

GOVERNMENT OF UTTAR PRADESH

**ANNUAL TECHNICAL INSPECTION REPORT
ON
URBAN LOCAL BODIES**

**In terms of the Technical Guidance and Supervision
by the Comptroller and Auditor General of India**

FOR THE YEAR ENDED 31 MARCH 2007

**Office of the Principal Accountant General (Civil Audit)
Uttar Pradesh**

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PREFACE

1. This report has been prepared for submission to the Government of Uttar Pradesh in accordance with the terms of Technical Guidance and Supervision (TGS) of the audit of accounts of Urban Local Bodies (ULBs) by the Comptroller and Auditor General of India as envisaged by the Eleventh Finance Commission.
2. This report has two chapters. CHAPTER I contains a brief introduction of functioning of various levels of the ULBs in the state with the observations and comments on accounts and CHAPTER II deals with audit comments based on inspection.
3. The cases mentioned in the report are those, which came to notice in the course of test audit/inspection of accounts during the year 2006-07. During the period from April 2006 to March 2007, accounting and other records of 7 Nagar Nigams, 23 Nagar Palika Parishads and 37 Nagar Panchayats were inspected.

CHAPTER - I
An Overview of Urban Local Bodies

Chapter-I

An overview of Urban Local Bodies

1.1 Introduction

1.1.1 The State of Uttar Pradesh implemented the system of democratic governance up to grass root level in Urban Local Bodies (ULBs) through UP Municipal Corporation Act 1959 and UP Nagar Palika Act, 1916. The objective of implementation of these Acts was to make the ULBs self reliant, and to provide better civic facilities to their residents against taxes, fees, fines etc. collected from the tax payers. Further, the 74th Constitutional Amendment paved the way for decentralization of powers, transfer and devolution of more functions and funds to the urban local bodies. Consequently, more diversified responsibilities were devolved upon the three tier structure; Nagar Nigams¹ (NNs), Nagar Palika Parishads² (NPPs) and Nagar Panchayats³ (NPs). To incorporate the provisions of the 74th Constitutional Amendment, the legislature of Uttar Pradesh enacted the Uttar Pradesh Urban Local Self Government Laws (Amendment) Act, 1994.

The Nagar Nigams are governed by UP Municipal Corporation Act, 1959 whereas both the Nagar Palika Parishads and Nagar Panchayats are governed by UP Nagar Palika Act, 1916.

1.1.2 Population profile

The population profile of Urban Local bodies (ULBs) of the State as on 31 March 2007 was as under:-

Sl. No	Types of ULBs	Number of ULBs	Area (Sq.Km)	Average area/ULB (Sq Km.)	Population (as per census 2001)	Average population of ULBs	Density of population
1	NNs	12	1426.56	118.88	13149882	1095823.50	9217.90
2	NPPs	194	1980.76	10.21	13398815	69066.06	6764.48
3	NPs	421	1700.42	4.04	6053844	14379.68	3560.21
Total		627	5107.74	133.13	32602541	1179269.24	19542.59

The ULBs are governed by the elected board of its members. The tenure of the elected Board is normally five years. The last election to 627 ULBs was held in the year 2006.

¹ Represents the ULBs, having the population of more than five lakh.

² Represents the ULBs, having the population between 20 thousand and five lakh.

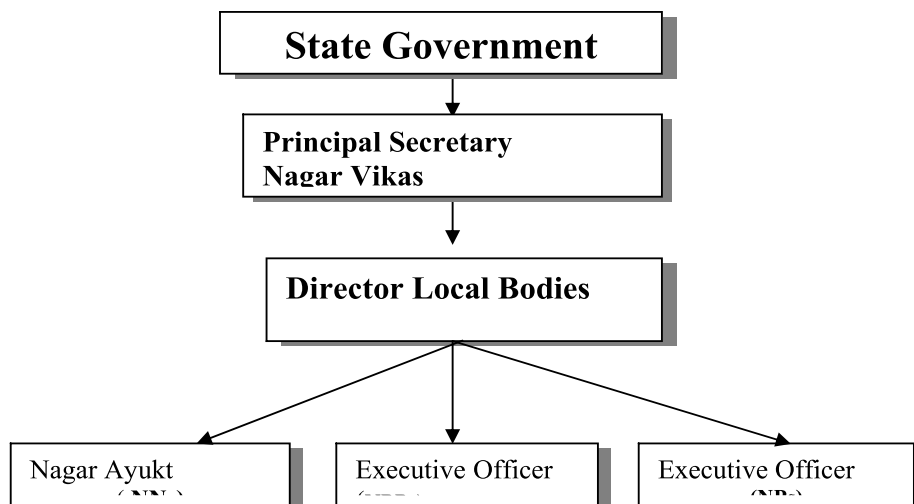
³ Represents the ULBs having the population below 20 thousand.

The ULBs are governed by the elected board of its members. The tenure of the elected Board is normally five years. The last election to 627 ULBs was held in the year 2006.

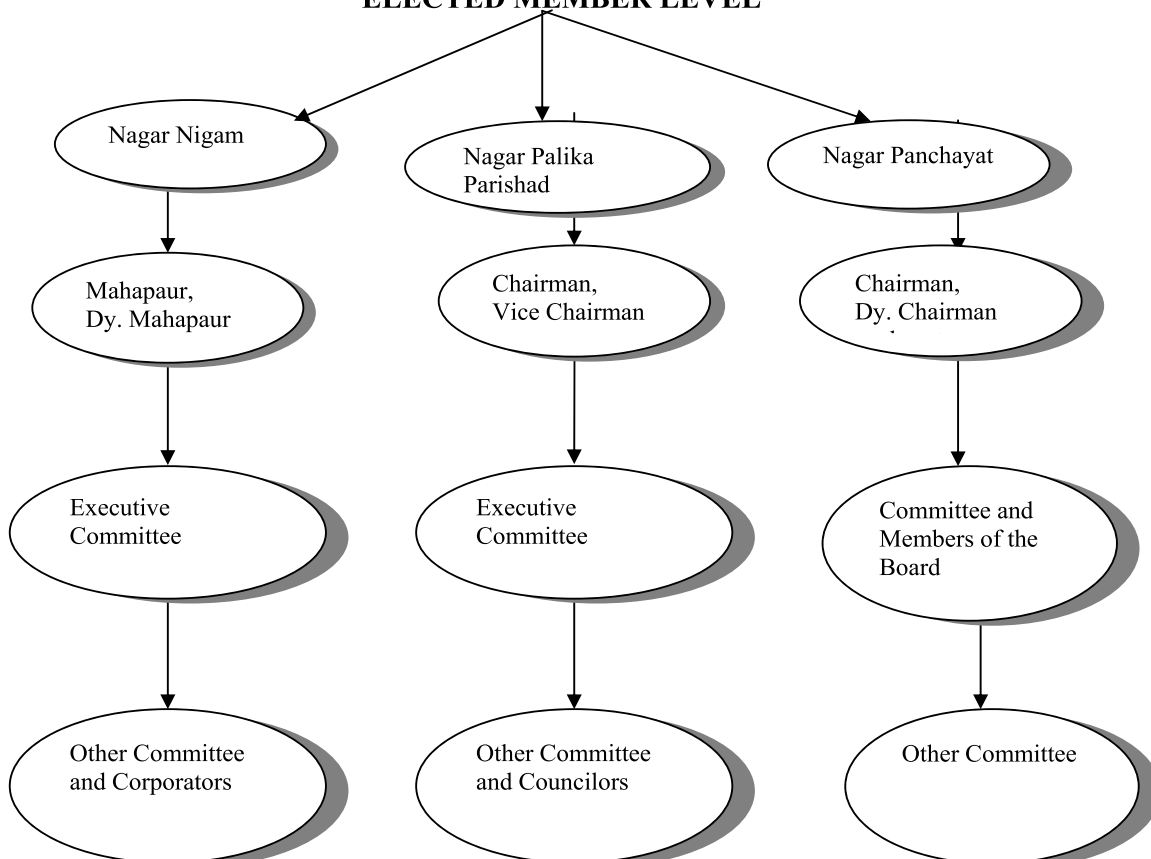
1.2 Organizational set-up

ADMINISTRATIVE ORGANISATION OF URBAN LOCAL BODIES

EXECUTIVE LEVEL



ELECTED MEMBER LEVEL



powers and discharge the duties through the committees of elected members. Nagar Ayukt in case of Nagar Nigam and Executive Officers in case of Nagar Palika Parishads and Nagar Panchayats are the administrative heads.

1.3 Database on finances

The Eleventh Finance Commission (11th FC) recommended that a networked database on the finances of the ULBs should be developed at the district, state and central government level and be easily accessible by computerizing it and linking it through V-SAT⁴. The data were to be collected and compiled in standard formats prescribed by the C&AG of India. This would have facilitated comparison of performance of local bodies among the states at the GOI level and the Government at the state level. The maintenance of the database was felt necessary by the 12th FC also to keep accurate information on the finances of the ULBs for need based assessment of their requirements. Database was, however, not developed as of May 2008. As a result, allocation of funds to the ULBs was not being made on a rational basis. Thus, release of grants to the ULBs without reviewing their actual needs and fiscal performance was not transparent.

1.4 Sources of revenue

For execution of various developmental works, the Government of India and State Government provide funds in the form of grants. The funds of ULBs are availed from the following sources:-

- Grants assigned under the recommendations of the Eleventh Finance Commission (**11th FC**) for the period 2000-05 and Twelfth Finance Commission (**12th FC**) for the period 2005-10.
- Devolution of 7.5 *per cent* of net proceeds of total tax revenue of the State Government under the recommendations of the Second State Finance Commission (**2nd SFC**).
- Funds remitted by the respective departments for functions transferred to the ULBs.

⁴ Very Small Aperture Terminal

- Revenue earned by the ULBs out of their own resources i.e. taxes, rent, fees, issue of licenses, tehbazari⁵, taxi stands etc.

