PREFACE

This Report for the year ended 31 March 2009 contains the results of audit of accounts of Urban Local Bodies in the state of West Bengal.

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

The cases mentioned in this Report are among those, which came to notice in the course of test audit of accounts of 50 ULBs during the period June 2008 to March 2009, as well as those noticed in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2008 – 09 have also been included wherever considered necessary.

OVERVIEW

This Report has seven 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 Audit findings is presented in this overview.

Twelve ULBs had incurred excess revenue expenditure of Rs. 39.95 crore and nine ULBs had incurred excess capital expenditure of Rs. 38.52 crore *vis-à-vis* the budget provisions during 2006 – 09.

[Paragraph 2.1.1]

Four ULBs diverted Rs. 93.60 lakh sanctioned for specific purposes during the years 2006 – 08 depriving the beneficiaries of the intended benefits.

[Paragraph 2.4]

Twenty ULBs accumulated a liability of about Rs. 61.55 crore as of March 2008 due to non-payment of loan in time. The increasing liabilities adversely impact the financial stability of the ULBs.

[Paragraph 2.5]

Cases of theft and misappropriation of materials worth Rs. 6.91 lakh were noticed in Durgapur and North Dum Dum municipalities.

[Paragraph 2.8]

Contai Municipality at source deducted Sales Tax (Rs. 3.08 lakh), Income Tax (Rs. 2.11 lakh) and Professional Tax (Rs. 3.46 lakh) up to 31 March 2008. But, the municipality did not deposit the amounts to Government account as of June 2008.

[Paragraph 2.10]

Inadmissible remission allowed in property tax resulted in loss of revenue of Rs. 31.17 lakh in two ULBs.

[Paragraph 3.2]

Non-imposition of surcharge on property tax for commercial holdings by 16 ULBs during October 2001 to March 2009 resulted in loss of revenue of Rs. 2.61 crore.

[Paragraph 3.3.1]

Fifteen ULBs collected an amount of Rs. 3.60 crore (47 *per cent*) during 2008 – 09 on account of water charge against the total demand of Rs. 7.63 crore leaving an amount of Rs. 4.03 crore (53 *per cent*) as outstanding.

[Paragraph 3.4]

Kolkata Municipal Corporation (KMC) suffered a loss of revenue of Rs. 35.04 lakh during 2003 – 07 due to non-realization of fees and taxes at prescribed rates (applicable on backlit advertisement) from three advertising agencies. Further, the KMC showed undue favour to the agencies by issue of license for five years against the codal provision of one year.

[Paragraph 3.8]

In absence of 'Special Fund' or due to inadequate contribution to the said fund, four ULBs accrued a liability of Rs. 1.84 crore towards pension and gratuity as of March 2008.

[Paragraph 4.1]

Three municipalities did not pay electricity charges amounting to Rs. 7.26 crore and lost rebate of Rs. 17.49 lakh as of March 2008.

[Paragraph 4.3]

Dalkhola, Islampur and Khardah municipalities procured materials and equipments worth Rs. 23.30 lakh, Rs. 17.29 lakh and Rs. 14.53 lakh respectively without inviting open tenders during January 2006 to March 2008.

[Paragraph 5.1]

Non-acceptance of the lowest offer by the Haldia Municipality resulted in avoidable expenditure of Rs. 7.93 lakh on procurement of cement.

[Paragraph 5.2]

In 12 ULBs unspent funds under Employment Generation in Urban Area Scheme increased from Rs. 2.46 crore as on 1 April 2006 to Rs. 4.47 crore as on 31 March 2008. Four ULBs spent Rs. 2.82 crore under the scheme during 2006 - 08 without involving the Ward Committees / Community Development Societies. The expenditure on wages by three ULBs was far below 40 *per cent* of the total cost of works during 2007 - 08, implying non-generation of employment of approximately 13,547 man-days. Three ULBs executed works worth Rs. 32.67 lakh during 2006 – 08 engaging contractors in violation of government guidelines.

[Paragraph 6.1]

In six ULBs a huge amount of Rs. 2.74 crore remained unutilized under National Old Age Pension Scheme as of March 2008 depriving 5715 intended beneficiaries for the year 2007 – 08. Taherpur Notified Area Authority made unauthorised payment of pension of Rs. 0.82 lakh under the scheme to seven ineligible beneficiaries below 65 years of age as of March 2008.

[Paragraph 6.2]

Absence of monitoring of the Mid-day-Meal Programme by the Panihati Municipality led to misappropriation of rice worth Rs. 40.49 lakh.

[Paragraph 6.3.2]

As the construction of remunerative assets was not completed by three ULBs, these assets did not generate the expected revenue, rendering the entire expenditure of Rs. 3.20 crore unproductive.

[Paragraph 6.4]

PERFORMANCE AUDIT

MOBILISATION OF PROPERTY TAX

The budget estimates prepared by Asansol, Durgapur, Siliguri and Chandernagore Municipal Corporations were only 14, 33, 44 and 67 *per cent* respectively of annual dues which indicated that the budget exercise was a formality.

The Corporations did not have complete and accurate database of holdings. As a result, they do not have a complete picture of the scope of own resource and actual trend of realization.

Siliguri Municipal Corporation (SMC) raised only 22 *per cent* of the demand bills in 2006 – 07 but no bills were raised during 2007 – 09. Asansol Municipal Corporation (AMC) issued demand bills to 11 to 20 *per cent* of the assesses in 2007 – 09; while data for 2006 – 07 was not available in AMC, Chandernagore Municipal Corporation (CMC) and Durgapur Municipal Corporation (DMC). This resulted in non accountal of considerable amount of dues and non pursuance thereof.

SMC held back assessment of new holdings since 2004-05 causing loss of Rs.42.31 lakh during 2004-09.

Remission granted in 13887 cases beyond the prescribed limit resulted in loss of revenue of Rs.2.27 crore in AMC and DMC. AMC and DMC lost Rs.53.67 lakh due to unauthorised rebate allowed to tax payers on arrears and surcharge. Surcharge was not imposed and recovered though the holdings were identified as commercial and industrial in nature.

In four municipal corporations there are outstanding dues of Rs.36.79 crore, three to five years old which are doubtful of recovery.

[Paragraph 7.1]

CHAPTER I

INTRODUCTION

1.1 Background

Municipal Bodies have been accorded constitutional status in the 74th Constitutional Amendment Act of 1992 and raised to the status of 'Government' at the local level.

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

Out of 127 Urban Local Bodies (ULBs) in West Bengal, 121 municipalities are governed according to the provisions of the West Bengal Municipal Act, 1993. Kolkata and Howrah Municipal Corporations are governed by the Acts of 1980. Other four municipal corporations were governed by the Acts[1] of 1990 and 1994. With effect from 1 November 2008, all municipal corporations (except Kolkata and Howrah) have been brought under the West Bengal Municipal Corporation Act, 2006. The municipalities were classified into five groups on the basis of the population as ascertained in the preceding census for the purpose of application of the provision of the Act. Each municipality is divided into a number of wards, which is determined and notified by the State Government having regard to the population, dwelling pattern, geographical condition and economic consideration of the respective area. The minimum number of wards is nine and the maximum number is kept between 15 and 141 depending on the size of the ULB. An elected Councillor represents each ward.

In 2001 the urban population in West Bengal was 2.25 crore spread over 2060 sq. km., with a density of 10,915 per sq. km. as against the total population of 8.02 crore. During 1991 to 2001, the urban population increased by 20.20 *per cent*, which was lower than the previous decade (29.49 *per cent*).

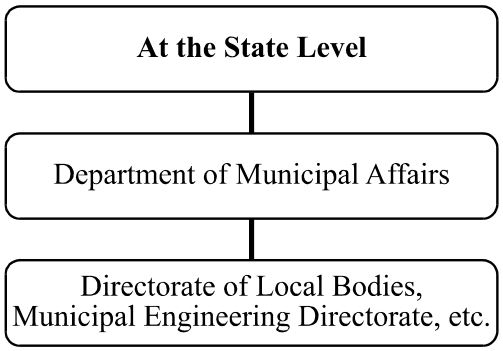
1.2 Organizational Structure

The Department of Municipal Affairs is entrusted with the responsibility of providing legal and administrative support to the ULBs of the State and to implement some of the development programmes through the municipal bodies. The department is headed by the Minister-in-Charge. The Secretariat is looking after the various functions of the Directorate and other organizations, which are related with the Department.

---

[1] Siliguri, Asansol and Chandernagore by respective Acts of 1990 and Durgapur by the Act of 1994.

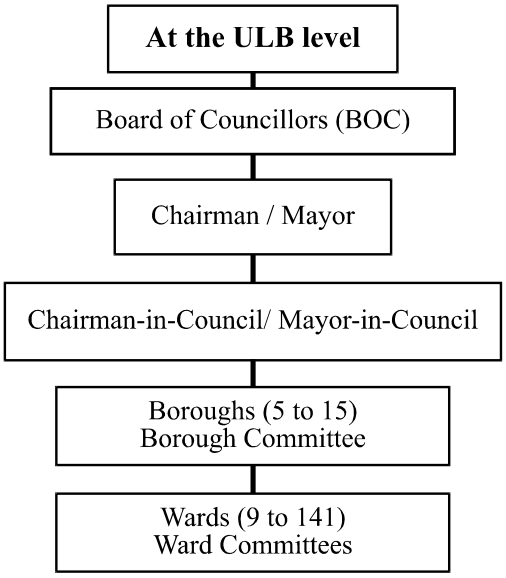
The structure is depicted below :



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

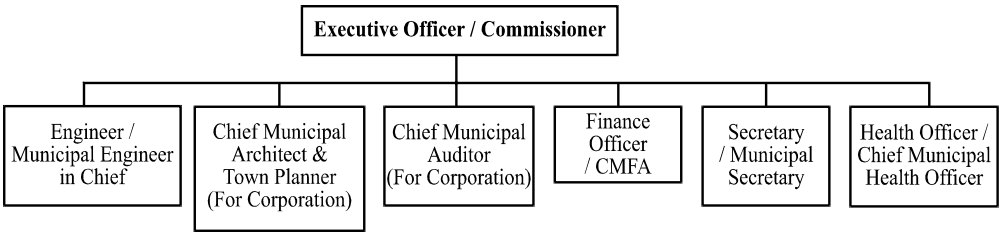
Every ULB having a population of three lakh or more, groups the wards into five (up to 15 in respect of a municipal corporation) boroughs. Boroughs are constituted with not less than six contiguous wards and a Borough Committee is also constituted for each Borough. The Councillors of the respective wards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

The organizational structure of the governing body of an ULB is as under :



The establishment of ULB is headed by an Executive Officer / Commissioner. Other officers are also appointed to discharge specific functions of respective area / nature. Subject to the supervision and control of the Chairman / Mayor, the Executive Officer / Commissioner functions as the principal executive of the ULB. The Executive Officer / Commissioner and the Finance Officer exercise such powers and perform

such functions as notified by the State Government from time to time. The structure of an Urban Local Body is as below :



1.3 Powers and Functions

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

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

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

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

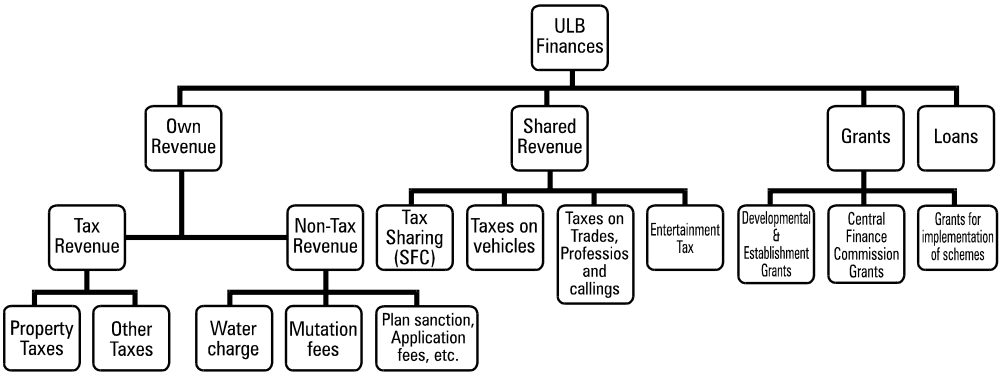
The State Government may impose or transfer any such functions and duties of the Government to the ULB including those performed by the departments. Such activities may include employment schemes and programmes, social forestry,

health and family welfare, cottage and small-scale industries, formal and non-formal education etc.

1.4 Financial Profile

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

Sources of finances of ULBs



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

The main sources of non-tax revenue of an ULB are plan-sanction fees, mutation fees and water charges. All collections as permissible under the statute in force, such as tax and non-tax revenue, are meant for maintenance of administration and services to the tax payers.

The State Government releases administrative grants to the urban local bodies to compensate their revenue expenditure. Grants and assistance released by the State Government and the Central Government are utilised for developmental activities as specified in the respective schemes or projects.

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

1.5 Twelfth Finance Commission Grants

The Twelfth Finance Commission (TFC) allotted Rs.393.00 crore for the ULBs of West Bengal for the five years (2005 – 10) to be paid in ten equal instalments with the recommendation to provide at least 50 *per cent* of the grants-in-aid for Solid Waste Management (SWM). The State Government may assess the requirement of funding support for data building and maintenance of accounts for each local body and earmark funds accordingly out of the total allocation. According to the recommendation, it is mandatory for the State Government to transfer the grants released by the Government of India to the ULBs within fifteen days of the amount being credited to the State Accounts.

Government of India (GOI) released the grant of Rs. 314.40 crore during the period 2005 – 09 in eight instalments of Rs. 39.30 crore each. The receipt of TFC grants from the GOI and release to ULBs by the State Government (as of January 2010) during the said period are shown below :

(Rupees in crore)

Year	Approved allocation	Receipt from GOI	Fund released
2005 – 06	78.60	39.30	39.30
2006 – 07	78.60	78.60	78.83
2007 – 08	78.60	78.60	78.60
2008 – 09	78.60	117.90	117.90
Total	**314.40**	**314.40**	**314.63**

An amount of Rs.23.06 lakh was released by the State Government towards interest for delay in release of the first installment of 2005 – 06.

Test check of records of 25 ULBs revealed that during 2006 – 09, these municipalities had received a total sum of Rs. 57.28 crore which included Rs. 28.23 crore earmarked for Solid Waste Management (SWM) and the expenditure incurred on account of SWM and others during 2006 – 09 are shown below :

Year	Receipt			Expenditure		
	SWM	Others	Total	SWM	Others	Total
	(Rupees in crore)					
2006 – 07	8.25	8.72	16.97	4.82	8.37	13.19
2007 – 08	8.11	8.46	16.57	7.54	7.39	14.93
2008 – 09	11.87	11.87	23.74	7.92	10.46	18.38
Total	**28.23**	**29.05**	**57.28**	**20.28**	**26.22**	**46.50**

Unit-wise details are given in **Appendix – 1A, 1B and 1C**.

It is evident from the above table that the release of fund for SWM in respect of these ULBs fell short by Rs. 0.41 crore out of the total entitlement of Rs. 28.64 crore. However, the ULBs spent only Rs. 20.28 crore being 72 *per cent* of Rs. 28.23 crore available for SWM.

1.6 Accounting Reforms / Arrangements

Accounting Manual for ULBs in West Bengal (except Kolkata Municipal Corporation) based on the National Municipal Accounts Manual was prepared in February 2006 for switching over to double entry accounting system. Accordingly, Section 84 of the West Bengal Municipal Act, 1993 (effective from 1 October 2006) and Rule 22 (2) of the West Bengal Municipal (Finance and Accounting) Rules, 1999 (with effect from 1 January 2007) were amended for mandatory preparation of Balance Sheet, Income & Expenditure Account, Receipts & Payments 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.

1.7 Audit Arrangement

The 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 power 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 the accounts of the Urban Local Bodies. The Acts further envisage that the Auditor shall prepare the report on the accounts examined and shall send such report to the Chairman / Mayor and a copy thereof to the Director of Local Bodies or such other officers as the State Government may direct.

1.8 Audit Coverage

Out of 127 ULBs, audit of 50 ULBs (**Appendix-2**) covering the financial year 2006 – 07 and 2007 – 08 was conducted during June 2008 to March 2009.

1.9 Follow up action on Audit Reports

Reports[2] of the Examiner of Local Accounts on Urban Local Bodies for the years 2003 – 04, 2004 – 05, 2005 – 06, 2006 – 07 and 2007 – 08 were submitted to the Government of West Bengal in May 2005, August 2006, July 2007, May 2008 and October 2009 respectively. A State Level Audit Committee[3] (SLAC) was constituted[4] on 23 February 2006 to examine the findings of the Audit Reports on Urban Local Bodies.

