRs with 2,618 paras are outstanding involving total money value of ₹ 2,189.91 crore. Most of the paras / IRs were outstanding for want of replies from ULBs.

Audit Committee, comprising the Secretary of the Department, Examiner of Local Accounts, Director of Local Bodies and officials of the ULB, is constituted as and when required to discuss / settle the outstanding paragraphs of the IR. However, no Audit Committee Meeting (ACM) was held since February 2012. **The Department of Municipal Affairs was requested in April 2013 to issue**

⁸ For the year 2003-04 in May 2005, for the year 2004-05 in August 2006, for the year 2005-06 in July 2007, for the year 2006-07 in May 2008, for the year 2007-08 in October 2009, for the year 2008-09 in March 2011, for the year 2009-10 in July 2011, for the year 2010-11 in August 2012 and for the year 2011-12 in July 2013.

⁹ Comprising the Chief Secretary (Chairman), Principal Secretary / Secretary of the Panchayat & Rural Development Department (Member), Principal Secretary / Secretary of the Municipal Affairs Department (Member), Principal Secretary of the Finance Department (Member), Accountant General (Receipt, Works & Local Bodies Audit), West Bengal (Member) and Principal Secretary of the Finance (IA) Department (Member-Secretary) *vide* Notification No. 4010-F.B. dated 23 February 2006 of the Finance Department, Government of West Bengal.

necessary instructions for convening ACMs but no meeting was held till March 2014.

Important findings noticed during 2013-14, as well as matters relating to the period subsequent to 2013-14 (wherever considered necessary) are mentioned in the succeeding chapters.

CHAPTER II

ACCOUNTING PROCEDURES AND FINANCIAL MANAGEMENT

CHAPTER II

ACCOUNTING PROCEDURES AND FINANCIAL MANAGEMENT

All Urban Local Bodies (ULBs) are required to present the budget estimates before the Board of Councillors (BoC) for examination and subsequent adoption. A financial statement consisting of the Balance Sheet, Income and Expenditure Account, Receipt and Payment Account and Fund Flow Statement has to be prepared in the form and manner prescribed and presented before the BoC within six months from the annual closing of the year. The succeeding paragraphs bring out the deficiencies in the system of accounting noticed during audit of 50 ULBs.

2.1 Budget Provision

Rule 27 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, states that the departmental heads of a Municipality, under the direction of the Member-in-Charge in the Chairman-in-Council, shall prepare their estimated receipts and expenditure of the following year in consultation with the Borough Committees or the Ward Committees, as the case may be, and report the same to the Chairman. The Accounts Department shall, in consideration of the departmental requirements and having regard to the probable financial resources, prepare the Draft Annual Budget Estimate for the following year which shall be finalised by the Chairman with the help of the officers.

According to section 82 of the West Bengal Municipal Act, 1993, no deficit shall be shown in the budget estimate so prepared.

After necessary consideration by the Chairman-in-Council, the said draft Annual Budget Estimate shall be placed before the BoC at a meeting specially convened for the purpose as provided under the law.

2.1.1 Budgeting and control thereof

Out of 50 ULBs audited, 29 ULBs did not furnish any / proper information on budget to Audit. In the remaining 21 ULBs, there were persistent savings in budget provisions during the last three years, indicating unrealistic estimates and absence of definite work plans. The budget estimate and expenditure of these ULBs for the period 2011-14 are given in **Table 2.1** while the unit-wise position is detailed in **Appendices 2A, 2B and 2C**.

Table 2.1 : Budget estimate and expenditure in respect of 21 ULBs

| Year | | Budget estimate | Actual expenditure | Savings | Percentage of savings |
|---------|---------|-----------------|--------------------|---------|-----------------------|
| | | (₹ in crore) | | | |
| 2011-12 | Revenue | 2214.03 | 1990.85 | 223.18 | 10 |
| | Capital | 1845.11 | 972.19 | 872.92 | 47 |
| 2012-13 | Revenue | 2339.85 | 2303.86 | 35.99 | 2 |
| | Capital | 1428.59 | 1075.73 | 352.86 | 25 |

| Year | | Budget estimate | Actual expenditure | Savings | Percentage of savings |
|---------|---------|-----------------|--------------------|---------|-----------------------|
| | | (₹ in crore) | | | |
| 2013-14 | Revenue | 2704.38 | 2396.18 | 308.20 | 11 |
| | Capital | 1551.42 | 1012.46 | 538.96 | 35 |

(Source: Figures as furnished by ULBs)

From the above Table, it would be clear that there were substantial savings under the capital heads (25 to 47 per cent) during 2011-14 as against 2 to 11 per cent under revenue heads. Eight ULBs¹⁰ stated that the reasons for savings were due to shortfall and delay in receipt of grant from State Government. Other ULBs did not furnish the reason for such variations.

As per section 69 (2) of the West Bengal Municipal Act, 1993 and section 127 of the Kolkata Municipal Corporation Act, 1980, no payment shall normally be made out of municipal fund unless such expenditure is covered by a current budget grant and a sufficient balance of such budget grant is available for the purpose.

It was, however, noticed in Audit that four ULBs incurred excess revenue expenditure of ₹ 61.79 crore and three ULBs incurred excess capital expenditure of ₹ 3.19 crore over and above the budget provisions during 2011-14 as shown in Appendices 3A and 3B.

Further, section 69 (3) of the West Bengal Municipal Act, 1993 and section 128 of the Kolkata Municipal Corporation Act, 1980, stipulate that whenever any sum is paid for purposes not covered by budget grant, the matter shall forthwith be communicated to the Chairman-in-Council / Mayor-in-Council (as the case may be) who shall take such action under the provisions of the Act, as may appear feasible and expedient for covering the amount of such payments. However, timely action had not been taken by any ULB to obtain sanction of the respective BoC for regularising the excess expenditure.

2.2 Annual Accounts of ULBs

2.2.1 Preparation of Annual Accounts

Out of 801¹¹ Annual Accounts of 127 ULBs¹² up to the year 2012-13, 59 ULBs submitted 143¹³ Annual Accounts till 31 March 2014. However, 658 Annual Accounts were outstanding as of 31 March 2014. The Annual Accounts of 78 ULBs are pending for six (68 ULBs) to seven years (10 ULBs). The Annual

¹⁰ Bansberia, Champdany, Dalkhola, Konnagar, Maheshtala, Nabadwip, North Dum Dum and Rishra.

¹¹ 41 for 2006-07, 126 for 2007-08, 126 for 2008-09, 127 for 2009-10, 127 for 2010-11, 127 for 2011-12 and 127 for 2012-13.

¹² Excluding Kolkata Municipal Corporation.

¹³ Thirty-one ULBs submitted Annual Accounts for the year 2006-07, 59 ULBs for 2007-08, 24 ULBs for 2008-09, 13 ULBs for 2009-10, 10 ULBs for 2010-11 and 6 ULBs for 2011-12.

Accounts of Kolkata Municipal Corporation had been finalised up to the year 2012-13.

2.2.2 Audit of Annual Accounts of ULBs

Twenty-seven Separate Audit Reports on annual accounts in respect of 17 ULBs were issued during 1 April 2013 to 31 March 2014 as per details given in **Appendix – 4**. Out of 27 Annual Accounts, Audit certified 24 Accounts as ‘true and fair’ but three Accounts of Barrackpore Municipality for 2008-09, 2009-10 and 2010-11 did not give true and fair view.

Results of audit comments on accounts are given in **Appendix – 5**.

Apart from the above, other general audit observations were as follows :

1. Six ULBs passed 2,425 Journal Vouchers (while preparing Annual Accounts) without authorisation of the competent authority as detailed in **Appendix – 6**. The related vouchers were also not supported by proper documentation.
2. The accounting software PUROHISAB¹⁴ had no locking arrangement. Vouchers could be incorporated at a later date after closing of a particular accounting year, which rendered the system unreliable.
3. Physical verification of cash as well as stock of stores was not being done regularly.
4. Figures generated by the functional departments sometimes did not tally with the figures maintained by the Finance Department.

2.3 Utilisation of funds

Government of India and State Governments give specific grants from time to time to ULBs for specific purposes, which are required to be spent for the purposes specified as per orders or scheme guidelines. It was noticed in Audit that 10 ULBs diverted grants amounting to ₹ 10.96 crore for purposes other than the stipulated ones (as shown in **Appendix – 7**).

Thus, by diverting the scheme funds for meeting other expenditure, the ULBs deprived the target groups of the schemes from availing the desired benefits.

2.4 Outstanding loans

Outstanding loans and interest accrued against 20 ULBs were ₹ 935.24 crore (**Appendix – 8**). As per municipal laws of the State, sinking funds were to be created against each loan for debt servicing which, however, was not created in any of these ULBs. Besides, non-compliance with the existing laws would lead to indefinite liability by creating additional burden on the revenue of ULBs.

¹⁴ Accounting software developed for expediting switch over to double entry accounting system by all ULBs except Kolkata Municipal Corporation which was already following the double entry accounting system.

2.5 Cases of theft /defalcation / misappropriation

In terms of Rule 26 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, in case of loss of money by embezzlement, theft, or otherwise, the Chairman or the Vice-Chairman or the Executive Officer or the Secretary should lodge a First Information Report (FIR) in the local police station, and promptly report the matter to the Chairman-in-Council. When the matter has been fully enquired into, he shall submit a complete report showing the total sum of money lost, the manner in which it was lost and the steps taken to recover the amount.

Cases of theft /defalcation / misappropriation reported by the ULBs / noticed by the Audit are detailed below:

Table 2.2

| Name of ULB | Period | Particulars | Amount (₹ in lakh) |
|-------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Asansol | Up to May 2013 | Audit noticed that the Mayor, Asansol Municipal Corporation, lodged (23 May 2013) a complaint with the Asansol South Police Station, District – Burdwan, against the Environment Officer of the Municipal Corporation for 'embezzlement of Corporation fund' of more than rupees one crore. | More than ₹ 1 crore |
| Hooghly-Chinsurah | 2010-12 | On scrutiny of miscellaneous receipts, Audit noticed that a casual worker, employed as collecting agent of fees relating to issue of enlistment certificate, did not deposit an amount of ₹ 3,50,700 collected during April 2010 to July 2011. After the matter being pointed out by Audit, the Municipality stated (March 2013) that investigation was being taken up under the supervision of Executive Officer and follow-up action would be intimated to the Audit. | 3.51 |
| Memari | 2009-13 | Two tractors valued at ₹ 6,81,275 were stolen from the Municipal building on 8 March 2010 and 8 April 2012. The Municipality lodged FIRs with the local police station in both cases and the concerned night guard (same person in both cases) was issued show-cause-notice in the first case but suspended in the second consecutive case. However, the Municipality received insurance claim of ₹ 4,48,375 against two tractors. | 6.81 |
| Rishra | 2012-13 | A commission-based agent engaged for collection of property tax did not deposit the collected amount and tampered with the concerned records. It was found that ₹ 20,000 were misappropriated and the concerned agent was ordered by the Municipal Authority to deposit ₹ 25,000 (in anticipation of further misappropriation) to the Municipal Fund by February 2013. But no action was initiated by the Municipality as per Rule 26 of the Rules, <i>ibid</i> . | 0.20 |

Delay in settlement of these cases may result in postponement of recoveries/non-recovery and officers/officials responsible for irregularities going unpunished.

2.6 Unwarranted expenditure

In terms of notification dated 15 April 1992 of the Government of West Bengal, all primary schools under the municipalities stood transferred to the District Primary School Council (DPSC) together with their lands, buildings and other properties and all teachers and staff were deemed to be employed by DPSC from that date.

Despite the above arrangement, five ULBs did not transfer the schools to DPSC and incurred total expenditure of ₹ 3.36 crore from municipal funds towards salary of primary school employees and maintenance of primary schools during the period 1992-2013 as shown below.

Table 2.3

| Name of ULB | Year | No. of schools | Total Expenditure | Expenditure reimbursed by State Government | Expenditure borne by ULB |
|---------------|-----------|----------------|-------------------|--------------------------------------------|--------------------------|
| | | | | | |
| Bankura | 2010-12 | 7 | 100.96 | - | 100.96 |
| Durgapur | 2011-13 | 2 | 66.97 | - | 66.97 |
| Garulia | 1992-2013 | 6 | 386.30 | 260.79 | 125.51 |
| Rishra | 2011-13 | 5 | 147.68 | 108.64 | 39.04 |
| South Dum Dum | 2011-12 | 2 | 16.44 | 12.70 | 3.74 |
| Total | | 22 | 718.35 | 382.13 | 336.22 |

No reasons were furnished by ULBs for not transferring the schools to the DPSC. Thus, ULBs were incurring expenditure on behalf of the State Government that could have been used for providing municipal services to the people.

2.7 Adjustment of advances

In terms of Rule 189 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, different accounts in the advance ledger shall be balanced quarterly and signed by the Executive Officer, Finance Officer or any other authorised officer, who shall also satisfy himself that steps are being taken to recover or adjust advances outstanding for more than three months.

Scrutiny of records revealed that advances aggregating ₹ 24.62 crore granted to Chairpersons, Councillors, employees, suppliers, contractors etc. by 21 ULBs for various purposes remained unadjusted as of March 2013 (**Appendix – 9**). Further, it was noticed that Dainhat, Dubrajpur, Habra, Kharar and North Dum Dum municipalities granted fresh advances to the same persons without obtaining adjustment of the previous advances.

This was indicative of weak internal control mechanism in following up regular adjustment of advances resulting in blocking of institutional funds and chances of misuse.

2.8 Timely credit of Provident Fund subscription in the treasury

Provident Fund subscriptions are required to be credited to the fund account in the treasury within 15 days of the next month to avoid loss of interest. It was, however, observed in Audit that the subscription towards Provident Fund collected by nine ULBs, by deduction at source, was not remitted into the treasury within the stipulated date. The delay in remittance by nine ULBs resulted in loss of interest of ₹ 2.07 crore accrued during the intervening period as shown in Appendix – 10.

2.9 Monitoring of Property Tax collection

The information on property tax was furnished by only 19 ULBs and the position of current demand, collection and outstanding property tax (including service charge on Central Government properties) during 2011-14 is detailed below.

Table 2.4 : Demand and Collection of Property Tax

(₹ in crore)

| Year | Demand | | | Collection | | | Total outstanding dues | Percentage of collection |
|-----------|--------|---------|-------|------------|---------|-------|------------------------|--------------------------|
| | Arrear | Current | Total | Arrear | Current | Total | | |
| 2011 – 12 | 43.22 | 19.54 | 62.76 | 5.94 | 13.31 | 19.25 | 43.51 | 31 |
| 2012 – 13 | 43.27 | 19.95 | 63.22 | 5.89 | 13.60 | 19.49 | 43.73 | 31 |
| 2013 – 14 | 45.30 | 22.98 | 68.28 | 5.72 | 15.08 | 20.80 | 47.48 | 30 |

(Source: Figures as furnished by ULBs)

Year-wise details are given in Appendices – 11A, 11B and 11C.

Collection out of the current demand was around 66 to 68 *per cent* during the period. This resulted in increase in arrears and hence, collection out of the total demand was restricted to 30 to 31 *per cent*. Only five¹⁵ ULBs collected up to 50 *per cent* or more of the total dues (property tax) during the period 2012-13. Non-payment of property tax / service charge by Government holdings, closed and sick industries also resulted in accumulation of tax arrears.

Municipal Laws, provide that tax levied under respective Acts may be recovered in accordance with the following procedure :

- by presenting a bill, or
- by serving a demand notice, or
- by distraint and sale of a defaulter's movable property, or
- by attachment and sale of a defaulter's immovable property, or
- by attachment of rent due in respect of land or building, or

¹⁵ Chandernagore, Hooghly-Chinsurah, Khardah, North Dum Dum and Panihati.

- as a public demand under the Bengal Public Demands Recovery Act, 1913.

Section 149 of the West Bengal Municipal Act, 1993 provides that when a property tax becomes due on any land or building, the Chairman shall cause to be presented to the owner or the occupier thereof a bill for the amount due. As per section 150(2) of the Act *ibid*, such tax shall be payable in quarterly instalments and every such instalment shall be deemed to be due on the first day of the quarter in respect of which it is payable. Similar provisions also exist for Municipal Corporations.

The ULBs did not enforce the above provisions to ensure prompt recovery of municipal dues resulting in accumulation of outstanding dues. It is also evident from Table 2.4 that there is a difference between the closing balance of a financial year and opening balance of the succeeding year. The reasons for difference of ₹ 0.24 crore and ₹ 1.57 crore in opening balance for 2012-13 and 2013-14 were due to difference in figures of closing balance and opening balance as furnished by nine ULBs¹⁶. This indicated lack of proper reconciliation of respective figures by the said ULBs.

2.10 Collection of labour welfare cess and remittance thereof

In terms of section 3 of the Building and Other Construction Workers' Welfare Cess Act, 1996, a cess shall be levied and collected at such rate not exceeding two *per cent*, but not less than one *per cent*, of the cost of construction incurred by an employer. ULBs shall collect the cess through demand draft along with the application for sanction of building plan. Proceeds of cess so collected shall be paid by the local authority to the Board¹⁷ after deducting the cost of collection within thirty days of collection.

The State Government further stipulated (December 2007) that every local body, construction contractor and individual, who employ such workers in any building or construction works in relation to his own residence, shall be liable to pay a cess at the rate of one *per cent* of the cost of construction incurred by them, if the cost exceeds ₹ 10 lakh.

Information received from 22 ULBs revealed that these ULBs did not collect / short collected the cess of ₹ 17.18 crore while approving building plans and contracts exceeding the estimated cost of ₹ 10 lakh as detailed in Appendix – 12. Thus, ULBs not only violated the Government orders by not collecting cess amounting to ₹ 17.18 crore but also deprived workers from the intended benefits as envisaged in the Act. ULBs also lost revenue of ₹ 17.18 lakh towards cost of collection at the rate of one *per cent* of total cess.

¹⁶ Bankura, Diamond Harbour, Dubrajpur, Guskara, Hooghly-Chinsurah, Jangipur, Nabadwip, Panihati and Rishra.

¹⁷ West Bengal Building and Other Construction Workers' Welfare Board constituted under the Labour Department Notification No. 1182 – IR, dated 20 September 2005.

Seven ULBs deducted cess at source but did not deposit the amount of ₹ 3.24 crore to the Board till March 2013 details of which are given below.

Table 2.5

| Name of ULB | Period | Cess deducted at source | Cess deposited to the Board | Amount lying with ULB |
|--------------|---------|-------------------------|-----------------------------|-----------------------|
| | | (₹ in lakh) | | |
| Baranagar | 2008-12 | 143.75 | - | 143.75 |
| Bhadreshwar | 2012-13 | 2.82 | - | 2.82 |
| Bidhannagar | 2010-13 | 113.36 | - | 113.36 |
| Dalkhola | 2008-13 | 14.19 | 0.74 | 13.45 |
| Howrah | 2006-13 | 82.74 | 66.44 | 16.30 |
| Ranaghat | 2008-13 | 31.73 | - | 31.73 |
| Sainthia | 2010-13 | 2.74 | - | 2.74 |
| Total | | | | 324.15 |

2.11 Replenishment of loan at the instance of Audit

The Barrackpore Municipality took loan of ₹ 1.50 crore between February 2012 and September 2013 from the West Bengal Municipal Development Fund Trust (WBMDFT) for Trans-municipal Water Supply Scheme under Jawaharlal Nehru National Urban Renewal Mission. Audit noticed that the Municipality misused the loan for other purposes (like, construction of market complex, payment of salary and wages, etc.) during March 2012 to October 2013.

On the matter being pointed out by Audit in October 2014, the Municipality replenished the entire loan amount in January 2015.

2.12 Maintenance of Cash Book / Stock Register

Test check of records of 19 ULBs¹⁸, revealed several deficiencies in maintenance of Cash Book and Stock Register. Number of pages of the Cash Book and transactions were not properly authenticated. Pages were also left blank. Transactions were not recorded on the day of occurrence. Daily cash balances were not computed and certified. Monthly closing cash balances were not reconciled. Physical verification of closing balances was not done. As a result, actual Cash Book balances were not ascertainable.

2.13 Maintenance of basic records

Scrutiny of records revealed that one or more prescribed basic records viz. work register, investment register, loan register, register of un-paid bills, self cheque register, deposit ledger, asset register, register of tools and plants, register of civil suits, demand and collection register of different revenue, appropriation register,

¹⁸ Bankura, Birnagar, Chandernagore, Diamond Harbour, Dalkhola, Dubrajpur, Hooghly-Chinsurah, Howrah, Jhargram, Kalna, Kamarhati, Kandi, Maheshtala, Midnapore, NDITA, South Dum Dum, Suri, Taherpur and Taki.

remission register, mutation register, assessment register, stamp register, register of security deposit, register of adjustment, register of lands, register of disbursement of cash drawn on cheques, annual financial statement, prosecution register, scheme register, advance ledger, etc. were not being properly maintained by 17 ULBs¹⁹.

2.14 Internal Audit

In terms of section 91 of the West Bengal Municipal Act, 1993, the State Government may by rules provide for internal audit of the accounts of a Municipality in such manner as it thinks proper. Similar provision also exists for Municipal Corporations.

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

Test check of 50 ULBs revealed that 46 ULBs²⁰ did not conduct any internal audit during 2008-13. Howrah Municipal Corporation (HMC) and Nabadiganta Industrial Township Authority conducted internal audit for 2011-12 and 2011-13 respectively but HMC did not provide internal audit report to Audit. Midnapore Municipality did not provide any information on conduct of internal audit.