1.4.1 The aggregate receipts of grants by the ULBs under the recommendation of Eleventh Finance Commission (11th FC)/ Twelfth Finance Commission (12th FC), State Finance Commission (SFC) and revenue realized from their own resources during 2003-06 were as under:-

(Rs in crore)

Sl No	Year	11 th FC/ 12 th FC	SFC	Own resources	Total
1	2003-04	45.58	825.00	360.07	1230.65
2	2004-05	22.79	877.00	412.33	1312.12
3	2005-06	51.70	911.25	475.98	1438.93
Total		120.07	2613.25	1248.38	3981.70

Position of utilization of grants against the allocations under 11th FC, 12th FC, SFC and revenue realized from their own resources of the ULBs are discussed in the succeeding paragraphs.

1.4.1.1 11th /12th FC Grant

As per information furnished by Director, Local Bodies, Lucknow, position of funds available and expenditure against 11th FC/ 12th FC grants during 2003-06 were as under:-

(Rs.in crore)

Year	Name of the grant	Funds Available	Expenditure	Balance
2003-04	11 th FC	45.58	45.58	--
2004-05	11 th FC	22.79	22.79	--
2005-06	12 th FC	51.70	51.70	--

The information made available by the Director Local Bodies regarding the utilization of the 11th and 12th FC grants was not reliable as there was no data base on finances at the district and state level to support it. The transfer of funds to the ULBs was treated as final expenditure in the accounts of the Director Local Bodies instead of treating it as advance and adjusting in accounts only

⁵ Tax on trades and callings carried on within the municipal limits.

after getting the expenditure statements from the ULBs. Further, test check in two NNs⁶, 12 NPPs⁷ and 14 NPs⁸ revealed that grants amounting to Rs. 7.59 crore out of Rs. 7.71 crore released during 2005-06 remained unutilized (March 2007) although it was treated fully utilized in the records of the Director Local bodies.

Thus, despite low pace of utilization of the grants at the grass root level, the Director Local Bodies misreported the position of financial performance of the ULBs to the Government.

1.4.1.2 State Finance Commission Grant

Similarly, the Director Local Bodies had shown the grants released to ULBs during 2003-06 under the recommendations of SFC as fully utilized in their books as details in the following table;-

(Rs in crore)

Year	Funds available	Expenditure	Balance
2003-04	825.00	825.00	-----
2004-05	877.00	877.00	-----
2005-06	911.25	911.25	-----

However, the Directorate had no feedback of the actual expenditure from the ULBs. Thus, the expenditure of the ULBs shown in the accounts of the Director Local Bodies was unrealistic in the absence of any supporting data from them. It was corroborated by the fact that no separate account of SFC grant was maintained in any of the test checked ULBs.

1.4.1.3 Revenue realized from own resources

The State Government fixes the target for ULBs revenue realization from their own sources for each year. The position of revenue realized by the NNs, NPPs and NPs from their own resources during 2003-06 against the target fixed by the State Government were as under:

⁶ Gorakhpur and Gaziabad.

⁷ Bilaspur, Pihani, Mainpuri, Thaharpur, Mungra Badshahpur, Marhara, Modaha, Pukhrayan, Rudauli, Mahmudabad, Suar, Konch

⁸ Jyanpur, Patiyali, Dibiyapur, Mahrajganj, Kursath, Fafund, Bhargain, Bilariyaganj, Kchouna Pur, Atraulia, Hariya, Awagarh, Nidhauli Kalan, Gohan

(Rs. in crore)

Sl. No.	Name of ULBs	Number of ULBs	2003-04		2004-05		2005-06	
			Target	Achievement	Target	Achievement	Target	Achievement
1	NNs	12	263.37	219.02	318.87	272.52	261.52	299.88
2	NPPs	194	125.22	108.36	147.73	116.83	158.92	132.10
3	NPs	421	43.93	32.69	52.28	22.98	19.81	44.00
Total (per cent)		627	432.52	360.07 (83.25)	518.88	412.33 (79.46)	440.25	475.98 (108.11)

The revenue realized by the NNs, NPPs and NPs from their own resources during 2003-06 ranged between 79.46 *per cent* and 108.11 *per cent* against the target fixed by the State Government. However, an analytical review of revenue realization by these ULBs indicated that the position of revenue collection in NPPs improved significantly during 2005-06 over the previous year and having more than two fold increase, steeply went up to Rs44.crore against the target of Rs19.81 crore.

1.5 Allocation and utilization of 11th FC, 12th FC and SFC grants

The Central Finance Commission is appointed by the President of India for allocation of resources between the GOI and the state governments. The local bodies were bought within the purview of the 11th FC grants to augment the consolidated fund of the states to enable them to supplement the resources of the local bodies. Similar terms of reference were also made for the 12th FC. Accordingly the 11th and 12th FC made recommendations to the GOI for release of grants to the state governments for the ULBs. The State Government released 11th FC and 12th FC grants to the ULBs after their receipt from the GOI through Director, Local Bodies. Similarly, the State Government also released the SFC grant to the ULBs. The Director, Local Bodies allocated these grants among the NNs, NPPs and NPs on the basis of population, percentage of Scheduled Caste/ Scheduled Tribe, socially backwards in total population and revenue earned from their own resources.

1.5.1 As per recommendation of 11th FC, the GOI released Rs 203.52 crore⁹ to the State Government during 2000-05 for development work e.g. road, water supply and sanitation etc. The grant included Rs 49.41 lakh allocated for creation of database on finances in Local Bodies. However, the State Government spent the entire amount on purpose other than creation of database. Thus, the objective of creation of the database was not fulfilled.

1.5.2 Devolution of SFC grant

As per recommendations of the 2nd SFC, 7.50 *per cent* of the net proceeds of the tax revenue are to be devolved to the ULBs. The devolution of the funds and actual funds released by the State Government during 2003-06 were as under:-

(Rs in crore)

Year	Net proceeds of tax revenue of State Government	Funds required to be devolved	Actual funds released by the State Government	Short release of funds
2003-04	13601	1020	825	195
2004-05	15693	1177	877	300
2005-06	18858	1414	911	503
Total	48152	3611	2613	998

The table indicates that non-devolution of funds as per norms prescribed by 2nd SFC, resulted in short release of Rs 998 crore to the ULBs during 2003-06.

1.6 Financial position of the ULBs

The 12th FC observed that the quality of data at the grass root level of ULBs was poor and as a result, accurate information on the finances of the ULBs was missing at the State level. The 12th FC also stressed the need to introducing a proper accounting system for ensuring credible data to facilitate realistic assessment of the needs of the ULBs. Despite these recommendations of the 12th FC, there was no system in place at the Directorate as well as at the ULBs level to provide accurate information on finances of the ULBs. It was mainly due to non creation of database on finances and absence of networking of the Directorate with the ULBs.

⁹ 2000-01:Rs 44.54 crore, 2001-02:Rs 45.03 crore, 2002-03:Rs45.58 crore, 2003-04 Rs 45.58crore and 2004-05 Rs 22.79 crore

Financial position of the test checked NNs, NPPs and NPs during 2003--06 is detailed in the following table:-

(Rs. in crore)

Name of Unit	Number of Units	Opening Balance	Received	Total	Expenditure	Closing Balance
Year 2003-04 (Appendix 1, 2 and 3)						
NNs	5	43.27	223.33	266.60	227.96	38.64
NPPs	19	12.23	39.71	51.94	36.32	15.62
NPs	27	2.65	8.85	11.50	8.37	3.13
Total (Per cent)	61	58.15	271.89	330.04	272.65	57.39 (17 per cent)
Year 2004-05 (Appendix 4, 5 and 6)						
NNs	7	65.63	321.21	386.84	323.07	63.77
NPPs	23	22.76	63.67	86.43	62.05	24.38
NPs	37	3.79	16.71	20.50	14.26	6.24
Total (Per cent)	67	92.18	401.59	493.77	399.38	94.39 (19 per cent)
Year 2005-06 (Appendix 7, 8 and 9)						
NNs	7	63.77	416.82	480.59	351.90	128.69
NPPs	23	24.38	82.56	106.94	77.47	29.47
NPs	37	6.24	21.68	27.92	20.90	7.02
Total (Per cent)	67	94.39	521.06	615.45	450.27	165.18 (27 per cent)

Source: Inspection report of the audited units.

The table revealed that expenditure did not keep pace with the release of grants during 2003-06. Although the unspent balances increased from 17 *per cent* to 27 *per cent* during the period, the Director, Local Bodies continued to exhibit the full utilization of grants released to the ULBs, as brought out in paragraph 1.4.1.1 and 1.4.1.2 above. The unspent balances of grants were indicative of poor planning for utilization of funds towards the intended objectives in a time bound manner.

1.7 Budgeting and Budgetary Process

Excess expenditure over budget

Financial Rules provide that the expenditure should be limited to the budget provisions.

The NN, Agra incurred an excess expenditure of Rs 12.98 crore during 2004-06 over the budget provision under certain heads (*Appendix 10*) without making necessary provisions and also did not regularize the same during subsequent years.

Expenditure in excess of budget provisions indicated weaknesses of the budgetary control.

1.8 Accounting arrangements

1.8.1 The Government should nominate an officer to ensure transparent accounting and financial reporting and preparation of an annual consolidated report at State level. In ULBs, the Accounts Officers were responsible for maintaining the accounts of NNs whereas the Accountants and Accounts clerks were responsible for maintaining the accounts of NPPs and NPs respectively. As the State Government had not considered nominating an authorized officer for the purpose, neither the accounts were being compiled at State level nor was any consolidated report being submitted to the State Government and Assembly. Moreover, most of the ULBs were maintaining their accounts on cash basis and preparing only receipts and payment accounts. In the absence of Balance sheet on accounts, true and fair assessment of their financial viability could not be ascertained.

1.8.2 Adoption of account formats prescribed by C&AG

On recommendation of 11th FC, the C&AG of India prescribed the Budget and Accounting formats on accrual basis for ULBs. These formats were circulated by Ministry of Urban Development (June 2003) to the State Government for their acceptance and implementation in all the three tiers of ULBs. Acceptance of the formats by the State Government was awaited (May 2008). This contributed to the poor accounting and financial reporting by ULBs. Moreover, non-adoption of the standard formats in preparation of the accounts led to a situation under which assessment of the position of assets and liabilities of the ULBs was not possible.

1.8.3 Non reconciliation of cash balances

The balances as per treasury/ bank pass book and cash book should be reconciled at the end of each month to ensure accuracy of accounts.