Two meetings were held on 24 April 2008 and 3 September 2010. It was decided (April 2008) that priority would be given in the matter of submission of replies to the selected paragraphs by the Department of Municipal Affairs, replies to all other paragraphs would also had to be submitted by the Department to the Accountant General so as to facilitate the process of consideration of the Audit Reports by the SLAC. The number of paragraphs selected for discussion vis-à-vis the status of discussion are given below :

---

2 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', 'Twelfth Finance Commission Grants', 'Heritage buildings and sites in Kolkata Municipal Corporation', 'Internal Control mechanism in Bidhannagar Municipality', 'Solid Waste Management', 'Car parking projects on PPP basis', etc.

3 Comprising the Chief Secretary (Chairman), Principal Secretary / Secretary of the Panchayats & 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).

4 *Vide* Gazette Notification No. 4010-F.B. dated 23 February 2006 of the Finance Department, Government of West Bengal.

Year	Type of the paragraph	No. of Selected paragraphs	No. of paragraphs discused by the SLAC	No. of paragraphs settled by the SLAC
2003 - 04	Consolidated	20	Nil	Nil
	Individual	6		
2004 - 05	Consolidated	8		
	Individual	7		
2005 - 06	Consolidated	12		
	Individual	4		
2006 - 07	Consolidated	9		
	Individual	3		
2007 - 08	Consolidated	11		
	Individual	6		
	Total	**86**	**Nil**	**Nil**

1.10 Response to Audit Observations

The Chairman / Mayor 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 date of issue of IRs.

The details of IRs and the outstanding paragraphs held under objection as of September 2009 are given below :

Up to the period	No. of Inspection Reports	No. of outstanding paras	Money Value (Rupees in crore)
2008 – 09	501	3573	2241.13

A review of the IRs, which were pending due to non-receipt of replies, revealed that the Heads of the ULBs, whose records were inspected by ELA, did not send any reply to a large number of IRs / paragraphs. No Audit Committee Meeting was held during 2008 – 09. Important findings noticed during the period from June 2008 to March 2009, as well as matters relating to the period subsequent to 2008-09 (wherever considered necessary) are described in the succeeding chapters.

CHAPTER II

ACCOUNTING PROCEDURES AND FINANCIAL MANAGEMENT

An Urban Local Body (ULB) is required to present the budget estimate before the Board of Councillors (BOC) for adoption after discussion. Within six months of the close of a year, a financial statement consisting of the Balance Sheet, Income and Expenditure Account, Receipts and Payments Account and Fund Flow Statement has to be prepared in the form and manner prescribed and presented before the Board of Councillors. The succeeding paragraphs bring out the deficiencies in the system of accounting noticed during audit of 50 ULBs conducted during the period from June 2008 to March 2009.

2.1 Budget Provisions

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 finalized 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 Board of Councillors at a meeting specially convened for the purpose as provided under the law.

2.1.1 Budgeting

In 22 ULBs, there were persistent savings in the budget provisions over the last three years, indicating unrealistic estimates and absence of definite work plans. The overall budget provision and the expenditure of these ULBs for the years 2006 – 07, 2007 – 08 and 2008 – 09 are given in the following table, while the unit-wise position is detailed in **Appendices 3A, 3B** and **3C**.

Year		Budget Provision	Actual Expenditure	Savings (-) Excess (+)	Percentage of variation
		(Rupees in crore)			
2006 – 07	Revenue	252.76	194.65	(-) 58.11	(-) 23
	Capital	100.61	56.67	(-) 43.94	(-) 44
2007 – 08	Revenue	332.32	248.61	(-) 83.71	(-) 25
	Capital	193.58	92.48	(-) 101.10	(-) 52
2008 – 09	Revenue	367.28	289.66	(-) 77.62	(-) 21
	Capital	210.46	132.29	(-) 78.17	(-) 37

It would be seen from the above table that there were substantial savings in the both the revenue (21 to 25 *per cent*) and the capital (37 to 52 *per cent*) heads during 2006 – 09.

Uttarpara – Kotrung and Barasat municipalities stated (October-December 2009) that the variations between provisions and expenditure were due to shortfall in revenue collection, delay in receipt of grant from Government and "incorrect apprehension". Siliguri Municipal Corporation stated (October 2009) that the reasons for variation were receipt of funds at the end of the year and shortfall in receipt of funds. Other ULBs did not furnish any reason for such variation.

As per section 69 (2) of the West Bengal Municipal Act, 1993, no payment of any sum 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 seen that 12 ULBs had incurred excess revenue expenditure of Rs.39.95 crore and nine ULBs had incurred excess capital expenditure of Rs.38.52 crore vis-à-vis the budget provisions during 2006 – 09 as shown in **Appendices 4A & 4B**.

The above expenditure violates the provision of section 69 (3), *ibid*, which stipulates that whenever any sum is paid for the purposes not covered by the budget grant, the matter shall forthwith be communicated to the Chairman-in-Council who shall take such action under the provisions of the Act, as may appear to it to be feasible and expedient for covering the amount of such payments. However, no action has been taken by any ULB to regularize the expenditure by obtaining sanction of the respective Board of Councillors for the excess of expenditure over the grant.

2.2 Preparation of Annual Accounts

Out of total of 293 Annual Accounts[5] of 126 ULBs pertaining to the year up to 2008 – 09, 19 ULBs submitted 24 Annual Accounts[6] till December 2009.

2.3 Observations on accounting software

To expedite the switch over to double entry accounting system, Government of West Bengal constructed accounting software PUROHISAB and distributed to all the ULBs, except Kolkata Municipal Corporation. Test check showed that :

- The software has no locking arrangement. Any voucher can be inserted at a later date even after closing of a particular accounting year. Therefore, sanctity of accounting figures incorporated in the Annual Financial Statement as adopted by the Board of Councillors has chances to get vitiated at later date.

- The exporting of data from this package to another programme like MS – Word or MS – Excel was not possible. Thus audit fails to take evidence of its observations.

- The users have no fire proof back up of financial data.

---

5 41 for 2006 – 07, 126 for 2007 – 08 and 126 for 2008 – 09

6 For 2006 – 07 by 17 ULBs, 2007 – 08 by six ULBs and 2008 – 09 by one ULB

2.3.1 Annual accounts of Municipalities

Twelve Audit Reports on annual accounts in respect of 10 ULBs[7] were issued till December 2009. Main audit observations common to these Annual Accounts were :

1. Property Tax receivable remaining un-recovered over five years was not segregated and provided in the accounts.
2. Journal Vouchers were not signed by Competent Authority and were not supported with primary papers / documents / basis.
3. Advance given to employees / contractors, etc. were not appropriately recorded to identify period of non-adjustment.
4. No physical verification of cash as well as stock of stores was done.
5. Drawals of money for various payments were booked as expenditure before actual disbursement resulting in unaccounted for municipal money in the hand of cashier.
6. There was absence of internal control. Thus, figures generated by the functional departments did not tally with that of finance.

2.3.2 Annual accounts of Municipal Corporations

The Kolkata Municipal Corporation (KMC) had submitted its accounts for the year ending 31 March 2008 on 25 November 2008. The significant audit observations on the annual accounts of KMC were as follows:

- Section 163 (3) of the KMC Act, 1980 requires publication of the Auditor's Reports together with the report of the Municipal Accounts Committee and the decision of the Corporation thereon. But, the Corporation did not bring out the said reports for the year 2007 – 08.
- There was understatement of liability of Rs. 10.52 crore and overstatement of net assets of Rs. 189.75 crore. Consequently the Municipal Fund and Surplus of Income over Expenditure for the year were overstated to the extent of Rs. 200.27 crore.

The other five Municipal Corporations, namely, Asansol, Chandernagore, Durgapur, Howrah and Siliguri had not submitted the annual accounts till December 2009.

2.4 Diversion of funds

Four ULBs diverted Rs. 93.60 lakh sanctioned for specific purposes. This defeated the very purpose of the grants and deprived the beneficiaries of intended benefits, as shown below :

---

[7] Bally (06 – 07), Barrackpore (06 – 07 & 07 – 08), Panihati (06 – 07), Naihati (06 – 07), Gayeshpur (06 – 07), Bansberia (06 – 07), Kamarhati (06 – 07), Hooghly – Chinsurah (06 – 07 & 07 – 08), Madhyamgram (06 – 07) and Baranagar (06 – 07).

Sl. No.	Name of ULB	Period	Purpose of the grant	Diverted for	Amount (Rupees in lakh)
1.	Arambagh	2006-07	General purpose and payment of outstanding electricity charges.	Construction/ improvement of road and cost of material.	4.94[8]
2.	Bishnupur	2006-08	Implementation of schemes.	Payment of salary, wages, terminal benefits and office expenses.	72.43
		2006-07	National Old Age Pension Scheme.	Payment of salary.	1.80
3.	Dalkhola	2007-08	Infrastructure of drainage scheme.	Construction of road.	13.43
4.	Rampurhat	2007-08	Urban Infrastructure Development Scheme.	Clearing the area of the municipality.	1.00
Total					**93.60**

Thus, due to unauthorized utilization of funds for administrative, maintenance and works not specified under the schemes, the intended objectives could not be achieved.

2.5 Increasing indebtedness

Twenty ULBs did not repay outstanding loan and interest accrued thereon resulting in accumulation of huge liability amounting to Rs.61.55 crore as of March 2008 as shown in the **Appendix – 5.**

According to Section 72 (3) of the West Bengal Municipal Act, 1993, sinking funds were to be created for each loan for debt servicing. Non compliance with the Act, has created additional charge on revenue fund of the ULBs.

2.6 Non adjustment of advances

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

It was observed that advances aggregating Rs.3.71 crore granted by nine ULBs to chairmen, councillors, employees, contractors and organizations for execution of

[8] There was huge amount of outstanding electricity charge to the tune of Rs. 71.77 lakh (excluding late payment surcharge).

works remained unadjusted till March 2008 (**Appendix – 6**). This is indicative of weak internal control mechanism. As a result, the extent of execution of works and benefits derived could not be ensured in audit.

2.7 Loss of interest on Provident Fund

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. The subscription towards Provident Fund was collected by nine ULBs by deduction at source but not remitted into the treasury within the stipulated date. The delay in remittance resulted in loss of interest of Rs.96.83 lakh accrued (**Appendix – 7**) during the intervening period, thereby creating an additional burden on the ULBs as the same was not payable by the Government. Further four ULBs did not deposit Provident Fund subscriptions of Rs.1.93 crore[9] into the treasury. The loss on interest could not be computed in absence of detailed information regarding delay in remittance of subscriptions.

2.8 Loss of materials due to theft, misappropriation etc.

Cases of theft and misappropriation of materials were noticed in the following two ULBs as shown below :

Name of ULB	Period	Particulars	Amount (Rupees in lakh)
Durgapur	June 2008	Theft of 97 Ductile Iron (DI) pipes from the stock kept within the boundary wall of Sidhu-Kanu-Indoor Stadium.	5.14
North Dum Dum	April 2007 to July 2008	Embezzlement of medicine from the store.	1.77
Total			**6.91**

It was observed that Durgapur Municipal Corporation reported the matter of theft of DI pipes to the Police authority in June 2008.

North Dum Dum Municipality confirmed the facts and figures and stated (July 2008) that the matter would be placed before the Chairman-in-Council (CIC) after thorough investigation for necessary action. Disciplinary action would be taken accordingly.

2.9 Poor monitoring of Property Tax collection

The position of current demand, collection and outstanding property tax (including service charge on Central Government properties) in respect of 23 ULBs during 2006 – 09 is detailed below :

[9] Bhadreshwar: Rs.12.70 lakh, Chandernagore: Rs.53.67 lakh, Kanchrapara: Rs.38.99 lakh and Ranaghat: Rs.87.55 lakh

(Rupees in crore)

Year	Demand			Collection			Total outstanding dues	Percentage of collection
	Arrear	Current	Total	Arrear	Current	Total		
2006 – 07	63.38	58.70	**122.08**	11.16	29.24	**40.40**	**81.68**	33
2007 – 08	80.42	67.56	**147.98**	17.26	33.14	**50.40**	**97.58**	34
2008 – 09	97.40	67.03	**164.43**	17.41	35.59	**53.00**	**111.43**	32

Unit-wise details are given in **Appendix – 8A, 8B and 8C**.

It was observed that on an average only 33 *per cent* of the total demand was collected during 2006 -09 thereby further raising the arrear demand at the close of the each year. The collection out of current demand was around 50 *per cent*, resulting in increase in the arrears. Only three ULBs could collect upto 50 *per cent* or more of the total dues (property tax) during the period. Other reasons for accumulation of huge tax arrear were non payment of property tax / service charge by the Government holdings, litigated properties, closed and sick industries.

Section 147 of the West Bengal Municipal Act, 1993 provides that any tax levied under the Act may be recovered in accordance with the following procedure :

(a) by presenting a bill, or
(b) by serving a demand notice, or
(c) by distraint and sale of a defaulter's movable property, or
(d) by attachment and sale of a defaulter's immovable property, or
(e) by attachment of rent due in respect of land or building, or
(f) as a public demand under the Bengal Public Demands Recovery Act, 1913.

Section 149 of the Act 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) such tax shall be payable in quarterly instalments and every such instalment shall be deemed to be due in the first day of the quarter in respect of which it is payable.
The procedures prescribed under section 147 were not followed properly by the ULBs to ensure prompt recovery of municipal dues. Reasons for the difference of Rs.1.26 crore and Rs.0.18 crore in the closing balance of the outstanding dues in March 2007 and March 2008 and the opening balance of the arrear demands in April 2007 and April 2008 respectively, were not furnished by the concerned ULBs.

2.10 Non remittance of Government dues

As per provisions, tax deducted at source shall be credited to the Government account in the succeeding month. It was, however, seen that Contai Municipality deducted at source Sales Tax (Rs.3.08 lakh), Income Tax (Rs.2.11 lakh) and Professional Tax (Rs.3.46 lakh) up to 31 March 2008. The Municipality did not deposit the amounts to Government account as of 24 June 2008. This was a gross violation of Government norms and the Municipality had been made liable to pay the penalties for non-remittance of dues at the cost of Municipal revenues.

2.11 Deficiencies in maintenance of Cash Book

Test check of records of 25[10] ULBs, revealed several deficiencies in the maintenance of Cash Book. The number of pages of the Cash Books, entries of transaction and correctness were not authenticated. Pages were left blank in between. The transactions were not recorded on the day of occurrence. The daily cash balances were not computed and certified. The monthly closing cash balances were not reconciled. No physical verification of closing balances was made. As a result, actual book balances were not ascertainable.

2.12 Non-maintenance of basic records

One or more prescribed basic records *viz.* Work Register, Investment Register, Loans Register, Register of Un-paid Bills, Self Cheque Register, Deposit Ledger, Asset Register, Register of Tools and Plant, Register of Civil Suits, Demand and Collection Register of different revenue, Appropriation Register, 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 maintained by 20 ULBs [11] test checked.

2.13 Internal Audit

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

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

---

10 Maheshtala, Dalkhola, Rampurhat, Memari, Bally, Beldanga, Rajpur-Sonarpur, South Dum Dum, Chadrakona, Raniganj, Bansberia, Arambagh, Uluberia, Kharar, Islampur, Jamuria, Kamarhati, Siliguri, Nalhati, Jangipur, Raghunathpur, Khardah, Kanchrapara, Baranagar and Taherpur.

11 Maheshtala, Dalkhola, Bishnupur, Rampurhat, Barasat, Taherpur, Contai, Bally, South Dum Dum, Arambagh, Gobardanga, Uluberia, Kharar, Islampur, Jamuria, Nalhati, Budge Budge, Raghunathpur, Khardah and Kanchrapara.

It was noticed that 26 [12] ULBs did not conduct any internal audit during the period 2006 – 08 while 11 [13] ULBs conducted internal audit during this period.

2.14 Conclusion

There was lack of budgetary control and absence of reliable budget formulation. Although the ULBs dealt with substantial sums, a full fledged accounts wing with skilled staff continued to be lacking in most of the ULBs to ensure proper budget preparation and accuracy in accounts. Most of the ULBs failed to present accounts in time. Increasing liability on unpaid loan, non adjustment of huge advances, loss of interest on provident fund and irregular maintenance of cash book indicated inadequate internal control and monitoring to ensure proper accounting of substantial public funds spent by the ULBs. Non preparation of balance sheet was indicative of lack of transparency of assets and liabilities in the management of public funds besides non implementation of the provisions of Acts.