2.15 Conclusion

Lack of budgetary control was evident. Although ULBs dealt with substantial sums, budget preparation and accuracy in accounts continued to be lacking in most of the ULBs. Most ULBs failed to present accounts in time. Increasing liability of unpaid loans, non-adjustment of advances, loss of interest due to delay in deposit of provident fund subscription into the treasury and irregular maintenance of Cash Book indicated inadequate internal control and lack of monitoring to ensure proper accounting of substantial public funds spent by the ULBs.

¹⁹ Bally, Bankura, Bidhannagar, Birnagar, Chandernagore, Dainhat, Dalkhola, Dubrajpur, Hooghly-Chinsurah, Kalna, Kandi, Maheshtala, NDITA, Pujali, Ranaghat, Taherpur and Taki.

²⁰ Asansol, Bally, Bankura, Bansberia, Baranagar, Bhadreswar, Bidhannagar, Birnagar, Champdany, Chandernagore, Dainhat, Dalkhola, Diamond Harbour, Dubrajpur, Durgapur, Garulia, Guskara, Habra, Haldia, Hooghly-Chinsurah, Jangipur, Jhargram, Kalna, Kamarhati, Kanchrapara, Kandi, Kharar, Khardah, Khirpai, Konnagar, Maheshtala, Mathabhanga, Memari, Nabadwip, North Dum Dum, Panihati, Pujali, Rajpur-Sonarpur, Ranaghat, Rishra, Sainthia, South Dum Dum, Suri, Taherpur, Taki and Tarakeswar.

2.16 Recommendations

To bring in more transparency in the financial transactions of ULBs, it is recommended that -

- budget should be prepared in a realistic manner, based on the trends of expenditure in the previous years and savings over a period of time;
- arrear in preparation of Accounts needs to be cleared;
- timely action in case of defalcation/misappropriation of funds should be ensured which would act as a deterrent;
- timely remittance of funds into the treasury should be ensured;
- collection of labour welfare cess (as per norms) should be ensured; and
- internal audit should be conducted at regular intervals and follow-up action on the said reports may be ensured.

CHAPTER III

RECEIPTS

CHAPTER III

RECEIPTS

Receipts of ULBs comprise both tax and non-tax revenue which are levied by ULBs as per provision of the Municipal Acts. Other sources of revenue are share of State grants and contributions.

Deficiencies in management of resources noticed during test audit of 50 ULBs are discussed in the succeeding paragraphs.

3.1 Budget estimates and actual receipts of own fund

Receipts of a ULB comprise its own funds and State Government grants by way of shared taxes and administrative grants. Own fund comprises receipts generated mainly from property tax. In 22 test checked ULBs, variations were noticed between budget estimates and actual receipts from own source during the period 2011-14 as given below (unit-wise position is detailed in **Appendix – 13**):

Table 3.1 : Budget estimates and actual realisation of own fund

| Year | Budget Estimates | Actual Receipts | Variations | Percentage of realisation |
|--------------|------------------|-----------------|--------------------------------|---------------------------|
| | | | {Increase (+) / Shortfall (-)} | |
| (₹ in crore) | | | | |
| 2011-12 | 1095.58 | 1167.71 | (+) 72.13 | 107 |
| 2012-13 | 1354.85 | 1584.50 | (+) 229.65 | 117 |
| 2013-14 | 1759.28 | 1282.83 | (-) 476.45 | 73 |

(Source: Figures as furnished by ULBs)

Reason for the shortfall was mainly attributed to failure in preparing action plans for collection of property tax. During 2013-14, tax collection in six ULBs was less than 70 per cent of the target, while collection in three ULBs exceeded the budget estimate. This indicated the need for a realistic budget preparation.

3.2 Loss / arrear of revenue due to delay in revision of annual valuation of property

Property tax on land and building is determined on the basis of annual value of the property held. Annual valuation of a holding shall, as per provisions of the Municipal law, subject to other provisions, remain in force for a period of five years. The ULBs shall cause a general revision of all holdings to ensure that there is a revision of annual valuation of all municipal holdings at the termination of successive period of five years. As per municipal law, the annual valuation shall come into force from the beginning of a quarter of a year immediately following an order passed by the appropriate authority. Further, as per proviso to section 110 (2) of the West Bengal Municipal Act, 1993, the new assessment list, after being notified, shall take effect retrospectively from the day succeeding the date on which the term of the preceding assessment list expired, and the arrear or overpayment, if any, shall be adjusted through onetime payment or in such

instalments as may be determined by the Board of Councillors (BoC) of the Municipality concerned.

In case of 14 ULBs²¹, the West Bengal Valuation Board had not initiated or finalised the valuation and hence loss could not be quantified. In four ULBs where valuation by the Board was finalised, the loss / arrear had been worked out as under :

Table 3.2 : Arrear of revenue due to delay in revision of annual valuation of property

| Name of ULB | Due date of revision | Actual date of revision | Period of delay | Loss / Arrear of revenue (₹ in lakh) |
|-----------------|----------------------|--------------------------------|------------------|--------------------------------------|
| Diamond Harbour | 01.04.2003 | 01.04.2009 | 6 Years | 107.26 |
| Dubrajpur | 01.01.2010 | Not revised till April 2013 | 3 Years 4 Months | 36.85 |
| Kamarhati | 01.04.2007 | 01.04.2012 | 5 Years | 1,326.86 |
| Kanchrapara | 01.07.2009 | Not revised till November 2013 | 4 Years 5 Months | 321.05 |
| Total | | | | 1,792.02 |

(Source: Records of ULBs)

In case of Diamond Harbour and Kamarhati Municipalities, there remained no scope for recovery of loss because the said ULBs did not implement revised property tax from a retrospective date.

3.3 Remission on property tax beyond permissible limit led to loss of ₹ 1.29 crore

In terms of section 125(1) of the West Bengal Municipal Corporation Act, 2006, any person who is dissatisfied with the decision on annual valuation of his property as entered in the assessment list, may prefer an application for review before the Corporation within a period of one month from the date of service of written notice or within three months from the date of publication of the assessment list.

Section 126(1) of the Act *ibid* stipulates that every application presented as above shall be heard and determined by a Review Committee. The Review Committee may reduce the valuation of any land or building. However, such reduction shall not be more than 25 per cent of the annual valuation of such land or building except in the case of gross arithmetical or technical mistake.

Test check of records revealed that in contravention of the above provision, Asansol and Durgapur Municipal Corporations allowed remission of property tax in excess of 25 per cent as detailed below.

²¹ Baranagar, Bidhannagar, Dalkhola, Durgapur, Habra, Hooghly-Chinsurah, Howrah, Khirpai, Konnagar, Memari, Rajpur-Sonarpur, Rishra, South Dum Dum and Tarakeswar.

Table 3.3

| Name of ULB | No. of cases in which property tax was reduced in excess of 25 <i>per cent</i> | Period | Property tax reduced annually (₹ in lakh) |
|-------------|--------------------------------------------------------------------------------|---------|-------------------------------------------|
| Asansol | 4,007 | 2006-13 | 123.94 |
| Durgapur | 64 | 2011-12 | 5.16 |

3.4 Non-imposition of surcharge leading to loss of revenue of ₹ 17.34 crore

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

In violation of the above provisions, 14 ULBs did not impose any surcharge on property tax for identified commercial holdings during July 2006 to March 2013. As a result, the concerned ULBs suffered a minimum loss of revenue amounting to ₹ 16.80 crore (computed at the minimum rate of 20 *per cent*), the details of which are shown in **Appendix – 14**.

Rajpur-Sonarpur Municipality imposed surcharge at the rate of one *per cent* on annual property tax of commercial holdings amounting to ₹ 2.83 lakh during 2011-13. The rate imposed for surcharge was lower than the minimum rate of 20 *per cent* as stipulated in the Act *ibid*. Thus, the Municipality suffered a minimum loss of revenue of ₹ 54.01 lakh during 2011-13.

Bansberia Municipality did not conduct any survey for identification of commercial building for the purpose of implementation of surcharge, so the loss of revenue could not be ascertained and Guskara Municipality imposed surcharge only on commercial holdings and not on partly commercial holdings or holdings used for non-residential purposes.

Corrective measures were not taken though the matter was persistently pointed out in the earlier Reports of the Examiner of Local Accounts on ULBs.

3.5 Outstanding water charges

As per Municipal law, it shall be the duty of every ULB to supply potable water for domestic use of inhabitants. The supply of water for domestic and non-domestic use may be charged at such rates as may be prescribed. Water charges ranging from ₹ 15 to ₹ 150 per month for supply of water to domestic and non-domestic consumers were to be fixed on the basis of property tax and ferrule²² size.

²² A device placed on a water pipe to allow fixed quantum of water to flow through it.

On test check, it was noticed that during 2013-14 out of 50 ULBs, only 22 ULBs furnished data regarding collection of water charges. Out of 22 ULBs, six ULBs²³ either did not impose or collect water charges, three ULBs²⁴ furnished only the amount collected and the other 13 ULBs collected ₹ 47.83 crore on this account against the total demand of ₹ 61.28 crore leaving an amount of ₹ 13.45 crore as outstanding (**Appendix – 15**).

Nine ULBs²⁵ did not furnish any reason for accumulation of arrears. Four ULBs²⁶ attributed the reasons to insufficiency of staff and discontinuation of collection of water charges.

3.6 Outstanding fee - ₹ 4.25 crore

In terms of section 118 of the West Bengal Municipal Act, 1993, certificate of enlistment for profession, trade and calling is issued annually on receipt of application fee.

In spite of the above provision for realisation of fee in advance, eight ULBs did not realise such fee amounting to ₹ 4.25 crore as of March 2013 (**Appendix – 16**).

In five ULBs²⁷, demand and collection register in respect of such fee was not maintained properly and so the outstanding amount of fee could not be quantified.

3.7 Rent / lease money not realized - ₹ 30.50 crore

In 35 ULBs, the arrears of rent / *salami* / lease money / parking fee from stalls, shops, market complexes, ferry services etc. stood at ₹ 30.50 crore as of March 2013 as detailed in **Appendix – 17**.

Delay in realisation of rent, *salami*, lease money, etc. reduced the revenue of these ULBs to that extent and thereby widened the resource gap.

In addition to this, three ULBs, viz., Dalkhola, Jangipur and Panihati irregularly reduced the outstanding market rent / *salami*/ lease money of ₹ 124.93 lakh, ₹ 4.06 lakh and ₹ 101.10 lakh respectively and Sainthia Municipality suffered a loss of ₹ 2.71 lakh due to non-revision of market rent.

Bankura Municipality did not maintain demand and collection register of market rent, due to which Audit could not ascertain the current collection and outstanding market rent.

²³ Bankura, Dalkhola, Memari, Nabadwip, Rishra and Taki.

²⁴ Hooghly-Chinsurah, Khardah and Rajpur-Sonarapur.

²⁵ Champdany, Chandernagore, Dubrajpur, Guskara, Jangipur, Kolkata, Maheshtala, Mathabhanga and Panihati.

²⁶ Bansberia, Diamond Harbour, Konnagar and North Dum Dum.

²⁷ Dainhat, Habra, Kamarhati, Kandi and Khirpai.

3.8 Loss of revenue of ₹ 17.90 lakh due to delay in revision of building plan sanction fee

Government of West Bengal enhanced the fee for sanction of building plans *vide* West Bengal Municipal (Building) Rules, 2007, effective from February 2007. As per said Rules, the rates for sanction of building plan are as under :

- 1.(a)(i) for building work up to 30 square metre of total covered area in all floors - ₹ 500.
- (ii) for every additional 10 square metre of covered area or part thereof beyond the first 30 square metre - ₹ 75.
- (b) The above rates shall be basic rates applicable to residential buildings for own use.
2. In case of business and mercantile buildings, six times of the basic rates shall be charged.

Test check of records revealed that due to non-collection of revised building plan sanction fees, six ULBs lost ₹ 17.90 lakh during 2007-13 as detailed below :

Table 3.4 : Loss of revenue due to delay in revision of building plan sanction fee

| Name of ULB | Period | Loss (₹ in lakh) |
|------------------|--------------------------|------------------|
| Dubrajpur | April 2007 to April 2013 | 4.00 |
| Kanchrapara | April 2010 to March 2012 | 2.08 |
| Mathabhanga | April 2008 to March 2013 | 3.13 |
| Nabadwip | April 2010 to March 2012 | 0.67 |
| Rajpur-Sonarapur | April 2011 to March 2012 | 2.16 |
| Tarakeswar | April 2009 to March 2012 | 5.86 |
| Total | | 17.90 |

(Source: Records of ULBs)

3.9 Collection of penalty for unauthorised construction

In terms of section 218 of the West Bengal Municipal Act, 1993, if the construction of any building has commenced without obtaining sanction or permission under the law or has been completed otherwise than in accordance with the particulars on which such sanction was based or in violation of any condition lawfully laid down or any alteration or addition completed in breach of any provision of the Municipal Act, the BoC may make an order directing such construction to be demolished or altered upon such order. It shall be the duty of the owner to cause such demolition or alteration to the satisfaction of the BoC. In default, such construction may be demolished or altered by the BoC at the expense of the said owner. Similar provision also exists²⁸ in the West Bengal Municipal Corporation Act, 2006. Thus, the Municipal Acts / Rules do not have any provision for regularisation of such unauthorised construction by imposition of fine / penalty.

²⁸ Here, Commissioner can give order for demolition or alteration.

Test check of records, however, revealed that an amount of ₹ 7.63 crore was collected by six ULBs (Table 3.5) by imposing fees / levy in the form of ‘Development Fee’ for regularising unauthorised constructions in violation of the said provision of the Act.

Table 3.5 : Details of unauthorised construction regularised

(₹ in lakh)

| Name of ULB | Year | No. of unauthorised constructions regularised | Amount of Development Fees / fine imposed | Amount of Development Fees / fine collected |
|---------------|---------|-----------------------------------------------|-------------------------------------------|---------------------------------------------|
| Bally | 2012-13 | 13 | 7.66 | 7.66 |
| Baranagar | 2011-12 | 15 | 23.55 | 13.69 |
| Bhadreshwar | 2012-13 | 24 | 1.30 | 1.30 |
| Durgapur | 2012-13 | 45 | 15.76 | 15.76 |
| Rishra | 2009-14 | 35 | 141.02 | 141.02 |
| South Dum Dum | 2011-12 | 206 | 584.00 | 584.00 |
| Total | | | | 763.43 |

(Source: Records of ULBs)

In four ULBs viz., Asansol, Champdany, Jangipur and Howrah, building rules were not followed properly. The imposition of ‘Development Fee’ was not approved by the State Government. The ULBs’ decision to regularise such illegal construction was not in consonance with the provision of the Act *ibid*.

3.10 Conclusion

Taxes, rents and charges for service are the main source of municipal fund which ensures delivery of services to tax payers. Lack of monitoring over collection of property tax, water charges, fees and other charges causing accumulation of dues, adversely affected the capacity of ULBs to provide services to their tax payers. The ULBs’ decision to regularise illegal construction was not in consonance with the provisions of the Act.

Arbitrary remission / under-assessment of taxes, inadequate supervision and monitoring have reduced mobilisation of own sources of revenue.

3.11 Recommendations

- Timely revision of annual valuation of property may be carried out as per the provisions of the Act.
- Identification of property used for non-residential purpose and imposition of applicable rates and surcharges as envisaged in the Act, may be done.
- Collection of various statutory charges as envisaged in the Act needs to be ensured.

CHAPTER IV

ESTABLISHMENT

CHAPTER IV

ESTABLISHMENT

Each ULB has its own municipal establishment for smooth functioning of day to day activities. The Board of Councillors of a ULB, under section 53 of the West Bengal Municipal Act, 1993, with prior approval of the State Government, may create posts of officers and other employees and fix the salary and allowances to be paid out of the municipal fund. The ULB, under section 56(2) of the West Bengal Municipal Act, 1993, may also provide for pension, gratuity, incentive, bonus and reward for its employees as per their entitlement. Test check of records of 50 ULBs revealed several irregularities which are discussed in the succeeding paragraphs.

4.1 Appointment of staff in excess of sanctioned strength resulting in excess expenditure of ₹ 24.23 crore

As per provision of section 53 of the West Bengal Municipal Act, 1993, State Government has the power to fix norms regulating the size of the municipal establishment for each municipality. Further, Government instructed (September 2000) that no municipality can appoint any employee to any post without the prior approval of the Government. Moreover, no expenditure can be made for any irregularly appointed employee or casual worker irrespective of the period of engagement, from the municipal fund.

In violation of the provision, four ULBs engaged a large number of casual workers and spent ₹ 24.23 crore during the period 2009-13 on wages, as shown below :

Table 4.1: Excess expenditure on wages

| Name of ULB | Year | Sanctioned Strength | Men in Position | Vacancy | No. of casual workers engaged | Expenditure incurred (₹ in lakh) |
|---------------|---------|---------------------|-----------------|---------|-------------------------------|----------------------------------|
| Bankura | 2010-11 | 549 | 351 | 198 | 231 | 90.65 |
| | 2011-12 | 549 | 357 | 192 | 231 | 104.14 |
| Bidhannagar | 2011-12 | 422 | 88 | 334 | 881 | 408.52 |
| | 2012-13 | 422 | 83 | 339 | 923 | 520.85 |
| South Dum Dum | 2009-10 | 697 | 369 | 328 | 662 | 324.11 |
| | 2010-11 | 697 | 352 | 345 | 662-775 | 406.87 |
| | 2011-12 | 697 | 329 | 368 | 775-783 | 484.00 |
| Taki | 2009-10 | 76 | 53 | 23 | 46-94 | 27.90 |
| | 2010-11 | 76 | 51 | 25 | 94 | 27.90 |
| | 2011-12 | 76 | 51 | 25 | 94 | 27.90 |
| Total | | | | | | 2,422.84 |

These casual employees were engaged in excess of the sanctioned strength of the respective ULBs without taking the approval of the State Government.

4.2 Accumulation of outstanding liability of ₹ 5.45 crore towards pension and gratuity

As per Government circular issued in September 1986 and reiterated in April 2008, municipalities should create 'Special Fund' for payment of retirement / terminal benefits.

Test check of records revealed that eight ULBs did not comply with the Government circular and could not pay the dues to the retired personnel. This resulted in accumulation of outstanding liability amounting to ₹ 5.45 crore as of March 2013 as shown below.

Table 4.2 : Outstanding liability towards pension and gratuity

| Name of ULB | As of | Liability on account of | Amount of liability (₹ in lakh) |
|--------------|------------|-------------------------|---------------------------------|
| Dubrajpur | March 2013 | Pension and Gratuity | 6.50 |
| Jangipur | March 2013 | Pension and Gratuity | 11.47 |
| Kandi | March 2013 | Pension | 9.70 |
| Mathabhanga | March 2013 | Pension and Gratuity | 11.62 |
| Ranaghat | March 2013 | Gratuity | 102.20 |
| Rishra | March 2013 | Pension and Gratuity | 291.30 |
| Suri | March 2013 | Pension and Gratuity | 79.04 |
| Tarakeswar | March 2013 | Pension and Gratuity | 32.87 |
| Total | | | 544.70 |

Thus, the above ULBs failed to discharge their obligatory responsibility and deprived the retired employees of their legitimate dues by not creating a 'Special Fund' for enabling timely disbursement of dues.

4.3 Liability towards outstanding water charges

Some ULBs, which did not have adequate water to cater the need of general public, resorted to procurement of water from other Government agencies. It was noticed in Audit that Konnagar Municipality procured water from Kolkata Metropolitan Water & Sanitation Authority (KMWSA) but did not pay water charges amounting to ₹ 16.34 crore till December 2012.

4.4 Irregularities in payment of electricity charges

Nine ULBs did not pay electricity charges amounting to ₹ 17.44 crore till the close of year 2013, though adequate funds were available in some of these ULBs, which created avoidable additional burden on account of surcharge/penalty, as shown below.

Table 4.3 : Outstanding liability towards electricity bill

| Sl. No. | Name of ULB | As of | Amount of liability (₹ in lakh) |
|--------------|--------------------|----------------|---------------------------------|
| 1. | Dainhat | August 2013 | 13.32 |
| 2. | Guskara | March 2013 | 23.45 |
| 3. | Habra | September 2013 | 185.12 |
| 4. | Hooghly- Chinsurah | March 2012 | 974.85 |
| 5. | Kanchrapara | February 2013 | 75.86 |
| 6. | Ranaghat | March 2013 | 242.98 |
| 7. | Rishra | March 2013 | 115.44 |
| 8. | Sainthia | March 2013 | 38.94 |
| 9. | Tarakeswar | November 2012 | 74.13 |
| Total | | | 1,744.09 |

Outstanding liability of Guskara Municipality (Sl. No. 2) included ₹ 1.19 lakh towards late payment surcharge till November 2012.

Pujali Municipality failed to avail the facility of rebate on electricity bill (allowed in case of timely payment) which resulted in avoidable expenditure of ₹ 0.18 lakh during March 2010 to February 2013.

4.5 Conclusion

Expenditure by four ULBs on engagement of staff in excess of sanctioned strength indicated laxity in management of human resources. Irregular expenditure on establishment out of municipal fund deprived the tax payers from getting obligatory and discretionary services. Eight ULBs neither created 'Special Fund' nor contributed to the fund for payment of terminal benefits to retired personnel. Non-compliance with the Government circulars had adverse implication on the assured social security of employees.

One ULB had a liability towards outstanding water supply bill while nine ULBs did not pay their electricity bills in time.

4.6 Recommendations

- Workload and existing manpower needs to be reviewed both by ULBs and the State Government after rationalising sanctioned strength of functionaries with reference to actual workload.
- Provisions regarding maintenance of 'Special Fund' for terminal benefits of the retired local-self-government personnel may be strictly adhered to so that the delay in payment of retirement benefits can be avoided.

CHAPTER V

MATERIAL MANAGEMENT AND EXECUTION OF WORKS

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MATERIAL MANAGEMENT AND EXECUTION OF WORKS

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

Irregularities noticed during the test check of 50 ULBs are enumerated below.