In two NNs, two NPPs and 26 NPs test checked, the balances of treasury/bank pass books were not reconciled with the cash book. As a result, difference of Rs 4.24 crore between the cash book and treasury/ bank pass book (*Appendix II*) remained un-reconciled as of 31 March 2006. In the absence of reconciliation of cash balances, authenticity of the accounts of these Local

Bodies could not be verified in audit. Moreover, incidence of fraud/ embezzlement/ misappropriation of fund could also not be ruled out.

1.8.4 Amount drawn not shown in Cash Book

1.8.4.1 In Nagar Nigam Kanpur, a sum of Rs. 81380 paid to the contractor vide cheque No. 424634 dated 29-03-2005 from Allahabad Bank (Account No. 3447), was not entered in the Cash Book as of May 2006. This reflected weaknesses in the internal control system of the NN.

1.8.4.2 In Nagar Panchayat Daurala, Meerut (NP), Cash Book was not closed after May 2005. Rs 44710 and Rs 28111 received in February 2004 and March 2005 respectively as 11th FC grant and Rs 1,25,000 received in March 2006 as 12th FC grant were not recorded in the Cash Book as of September 2006. The NP replied (September 2006) that necessary corrections shall be made in cash book. Information to this effect was awaited (May 2008).

1.8.4.3 In Nagar Panchayat Bilram (Etah), there was a closing balance of Rs 613514 at the end of March 2004. However, Rs 644192 were shown as opening balance in April 2004 for the year 2004-05. Difference of Rs 30678 was not reconciled as of May 2006. In the absence of account details of expenditure, possibilities of embezzlement and misuse of fund could not be ruled out. This calls for investigation by the concerned authorities.

1.9 Audit arrangement

Uttar Pradesh Municipal Corporation Act, 1959 provides appointment of Mukhya Nagar Lekha Parikshak as Auditor who would have access to all the accounts and to all the records of first tier (Nagar Nigams). Second and third tiers (Nagar Palika Parishads and Nagar Panchayats) have no such provisions in the Uttar Pradesh Nagar Palika Act, 1916. However, Director Local Fund Audit (DLFA) conducts audit of these bodies as primary auditor under provisions of Uttar Pradesh Local Fund Audit Act, 1984. The DLFA is assisted by one joint Director, five Deputy Directors, 46 Assistant Directors, and 65 District Audit Officers.

The 11th FC recommended that the C&AG of India shall be responsible for exercising control and supervision over the proper maintenance of the accounts and their audit for all three tiers/levels of ULBs. Accordingly, the State Government has entrusted the work of exercising control and supervision over

the proper maintenance of accounts of ULBs and their audit to the C&AG under Section 20(1) of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971.

1.10 Primary audit arrears

Being primary auditor, DLFA is required to audit all the units of ULBs in the State. The arrears of primary audit of ULBs during the period 2004-07 ranged between 3.37 *per cent* and 9.15 *per cent* as per the following details:-

Year	Number of units to be audited	Number of units actually audited	Units in arrear	Arrear in per cent
2004-05	623	602	21	3.37
2005-06	623	596	27	4.33
2006-07	623	566	57	9.15

Source: Information furnished by Director Local Fund Audit

DLFA stated (September 2007) that the arrears were due to shortage of manpower in his organization.

1.11 Outstanding paragraphs of DLFA

As per information collected (September 2007) from DLFA, position of outstanding paragraphs at the end of 2006-07 was as under

Name of units	Number of paragraphs up to 2006-07	Number of paragraphs settled during 2006-07	Number of paragraphs outstanding at end of the year
NNs	21556	151	21405
NPPs	141893	5216	136677
NPs	131300	8487	122813
Total	294749	13854 (In per cent 4.70)	280895

It is evident from the table that only 4.70 *per cent* of the audit paragraphs could be settled during 2006-07. The DLFA stated (September 2007) that remaining paragraphs could not be settled due to reluctance of the ULBs in submission of the compliance reports on audit paragraphs. This indicated that ULBs were not responsive to their responsibilities for primary audit.

1.12 Annual Audit Report of the DLFA

Under section 8(3) of Uttar Pradesh Local Fund Audit Act, 1984, the DLFA was required to prepare a consolidated audit report on the accounts of ULBs audited

by him and send it to the Government for placing it before the Legislative Assembly. As per information collected (May 2008) from DLFA, the last such annual audit report was prepared for the year 2003-04. The report up to the year 2001-02 was submitted before the Legislative Assembly. On being pointed out as to why the annual audit reports of the subsequent years were not prepared, the DLFA did not make any reply.

1.13 Position of entrustment of audit / TGS to C&AG

The 11th FC had recommended exercising of Technical Guidance and Supervision (TGS) over the proper maintenance of Accounts of ULBs and their audit by the C&AG of India. Consequently, the State Government has entrusted the audit of local bodies to C&AG in October 2001 under section 20(1) of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971.

1.14 Audit coverage

Test audit of the accounts of seven NNs (*Appendix 12*), 23 NPPs (*Appendix 13*) and 37 NPs (*Appendix 14*) for the year 2005-06 was conducted during 2006-07. The important findings are discussed in the succeeding paragraphs and chapters.

1.15 Utilization of Twelfth Finance Commission Grants

The Twelfth Finance Commission (12th FC) had earmarked Rs 517.00 crore for the ULBs of Uttar Pradesh for the period 2005-2010 with the recommendation to provide at least 50 *per cent* of the grants-in-aid for Solid Waste Management. According to the recommendation, it is mandatory for the State government to transfer the grants released by the GOI to the ULBs within 15 days of its receipt and simultaneously ensure that grants are credited to their bank accounts. Position of grants released by the Government of India to the State Government and from State Government to ULBs is as under:-

(Rs in crore)

Year	Amount of grants received from Central Government	Date of receipt of the grants from Central Government	Total allocation of grant by the Govt. to ULBs	Amount of grant released to ULBs by the Government	Date of release of grants by the State Government
2005-06	51.70 (1 st installment)	28-11-2005	51.70	51.70	27-1-2006
	51.70 (2 nd installment)	02-03-2006	51.70	51.70	16-9-2006
2006-07	51.70 (1 st Installment)	13-9-2006	51.70	51.70	27-10-2006
	51.70 (2 nd installment)	18-5-2007	51.65	51.65	28-5-2007

Source: Information furnished by Urban Development Department, Government of Uttar Pradesh.

During test check (2006-07) of 18 ULBs, it was noticed that crediting the 1st and 2nd installment of 12th FC grant (2005-06) to the treasury/ bank account was delayed up to 109 days and 148 days respectively (*Appendix 15 and 16*). The State Government paid Rs.26.35 lakh as interest on the delayed transfer of the 1st installment of 12th FC grant (2005-06). However, no interest was paid for the delay in transfer of 2nd installment.

In three NNs, eight NPPs and 12 NPs test checked (2006-07), grants/ funds amounting to Rs 6.34 crore, out of Rs 7.71 crore were provided for the year 2005-06 on the recommendations of 12th FC remained unutilized (*Appendix 17*). Non-utilization of about 82 *per cent* of the 12th FC grant indicated the reluctance of the ULBs towards the objectives of providing civic amenities e.g. roads, sanitation, water supply etc. to the population of their area.

1.16 Recommendations of Second State Finance Commission

The 2nd SFC was constituted in February 2000 for the period 2001-2006. Recommendations of the 2nd SFC, comprising 245 paragraphs in five parts, on Panchayati Raj and Urban Local Bodies was tabled (June 2002) before the Governor for approval. Details of the paragraphs are as under:-

Number of parts	Particulars	Number of paragraphs
1	General	11
2	Panchayati Raj Institutions	93
3	Urban Local Bodies	107
4	District Planning Committees and State Finance Commission Cell	5
5	Principles of transformation and share of Local Bodies	29

Source: Finance Department, Government of Uttar Pradesh

The Government had fully accepted 74 out of 107 paragraphs of the 2nd SFC recommendations relating to ULBs which relate mainly to transfer of fixed shares of the net proceeds of the State to ULBs, formation of functional District Planning Committees and imposing of development tax and advertisement tax to NPPs and NPs as in NNs, to improve their resources through license fee etc. and to implement e-governance and computerization in ULBs. The Government had in principle/ partly accepted 12 paragraphs relating mainly to preparation of bye-laws on the basis of area and financial position, imposition and realization of full cost pricing of service tax, creation of special purpose institution for capital requirement of the ULBs etc. and remaining 21 paragraphs of the recommendations mainly on imposing of profession tax, vacant land tax and transferring half of the share of income to ULBs by way of converting Nazul land into free hold land etc were not accepted.

1.17 Arrears in tax collection

ULBs earn revenue out of their own resources through taxes, rent, fees, issue of licenses, tehbazari, taxi stand etc.

In six NNs, six NPPs and 10 NPs demand for Rs 41.90 crore including arrears of Rs 16.64 crore was raised for 2005-06. Out of this, a sum of Rs 19.51 crore only was recovered. A sum of Rs 22.39 crore was outstanding against the tenants, licenses and contractors on accounts of rents, license fees etc. for more than one year as detailed in *Appendix 18, 19 and 20*. As the age wise breakup of the unrecovered dues was not maintained by the test checked ULBs, the periodicity of the dues pending for recovery could not be assessed in audit

1.18 Internal control

The main objectives of a sound internal control system in an organization are :

- ❖ Promoting orderly, economical, efficient and effective operations and delivery quality products and services consistent with the organization's missions;
- ❖ Safeguarding resources against loss due to waste, abuse, mismanagement, errors, fraud and irregularities;
- ❖ Adhering to laws, regulations, and management directives; and
- ❖ Developing and maintaining reliable financial and management data and fairly disclosing that data in timely reports.

Test check of accounts of ULBs for the year 2006-07, revealed that 890 paragraphs on poor financial management and financial irregularities resulting in excess payment, unfruitful expenditure, irregular expenditure and avoidable liabilities etc were communicated through the Audit Inspection Reports of the Senior Deputy Accountant General (Local Bodies) Uttar Pradesh Allahabad. However, the compliance of these paragraphs was extremely poor and indicated that the apathy of the ULBs to take remedial measures to improve their accounting system and strengthen their internal control system to prevent the financial irregularities.