Cases of theft and misappropriation of materials worth Rs. 6.91 lakh were noticed in Durgapur Municipal Corporation and North Dum Dum Municipality.

2.15 Recommendations

To bring about more transparency to the financial transactions of ULBs it is recommended to :

- Strengthen Management Information System (MIS) for oversight by the BOC and other statutory committees.
- Incur expenditure according to budget estimates.
- Strengthen internal control in the ULBs.
- Ensure timely preparation of annual accounts.
- Remit Government dues in time and fix responsibility in case of default.
- Report and take action on all cases of embezzlement, theft, etc. in accordance with the Municipal laws.

---

12 Maheshtala, Dalkhola, Bishnupur, Rampurhat, Kharagpur, Uttarpara-Kotrung, Chadrakona, Chakdaha, Raniganj, Bansberia, Arambagh, Gobardanga, Kharar, Birnagar, Kulti, Islampur, Jamuria, Nalhati, Jangipur, Raiganj, Raghunathpur, Nabadwip, Beldanga, Haldia, Contai and Baduria.

13 North Dum Dum, Rajpur-Sonarpur, Uluberia, Panihati, Memari, Chandernagore, Kamarhati, Budge Budge, Khardah, Barrackpore and Kanchrapara.

CHAPTER III

RECEIPTS

To strengthen the financial capability of ULBs the State Government statutorily empowered such bodies for imposition and collection of taxes and non-tax levies. The State Government also shared taxes and levies collected by it with the ULBs and also provided grants-in-aid under various Plan and Non-plan Heads. Tax and non-tax revenue levied by the ULBs as per provision of the Act (own fund), revenue share (assigned revenue) by the State Government, grants and contributions are the resources of the ULBs. The Municipal Corporation / Board of Councillors (BOC) of the Municipalities have the power to levy property tax on lands and buildings, tax on advertisements, tax on cart and carriages, toll on ferry, bridge and heavy truck, fee on congregations, fee on tourists, other fees, charges, etc.

The deficiencies in management of resources noticed in course of test check on 50 ULBs during audit are described in the succeeding paragraphs.

3.1 Budget estimates and actuals of own fund

The receipt of a ULB comprises Own Fund and State Government grants in the shape of shared taxes and administrative grant. Own Fund comprises receipts generated mainly from property tax. The variations between budget estimates and actual receipts from own source of 24 ULBs during the years 2006 – 07, 2007 – 08 and 2008 – 09 are given below (unit wise position is detailed in **Appendix – 9)**:

(Rupees in crore)

Year	Budget Estimates	Actual receipts	Variations {Increase (+) / Shortfall (-)}	Percentage of realisation
2006 – 07	131.19	118.70	(-) 12.49	90
2007 – 08	148.32	133.69	(-) 14.63	90
2008 – 09	189.71	162.40	(-) 27.31	86

The reasons for the shortfall vis-à-vis budget estimates were non-assessment of the previous dues and failure to prepare action plans for collection of property tax and other receipts. In seven out of 24 ULBs the tax collection was less than 80 *per cent* of the budget estimate during 2008-09 while Bally, Bansberia and Jangipur municipalities showed steady growth of revenue collection. Collection of Memari Municipality exceeded the budget estimate during all the three years. Though the overall realization was 90 *per cent* during 2006 - 08, it however, declined in 2008 – 09.

3.2 Remission in property tax beyond permissible limit

In terms of Section 111 (4) of the West Bengal Municipal Act, 1993 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 Board of Councillors (BOC) within a period of two months from the date of presentation of bill for payment of tax.

Section 112 (1) of the Act 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, the Review Committee in Raiganj and South Dum Dum municipalities allowed remission beyond the permissible limit without recording any reason for such reduction. This resulted in loss of municipal revenue amounting to Rs.31.17 lakh[14].

3.3 Non / under imposition of surcharge

3.3.1 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 in part used for commercial, industrial or such other non-residential purposes. The rate of surcharge shall form part of property tax for the purpose of recovery.

In violation of the above provisions, 16 ULBs did not impose any surcharge on property tax for commercial holdings during October 2001 to March 2009. Computed at the minimum rate of 20 *per cent*, the loss of revenue amounts to Rs.2.61 crore (**Appendix – 10**). Though the matter was pointed out in the earlier Reports of the Examiner of Local Accounts for the years ending 31 March 2004, 2005, 2006, 2007 and 2008, no corrective measures were taken.

3.3.2 Kamarhati Municipality imposed surcharge at the rate of 15 *per cent* on annual property tax of Rs.40.27 lakh of 334 commercial holdings and collected Rs.6.04 lakh during 2007-08. The rate imposed for surcharge was lower than the minimum rate of 20 *per cent* fixed by Government and the Municipality sustained a loss of revenue of Rs.2.01 lakh during 2007-08.

3.4 Outstanding water charge

In terms of Section 226 (1) of the West Bengal Municipal Act, 1993, it shall be the duty of every municipality to supply potable water for the domestic use of inhabitants. The supply of water for domestic and non-domestic uses may be charged at such scale of fee or price as may be prescribed. The water charge ranging from Rs.15 to Rs.150 per month for supply of water to domestic and non-domestic consumers was to be fixed on the basis of property tax and ferrule[15] size.

Test check of records of the following 15 ULBs revealed that an amount of Rs.3.60 crore (47 *per cent*) was collected on this account during 2008-09 against the total demand of Rs.7.63 crore leaving an amount of Rs.4.03 crore (53 *per cent*) as outstanding :

---

[14] Raiganj: Rs.28.56 lakh in 48 holdings during July 2004 to December 2008. South Dum Dum: Rs.2.61 lakh in 82 holdings during April 2007 to March 2008.

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

(**Rupees in lakh**)

Name of ULB	Demand	Collection	Outstanding
Bansberia	36.49	17.09	19.40
Baranagar	28.87	5.51	23.36
Barrackpore	75.89	66.51	9.38
Beldanga	1.44	0.84	0.60
Budge Budge	87.02	29.58	57.44
Chakdaha	26.67	24.04	2.63
Haldia	46.49	40.19	6.30
Kamarhati	266.22	41.13	225.09
Kharagpur[16]	29.21	21.80	7.41
Khirpai	1.37	1.00	0.37
Katwa	8.49	7.89	0.60
Memari[17]	10.31	9.71	0.60
North Dum Dum	57.15	33.20	23.95
Raniganj	20.27	17.13	3.14
Siliguri	67.35	44.78	22.57
Total	**763.24**	**360.40**	**402.84**

Nine ULBs[18] did not furnish any reason for accumulation of arrears and the replies furnished by six[19] ULBs were not tenable. The poor collection of revenue affected the capacity of the ULBs to provide adequate services to their tax payers.

Six ULBs namely, Bally, Barasat, Gobardanga, Nalhati, Rajpur-Sonarpur and Uttarpara-Kotrung municipalities did not collect or impose any water charge during the period 2006 – 09.

3.5 Non realisation of rent / lease money

In 18 ULBs, the arrears in realisation of rent / *salami* [20]/ lease money, etc. from stalls, shops, market / commercial complexes amounted to Rs.3.34 crore as detailed in **Appendix – 11**.

Delays in realisation of rent, *salami,* lease money, etc. reduced the revenue of these ULBs to that extent, thereby widening the resource gap. It also indicates that the internal control mechanism in the ULBs was poor.

---

16 The Kharagpur Municipality incurred an expenditure of Rs. 365.47 lakh on maintenance of water supply works (like, maintenance of pump-house, electricity charges, wages, repair of pipe lines, etc.) during 2006 – 08 against the water charges of Rs. 40.34 lakh collected during the period.

17 The Memari Municipality incurred an expenditure of Rs. 13.59 lakh on maintenance of water supply works (like, maintenance of pump-house, electricity charges, wages, repair of pipe lines, etc.) during 2006 – 08 against the water charges of Rs. 10.70 lakh collected during the period.

18 Bansberia, Baranagar, Barrackpore, Budge Budge, Chakdaha, Haldia, Katwa, Memari and North Dum Dum.

19 Beldanga, Kamarhati, Kharagpur, Khirpai, Raniganj and Siliguri.

20 One time premium payable by leasee or tenant.

3.6 Collection of penalty for unauthorised construction

In terms of Sec 218 of the West Bengal Municipal Act, 1993, if the construction of any building has been 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 given or any alteration or addition completed in breach of any provision of the Municipal Act, the Board of Councillors 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.

Test check of records of Khardah Municipality revealed that in violation of the said provision of the Act, an amount of Rs.9.61 lakh was collected as dropping charge / fine for regularization of unauthorized construction during 2005 – 2008. This may encourage major deviations in the construction, detrimental to the interest of the general public.

The Municipality stated (June 2008) that the dropping charges were imposed to compel the people to abide by the Municipal laws and the said charges helped to augment the Municipal Revenue.

The reply is not tenable as augmentation of revenue without observing any prescribed norms cannot be the objective of any ULB.

3.7 Recovery of misappropriated receipts at the instance of audit

3.7.1 As per Rule 79 of the West Bengal Municipal (Finance and Accounting) Rules, 1999, all collections made by the collection clerk shall be entered in daily collection *challan* and credited to the cashier's cash book on the very day of collection. In terms of Rule 69, *ibid*, the Accountant shall verify total collections of any month as per his cash book with the cumulative total of collections as worked out in the *challans* for the last working day of the month and if both figures agree he shall put his signature in the appropriate place on the body of the *challan*. Otherwise any discrepancy should be reconciled immediately.

Test check of miscellaneous receipts of three municipalities revealed that staff members did not deposit / record (in the cashier's cash book) an amount of Rs.0.32 lakh collected during April 2006 to February 2009. On this being pointed out by audit the concerned persons deposited these amounts during 2008–09 as detailed in the table below:

(In rupees)

Name of ULB	Source of collection	Period of collection	Date of deposit	Amount
Beldanga	Park Entry Fee and Boating Fee	14 December 2008 to 28 February 2009	2 March 2009	24688
Bhadreswar	Admission fee of swimming pool	April 2006 to March 2007	12 May 2008	1400
Ranaghat	Miscellaneous Receipt	19 September 2006	7 June 2008	2080
		5 March 2007		3500
		16 August 2007		350
Total				**32018**

3.7.2 In terms of Rule 221, *ibid*, all moneys received on account of the Councillors shall be remitted intact to the treasury as often as can be conveniently managed and shall on no account be appropriated towards expenditure. In terms of Rule 223 and 224, *ibid*, the details of each remittance classified according to the nature of receipt head will appear in the cashier's cash book. The Finance Officer in his absence the officer authorised for the purpose should check and initial against the total of the remittance.

Scrutiny of records of Islampur Municipality revealed that an amount of Rs.7077 collected by the cash section during 8 May 2007 to 5 February 2008 was not traceable. On being pointed out by audit the amount was deposited on 16 June 2008.

Non / short deposit of public fund within the stipulated time limit amounts to temporary embezzlement, besides reflect the absence of necessary checks to be exercised by the officials in terms of municipal rules.

3.8 Unauthorised exemption resulted in loss of revenue

Non realization of fees and taxes at prescribed rates applicable on backlit advertisement led to loss of revenue of Rs. 35.04 lakh and issuance of license for five years against the codal provision of one year rendered undue favour to the agencies.

Section 203 (3) of the Kolkata Municipal Corporation (KMC) Act, 1980, stipulates that the Municipal Commissioner shall, after making such inspection as may be necessary and within thirty days of the receipt of the application, grant, refuse, renew or cancel a license, as the case may be, on payment of such fees as may be determined by the Corporation by regulations or as the budget estimate shall state under sub-section (3) of section 131 of the Act. Section 203 (5) stipulates that every license shall be for a period of one year. Section 204 (1) stipulates that every person who erects, exhibits, fixes or retains upon or over any land, building, wall hoarding, frame, post, kiosk or structure any advertisement or, displays any advertisement to public view in any manner whatsoever, visible from a public street or public place shall pay for every advertisement, a tax calculated at such rate as the Corporation may determine by regulations or as the budget estimate shall state under section (3) of section 131 of the Act. Accordingly, KMC brought out schedule of rates of fees and tax for each year. The schedule of rates stipulated *cent percent* surcharge on the license fee and on the tax on backlit advertisement for the years 2003-04, 2004-05 and 2006-07 and enhanced rates for 2005-06.

Records revealed that the Municipal Secretary, KMC had issued (September 2003) license to three advertising agencies for five years namely Pioneer Publicity Corporation, Karukrit Publicity Pvt. Ltd. and Enkon Pvt. Ltd. for display of advertisement measuring 200 square feet each with backlit facility on 120 passenger sheds at different bus stop. The licenses were granted for five years (upto August 2008) violated section 203 (5) of the Act which stipulated issuance of licence for a period of one year only.

In spite of the fact that the licences were issued for advertisement with backlit facility, KMC did not collect fees and taxes at the enhanced rates as prescribed in

the schedules of the respective years upto 2006 – 07. While granting licences, the Municipal Secretary exempted the agencies from paying fees and taxes at enhanced rates. Thus, the Corporation realized Rs.35.04 lakh only as against the total dues of Rs.70.08 lakh from the agencies. This resulted in loss of revenue to the extent of Rs.35.04 lakh during 2003 - 07 due to violation of the provision of Act, *ibid*, and schedule of rates extending favour to the advertisement agencies.

KMC could not furnish any written delegation authorizing Municipal Secretary to sign the licenses on advertisement issued as above as well as records showing details of revenue collected from the advertising agencies.

The matter was referred to the Corporation and the Government in April 2010; their replies had not been received (February 2011).

3.9 Conclusion

Taxes, rents and charges for service are the main source of Municipal Fund which ensures continuance of services to the tax payers. Test check of records revealed inadmissible remission of property tax of Rs.31.17 lakh by two ULBs, non/ under imposition of minimum surcharge of Rs.2.61 crore on commercial buildings by 16 ULBs, short realisation of water charges of Rs.4.03 crore by 15 ULBs and non realisation of rent / lease money of Rs.3.34 crore by 18 ULBs. Non recovery of lease money also indicated non observance of provisions of the Acts. Non realization of fees and taxes by the KMC at prescribed rates applicable on backlit advertisement led to loss of revenue of Rs. 35.04 lakh. 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.

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

3.10 Recommendations

- Maintenance of a comprehensive data base for all tax payers, licensees and tenants.
- Prompt issue of demand notices and revision of taxes at regular intervals.
- Prompt collection of revenues and persuasion of outstanding dues.
- Identification of parking, advertisement spaces and other areas of revenue.

CHAPTER IV

ESTABLISHMENT

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

Test check of records of 50 municipalities revealed several irregularities which are discussed in the succeeding paragraphs.

4.1 Accumulation of outstanding liability of Rs.1.84 crore towards pension and gratuity

As per Government Circular dated 5 May 1982 municipalities should create 'Special Fund' for payment of retirement / terminal benefits. Contai, Bhadreswar and Ranaghat municipalities did not create this 'Special Fund'.

Test check of records of the following four municipalities revealed that due to non-creation of 'Special Fund' for payment of terminal benefits or inadequate contribution to the said fund, the municipalities could not pay the dues to the retired personnel. This resulted in accumulation of outstanding liability of Rs. 1.84 crore as of March 2008 as shown below:

(Rupees in lakh)

Sl. No.	Name of the ULB	Liability on account of	Amount of liability
1.	Rampurhat	Pension and gratuity	4.55
2.	Nabadwip	Arrears of pension and gratuity	104.10
3.	Contai	Pension / family pension and gratuity / death gratuity	40.72
4.	Bally	Pension	34.59
	Total		**183.96**

Thus, the above municipalities failed to discharge their obligatory responsibility and deprived the retired employees of their legitimate dues.

4.2 Liability towards outstanding water charges

Scrutiny of records revealed that Municipal Authorities of Budge Budge Municipality had a huge liability of Rs.8.86 crore as of February 2008 towards outstanding water supply bill of Kolkata Metropolitan Water & Sanitation Authority.

4.3 Non-recovery / non-payment / delay in payment of electricity charges

Bally and Uttarpara-Kotrung municipalities paid Rs.7.54 lakh and Rs.8.45 lakh respectively during 2006-2008 for electricity charges in respect of municipal staff quarters but did not recover the same from the occupants till the close of the year 2007-08.