5.1 Tender procedures not followed

In terms of Rule 158 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, open competitive tenders shall be called for from the public whenever the estimated cost of general works exceeds the financial limit of ₹ five lakh (other than plumbing and electrical works).

As per State Government notification No. 5400-F(Y), dated 25 June 2012, it was mandatory to publish NIT²⁹ of all purchases / works valued above ₹ one lakh in newspaper and for tender valued ₹ 50 lakh and above, in the centralised e-tender portal in addition to publication in print media.

Irregularities noticed in tender procedure in test check of seven ULBs involving an amount of ₹ 36.36 crore are given below.

Table 5.1

| Name of ULB | Name of the work | Amount of work/material (₹ in lakh) | Irregularity |
|-------------|-------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Birnagar | Laying of DI pipes | 137.68 | Municipality procured DI pipes worth ₹ 137.68 lakh but avoided the e-tender procedure by splitting the original work into separate works (keeping each below ₹ 50 lakh). |
| Habra | Procurement of Compact Fluorescent Lamps (CFLs) | 13.23 | The CFLs amounting to ₹ 13.23 lakh were purchased from a single supplier without inviting open tender. |
| | Construction of Hawkers Market | 167.96 | The initial project cost was ₹ 116.92 lakh and work was awarded to an agency. Further, it was revised to ₹ 167.96 lakh but no fresh tender was floated for the additional work amounting to ₹ 51.04 lakh. |
| Kalna | Purchase of cement, bricks, stone, sand, etc. | 15.47 | Municipality procured materials for building works aggregating ₹ 15.47 lakh without inviting tender. |

²⁹ NIT- Notice Inviting Tender.

| Name of ULB | Name of the work | Amount of work/material (₹ in lakh) | Irregularity |
|-----------------|-----------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Konnagar | Procurement of medicine | 7.73 | The medicines were purchased for the <i>Matri Sadan</i> Hospital from one supplier without inviting open tender. |
| Rajpur-Sonarpur | Construction of Dwelling Units (DUs) under BSUP | 3,090.00 | Three NITs of ₹ 360 lakh for 300 DUs, ₹ 1,200 lakh for 1,000 DUs and ₹ 1,530 lakh for 900 DUs were invited during 2008-10 but the lowest bidder was not allocated with the work. Instead, the works were distributed among the different bidders. |
| South Dum Dum | Sale of Scrap | 52.75 | Instead of finalising the rates for each type of scrap separately based on the highest price quoted by different bidders, the authority decided to sell all the materials in one lot. Had the authority sold the separate material to respective highest bidders, Municipality would have the opportunity to get ₹ 69.22 lakh instead of ₹ 52.75 lakh. |
| Taki | Construction of common shelter for the old | 19.00 | All works were more than ₹ 10 lakh but NIT was not published in any newspaper. |
| | Construction of approach road to old age home | 22.99 | |
| | Construction of common shelter for the old | 49.65 | |
| | Observation point along the river embankment with protection work for security purpose. | 34.65 | |
| | Construction of community centre | 25.01 | |
| Total | | 3,636.12 | |

5.2 Irregular expenditure on works

As per section 73A of the West Bengal Municipal Act, 1993, if the estimated cost of work or purchase of materials exceeds ₹ 25 lakh, then approval of the State Government should be obtained. Audit scrutiny revealed the following irregularities.

Table 5.2

| Name of ULB | Name of the work | Amount of work (₹ in lakh) | Irregularity |
|--------------|-------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Haldia | Building work | 1,473.00 | Municipality started eight nos. of development work during 2009-11 aggregating an amount of ₹ 14.73 crore and the estimate of each work was more than ₹ 25 lakh. But the approval of the State Government was not obtained. |
| Mathabhanga | Construction of Black Top Road | 178.51 | Municipality was required to construct 13,650 square metre of new black top road with an estimated cost of ₹ 99.56 lakh but it repaired another 23,770 square metre black top road at the cost of ₹ 178.51 lakh without approval of the State Government. |
| Panihati | Installation of distribution line for water supply | 218.88 | DPR was approved for 'installation of distribution line for water supply' by laying of 100 mm dia CI pipe. But the Municipality used 34,902.50 metre DI pipe valuing ₹ 218.88 lakh in violation of the approved DPR. |
| Taki | Observation point tower for embankment protection and first floor of building at <i>Bidhan Saikat</i> | 25.77 | Estimate of the work was more than ₹ 25 lakh. But, the Municipality did not take approval from the State Government before execution. |
| Total | | 1,896.16 | |

5.3 Incomplete works

Works were started without assessing the availability of fund or the available fund was exhausted before completion of work resulting in works remaining incomplete for years as detailed in Table 5.3.

Table 5.3 : Details of incomplete works

| Name of ULB | Brief description of work | Date of Commencement | Expenditure (₹ in lakh) | Present status |
|--------------|--------------------------------------|----------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Kanchrapara | Construction of Central Bus Terminus | 05.02.2010 | 29.71 | The estimated cost of the project was ₹ 38.92 lakh. But after incurring an expenditure of ₹ 29.71 lakh, work was abandoned due to non-availability of funds. |
| Taherpur | Construction of community centre | 2008-09 | 80.54 | Remained incomplete after March 2013, due to escalation of prices of materials, etc. |
| Total | | | 110.25 | |

These indicated lack of planning before commencement of works.

5.4 Procured items / completed works were not utilised properly

Four ULBs spent ₹ 72.95 lakh on development works / procurement of goods for various welfare purposes. Test check of records revealed that following works were completed / materials were procured (Table 5.4) by the ULBs but remained unutilised for years making the expenditure unproductive.

Table 5.4

| Name of ULB | Brief of works / equipment | Expenditure (₹ in lakh) | Brief description |
|---------------|----------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mathabhanga | DI pipe | 15.87 | Municipality procured 2,489 metre of 100 mm dia DI pipe worth ₹ 15.87 lakh in October 2007 for implementation of water supply project but the stock remained unutilised for more than five years. |
| Nabadwip | Collection bin / bucket | 24.88 | Municipality procured 1,14,768 nos. of buckets/bins against the total requirement of 65,000 buckets/bins. Thus, 49,768 nos. of buckets/bins were procured in excess and the Municipality also incurred wasteful expenditure of ₹ 24.88 lakh (49,768 x ₹ 50). |
| Sainthia | Office building | 18.10 | An additional office building was constructed at a cost of ₹ 18.10 lakh in January 2010 but could not be put to use till April 2013. |
| South Dum Dum | Garbage container | 14.10 | Municipality procured 47 nos. of garbage containers worth ₹ 14.10 lakh before May 2010 but could not be used till February 2013. |
| Total | | 72.95 | |

5.5 Excess payment /procurement / issuance of material

Ten ULBs paid an excess amount of ₹ 47.37 lakh to contractors / suppliers during 2010-13 as shown in Table 5.5 :

Table 5.5 : Details of excess payment / undue benefit to contractor / supplier

| Name of ULB | Brief of works | Extra Payment (₹ in lakh) | Remarks |
|-------------|---------------------------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bally | Construction of bituminous road | 2.47 | Excess payment of ₹ 2.47 lakh was made to contractor by allowing higher rate for bituminous work than the rate prescribed in Schedule of Rates of Public Works (Roads). |
| Bankura | Reconstruction of pucca surface drain | 0.31 | Excess payment of ₹ 0.31 lakh was made to contractor by allowing higher rate than the agreed one. |
| Bhadreshwar | Construction of bituminous road | 0.11 | Excess payment of ₹ 0.11 lakh was made to contractor by allowing higher rate for sand than the rate prescribed in Schedule of Rates of Public Works (Roads). |
| Birnagar | Construction / repairing of | 0.81 | Municipality recovered the hire charges of road roller from contractor at the rate of ₹ 700 per day instead of |

| | | | |
|---------------|---------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | bituminous road | | ₹ 1,150 per day for 180 days, resulting in less recovery of ₹ 0.81 lakh. Municipality accepted the audit observation and assured that the same amount would be recovered from the contractor. |
| Habra | Water Supply Project | 0.71 | Municipality procured 17,011.50 metre of DI pipes instead of 16,912 metre of DI pipes as sanctioned in the DPR and distributed it to the contractors. Thus, the Municipality supplied excess DI pipes measuring 99.50 metre worth ₹ 0.71 lakh (99.50 x ₹ 718) to the contractors. |
| Haldia | Building works | 33.61 | Haldia Municipality allowed 10 per cent 'extra' over detailed estimate in respect of eight nos. of work involving ₹ 14.73 crore. This was in contravention of the PWD Building Schedule of Rates where five per cent of 'extra' over detailed estimate was allowed. The total amount of 'extra' erroneous estimate was for ₹ 60.15 lakh, of which ₹ 33.61 lakh was paid to the contractor for completed part of work. |
| Jangipur | Construction / repairing of bituminous road | 1.61 | Municipality recovered hire charge of road roller from contractor at the rate of ₹ 610 per day instead of ₹ 1,150 per day for 298 days, resulting in less recovery of ₹ 1.61 lakh. Municipality accepted the audit observation and assured that the same amount would be recovered from the contractor. |
| Kamarhati | Bituminous works | 3.22 | In rate analysis of bitumen and bitumen emulsion, the Municipality calculated carriage cost taking into consideration the distance between Uluberia and Kamarhati as 60 km. But the actual distance is 43 km. Thus, the Municipality made excess payment of ₹ 3.22 lakh. |
| Kolkata | Transportation of garbage | 1.69 | Municipal Corporation made overpayment of ₹ 1.69 lakh to a contractor for the transportation and disposal of garbage due to considering unit as 'MT' in place of 'kg' in the bill. |
| North Dum Dum | Pipeline work | 2.83 | Municipality recovered from contractor an amount of ₹ 66.35 lakh instead of ₹ 69.18 lakh for CI pipe. Thus, an excess payment of ₹ 2.83 lakh was made to contractor. Municipality admitted the overpayment and assured of the recovery. |
| Total | | 47.37 | |

Recovery of excess payment from contractors by the above ULBs had not been intimated to Audit till date. However, in case of Baranagar Municipality an excess amount of ₹ 0.30 lakh paid to carriage contractor engaged for collection of garbage, was recovered after being pointed out by Audit.

5.6 Payment without measurement

In terms of Rule 152(b) of West Bengal Municipal (Finance and Accounting) Rules, 1999 read with West Bengal Financial Rules (Volume-I), before all payments for works executed or supplies received, detailed measurement of the work in the measurement book is to be checked by the municipal authority but, three ULBs³⁰ made payment of ₹ 2.46 crore to the contractors / agency without detailed measurement.

5.7 Conclusion

Procurement of material without observing tender procedure and execution of works without approval of Government indicated violation of norms and lack of transparency. Non-completion of works within the stipulated date and non-utilisation of completed works / procured items blocked public funds and caused delay in providing intended services to the beneficiaries. Procurement of materials in excess of requirement and payment made to contractors over and above the admissible amount were indicative of absence of internal control in the ULBs.

5.8 Recommendations

- Assets may be put to use immediately on completion of works to deliver the intended benefits at the earliest.
- Internal control needs to be strengthened for ensuring issue of material as per requirement and regulating payments as per the applicable rates.

³⁰ Bally (₹ 163.62 lakh), Habra (₹ 61.91 lakh) and South Dum Dum (₹ 20 lakh).

CHAPTER VI

IMPLEMENTATION OF SCHEMES

CHAPTER VI

IMPLEMENTATION OF SCHEMES

Urban Local Bodies implement various Central and State sponsored schemes. Test check of records relating to implementation of Mid-day Meal Scheme in 50 ULBs audited during the year revealed non-compliance with the guidelines during implementation of the scheme as discussed in the succeeding paragraphs.

6.1 Mid-day Meal Scheme

The National Programme of Nutritional Support to Primary Education, popularly known as Mid-day Meal (MDM) Scheme was launched on 15 August 1995 to cover all the students of primary classes. The Programme is intended to give a boost to universalisation of primary education, by increasing enrolment, retention and attendance and simultaneously impacting on nutrition of students in primary classes. Government of India assists ULBs by providing food grains and reimbursing the actual cost incurred on transportation, cooking cost, assistance to construct kitchen-cum-store, assistance for provisioning and replacement of kitchen devices and assistance for management, monitoring and evaluation. Shortcomings noticed in various ULBs are detailed below.

6.1.1 Scheme not implemented

Test check of records revealed that seven ULBs failed to implement the scheme in 155 schools as detailed below.

Table 6.1

| Name of ULB | No. of schools in the municipal area selected for MDM implementation | No. of schools in which MDM not implemented | Percentage of non-implementation | Up to |
|-----------------|----------------------------------------------------------------------|---------------------------------------------|----------------------------------|---------------|
| Bally | 78 | 28 | 36 | March 2013 |
| Durgapur | 223 | 7 | 3 | March 2013 |
| Jangipur | 8 | 2 | 25 | March 2013 |
| Kamarhati | 87 | 9 | 10 | February 2013 |
| North Dum Dum | 29 | 16 | 55 | March 2012 |
| Panihati | 116 | 53 | 46 | March 2012 |
| Rajpur-Sonarpur | 115 | 40 | 35 | March 2013 |
| Total | 656 | 155 | 24 | |

The range of non-implementation of the scheme varied between 3 and 55 *per cent*. Thus, students of these schools were deprived of availing the benefits of the scheme.

6.1.2 Stock Register of rice not maintained

Nine ULBs *viz.* Dainhat, Hooghly-Chinsurah, Jhargram, Kamarhati, Kandi, Kharar, Khirpai, Konnagar and Rishra did not maintain Stock Registers in proper manner, due to which stock on a particular date was not ascertainable. Kamarhati

Municipality did not reconcile the stock register with actual receipt and distribution *challans*.

6.1.3 Non-verification of stock of rice

In twelve ULBs viz. Bansberia, Dainhat, Durgapur, Jhargram, Kandi, Khirpai, Konnagar, North Dum Dum, Panihati, Pujali, Ranaghat and Tarakeswar, physical verification of stock of rice was not conducted regularly by the municipal authority. Therefore, actual quality and quantity of rice could not be confirmed.

6.1.4 Shortage of rice

There were shortages of 16.53 and 50.80 quintals of rice in Haldia and Kharar Municipalities respectively.

In North Dum Dum Municipality, there was a difference of 73.50 quintals in issue of rice as per the Stock Register with that of the acknowledgements furnished by the schools.

6.1.5 Damage of rice

Five ULBs reported that 862.44 quintals of rice valuing ₹ 13.32 lakh were damaged in the godowns up to March 2012 / March 2013, as shown in **Table 6.2**. Thus, the concerned beneficiaries were deprived of the intended benefit.

Table 6.2

| Name of ULB | Period | Quantity of rice damaged (in quintals) | Value of damaged rice calculated at the rate of ₹ 1,545 per quintal (₹ in lakh) |
|--------------|------------|----------------------------------------|---------------------------------------------------------------------------------|
| Dainhat | March 2013 | 97.50 | 1.51 |
| Durgapur | March 2013 | 177.41 | 2.74 |
| Garulia | March 2013 | 86.00 | 1.33 |
| Kanchrapara | March 2012 | 1.53 | 0.02 |
| Tarakeswar | March 2013 | 500.00 | 7.72 |
| Total | | 862.44 | 13.32 |

6.1.6 Utilisation of cash component for other purposes

In Garulia Municipality, an amount of ₹ 27.61 lakh was unauthorisedly used for payment of electricity bill, salary and wages, etc. However, the Municipality decided (January 2013) to recoup an amount of ₹ 0.40 lakh per month to the MDM account.

In Jhargram Municipality, an amount of ₹ 9 lakh sanctioned for the purpose of MDM, was irregularly diverted to the IHSDP head.

6.1.7 Excess payment of conversion cost to schools

Conversion cost is the amount required to convert 100 /150 gram of rice to one meal. Conversion cost should be released in accordance with the quantity of rice

issued. However, five ULBs³¹ released ₹ 382.52 lakh excess conversion cost to schools as compared to the quantity of rice.

Under North Dum Dum Municipality, 13 schools utilised ₹ 3.69 lakh excess conversion cost as compared to actual consumption of rice.

6.1.8 Utilisation certificate

Under ULBs, like Dainhat and Taherpur, many schools did not furnish utilisation certificates regularly either for rice component or cash component or for both. Haldia Municipality did not furnish utilisation certificates to the Government regularly. In Jhargram Municipality, utilisation certificates furnished by the schools were not in proper format and contained inadequate information.

6.2 Conclusion

Non-compliance of the Government guidelines resulted in non-achievement of the objectives of the scheme and deprived school children of the intended benefits of the scheme.

6.3 Recommendation

- Adequate controls need to be put in place to check excess release of food grains / cash component for prevention of damage of rice / misuse of fund.

³¹ Asansol (₹ 28.65 lakh during 2012-13), Bhadreswar (₹ 332.01 lakh during 2011-13), Champdany (₹ 6.99 lakh during 2011-13), Memari (₹ 11.08 lakh during 2011-12) and Rajpur-Sonarpur (₹ 3.79 lakh during 2012-13).

CHAPTER VII

PERFORMANCE AUDIT

CHAPTER VII

PERFORMANCE AUDIT

7.1 Working of Siliguri Municipal Corporation

HIGHLIGHTS

The Commercial Complex (at Ward No. 42) constructed after incurring an expenditure of ₹ 1.98 crore was lying idle which resulted in blockade of public fund.

[Paragraph 7.7.1]

The Municipal Corporation could not realise minimum sale proceeds amounting to ₹ 1.66 crore from a large number of shops / stalls (pertaining to its own portion) at *Haiderpara* Market Complex.

[Paragraph 7.7.2]

Due to non-revision of water charges for long, the Municipal Corporation had to incur an excess maintenance cost of ₹ 11.60 crore over the actual revenue realised during the period 2008-13.

[Paragraph 7.8.1.2]

Against the Notice Inviting Quotation issued in September 2010, the Municipal Corporation executed water supply works and purchased materials (aggregating ₹ 1.97 crore as of February 2014) without obtaining the approval of the State Government.

[Paragraph 7.8.1.3]

The Municipal Corporation had dumping ground / landfill site for disposal of wastes at *Dabgram Mouza*, for which authorisation from the West Bengal Pollution Control Board was not found on record.

[Paragraph 7.8.2.1]

Solid Waste Management Committees under the Municipal Corporation collected an amount of ₹ 3.01 crore from 43 Wards, during the period 2006-13. The said Committees directly incurred an expenditure of ₹ 2.74 crore on account of payment of wages to labourers / collectors / supervisors, miscellaneous purposes, etc. leaving an unspent balance of ₹ 0.18 crore and investment of ₹ 0.09 crore as of 31 March 2013. The entire collection, expenditure and investment were kept outside the main accounts of the Municipal Corporation in violation of prescribed Rules.

[Paragraph 7.8.2.3]

There was a difference of ₹ 2.52 crore (as of 31 March 2013) in actual closing balance with that of the corresponding figure(s) shown in Monthly Progress Report relating to Integrated Housing and Slum Development Programme.

[Paragraph 7.9.1.1]

SMC did not collect cess from individuals / builders during the period 2008-13.

[Paragraph 7.11.1]

7.1 Introduction

Siliguri Municipal Corporation (SMC) was established in the year 1994. Spread over an area of 41.90 sqkm, SMC had a population of 5.13 lakh as per Census 2011. The Municipal Corporation comprises of 47 wards grouped in five boroughs and has 0.96 lakh holdings including commercial holdings and markets. In addition to the obligatory duties and responsibilities as defined in West Bengal Municipal Corporation (WBMC) Act, 2006³², the Municipal Corporation is responsible for providing better conditions of habitation including supply of quality water, maintenance of roads and drains, conservancy works, construction and maintenance of sewerage works as well as implementation of various schemes, projects and programmes aided by both the Union Government and State Government.

7.2 Organisational structure

Municipal authorities include Board of Councillors, Mayor-in-Council and the Mayor. Commissioner is the principal Executive Officer of the Corporation. The Commissioner, Secretary to the Board of Councillors and other officials are appointed by the Department of Municipal Affairs of the State Government in consultation with the Mayor-in-Council / Board of Councillors.

7.3 Audit objectives

The objectives of audit were to examine whether :

- management of resources including assessment, demand and collection of various receipts were transparent, efficient and prudent;
- service delivery mechanisms were efficient, economical and effective;
- Government schemes were implemented with due adherence to respective guidelines; and
- internal controls were effective.

7.4 Scope and coverage of Audit

Activities of SMC covering the period 2008-13 with regard to resource mobilisation, service providing mechanism, internal controls, etc. were selected for performance audit between January and July 2014. An Entry Conference was held on 28 May 2014. Subsequently, an Exit Conference was held on 2 February 2015 with the Finance Officer of SMC in presence of the Special Secretary to the Government of West Bengal, Department of Municipal Affairs. In the Exit Conference audit findings, conclusion, etc. were discussed.

7.5 Audit criteria

Criteria for evaluation were mainly sourced from -

- SMC Act, 1990 and WBMC Act, 2006;
- West Bengal Municipal (Finance and Accounting) Rules, 1999;

³² Published in the *Kolkata Gazette, Extraordinary*, Part III, dated 29th May 2008, *vide* Notification No. 957-L., dated 29.05.2008.

- West Bengal Financial Rules, Volume I;
- Resolutions taken in Board of Councillors (BoC) / Mayor-in-Council (MIC) meetings;
- Guidelines of respective Schemes, Detailed Project Reports of Schemes;
- Other rules / regulations / resolutions / norms / laid down procedures concerning activities of the Municipal Corporation, etc.