1.19 Conclusion

The objectives to create networked database on finances beginning from the grass root level to the GOI level to make need based assessment of the financial requirements of the ULBs had not been fulfilled. As a result, reliability of the demands could not be ascertained. Government was yet to frame Budget and Accounts Rules to give effect to the C&AG's standard accounting formats. The Government did not devolve funds as per norms prescribed by the 2nd SFC resulting in short allocation of Rs998 crore to the ULBs. The response of the ULBs to the audit observations of the Director Local Funds was extremely poor. More over, the position of settlement of the Paragraphs submitted to the ULBs under technical guidance and supervision of the C&AG was far from satisfactory. The ULBs had not yet taken remedial measures to improve their financial management and utilization of public funds in a prudent manner.

1.20 Recommendation

- Government should take effective steps to develop networked database on finances of the ULBs for making need based assessment of their requirements at the Government level.
- The Government should adopt the norms prescribed by the 2nd FC for devolution of funds to the ULBs.
- Government should ensure that the C&AG's standard Budget/Account formats are adopted by the ULBs.
- The ULBs should be made accountable towards the primary audit by the DLFA and responsive to the Audit Inspection Reports prepared under the technical guidance and supervision of the C&AG of India.

CHAPTER - II

Audit of Transactions

Chapter-II

Audit of Transactions

2.1 Excess payment on Cement Concrete road works

Payment of cement concrete road works at higher rates without verification from PWD facilitated excess payment of Rs 34.72 lakh to the contractor by the Nagar Palika Parishad, Sambhal, Moradabad.

As per financial rules, Drawing and Disbursing Officers should constantly remind themselves that the expenditure from public moneys is incurred with the same vigilance as a person of ordinary prudence exercises in incurring of his own expenditure. Further, the management is responsible to review and ensure that an inbuilt mechanism of internal control has been so devised as to prevent fraud, pilferage of public money and misuse of the authority at all levels.

Scrutiny (August 2006 and May 2007) of the records of the Nagar Palika Parishad Sambhal, Moradabad (NPP) revealed that without getting the rates verified by the Public Works Department (PWD), the Junior Engineer (JE) NPP prepared the analysis of rates according to which the rate for the construction of Cement Concrete (CC) roads¹⁰ was Rs 2759 per cubic metre for laying a ten centimetre thick slab over prepared sub grade as per S.I.No. 773 of Public Works Specification. Ignoring the fact that neither the rate worked out by the JE was sent officially to the nodal division¹¹ of PWD for verification nor verified rates were authenticated by the Superintending Engineer, the NPP constructed 143 number of CC roads during 2000-2003 on the basis of an informal checking of the rates by a JE of the Construction Division-I, PWD, Moradabad in his individual capacity and made payments at this rate (Rs 2759 per cubic metre) during 2000-2003 for 6501.76 cubic metre of CC works. The rate of CC works of the same specification approved (December 2001) by the Superintending Engineer, Moradabad circle, PWD, Moradabad at the request of the Chief Development Officer, Moradabad was only Rs 2225 per cubic metre. The payment at the higher rates resulted in excess payment of Rs. 34.72 lakh¹² to the contractors surreptitiously in collusion with

¹⁰ Cement, coarse sand and approved 4 cm gauge stone ballast in the ratio of 1:2:4

¹¹ Provincial Division PWD Moradabad

¹² (Rs 2759- Rs 2225)X 6501.76 cubic metre= Rs 34.72 lakh.

the JEs of the NPP and PWD. Of this, Rs. 24.19 lakh were paid for 4529.23 cum even after the SE, PWD has approved the lower rate of Rs. 2225.

The NPP in its reply admitted (May 2007) the facts and intimated that disciplinary action had been initiated against the concerned JEs of NPP.

The matter was referred to the Government (September 2007); reply had not been received (May 2008).

2.2 Unfruitful expenditure on purchase of Refuse Collectors

The Bulk Refuse collectors procured at a cost of Rs 22.10 lakh for the disposal of garbage and solid waste of the municipal area could not be put to use for more than four years due to non construction of transfer station (Ramp) for want of site.

As per financial rules, goods as well as tools and plant should be purchased only when actually required. Blocking of the funds on these purchases without ensuring their utilization and allowing them to remain dumped for an indefinite period is an indicator of the laxity in observance of the cardinal principles of the State to spend government money in a prudent manner. Diversion of funds without the approval of the competent authority is also a grave financial irregularity under the financial rules.

With a view to overcome the problems of collection of the garbage and solid waste from the various ends of the city and reduce transportation cost and speedy disposal of garbage, Nagar Nigam (NN), Varanasi decided (December 1998) to construct a transfer station (to be used as dumping ground) at a cost of Rs 15 lakh and also to purchase two long Chassis tipper trucks at an estimated cost of Rs 24 lakh for use as Bulk Refuse Collector (capacity:21 Cusec meter each) out of grants received under the recommendations of the Tenth Finance Commission.

Scrutiny (May 2006) of records and further information collected (August 2007) from NN, Varanasi revealed that the NN purchased (June 2000) two trucks of long chassis at a cost of Rs 13.40 lakh and incurred an expenditure of Rs 8.70 lakh on fabrication of their bodies. These Bulk Refuse Collectors were however lying unused since January 2003 as the transfer station (Ramp) could not be constructed (August 2007) due to non availability of the site. The amount of Rs 15 lakh allocated for construction of the transfer station were unauthorizedly diverted and spent on other unwarranted works.

The NN in its reply admitted (August 2007) that the transfer station could not be constructed due to none availability of site and funds sanctioned for its construction

were diverted for other essential works with the approval of the Committee headed by the Divisional Commissioner.

Thus, procurement of Refuse Collectors without assessing the immediate need and even without the construction of the transfer station rendered the expenditure of Rs 22.10 lakh unfruitful. Besides, diversion of Rs 15 lakh for other works without the approval of the Government was a violation of the financial rules.

The matter was referred to the Government (April 2007); reply is awaited (May 2008).

2.3 Irregular expenditure on deployment of doctors

Continuance of the services of the doctors in disregard to the government orders in Nagar Nigam, Kanpur led to irregular expenditure of Rs. 23.26 lakh.
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Government issued (September 1990) instructions that no appointment would be made in the centralized services of the Nagar Nigams without prior approval of the State Government and services of those appointed earlier in this category, without the approval of the Government, shall be terminated immediately. In case any appointment is made on any post of the centralized services on daily wages in the Nagar Nigam, the Chief Municipal Officer shall be personally held responsible.

Scrutiny (May 2006) of the records and further information collected (June 2007) from Nagar Nigam, Kanpur (NN) revealed that the Nigam had appointed ten doctors¹³ in centralized services on daily wages in various clinics/maternity centers between July 1985 and October 1990 without approval of the Government. The services of those doctors were liable to be terminated in compliance of the above orders. However, Nigam did not terminate the services of those working doctors as of August 2006. Thus, NN incurred an irregular expenditure of Rs. 23.26 lakh during June 1996 to August 2006 on their wages and bonus as detailed in *Appendix 21*. However, no payment was made thereafter (June 2007).

The NN stated (May 2006) that the Chief Municipal Officer had ordered the appointment of the doctors already working on daily wages on that date. The reply was not tenable as daily wages appointment can be done only for unforeseen and emergent nature of work. Further, running of dispensaries with ad hoc arrangements instead of appointment of doctors on regular basis for over 18 years indicated that the NN was and even failed to provide proper health care facilities to its residents.

¹³ Allopathic: 2, Homeopathy:3, Ayurvedic:4 and Unani: 1

The matter was referred to the Government (May 2007); reply is awaited (May 2008).

2.4 Irregular expenditure on deployment of individual sweepers on agreement

Nagar Nigam, Kanpur incurred an irregular expenditure of Rs 2.86 crore on deployment of individual sweepers on agreement.

With a view to effect curtailment of two *per cent* posts every year, Government's instructions (January 2001) provided *inter alia* that works arising due to vacant posts should be managed through a third party on contract basis. The direct appointment of the employees/workers on contracts/ agreements was, however, prohibited. These instructions were applicable on Local Bodies as well.

Scrutiny (April 2006) of records of Nagar Nigam, Kanpur (NN) revealed that the Commissioner of the NN accorded sanction for the appointment of sweepers by executing agreements with individual sweepers in piecemeal (for the duration of one month in each sanction) to cover the period 2004-06 contrary to the provisions of the Government orders. Accordingly, Chief Health Officer NN employed sweepers directly through the agreements for sweeping in the municipal area and transporting the collected waste to the waste centres. The NN incurred an expenditure of Rs 2.86 crore during 2004-06 on deployment of sweepers through the agreement as detailed below

(Rs in lakh)

Period	No. of sweepers deployed on agreement	Rate per sweeper per 30 days	Amount paid
April 2004	779	1000	7.79
May/2004 to August/2004	779	1500	46.74
September/2004	802	1500	12.03
October/2004 to March/2006	811	1500	218.97
Total	3171		285.53

The deployment of sweepers directly on individual contract instead of involving a third party by execution of the contract bond was not only in violation of the government orders but also led to the irregular expenditure of Rs2.86 crore.

The NN stated (April 2006) that due to protest of Staff Association, the instructions of the Government could not be implemented. The reply was not tenable as taking cognizance of the staff agitation the matter should have been referred to the Government for regularization/ relaxation of the said instructions, which was not done by the NN.

The matter was referred to the Government (April 2007); reply is awaited (May 2008).

2.5 Avoidable Liabilities

Delayed deposit of Provident Fund subscription resulted in avoidable liabilities of Rs. 8.18 lakh on account of interest payable to the subscribers of Nagar Nigam, Agra

Article 14 of the Nagar Nigam Employees' Retirement and Gratuity Rules envisages that the subscriptions of Provident Fund (PF) shall be deposited in Bank before 4th day of each month to earn interest.