The following three ULBs did not pay electricity charges amounting to Rs.7.26 crore and lost rebate to the tune of Rs.17.49 lakh as of March 2008 :

(Rupees in lakh)

Sl. No.	Name of the ULB	Period	Amount due	Loss of rebate
1.	Bansberia	As of March 2008	208.33	6.20
2.	Bhadreswar	January 2005 to March 2008	113.64	2.81
3.	Kharagpur	As of March 2008	404.21	8.48
Total			**726.18**	**17.49**

Bhadreswar and Kharagpur municipalities stated that the respective dues were not paid due to scarcity of fund.

Arambagh Municipality had accumulated liability of Rs.71.77 lakh on account of electricity charges as of June 2008. As a result, the West Bengal State Electricity Board imposed late payment surcharge of Rs.7.74 lakh on the ULB.

Further, Budge Budge Municipality had a liability of Rs.1.30 crore on account of electricity charges as of February 2008.

4.4 Conclusion

Contai, Bhadreswar and Ranaghat municipalities did not create 'Special Fund' for payment of terminal benefits to the retired personnel. Further, Rampurhat, Nabadwip, Contai and Bally municipalities accumulated outstanding liability of Rs.1.84 crore on this account as of March 2008. The non compliance with the provisions had adverse implication on the assured social security of the employees.

Budge Budge Municipality had a huge liability of Rs.8.86 crore as of February 2008 towards outstanding water supply bill.

Bansberia, Bhadreswar and Kharagpur municipalities did not pay electricity charges of Rs.7.26 crore and lost rebate to the tune of Rs.17.49 lakh as of March 2008.

4.5 Recommendations

- The provisions regarding the maintenance of separate fund for terminal benefits of the retired local government personnel should be strictly adhered to so that the delay in payment of retirement benefits is completely eliminated.
- The ULBs should pay charge of water and electricity to the suppliers in time to maintain uninterrupted services to the rate payers.

CHAPTER V

MATERIAL MANAGEMENT AND EXECUTION OF WORKS

ULBs are responsible for execution of developmental works in their respective areas substantially out of Government grants. Therefore, transparency in financial transactions as per provision of the Act as well as financial procedure, are of utmost importance.

The following deviations were noticed during the test check of 50 ULBs.

5.1 Procurement of material / equipment worth Rs. 55.12 lakh without inviting tender

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 exceed the stipulated financial limit of Rs. 5.00 lakh (other than plumbing and electrical materials). However, Dalkhola, Islampur and Khardah municipalities procured materials and equipments worth Rs. 23.30 lakh, Rs. 17.29 lakh and Rs. 14.53 lakh respectively without inviting open tenders during January 2006 to March 2008.

5.2 Avoidable expenditure on procurement

Non-acceptance of lowest offer resulted in avoidable expenditure of Rs.7.93 lakh on procurement of cement.

Integrated Housing & Slum Development Programme (IHSDP) was launched in December 2005 to provide adequate shelter and basic infrastructure facilities to the slum dwellers of identified urban areas. The State Government laid down (March 2007) procedures for implementation of the scheme. It was stipulated that the materials should be procured, as far as practicable, directly from the authorized manufacturers or West Bengal Essential Commodity Supply Corporation (WBECSC) as per demand of the situation.

For execution of various schemes under the programme, Haldia Municipality invited quotations for supply of 2807 MT of cement in September 2007. Three companies submitted their rates which ranged from Rs. 3,720 to Rs. 4,000 per MT for supply of portland slag cement conforming to specification IS 455 : 1989.

The Municipality awarded (October 2007) the work to the highest bidder for supply of cement at the rate of Rs. 4,000 per MT. The Municipality did not record any reason for non-acceptance of the lowest rate of Rs. 3,720 per MT and purchased 2832.50 MT of cement valued at Rs.1.13 crore.

By declining to the lowest offer, the Municipality paid an extra amount of Rs. 280 per MT. This resulted in avoidable expenditure of Rs. 7.93 lakh on procurement of 2832.50 MT of cement.

The Municipality stated (April 2010) that the cost of cement which was higher than the other brands, gave satisfactory results in many occasions on different projects. Also, the constant pressure from the beneficiaries compelled them to

use the said cement which led to avoidable expenditure of Rs. 7.93 lakh. The Municipality further stated (October 2010) that the municipal authority was not aware of the quality of other two products, the costs of which were lower than the selected brand. The Municipal Affairs Department suggested (October 2010) to the Municipality to furnish reply concentrating upon the points of non-invitation of open tender and non-acceptance of the lowest rate.

The reply of the Municipality had not been received (February 2011).

5.3 Conclusion

ULBs did not furnish justified reasons to the audit observations regarding award of work without tendering process as per provision of the West Bengal Municipal Act, 1993.

Non-acceptance of lowest offer by the Haldia Municipality resulted in avoidable expenditure of Rs.7.93 lakh on procurement of cement.

5.4 Recommendations

- For transparency in financial transactions prescribed procurement procedure should be adopted in respect of all purchases.

CHAPTER VI

IMPLEMENTATION OF SCEHMES

Urban Local Bodies implement various Central and State sponsored schemes. Test audit of 50 ULBs audited during the year revealed non-compliance with the norms during implementation of the schemes as discussed in the succeeding paragraphs.

6.1 Employment Generation in Urban Area Scheme (EGS)

The Government of West Bengal launched Employment Generation Scheme (EGS) in September 2005 for employment generation as well as improvement and maintenance of civic infrastructure in urban areas by direct engagement of urban poor without involvement of contractors. The works under this scheme have to be done directly by the ULBs either through Ward Committees or through Community Development Societies (CDS) with the overall objective of ensuring creation of wage employment for the members of the CDS and urban poor. The works under the scheme were to be identified by the Ward Committees / CDS.

6.1.1 Poor utilisation of EGS Grants

Test check of records revealed that in 12 ULBs unspent funds increased from Rs.2.46 crore as on 1 April 2006 to Rs.4.47 crore as on 31 March 2008. This indicates inability of the ULBs to create more man-days under the scheme:

Utilisation of EGS grants during the year 2006 – 08

Year: 2006 – 07 **(Rupees in lakh)**

Sl. No.	Name of the ULB	Opening Balance	Receipt	Total	Payment	Closing Balance	Percentage of expenditure
1.	Kharar	12.14	15.08	27.22	11.46	15.76	42
2.	Taherpur	4.40	15.09	19.49	7.09	12.40	36
3.	Barrackpore	14.76	45.24	60.00	13.72	46.28	23
4.	Rajpur - Sonarpur	79.94	79.59	159.53	72.60	86.93	46
5.	Ranaghat	3.48	29.99	33.47	34.45	-0.98	103
6.	Birnagar	0.06	19.99	20.05	20.08	-0.03	100
7.	Raghunathpur	15.07	15.00	30.07	11.20	18.87	37
8.	Khirpai	0.04	30.79	30.83	16.12	14.71	52
9.	Arambagh	6.63	35.40	42.03	14.61	27.42	35
10.	Gobardanga	22.84	25.28	48.12	14.58	33.54	30
11.	South Dum Dum	69.61	69.32	138.93	54.04	84.89	39
12.	Dalkhola	17.18	21.00	38.18	16.90	21.28	44
Total		**246.15**	**401.77**	**647.92**	**286.85**	**361.07**	**49**

Year: 2007 – 08 **(Rupees in lakh)**

Sl. No.	Name of the ULB	Opening Balance	Receipt	Total	Payment	Closing Balance	Percentage of expenditure
1.	Kharar	15.76	15.13	30.89	16.47	14.42	53
2.	Taherpur	12.40	15.15	27.55	6.46	21.09	23
3.	Barrackpore	46.28	39.49	85.77	36.89	48.88	43
4.	Rajpur - Sonarpur	86.93	79.88	166.81	47.96	118.85	29
5.	Ranaghat	-0.98	30.09	29.11	27.15	1.96	93
6.	Birnagar	-0.03	20.06	20.03	11.03	9.00	55
7.	Raghunathpur	18.87	15.06	33.93	4.85	29.08	14
8.	Khirpai	14.71	15.74	30.45	5.88	24.57	19
9.	Arambagh	27.42	31.01	58.43	31.25	27.18	53
10.	Gobardanga	33.54	25.38	58.92	4.62	54.30	8
11.	South Dum Dum	84.89	69.58	154.47	78.28	76.19	51
12.	Dalkhola	21.28	21.08	42.36	20.94	21.42	49
Total		**361.07**	**377.65**	**738.72**	**291.78**	**446.94**	**41**

6.1.2 Non-involvement of Community Development Societies (CDS)

As per the guidelines issued by the State Government, the works under EGS would have to be done directly by the ULBs either through Ward Committees (WC) or through Community Development Societies (CDS). Records indicated that four[21] ULBs spent Rs.2.82 crore under the scheme during 2006 – 08 without involving the Ward Committees / Community Development Societies (CDS).

6.1.3 Non-adherence to wage–material ratio

6.1.3.1 Test check of works executed during 2007 – 08 by three ULBs revealed that contrary to the scheme guidelines the expenditure on wages was far below 40 *per cent* of the total cost of works as detailed below. This resulted in non - generation of employment of approximately 13,547 man-days[22] on an average during the year :

Name of the ULB	Ratio- Wage : Material	Excess expenditure on material (Rupees in lakh)
Birnagar	20 : 80	2.21
Arambagh	34 : 66	1.88
Dalkhola	11 : 89	6.07
Total		**10.16**

The wage-material ratio in six ULBs, viz., Gobardanga, Jangipur, Kamarhati, Kharar, Raghunathpur and South Dum Dum could not be ascertained due to improper maintenance / non-maintenance of detailed records of man-days generated and the details of materials consumed in the respective works.

6.1.3.2 As per para 7 of the guidelines, the ULBs shall have to submit to the Municipal Affairs Department one set of vetted estimates of individual work accompanied by the recommendation of the WCs and the Board of Councillors' resolution. It was observed that four ULBs, viz. Barrackpore, Jangipur, South Dum Dum, and Taherpur did not submit vetted estimates of individual works to the department. There were no records in the ULBs to indicate that the department called for it while sanctioning further fund for this purpose.

---

21 Barrackpore (Rs. 50.61 lakh), Ranaghat (Rs. 61.60 lakh), South Dum Dum (Rs. 132.32 lakh) and Dalkhola (Rs. 37.84 lakh).

22 Wage rate has been considered at Rs. 75 and computed accordingly.

6.1.4 Non-maintenance of stock registers and list of urban poor

As per para 10 of the guidelines, ULBs should maintain registers for stock of material, quantum of work done and complete list of identified urban poor / CDS members eligible to participate as wage earners in the scheme. Test check revealed that seven ULBs viz., Barasat, Barrackpore, Gobardanga, Kharar, Ranaghat, Raghunathpur and Taherpur did not maintain various records like registers for stock of material, quantum of work done and identified list of urban poor / CDS members.

In absence of the above records, Audit could not verify the eligibility of the beneficiaries and whether equal opportunity was extended to the urban poor / CDS members.

6.1.5 Works executed engaging contractors – Rs. 32.67 lakh

Test check of records revealed that three ULBs, viz., Bhadreswar, Khirpai and Taherpur executed works worth Rs. 32.67 lakh[23] during 2006 – 08 engaging contractors in violation of government guidelines. As a result, it could not be ensured in audit if the urban poor of the respective ULBs were actually extended the benefit of employment.

6.2 National Old Age Pension Scheme (NOAPS)

National Old Age Pension Scheme (NOAPS) is a social assistance programme under National Social Assistance Programme for poor households. The share of contribution of the Central and State Governments is 50:50 with effect from 1 April 2006. The age of the beneficiary for NOAPS shall be 65 years or higher and the beneficiary must be a destitute having little or no regular means of subsistence. The monthly entitlement of pension under the scheme is Rs.400 with effect from 1 April 2006.

6.2.1 Underutilization of fund of Rs. 2.74 crore deprived 5715 beneficiaries

Scrutiny of records of six municipalities revealed that a huge amount of Rs. 2.74 crore remained unutilized as of March 2008 depriving 5715 intended beneficiaries for the year 2007 – 08 as detailed below :

(Rupees in lakh)

Sl. No.	Name of the ULB	Opening Balance	Receipt	Total	Expenditure	Closing Balance	No. of beneficiaries deprived
1.	Siliguri	17.42	244.62	262.04	139.49	122.55	2553
2.	Nabadwip	37.51	20.34	57.85	32.40	25.45	530
3.	Khardah	1.95	29.72	31.67	25.67	6.00	125
4.	Kamarhati[24]	Not available	41.00	41.00	37.75	3.25	68
5.	Maheshtala	26.16	149.67	175.83	137.53	38.30	798
6.	South Dum Dum	12.08	109.26	121.34	42.57	78.77	1641
Total		**95.12**	**594.61**	**689.73**	**415.41**	**274.32**	**5715**

[23] Bhadreswar (Rs. 3.52 lakh), Khirpai (Rs. 22.00 lakh) and Tahepur (Rs. 7.15 lakh).

[24] April to December 2007

ULBs did not identify actual number of eligible beneficiary for the scheme from time to time. Delay in payment of pension under the scheme also contributed to accumulation of unspent fund.

6.2.2 Unauthorised payment to ineligible beneficiaries

Scrutiny of records revealed that Taherpur Notified Area Authority made unauthorised payment of pension of Rs.0.82 lakh under the scheme to seven ineligible beneficiaries below 65 years of age as of March 2008. The ULB stated that age considered as per records (elector's photo identity card) were not correct as claimed by the beneficiaries. Accordingly the ULB adopted a resolution based on doctors' certificates and forwarded the same to the Sub-Divisional Office for approval.

6.2.3 Non-submission of Actual Payee's Receipt

There was unspent Closing Balance of Rs.8.04 crore lying with four[25] Borough Executive Engineers of Kolkata Municipal Corporation for NOAPS as on 31 March 2008. The Closing Balance stood at Rs.19.97 lakh as on 31 March 2009. KMC did not furnish the records in support of fresh advance to the above boroughs. They did not even produce the Actual Payee's Receipt in support of disbursement to the beneficiaries. Hence, actual position of the Closing Balance could not be ascertained in audit.

6.3 Mid-day-Meal Programme

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. The Central Government assists the ULBs by providing food grains, the actual cost incurred in transportation, cooking cost, assistance to construct kitchen-cum-store, assistance for provisioning and replacement of kitchen devices and assistance for management, monitoring and evaluation.

6.3.1 Loss of food grains under Mid-day-Meal Programme

During the period 2006-08, Bhadreswar Municipality received 2622.49 quintals of rice under the scheme and issued 2553 quintals to various schools. However, as against the closing stock of 69.49 quintals of rice as of 31 March 2008, the actual balance was 23 quintals. The Municipality admitted (May 2008) that 46.49 quintals of rice worth Rs.0.72 lakh (at the rate of Rs.1545 per quintal) being damaged were destroyed. They added that the damage occurred due to supply of bad quality of rice and also bad condition of stores. The Municipality did not fix responsibility for lifting bad quality of rice (if any) and keeping the stock in bad storing condition. The loss indicated poor monitoring system on the part of the Municipality.

[25] Borough II, III, VII and VIII.

6.3.2 Misappropriation of Mid-day-Meal rice worth Rs. 40.49 lakh

The Municipality and the authorized distributor did not maintain any accounts of receipt, issue and balance stock of rice since 2006-07. The Municipality never conducted any physical verification of its stock of rice kept under the custody of the distributor. Absence of monitoring of the implementation of the programme by the Municipality led to misappropriation of Mid-day-Meal rice worth Rs. 40.49 lakh.

The Panihati Municipality, while implementing the programme in its municipal area, appointed a transporter-distributor who was responsible for lifting rice from godown, distributing the same to the schools on monthly basis and maintaining the accounts of stock of rice.

A test check (October - November 2009) of the records of the Municipality and the authorized distributor revealed that they did not maintain any accounts of receipt, issue and balance stock of rice since 2006-07. The Municipality did not ever obtain any report regarding lifting, issue and balance of rice from the distributor. The Municipality never conducted any physical verification of its stock of rice kept under the custody of the distributor. In absence of any record regarding day to day stock balances, the opening stock balance of rice lying with the distributor as on April 2006 could not be ascertained.

A scrutiny of delivery / lifting orders and receipted challans furnished by the schools for the period from April 2006 to 15 September 2009 revealed that the authorised distributor lifted 447.82 tonnes of rice against which the schools received only 104.75 tonnes of rice till 7 September 2009. Thus, there was a closing balance of rice to the tune of 343.07 tonnes with the authorised distributor as of 15 September 2009 excluding opening stock as of 1 April 2006, if any.