7.6 Resource mobilisation

7.6.1 Lack of efforts in collection of outstanding property tax

Section 161 (1) of the WBMC Act, 2006, states that if any person defaults in paying the property tax within thirty days of the amount becoming due, the dues along with all costs, interest and penalty can be recovered by the Corporation after issuing appropriate warrant from the sale of the property, or by attachment and sale of the property in question.

The status of demand and collection of property tax during the period 2008-13 in respect of SMC is given below.

Table 7.1 : Status of demand and collection of property tax during the period 2008-13

| Year | Demand | | | Actual Realisation | | | Closing Balance | | | Percentage of collection |
|---------|-------------|---------|--------|--------------------|---------|--------|-----------------|---------|--------|--------------------------|
| | Arrear | Current | Total | Arrear | Current | Total | Arrear | Current | Total | |
| | (₹ in lakh) | | | | | | | | | |
| 2008-09 | 404.54 | 359.72 | 764.26 | 99.75 | 243.86 | 343.61 | 304.79 | 115.86 | 420.65 | 45 |
| 2009-10 | 420.65 | 345.72 | 766.37 | 78.80 | 243.82 | 322.62 | 341.85 | 101.90 | 443.75 | 42 |
| 2010-11 | 443.75 | 355.27 | 799.02 | 100.08 | 263.28 | 363.36 | 343.67 | 91.99 | 435.66 | 45 |
| 2011-12 | 435.66 | 397.67 | 833.33 | 112.18 | 307.34 | 419.52 | 323.48 | 90.33 | 413.81 | 50 |
| 2012-13 | 413.81 | 428.70 | 842.51 | 154.85 | 312.20 | 467.05 | 258.96 | 116.50 | 375.46 | 55 |

Source : Data furnished by SMC.

From the above **Table** it would be evident that the collection of property tax was only between 42 and 55 *per cent* during the period covered by Audit. No Warrant Register was maintained till 2010-11; after that it was maintained only for a year (2011-12) and 17 warrants were issued during that year. The register was discontinued after a year. Thus Audit could not ascertain whether SMC made consistent efforts for collection of outstanding property tax. SMC only stated (January 2015) that percentage of property tax collection increased ‘consecutively per year’ which could have been a normal increase as per the trends.

Audit noticed that SMC did not maintain the basic records like Assessment Register where regular, revised and new demands are recorded, Remission Register which records every remission of taxes, surcharge, fees or tolls sanctioned under the Act, Register of Remission Order that records the details of remission cases or the Register that records details in respect of a defaulter, his properties and due amounts. Non-maintenance of basic records indicated lack of seriousness in enforcing taxation, apart from laxity of internal controls in the system. SMC accepted (January 2015) the Audit observation.

7.6.2 Lack of efforts in collection of advertisement tax, etc.

As per section 143 of the WBMC Act, 2006, the Commissioner shall grant licence for use of site for the purpose of advertisement. The licence for use of site for the purpose of advertisement or its renewal is to be issued annually in prescribed form in terms of the Rule 87 of the West Bengal Municipal (Finance and Accounting) Rules, 1999. Scrutiny of records revealed that SMC did not issue licence for use of site for the purpose of advertisement during the period 2008-13 while allowing for hoarding / advertisements to be displayed and collecting advertisement taxes thereon. As a result, SMC failed to check the contravention of law (if any) and generate revenue on account of license fee.

Besides, SMC was required to maintain a register in relation to advertisement tax in terms of Rule 91 of the Rules, but no such register was being maintained for the period 2008-13. In absence of Register, the details of advertisement tax could not be checked and verified in Audit. Besides, the Receipt Form used for advertisement tax was not in conformity with the form prescribed under the said Rules. In the Receipt Form used by SMC, there was no segregation of arrear and current collection. Had it been maintained in prescribed form arrear and current collection could have been easily segregated. Scrutiny of records further revealed that SMC conducted a survey / enquiry on unauthorised hoarding / advertisement in the municipal corporation area only in one year 2009-10 and subsequently issued notice to the defaulters to remove such illegal hoardings / advertisements, after which the advertisement tax collections increased substantially, as seen from the **Table** below. Since the effort could not be sustained, the collections have been falling again.

Table 7.2 : Status of collection of advertisement tax during 2008-13

| Year | Advertisement Tax collected (₹ in lakh) |
|---------|--------------------------------------------|
| 2008-09 | 60.17 |
| 2009-10 | 34.76 |
| 2010-11 | 87.66 |
| 2011-12 | 76.04 |
| 2012-13 | 49.74 |

Source : Data furnished by SMC.

SMC stated (February 2014) that the matter regarding 'license for advertisement' would be placed before the higher Authority 'for decision'. It further assured that the requisite register for advertisement would be 'maintained' and necessary action would be initiated through field 'survey / enquiry' from the financial year 2013-14.

7.6.3 Poor monitoring of enlistment of profession, trade and calling

In terms of the section 141 of the WBMC Act, 2006, every person engaged, or intending to be engaged, in any of the professions, trades and callings, is required to obtain a certificate of enlistment and get the same renewed annually from the Commissioner upon presentation of an application together with the application fee determined by the Corporation. The Register of Certificate of Enlistment is required

to be maintained in accordance with Rule 83 of the West Bengal Municipal (Finance and Accounting) Rules, 1999. Audit found that the Register was not being maintained by the Corporation. In absence of the Register, issue of certificate and renewal thereof was not monitored by SMC. This indicated lack of internal control in the system. Also, SMC was losing the application fee.

7.7 Management of remunerative assets and other properties

7.7.1 Non-utilisation of Commercial Complex (at Ward No. 42) resulted in loss of revenue and blockage of fund

SMC undertook the construction of a Commercial Complex with 114 shops and a Community Hall on their own land under Integrated Development of Small and Medium Towns (IDSMT) Scheme in February 2004 at an estimated cost of ₹ 2.67 crore (at Ward No. 42). The work commenced on 26 May 2004 and was completed on 12 June 2006 at an actual cost of ₹ 1.98 crore.

However, scrutiny of records revealed that major portion of work like plastering of internal / external walls, flooring works at both the floors, doors etc. had remained incomplete. SMC informed (January 2015) that 10 supplementary item of works were executed (like additional earthwork, etc.) which were not contemplated in the original estimates, because of which no funds were left for the above stipulated items of work. These remained unattended since June 2006 and the SMC did not take any initiative to complete these works in order to make it viable for commercial use. It requested for permission of the State Government in February 2007 for outright sale of stalls / shops and open space in the said commercial complex, which was still awaited but there was no follow up. As a result the Commercial Complex had remained idle till date.



Status of the Commercial Complex at Ward No. 42 (as on 19 February 2014)

In the project report it was stipulated that after completion of the project it would ‘fetch a premium’ of ₹ 502.35 lakh and ‘annual rent’ of ₹ 14.03 lakh from the rent payers. The ‘cost-benefit analysis’ also indicated that the project would ‘fetch a net benefit of ₹ 130.18 lakh after 7 years’ which would make the project financially viable. But due to faulty estimates, and lack of follow-up efforts and initiative on the part of SMC, the asset created after incurring an expenditure of ₹ 1.98 crore was lying idle which resulted in blockade of public funds.

7.7.2 Construction of *Haiderpara* Market Complex without assessing its commercial viability resulted in huge loss of revenue, etc.

SMC constructed a market complex (G+3 structure) at *Haiderpara* in 2005-06 on municipal land measuring 43 *kottahs* (0.71 acre) with the help of a developer on joint venture basis. The total cost of the joint venture project was ₹ 4.43 crore of which SMC only provided the land (Cost: ₹ 0.90 crore), and the expenditure for civil and electrical works amounting to ₹ 3.53 crore was incurred by the developer. As per agreement with the developer, SMC was entitled to get the ownership of 30 *per cent* or 96 of the total 320 stalls constructed in the complex. It was also entitled to collect rent in respect of all the stalls once these are in use.

Audit noticed that the SMC floated tender notices during three occasions on 6 December 2003, 8 January 2004 and 6 January 2005 respectively for allotment of shops / stalls under its own share, but could sell only eight shops at the total cost of ₹ 30.83 lakh because of lack of demand. SMC did not take any further initiative to sell the remaining 88 shops / stalls.



Status of the *Haiderpara* Market Complex (as on 21 February 2014)

Further, it was also noticed that the developer could sell out only 28 shops / stalls (out of his total share of 224). It was seen by Audit that commercial activities were yet to gather momentum in the area, which was the reason for low demand. SMC did not conduct proper survey before commencing the project to assess its commercial viability. As a result, it could not realise minimum sale proceeds from the remaining shops / stalls (pertaining to its portion) amounting to ₹ 1.66 crore calculated at the minimum base rate of January 2005 when the last tender notice was floated by it.

7.8 Service Delivery

7.8.1 Water supply

Section 176 (1) of the West Bengal Municipal Corporation Act, 2006, states that it shall be the duty of every Corporation to supply water for the domestic use of inhabitants.

7.8.1.1 Shortfall in generation of water and non-completion of ongoing water supply project

The total population of SMC area was 5,13,264 as per Census 2011. Hence, as per norms actual requirement of water in the Corporation area would be 69.29 MLD³³. Compared to the existing capacity of 55.02 MLD (March 2013) as intimated by the SMC, the actual supply of water by SMC was only 35.93 MLD. Thus, there remained a shortfall of 33.36 MLD (48 *per cent*) against the actual requirement of 69.29 MLD. In order to meet the shortfall, it was required to complete the ongoing Water Supply Projects at the earliest.

Audit noticed that a project, ‘Added area Water Supply Scheme under UIDSSMT’ was taken up by the Public Health Engineering Directorate (PHED), Government of West Bengal on behalf of SMC in December 2007. The scheduled months of commencement and completion of the Water Supply Scheme were fixed at September 2006 and August 2008 respectively. SMC already incurred an expenditure of ₹ 30.36 crore for the project till September 2013. However, the Water Supply Scheme was still under progress as of February 2014. The project could not be completed even after 77 months from the actual schedule. SMC informed (January 2015) that it was trying hard to complete the Water Supply Scheme at the earliest.

7.8.1.2 Impact of non-revision of water charges

As per section 69 (2) of the WBMC Act, 2006, the budget estimate shall state the rates at which various taxes, cesses and fees shall be levied by the Corporation in the year next following. SMC, however, did not follow the same.

The rates of water charges collected by SMC are shown in the following **Table**. The rates were last revised in August 1999.

Table 7.3 : Rates of water charges collected by SMC

| Nature of connection | Rate | Periodicity of payment | Effective from |
|----------------------|-----------------------------------------------------------|------------------------|----------------|
| Domestic | One <i>per cent</i> on deposited water connection charges | Monthly | 30 August 1999 |
| Non-domestic | Two <i>per cent</i> on deposited water connection charges | Monthly | |

Source : Data furnished by SMC.

Due to non-revision of water charges for long (i.e. 14 years), Audit noticed that SMC collected only ₹ 2.83 crore during the period of 2008-13 against the maintenance cost of ₹ 14.43 crore (for existing water supply projects / facilities). Thus, SMC had to incur an excess maintenance cost of ₹ 11.60 crore over the actual revenue realised during the period. The details are given in the following **Table**.

³³ 5,13,264 x 135 lpcd = 69.29 MLD.

Table 7.4 : Maintenance cost vis-à-vis realization of revenue from existing water supply projects / facilities

| Year | Maintenance cost of existing projects / facilities | | | | | Actual realisation of revenue | Excess maintenance cost over the actual revenue realised |
|--------------|----------------------------------------------------|---------------------------|---------------------|-------------------------------------------------------------------------|-----------------|-------------------------------|----------------------------------------------------------|
| | Pay and Allowances of regular staff | Payment to casual workers | Electricity charges | Miscellaneous expenditure (including contingency / stationery expenses) | Total | | |
| | (₹ in lakh) | | | | | | |
| 2008-09 | 2.36 | 0.68 | 121.89 | 0.40 | 125.33 | 44.41 | 80.92 |
| 2009-10 | 5.61 | 1.06 | 165.46 | 0.37 | 172.50 | 52.21 | 120.29 |
| 2010-11 | 6.27 | 1.17 | 393.25 | 0.02 | 400.71 | 51.43 | 349.28 |
| 2011-12 | 6.44 | 1.32 | 306.10 | 0.36 | 314.22 | 63.62 | 250.60 |
| 2012-13 | 8.45 | 4.28 | 417.16 | 0.53 | 430.42 | 71.81 | 358.61 |
| Total | 29.13 | 8.51 | 1,403.86 | 1.68 | 1,443.18 | 283.48 | 1,159.70 |

As a result of non-revision of water charges at regular intervals, the burden on the municipal fund was increasing gradually. SMC stated (January 2015) that the observation was ‘noted for future guidance and application’.

7.8.1.3 Irregularities in execution of water supply works

In terms of proviso below section 66³⁴ of the WBMC Act, 2006, for any expenditure for any work or for purchase of any materials exceeding rupees one crore, approval of the State Government shall be obtained.

Scrutiny of records revealed that SMC invited ‘Sealed Quotations’ from the ‘reputed / bonafide agencies / plumbers of Siliguri’ for underground water supply works including supply of GI pipes, ferrules, valves, etc. *vide* NIQ dated 9 September 2010. Regarding the reasons for restricting the ‘Sealed Quotations’ within ‘reputed / bonafide agencies / plumbers of Siliguri’, SMC admitted (February 2014) that due to oversight the term was mentioned and the practice would be discontinued.

It was stipulated in the NIQ that rates should be valid up to 31 March 2011. SMC specified in the NIQ that quantity of materials to be supplied and labour charges (for connection and maintenance) may vary as per the requirement of the department. Further, the SMC authority may extend the service of the agency for further one year after obtaining consent of the agency. Here, SMC did not make any estimate for the total work at the time of floating ‘Sealed Quotations’. SMC stated (February 2014) that the total cost of work was not estimated as requirement for house to house connection for water supply might vary, depending on receipt of applications for water connection from the interested public in the Corporation area. Thus, SMC invited ‘Sealed Quotation’ without estimating the probable volume of work.

On the basis of the said NIQ, SMC selected the lowest bidder for the above works. SMC conveyed the acceptance of rates offered by the bidder through Work Order (October 2010) but did not specify the quantum of works to be performed and quantity of materials to be supplied. Audit noticed that under the same NIQ and

³⁴ Inserted *vide* the West Bengal Municipal Corporation (Amendment) Act, 2009, effective from 1 March 2010.

Work Order, SMC issued series of supply / work orders till September 2013 in favour of the L-1 bidder. SMC stated (February 2014) that the work orders were issued after ascertaining the required house connections.

SMC also extended the validity of rates offered by the contractor from time to time either on its own or on the basis of consent given / request made by the contractor. In the process, SMC incurred an expenditure of ₹ 1.97 crore (February 2014) on execution of works and purchase of materials.

Audit noticed that SMC did not obtain the approval of the State Government for the works executed and materials purchased under the NIQ dated 9 September 2010. The approval was necessary since the cost of the works executed and materials purchased under the NIQ had already exceeded ₹ 1 crore. Thus, SMC violated the proviso below Section 66 of the Act and split the total work under different works / supply orders. SMC replied (February 2014) that the Audit observation was noted for future guidance and application.

7.8.2 Solid Waste Management

As per section 300 (1) of the WBMC Act, 2006, for the purpose of securing efficient scavenging and cleansing of all streets, public places and premises in the Corporation area, the Corporation shall undertake the function of collection, removal and disposal of solid wastes.

7.8.2.1 Operation of disposal facility at dumping ground without obtaining authorisation from appropriate authority

The operation of landfill site / dumping ground should be maintained in accordance with Municipal Solid Wastes (Management and Handling) Rules, 2000 (MSWMH Rules). However, Audit noticed that SMC had dumping ground / landfill site for disposal of wastes at *Dabgram Mouza*, for which authorisation from the West Bengal Pollution Control Board was not found on record. The landfill site was near the habitation cluster of *Bhakti Nagar* and adjoining two schools. The landfill site was only partly fenced by a boundary wall and the wastes subjected to land filling were not compacted in thin layers using landfill compactors as required under MSWMH Rules. No provision was made by SMC to prevent pollution problems from landfill operations, like diversion of storm water to minimise leachate³⁵ generation and prevent pollution of surface water. Besides, no provision for management of leachate collection and treatment had been made. The baseline data of ground water quality in the area of landfill site, before its establishment, was not collected. No periodical monitoring of water quality within the periphery of landfill site was made. The ambient air quality at the landfill site and at the vicinity had also not been monitored.

The following photographs would reveal the condition of dumping ground / landfill site.

³⁵ Leachate : A liquid that had been polluted or made toxic by percolating through rubbish.



Condition of partly fenced landfill site of SMC

In response, SMC did not furnish any specific reply (January 2015).

7.8.2.2 Non-segregation of solid wastes

Solid wastes are required to be separated into the groups of organic, inorganic, recyclables and hazardous wastes at the source of generation of waste. SMC did not undertake any phased programme during the period 2008-13 to ensure community participation in waste segregation as required under MSWMH Rules. SMC informed (February 2014) that the extent of segregation of solid wastes was 25 *per cent* (against the benchmark of 100 *per cent*). In the absence of records relating to segregation of wastes, the extent of segregation of wastes could not be verified in Audit.

As seen from the above photographs, existing storage facilities (for solid wastes) were exposed to open atmosphere. This created extremely unhygienic conditions and attracted vectors, stray animals, etc. The recyclable wastes, viz. paper, glass, metals, plastic etc. were not separately stored.

SMC, however, stated (February 2014) that an agency was engaged by the Corporation up to 29 February 2012 for the process of composting of organic wastes and thereafter the Corporation itself had been executing the compost processing. In absence of relevant data like quantity of organic wastes processed, expenditure incurred in processing, etc. the efficacy of SMC's actions in this regard cannot be evaluated in Audit.

7.8.2.3 Improper accounting of revenue collected from Solid Waste Management

SMC prepared 'Solid Waste Management Regulation' in June 2005. Under this Regulation, SMC empowered the Solid Waste Management Committees (SWMCs)³⁶ for collection of some charges against services rendered by SMC in connection with Solid Waste Management. It was stipulated in the Regulation that a savings bank account should be opened in the name SWMC (in each Ward) in any Nationalised Bank for deposit of such money. The account should be jointly operated by the Borough Officer of the respective Borough Committee and either by the Councillor of the Ward (as President of the Committee) or Secretary of SWMC of the respective Ward.

In terms of Rule 8 (1) of the West Bengal Municipal (Finance and Accounting) Rules, 1999, all transactions to which any officer of the Municipality is a party in his official capacity must be brought to account without undue delay. Scrutiny of records revealed that during the period 2006-13, SWMCs collected an amount of ₹ 3.01 crore from 43 Wards on account of garbage collection charges, etc.; no information about collection from the remaining wards (no. 1, 9, 28 and 47) was furnished to Audit. However, in contravention of Rule 8 (1) of the Rules, SMC kept the money, which was its own receipts, in separate bank accounts of SWMC at each ward, outside the SMC accounts.

As per Rule 221 of the Rules, 'incurring of expenditure direct from collection money' was 'not permissible'. Audit noticed that SWMCs directly incurred an expenditure of ₹ 2.74 crore on account of payment of wages to labourers / collectors / supervisors, miscellaneous purposes, etc. leaving an unspent balance of ₹ 0.18 crore and investment of ₹ 0.09 crore as of 31 March 2013. Thus, SMC not only kept the said collection money outside its main accounts, but also unauthorisedly allowed SWMCs to directly incur expenditure and make investment from the said money, violating the prescribed rules. SMC informed (January 2015) that to regulate entire collection, expenditure and investment from the office of the SMC, amendment of

³⁶ Constituted in each Ward to ensure 'efficient scavenging and cleaning of all streets, public places and premises' within SMC area.

‘Solid Waste Management Regulation’ was necessary and that approval of BoC would be obtained in this regard in due course.

7.9 Implementation of Jawarharlal Nehru National Urban Renewal Mission

The Jawarharlal Nehru National Urban Renewal Mission (JNNURM), launched by the Government of India, included as its components for the non-Mission cities, the programmes of Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP). Under both these programmes, it was essential that the schemes were to be implemented in a time-bound manner and in conformity with the guidelines. The status of ‘Added area Water Supply Scheme under UIDSSMT’ has already been discussed in paragraph 7.8.1.1. The status of implementation of IHSDP (as of March 2013) is discussed below.

7.9.1 Integrated Housing and Slum Development Programme (IHSDP)

SMC started³⁷ the Programme in three phases in August 2007 (Phase I), May – June 2008 (Phase II) and May 2009 (Phase III) respectively.

7.9.1.1 Allocation and utilisation of funds under IHSDP

The total amount of funds released (August 2007 – March 2013) under the three phases of IHSDP was ₹ 82.34 crore. The unspent funds were kept in the bank accounts. From the details of funds available and expenditure incurred under IHSDP as of March 2013, Audit noticed that the closing balance in the bank account as of 31 March 2013 should have been ₹ 16.54 crore for the three components. However, SMC reported a closing balance of ₹ 14.02 crore in the Monthly Progress Report submitted to the State Urban Development Agency. SMC could not furnish the reasons for difference of ₹ 2.52 crore. Apart from lack of reconciliation of different accounts, the possibility of misutilisation / misappropriation of the amount cannot be ruled out.

7.10 Internal control mechanism

7.10.1 Poor functioning of Municipal Accounts Committee

Section 21 (1) of the WBMC Act, 2006, states that the BoC shall, at its first meeting in each year, or at its next meeting which shall be held within a period of thirty days from the date of its first meeting in that year, constitute a Municipal Accounts Committee (MAC). Further, as per Section 21 (4) of the Act, it shall be the duty of MAC –

- (a) to examine the accounts of the Corporation showing the appropriation of sums granted by the Corporation for its expenditure and the annual financial accounts of the Corporation;

³⁷ The start date for a project is to be considered as the date of release of first installment of fund by any source.