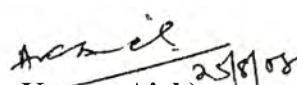
Scrutiny (August 2006) of records of Nagar Nigam, Agra (NN) revealed that the PF deduction of subscriptions from salary bills of the officers/ officials made between September 2003 and August 2004 of Rs. 1.92 crore was deposited in Bank during the period from April 2005 to August 2005. Delay of one to two years in deposit of subscriptions into the bank led to the loss of interest on PF.

The NN stated that the subscriptions of PF could not be deposited in the bank in time due to paucity of funds. The reply was not tenable as the NN had its own receipts of Rs. 33.38 crore including grants received on recommendation of the SFC during 2003-04 whereas expenditure on establishment and pension was only Rs. 25.73 crore. Thus, NN had sufficient funds to deposit the PF subscription in time.

Delayed deposit of PF subscriptions resulted in avoidable liabilities of Rs 8.18 lakh on account of interest payable to the subscribers.

The matter was reported to the Government (May 2007); reply is awaited (May 2008).

Allahabad
The 25 August, 2008


(Anjan Kumar Aich)
Sr. Deputy Accountant General
(Local Bodies)

Countersigned

Allahabad
The 25 August, 2008


(Rita Mitra)
Principal Accountant General (Civil Audit)
Uttar Pradesh

Appendices

Appendix-1
(Reference: Paragraph 1.6.; page 7)
Financial position of Nagar Nigams for the Year 2003-04

(Rs in lakh)

Sl. No.	Name of Nagar Nigam	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Agra	990.18	4078.27	5068.45	3905.75	1162.70
2	Moradabad	973.13	2123.01	3096.14	2277.31	818.83
3	Jhansi	298.13	1239.11	1537.24	1150.39	386.85
4	Kanpur	1413.11	11614.18	13027.29	12378.08	649.21
5	Aligarh	652.48	3278.90	3931.38	3085.00	846.38
Total		4327.03	22333.47	26660.50	22796.53	3863.97

Appendix- 2
(Reference: Paragraph 1.6; page 7)
Financial position of Nagar Palika Parishads for the year 2003-04
(Rs in lakh)

Sl.No.	Name of Nagar Palika Parishad	District	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Shamli	Muzaffar Nagar	95.07	446.95	542.02	507.50	34.52
2	Bilgram	Hardoi	12.01	98.60	110.61	108.38	2.23
3	Utraula	Balrampur	70.70	122.26	192.96	118.55	74.41
4	Mohmadi	Lakhimpur kheri	33.80	136.70	170.50	103.12	67.38
5	Pilibhit	Pilibhit	132.74	352.53	485.27	371.31	113.96
6	Devband	Saharanpur	155.15	265.16	420.31	260.18	160.13
7	Soro	Etah	16.01	89.94	105.95	78.22	27.73
8	Wah	Agra	26.77	49.70	76.47	54.36	22.11
9	Kairana	Muzaffar Nagar	117.40	195.90	313.30	208.43	104.87
10	Sambhal	Moradabad	71.22	971.14	1042.36	545.10	497.26
11	Misrikh	Sitapur	19.98	71.31	91.29	67.90	23.39
12	Sardhna	Meerut	91.62	192.10	283.72	216.38	67.34
13	Khair	Aligarh	39.40	103.41	142.81	127.37	15.44
14	Fatehpur Sikhri	Agra	37.81	112.03	149.84	110.20	39.64
15	Kausikala	Mathura	17.29	149.16	166.45	146.18	20.27
16	Sayana	Buland Shahar	113.51	159.46	272.97	104.15	168.82
17	Chirgoan	Jhansi	44.56	44.26	88.82	57.66	31.16
18	Barua Sagar	Jhansi	61.65	86.22	147.87	105.13	42.74
19	Chandausi	Moradabad	66.35	324.21	390.56	341.76	48.80
Total			1223.04	3971.04	5194.08	3631.88	1562.20

Appendix- 3
(Reference: Paragraph 1.6; page 7)
Financial position of Nagar Panchayats for the year 2003-04

(Rupees in lakh)

Sl. No.	Name of Nagar Panchayat	District	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Bilsanda	Pilibhit	17.56	18.91	36.47	35.25	1.22
2	Nuriya Hussainpur	Pilibhit	14.23	29.04	43.27	37.79	5.48
3	Mankkapur	Gonda	12.7	54.88	67.58	46.77	20.81
4	Mailani	Lakhimpur kheri	5.34	33.96	39.30	25.41	13.89
5	Meerapur	Muzaffar Nagar	16.56	38.62	55.18	33.79	21.39
6	Madhogarh	Jalaun	13.19	22.11	35.30	27.83	7.47
7	Amraudha	Kanpur Dehat	14.29	19.21	33.50	21.25	12.25
8	Jhinjhak	Kanpur Dehat	4.84	33.03	37.87	29.51	8.36
9	Behat	Saharanpur	11.59	51.05	62.64	45.62	17.02
10	Daurala	Meerut	2.80	23.11	25.91	20.71	5.20
11	Tambourcum	Sitapur	6.44	43.26	49.70	28.21	21.49
12	Paitanpur	Sitapur	15.94	18.63	34.57	27.03	7.54
13	Narauli	Moradabad	15.27	22.11	37.38	33.04	4.34
14	Bhojpur	Moradabad	1.50	45.28	46.78	38.17	8.61
15	Fatehabad	Agra	9.92	38.75	48.67	28.31	20.36
16	Penahat	Agra	11.20	40.40	51.60	31.28	20.32
17	Zaithra	Etah	5.64	16.38	22.02	19.02	3.00
18	Bilram	Etah	14.24	20.24	34.48	28.35	6.13
19	Katera	Jhansi	5.41	9.67	15.08	13.03	2.05
20	Pali	Lalitpur	2.75	10.26	13.01	10.40	2.61
21	Garotha	Jhansi	3.51	16.28	19.79	15.22	4.57
22	Ranipur	Jhansi	6.35	25.50	31.85	28.64	3.21
23	Kithor	Meerut	4.56	71.64	76.20	44.46	31.74
24	Kunderki	Moradabad	17.53	41.59	59.12	53.81	5.31
25	Sirshi	Moradabad	12.85	60.99	73.84	35.75	38.09
26	Harduaganj	Aligarh	3.67	41.72	45.39	35.15	10.24
27	Chharra	Aligarh	15.23	38.38	53.61	43.07	10.54
Total			265.11	885.00	1150.11	836.87	313.24

Appendix-4
(Reference: Paragraph 1.6; page 7)
Financial position of Nagar Nigams for the Year-2004-05

(Rs in lakh)

Sl. No.	Name of Nagar Nigam	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Agra	1162.70	5416.80	6579.50	5004.91	1574.59
2	Moradabad	818.83	2186.96	3005.79	2448.12	557.67
3	Jhansi	386.85	1441.65	1828.5	1104.26	724.24
4	Kanpur	649.21	12382.90	13032.11	12651.86	380.25
5	Varanasi	1420.26	4162.59	5582.85	4410.67	1172.18
6	Aligarh	846.38	3402.48	4248.86	3271.56	977.30
7	Bareilly	1278.85	3127.56	4406.41	3415.33	991.08
Total		6563.08	32120.94	38684.02	32306.71	6377.31

Appendix-5
(Reference: Paragraph 1.6; page 7)
Financial position of Nagar Palika Parishads for the year 2004-05

(Rs in lakh)

Sl.No.	Name of Nagar Palika Parishad	District	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Shamli	Muzaffar Nagar	34.52	559.14	593.66	548.58	45.08
2	Bilgram	Hardoi	2.23	118.50	120.73	106.26	14.47
3	Utraula	Balrampur	74.41	140.33	214.74	140.12	74.64
4	Mohmadi	Lakhimpur	67.38	156.12	223.50	111.40	112.10
5	Balrampur	Balrampur	171.01	459.72	630.73	480.33	150.40
6	Pilibhit	Pilibhit	113.96	418.90	532.86	399.07	133.79
7	Devband	Saharanpur	160.13	335.15	495.28	373.01	122.27
8	Soro	Etah	27.73	95.92	123.65	93.94	29.71
9	L.Kheri	L.Kheri	106.67	558.32	664.99	538.29	126.70
10	Wah	Agra	22.11	52.65	74.76	56.28	18.48
11	Mugal Sarain	Chandausi	174.32	473.90	648.22	366.01	282.21
12	Kairana	Muzaffar Nagar	104.87	265.63	370.50	183.94	186.56
13	Sambhal	Moradabad	497.26	646.61	1143.87	932.63	211.24
14	Misrikh	Sitapur	23.39	72.40	95.79	70.71	25.08
15	Sardhna	Meerut	67.34	234.96	302.30	257.22	45.08
16	Orai	Jalaun	262.00	603.94	865.94	490.93	375.01
17	Khair	Aligarh	15.44	131.84	147.28	118.45	28.83
18	Fatehpur Sikhri	Agra	39.64	124.79	164.43	139.72	24.71
19	Kausikala	Mathura	20.27	186.81	207.08	153.98	53.10
20	Sayana	Buland Shahar	168.82	197.59	366.41	135.11	231.30
21	Chirgoan	Jhansi	31.16	58.02	89.18	72.64	16.54
22	Barua Sagar	Jhansi	42.74	135.55	178.29	133.45	44.84
23	Chandausi	Moradabad	48.80	340.17	388.97	303.44	85.53
Total			2276.20	6366.96	8643.16	6205.51	2437.67

Appendix- 6
(Reference: Paragraph 1.6; page 7)
Financial position of Nagar Panchayats for the year 2004-05
(Rs in lakh)