The Municipality instructed (August / September 2009) the agent to submit accounts of lifting of rice and its distribution to the schools. The distributor did not respond till October 2009. However, at the instance of Audit, the Municipality conducted a joint physical verification of the stock on 3 November 2009 in presence of Audit and found 81 tonnes of rice available with the distributor as against the actual balance of 343.07 tonnes. This resulted in a shortfall of 262.07 tonnes of rice valued at Rs.40.49 lakh at the prevailing rate of Rs.15450 per tonne. Thus, Municipality's failure to monitor the implementation of the programme facilitated misappropriation of rice worth Rs.40.49 lakh. The Municipality did not initiate any action against the distributor for misappropriation of such huge quantity of rice meant for the students.

The Municipality confirmed (October 2010) that a good quantity of food grains had not been properly utilised due to gross negligence of the distributor. The Municipal Affairs Department observed (October 2010) that the misappropriation was done by the distributor appointed by the Municipality. The Department advised that a notice immediately be served upon the distributor to show cause as to why his distributorship would not be cancelled and penal action would not be initiated against him. The distributor should be compelled to make good of the loss within specified time fixed in the show cause notice. If not complied with, FIR should be lodged against him.

The Municipality directed (6 November 2010) the distributor to show cause within seven days (from the date of receipt of the notice) as to why his distributorship should not be cancelled and penal action would not be initiated against him.

6.3.3 Recovery of food grains at the instance of audit

Test check of records of Nabadwip Municipality revealed that the opening stock of rice as of 1 April 2006 was 526.37 quintals. The Municipality received 5688.65 quintals of rice under the Mid-day-Meal Scheme and distributed 5373.86 quintals of rice up to 17 November 2008. Thus as per stock register maintained by the Municipality, the closing stock of rice as of 17 November 2008 was 841.16 quintals. However, a joint physical verification of stock conducted (26 November 2008) by the municipal representative and the audit team (in the presence of the Chairman) found only 628 quintals of rice comprising 200 quintals of rice in bad condition. The balance of 213.16 quintals of rice could not be traced. The rice worth Rs.3.09 lakh (at the rate of Rs.1545 per quintal) lying unattended in the municipal godown spoiled in absence of proper monitoring and disposal (first come first serve) mechanism. The shortage of 213.16 quintals of rice detected during audit was stated (January 2010) to have been recovered from the contractor dealing in municipal stock.

6.4 Unproductive expenditure on works – Rs. 3.20 crore

Three municipalities incurred an expenditure of Rs.3.20 crore for construction of remunerative assets like commercial complexes / market. Scrutiny of records revealed that the expenditure remained unproductive due to delay in completion of the works, as shown below :

(Rupees in lakh)

Name of ULB	Particulars of works	Schedule date of completion	Status with reason	Expenditure incurred	
				Source of fund	Amount
Haldia	Construction of commercial / market complex ('Sonar Tori' at Debhog, City Centre)	2006	Incomplete due to paucity of fund.	IDSMT	233.28
Nabadwip	Commercial complex – cum – community hall (at M. K. Choudhury Road and Kasturi Bundh Road crossing)	1996	Incomplete due to paucity of fund.	Development grants	58.77
Dalkhola	Fish & vegetable market at Dhanhati	2006	Incomplete for want of total vacant position of the site.	IDSMT	28.01
Total					**320.06**

6.5 Conclusion

The poor utilisation of funds by ULBs indicated inadequate attention to the Government objectives and policies, for providing basic amenities and services.

Non compliance with the Government guidelines frustrated the objective of the scheme and deprived targeted beneficiaries from the intended benefits.

The ULBs did not furnish reasons as to why construction works of market complexes were started without the provision of adequate fund and clear site for construction.

6.6 Recommendations

- Adequate evaluation of the schemes should be made to avoid accumulation of fund.
- Schemes should be implemented as per guidelines recommended by the Government from time to time.
- Adequate controls need to be put in place to prevent irregular execution / payment of the scheme / money.
- Regular monitoring mechanism should be in place for lifting appropriate quality of rice, safe storage and first come first serve disposal to avoid loss.
- Before starting construction work, fund arrangement must be ensured to complete the work in time.
- Non completion of developmental work for long, deprive the beneficiaries as well as cause blockade of grant fund.

CHAPTER VII

PERFORMANCE AUDIT

7.1 Mobilisation of Property Tax

HIGHLIGHTS

The budget estimates prepared by Asansol, Durgapur, Siliguri and Chandernagore Municipal Corporations were only 14, 33, 44 and 67 *per cent* respectively of annual dues which indicated that the budget exercise was a mere formality.

(Paragraph 7.1.5)

The Corporations did not maintain conclusive and sustained database. As a result, they do not have a complete picture of the scope of own resource and actual trend of realization.

(Paragraph 7.1.6)

Siliguri Municipal Corporation held back assessment of new holdings since 2004-05 causing loss of Rs.42.31 lakh during 2004-09.

(Paragraph 7.1.7.1)

The poor built-up capacity of the West Bengal Valuation Board causing delay in revision and the lacunae in the Acts restricting collection of revised tax retrospectively resulted in huge loss of revenue caused due to delay in revision.

(Paragraph 7.1.7.2)

Remission granted in 13887 cases beyond the prescribed limit resulted in loss of revenue of Rs.2.27 crore in two corporations disapproving the sanctity of valuation done by the West Bengal Valuation Board.

(Paragraph 7.1.7.3)

Asansol and Durgapur Municipal Corporations lost Rs.53.67 lakh due to unauthorised rebate allowed to the tax payers on arrears and surcharge.

(Paragraph 7.1.9.1)

Surcharge was not imposed and recovered though the holdings were identified as commercial and industrial in nature.

(Paragraph 7.1.9.2)

The huge outstanding dues of Rs.36.79 crore lying unmoved for three to five years have become doubtful of recovery.

(Paragraph 7.1.10)

7.1.1 Introduction

The revenue of a municipal corporation comprises share of taxes and grants from the State Government & Central Government and revenue generated from its own sources namely property tax, advertisement tax, enlistment fees for trades and profession and plan sanction fees etc. Property tax is the main source of the corporation's own revenue comprising 6 to 30 *per cent* of the total revenue.

The revenue department dealing in property tax, licence fees and other levies is supervised by the Commissioner/ Chief Executive Officer. Property tax is assessed initially by the respective Corporation and finally by the West Bengal Valuation Board. It is collected by Tax Collectors on regular pay roll of the Municipal Corporations or appointed on commission basis and can also be deposited by the assesses.

A review covering four municipal corporations namely Asansol, Chandernagore, Durgapur and Siliguri has been taken up in this context to see how effective these local bodies have been in mobilization of property tax to augment their own resources.

7.1.2 Audit objectives

The main audit objective was to evaluate performance of the municipal corporations in assessment and collection of property tax, with specific focus on the following aspects:

- Whether complete and updated records were maintained by the corporations.
- Whether assessment was done properly.
- Whether taxes were collected efficiently.

7.1.3 Audit criteria

The audit criteria used for evaluating the performance of the corporations in assessment and collection of property tax were as under:

- Provisions in the corporation Acts and financial Rules.
- Other relevant Acts, Rules and Government orders/notifications.
- Resolutions of the respective Board of Councillors (BOC).

7.1.4 Audit coverage

The review was conducted during November 2009 to February 2010 in four municipal corporations namely Asansol (AMC), Siliguri (SMC), Durgapur (DMC) and Chandernagore (CMC) covering the period from 2006-07 to 2008-09.

AUDIT FINDINGS

7.1.5 Budgeting

Budgeting for receipts generated from their own resources by the corporations need to be accurate as it is the basic instrument of planning for allocation of

expenditure for providing services to the tax payers. The budget estimate for property tax should include current demand and arrear dues. Analysis of budget estimates for the year 2006-07 to 2008-09 showed that there were wide variations between the annual dues, budget estimates and actual receipts as shown below:

(Rupees in crore)

Municipal Corporation	Year	Annual dues	Budget estimate	Percentage	Actual receipt
Asansol	2006-07	38.53	5.43	14	5.69
	2007-08	39.27	5.50	14	7.41
	2008-09	38.39	5.80	15	5.34
Chandernagore	2006-07	1.92	1.12	58	1.15
	2007-08	2.15	1.51	70	1.55
	2008-09	2.22	1.60	72	1.52
Durgapur	2006-07	26.12	6.41	25	7.02
	2007-08	24.13	8.51	35	7.29
	2008-09	25.60	9.51	37	7.74
Siliguri	2006-07	15.45	5.95	39	3.70
	2007-08	16.81	8.23	49	4.06
	2008-09	17.12	7.65	45	3.76

In Asansol Municipal Corporation, the budget estimate was on an average only 14 *per cent* of the annual dues. This was 33 *per cent* in Durgapur, 44 *per cent* in Siliguri and 67 *per cent* in Chandernagore. The unrealistically low budget estimates prepared on the basis of the previous year's figure indicate that the budget exercise was a mere formality. The actual receipts were also very low thus affecting the quality of services offered to the tax payers.

7.1.6 Poor maintenance of data base

The municipal corporations could not provide basic records regarding number of holdings borough-wise. No survey in this regard was conducted by the corporations. SMC had different figures at its borough office and central office.

The corporations are to maintain demand register for property tax. The records have to be updated periodically and summary statements have to be prepared monthly/quarterly/annually of realization against the dues.

The Demand and Collection registers up to March 2006 maintained manually by AMC were not complete and in proper form. The computerised data base (April 2006) also failed to reflect correct dues because the data base was created without thorough scrutiny of the manual records.

CMC had computerized data base on property tax but while switching over to a new software in April 2007 they lost the old data. The corporation had no back-up and thus could not retrieve the data. The new software also did not function properly. Therefore, demand and collection for the years 2006-07 to 2007-08 could not be generated till December 2009.

The municipal corporations did not maintain complete and accurate database. As a result, they do not have a complete picture of defaulting tax payers and actual

realization leaving no scope for gap analysis and remedial measures for effective realization of revenue.

7.1.7 Assessment of tax

In terms of respective corporation Acts as well as the provision under Section 128 (1) of the Municipal Corporation Act, 2006 when a new building has been constructed or a new holding has been created, the Corporation may at any time cause the annual valuation of such buildings or holdings, and assess the property tax on an interim basis pending final assessment by the West Bengal Valuation Board.

7.1.7.1 Interim assessment

Asansol, Chandernagore and Durgapur Municipal Corporations assessed 2186, 2315 and 4223 holdings respectively during 2006-09. All interim assessments made by the Corporations were required to be forwarded to the West Bengal Valuation Board for scrutiny and approval. However, none of the corporations sent these to the West Bengal Valuation Board for final approval.

The Siliguri Municipal Corporation did not assess any holdings since April 2004. Scrutiny of records revealed that the West Bengal Valuation Board in April 2004 directed the corporation not to take up interim assessment as the Board would shortly take up revision of property tax. Accordingly SMC held back all interim assessments in contravention of Section 113(1) of the Siliguri Municipal Corporation Act, 1990. Records indicated that the number of assesses increased annually by about 2015 and the prevailing average demand of property tax per holding was Rs.140. The increase in the number of holdings was thus 10075 by the end of 2008-09. Non-assessment of these new holdings caused loss of revenue of Rs.42.31 lakh during 2004-09 to Siliguri Municipal Corporation.

7.1.7.2 General revision

As per the provision of the Acts, the corporations shall cause a general revision of valuation of all holdings every six years (five years[26] from November 2008). Such assessment would take effect from the beginning of the quarter immediately following its publication.

The general revision of annual valuation was last notified in April 1997 in Asansol and Siliguri Municipal Corporations. The revision was next due in April 2003. The BOC of Siliguri Municipal Corporation resolved (January 2002) for the revision and the State Government by notification entrusted (March 2003) the work to the West Bengal Valuation Board. The Board took up the work in June 2003 but the general revision of valuation was not completed till January 2010 due to lack of co-ordination between the Board and the corporation.

AMC resolved for the revision in November 2002 but approached the Government only in November 2004. In response to the Government notification of January 2005, the Valuation Board took up the work but only 70 *per cent* of survey was completed till September 2009. No further development was on record till January 2010.

[26] Section 122 (2) of the West Bengal Municipal Corporation Act, 2006

As per the relevant Act / Acts, the corporations can collect revised taxes from the quarter following the publication of the revised assessment list. They are thus restricted from collecting the revised tax from the date it is due for revision. There is also no provision for enhancement of the rate of taxation by a minimum amount pending finalization of general revision. Thus the inordinate delay in finalization of general revision of annual valuation led to huge loss of revenue to AMC and CMC.

7.1.7.3 Unauthorised reduction in valuation

In terms of prevailing Acts and Section 125 of W.B. Municipal Corporation Act, 2006 any person who is dissatisfied with the assessment as appearing 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 the written notice showing the assessment or within three months from the date of publication of the assessment list.

Section 126 *ibid* provides that where the Review Committee reduces the valuation of any land or building, 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 and the Review Committee shall in every such case, record in writing the reasons for such reduction.

It was seen in audit that remission petitions submitted beyond the validity date were accepted by the Corporations. They allowed remission beyond the ceiling of 25 *per cent* of annual valuation. No reasons were on record for such remission. AMC while considering 14111 cases, granted remission beyond 25 *per cent* in 11408 cases resulting in unauthorised waver of property tax of Rs.52.70 lakh during 2006-09. Similarly, out of 5197 cases, DMC granted remission exceeding 25 *per cent* in 2479 cases involving loss of Rs.173.82 lakh on property tax. Thus, the valuation done by the West Bengal Valuation Board was rendered meaningless.

Chandernagore and Siliguri Municipal Corporations did not furnish the details of remission granted exceeding 25 *per cent* and therefore the extent of loss could not be ascertained.

7.1.7.4 Under assessment

A test check of seven multi-storied buildings in AMC revealed that occupancy certificate was issued only in respect of three buildings. Out of total completed floor area of 257867 sq.ft, the Corporation assessed annual valuation for 139067 sq.ft. only.

The non-assessment of 118801 sq. ft. of these buildings resulted in loss of revenue of Rs.3.16 lakh per annum.

7.1.8 Collection

The shortfall in receipts as evident from the following table was due to lacunae in the system of collection of revenue in the municipal corporations as discussed in the subsequent paragraphs.

(Rupees in crore)

Municipal Corporation	Year	Annual Demand (including arrear)	Annual Receipt (including arrear)	Percentage of collection
Asansol	2006-07	38.53	5.69	15
	2007-08	39.27	7.41	19
	2008-09	38.39	5.34	14
Chandernagore	2006-07	1.92	1.15	60
	2007-08	2.15	1.55	72
	2008-09	2.22	1.52	68
Durgapur	2006-07	26.12	7.02	27
	2007-08	24.13	7.29	30
	2008-09	25.60	7.74	30
Siliguri	2006-07	15.45	3.70	24
	2007-08	16.81	4.06	24
	2008-09	17.12	3.76	22

7.1.8.1 Raising demand

In terms of Section 158 of the W.B. Municipal Corporation Act, 2006 when any tax has become due, the Commissioner shall cause to be presented to the person liable for the payment thereof, a bill of the amount due. Section 137 stipulates that the property tax on any land or building shall be paid in quarterly installments. Scrutiny of records of the corporations revealed that they did not issue demand bills to all the tax-payers as shown below:

Municipal Corporation	Year	No. of assesses	Demand raised	Percentage
Asansol	2006-07	Not available		--
	2007-08	54509	10842	20
	2008-09	56925	6388	11
Chandernagore	2006-07	36489	Not available	--
	2007-08	37245	33425	90
	2008-09	38054	33535	88
Durgapur	2006-07	Not available		--
	2007-08	56100	48659	87
	2008-09	58723	46060	78
Siliguri	2006-07	86980	18876	22
	2007-08	86980	Nil	--
	2008-09	86980	Nil	--

As shown above SMC raised only 22 *per cent* of the demand bills in 2006-07 but no bills were raised during 2007-09. AMC issued demand bills to 11 to 20 *per cent* of the assesses in 2007-09; while data for 2006-07 was not available in AMC, CMC and DMC. This resulted in non accountal of considerable amount of dues and non pursuance thereof.

7.1.8.2 Performance of the tax collectors

Tax is collected through collection centres in Asansol and Durgapur municipal corporations. Chandernagore and Siliguri municipal corporations collect tax through tax collectors (collecting sarkars) and central office.