- (b) to examine and scrutinise the report on the accounts of the Corporation by the auditors under the provisions of the Act and to satisfy itself that the moneys shown in the accounts as having been disbursed were available for and applicable to the services or purposes to which they have been applied and that the expenditure was incurred in accordance with the authority governing the same;
- (c) to submit a report to the Corporation every year and from time to time on such examination and scrutiny, etc.

SMC constituted MAC during the year 2008-09, 2009-10, 2010-11 and 2011-12. The Municipality, however, did not furnish any information regarding constitution of MAC for the year 2012-13. SMC informed (June 2014) that no meeting of MAC was held during the entire period 2008-13. SMC also could not furnish any resolution book of the Committee. As a result, Audit could not ascertain how the Committee discharged its responsibilities during the period 2008-13.

7.10.2 Absence of internal audit

In terms of section 86 of the Act, the State Government may by rules provide for the internal audit of the day-to-day accounts of the municipal fund and the manner in which such internal audit shall be conducted. There was no internal audit set up instituted at the SMC. SMC stated (February 2014) that internal audit was not conducted during the period 2008-13 and the issue was entirely dependent on the State Government.

7.10.3 Growth in the number of casual labourers

The sanctioned strength of SMC was 789 and the same was not revised after February 2006.

As per records of SMC, actual staff position as of March 2013 was 598. Thus, 191 posts were lying vacant as of March 2013. SMC, however, made several requests to the State Government from time to time for sanctioning of additional posts, filling up vacancies, etc.

It was seen by Audit that as against these 191 vacancies, SMC employed a much larger number of casual labourers from time to time without following any specific norm. The details of engagement of casual labourers pertaining to the period 2008-11 were not furnished to Audit. However, Audit checked that the strength of casual labourers (including 221 contractual employees) in March 2012 and March 2013 were respectively 1791 and 1875. Audit further noticed that SMC incurred an expenditure of ₹ 65.16 lakh and ₹ 79.42 lakh in March 2012 and March 2013 respectively for payment of casual labourers (including contractual employees). SMC only informed (January 2015) that as per decision taken in various BoC meetings, casual workers were engaged from time to time.

From the above, it is evident that the number of casual labourers was not commensurate with the number of regular vacancies. Moreover, growth in the number of casual labourers unreasonably created burden upon the municipal fund.

7.10.4 Non-reconciliation of Provident Fund balance

SMC did not reconcile the Provident Fund (PF) balance (as contained in the Ledger) with that of the corresponding accounts maintained by the Treasury since April 2008. As a result, the PF balance remained un-reconciled during the period 2008-13. The details are shown in the Table below.

Table 7.5 : Details of difference of Provident Fund balance between SMC and Treasury records

| As on | Balance as per Ledger | Balance as per Treasury Accounts | Difference |
|------------|-----------------------|----------------------------------|--------------|
| | (In ₹) | | |
| 31.03.2009 | 3,55,87,711 | 3,60,65,890 | (-) 4,78,179 |
| 31.03.2010 | 4,10,10,693 | 4,06,37,127 | 3,73,566 |
| 31.03.2011 | 4,82,82,630 | 4,72,67,162 | 10,15,468 |
| 31.03.2012 | 5,79,88,628 | 5,51,45,997 | 28,42,631 |
| 31.03.2013 | 6,45,39,672 | 5,76,08,948 | 69,30,724 |

SMC informed (June 2014) that the discrepancy was mainly due to improper recording of figures (in the PF Ledger) during revision of pay and allowances. SMC further added (January 2015) that the process of reconciliation was under process.

7.10.5 Poor cash management system

Scrutiny of records of the Cash Department of SMC revealed that the Department did not properly maintain 'Register of details of daily cash balance' of the Corporation in Form 77 during the period 2008-13, as required under Rule 220 of the West Bengal Municipal (Finance and Accounting) Rules, 1999. Instead, a Register namely 'Cashier Hand Cash Book' was maintained only to record transaction of cash drawn through self-cheque. Even this was discontinued since June 2012. The Register was neither authenticated by Cashier nor by Finance Officer. As a result, the authenticity of the figures could not be confirmed.

However, scrutiny of available records revealed that there was large undisbursed cash ranging from ₹ 2.65 lakh to ₹ 48.39 lakh lying on an average in the cash chest of Cashier during the period 2008-13. Such undisbursed cash accumulated due to non-remittance of SMC's own receipts collected on a daily basis to the bank / treasury as well as non-disbursement of payables in respect of wages, Muster Roll payments, travelling and conveyance allowances, payment relating to Mid-Day Meal Scheme, advances for various purposes and other miscellaneous cash payments.

Audit further noticed that no effective measures were taken by the SMC to refund the undisbursed amount to the respective heads after expiry of three months as prescribed³⁸ in Rule 424 of the West Bengal Financial Rules (WBFR), Volume I; neither were proper records maintained in the case showing scheme-wise undisbursed amounts and their corresponding periods of retention.

³⁸ Rule 424 of the WBFR, Volume I, states that an authority for payment of Fund money would remain current for three months from the date of its issue.

In spite of maintaining huge cash balance on regular basis, SMC did not take adequate measures for the safety of the same. The deficiencies noticed in this regard are enumerated below.

- The iron safe where the undisbursed / non-remitted cash were lying, was not insured. Both keys of the chest were lying with Cashier in contravention of the Rule 220 (1) of the West Bengal Municipal (Finance and Accounting) Rules, 1999.
- The SMC did not obtain any Indemnity / Security Bond from Cashier.
- The transit money was not insured.

Holding of huge cash balance without proper security measure, indicated poor internal control mechanism on the part of SMC authority. SMC informed (January 2015) that one set of keys was handed over to the Finance Officer. Regarding rest of the items, SMC did not furnish any convincing reply supported by documentary evidence.

7.10.6 Gradual increase in the amount of outstanding advance

Rule 189 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, states that the officer who signs the accounts (relating to outstanding advance) shall at the same time satisfy himself that steps are being taken to recover or adjust advances which have been outstanding for more than three months. At the close of every quarter a list in Form 68 shall be prepared of outstanding advances.

As per information furnished to Audit, the amount of outstanding advance increased from ₹ 92.80 lakh (as of April 2008) to ₹ 259.75 lakh (as of March 2013). The details are given in the following Table.

Table 7.6 : The status of outstanding advances during the period 2008 -13

| Period | Opening Balance | Advance paid during the year | Advance adjusted during the year | Closing Balance |
|---------|-----------------|------------------------------|----------------------------------|-----------------|
| | | | | |
| 2008-09 | 92.80 | 118.74 | 82.03 | 129.51 |
| 2009-10 | 129.51 | 78.92 | 63.66 | 144.77 |
| 2010-11 | 144.77 | 80.07 | 73.07 | 151.77 |
| 2011-12 | 151.77 | 117.69 | 74.92 | 194.54 |
| 2012-13 | 194.54 | 144.46 | 79.25 | 259.75 |

SMC gives advances to Councillors and Sub-Assistant Engineers and other officials for disbursement of cash components relating implementation of different schemes as also for execution of various departmental works etc. Audit noticed that in violation of the prescribed Rule, SMC allowed the Councillors and Sub-Assistant Engineers, etc. to draw consecutive advances without obtaining the adjustment of the previous advances outstanding for more than three months. Out of the total outstanding amount, advances amounting to ₹ 7.23 lakh remained unadjusted against 28 ex-Councillors (₹ 4.76 lakh) and 11 ex-employees (₹ 2.47 lakh) for more than one to five years.

SMC informed (January 2015) that steps had been taken for adjustment / recovery of outstanding advances. But, SMC authority did not substantiate their claim with supporting documents / figures.

7.11 Miscellaneous irregularities

7.11.1 Non-collection of labour welfare cess

The Building and Other Construction Workers' Welfare Cess Act, 1996 (Cess Act) was enacted with a view to provide welfare measures for the building and other construction workers. The objective of this Act was to create a corpus fund for providing various benefits and concessions to the workers of unorganised sector. A rule namely, the Building and Other Construction Workers' Welfare Cess Rules, 1998 (Cess Rules), was also framed under the said Act. In accordance with sub-section (1) and (2) of section 3 of the Cess Act, every Local Body, construction contractors and individual that employ such workers shall be liable to pay cess at specified rates. Further, as per provisions of Rule 4 (4) of the Cess Rules, the cess should be collected by Local Bodies through demand drafts along with the application for sanction of building plans.

In this regard, Department of Municipal Affairs, Government of West Bengal informed (December 2007) all ULBs to collect cess at the rate of one *per cent* of the cost of construction in the form of demand draft, where the total cost of such construction was more than rupees ten lakh, along with the application for sanction of building plans and deposit the same as per norms.

Scrutiny of records revealed that SMC, after more than four years, ordered (February 2012) for realisation of cess, but soon afterwards (April 2012), decided to refund any cess collected. SMC only informed (January 2015) that cess collected in the meantime was subsequently refunded. SMC did not specify the exact amount collected and refunded. The reasons for sudden reversal of its earlier orders were also not found on record.

Moreover, as per sub-section (3) of section 3 of the Cess Act, every Local Body was entitled to get one *per cent* of the collected amount as 'cost of collection'. Due to non-collection of cess amounting to ₹ 11.63 crore, SMC also sustained a loss of revenue to the tune of ₹ 11.63 lakh (one *per cent* of ₹ 11.63 crore) during 2008-13. SMC did not furnish any comment.

7.12 Conclusion

Performance of SMC, entrusted with the responsibility of local governance and providing better conditions and amenities to its residents through implementation of various schemes / programmes was affected by weak resource mobilisation and various control failures. Indifference towards proper assessment and mobilisation of revenue was observed under property tax, water charges, etc., which resulted in failure in optimally harnessing its resources. Service delivery mechanisms in the sphere of water supply and solid waste management were not adequate to meet the requirements. Other organisational weaknesses as observed in Audit included deficiency in management of establishment matters, etc.

CHAPTER VIII

OTHER IMPORTANT CASES

CHAPTER VIII

OTHER IMPORTANT CASES

Kolkata Municipal Corporation

8.1 Insufficient efforts in collection of property tax from the Institute of Neurosciences, Kolkata - ₹ 2 crore

Kolkata Municipal Corporation did not collect arrears of property tax amounting to ₹ 2 crore from the Institute of Neurosciences, Kolkata, in respect of land measuring about 32 *kottahs*. On the contrary, the Municipal Corporation exempted the Institute from payment of property tax for five years in violation of law in force.

In pursuance of a Memorandum of Understanding (MoU) signed on 27 April 2005, Kolkata Municipal Corporation (KMC), Government of West Bengal (GoWB) and Neurosciences Foundation (NF), Bengal agreed to form a joint venture company for establishment of a centre for neurological sciences in Kolkata. Accordingly, the Institute of Neurosciences, Kolkata (INK), a company under Section 25 of the provisions of the Companies Act, 1956 was incorporated on 26 August 2005. In October 2005, KMC allotted a piece of land measuring about 32 *kottahs*³⁹ together with structures and sheds standing thereon to INK on lease for 33 years. As per terms of allotment, INK agreed to provide –

- (a) 8 *per cent*⁴⁰ of total beds free of cost every year to the KMC employees, Councillors and others upon recommendation of the Corporation and in case free beds are not available or not required by the Corporation, INK should pay the Corporation the amount equivalent to bed charges;
- (b) free treatment to patients with brain and / or spinal injuries, recommended by the Corporation (in view of poor economic condition of patients belonging to Below Poverty Line families), up to an amount of ₹ 20 lakh⁴¹ per annum.

As per section 172(1)(b)(ii) of the KMC Act, 1980, the Mayor-in-Council may exempt from the property tax any land or building exclusively used for the purpose of public charity or for the purpose of medical relief to or education of the poor, free of charge. Since INK did not provide the medical facilities ‘free of charge’ to all, it was not entitled for exemption from property tax. As per records of KMC, property tax of ₹ 2 crore was due against the land for the period from

³⁹ One *kottah* or *katha* equals to 720 sqft.

⁴⁰ After allotment of additional land measuring about 16 *kottahs*, the percentage was enhanced to 12 in February 2009.

⁴¹ After allotment of additional land measuring about 16 *kottahs*, the amount was increased to ₹ 30 lakh in February 2009 and the amount to be enhanced by 10 *per cent* in every six years or as may be decided jointly by KMC and INK.

January 2006 to December 2008. Although INK agreed to pay municipal taxes, it did not pay the same till June 2014.

Besides, the building plan on land was sanctioned on 3 March 2006. Out of ₹ 1.66 crore charged as building sanction fee, INK paid only ₹ 0.50 crore. The reasons for non-payment of the remaining amount of ₹ 1.16 crore was not explained to Audit. The Executive Engineer (Building) under Borough VI of the KMC area, however, issued completion certificate on 1 March 2010 for the building erected on the said land. But, KMC did not assess / revise the property tax on 32 *kottahs* of land even after the erection of building. Audit further noticed that considering the prayer⁴² of INK for waiving all statutory fees, KMC exempted⁴³ the Institute from payment of property tax for five years (without specifying the date from which the period of five years would commence).

Thus, KMC did not collect arrears of property tax amounting to ₹ 2 crore for the land, neither did it assess or revise the property tax. On the contrary, KMC exempted the INK from payment of property tax for five years in violation of Section 172(1)(b)(ii) of the Act *ibid*.

The matter was referred to Government and KMC in December 2014; their replies had not been received (April 2015).

8.2 Avoidable expenditure of ₹ 15.47 crore as demand charges

Kolkata Municipal Corporation did not fix contract demand for high tension electricity connections on the basis of actual requirement which resulted in avoidable expenditure of ₹ 15.47 crore.

KMC had 107 high tension (HT) electricity connections at different locations as of March 2014. The Calcutta Electric Supply Corporation (CESC) Limited was supplying electricity to these points in terms of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (WBERC Regulations).

Regulation 4.3.5 of WBERC Regulations states that the demand charge shall be levied on the basis of maximum demand, recorded during the month or 85 *per cent* of the contract demand whichever is higher.

Regulation 4.7 stipulates that if a consumer consumes power in excess of his contract demand, he shall be liable to pay the following extra charges :

If the highest demand of any non-Time of Day consumer recorded in a month exceeds his contract demand, he shall be liable to pay demand charge at the applicable rate. In addition, he will also be liable to pay an additional demand charge at the rate of 60 *per cent* of the demand charge for the additional demand

⁴² Submitted to KMC on 16 March 2010.

⁴³ *Vide* MIC resolution No. M.O.A. 179.3 dated 20 April 2010.

being the difference between the recorded highest demand and his contract demand (Regulation 4.7.1).

Scrutiny of electricity bills of HT connections of KMC for the period 2011-12 to 2013-14 revealed that KMC did not assess its actual requirement for these connections. It was observed that contract demand for most of the points was not commensurate with actual requirement as it was either too high or too low for a long time. As a result, KMC had to pay additional demand charge (due to lower contract demand and comparatively higher consumption) or minimum charges (due to higher contract demand and comparatively lower consumption).

In terms of Regulation 4.15, the contract demand shall mean the electrical load in horsepower (HP) or kilowatt (KW) or kilovolt ampere (KVA) which, in accordance with the signed contract or agreement between the licensee and the consumer, the licensee has committed to deliver and the consumer has right to draw at the delivery point of the consumer at any time during the currency of the contract or agreement. Such contract demand shall be calculated on the basis of average consumption and intimated to the consumer for applying revision of contract demand. If no request for such revision is received from the consumer within three months from the date of receipt of such intimation by the consumer, then such calculated contract demand shall be considered as contract demand under the agreement and also for the purpose of these regulations from the date of expiry of 90 days of such intimation.

Audit noticed that KMC did not revise contract demand for most of the points even though there was a provision for it in the WBERC regulations.

Failure to assess the actual requirement and revising the contract demand accordingly led to an avoidable payment of ₹ 15.47 crore⁴⁴ during the years 2011-12 to 2013-14 as observed by Audit.

On being pointed out, KMC stated (November 2014) that additional load was based on practical site condition and characteristics of electrical equipment. The reply was not correct since the contract demand did not reflect 'practical' consumption as evident from the Audit observation. Further, KMC did not furnish any reply regarding the cases where contract demand was low and actual consumption was relatively higher.

The matter was referred to Government in October 2014; the reply had not been received (April 2015).

⁴⁴ ₹ 4.06 crore (2011 – 12)^Ω, ₹ 6.10 crore (2012 – 13)^Ω and ₹ 5.31 crore (2013 – 14)^Ψ

^Ω Average Monthly Demand of the year 2011 – 12 has been considered for calculation of avoidable expenditure for the year 2011 – 12 and 2012 – 13.

^Ψ Average Monthly Demand of the same year has been considered in calculation of avoidable expenditure in case of newly installed meters.

Kharagpur Municipality

8.3 Unfruitful Expenditure – ₹ 10.94 crore

The water supply project in Kharagpur town was a non-starter as pipelines were procured and laid without ensuring availability of required amount of water rendering the entire expenditure of ₹ 10.94 crore unfruitful. This expenditure included an excess payment of ₹ 40.03 lakh incurred on procurement and laying of pipes.

Government of India (GoI) approved (October 2011) a Water Supply project of ₹ 85.79 crore⁴⁵ for the town of Kharagpur. Initially, the project was to be executed under 'Urban Infrastructure Development Scheme for Small and Medium Towns' (UIDSSMT) but later it was sanctioned (April 2012) under 'Special Backward Region Grant Fund' (BRGF).

The project was conceived to supply water of about 11 Million Gallon per Day⁴⁶ (MGD) up to the year 2043 from the riverbed of *Kansabati* (also known as *Kasai*). It was to be executed by Kharagpur Municipality under technical guidance of Municipal Engineering Directorate (MED) and was scheduled to commence in January 2012 and to be completed in two years *i.e.* by December 2013. SUDA⁴⁷ (the nodal agency) released an amount of ₹ 21.02 crore⁴⁸ in two phases for implementation of the project.

8.3.1 Laying of distribution pipeline without ensuring availability of water

The Central Public Health and Environmental Engineering Organisation (CPHEEO) advised (February 2009) the Municipality that geo-technical investigation of the project sites for bearing capacity, ground water table, etc. should be carried out before execution of the project. However, in spite of the CPHEEO stipulations, without the necessary investigations, the Municipality floated (April 2012) tenders for laying of distribution pipelines even before receipt of the first instalment of grant in July 2012.

In a meeting held on 12 April 2012 between Principal Secretary, Municipal Affairs (MA) Department and Director, SUDA, the Principal Secretary emphasised that necessary clearance from State Water Investigation Directorate (SWID) should be taken well in advance for sinking of Deep Tube Well in the riverbed. A work schedule for execution of different components of the project was prepared wherein it was stressed that MED should request SWID to find out suitable location for availability of raw water for the project by 19 April 2012. Simultaneously, MA Department also directed the Municipality and MED to complete the tender procedure for other components of the project (laying of distribution pipeline, construction of overhead reservoir, etc.) by June 2012.

The above directions of the MA Department were contradictory as it had instructed the concerned departments to carry out the tender procedure for the

⁴⁵ Fully funded by GoI.

⁴⁶ 1 MGD (USA) = 3.78 MLD.

⁴⁷ SUDA – State Urban Development Agency.

⁴⁸ ₹ 13.44 crore (July 2012) and ₹ 7.58 crore (June 2013).

other components of the project without first ensuring the availability of raw water.

The Chief Engineer, MED requested (April 2012) SWID to inform whether the required amount of raw water was available in the riverbed throughout the year. However, a team from SWID visited the site after 10 months (27 February 2013) but submitted no report thereon. MED did not also pursue the matter.

Scrutiny revealed that the Municipality invited tender (₹ 17.23 crore) for overhead reservoir and distribution pipeline during April 2012 to August 2012 and work order for the same was issued by January 2013. Audit noticed that the Municipality incurred expenditure of ₹ 10.94 crore for the above works as of November 2013 without ensuring availability of requisite quantity of raw water.

The report from SWID came out only in August 2013 wherein it was mentioned that “drawal of large volume of water from the riverbed of *Kasai* shall lead to depletion of ground water level and shall hinder cultivation in the adjoining areas leading to socio-economic problems”. It was also pointed out that large volumes of water was being drawn from the river for industrial and community-based purposes in a short stretch of about five km, for which the river was already in a stressed condition. SWID assessed that nearly one MGD water may be available (by sinking four tube-wells in the riverbed). The Municipality, therefore, can tap only one MGD water from the riverbed against the actual requirement of 11 MGD.

On the matter being pointed out, the Municipality stated (January 2014) that tender for pipe laying and overhead reservoir was invited on the advice of Superintending Engineer, MED and added that though MED had requested SWID to conduct the source survey back in April 2012, yet MED did not pursue the matter to get the work done at the earliest.

Thus, it is evident from the above that procurement and laying of distribution pipeline was done without proper planning and ensuring availability of minimum quantity of raw water which not only rendered expenditure of ₹ 10.94 crore unfruitful, but also jeopardised the fate of the entire project depriving the people of the town from the intended benefits.

8.3.2 Excess payment on procurement and laying of pipes

The project was to be executed by Kharagpur Municipality with technical guidance of MED. One of the components of the project included laying of ‘High Density Poly Ethylene (HDPE) pipe of 110 mm outer diameter (OD)’ for distribution pipelines.

The estimate for supplying and laying of HDPE pipe was prepared at ₹ 430 per metre for the first Notice Inviting Tender (NIT) issued in April 2012 in respect of Zone III while the same was ₹ 426.30 per metre for the second NIT issued in August 2012 in respect of Zone I. No analysis for adopting these rates was found on record. The Municipality issued work order for Zone III in July 2012 and that for Zone I in January 2013.