Sl. No.	Name of Nagar Panchayat	District	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Bilsanda	Pilibhit	1.22	21.32	22.54	21.29	1.25
2	Nuriya Hussainpur	Pilibhit	5.48	73.68	79.16	48.53	30.63
3	Mankkapur	Gonda	20.81	62.93	83.74	56.95	26.79
4	Mailani	Lakhimpur Kheri	13.89	46.68	60.57	34.84	25.73
5	Meerapur	Muzaffar Nagar	21.39	63.94	85.33	45.13	40.20
6	Chakiya	Chandauli	11.13	32.50	43.63	32.43	11.20
7	Chandauli	Chandauli	8.26	32.15	40.41	31.94	8.47
8	Madhogarh	Jalaun	7.47	17.87	25.34	20.94	4.40
9	Amraudha	Kanpur Dehat	12.25	66.34	78.59	24.59	54.00
10	Jhijnhak	Kanpur Dehat	8.36	32.68	41.04	30.23	10.81
11	Behat	Saharanpur	17.02	56.53	73.55	52.86	20.69
12	Raja ka Rampur	Etah	9.41	30.13	39.54	33.82	5.72
13	Sahawar	Etah	1.21	38.41	39.62	28.53	11.09
14	Daurala	Meerut	5.20	18.39	23.59	21.21	2.38
15	Tambourcum	Sitapur	21.49	53.71	75.20	31.41	43.79
16	Paitanpur	Sitapur	7.54	77.62	85.16	58.80	26.36
17	Narauli	Moradabad	4.34	26.72	31.06	25.69	5.37
18	Bhojpur	Moradabad	8.61	45.69	54.30	49.50	4.80
19	Fatehabad	Agra	20.36	29.29	49.65	29.04	20.61
20	Penahat	Agra	20.32	35.11	55.43	40.12	15.31
21	Katra	Gonda	11.17	64.89	76.06	74.22	1.84
22	Barbar	Lakhimpur Kheri	2.79	76.19	78.98	41.41	37.57
23	Zaithra	Etah	3.00	37.66	40.66	33.30	7.36
24	Amapur	Etah	2.29	32.72	35.01	7.03	27.98
25	Mohanpur	Etah	3.83	30.79	34.62	17.27	17.35
26	Bilram	Etah	6.44	16.47	22.61	19.44	3.47
27	Sayad Raja	Chandauli	11.65	38.46	50.11	28.57	21.54
28	Katera	Jhansi	2.05	14.25	16.30	10.92	5.38
29	Pali	Lalitpur	2.61	17.23	19.84	12.81	7.03
30	Talbehat	Lalitpur	4.01	69.30	73.31	62.59	10.72
31	Garotha	Jhansi	4.57	16.84	21.41	15.96	5.45
32	Ranipur	Jhansi	3.21	88.35	91.56	51.07	40.49
33	Kithor	Meerut	31.74	103.53	135.27	113.1	22.17
34	Kunderki	Moradabad	5.31	57.99	63.30	52.62	10.68
35	Sirshi	Moradabad	38.09	35.55	73.64	66.31	7.33
36	Harduaganj	Aligarh	10.24	66.77	77.01	56.90	20.11
37	Chharra	Aligarh	10.54	42.34	52.88	44.76	8.12
Total			379.30	1671.02	2050.02	1426.13	624.19

Appendix-7
(Reference: Paragraph 1.6; page 7)
Financial position of Nagar Nigams for the Year-2005-06

(Rs in lakh)

Sl. No.	Name of Nagar Nigam	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Agra	1574.59	7412.91	8987.50	5647.91	3339.59
2	Moradabad	557.67	2719.01	3276.68	2329.68	947.00
3	Jhansi	724.24	2610.37	3334.61	1462.66	1871.95
4	Kanpur	380.25	15152.20	15532.45	12883.22	2649.23
5	Varanasi	1172.18	5900.71	7072.89	5175.65	1897.24
6	Aligarh	977.30	3999.15	4976.45	3881.98	1094.47
7	Bareilly	991.08	3887.51	4878.59	3809.30	1069.29
Total		6377.31	41681.86	48059.17	35190.40	12868.77

Appendix-8
(Reference: Paragraph 1.6; page 7)
Financial position of Nagar Palika Parishads for the year 2005-06

(Rs in lakh)

Sl.No.	Name of Nagar Palika Parishad	District	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Shamli	Muzaffar Nagar	45.08	709.41	754.49	623.14	131.35
2	Bilgram	Hardoi	14.47	127.98	142.45	122.35	20.10
3	Utraula	Balrampur	74.64	132.39	207.03	157.15	49.88
4	Mohmadi	Lakhimpur kheri	112.10	191.46	303.56	198.24	105.32
5	Balrampur	Balrampur	150.40	639.94	790.34	600.12	190.22
6	Pilibhit	Pilibhit	133.79	502.32	636.11	460.16	175.95
7	Devband	Saharanpur	122.27	458.38	580.65	364.35	216.30
8	Soro	Etah	29.71	101.36	131.07	97.49	33.58
9	L.Kheri	Lakhimpur Kheri	126.70	596.47	723.17	665.21	57.96
10	Wah	Agra	18.48	71.79	90.27	79.71	10.56
11	Mugal Sarain	Chandausi	282.21	675.79	958.00	582.77	375.23
12	Kairana	Muzaffar Nagar	186.56	310.77	497.33	390.82	106.51
13	Sambhal	Moradabad	211.24	705.48	916.72	753.05	163.67
14	Misrikh	Sitapur	25.08	88.09	113.17	95.16	18.01
15	Sardhna	Meerut	45.08	314.05	359.13	250.10	109.03
16	Orai	Jalaun	375.01	774.04	1149.05	719.09	429.96
17	Khair	Aligarh	28.83	265.99	294.82	159.28	135.54
18	Fatehpur Sikhri	Agra	24.71	174.34	199.05	91.18	107.87
19	Kausikala	Mathura	53.10	441.00	494.1	373.21	120.89
20	Sayana	Buland Shahr	231.30	173.88	405.18	305.04	100.14
21	Chirgoan	Jhansi	16.54	84.18	100.72	53.20	47.52
22	Barua Sagar	Jhansi	44.84	212.19	257.03	181.95	75.08
23	Chandausi	Moradabad	85.53	504.65	590.18	424.09	166.09
Total			2437.67	8255.95	10693.62	7746.86	2946.76

Appendix- 9
(Reference: graph 1.6; page 7)
Financial position of Nagar Panchayats for the year 2005-06
(Rs in lakh)

Sl. No.	Name of Nagar Panchayat	District	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Bilsanda	Pilibhit	1.25	65.88	67.13	61.52	5.61
2	Nuriya Hussainpur	Pilibhit	30.63	58.43	89.06	74.38	14.68
3	Mankkapur	Gonda	26.79	37.11	63.90	62.81	1.09
4	Mailani	L.Kheri	25.73	40.98	66.71	56.83	9.88
5	Meerapur	Muzaffar Nagar	40.20	111.19	151.39	93.06	58.33
6	Chakiya	Chandauli	11.20	80.89	92.09	66.99	25.10
7	Chandauli	Chandauli	8.47	41.47	49.94	33.53	16.41
8	Madhogarh	Jalaun	4.40	30.03	34.43	17.29	17.14
9	Amraudha	Kanpur Dehat	54.00	96.99	150.99	74.21	76.78
10	Jhinhak	Kanpur Dehat	10.81	73.86	84.67	57.53	27.14
11	Behat	Saharanpur	20.69	63.21	83.90	63.91	19.99
12	Raja ka Rampur	Etah	5.72	70.67	76.39	67.97	8.42
13	Sahawar	Etah	11.09	51.25	62.34	46.85	15.49
14	Daurala	Meerut	2.38	32.34	34.72	27.51	7.21
15	Tambourcum	Sitapur	43.79	60.51	104.30	86.94	17.36
16	Paitanpur	Sitapur	26.36	83.91	110.27	58.06	52.21
17	Narauli	Moradabad	5.37	68.08	73.45	57.15	16.30
18	Bhojpur	Moradabad	4.80	81.46	86.26	66.17	20.09
19	Fatehabad	Agra	20.61	63.36	83.97	67.64	16.33
20	Penahat	Agra	15.31	58.67	73.98	54.70	19.28
21	Katra	Gonda	1.84	43.80	45.64	42.20	3.44
22	Barbar	Lakhimpur Kheri	37.57	37.71	75.28	65.75	9.53
23	Zaithra	Etah	7.36	30.01	37.37	31.48	5.89
24	Amapur	Etah	27.98	21.73	49.71	42.81	6.90
25	Mohanpur	Etah	17.35	14.74	32.09	28.92	3.17
26	Bilram	Etah	3.47	20.03	23.50	20.03	3.47
26	Sayad Raja	Chandauli	21.54	56.15	77.69	59.18	18.51
27	Katera	Jhansi	5.38	23.85	29.23	17.90	11.33
28	Pali	Lalitpur	7.03	22.65	29.68	21.28	8.40
29	Talbehat	Lalitpur	10.72	58.63	69.35	57.25	12.10
30	Garotha	Jhansi	5.45	34.09	39.54	22.50	17.04
31	Ranipur	Jhansi	40.49	79.66	120.15	82.33	37.82
32	Kithor	Meerut	22.18	86.42	108.60	95.95	12.65
33	Kunderki	Moradabad	10.68	145.10	155.78	103.7	52.08
34	Sirshi	Moradabad	7.33	64.03	71.36	50.53	20.83
35	Harduaganj	Aligarh	20.11	62.15	82.26	68.15	14.11
36	Chharra	Aligarh	8.11	96.47	104.58	84.26	20.32
Total			624.19	2167.51	2791.70	2089.27	702.43

Appendix-10
(Reference: Paragraph 1.7; page 8)
Budgeting and Budgetary Process
(Excess expenditure over budget)

(Rs in lakh)