As per Rule 34(2) of the West Bengal Municipal (Finance and Accounting) Rules, 1999 each collecting sarkar should collect 80 *per cent* of the Current Demand and 30 *per cent* of the arrear. The position of collection of tax by collecting sarkars in CMC and SMC is given below:

(Rupees in crore)

Municipal Corporation	Year	Arrear Demand	Current Demand	Target for collection	Collection by collector	Percentage of shortfall
CMC	2006-07	0.42	1.50	1.33	0.62	53
	2007-08	0.63	1.52	1.40	0.75	46
	2008-09	0.61	1.61	1.47	0.69	53
SMC	2006-07	11.19	4.26	6.77	3.60	47
	2007-08	12.55	4.26	7.18	3.95	45
	2008-09	12.86	4.26	7.27	3.73	49

The achievement of the collecting sarkars fell short by a maximum of 53 *per cent* in Chandernagore and 49 *per cent* in Siliguri. Despite the poor collection in consecutive years, the corporations did not take any measure for improvement after analysis of the factors responsible. The poor performance in realization of property tax was mainly due to absence of periodical monitoring over raising demands and pursuasion of recovery.

7.1.9 Levy of rebates, surcharge and interest

7.1.9.1 Allowance of rebate

If any amount due is paid on or before the date prescribed by the Corporation, a rebate of five *per cent*[27] of such amount shall be allowed. Thus rebate can not be allowed on arrear tax. But scrutiny of receipt particulars of property tax in AMC revealed that in contravention of the above provision the corporation allowed rebate of Rs.22.76 lakh during 2006-09 on the arrear of Rs.6.91 crore. Similarly, such rebate to the extent of Rs.16.03 lakh was allowed on arrear tax of Rs.5.81 crore in DMC during 2006-09.

The commercial and industrial holdings are not entitled to any rebate allowed for residential purposes. A test check of 94 cases of commercial and industrial holdings under seven wards[28] in DMC revealed that rebate was allowed, during the years 2007-08 and 2008-09 although these were not used exclusively for residential purpose. Loss of revenue in such cases was assessed to Rs.14.88 lakh during the years, 2007 to 2009.

7.1.9.2 Surcharge on non-domestic holdings

The municipal corporations are authorized by the Acts to impose surcharge at rates not exceeding 50 *per cent* of the total property tax imposed on a holding if it

27 Section 157 of the West Bengal Municipal Corporation Act, 2006.

28 Ward No. 29, 31, 32, 34, 36, 37 and 38.

is used wholly or partly for non-residential purposes and the corporation shall from time to time decide the rate of surcharge which shall form part of property tax for the purpose of recovery. No minimum rate of surcharge is specified.

AMC identified 2054 holdings as commercial/industrial in nature but no surcharge was imposed on any such holdings during the period of review.

The Assessment Department of CMC had identified 1338 commercial and industrial holdings. A test check of records of Borough V revealed that surcharge was imposed only on eight holdings against 154 holdings identified during the year 2008-09. The non-imposition of surcharge on 146 holdings led to loss of Rs.23000 per annum. In DMC, 473 holdings were identified as commercial / industrial holdings whose property tax was Rs.806.64 lakh; but no surcharge was imposed on any such holding during 2006-09. BOC did not take any resolution to fix the rate of surcharge.

In SMC such surcharge was levied at the rate of 10 *per cent* on 8010 such holdings.

7.1.10 Accumulation of arrears

The demand (including arrear), collection, arrear and percentage of outstanding dues to total demand for the years 2006-09 are given in **Appendix-12**.

It may be seen that the annual accumulated arrear moved between 81 and 86 *per cent* in Asansol, between 76 and 78 *per cent* in Siliguri and between 70 and 73 *per cent* in Durgapur. The position in Chandernagore was better as it ranged between 28 and 40 *per cent*. AMC and SMC did not analyse the mounting outstanding dues age-wise. However, audit scrutiny revealed that arrears of Rs.19.59 crore and Rs.7.35 crore remained unmoved for more than three years in AMC and SMC respectively. In CMC arrear dues of property tax of Rs.31 lakh remained unmoved for more than 5 years. DMC recorded Rs.9.54 crore remaining unmoved for more than 3 years.

Scrutiny further revealed that 1558 commercial and Government establishments with annual demand of Rs.1000 and above defaulted to the extent of Rs.14.00 crore in AMC. This indicated that AMC was not proactive in respect of big holdings for realization of the large outstanding balances. The records of Borough II in SMC revealed that 55 holdings having tax dues of more than Rs.0.25 lakh each defaulted to the extent of Rs.68.91 lakh as on 31 March 2009. Further, the Corporation failed to trace out the owners of 40 buildings resulting in non-realization of Rs.35.95 lakh.

The relevant municipal laws have enough provisions for collection of dues including confiscating property. However, the corporations did not undertake any drive to reduce the arrears nor did they have any monitoring system to pursue the defaulters. Thus, the huge outstanding dues of Rs.36.79 crore have become doubtful of recovery.

7.1.11 Non existence of system of reconciliation

Raising demand for tax/fees/other charges, collection thereof and the arrears remaining outstanding were recorded by the functional departments. The Accounts Department of the respective corporation maintained their accounts based on the data fed by the functional departments. Scrutiny revealed that figures recorded in Accounts Department were lower than those recorded by the functional department. The figures fell short by Rs. 32.06 lakh and Rs. 167.92 lakh in 2006-07 and 2008-09 in AMC. The variations was between Rs. 0.91 crore and Rs. 4.64 crore in DMC during 2006-09.

The Accounts Department of the corporations did not periodically reconcile the figures with the functional departments as required under Rule 69 of the West Bengal Municipal (Finance and Accounting) Rules, 1999. The absence of reconciliation may lead to evasion of taxes and misappropriation of funds.

7.1.12 Lack of inter departmental coordination

Section 131 of the Municipal Corporation Act, 2006 requires that transfer of title of any building /land liable to pay property tax was to be notified to the Commissioner. Section 282 provides that every person should obtain Occupancy Certificate from the Commissioner after notifying completion of construction. However, there is no evidence that the Corporations conducted any periodical survey/inspection to bring prospective tax payers in the tax net. The assessment of new holdings was made on the basis of applications received. There was no system of linking such application to sanctioned plan. As per records made available, the position in respect of sanctioned plan and issue of occupancy certificate (OC) were as follows:

Municipal Corporation	Period	No. of plan sanctioned	No. of OC issued
Asansol	2004-09	1228	Not furnished.
Durgapur	2003-09	7059	
Chandernagore	2004-09	5888	
Siliguri	2003-09	3899	318
Total		**18074**	

Out of 18074 sanctioned plans, occupancy certificates were issued only for 318 units in Siliguri with the scope of assessment. The lack of co-ordination between the building and the assessment departments left these prospective holdings outside the purview of assessment with consequent loss of revenue. Similarly the assessors also did not obtain data from the licensing department of the corporation to identify non-residential holdings and impose surcharge. Thus, huge non-residential holdings evading surcharge remained untapped.

7.1.13 Conclusion

The municipal corporations did not undertake any survey to find out the total assessable holdings. Comprehensive basic records were not maintained and updated to assess scope of own source of revenue and actual collection. The absence of interdepartmental co-ordination among the Building, the Revenue and Licensing departments either delayed the mutation or led to non-mutation of new tenement / holdings with consequent loss of revenue. The corporations also violated the provisions of the Acts thus forfeiting their legitimate dues.

7.1.14 Recommendations

- Total number of holdings has to be ensured through extensive and periodical survey.
- Demand notices need to be issued in advance and accounted for as receivables. Day to day accounting must be kept updated with adjustment against receivables.
- Government may consider introduction of area-wise property tax per unit with necessary amendment to the Act to avoid long delays in general revision.
- Government may also consider amendment to the Act prescribing the minimum enhancement in tax from due date of general revision in case it is delayed and protect collection of arrears arising from revision.
- Safeguards provided in the Acts need to be enforced without deviation to prevent undue remission, rebate and under assessment.
- Holdings and their nature are to be cross checked with building planning and license department to ensure delay/evasion of assessment.
- Awareness among the tax payers has to be raised so that they pay their dues.

The audit observations were discussed in a meeting (11 October 2010) with the Municipal Affairs Department in presence of representatives of the respective Municipal Corporations. It was resolved that specific replies must be sent by the concerned ULBs within 31 October 2010 positively to the Director of Local Bodies (DLB) through concerned Joint DLBs. The Joint DLBs of Jalpaiguri and Burdwan Divisions were asked to follow up for the reply covering the respective points / topics as mentioned in the meeting.

The replies of the Municipal Corporations and the Government had not been received (February 2011).

Kolkata **(Kailash Ram)**

The **Examiner of Local Accounts**

West Bengal

Kolkata **(A Roychoudhury)**

The **Accountant General**

(Receipt, Works and Local Bodies Audit)

West Bengal

APPENDIX – 1A

Receipt and utilisation of TFC grants for the year 2006 – 07

(*vide* para:1.5; page: 5)

Sl. No.	Name of the ULB	Receipt			Expenditure		
		SWM	Others	Total	SWM	Others	Total
		(Rupees in lakh)			(Rupees in lakh)		
1.	Memari	10.16	10.16	20.32	2.67	3.72	6.39
2.	Barrackpore	27.14	27.14	54.28	15.14	11.39	26.53
3.	Budge Budge	8.25	24.75	33.00	7.80	25.34	33.14
4.	Maheshtala	73.80	74.23	148.03	26.83	56.55	83.38
5.	Siliguri	110.27	110.27	220.54	41.31	101.45	142.76
6.	Jangipur	10.85	18.16	29.01	10.84	18.15	28.99
7.	South Dum Dum	51.90	52.20	104.10	17.66	56.24	73.90
8.	Chandrakona	12.04	7.30	19.34	12.04	7.30	19.34
9.	Uttarpara-Kotrung	24.92	24.92	49.84	4.68	10.93	15.61
10.	Raiganj	49.26	49.56	98.82	19.94	48.96	68.90
11.	Haldia	32.42	32.63	65.05	47.57	18.00	65.57
12.	Durgapur	80.04	80.50	160.54	31.88	99.40	131.28
13.	Arambagh	15.80	26.31	42.11	15.30	28.24	43.54
14.	Katwa	9.72	16.29	26.01	18.91	14.05	32.96
15.	North Dum Dum	35.30	35.29	70.59	1.00	27.00	28.00
16.	Dalkhola	16.63	16.63	33.26	5.10	14.87	19.97
17.	Nabadwip	20.75	20.75	41.50	0	17.64	17.64
18.	Bansberia	22.87	22.73	45.60	16.76	29.36	46.12
19.	Contai	8.91	14.92	23.83	13.35	14.22	27.57
20.	Khardah	19.99	19.99	39.98	18.01	21.97	39.98
21.	Barasat	44.40	44.40	88.80	47.52	73.04	120.56
22.	Kamarhati	41.66	41.90	83.56	19.71	52.09	71.80
23.	Uluberia	81.29	81.29	162.58	81.29	81.29	162.58
24.	Raghunathpur	12.18	12.18	24.36	6.54	0	6.54
25.	Beldanga	4.30	7.20	11.50	0	5.65	5.65
Total		**824.85**	**871.70**	**1696.55**	**481.85**	**836.85**	**1318.70**

APPENDIX – 1B

Receipt and utilisation of TFC grants for the year 2007 – 08

(*vide* para:1.5; page: 5)

Sl. No.	Name of the ULB	Receipt			Expenditure		
		SWM	Others	Total	SWM	Others	Total
		(Rupees in lakh)			(Rupees in lakh)		
1.	Memari	10.16	10.16	20.32	2.69	11.20	13.89
2.	Barrackpore	27.14	27.14	54.28	13.27	30.40	43.67
3.	Budge Budge	16.50	16.50	33.00	0	15.14	15.14
4.	Maheshtala	73.80	73.80	147.60	74.25	138.16	212.41
5.	Siliguri	106.44	110.27	216.71	135.79	70.85	206.64
6.	Jangipur	14.47	14.47	28.94	14.45	14.48	28.93
7.	South Dum Dum	51.90	51.90	103.80	37.62	35.75	73.37
8.	Chandrakona	9.64	9.63	19.27	9.64	9.64	19.28
9.	Uttarpara-Kotrung	24.85	24.85	49.70	17.72	56.51	74.23
10.	Raiganj	49.27	49.26	98.53	45.41	24.69	70.10
11.	Haldia	32.42	32.43	64.85	50.23	10.62	60.85
12.	Durgapur	48.60	80.03	128.63	60.45	73.21	133.66
13.	Arambagh	21.05	21.06	42.11	14.53	9.85	24.38
14.	Katwa	12.96	12.96	25.92	15.59	6.95	22.54
15.	North Dum Dum	35.30	35.29	70.59	27.03	8.73	35.76
16.	Dalkhola	16.63	16.63	33.26	10.83	22.58	33.41
17.	Nabadwip	20.75	20.75	41.50	47.72	17.40	65.12
18.	Bansberia	22.73	22.73	45.46	26.83	6.88	33.71
19.	Contai	11.87	11.87	23.74	1.80	11.07	12.87
20.	Khardah	19.99	19.99	39.98	20.08	16.51	36.59
21.	Barasat	44.40	44.40	88.80	41.14	28.67	69.81
22.	Kamarhati	41.66	41.66	83.32	18.97	25.00	43.97
23.	Uluberia	80.54	80.53	161.07	50.59	80.53	131.12
24.	Raghunathpur	12.18	12.18	24.36	3.02	7.85	10.87
25.	Beldanga	5.73	5.73	11.46	14.28	6.01	20.29
Total		**810.98**	**846.22**	**1657.20**	**753.93**	**738.68**	**1492.61**

APPENDIX – 1C

Receipt and utilisation of TFC grants for the year 2008 – 09

(*vide* para:1.5; page: 5)

Sl. No.	Name of the ULB	Receipt			Expenditure		
		SWM	Others	Total	SWM	Others	Total
		(Rupees in lakh)			(Rupees in lakh)		
1.	Memari	15.21	15.21	30.42	5.43	21.27	26.70
2.	Barrackpore	40.63	40.63	81.26	32.76	5.39	38.15
3.	Budge Budge	16.45	16.45	32.90	0	5.67	5.67
4.	Maheshtala	112.07	112.07	224.14	0	99.65	99.65
5.	Siliguri	165.06	165.06	330.12	161.92	174.78	336.70
6.	Jangipur	21.65	21.65	43.30	21.65	20.65	42.30
7.	South Dum Dum	51.82	51.82	103.64	80.01	68.23	148.24
8.	Chandrakona	14.42	14.42	28.84	10.05	12.35	22.40
9.	Uttarpara-Kotrung	24.81	24.81	49.62	33.78	28.15	61.93
10.	Raiganj	73.74	73.74	147.48	45.24	63.25	108.49
11.	Haldia	48.54	48.54	97.08	60.81	37.48	98.29
12.	Durgapur	119.79	119.79	239.58	63.02	86.17	149.19
13.	Arambagh	31.51	31.52	63.03	12.94	47.10	60.04
14.	Katwa	19.41	19.41	38.82	13.02	11.48	24.50
15.	North Dum Dum	35.24	35.24	70.48	20.29	26.55	46.84
16.	Dalkhola	24.90	24.90	49.80	24.88	10.57	35.45
17.	Nabadwip	31.06	31.06	62.12	31.03	36.97	68.00
18.	Bansberia	22.69	22.69	45.38	17.28	18.57	35.85
19.	Contai	17.77	17.77	35.54	17.64	8.53	26.17
20.	Khardah	29.92	29.92	59.84	32.54	30.71	63.25
21.	Barasat	66.46	66.46	132.92	39.22	56.07	95.29
22.	Kamarhati	62.36	62.36	124.72	45.53	28.96	74.49
23.	Uluberia	120.55	120.55	241.10	0	119.55	119.55
24.	Raghunathpur	12.18	12.14	24.32	22.60	27.11	49.71
25.	Beldanga	8.58	8.58	17.16	0.65	0.62	1.27
Total		**1186.82**	**1186.79**	**2373.61**	**792.29**	**1045.83**	**1838.12**

APPENDIX – 2

Name of ULBs

(*vide* para:1.8; page: 6)