Scrutiny revealed that Kharagpur Municipality had actually procured HDPE pipes at the rate of ₹ 250 per metre⁴⁹ and rate for laying of HDPE pipes of 110 mm OD up to the desired depth of 1.5 meter was ₹ 58 per metre⁵⁰. Therefore, the rate for supplying and laying of HDPE pipes of said specification worked out to ₹ 308 (₹ 250 + ₹ 58) per metre.

Audit, however, noticed that the Municipality paid (between August and December 2013) ₹ 174.02 lakh to the contractors for laying of 43,508.35 metre (at the rate of ₹ 400 / metre⁵¹) of HDPE pipe.

Therefore, the Municipality allowed excess rate of ₹ 92 per metre for the said work and paid (as of February 2014) an excess amount of ₹ 40.03 lakh⁵² to the contractors.

The Municipality replied (February 2014) that the rate for supplying and laying of HDPE pipe was prepared and approved by MED and the Municipality had only adopted the rate while calling the tenders and they forwarded the preliminary observation of the Audit to the MED for reply.

The matter was referred to Government in May / July 2014; reply had not been received (April 2015).

Uluberia Municipality

8.4 Irregularities in tender procedure and splitting of works under JNNURM

Uluberia Municipality executed works valued at ₹ 4.94 crore relating to Water Treatment Plant under JNNURM in violation of the prescribed tender procedures and split the total work to facilitate excess payment, etc.

As per Note – 2 below Rule 47 (8)⁵³ of the West Bengal Financial Rules, Volume – I, open tender for supply of articles or stores or for execution of works and services with estimated value exceeding ₹ 10.00 lakh shall be invited by publication of the work on the notice board and on the website of the administrative department, if maintained, and also on the official website of the Government of West Bengal (GoWB). Brief referral⁵⁴ advertisements are also to

⁴⁹ Inclusive of VAT, Excise Duty and freight to Kharagpur.

⁵⁰ Public Works Department West Bengal Schedule of Rates (SOR) for Sanitary and Plumbing works effective from August 2010.

⁵¹ Part payment as cleaning and disinfection of pipe was yet to be completed.

⁵² 43,508.35 metre x ₹ 92 = ₹ 40.03 lakh.

⁵³ Amended *vide* Notification No. 5400 – F (Y) dated 25.06.12 issued by the GoWB, Finance Department, Audit Branch. The Notification was circulated to different ULBs in July 2012 by the Department of Municipal Affairs, GoWB for information and necessary action.

⁵⁴ Brief referral advertisement will contain only certain title information such as name and location of the scheme, last date for submission of tender, names of the websites where details are available.

be given in three daily newspapers, one each in Bengali, English and Hindi. It was also stipulated that the use of intermediate general suppliers should be discouraged. For tender value of ₹ 50 lakh and above, e-tendering⁵⁵ is mandatory, in addition to publication in print media.

Uluberia Municipality (UM) executed works relating to Water Treatment Plant (WTP), Phase – II under JNNURM in two parts as detailed below.

8.4.1 Splitting and execution of works through intermediate agencies

UM issued ‘Abridged Tender Notice’ (ATN)⁵⁶ on 5 October 2012 for works under Part - I. Audit noticed that under one ATN, UM had split the total work estimated at ₹ 3.03 crore into 24 items of works. There was nothing on record to show that the ATN was put up on the notice board of UM or advertised through daily newspapers. UM did not adopt e-tendering procedure for this particular work, although the total value exceeded ₹ 50 lakh. UM irregularly provided the copy of tender notice to two intermediate agencies. The reasons for utilising the services of such intermediate agencies were not available on records. Audit observed that without proper circulation of the tender notice and against the prescribed tender procedures, UM had split the total work and arranged bidders for each item of work through two intermediate agencies for executing works valued at ₹ 2.87 crore (November 2013).

8.4.2 Splitting of work to facilitate excess payment

UM issued another ATN dated 21 January 2013 for works under Part - II. Under this ATN, UM had split the total work estimated at ₹ 1.62 crore into 26 items of work. UM did not have record to show that the ATN was advertised in any daily newspaper, neither did it adopt e-tendering procedure for this work, the total value of which exceeded ₹ 50 lakh.

Audit observed that without proper circulation of the tender notice and in violation of the prescribed tender procedure, UM had split the total work and executed works amounting to ₹ 1.83 crore (July 2014).

8.4.3 Non-furnishing of information regarding utilisation of pipes, etc.

UM executed the works relating to WTP, Phase – II under JNNURM in two parts through two ATNs issued on 5 October 2012 and 21 January 2013. Audit observed that UM issued another Notice Inviting Tender (NIT) dated 15 July 2013 for supplying and laying of pipes (100 mm dia and 150 mm dia). In this NIT, UM

⁵⁵ Presently the ‘State Government has decided to make it mandatory to introduce e-tendering system to all the State Government Organisations as well as Local Self Governments for the works having tender value of more than ₹ 5 lakh’. (Source : Memo No. 803 (41) / MA / O / C – 3 / 2E – 39 / 2012 dated 30.06.14 issued by the Municipal Affairs Department, GoWB and addressed to the Chairperson, Uluberia Municipality.)

⁵⁶ Instead of Notice Inviting Tender.

did not specify the area for which the pipes were required to be supplied and laid. The reason for issuing the NIT was not found on record.

Under this NIT, UM split the total work estimated at ₹ 99.67 lakh in four different items. As per the NIT, two items of work having estimated value of ₹ 49.83 lakh would be executed under JNNURM. UM did not have any records to indicate that the NIT was advertised in any daily newspaper and neither did it use e-tendering procedure for this work also though the total value of it exceeded ₹ 50.00 lakh. Audit noticed that apart from notifying in the Notice Board, Executive Officer of UM only forwarded the NIT to Vice-Chairman, four Members of the Chairman-in-Council, other⁵⁷ officers and officials of UM for wide circulation which was not in conformity with the prescribed procedure. The copy of said NIT was not forwarded to Kolkata Metropolitan Development Authority (the State Level Nodal Agency for JNNURM).

Out of four items of work, the Municipality submitted only one file to Audit. Hence, Audit could not ascertain whether the other three items of work were at all executed. Records revealed that UM again spent ₹ 0.24 crore for supplying and laying of 'water main'. However, UM could not furnish the details of utilisation of pipes till the closure of Audit (August 2014).

The Municipality in reply stated (August 2014) that due to some unavoidable circumstances e-tendering procedure could not yet be started. The Municipality remained silent on the irregularities pointed out in the above observation.

The matter was referred to Government in December 2014 reply to which had not been received (April 2015).

Kolkata

The 03 JUN 2015



(Utpal Banik)

Examiner of Local Accounts
West Bengal



(Madhumita Basu)

Principal Accountant General
(General and Social Sector Audit)
West Bengal

Kolkata

The 08 JUN 2015

⁵⁷ Like Health Officer, Assistant Engineer, Finance Officer, Accounts and Finance Coordinator, Head Clerk and Accountant.

APPENDICES

Appendix – 1**Name of ULBs***(vide para : 1.7; page : 4)*

| Sl. No. | Name of ULB | Period of Audit | Sl. No. | Name of ULB | Period of Audit |
|---------|-------------------|-----------------|---------|-----------------|-----------------|
| 1. | Asansol | 2012-13 | 26. | Kanchrapara | 2010-13 |
| 2. | Bally | 2012-13 | 27. | Kandi | 2010-13 |
| 3. | Bankura | 2010-12 | 28. | Kharar | 2010-13 |
| 4. | Bansberia | 2010-13 | 29. | Khardah | 2011-12 |
| 5. | Baranagar | 2011-12 | 30. | Khirpai | 2008-12 |
| 6. | Bhadreswar | 2012-13 | 31. | Kolkata | 2011-12 |
| 7. | Bidhannagar | 2012-13 | 32. | Konnagar | 2010-13 |
| 8. | Birnagar | 2011-13 | 33. | Maheshtala | 2011-12 |
| 9. | Champdani | 2010-13 | 34. | Mathabhanga | 2010-13 |
| 10. | Chandernagore | 2012-13 | 35. | Memari | 2011-13 |
| 11. | Dainhat | 2010-13 | 36. | Midnapore | 2010-13 |
| 12. | Dalkhola | 2010-13 | 37. | Nabadwip | 2010-12 |
| 13. | Diamond Harbour | 2009-12 | 38. | NDITA* | 2011-13 |
| 14. | Dubrajpur | 2010-13 | 39. | North Dum Dum | 2011-12 |
| 15. | Durgapur | 2012-13 | 40. | Panihati | 2011-12 |
| 16. | Garulia | 2009-13 | 41. | Pujali | 2010-13 |
| 17. | Guskara | 2009-13 | 42. | Rajpur-Sonarpur | 2011-13 |
| 18. | Habra | 2011-13 | 43. | Ranaghat | 2011-13 |
| 19. | Haldia | 2010-12 | 44. | Rishra | 2012-13 |
| 20. | Hooghly-Chinsurah | 2011-12 | 45. | Sainthia | 2010-13 |
| 21. | Howrah | 2011-12 | 46. | South Dum Dum | 2011-12 |
| 22. | Jangipur | 2011-13 | 47. | Suri | 2010-13 |
| 23. | Jhargram | 2008-12 | 48. | Taherpur | 2012-13 |
| 24. | Kalna | 2010-13 | 49. | Taki | 2009-12 |
| 25. | Kamarhati | 2011-12 | 50. | Tarakeswar | 2010-13 |

* Nabadiganta Industrial Township Authority

Appendix – 2A

Statement showing budget provisions and actual expenditure for the year 2011 – 12

(vide para : 2.1.1; page : 7)

(₹ in lakh)

| Sl. No. | Name of ULB | Revenue (including schemes) | | | | Capital (other than schemes) | | | |
|---------|-------------------|-----------------------------|--------------------|------------------------|---------------------------|------------------------------|--------------------|------------------------|---------------------------|
| | | Budget estimate | Actual expenditure | (-) Savings (+) Excess | Percentage of utilisation | Budget estimate | Actual expenditure | (-) Savings (+) Excess | Percentage of utilisation |
| 1. | Bankura | 2449.59 | 1581.83 | (-) 867.76 | 65 | 1747.50 | 729.18 | (-) 1018.32 | 42 |
| 2. | Bansberia | 852.88 | 774.73 | (-) 78.15 | 91 | 468.47 | 436.86 | (-) 31.61 | 93 |
| 3. | Champdany | 987.82 | 968.20 | (-) 19.62 | 98 | 2965.84 | 2966.92 | (+) 1.08 | 100 |
| 4. | Chandernagore | 3554.01 | 3332.99 | (-) 221.02 | 94 | 3472.84 | 1926.06 | (-) 1546.78 | 55 |
| 5. | Dalkhola | 276.90 | 178.46 | (-) 98.44 | 64 | 5425.00 | 420.65 | (-) 5004.35 | 8 |
| 6. | Diamond Harbour | 563.17 | 427.69 | (-) 135.48 | 76 | 3758.00 | 840.36 | (-) 2917.64 | 22 |
| 7. | Dubrajpur | 535.86 | 399.29 | (-) 136.57 | 75 | 1022.53 | 434.06 | (-) 588.47 | 42 |
| 8. | Guskara | 415.91 | 199.99 | (-) 215.92 | 48 | 593.96 | 477.92 | (-) 116.04 | 80 |
| 9. | Hooghly-Chinsurah | 1752.30 | 1256.16 | (-) 496.14 | 72 | 751.10 | 366.34 | (-) 384.76 | 49 |
| 10. | Jangipur | 1462.38 | 973.73 | (-) 488.65 | 67 | 1304.01 | 727.46 | (-) 576.55 | 56 |
| 11. | Khardah | 1154.20 | 984.60 | (-) 169.60 | 85 | 1898.25 | 861.55 | (-) 1036.70 | 45 |
| 12. | Kolkata | 193646.29 | 175958.86 | (-) 17687.43 | 91 | 130074.09 | 76742.94 | (-) 53331.15 | 59 |
| 13. | Konnagar | 796.90 | 751.57 | (-) 45.33 | 94 | 2173.00 | 1001.66 | (-) 1171.34 | 46 |
| 14. | Maheshtala | 4634.82 | 2855.00 | (-) 1779.82 | 62 | 13286.04 | 1866.00 | (-) 11420.04 | 14 |
| 15. | Mathabhanga | 409.22 | 312.46 | (-) 96.76 | 76 | 296.25 | 315.61 | (+) 19.36 | 107 |
| 16. | Memari | 198.44 | 174.38 | (-) 24.06 | 88 | 853.91 | 423.49 | (-) 430.42 | 50 |
| 17. | Nabadwip | 1305.11 | 1088.36 | (-) 216.75 | 83 | 2085.25 | 840.74 | (-) 1244.51 | 40 |
| 18. | North Dum Dum | 2047.56 | 1869.22 | (-) 178.34 | 93 | 4666.91 | 2406.18 | (-) 2260.73 | 52 |
| 19. | Panihati | 2971.60 | 3511.00 | (+) 539.40 | 118 | 2540.50 | 1320.46 | (-) 1220.04 | 52 |
| 20. | Rishra | 1008.49 | 1166.37 | (+) 157.88 | 116 | 4019.35 | 1410.75 | (-) 2608.60 | 35 |
| 21. | Taki | 379.47 | 319.77 | (-) 59.70 | 84 | 1108.10 | 704.28 | (-) 403.82 | 64 |
| | Total | 221402.92 | 199084.66 | (-) 22318.26 | 90 | 184510.90 | 97219.47 | (-) 87291.43 | 53 |

Appendix – 2B

Statement showing budget provisions and actual expenditure for the year 2012-13

(vide para : 2.1.1; page : 7)

(₹ in lakh)

| Sl. No. | Name of ULB | Revenue (including schemes) | | | | Capital (other than schemes) | | | |
|---------|-------------------|-----------------------------|--------------------|------------------------|---------------------------|------------------------------|--------------------|------------------------|---------------------------|
| | | Budget estimate | Actual expenditure | (-) Savings (+) Excess | Percentage of utilisation | Budget estimate | Actual expenditure | (-) Savings (+) Excess | Percentage of utilisation |
| 1. | Bankura | 2406.05 | 1711.09 | (-) 694.96 | 71 | 1413.50 | 478.38 | (-) 935.12 | 34 |
| 2. | Bansberia | 1021.08 | 1011.18 | (-) 9.90 | 99 | 355.60 | 297.22 | (-) 58.38 | 84 |
| 3. | Champdany | 977.14 | 970.19 | (-) 6.95 | 99 | 2213.60 | 1243.79 | (-) 969.81 | 56 |
| 4. | Chandernagore | 3933.78 | 3705.86 | (-) 227.92 | 94 | 3443.56 | 2732.35 | (-) 711.21 | 79 |
| 5. | Dalkhola | 256.85 | 192.93 | (-) 63.92 | 75 | 5445.20 | 548.43 | (-) 4896.77 | 10 |
| 6. | Diamond Harbour | 839.50 | 502.71 | (-) 336.79 | 60 | 3135.00 | 637.13 | (-) 2497.87 | 20 |
| 7. | Dubrajpur | 585.71 | 458.58 | (-) 127.13 | 78 | 991.40 | 612.15 | (-) 379.25 | 62 |
| 8. | Guskara | 573.42 | 419.68 | (-) 153.74 | 73 | 653.85 | 491.42 | (-) 162.43 | 75 |
| 9. | Hooghly-Chinsurah | 2382.12 | 1867.79 | (-) 514.33 | 78 | 1359.16 | 629.18 | (-) 729.98 | 46 |
| 10. | Jangipur | 1476.34 | 516.94 | (-) 959.40 | 35 | 1379.01 | 603.81 | (-) 775.20 | 44 |
| 11. | Khardah | 1274.80 | 1113.85 | (-) 160.95 | 87 | 1734.00 | 890.43 | (-) 843.57 | 51 |
| 12. | Kolkata | 200394.97 | 205373.70 | (+) 4978.73 | 102 | 95823.87 | 85393.56 | (-) 10430.31 | 89 |
| 13. | Konnagar | 858.34 | 815.38 | (-) 42.96 | 95 | 1398.00 | 271.62 | (-) 1126.38 | 19 |
| 14. | Maheshtala | 6749.02 | 2629.00 | (-) 4120.02 | 39 | 8524.63 | 2043.00 | (-) 6481.63 | 24 |
| 15. | Mathabhanga | 514.05 | 321.99 | (-) 192.06 | 63 | 536.10 | 492.90 | (-) 43.20 | 92 |
| 16. | Memari | 273.76 | 217.54 | (-) 56.22 | 79 | 810.02 | 424.85 | (-) 385.17 | 52 |
| 17. | Nabadwip | 1754.70 | 1331.22 | (-) 423.48 | 76 | 2622.93 | 1093.88 | (-) 1529.05 | 42 |
| 18. | North Dum Dum | 2677.26 | 2573.17 | (-) 104.09 | 96 | 5686.61 | 4266.82 | (-) 1419.79 | 75 |
| 19. | Panihati | 3489.22 | 3002.19 | (-) 487.03 | 86 | 2477.10 | 2776.07 | (+) 298.97 | 112 |
| 20. | Rishra | 1152.44 | 1331.64 | (+) 179.20 | 116 | 1774.20 | 1163.29 | (-) 610.91 | 66 |
| 21. | Taki | 394.91 | 319.10 | (-) 75.81 | 81 | 1082.00 | 483.10 | (-) 598.90 | 45 |
| | Total | 233985.46 | 230385.73 | (-) 3599.73 | 98 | 142859.34 | 107573.38 | (-) 35285.96 | 75 |

Appendix – 2C

Statement showing budget provisions and actual expenditure for the year 2013-14

(vide para : 2.1.1; page : 7)

(₹ in lakh)

| Sl. No. | Name of ULB | Revenue (including schemes) | | | | Capital (other than schemes) | | | |
|--------------|-------------------|-----------------------------|--------------------|------------------------|---------------------------|------------------------------|--------------------|------------------------|---------------------------|
| | | Budget estimate | Actual expenditure | (-) Savings (+) Excess | Percentage of utilisation | Budget estimate | Actual expenditure | (-) Savings (+) Excess | Percentage of utilisation |
| 1. | Bankura | 4145.03 | 2030.70 | (-) 2114.33 | 49 | 1413.50 | 1065.33 | (-) 348.17 | 75 |
| 2. | Bansberia | 1241.78 | 1168.48 | (-) 73.30 | 94 | 504.90 | 443.48 | (-) 61.42 | 88 |
| 3. | Champdany | 1012.56 | 1014.99 | (+) 2.43 | 100 | 1353.30 | 1315.94 | (-) 37.36 | 97 |
| 4. | Chandernagore | 3696.07 | 3206.92 | (-) 489.15 | 87 | 5802.85 | 4731.91 | (-) 1070.94 | 82 |
| 5. | Dalkhola | 160.85 | 123.31 | (-) 37.54 | 77 | 2255.50 | 674.88 | (-) 1580.62 | 30 |
| 6. | Diamond Harbour | 847.50 | 572.72 | (-) 274.78 | 68 | 3245.00 | 707.13 | (-) 2537.87 | 22 |
| 7. | Dubrajpur | 722.13 | 642.77 | (-) 79.36 | 89 | 1129.59 | 730.58 | (-) 399.01 | 65 |
| 8. | Guskara | 722.71 | 428.59 | (-) 294.12 | 59 | 1104.90 | 403.47 | (-) 701.43 | 37 |
| 9. | Hooghly-Chinsurah | 2540.27 | 2238.04 | (-) 302.23 | 88 | 1050.03 | 524.41 | (-) 525.62 | 50 |
| 10. | Jangipur | 1292.00 | 704.77 | (-) 587.23 | 55 | 1204.00 | 1109.55 | (-) 94.45 | 92 |
| 11. | Khurdah | 1440.90 | 1355.16 | (-) 85.74 | 94 | 3330.00 | 1015.46 | (-) 2314.54 | 30 |
| 12. | Kolkata | 233368.57 | 210561.18 | (-) 22807.39 | 90 | 100156.45 | 68161.71 | (-) 31994.74 | 68 |
| 13. | Konnagar | 1037.40 | 906.38 | (-) 131.02 | 87 | 1002.00 | 414.34 | (-) 587.66 | 41 |
| 14. | Maheshtala | 5784.68 | 4023.12 | (-) 1761.56 | 70 | 5055.08 | 4220.26 | (-) 834.82 | 83 |
| 15. | Mathabhanga | 426.12 | 343.19 | (-) 82.93 | 81 | 363.67 | 269.83 | (-) 93.84 | 72 |
| 16. | Memari | 273.54 | 256.39 | (-) 17.15 | 94 | 1990.97 | 1756.97 | (-) 234.00 | 88 |
| 17. | Nabadwip | 2098.49 | 1461.54 | (-) 636.95 | 70 | 4649.37 | 1405.28 | (-) 3244.09 | 30 |
| 18. | North Dum Dum | 3137.53 | 2949.69 | (-) 187.84 | 94 | 8519.10 | 5294.05 | (-) 3225.05 | 62 |
| 19. | Panihati | 4711.00 | 3605.86 | (-) 1105.14 | 77 | 5252.00 | 4138.59 | (-) 1113.41 | 79 |
| 20. | Rishra | 1284.80 | 1606.39 | (+) 321.59 | 125 | 4748.50 | 2072.86 | (-) 2675.64 | 44 |
| 21. | Taki | 494.30 | 418.16 | (-) 76.14 | 85 | 1011.00 | 789.82 | (-) 221.18 | 78 |
| Total | | 270438.23 | 239618.35 | (-) 30819.88 | 89 | 155141.71 | 101245.85 | (-) 53895.86 | 65 |

Appendix – 3A

Statement showing excess of expenditure over budget provision under revenue section