Year	Budget item No.	Description	Budget provision	Actual expenditure	Excess expenditure
2004-05 (Revenue Head)	2(3)(a)	Sanitation including spraying of water on roads latrine and others-establishment	1700.00	1711.48	11.48
	2(3)(a-1)	Contractor-drain and regional sweeping	95.75	100.57	4.82
	2(3)(d)	Tools and contingent	264.00	327.73	63.73
	4(1)(b)	Public protection and facilities-light purchase of materials	30.00	45.53	15.53
	4(1)(d)	New construction works	1.50	3.86	2.26
	4(6)(b)	Market and slaughter houses-others	50.00	51.91	1.91
	5(1)	Public Works-establishment	120.00	155.00	35.00
	9(4)(b)	Misc-expenditure or judicial cases-others	5.00	5.67	0.67
	9(5)(a)	Pension contributions	650.00	708.00	58.32
	9(13)	Others (Liveries)	40.00	56.95	16.95
	9(13)(d)	Expenditure on meeting of boards/committees	1.25	2.59	1.34
Capital Head		Road grant	50.00	281.36	231.36
2005-06 (Revenue Head)	2(3)(a)	Sanitation including spraying of water on roads latrine and others-establishment	1700.00	1923.37	223.37
	2(3)(d)	Tools and contingent	300.00	331.46	31.46
	3(2)(a)	Expenditure on Public health and animal husbandry- Expenditure on Nagar Swasthya Adhikari and Inspectors	42.25	46.45	4.20
	4(1)	Public protection and facilities-light	0.00	0.00	0.00
	4(1)(a)	Establishment	53.50	53.82	0.32
	4(1)(b)	Purchase of materials	45.00	64.93	19.93
	4(1)(d)	New construction works	10.00	39.72	29.72
	4(1)(e)	Repairs	10.00	21.86	11.86
	4(6)(a)	Establishment	11.80	21.93	11.93
	5(1)	Public Works-establishment	145.00	165.12	20.12
	5(3)(d)	Construct of roads	30.00	169.50	139.50
	9(5)(a)	Pension contributions	670.00	777.54	107.54
	9(5)©	Adjustment/transfer of Jal Sansthan	125.00	228.36	103.36
	9(13)	Others (Liveries)	50.00	84.74	34.74
	9(13)(d)	Expenditure on meeting of boards/committees	1.25	2.17	0.92
	12(5)	Cleansing Environment (TFC)	300.00	309.28	9.28
	16(1)	Road grants	50.00	68.01	18.01
	6	Revolving	300.00	388.25	88.25
Total			6851.3	8147.16	1297.88

Say Rs 12.98 crore

Appendix-11
(Reference: Paragraph 1.8.3; page 9)
Non-reconciliation of Cash Balances

(Rs in lakh)

Sl.No.	Name of unit	Balance as on 31-03-2006		Difference
		As per pass book	As per cash book	
Nagar Nigams				
1	Agra	3521.66	3339.60	182.06
2	Bareilly	1203.90	1069.29	134.61
Total				316.67
Nagar Palika Parishads				
/1	Soro (Etah)	18.22	33.58	15.36
2	Deoband (Saharanpur)	232.69	216.30	16.39
Total				31.75
Nagar Panchayats				
1	Meerapur (Muzaffar Nagar)	55.24	55.89	0.65
2	Jhinjhak (Kanpur Dehat)	26.75	27.13	0.38
3	Tambore cum Ahmadabad (Sitapur)	17.98	17.36	0.62
4	Sahawar (Etah)	14.13	11.09	3.04
5	Raja ka Rampur (Etah)	4.34	8.42	0.91
6	Behat (Saharanpur)	20.69	19.99	0.70
7	Bilsanda (Pilibhit)	10.61	5.61	5.00
8	Chandauli (Chandauli)	18.32	16.40	1.92
9	Chakia (Chandauli)	25.25	25.10	0.14
10	Madhogarh (Jalaun)	17.14	17.68	0.54
11	Daurola (Meerut)	11.89	7.20	4.69
12	Pauli (Lalitpur)	9.73	8.40	1.33
13	Shahpur (Muzaffar Nagar)	13.58	13.56	0.02
14	Charra (Aligarh)	20.66	20.32	0.34
15.	Sirsi (Moradabad)	26.88	20.83	6.05
16	Kunderki (Moradabad)	52.25	52.09	0.16
17	Kithore (Meerut)	15.23	12.65	2.58
18	Talbehat(Lalitpur)	12.41	12.10	0.31
19	Ranipur (Jhansi)	22.43	22.41	0.02
20	Bhojpur Dharampur (Moradabad)	21.46	19.70	1.76
21	Mohanpur (Etah)	4.22	3.17	1.05
22	Berber (Lakhimpur Khiri)	27.06	9.53	17.53
23	Katara (Gonda)	3.13	3.44	0.31
24	Pinhat (Agra)	17.83	19.28	1.45
25	Fatehabad (Agra)	28.89	16.33	12.56
26	Nuria Hussainpur (Pilibhit)	26.68	14.68	12.00
Total				76.06
Grand Total				424.48

Appendix-12
(Reference: Paragraph 1.14; page 12)
List of Nagar Nigams inspected during 2006-07

Sl.No.	Name of Nagar Nigams
1	Agra
2	Moradabad
3	Jhansi
4	Kanpur
5	Varanasi
6	Aligarh
7	Bareilly

Appendix-13
(Reference: Paragraph 1.14; page 12)
List of Nagar Palika Parishads inspected during 2006-07

Sl.No.	Name of Nagar Palika Parishads	District
1	Shamli	Muzaffar Nagar
2	Bilgram	Hardoi
3	Utraula	Balrampur
4	Mohmadi	Lakhimpur khiri
5	Balrampur	Balrampur
6	Pilibhit	Pilibhit
7	Devband	Saharanpur
8	Soro	Etah
9	L.Kheri	Lakhimpur Khiri
10	Wah	Agra
11	Mugal Sarain	Chandausi
12	Kairana	Muzaffar Nagar
13	Sambhal	Moradabad
14	Misrikh	Sitapur
15	Sardhna	Meerut
16	Orai	Jalaun
17	Khair	Aligarh
18	Fatehpur Sikhri	Agra
19	Kausikala	Mathura
20	Sayana	Buland Shahar
21	Chirgoan	Jhansi
22	Barua Sagar	Jhansi
23	Chandausi	Moradabad

Appendix-14
(Reference: Paragraph 1.14; page 12)
List of Nagar Panchayats inspected during 2006-07

Sl. No.	Name of Nagar Panchayats	District
1	Bilsanda	Pilibhit
2	Nuriya Hussainpur	Pilibhit
3	Mankkapur	Gonda
4	Mailani	Lakhimpur Khiri
5	Meerapur	Muzaffar Nagar
6	Chakiya	Chandauli
7	Chandauli	Chandauli
8	Madhogarh	Jalaun
9	Amraudha	Kanpur Dehat
10	Jhinhak	Kanpur Dehat
11	Behat	Saharanpur
12	Raja ka Rampur	Etah
13	Sahawar	Etah
14	Daurala	Meerut
15	Tambourcum	Sitapur
16	Paitanpur	Sitapur
17	Narauli	Moradabad
18	Bhojpur	Moradabad
19	Fatehabad	Agra
20	Penahat	Agra
21	Katra	Gonda
22	Barbar	Lakhimpur Khiri
23	Zaithra	Etah
24	Amapur	Etah
25	Bilram	Etah
26	Mohanpur	Etah
27	Sayad Raja	Chandauli
28	Katera	Jhansi
29	Pali	Lalitpur
30	Talbehat	Lalitpur
31	Garotha	Jhansi
32	Ranipur	Jhansi
33	Kithor	Meerut
34	Kunderki	Moradabad
35	Sirshi	Moradabad
36	Harduaganj	Aligarh
37	Chharra	Aligarh

Appendix-15
(Reference: Paragraph 1.15; page 13)
Utilization of Twelfth Finance Commission grant
(Delay in release of 1st installment of TFC grant 2005-06)

Name of ULBs	Name of Units/District	Date of release of grant by Government of India	Date of credit to a/c of Government of Uttar Pradesh (GoUP)	Date of sanction and authorization by Urban Development Department to the Director Local Bodies Goup (LB)	Date of release of grant by the Director of LB	Date of credit to treasury/ bank accounts of ULBs	Delay in days
Nagar Nigam	Aligarh	28-11-2005	28-11-2005	12-01-2006	27-01-2006	27-03-2006	105
	Bareilly	28-11-2005	28-11-2005	12-01-2006	27-01-2006	22-03-2006	100
	Jhansi	28-11-2005	28-11-2005	12-01-2006	27-01-2006	22-03-2006	100
Nagar Palika Parish ads	Pilibhit	28-11-2005	28-11-2005	12-01-2006	27-01-2006	18-03-2006	96
	Chirgoaj (Jhansi)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	31-03-2006	109
	Khair (Aligarh)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	31-03-2006	109
	Chandausi (Moradabad)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	31-03-2006	109
	Baruasagar (Jhansi)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	30-03-2006	108
Nagar Panch ayats	Nuriya Hussainpur (Pilibhit)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	29-03-2006	107
	Bilsanda (Pilibhit)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	31-03-2006	109
	Charra (Aligarh)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	21-03-2006	99
	Harduaganj (Aligarh)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	22-02-2006	72
	Ranipur (Jhansi)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	30-03-2006	108
	Talbehat (Lalitpur)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	04-02-2006	54
	Katera (Jhansi)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	30-03-2006	108
	Garautha (Jhansi)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	30-03-2006	108
	Pali (Lalitpur)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	23-02-2006	73
	Sirsi (Moradabad)	28-11-2005	28-11-2005	12-01-2006	27-01-2006	31-03-2006	109

Appendix-16
(Reference: Paragraph 1.15; page 13)
Utilization of Twelfth Finance Commission grant
(Delay in release of 2nd installment of TFC grants 2005-06)

Name of ULBs	Name of Units/ District	Date of release of grant by Government of India	Date of credit to a/c of Government of Uttar Pradesh (GoUP)	Date of sanction and authorization by Urban Development Department to the Director Local Bodies Goup (LB)	Date of release of grant by the Director of LB	Date of credit to treasury/ bank accounts of ULBs	Delay in days
Nagar Nigams	Aligarh	06-09-2006	06-09-2006	15-09-2006	16-09-2006	06-11-2006	47
	Bareilly	06-09-2006	06-09-2006	15-09-2006	16-09-2006	28-11-2006	69
	Jhansi	06-09-2006	06-09-2006	15-09-2006	16-09-2006	15-02-2007	148
Nagar Palika Parishads	Chirgoan (Jhansi)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	18-11-2006	59
	Khair (Aligarh)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	21-11-2006	62
	Chandausi (Moradabad)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	18-12-2006	89
	Pilibhit	06-09-2006	06-09-2006	15-09-2006	16-09-2006	31-10-2006	41
Nagar Panchayats	Nuriya Hussainpur (Pilibhit)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	16-09-2006	00
	Bilsanda (Pilibhit)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	Treasury statement is not available	
	Charra (Aligarh)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	30-10-2006	40
	Harduaganj (Aligarh)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	22-10-2006	31
	Ranipur (Jhansi)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	18-11-2006	59
	Talbehat (Lalitpur)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	29-01-2007	131
	Katera (Jhansi)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	20-12-2006	91
	Garautha (Jhansi)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	18-11-2006	59
	Kithor (Meerut)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	17-10-2006	27
	Kunderki (Moradabad)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	29-12-2006	100
	Sirsi (Moradabad)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	18-01-2007	120
	Pali (Lalitpur)	06-09-2006	06-09-2006	15-09-2006	16-09-2006	01-11-2006	42