Sl. No.	Name of the ULB	Period of Audit
1.	Arambagh	2006 – 08
2.	Asansol	2007 – 08
3.	Baduria	2006 – 08
4.	Bally	2007 – 08
5.	Bansberia	2006 – 08
6.	Baranagar	2007 – 08
7.	Barasat	2007 – 08
8.	Barrackpore	2006 – 08
9.	Beldanga	2006 – 08
10.	Bhadreswar	2006 – 08
11.	Birnagar	2006 – 08
12.	Bishnupur	2006 – 08
13.	Budge Budge	2006 – 08
14.	Chakdaha	2006 – 08
15.	Chandernagore	2007 – 08
16.	Chandrakona	2006 – 08
17.	Contai	2006 – 08
18.	Dalkhola	2006 – 08
19.	Durgapur	2007 - 08
20.	Gobardanga	2006 – 08
21.	Haldia	2006 – 08
22.	Islampur	2006 – 08
23.	Jamuria	2006 – 08
24.	Jangipur	2006 – 08
25.	Kamarhati	2007 – 08
26.	Kanchrapara	2006 – 08
27.	Katwa	2006 – 08
28.	Kharagpur	2006 – 08
29.	Kharar	2006 – 08
30.	Khardah	2006 – 08
31.	Khirpai	2006 – 08
32.	Kulti	2007 – 08
33.	Maheshtala	2006 – 08
34.	Memari	2006 – 08
35.	Nabadwip	2006 – 08
36.	Naihati	2007 – 08
37.	Nalhati	2006 – 08
38.	North Dum Dum	2007 – 08
39.	Panihati	2007 – 08
40.	Raghunathpur	2006 – 08
41.	Raiganj	2006 – 08
42.	Rajpur – Sonarpur	2006 – 08
43.	Rampurhat	2006 – 08
44.	Ranaghat	2006 – 08
45.	Raniganj	2007 – 08
46.	Siliguri	2007 – 08
47.	South Dum Dum	2007 – 08
48.	Taherpur	2006 – 08
49.	Uluberia	2006 – 08
50.	Uttarpara - Kotrung	2006 – 08

APPENDIX – 3A

Statement showing budget provisions and actual expenditure for the year 2006 – 07

(*vide* para:2.1.1; page: 9)

(Rupees in lakh)

Sl. No.	Name of ULB	Revenue (including schemes)				Capital (other than schemes)			
		Budget Provision	Actual expenditure	(-) Savings (+) Excess	Percentage of utilization	Budget Provision	Actual expenditure	(-) Savings (+) Excess	Percentage of utilization
1.	Bansberia	757.56	688.75	(-) 68.81	91	63.25	51.86	(-) 11.39	82
2.	Baranagar	1624.00	1691.16	(+) 67.16	104	294.00	100.36	(-) 193.64	34
3.	Barasat	1088.45	1071.08	(-) 17.37	98	50.50	81.71	(+) 31.21	162
4.	Barrackpore	673.79	518.52	(-) 155.27	77	295.00	295.00	Nil	100
5.	Beldanga	125.79	103.81	(-) 21.98	83	236.48	66.63	(-) 169.85	28
6.	Budge Budge	823.60	752.04	(-) 71.56	91	0	0	Nil	Nil
7.	Chakdaha	215.77	200.70	(-) 15.07	93	373.60	293.91	(-) 79.69	79
8.	Gobardanga	1040.88	190.57	(-) 850.31	18	0	0	Nil	Nil
9.	Haldia	1946.42	1398.13	(-) 548.29	72	3032.21	1328.38	(-) 1703.83	44
10.	Jangipur	269.65	407.33	(+) 137.68	151	196.40	0	(-) 196.40	Nil
11.	Kamarhati	2216.02	1675.63	(-) 540.39	76	0	0	Nil	Nil
12.	Kharagpur	600.08	585.01	(-) 15.07	97	256.00	172.84	(-) 83.16	68
13.	Khirpai	115.79	88.65	(-) 27.14	77	153.00	63.38	(-) 89.62	41
14.	Katwa	527.40	394.26	(-) 133.14	75	305.22	142.45	(-) 162.77	47
15.	Memari	123.80	91.46	(-) 32.34	74	94.87	110.84	(+) 15.97	117
16.	North Dum Dum	1022.16	1759.57	(+) 737.41	172	567.24	114.96	(-) 452.28	20
17.	Panihati	1970.17	1199.45	(-) 770.72	61	30.00	22.57	(-) 7.43	75
18.	Raniganj	1008.36	690.29	(-) 318.07	68	0	0	Nil	Nil
19.	Rajpur – Sonarpur	2731.80	1491.15	(-) 1240.65	55	20.00	24.86	(+) 4.86	124
20.	Siliguri	2653.80	1948.55	(-) 705.25	73	2873.50	1324.68	(-) 1548.82	46
21.	South Dum Dum	3009.90	1862.28	(-) 1147.62	62	825.15	1309.18	(+) 484.03	159
22.	Uttarpara – Kotrung	730.50	656.73	(-) 73.77	90	394.50	163.27	(-) 231.23	41
Total		**25275.69**	**19465.12**	**(-) 5810.57**	**77**	**10060.92**	**5666.88**	**(-) 4394.04**	**56**

APPENDIX – 3B

Statement showing budget provisions and actual expenditure for the year 2007 – 08

(*vide* para:2.1.1; page: 9)

(Rupees in lakh)

Sl. No.	Name of ULB	Revenue (including schemes)				Capital (other than schemes)			
		Budget Provision	Actual expenditure	(-) Savings (+) Excess	Percentage of utilization	Budget Provision	Actual expenditure	(-) Savings (+) Excess	Percentage of utilization
1.	Bansberia	765.23	712.33	(-) 52.90	93	2562.72	139.41	(-) 2423.31	5
2.	Baranagar	2031.18	1945.76	(-) 85.42	96	1189.00	338.84	(-) 850.16	28
3.	Barasat	1324.67	1013.15	(-) 311.52	76	37.00	31.53	(-) 5.47	85
4.	Barrackpore	924.04	761.19	(-) 162.85	82	618.86	724.00	(+) 105.14	117
5.	Beldanga	172.51	156.58	(-) 15.93	91	286.25	132.71	(-) 153.54	46
6.	Budge Budge	869.84	868.26	(-) 1.58	100	0	0	Nil	Nil
7.	Chakdaha	248.47	252.45	(+) 3.98	102	619.41	1178.69	(+) 559.28	190
8.	Gobardanga	920.89	416.21	(-) 504.68	45	0	0	Nil	Nil
9.	Haldia	3869.79	2983.22	(-) 886.57	77	2610.50	570.37	(-) 2040.13	22
10.	Jangipur	302.93	465.32	(+) 162.39	154	507.22	0	(-) 507.22	Nil
11.	Kamarhati	3315.41	2130.86	(-) 1184.55	64	0	0	Nil	Nil
12.	Kharagpur	591.86	748.68	(+) 156.82	126	288.64	201.83	(-) 86.81	70
13.	Khirpai	139.00	111.96	(-) 27.04	81	128.90	110.17	(-) 18.73	85
14.	Katwa	1873.05	850.63	(-) 1022.42	45	919.49	549.91	(-) 369.58	60
15.	Memari	173.06	200.17	(+) 27.11	116	1.12	138.75	(+) 137.63	12388
16.	North Dum Dum	1057.32	1588.34	(+) 531.02	150	481.76	160.30	(-) 321.46	33
17.	Panihati	2133.72	1886.41	(-) 247.31	88	50.00	38.83	(-) 11.17	78
18.	Raniganj	1294.10	847.95	(-) 446.15	66	0	0	Nil	Nil
19.	Rajpur – Sonarpur	3995.97	1875.28	(-) 2120.69	47	30.00	38.12	(+) 8.12	127
20.	Siliguri	3207.71	2500.80	(-) 706.91	78	7225.85	3208.03	(-) 4017.82	44
21.	South Dum Dum	3470.39	1853.73	(-) 1616.66	53	1003.11	1423.89	(+) 420.78	142
22.	Uttarpara – Kotrung	551.05	691.37	(+) 140.32	125	798.50	262.80	(-) 535.70	33
Total		**33232.19**	**24860.65**	**(-) 8371.54**	**75**	**19358.33**	**9248.18**	**(-) 10110.15**	**48**

APPENDIX – 3C

Statement showing budget provisions and actual expenditure for the year 2008 – 09

(*vide* para:2.1.1; page: 9)

(Rupees in lakh)

Sl. No.	Name of ULB	Revenue (including schemes)				Capital (other than schemes)			
		Budget Provision	Actual expenditure	(-) Savings (+) Excess	Percentage of utilization	Budget Provision	Actual expenditure	(-) Savings (+) Excess	Percentage of utilization
1.	Bansberia	748.31	976.55	(+) 228.24	131	1069.12	630.75	(-) 438.37	59
2.	Baranagar	2212.79	1922.69	(-) 290.10	87	2580.22	346.06	(-) 2234.16	13
3.	Barasat	1369.25	1781.98	(+) 412.73	130	31.00	33.68	(+) 2.68	109
4.	Barrackpore	935.22	877.25	(-) 57.97	94	768.70	591.94	(-) 176.76	77
5.	Beldanga	230.99	149.36	(-) 81.63	65	335.70	82.95	(-) 252.75	25
6.	Budge Budge	1142.23	1234.67	(+) 92.44	108	0	0	Nil	Nil
7.	Chakdaha	303.36	305.31	(+) 1.95	101	1070.30	924.79	(-) 145.51	86
8.	Gobardanga	1668.97	515.71	(-) 1153.26	31	0	0	Nil	Nil
9.	Haldia	2096.48	2234.72	(+) 138.24	107	3583.63	1976.53	(-) 1607.10	55
10.	Jangipur	401.02	529.75	(+) 128.73	132	473.94	0	(-) 473.94	Nil
11.	Kamarhati	5675.98	2659.89	(-) 3016.09	47	0	0	Nil	Nil
12.	Kharagpur	726.57	960.52	(+) 233.95	132	324.84	233.98	(-) 90.86	72
13.	Khirpai	341.47	181.68	(-) 159.79	53	175.00	130.79	(-) 44.21	75
14.	Katwa	1628.62	463.19	(-) 1165.43	28	391.60	168.19	(-) 223.41	43
15.	Memari	323.97	482.05	(+) 158.08	149	511.50	85.24	(-) 426.26	17
16.	North Dum Dum	1795.00	1622.71	(-) 172.29	90	209.81	175.37	(-) 34.44	84
17.	Panihati	1604.17	2239.17	(+) 635.00	140	34.60	77.08	(+) 42.48	223
18.	Raniganj	1424.97	1091.15	(-) 333.82	77	0	14.48	(+) 14.48	∝
19.	Rajpur – Sonarpur	3359.78	3030.01	(-) 329.77	90	534.50	600.14	(+) 65.64	112
20.	Siliguri	3995.96	2675.11	(-) 1320.85	67	7543.64	3789.20	(-) 3754.44	50
21.	South Dum Dum	3998.08	2344.56	(-) 1653.52	59	955.19	2781.74	(+) 1826.55	291
22.	Uttarpara – Kotrung	745.30	688.23	(-) 57.07	92	452.50	586.26	(+) 133.76	130
Total		**36728.49**	**28966.26**	**(-) 7762.23**	**79**	**21045.79**	**13229.17**	**(-) 7816.62**	**63**

APPENDIX – 4A

Statement showing excess of expenditure over budget provision under revenue section

(*vide* para : 2.1.1; page : 10)

Sl. No.	Name of ULB	Year	Budget Provision	Actual expenditure	Excess
			(Rupees in crore)		
1.	Bansberia	2008 – 09	7.48	9.77	2.29
2.	Baranagar	2006 - 07	16.24	16.91	0.67
3.	Barasat	2008 – 09	13.69	17.82	4.13
4.	Budge Budge	2008 – 09	11.42	12.35	0.93
5.	Chakdaha	2007 – 08	2.48	2.52	0.04
		2008 – 09	3.03	3.05	0.02
6.	Haldia	2008 – 09	20.96	22.35	1.39
7.	Jangipur	2006 – 07	2.70	4.07	1.37
		2007 – 08	3.03	4.65	1.62
		2008 – 09	4.01	5.30	1.29
8.	Kharagpur	2007 – 08	5.92	7.49	1.57
		2008 – 09	7.27	9.61	2.34
9.	Memari	2007 – 08	1.73	2.00	0.27
		2008 – 09	3.24	4.82	1.58
10.	North Dum Dum	2006 – 07	10.22	17.60	7.38
		2007 – 08	10.57	15.88	5.31
11.	Panihati	2008 – 09	16.04	22.39	6.35
12.	Uttarpara-Kotrung	2007 – 08	5.51	6.91	1.40
Total			**145.54**	**185.49**	**39.95**

APPENDIX – 4B

Statement showing excess of expenditure over budget provision under capital section

(*vide* para : 2.1.1; page : 10)

Sl. No.	Name of ULB	Year	Budget Provision	Actual expenditure	Excess
			(Rupees in crore)		
1.	Barasat	2006 – 07	0.51	0.82	0.31
		2008 – 09	0.31	0.34	0.03
2.	Barrackpore	2007 – 08	6.19	7.24	1.05
3.	Chakdaha	2007 – 08	6.19	11.79	5.60
4.	Memari	2006 – 07	0.95	1.11	0.16
		2007 – 08	0.01	1.39	1.38
5.	Panihati	2008 – 09	0.35	0.77	0.42
6.	Raniganj	2008 – 09	0	0.14	0.14
7.	Rajpur-Sonarpur	2006 – 07	0.20	0.25	0.05
		2007 – 08	0.30	0.38	0.08
		2008 – 09	5.35	6.00	0.65
8.	South Dum Dum	2006 – 07	8.25	13.09	4.84
		2007 – 08	10.03	14.24	4.21
		2008 – 09	9.55	27.82	18.27
9.	Uttarpara-Kotrung	2008 – 09	4.53	5.86	1.33
Total			**52.72**	**91.24**	**38.52**

APPENDIX – 5

Statement showing outstanding loans of ULBs

(*vide* para: 2.5; page: 12)

Sl. No.	Name of ULB	As of	Source of loan	Principal	Interest	Total liability
				(Rupees in lakh)		
1.	Arambagh	March 2008	Central & State Government	48.48	73.71	122.19
2.	Budge Budge	March 2008	Dena Bank, Buge Budge Branch	40.50	14.50	55.00
3.	Uluberia	March 2008	CUDP III 8th Plan Govt. for setting up Aluminium Industry	450.97	696.51	1147.48
4.	Khardah	March 2008	State Government & others	197.95	449.59	647.54
5.	Kharagpur	March 2008	State Government	16.26	48.09	64.35
6.	North Dum Dum	March 2008	CUDP III, 8th Plan	293.35	1035.83	1329.18
7.	Kahchrapara	March 2008	State Government		109.58	109.58
8.	Birnagar	March 2008	Central Goverment	28.95	100.87	129.82
9.	Contai	March 2008	HUDCO, Balageria Central Co-operative Bank	157.32	15.49	172.81
10.	Ranaghat	March 2008	UBI, Ranaghat		5.87	5.87
11.	Katwa	March 2008	IDSMT loan	47.33	28.29	75.62
12.	Naihati	March 2008	State Bank of India, Naihati Branch	2.46	Nil	2.46
13.	Chandrakona	March 2008	IDSMT loan	4.93	30.57	35.50
14.	Chakdaha	March 2008	State (PHE), Central IDSMT		20.36	20.36
15.	Bansberia	March 2008	CUDP III & 8th Plan	301.68	487.41	789.09
16.	Raniganj	March 2008	IDSMT loan	16.67	4.31	20.98
17.	Durgapur	March 2008	Different sources other than Central & State Governments	950.00	12.63	962.63
18.	Asansol	March 2008	LIC of India	122.23	256.16	378.39
19.	Baduria	March 2008	HUDCO	45.35	0.39	45.74
20.	Chandernagore	March 2008	Hooghly Coop. Bank	40.00	Nil	40.00
Total						**6154.59**

APPENDIX – 6

Statement showing outstanding advances

(*vide* para: 2.6; page: 13)

(Rupees in lakh)

Sl. No.	Name of ULB	As of	Outstanding Advance	Particulars of advance/Remarks
1.	Arambagh	March 2008	7.48	Advance paid to supervisors and others for execution of works.
2.	Baduria	March 2008	33.36	Advance paid to different persons and institutions for execution of schemes and programmes (like Mid-day-Meal, construction of school room, etc.)
3.	Beldanga	March 2008	14.77	Advance paid to employees, Ex-Councillor, Councillor, retired personnel and others.
4.	Contai	March 2008	115.82	The amount included advance of Rs. 1.68 lakh given to three Councillors (during 1991 to 2001) and ad-interim payment of Rs. 95.34 lakh made to 22 contractors (during 1975 to 2003).
5.	Islampur	March 2008	11.67	Advance paid to Ex-Chairman, Ex-Vice Chairman, Councillors, employees, etc. for execution of different works, etc.
6.	Jamuria	March 2008	3.23	Advance paid to supervisors and others for execution of works.
7.	Maheshtala	March 2008	114.77	Advance paid to employees and others for execution of works.
8.	Naihati	March 2008	64.33	Festival advance, recoverable amount from the beneficiaries of HUDCO loan, advance to public works, permanent advance, advance against schemes, etc.
9.	Rampurhat	March 2008	5.49	Advance given to employees and others for different works, etc.
Total			**370.92**	