(vide para : 2.1.1; page : 8)

| Sl. No. | Name of ULB | Year | Budget estimate | Actual expenditure | Excess |
|--------------|-------------|---------|------------------|--------------------|----------------|
| | | | (₹ in lakh) | | |
| 1. | Champdany | 2013-14 | 1012.56 | 1014.99 | 2.43 |
| 2. | Kolkata | 2012-13 | 200394.97 | 205373.70 | 4978.73 |
| 3. | Panihati | 2011-12 | 2971.60 | 3511.00 | 539.40 |
| 4. | Rishra | 2011-12 | 1008.49 | 1166.37 | 157.88 |
| | | 2012-13 | 1152.44 | 1331.64 | 179.20 |
| | | 2013-14 | 1284.80 | 1606.39 | 321.59 |
| Total | | | 207824.86 | 214004.09 | 6179.23 |

(Source: Figures as furnished by ULBs)

Appendix – 3B

Statement showing excess of expenditure over budget provision under capital section

(vide para : 2.1.1; page : 8)

| Sl. No. | Name of ULB | Year | Budget estimate | Actual expenditure | Excess |
|--------------|-------------|---------|-----------------|--------------------|---------------|
| | | | (₹ in lakh) | | |
| 1. | Champdany | 2011-12 | 2965.84 | 2966.92 | 1.08 |
| 2. | Mathabhanga | 2011-12 | 296.25 | 315.61 | 19.36 |
| 3. | Panihati | 2012-13 | 2477.10 | 2776.07 | 298.97 |
| Total | | | 5739.19 | 6058.60 | 319.41 |

(Source: Figures as furnished by ULBs)

Appendix – 4

**Separate Audit Report issued during 1 April 2013 to 31 March 2014
and opinion on the accounts**

(vide para : 2.2.2; page : 9)

| Sl. No. | Name of ULB | Year of Accounts | Remarks |
|----------------|--------------------|-------------------------|--------------------------------|
| 1. | Bankura | 2007-08 | True and fair view |
| 2. | Barrackpore | 2008-09 | Do not give true and fair view |
| | | 2009-10 | Do not give true and fair view |
| | | 2010-11 | Do not give true and fair view |
| 3. | Baruipur | 2006-07 | True and fair view |
| | | 2007-08 | True and fair view |
| | | 2008-09 | True and fair view |
| | | 2009-10 | True and fair view |
| 4. | Basirhat | 2010-11 | True and fair view |
| 5. | Bhatpara | 2006-07 | True and fair view |
| | | 2007-08 | True and fair view |
| | | 2008-09 | True and fair view |
| | | 2009-10 | True and fair view |
| | | 2010-11 | True and fair view |
| | | 2011-12 | True and fair view |
| 6. | Chakdaha | 2011-12 | True and fair view |
| 7. | Dankuni | 2009-10 | True and fair view |
| 8. | Dum Dum | 2006-07 | True and fair view |
| 9. | Egra | 2007-08 | True and fair view |
| 10. | Gobardanga | 2008-09 | True and fair view |
| 11. | Jalpaiguri | 2007-08 | True and fair view |
| 12. | Kanchrapara | 2006-07 | True and fair view |
| 13. | Kolkata | 2011-12 | True and fair view |
| 14. | Madhyamgram | 2008-09 | True and fair view |
| 15. | Midnapore | 2007-08 | True and fair view |
| 16. | Taherpur | 2007-08 | True and fair view |
| 17. | Taki | 2010-11 | True and fair view |

(Source: Separate Audit Report of ULBs)

Appendix – 5
Results of audit comments on accounts

(vide para : 2.2.2; page : 9)

(₹ in lakh)

| Sl. No. | Name of ULB | Year of Accounts | Liability | | Asset | | Surplus of income over expenditure | | Deficit of income over expenditure | |
|---------|-------------|------------------|-----------|---------|---------|-------|------------------------------------|-----|------------------------------------|-------|
| | | | U/S | O/S | U/S | O/S | U/S | O/S | U/S | O/S |
| 1. | Bankura | 2007-08 | | 14.88 | 22.23 | | | | | 37.11 |
| 2. | Barrackpore | 2008-09 | | 91.29 | 157.50 | | 66.21 | | | |
| | | 2009-10 | | 569.81 | 752.85 | | 183.04 | | | |
| | | 2010-11 | | 1019.01 | 1217.35 | | 198.34 | | | |
| 3. | Baruipur | 2006-07 | | 30.79 | 3.06 | | 33.85 | | | |
| | | 2007-08 | | 38.61 | 3.15 | | 41.76 | | | |
| | | 2008-09 | | 18.85 | 6.16 | | 25.01 | | | |
| | | 2009-10 | | 17.37 | 9.19 | | 26.56 | | | |
| 4. | Basirhat | 2010-11 | 42.50 | | 11.71 | | 30.79 | | | |
| 5. | Bhatpara | 2006-07 | 44.76 | | 44.65 | | | | 0.11 | |
| | | 2007-08 | 53.20 | | 46.58 | | 6.62 | | | |
| | | 2008-09 | 62.57 | | 51.80 | | 10.77 | | | |
| | | 2009-10 | 56.74 | | 51.73 | | | | 5.01 | |
| | | 2010-11 | 71.26 | | 56.95 | | 14.31 | | | |
| | | 2011-12 | 100.10 | | 51.10 | | 49.00 | | | |
| 6. | Chakdaha | 2011-12 | 24.60 | | 11.42 | | 13.18 | | | |
| 7. | Dankuni | 2009-10 | 0.69 | | 0.78 | | 1.47 | | | |
| 8. | Dum Dum | 2006-07 | | 22.40 | 105.43 | | 83.03 | | | |
| 9. | Egra | 2007-08 | 4.05 | | 2.53 | | 1.52 | | | |
| 10. | Gobardanga | 2008-09 | 46.85 | | 18.29 | | 28.56 | | | |
| 11. | Jalpaiguri | 2007-08 | | 66.83 | 45.71 | 21.12 | | | | |
| 12. | Kanchrapara | 2006-07 | 72.79 | | 72.79 | | | | | |
| 13. | Kolkata | 2011-12 | 8301.00 | | 4498.00 | | 12799.00 | | | |
| 14. | Madhyamgram | 2008-09 | 16.85 | | 3.24 | | | | 13.61 | |
| 15. | Midnapore | 2007-08 | | 19.12 | 25.01 | | 5.89 | | | |
| 16. | Taherpur | 2007-08 | 6.57 | | 6.43 | | 0.14 | | | |
| 17. | Taki | 2010-11 | 8.66 | | 1.79 | | 6.87 | | | |

(Source: Separate Audit Report of ULBs)

U/S – Understated
O/S – Overstated

Appendix – 6

Number of journal vouchers passed (while preparing Annual Accounts) without any authorisation of competent authority and their money value

(vide para : 2.2.2; page : 9)

| Sl. No. | Name of ULB | Year of Accounts | No. of Journal Vouchers | Money Value (₹ in lakh) |
|----------------|--------------------|-------------------------|--------------------------------|--------------------------------|
| 1. | Basirhat | 2010-11 | 240 | 3615.34 |
| 2. | Bhatpara | 2006-07 | 49 | 531.48 |
| | | 2007-08 | 300 | 2116.08 |
| | | 2008-09 | 64 | 1501.32 |
| | | 2009-10 | 53 | 303.01 |
| | | 2010-11 | 64 | 1501.32 |
| | | 2011-12 | 226 | 3774.04 |
| 3. | Chakdaha | 2011-12 | 569 | 4261.82 |
| 4. | Egra | 2007-08 | 340 | 790.55 |
| 5. | Gobardanga | 2008-09 | 286 | 1430.00 |
| 6. | Taki | 2010-11 | 234 | 1232.13 |
| Total | | | 2425 | 21057.09 |

(Source: Separate Audit Report of ULBs)

Appendix – 7

Statement showing utilisation of funds

(vide para : 2.3; page : 9)

| Sl. No. | Name of ULB | Period | Purpose of the grant | Expenditure incurred for | Amount (₹ in lakh) |
|--------------|-------------|---------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------|
| 1. | Bankura | 2010-12 | WBUES | Wages of casual labourer | 117.28 |
| 2. | Bansberia | 2010-13 | Development grant | Salary, pension, bonus, etc. | 57.05 |
| 3. | Garulia | 2011-13 | UWEP | Payment of wages of daily rated worker, etc. | 64.00 |
| | | 2011-12 | SFC | Payment of wages of casual staff, etc. | 13.00 |
| | | 2009-13 | BSUP | Urgent expenditure, payment of wages of casual staff, payment to CESC Ltd., etc. | 333.84 |
| 4. | Guskara | 2010-11 | 12 th Finance Commission | Payment of group gratuity cash scheme to P & GS, LIC | 5.93 |
| | | | | Purchase of land | 27.00 |
| | | | IDSMT | Stamp duty for purchase of land | 2.02 |
| 5. | Howrah | 2011-12 | Development Fund | Salary of employee | 45.00 |
| 6. | Nabadwip | 2010-12 | WBUES | Payment of electricity bill | 16.03 |
| 7. | Ranaghat | 2008-13 | NSAP | Salary / honorarium of regular / casual staff | 4.68 |
| 8. | Suri | 2011-13 | 13 th Finance Commission | Payment of pension, salary of contractual employees and payment of ST / IT / Cess | 54.68 |
| | | 2010-13 | UIDSSMT | Payment of pension, maintenance of street light, hire charges of tractors, etc. | 253.60 |
| 9. | Taki | 2011-12 | Repairing of heritage building of Taki Rajbari including tourism development | Construction of two guest houses | 36.81 |
| 10. | Tarakeswar | 2012-13 | IHSDP | Purchase of land for construction of auditorium | 65.56 |
| Total | | | | | 1096.48 |

(Source: Records of ULBs)

Appendix – 8
Statement showing outstanding loans of ULBs
(vide para : 2.4; page : 9)

| Sl. No. | Name of ULB | As of | Source of loan | Principal | Interest | Total liability |
|--------------|-------------------|------------|---------------------------------------|-----------------|-----------------|-----------------|
| | | | | (₹ in lakh) | | |
| 1. | Asansol | March 2013 | State | 22.50 | 60.51 | 83.01 |
| | | | Central | 73.64 | 243.24 | 316.88 |
| | | | Others | 26.09 | 137.07 | 163.16 |
| 2. | Bally | March 2013 | WBMDFT | 49.95 | | 49.95 |
| 3. | Bansberia | March 2013 | WBMDFT | 133.00 | | 133.00 |
| 4. | Birnagar | March 2013 | Central Govt. | 28.95 | | 28.95 |
| 5. | Champdany | March 2013 | CUDP-III | 118.79 | | 118.79 |
| | | | 8 th Plan | 139.65 | | 139.65 |
| 6. | Chandernagore | March 2013 | 8 th Plan | 214.16 | 80.31 | 294.47 |
| | | | CUDP-III | 189.76 | 46.97 | 236.73 |
| 7. | Dainhat | March 2013 | Burdwan Central Co-operative Bank | 6.65 | 3.55 | 10.20 |
| 8. | Durgapur | March 2013 | WBMDFT | 300.20 | | 300.20 |
| 9. | Hooghly-Chinsurah | March 2012 | CMDA-CUDP-III | 189.76 | 158.72 | 348.48 |
| | | | 8 th Plan | 246.41 | 70.63 | 317.04 |
| 10. | Kalna | March 2013 | LICI | 12.42 | 3.99 | 16.41 |
| 11. | Kandi | March 2013 | Murshidabad Central Co-operative Bank | 24.00 | 55.87 | 79.87 |
| | | | WBMDFT | 80.00 | | 80.00 |
| 12. | Khirpai | March 2012 | WBMDFT | 20.00 | 0.21 | 20.21 |
| 13. | KMC | March 2012 | CUDP-III | 2219.00 | 5886.00 | 8105.00 |
| | | | ADB | 59590.00 | 20871.00 | 80461.00 |
| | | | Bank | 945.00 | | 945.00 |
| | | | Government and Statutory Bodies | 691.00 | | 691.00 |
| 14. | Konnagar | March 2013 | | 24.99 | | 24.99 |
| 15. | Midnapore | March 2013 | IDSMT | 47.42 | 129.10 | 176.52 |
| 16. | Nabadwip | March 2012 | | 39.54 | | 39.54 |
| | | | 8 th Plan | 215.75 | | 215.75 |
| 17. | North Dum Dum | March 2013 | CUDP-III | 77.58 | | 77.58 |
| | | | | 11.60 | | 11.60 |
| 18. | Ranaghat | March 2013 | WBMDFT | 11.60 | | 11.60 |
| 19. | Sainthia | March 2013 | PHE | 22.63 | | 22.63 |
| 20. | Tarakeswar | March 2013 | WBMDFT | 16.39 | | 16.39 |
| Total | | | | 65776.83 | 27747.17 | 93524.00 |

(Source: Figures as furnished by ULBs)

Appendix – 9

Statement showing outstanding advances

(vide para : 2.7; page : 11)

(₹ in lakh)

| Sl. No. | Name of ULB | Outstanding as of | Outstanding advances | Particular of Advance/ Remarks |
|---------|-----------------|-------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Champdany | March 2013 | 299.30 | Out of the total amount, ₹ 44.68 lakh was outstanding for more than 10 years and ₹ 230.90 lakh were outstanding for three to five years. |
| 2. | Chandernagore | March 2013 | 343.79 | Out of the total amount, ₹ 173.30 lakh was outstanding for more than five years and advances were outstanding against the Councillors, municipal staff, contractors, etc. |
| 3. | Dainhat | March 2013 | 27.27 | The advances were unadjusted for a period of four months to 24 years. Fresh advances were granted to the same holder without obtaining adjustment of the previous ones. |
| 4. | Diamond Harbour | March 2013 | 7.46 | Out of the total amount, ₹ 1.04 lakh was outstanding for more than 12 years and advances were outstanding against the Councillors, ex-Councillors, municipal staff, etc. |
| 5. | Dubrajpur | March 2013 | 70.41 | Fresh advances were granted to the same holder without obtaining the adjustment of the previous ones. Out of the total amount, ₹ 62.04 lakh was outstanding for a period of four months to 24 years against three staff of the Municipality. |
| 6. | Durgapur | March 2013 | 40.75 | Out of the total amount, ₹ 6.11 lakh was outstanding for more than 15 years and advances were outstanding against the Chairman (Borough Committee), Member Mayor-in-Council (MMIC), ex-MMIC, municipal staff, etc. |
| 7. | Guskara | March 2013 | 2.59 | Advances were granted to the employees for the purpose of <i>Vivek Mela</i> , cattle market, labour payment and to the contractors. |
| 8. | Habra | March 2013 | 54.14 | Five to 14 consecutive advances were granted to the same holder without obtaining the adjustment of the previous ones. Out of the total amount, ₹ 17.67 lakh was outstanding for more than five years. |
| 9. | Jangipur | March 2013 | 5.58 | Advances were unadjusted for more than 12 years and advances were outstanding against the Ex-Vice-Chairman, Ex-Councillors, Assistant Engineer, Advocate, etc. |

| Sl. No. | Name of ULB | Outstanding as of | Outstanding advances | Particular of Advance/ Remarks |
|--------------|-----------------|-------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10. | Kharar | March 2013 | 8.98 | Five to 10 consecutive advances were granted to the same holder without obtaining the adjustment of the previous ones. |
| 11. | Khardah | March 2013 | 0.43 | Advances were lying unadjusted for more than 15 years. |
| 12. | Konnagar | March 2013 | 3.13 | Out of the total amount, ₹ 0.42 lakh was outstanding for a period of five years to 15 years. |
| 13. | Maheshtala | March 2012 | 19.07 | Advances were given for wages of workers and implementation of schemes. |
| 14. | Midnapore | March 2013 | 1081.40 | Out of the total amount, ₹ 424 lakh was outstanding for more than 15 years, ₹ 18.53 lakh for a period of 10 to 15 years and ₹ 438.30 lakh for a period of five to 10 years. |
| 15. | Nabadwip | March 2012 | 4.55 | Out of the total amount, ₹ 2.57 lakh was outstanding for more than 15 years and ₹ 0.97 lakh was outstanding against retired staff. |
| 16. | North Dum Dum | March 2012 | 8.33 | Advances were granted to the same holder without obtaining the adjustment of the previous ones. |
| 17. | Panihati | March 2012 | 147.33 | Out of the total amount, ₹ 31.15 lakh was outstanding for a period of three years to 15 years against contractors, suppliers, individuals, etc. |
| 18. | Pujali | March 2013 | 162.11 | Advances were outstanding against the Councilors and municipal staff. |
| 19. | Rajpur-Sonarpur | March 2013 | 89.59 | |
| 20. | South Dum Dum | March 2013 | 65.52 | Advances were given for execution of various schemes / works. |
| 21. | Suri | March 2013 | 20.07 | Out of the total amount, ₹ 6.54 lakh of advance given to government officers was outstanding for more than 16 years. |
| Total | | | 2461.80 | |

(Source: Records of ULBs)

Appendix – 10

Loss of interest on Provident Fund

(vide para : 2.8; page : 12)

| Sl. No. | Name of ULB | Period | Loss of interest due to delay in deposit (₹ in lakh) |
|--------------|---------------|-----------|---------------------------------------------------------|
| 1. | Asansol | 2010-13 | 68.05 |
| 2. | Bankura | 2010-13 | 7.58 |
| 3. | Champdany | 1993-2013 | 77.27 |
| 4. | Durgapur | 2010-13 | 0.96 |
| 5. | Garulia | 1996-2013 | 46.18 |
| 6. | Howrah | 2009-12 | 5.58 |
| 7. | Kandi | 2009-13 | 0.12 |
| 8. | Rishra | 2005-13 | 1.13 |
| 9. | South Dum Dum | 2010-12 | 0.44 |
| Total | | | 207.31 |

(Source: Records of ULBs)

Appendix – 11A

Statement showing demand and collection of property tax for the year 2011-12

(vide para : 2.9; page : 12)

(₹ in lakh)

| Sl No. | Name of ULB | Demand | | Collection | | Percentage of realisation | Balance | |
|--------------|-------------------|----------------|----------------|---------------|----------------|---------------------------|----------------|---------------|
| | | Arrear | Current | Arrear | Current | | Arrear | Current |
| 1. | Bankura | 116.06 | 79.27 | 23.50 | 43.17 | 34 | 92.56 | 36.10 |
| 2. | Bansberia | 830.63 | 152.73 | 118.32 | 71.48 | 19 | 712.31 | 81.25 |
| 3. | Champdany | 383.56 | 75.00 | 37.20 | 64.51 | 22 | 346.36 | 10.49 |
| 4. | Chandernagore | 63.28 | 181.00 | 19.59 | 146.01 | 68 | 43.69 | 34.99 |
| 5. | Diamond Harbour | 154.14 | 43.72 | 35.20 | 8.86 | 22 | 118.94 | 34.86 |
| 6. | Dubrajpur | 28.45 | 9.94 | 4.17 | 4.41 | 22 | 24.28 | 5.58 |
| 7. | Guskara | 46.55 | 22.33 | 3.59 | 13.18 | 24 | 42.96 | 9.15 |
| 8. | Hooghly-Chinsurah | 117.29 | 92.47 | 25.41 | 79.73 | 50 | 91.88 | 13.24 |
| 9. | Jangipur | 77.24 | 30.54 | 14.06 | 20.18 | 32 | 63.18 | 10.36 |
| 10. | Khardah | 48.20 | 101.08 | 16.41 | 83.68 | 67 | 31.79 | 17.40 |
| 11. | Konnagar | 173.26 | 72.20 | 16.59 | 43.16 | 24 | 156.67 | 29.04 |
| 12. | Mathabhanga | 74.29 | 28.11 | 9.88 | 9.65 | 19 | 64.09 | 18.46 |
| 13. | Memari | 29.96 | 26.90 | 7.66 | 20.28 | 49 | 22.30 | 6.62 |
| 14. | Nabadwip | 117.42 | 56.04 | 12.51 | 37.28 | 29 | 104.91 | 18.76 |
| 15. | North Dum Dum | 174.85 | 177.94 | 63.08 | 153.97 | 62 | 111.77 | 23.97 |
| 16. | Panihati | 1321.66 | 316.17 | 88.78 | 170.99 | 16 | 1232.88 | 145.18 |
| 17. | Rajpur-Sonarpur | 204.35 | 325.87 | 69.42 | 244.18 | 59 | 134.93 | 81.69 |
| 18. | Rishra | 336.80 | 144.72 | 22.42 | 104.72 | 26 | 314.38 | 40.00 |
| 19. | Taki | 23.54 | 18.10 | 5.85 | 11.12 | 41 | 17.69 | 6.98 |
| Total | | 4321.53 | 1954.13 | 593.64 | 1330.56 | 31 | 3727.57 | 624.12 |

Appendix – 11B

Statement showing demand and collection of property tax for the year 2012-13

(vide para : 2.9; page : 12)

