



RAJEEV CHANDRASEKHAR
MEMBER OF PARLIAMENT
RAJYA SABHA

Member of Standing Committee on Defence
Member of Consultative Committee on Defence
Member of Central Advisory Committee for the National Cadet Corps
Co-Chairman, Vigilance & Monitoring Committee, Bangalore Urban District
Vice Chairman, National Military Memorial Management Trust, Bangalore

08th October, 2015

Dear Shri Siddramaiah avare,

Sub: Request Ordering a CAG Audit into BBMP Accounts

I write this letter in continuation to my letters written to you previously on 16th December 2013 and 2nd April 2015 about the problems facing our city Bengaluru and in particular the rampant mal-governance that is causing these problems.

Most of the problems facing the city today – bad roads, inadequate garbage management capacities etc. are being blamed on lack of financial resources. In December 2013, I had highlighted the issue of loopholes in revenue collection and leakages and I am writing again to draw your attention to the rampant and deliberate mismanagement of the BBMP Finances resulting in thousands of crores of rupees of its revenues including tax collected from citizens being siphoned off and not being used for the development of our city.

It has been brought to my notice by several concerned citizens and NGOs that hundreds of crores of tax receipts and revenues collected by BBMP have not been credited into the main bank accounts but deposited in miscellaneous accounts by some officials in BBMP. It is learnt that over 900 bank accounts are being operated by the BBMP officials. Such a large number of bank accounts for one Institution located within the same city calls for inquiry as to how these accounts are opened and operated in various public sector and private sector Banks. I understand that subsequently these accounts are being consolidated into 25 accounts, but the issue of the performance in the past of these over 900 accounts remains unanswered or unquestioned.



It is clear that multiplicity of accounts and failure to introduce Accounting standards such as the National Municipal Accounting Manual or the Karnataka Municipal Accounting and Budget Rules are being used by some unscrupulous officials in BBMP to manipulate and misuse the Palike's funds.

There are reports of large sums of tax collected being illegally deposited in private banks and in some cases in banks outside Bengaluru, for personal benefit by some officials. Whether it's in the BDA, BBMP, RDPR or other government departments, there seems to be a pervading culture of illegally parking public funds by corrupt officials thereby depriving the exchequer of interests on deposits and city of the funds required for its development. This is a matter of extreme concern warranting immediate action on your part as Finance Minister of the State.

It is shocking that BBMP finances have not been audited for years and last internal audit was done in 2011. As you are aware the last Comptroller and Auditor General of India (CAG) audit of BBMP was conducted for the year 2009-10 which unsurprisingly exposed large scale financial irregularities. In its report No 5 of 2014 tabled in the Legislature on 14/7/2014, CAG cast serious aspersions on the BBMP accounting and financial practices. Shortfall in certification of accounts by Chartered Accountants during the years 2008-13 has been observed by the CAG. The deficiencies and omissions in the annual accounts of the Palike have been observed by the CAG in several Paragraphs including paras 3.1 to 3.17, 4.5 and 4.6 etc.

As Finance Minister and Chief Minister, you will agree that financial and accounting transparency and integrity are corner stones to running a clean administration. There is a strong stench of malfeasance around BBMP and other agencies financial and accounting dealings. Hence, a special audit to bring the culprits to book and locate the diverted funds that belong to the citizens, is urgently required.

The resources collected by BBMP and other agencies constitute public funds and any mismanagement of these constitute acts of Corruption which is prosecutable under various sections of law including Prevention of Corruption Act.



There is enough evidence that there is widespread revenue leakage and siphoning. I have written repeatedly to you to intervene and clean up this situation prevailing in Bengaluru but you have chosen to do nothing thus far. As a Member of Parliament representing Bengaluru, I call upon you and your government to do the right thing and to immediately order a CAG Audit into the BBMP finances, with special focus on reconciliation between receipts issued and actual revenue receipts from 2010 failing which I will be constrained to take legal recourse in the matter.

Look forward to your urgent and positive response.

Yours Sincerely,

RAJEEV CHANDRASEKHAR

Shri Siddramaiah

Hon'ble Chief Minister
Government of Karnataka
Vidhana Soudha
Bangalore

Copy to: Shri Ramalinga Reddy, Hon'ble Transport Minister and Bangalore District in charge Minister, Vidhana Soudha, Bangalore