Appendix-17
(Reference: Paragraph 1.15; page 13)
Utilization of Twelfth Finance Commission grant
(Unutilized TFC grant 2005-06 as of audit date)
(Rs in lakh)

Sl. No.	Name of Unit	Date of Audit	Amount received during 2005-06			Expend- iture Incurred	Balance
			1st Instt.	2nd Instt.	Total		
Nagar Nigams							
1	Aligarh	February 2007	105.37	104.84	210.21	1.27	208.94
2	Bareilly	February 2007	122.23	121.56	243.79	0	243.79
3	Jhansi	February 2007	74.74	74.37	149.11	91.48	57.63
Total			302.34	300.77	603.11	92.75	510.36
Nagar Palika Parishads							
1	Fatehpur Sikiri (Agra)	November 2006	6.26	0	6.26	0	6.26
2	Khair (Aligargh)	February 2007	8.1	8.1	16.2	0	16.2
3	Siana (Buland Shahar)	November 2006	6.23	0	6.23	3.42	2.81
4	Barua Sagar (Jnansi)	February 2007	4.33	0	4.33	4.33	0
5	Chirgoan (Jnansi)	January 2007	2.83	2.83	5.66	1.58	4.08
6	Chandausi (Moradabad)	February 2007	16.28	16.28	32.56	0	32.56
7	Kosikalan (Mathura)	November 2006	13.58	0	13.58	6.29	7.29
8	Pilibhit(Pilibhit)	January 2007	18.26	18.26	36.52	15.93	20.59
Total			75.87	45.47	121.34	31.55	89.79
Nagar Panchayats							
1	Charra (Aligargh)	Febuary 2007	2.88	2.89	5.77	0	5.77
2	Hardua ganj (Aligarh)	March 2007	2.22	2.22	4.44	0	4.44
3	Garautha (Jnansi)	March 2007	1.3	1.3	2.6	1.3	1.3
4	Katera (Jnansi)	Febuary 2007	0.92	0.92	1.84	0.92	0.92
5	Ranipur (Jnansi)	Febuary 2007	2.54	2.55	5.09	2.55	2.54
6	Pali (Lalitpur)	January 2007	0.9	0.9	1.8	0.9	0.9
7	Talbehat (Lalitpur)	January 2007	1.56	1.55	3.11	1.8	1.31
8	Kithor (Meerut)	March 2007	2.46	2.46	4.92	1.85	3.07
9	Kundarki (Moradabad)	March 2007	2.99	2.99	5.98	2.44	3.54
10	Sirsa (Moradabad)	Febuary 2007	2.29	2.29	4.58	0	4.58
11	Bilsanda (Pilibhit)	January 2007	1.47	1.47	2.94	1.47	1.47
12	Neoria Husainpur (Pilibhit)	January 2007	1.85	1.85	3.7	0	3.7
Total			23.38	23.39	46.77	13.23	33.54
Grand Total			401.59	369.63	771.22	137.53	633.69

Note:- Audit of utilization of grants (2005-06) received on recommendation of Twelfth Finance Commission was conducted during November 2006 to March 2007.

Appendix-18
(Reference: Paragraph 1.17; page 15)
Arrears in Tax collection in NNs

(Rs.in lakh)

Nagar Nigam	Type	Arrear	Arre ar for more than 10 years	Current Demand For the Year 2005-06	Total	Recovery during the Year	Balance
1	2	3	4	5	6(3+5)	7	8(6-7)
Kanpur	Show Tax	8.73	*	9.43	18.16	7.44	10.72
	Advertisement	80.90	*	135.72	216.62	122.70	93.92
	House Tax	150.08	*	250.00	400.08	196.88	203.20
Varanasi	House Tax	420.71	*	487.73	908.44	483.11	65.33
Jhansi	Shop Rent	13.66	*	17.10	30.76	7.93	22.83
Moradabad	Rent	25.39	*	16.49	41.88	17.73	24.15
	Advertisement	1.92	*	9.63	11.55	7.33	4.22
	Show Tax	0.80	*	2.12	2.92	2.33	0.59
	Tehbazari	21.64	*	95.06	116.70	88.67	28.03
	Water Charges	276.84	*	58.03	334.57	43.69	290.88
	Water Tax	61.26	*	192.10	253.36	180.08	73.28
	House Tax	64.87	*	270.00	334.87		64.31
Bareilly	House Tax	22.71	*	199.67	222.38	113.22	109.16
	Water Tax	1.40	*	215.16	216.56	120.76	95.80
	Show Tax	0.60	*	2.60	3.20	2.09	1.11
	Water Charges	1.05	*	50.49	51.54	10.00	41054
Aligarh	House Tax	86.35	*	300.00	386.35	304.76	81.59
	Water Tax	25.25	*	100.00	125.25	106.62	18.63
	Shop Rent	18.62	*	15.85	34.47	18.35	16.12
	Water Charges	452.32	*	250.00	702.32	255.22	447.10
	License	5.29	*	25.00	30.29	23.31	6.98
	Tehbazari	30.02	*	130.00	160.02	100.84	59.18
Total		1530.70	*	2437.03	3967.73	1886.04	2081.69

* Details not available in AIRs

Appendix-19
(Reference: Paragraph 1.17; page 15)
Arrear in Tax collection in NPPs

(Rs.in lakh)							
Nagar Palika Parishad	Type	Arrear	Arrear for more than 10 years	Current Demand For the Year 2005-06	Total	Recovery during the Year	Balance
1	2	3	4	5	6(3+5)	7	8(6-7)
Koshi Kala (Mathura)	House Tax	9.17	*	10.07	19.24	8.06	11.18
	Water charges	18.38	*	20.42	38.80	16.01	22.79
Soro (Etah)	Rent	2.35	*	1.10	3.45	0.94	2.51
Mishrikh (Sitapur)	House Tax	2.81	*	1.06	3.87	1.04	2.83
	Water Tax	2.62	*	0.64	3.26	0.00	3.26
	Water Charges	3.55	*	3.50	7.05	0.95	6.10
Wah (Agra)	House Tax	3.72	*	3.41	7.13	0.98	6.15
	Water Charges	3.27	*	5.61	8.88	4.00	4.88
	Tehbazari	1.93	*	4.02	5.95	1.58	4.37
Utaraula (Balrampur)	HouseTax	11.18	*	3.61	14.79	4.71	10.08
	Water Charges	3.40	*	1.45	4.85	1.61	3.24
Mohammdi (Lakhimpur Khri)	HouseTax	4.16	*	2.14	6.30	2.29	4.01
	Water Charges	4.03	*	3.32	7.35	3.98	3.37
Total		43.02	*	29.86	72.88	22.08	50.80

* Details not available in AIRs.

Appendix-20
(Reference: Paragraph 1.17; page 15)
Arrear in Tax collection in NPs

(Rs.in lakh)

Nagar Panchayat	Type	Arrear	Arrear for more than 10 years	Current Demand For the Year 2005-06	Total	Recovery during the Year	Balance
1	2	3	4	5	6(3+5)	7	8(6-7)
Shahpur (Muzaffarnagar)	House Tax	3.41	*	2.85	6.26	2.36	3.90
	Rent	0.44	*	2.16	2.60	2.27	0.33
	Water Charges	3.81	*	2.30	6.11	2.54	3.57
Kitthor (Meerut)	House Tax	9.02	*	4.83	13.85	3.19	10.66
	Water Charges	5.84	*	1.75	7.59	0.90	6.69
	Tehbazari	8.50	*	9.69	18.19	10.87	7.32
	License	3.32	*	0.55	3.87	0.09	3.78
Palli (Ballia)	House Tax	1.27	*	0.63	1.90	0.46	1.44
	License	0.49	*	0.26	0.75	0.00	0.75
Charra (Aligarh)	Water Charges	2.95	*	2.49	5.44	1.45	3.99
	House Tax	6.58	*	2.87	9.45	0.80	8.65
Talbehat (Lalitpur)	House Tax	2.49	*	2.83	5.32	1.30	4.02
	Shop rent	0.31	*	0.49	0.80	0.54	0.26
	License	1.05	*	0.04	1.09	0.02	1.07
Mohanpur (Eath)	House Tax	2.35	*	1.06	3.41	0.33	3.08
	Water Charges	0.99	*	0.31	1.30	0.16	1.14
	Tehbazari	2.35	*	1.36	3.71	0.17	3.54
Ber Ber (Lakhimpur Khri)	House Tax	2.42	*	0.69	3.11	0.41	2.70
	Water Charges	1.37	*	1.18	2.55	0.69	1.86
	Tehbazari	0.24	*	0.84	1.08	0.56	0.52
Jaithera (Eath)	House Tax	9.13	*	2.59	11.72	2.16	9.56
	Water Charges	3.81	*	2.13	5.94	2.08	3.86
	Tehbazari	6.14	*	4.47	10.61	2.20	8.41
Penahat (Agra)	House Tax	1.18	*	2.76	3.94	2.06	1.88
	Water Charges	4.76	*	3.34	8.10	2.57	5.53
	Tehbazari	0.71	*	2.11	2.82	2.11	0.71
Nuria Hussainpur (Pilibhit)	House Tax	4.52	*	2.11	6.63	0.49	6.14
	Water Charges	0.54	*	0.32	0.86	0.21	0.65
Total		89.99		59.01	149.00	42.99	106.01

* Details not available in AIRs.

Appendix-21
(Reference: Paragraph 2.3; page 19)

Irregular expenditure on deployment of doctors

Year	Amount (in Rs.)
1996	134295
1997	228150
1998	229950
1999	229530
2000	230340
2001	229300
2002	225975
2003	225435
2004	228255
2005	227775
2006	137290
Total	2326295