(₹ in lakh)

| Sl No. | Name of ULB | Demand | | Collection | | Percentage of realisation | Balance | |
|--------------|-------------------|----------------|----------------|---------------|----------------|---------------------------|----------------|---------------|
| | | Arrear | Current | Arrear | Current | | Arrear | Current |
| 1. | Bankura | 128.65 | 79.37 | 31.91 | 42.42 | 36 | 96.74 | 36.95 |
| 2. | Bansberia | 793.56 | 139.71 | 126.47 | 78.63 | 22 | 667.09 | 61.08 |
| 3. | Champdany | 356.85 | 72.96 | 10.84 | 62.38 | 17 | 346.01 | 10.58 |
| 4. | Chandernagore | 78.68 | 184.42 | 21.67 | 112.02 | 51 | 57.01 | 72.40 |
| 5. | Diamond Harbour | 153.80 | 43.72 | 16.64 | 34.07 | 26 | 137.16 | 9.65 |
| 6. | Dubrajpur | 29.80 | 9.94 | 3.22 | 3.65 | 17 | 26.58 | 6.29 |
| 7. | Guskara | 52.10 | 23.29 | 5.42 | 13.76 | 25 | 46.68 | 9.53 |
| 8. | Hooghly-Chinsurah | 105.12 | 93.97 | 40.38 | 85.86 | 63 | 64.70 | 8.11 |
| 9. | Jangipur | 73.54 | 30.54 | 4.66 | 15.91 | 20 | 68.88 | 14.63 |
| 10. | Khardah | 49.19 | 103.67 | 14.09 | 86.15 | 66 | 35.10 | 17.52 |
| 11. | Konnagar | 185.70 | 72.20 | 80.60 | 51.80 | 51 | 105.10 | 20.40 |
| 12. | Mathabhanga | 82.56 | 28.11 | 12.66 | 8.97 | 20 | 69.90 | 19.14 |
| 13. | Memari | 28.56 | 26.96 | 3.73 | 20.87 | 44 | 24.83 | 6.09 |
| 14. | Nabadwip | 106.57 | 49.41 | 15.92 | 37.60 | 34 | 90.65 | 11.81 |
| 15. | North Dum Dum | 135.74 | 177.94 | 30.06 | 152.87 | 58 | 105.68 | 25.07 |
| 16. | Panihati | 1377.52 | 318.26 | 74.47 | 184.17 | 15 | 1303.05 | 134.09 |
| 17. | Rajpur-Sonarpur | 216.62 | 376.50 | 58.07 | 262.86 | 54 | 158.55 | 113.64 |
| 18. | Rishra | 348.00 | 146.00 | 35.00 | 95.00 | 26 | 313.00 | 51.00 |
| 19. | Taki | 24.67 | 18.38 | 3.41 | 11.00 | 33 | 21.26 | 7.38 |
| Total | | 4327.23 | 1995.35 | 589.22 | 1359.99 | 31 | 3737.97 | 635.36 |

Appendix – 11C

Statement showing demand and collection of property tax for the year 2013-14

(vide para : 2.9; page : 12)

(₹ in lakh)

| Sl. No. | Name of ULB | Demand | | Collection | | Percentage of realisation | Balance | |
|--------------|-------------------|----------------|----------------|---------------|----------------|---------------------------|----------------|---------------|
| | | Arrear | Current | Arrear | Current | | Arrear | Current |
| 1. | Bankura | 275.86 | 87.05 | 62.65 | 33.92 | 27 | 213.21 | 53.13 |
| 2. | Bansberia | 728.17 | 142.73 | 23.73 | 75.12 | 11 | 704.44 | 67.61 |
| 3. | Champdany | 356.59 | 75.56 | 50.02 | 71.54 | 28 | 306.57 | 4.02 |
| 4. | Chandernagore | 129.41 | 248.72 | 61.72 | 152.98 | 57 | 67.69 | 95.74 |
| 5. | Diamond Harbour | 154.42 | 48.23 | 18.71 | 41.02 | 29 | 135.71 | 7.21 |
| 6. | Dubrajpur | 32.87 | 9.94 | 2.47 | 3.47 | 14 | 30.40 | 6.47 |
| 7. | Guskara | 56.22 | 24.05 | 2.97 | 13.88 | 21 | 53.25 | 10.25 |
| 8. | Hooghly-Chinsurah | 72.85 | 101.08 | 46.15 | 92.58 | 80 | 26.70 | 8.50 |
| 9. | Jangipur | 81.38 | 30.55 | 11.69 | 20.96 | 29 | 69.69 | 9.59 |
| 10. | Khardah | 52.61 | 105.73 | 14.03 | 87.49 | 64 | 38.58 | 18.24 |
| 11. | Konnagar | 125.52 | 72.20 | 10.88 | 43.49 | 27 | 114.64 | 28.71 |
| 12. | Mathabhanga | 89.04 | 28.11 | 14.86 | 9.60 | 21 | 74.06 | 18.51 |
| 13. | Memari | 30.93 | 28.26 | 3.30 | 20.58 | 40 | 27.63 | 7.68 |
| 14. | Nabadwip | 102.45 | 47.80 | 11.47 | 37.79 | 33 | 90.98 | 10.01 |
| 15. | North Dum Dum | 130.73 | 347.90 | 41.05 | 200.95 | 51 | 89.68 | 146.95 |
| 16. | Panihati | 1451.16 | 327.42 | 79.07 | 169.94 | 14 | 1372.09 | 157.48 |
| 17. | Rajpur-Sonarapur | 272.18 | 406.39 | 87.16 | 310.41 | 59 | 185.02 | 95.98 |
| 18. | Rishra | 359.25 | 147.59 | 25.96 | 110.20 | 27 | 333.29 | 37.39 |
| 19. | Taki | 28.64 | 18.92 | 3.84 | 11.87 | 33 | 24.80 | 7.05 |
| Total | | 4530.28 | 2298.23 | 571.73 | 1507.79 | 30 | 3958.43 | 790.52 |

Appendix – 12

Statement showing non / short collection of labour welfare cess

(vide para : 2.10; page : 13)

| Sl. No. | Name of ULB | Period | Cess (₹ in lakh) |
|--------------|-------------------|---------|------------------|
| 1. | Bankura | 2009-12 | 8.60 |
| 2. | Baranagar | 2011-12 | 3.87 |
| 3. | Birnagar | 2011-13 | 0.19 |
| 4. | Champdany | 2010-13 | 12.59 |
| 5. | Diamond Harbour | 2010-12 | 1.20 |
| 6. | Dubrajpur | 2007-13 | 3.45 |
| 7. | Garulia | 2009-13 | 5.35 |
| 8. | Habra | 2009-13 | 32.63 |
| 9. | Haldia | 2010-13 | 242.58 |
| 10. | Hooghly-Chinsurah | 2008-13 | 66.11 |
| 11. | Howrah | 2007-12 | 1197.59 |
| 12. | Jangipur | 2011-13 | 2.89 |
| 13. | Kanchrapara | 2012-13 | 2.39 |
| 14. | Khardah | 2011-12 | 1.88 |
| 15. | Khirpai | 2011-12 | 0.56 |
| 16. | Mathabhanga | 2008-13 | 0.13 |
| 17. | Memari | 2007-13 | 15.61 |
| 18. | Pujali | 2011-13 | 1.79 |
| 19. | Rajpur-Sonarpur | 2011-13 | 59.22 |
| 20. | Rishra | 2008-14 | 45.78 |
| 21. | Taki | 2009-12 | 3.18 |
| 22. | Tarakeswar | 2010-13 | 10.73 |
| Total | | | 1718.32 |

(Source: Records of ULBs)

Appendix -13

Statement showing Budget Estimate, Actual Realisation and Percentage of Realisation of Own Fund during the period 2011-12, 2012-13 and 2013-14

(vide para : 3.1; page : 17)

(₹ in lakh)

| Sl. No. | Name of ULB | Budget Estimate | | | Actual Realisation | | | Percentage of Realisation | | |
|--------------|-------------------|------------------|------------------|------------------|--------------------|------------------|------------------|---------------------------|------------|-----------|
| | | 2011-12 | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 |
| 1. | Bankura | 601.92 | 765.02 | 770.52 | 285.09 | 276.28 | 353.80 | 47 | 36 | 46 |
| 2. | Bansberia | 288.36 | 325.30 | 388.05 | 347.20 | 285.69 | 387.37 | 120 | 88 | 100 |
| 3. | Champdany | 230.36 | 218.18 | 231.77 | 232.08 | 202.71 | 222.54 | 101 | 93 | 96 |
| 4. | Chandernagore | 773.38 | 1084.61 | 1162.14 | 669.24 | 764.95 | 1073.01 | 87 | 71 | 92 |
| 5. | Dalkhola | 64.10 | 60.05 | 35.35 | 25.67 | 32.46 | 29.94 | 40 | 54 | 85 |
| 6. | Diamond Harbour | 373.90 | 450.00 | 450.00 | 292.53 | 302.15 | 301.33 | 78 | 67 | 67 |
| 7. | Dubrajpur | 90.55 | 81.33 | 55.63 | 72.27 | 82.68 | 94.01 | 80 | 102 | 169 |
| 8. | Guskara | 155.35 | 188.35 | 231.34 | 70.25 | 110.69 | 118.74 | 45 | 59 | 51 |
| 9. | Hooghly-Chinsurah | 449.45 | 499.47 | 678.93 | 375.65 | 493.48 | 549.88 | 84 | 99 | 81 |
| 10. | Jangipur | 277.83 | 1146.84 | 306.81 | 198.95 | 440.02 | 229.65 | 72 | 38 | 75 |
| 11. | Khardah | 489.35 | 591.60 | 677.30 | 382.02 | 577.28 | 630.31 | 78 | 98 | 93 |
| 12. | Kolkata | 98327.04 | 120336.81 | 157380.76 | 107066.93 | 145965.98 | 110833.75 | 109 | 121 | 70 |
| 13. | Konnagar | 300.51 | 329.39 | 487.85 | 286.47 | 513.35 | 466.43 | 95 | 156 | 96 |
| 14. | Maheshtala | 2100.53 | 3791.95 | 3333.06 | 1287.73 | 1473.32 | 4298.33 | 61 | 39 | 129 |
| 15. | Mathabhanga | 94.41 | 154.99 | 119.95 | 110.22 | 120.66 | 80.48 | 117 | 78 | 67 |
| 16. | Memari | 232.05 | 325.16 | 334.34 | 207.80 | 303.33 | 300.08 | 90 | 93 | 90 |
| 17. | Nabadwip | 444.44 | 436.56 | 654.57 | 309.49 | 569.64 | 399.70 | 70 | 130 | 61 |
| 18. | North Dum Dum | 855.98 | 1122.84 | 1471.45 | 853.45 | 1113.99 | 1409.16 | 100 | 99 | 96 |
| 19. | Panihati | 1205.70 | 1212.11 | 2618.80 | 1010.69 | 1439.46 | 1964.63 | 84 | 119 | 75 |
| 20. | Rajpur-Sonarpur | 1673.05 | 1801.47 | 3942.06 | 2215.17 | 2742.06 | 3922.18 | 132 | 152 | 99 |
| 21. | Rishra | 424.24 | 468.57 | 471.19 | 399.40 | 571.36 | 539.69 | 94 | 122 | 115 |
| 22. | Taki | 105.61 | 94.10 | 125.70 | 72.83 | 68.66 | 78.46 | 69 | 73 | 62 |
| Total | | 109558.11 | 135484.70 | 175927.57 | 116771.13 | 158450.20 | 128283.47 | 107 | 117 | 73 |

(Source: Figures as furnished by ULBs)

Appendix - 14

Statement showing loss of revenue due to non-imposition of surcharge

(vide para : 3.4; page : 19)

(₹ in lakh)

| Sl. No. | Name of ULB | No. of commercial / non-residential holding | Annual Property Tax | Annual surcharge @ 20% | Period | Loss | |
|--------------|---------------|---------------------------------------------|---------------------|------------------------|--------------------------|--------------------------|------|
| 1. | Asansol | 7909 | 267.73 | 53.55 | 01.04.2012 to 31.03.2013 | 53.55 | |
| 2. | Durgapur | 1011 | 1570.32 | 133.86 | 01.04.2011 to 31.03.2012 | 264.33 | |
| | | 1003 | 1723.75 | 130.47 | 01.04.2012 to 31.03.2013 | | |
| 3. | Garulia | 741 | 44.88 | 8.98 | 01.04.2009 to 31.03.2013 | 35.91 | |
| 4. | Habra | 4195 | 20.72 | 4.14 | 01.07.2006 to 31.03.2013 | 27.97 | |
| 5. | Kanchrapara | 1316 | 21.69 | 4.34 | 01.04.2012 to 31.03.2013 | 4.34 | |
| 6. | Kandi | 920 | 7.00 | 1.40 | 01.04.2009 to 31.03.2013 | 5.60 | |
| 7. | Maheshtala | 9535 | 339.02 | 67.80 | 01.04.2012 to 31.03.2013 | 67.80 | |
| 8. | Memari | NA | 14.87 | 2.97 | 01.04.2011 to 31.03.2012 | 5.98 | |
| | | | 15.04 | 3.01 | 01.04.2012 to 31.03.2013 | | |
| 9. | Midnapore | 215 | 16.40 | 3.28 | 01.04.2010 to 31.03.2013 | 9.84 | |
| 10. | NDITA | NA | 2819.72 | 563.94 | 01.04.2011 to 31.03.2012 | 1153.87 | |
| | | | 2949.63 | 589.93 | 01.04.2012 to 31.03.2013 | | |
| 11. | North Dum Dum | 88 | 69.22 | 13.84 | 01.04.2011 to 31.03.2012 | 13.84 | |
| 12. | South Dum Dum | 3812 | 155.04 | 31.01 | 01.04.2011 to 31.03.2012 | 31.01 | |
| 13. | Taki | | 1113 | 4.15 | 0.83 | 01.04.2009 to 31.03.2010 | 2.75 |
| | | | 1112 | 4.30 | 0.86 | 01.04.2010 to 31.03.2011 | |
| | | | 1120 | 5.30 | 1.06 | 01.04.2011 to 31.03.2012 | |
| 14. | Tarakeswar | 464 | 4.92 | 0.98 | 01.04.2010 to 31.03.2011 | 2.96 | |
| | | | 4.97 | 0.99 | 01.04.2011 to 31.03.2012 | | |
| | | | 4.97 | 0.99 | 01.04.2012 to 31.03.2013 | | |
| Total | | | | | | 1679.75 | |

(Source: Records of ULBs)

Appendix – 15

Statement showing outstanding water charges as of March 2014

(vide para : 3.5; page : 20)

(₹ in lakh)

| Sl. No. | Name of ULB | Demand | Collection | Outstanding |
|----------------|--------------------|----------------|-------------------|--------------------|
| 1. | Bansberia | 4.23 | 3.24 | 0.99 |
| 2. | Champdany | 64.17 | 0 | 64.17 |
| 3. | Chandernagore | 415.05 | 0.99 | 414.06 |
| 4. | Diamond Harbour | 12.41 | 11.70 | 0.71 |
| 5. | Dubrajpur | 11.32 | 3.31 | 8.01 |
| 6. | Guskara | 0.11 | 0.03 | 0.08 |
| 7. | Jangipur | 40.23 | 9.11 | 31.12 |
| 8. | Kolkata | 4961.92 | 4650.39 | 311.53 |
| 9. | Konnagar | 30.37 | 2.43 | 27.94 |
| 10. | Maheshtala | 12.35 | 6.66 | 5.69 |
| 11. | Mathabhanga | 14.29 | 2.53 | 11.76 |
| 12. | North Dum Dum | 22.83 | 11.03 | 11.80 |
| 13. | Panihati | 538.26 | 81.17 | 457.09 |
| Total | | 6127.54 | 4782.59 | 1344.95 |

(Source: Figures as furnished by ULBs)

Appendix – 16
Statement showing outstanding fee
(vide para : 3.6; page : 20)

| Sl. No. | Name of ULB | As of | Outstanding fee (₹ in lakh) |
|----------------|--------------------|--------------|----------------------------------------|
| 1. | Bankura | March 2012 | 1.06 |
| 2. | Diamond Harbour | March 2012 | 6.65 |
| 3. | Guskara | March 2012 | 6.03 |
| 4. | Haldia | March 2013 | 257.83 |
| 5. | Mathabhanga | March 2013 | 9.93 |
| 6. | Panihati | March 2012 | 62.78 |
| 7. | South Dum Dum | March 2012 | 68.57 |
| 8. | Tarakeswar | March 2013 | 11.77 |
| Total | | | 424.62 |

(Source: Records of ULBs)

Appendix – 17

Statement showing outstanding rent / *salami* / development fee / parking fee
from stalls / shops / *ferry* service

(vide para : 3.7; page : 20)

(₹ in lakh)

| Sl. No. | Name of ULB | As on | Rent / <i>salami</i> / development fee / parking fee not realised from stalls / shops / <i>ferry</i> services etc. |
|--------------|-------------------|---------------|--------------------------------------------------------------------------------------------------------------------|
| 1. | Asansol | March 2013 | 13.45 |
| 2. | Bally | March 2013 | 4.90 |
| 3. | Bansberia | March 2013 | 1.74 |
| 4. | Bhadreswar | March 2013 | 4.69 |
| 5. | Bidhannagar | July 2013 | 266.33 |
| 6. | Birnagar | March 2013 | 1.12 |
| 7. | Champdany | March 2013 | 31.62 |
| 8. | Chandernagore | March 2013 | 1.81 |
| 9. | Dainhat | March 2013 | 4.61 |
| 10. | Durgapur | March 2013 | 17.19 |
| 11. | Guskara | March 2013 | 6.03 |
| 12. | Habra | March 2013 | 20.75 |
| 13. | Haldia | March 2013 | 97.77 |
| 14. | Hooghly-Chinsurah | March 2012 | 10.90 |
| 15. | Howrah | March 2012 | 14.72 |
| 16. | Jangipur | March 2013 | 20.27 |
| 17. | Kalna | March 2013 | 4.86 |
| 18. | Kamarhati | March 2012 | 18.50 |
| 19. | Kanchrapara | March 2013 | 10.22 |
| 20. | Kandi | March 2013 | 6.98 |
| 21. | Kharar | March 2013 | 5.70 |
| 22. | Khirpai | March 2012 | 2.96 |
| 23. | Kolkata | March 2013 | 2249.00 |
| 24. | Konnagar | March 2013 | 17.96 |
| 25. | Mathabhanga | March 2013 | 20.73 |
| 26. | Memari | March 2013 | 3.48 |
| 27. | Midnapore | March 2013 | 7.80 |
| 28. | Panihati | March 2012 | 83.30 |
| 29. | Rajpur-Sonarpur | March 2013 | 1.53 |
| 30. | Ranaghat | March 2013 | 13.87 |
| 31. | Rishra | November 2013 | 57.30 |
| 32. | Sainthia | March 2013 | 5.57 |
| 33. | South Dum Dum | March 2012 | 6.25 |
| 34. | Taherpur | March 2013 | 11.25 |
| 35. | Taki | March 2012 | 4.42 |
| Total | | | 3049.58 |

(Source: Records of ULBs)

Glossary of abbreviations

| | |
|--------|------------------------------------------------------------------|
| ADB | Asian Development Bank |
| AFS | Annual Financial Statement |
| ATN | Abridged Tender Notice |
| BE | Budget Estimate |
| BoC | Board of Councillors |
| BRGF | Backward Region Grant Fund |
| BSUP | Basic Services for Urban Poor |
| CESC | Calcutta Electric Supply Corporation |
| CFL | Compact Fluorescent Lamp |
| CI | Cast Iron |
| CIC | Chairman-in-Council |
| CPHEEO | Central Public Health and Environmental Engineering Organisation |
| CUDP | Calcutta Urban Development Programme |
| DI | Ductile Iron |
| DPR | Detailed Project Report |
| DPSC | District Primary School Council |
| DU | Dwelling Unit |
| ELA | Examiner of Local Accounts |
| FIR | First Information Report |
| GI | Galvanised Iron |
| GoI | Government of India |
| GoWB | Government of West Bengal |
| HDPE | High Density Poly Ethylene |
| HMC | Howrah Municipal Corporation |
| HP | Horse Power |
| HT | High Tension |
| IDSMT | Integrated Development of Small and Medium Towns |
| IHSDP | Integrated Housing and Slum Development Programme |
| INK | Institute of Neurosciences, Kolkata |
| IR | Inspection Report |
| JNNURM | Jawaharlal Nehru National Urban Renewal Mission |
| Kg | Kilogram |
| KMC | Kolkata Municipal Corporation |
| KMDA | Kolkata Metropolitan Development Authority |
| KMWSA | Kolkata Metropolitan Water & Sanitation Authority |
| KVA | Kilo-Volt Ampere |
| KW | Kilo Watt |
| MAC | Municipal Accounts Committee |
| MAD | Municipal Affairs Department |
| MDM | Mid- Day Meal |
| MED | Municipal Engineering Directorate |
| MGD | Million Gallon per Day |
| MIC | Mayor-in-Council |
| MLD | Million Litres Daily |
| MPR | Monthly Progress Report |
| MT | Metric Ton |
| NDITA | Nabadiganta Industrial Township Authority |
| NF | Neurosciences Foundation |
| NIQ | Notice Inviting Quotation |
| NIT | Notice Inviting Tender |

| | |
|---------|------------------------------------------------------------------|
| NSAP | National Social Assistance Programme |
| OD | Outer Diameter |
| OHR | Over Head Reservoir |
| PF | Provident Fund |
| PHED | Public Health Engineering Directorate |
| PWD | Public Works Department |
| QPR | Quarterly Progress Report |
| RE | Revised Budget Estimate |
| SAE | Sub Assistant Engineer |
| SFC | State Finance Commission |
| SLAC | State Level Audit Committee |
| SLNA | State Level Nodal Agency |
| SMC | Siliguri Municipal Corporation |
| SOR | Schedule of Rates |
| SUDA | State Urban Development Agency |
| SWID | State Water Investigation Directorate |
| SWMC | Solid Waste Management Committee |
| TFC | Thirteenth Central Finance Commission |
| UC | Utilisation Certificate |
| UIDSSMT | Urban Infrastructure Development Scheme for Small & Medium Towns |
| ULB | Urban Local Body |
| UM | Uluberia Municipality |
| UWEP | Urban Wage Employment Programme |
| VAT | Value Added Tax |
| WBERC | West Bengal Electricity Regulatory Commission |
| WBMC | West Bengal Municipal Corporation |
| WBMDF | West Bengal Municipal Development Fund |
| WBMDFT | West Bengal Municipal Development Fund Trust |
| WBUES | West Bengal Urban Employment Scheme |
| WBVB | West Bengal Valuation Board |
| WTP | Water Treatment Plant |

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