APPENDIX – 7

Statement showing liability due to loss of interest on delayed deposit of Provident Fund money into the Treasury

(*vide* para: 2.7; page: 13)

(Rupees in lakh)

Sl. No.	Name of ULB	As of	Loss of Interest due to delay in deposit
1.	Bhadreswar	March 2008	7.84
2.	Bishnupur	March 2008	1.04
3.	Chandernagore	July 2008	21.80
4.	Maheshtala	March 2008	5.16
5.	Nabadwip	March 2008	0.31
6.	Naihati	March 2008	58.05
7.	Raiganj	August 2008	2.35
8.	Rajpur - Sonarpur	March 2008	0.06
9.	South Dum Dum	March 2008	0.22
	Total		**96.83**

APPENDIX – 8A

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

(*vide* para: 2.9; page: 14)

(Rupees in lakh)

Sl. No.	Name of ULB	Demand		Collection		Percentage of realisation	Balance	
		Arrear	Current	Arrear	Current		Arrear	Current
1.	Bally	509.10	524.04	147.09	194.53	33	362.01	329.51
2.	Bansberia	356.99	112.96	6.10	60.81	14	350.89	52.15
3.	Baranagar	800.18	329.31	107.82	153.78	23	692.36	175.53
4.	Barasat	280.83	107.59	28.47	46.05	19	252.36	61.54
5.	Barrackpore	37.03	154.24	11.59	137.37	78	25.44	16.87
6.	Beldanga	74.89	19.28	4.02	7.30	12	70.87	11.98
7.	Budge Budge	410.00	433.00	20.00	140.00	19	390.00	293.00
8.	Chakdaha	107.89	49.63	21.83	24.38	29	86.06	25.25
9.	Gobardanga	85.93	32.93	13.31	6.06	16	72.62	26.87
10.	Haldia	698.48	2149.37	36.05	870.75	32	662.43	1278.62
11.	Jangipur	55.79	29.59	7.38	10.88	21	48.41	18.71
12.	Kamarhati	350.17	303.31	90.91	215.72	47	259.26	87.59
13.	Kharagpur	203.87	92.98	34.28	45.45	27	169.59	47.53
14.	Khirpai	3.70	4.04	2.76	2.75	71	0.94	1.29
15.	Katwa	54.48	33.49	15.98	27.93	50	38.50	5.56
16.	Memari	30.26	28.15	12.52	22.18	59	17.74	5.97
17.	Nalhati	9.08	11.23	2.94	4.62	37	6.14	6.61
18.	North Dum Dum	231.19	126.53	81.11	91.10	48	150.08	35.43
19.	Raniganj	51.95	105.35	26.73	79.99	68	25.22	25.36
20.	Rajpur-Sonarpur	180.86	193.41	55.97	140.56	53	124.89	52.85
21.	Siliguri	666.93	425.52	103.87	255.87	33	563.06	169.65
22.	South Dum Dum	884.00	470.75	245.87	296.38	40	638.13	174.37
23.	Uttarpara-Kotrung	254.33	133.72	39.84	89.71	33	214.49	44.01
Total		**6337.93**	**5870.42**	**1116.44**	**2924.17**	**33**	**5221.49**	**2946.25**

APPENDIX – 8B

Statement showing demand and collection of property tax for the year 2007 – 08

(*vide* para: 2.9; page: 14)

(Rupees in lakh)

Sl. No.	Name of ULB	Demand		Collection		Percentage of realisation	Balance	
		Arrear	Current	Arrear	Current		Arrear	Current
1.	Bally	384.48	448.65	182.48	240.61	51	202.00	208.04
2.	Bansberia	402.96	112.96	8.11	60.93	13	394.85	52.03
3.	Baranagar	867.89	302.70	126.10	146.70	23	741.79	156.00
4.	Barasat	317.06	111.20	33.07	46.88	19	283.99	64.32
5.	Barrackpore	42.31	158.58	15.00	143.61	79	27.31	14.97
6.	Beldanga	71.22	16.55	3.05	6.63	11	68.17	9.92
7.	Budge Budge	683.00	667.00	130.00	312.00	33	553.00	355.00
8.	Chakdaha	111.32	49.63	11.71	25.02	23	99.61	24.61
9.	Gobardanga	99.49	32.93	6.42	5.97	9	93.07	26.96
10.	Haldia	1914.18	2788.90	406.62	924.04	28	1507.56	1864.86
11.	Jangipur	67.05	32.49	12.66	15.92	29	54.39	16.57
12.	Kamarhati	346.28	306.32	55.48	211.89	41	290.80	94.43
13.	Kharagpur	217.12	93.03	32.19	49.76	26	184.93	43.27
14.	Khirpai	2.22	4.04	0.54	2.78	53	1.68	1.26
15.	Katwa	43.86	33.94	10.28	28.93	50	33.58	5.01
16.	Memari	23.71	23.46	4.58	19.93	52	19.13	3.53
17.	Nalhati	12.76	12.13	3.66	4.19	32	9.10	7.94
18.	North Dum Dum	185.51	170.49	62.44	125.20	53	123.07	45.29
19.	Raniganj	190.88	108.52	114.71	83.56	66	76.17	24.96
20.	Rajpur-Sonarpur	188.06	211.84	38.38	150.19	47	149.68	61.65
21.	Siliguri	772.71	425.52	132.70	261.86	33	640.01	163.66
22.	South Dum Dum	812.50	510.29	316.72	357.65	51	495.78	152.64
23.	Uttarpara-Kotrung	285.16	134.73	19.08	89.52	26	266.08	45.21
Total		**8041.73**	**6755.90**	**1725.98**	**3313.77**	**34**	**6315.75**	**3442.13**

APPENDIX – 8C

Statement showing demand and collection of property tax for the year 2008 – 09

(*vide* para: 2.9; page: 14)

(Rupees in lakh)

Sl. No.	Name of ULB	Demand		Collection		Percentage of realisation	Balance	
		Arrear	Current	Arrear	Current		Arrear	Current
1.	Bally	410.40	448.65	184.51	218.99	47	225.89	229.66
2.	Bansberia	446.89	112.96	8.51	60.90	12	438.38	52.06
3.	Baranagar	897.79	292.16	120.42	165.11	24	777.37	127.05
4.	Barasat	343.58	113.07	33.99	65.85	22	309.59	47.22
5.	Barrackpore	42.28	166.56	9.54	150.80	77	32.74	15.76
6.	Beldanga	78.10	16.55	3.39	6.72	11	74.71	9.83
7.	Budge Budge	908.00	498.00	42.00	150.00	14	866.00	348.00
8.	Chakdaha	124.22	44.68	15.66	25.54	24	108.56	19.14
9.	Gobardanga	120.04	32.93	8.97	5.97	10	111.07	26.96
10.	Haldia	3372.42	2787.25	648.35	1234.15	31	2724.07	1553.10
11.	Jangipur	70.91	31.59	13.20	17.98	30	57.71	13.61
12.	Kamarhati	371.13	307.46	48.32	226.19	40	322.81	81.27
13.	Kharagpur	228.20	93.87	18.29	44.64	20	209.91	49.23
14.	Khirpai	2.94	4.04	0.24	2.57	40	2.70	1.47
15.	Katwa	38.22	34.27	9.44	28.23	52	28.78	6.04
16.	Memari	22.65	25.95	2.92	19.13	45	19.73	6.82
17.	Nalhati	17.04	12.16	3.21	3.69	24	13.83	8.47
18.	North Dum Dum	168.36	170.95	36.50	124.94	48	131.86	46.01
19.	Raniganj	101.13	109.00	34.22	94.15	61	66.91	14.85
20.	Rajpur-Sonarpur	211.33	232.90	55.06	167.10	50	156.27	65.80
21.	Siliguri	803.67	425.52	111.08	266.07	31	692.59	159.45
22.	South Dum Dum	652.42	608.87	312.90	391.85	56	339.52	217.02
23.	Uttarpara-Kotrung	308.52	133.93	20.67	88.45	25	287.85	45.48
Total		**9740.24**	**6703.32**	**1741.39**	**3559.02**	**32**	**7998.85**	**3144.30**

APPENDIX – 9

Statement showing Budget Estimate, Actual Realisation and Percentage of Realisation from Own Source during the period 2006 – 09

(*vide* para 3.1; page: 17)

(Rupees in lakh)

Sl. No.	Name of ULB	Budget Estimate			Actual Realisation			Percentage of Realisation		
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1.	Bally	1272.45	908.27	772.61	880.23	921.20	937.37	69	101	121
2.	Bansberia	216.17	286.73	278.33	150.76	297.17	295.71	70	104	106
3.	Baranagar	697.00	790.62	885.91	688.85	691.41	735.14	99	87	83
4.	Barasat	471.35	564.67	593.80	385.59	440.29	470.21	82	78	79
5.	Barrackpore	414.32	563.00	762.34	674.40	505.34	645.08	163	90	85
6.	Beldanga	26.30	28.29	32.57	18.90	27.13	29.19	72	96	90
7.	Budge Budge	310.88	299.18	318.86	215.79	373.23	262.80	69	125	82
8.	Chakdaha	142.21	152.86	251.51	160.92	134.32	200.83	113	88	80
9.	Gobardanga	39.08	42.73	78.96	27.78	46.04	34.79	71	108	44
10.	Haldia	1983.20	2103.21	4145.10	1245.57	1973.44	2543.38	63	94	61
11.	Jangipur	109.67	107.60	120.30	75.39	109.30	158.54	69	102	132
12.	Kamarhati	762.74	896.17	985.69	768.48	777.41	808.28	101	87	82
13.	Kharagpur	302.15	271.09	471.69	188.58	209.77	180.55	62	77	38
14.	Khirpai	21.39	26.50	29.97	26.47	26.95	24.87	124	102	83
15.	Katwa	165.13	200.18	282.96	159.04	92.38	102.60	96	46	36
16.	Memari	68.51	72.29	93.09	101.86	202.52	170.98	149	280	184
17.	Nalhati	52.01	52.45	Nil	43.73	47.43	70.65	84	90	Not applicable
18.	North Dum Dum	530.66	612.02	612.15	506.11	568.49	636.04	95	93	104
19.	Panihati	689.52	747.00	868.62	949.92	738.76	1505.63	138	99	173
20.	Raniganj	271.86	301.65	253.97	220.12	363.67	248.49	81	121	98
21.	Rajpur-Sonarpur	432.00	768.27	699.40	920.66	605.72	936.29	213	79	134
22.	Siliguri	1767.80	2153.80	2148.25	1439.16	1298.24	1349.17	81	60	63
23.	South Dum Dum	2021.19	2413.08	3436.78	1750.30	2613.97	3558.27	87	108	104
24.	Uttarpara-Kotrung	351.50	470.60	848.15	271.86	304.36	334.83	77	65	39
Total		**13119.09**	**14832.26**	**18971.01**	**11870.47**	**13368.54**	**16239.69**	**90**	**90**	**86**

APPENDIX – 10

Statement showing loss of revenue due to non imposition of surcharge

(*vide* para: 3.3.1; page : 18)

(Rupees in lakh)

Sl. No.	Name of ULB	No. of commercial / non residential holding	Yearly Tax	Annual surcharge	Period	Loss
1.	Arambagh	94	16.14	3.23	April 2006 to March 2008	6.46
2.	Barasat	83	12.88	2.58	April 2002 to March 2009	18.06
3.	Barrackpore	Not available	43.76	8.75	April 2006 to March 2007	8.75
			45.32	9.06	April 2007 to March 2008	9.06
4.	Chandrakona	407	2.30	0.46	April 2003 to March 2007	1.84
5.	Gobardanga	155	2.40	0.48	July 2004 to March 2008	1.80
6.	Islampur	2221	6.77	1.35	October 2005 to March 2008	3.38
7.	Jamuria	1346	34.88	6.98	April 2006 to March 2008	13.96
8.	Jangipur	1325	3.92	0.78	July 2006 to March 2008	1.37
9.	Katwa	1106	15.33	3.07	October 2001 to March 2008	19.93
10.	Kulti	124	20.81	4.16	April 2007 to March 2008	4.16
11.	Maheshtala	8167	310.05	62.01	April 2006 to March 2007	62.01
		8356	326.10	65.22	April 2007 to March 2008	65.22
12.	Memari	238	8.34	1.67	April 2006 to March 2007	1.67
		238	8.23	1.65	April 2007 to March 2008	1.65
13.	Naihati	1952	13.82	2.76	July 2003 to March 2008	13.11
14.	North Dum Dum	88	63.25	12.65	April 2007 to March 2008	12.65
15.	Panihati	225	56.45	11.29	April 2007 to March 2008	11.29
16.	Raiganj	527	4.76	0.95	July 2004 to December 2008	4.28
Total						**260.65**

APPENDIX – 11

Statement showing non realization of rent / *salami* / lease money etc. from stalls / shops / market / commercial complex etc.

(*vide* para: 3.5; page : 19)

(Rupees in lakh)

Sl. No.	Name of the ULB	As on	Rent / *salami* / lease money, etc. not realised from stalls / shops etc.
1.	Baduria	March 2008	0.64
2.	Barasat	March 2008	27.02
3.	Beldanga	February 2009	0.92
4.	Bhadreswar	March 2008	13.82
5.	Chandernagore	August 2008	38.40
6.	Islampur	March 2008	4.43
7.	Jamuria	March 2008	29.70
8.	Jangipur	June 2008	0.82
9.	Kharagpur	March 2008	7.05
10.	Kharar	March 2008	1.87
11.	Memari	March 2008	3.36
12.	Naihati	March 2008	2.54
13.	North Dum Dum	March 2008	1.00
14.	Panihati	March 2008	150.67
15.	Rampurhat	March 2008	8.29
16.	Siliguri	March 2008	29.28
17.	Uluberia	October 2008	3.85
18.	Uttarpara – Kotrung	March 2008	10.63
Total			**334.29**

APPENDIX – 12

Statement showing accumulation of arrear

(*vide* para: 7.1.10; page 42)

(Rupees in crore)

Municipal Corporation	Year	Demand	Collection	Arrear	Percentage
Asansol	2006-07	38.53	5.69	32.84	85
	2007-08	39.27	7.41	31.86	81
	2008-09	38.39	5.34	33.05	86
Chandernagore	2006-07	1.92	1.15	0.77	40
	2007-08	2.15	1.55	0.60	28
	2008-09	2.22	1.52	0.70	32
Durgapur	2006-07	26.12	7.02	19.10	73
	2007-08	24.13	7.29	16.84	70
	2008-09	25.60	7.74	17.86	70
Siliguri	2006-07	15.45	3.70	11.75	76
	2007-08	16.81	4.06	12.75	76
	2008-09	17.12	3.76	13.36	78

APPENDIX – 13

GLOSSARY OF ABBREVIATIONS

AMC	Asansol Municipal Corporation
BOC	Board of Councillors
BPL	Below Poverty Line
CAG	Comptroller and Auditor General of India
CDS	Community Development Society
CIC	Chairman-in-Council
CMFA	Controller of Municipal Finances and Accounts
CUDP	Calcutta Urban Development Programme
CVB	Central Valuation Board
DMC	Durgapur Municipal Corporation
DWCUA	Development of Women and Children in Urban Area
EFC	Eleventh Finance Commission
ELA	Examiner of Local Accounts
HUDCO	Housing and Urban Development Corporation Limited
IDSMT	Integrated Development of Small and Medium Towns
IRs	Inspection Reports
IT	Income Tax
KEIP	Kolkata Environmental Improvement Project
KMC	Kolkata Municipal Corporation
KMDA	Kolkata Metropolitan Development Authority
MAD	Municipal Affairs Department
MARC	Municipal Administrative Reforms Committee
MED	Municipal Engineering Directorate
MPC	Metropolitan Planning Committee
MPLAD	Member of Parliament Local Area Development
NHC	Neighbourhood Committee
NOAPS	National Old Age Pension Scheme
PHED	Public Health and Engineering Department
PT	Professional Tax
PWD	Public Works Department
SAE	Sub Assistant Engineer
SDC	Slum Development Committee
SFC	State Finance Commission
SMC	Siliguri Municipal Corporation
ST	Sales Tax
SWM	Solid Waste Management
TFC	Twelfth Finance Commission
ULB	Urban Local Body
WBECSC	West Bengal Essential Commodity Supply Corporation
WC	Ward Committee