

OVERVIEW

This report contains the results of audit of 16 out of 49 Urban Local Bodies (ULBs) under the scheme of Technical Guidance and Supervision (TGS). The Report contains three Chapters. Chapters I and II containing introduction to the functioning of ULBs and audit comments on accounting procedure, irregularities in execution of works and outstanding revenue receipts etc. Chapter III contains a performance review on Inventory Management in ULBs. A synopsis of the findings contained in the report is presented in the overview.

There is one Municipal Corporation, 20 Municipal Councils (MCs) and 28 Nagar Panchayats (NPs) in the State. Overall control of the ULBs rests with Principal Secretary (Urban Development) to the Government of Himachal Pradesh through Director, Urban Development Department.

(Paragraph 1.2)

State Government has not made provision in Acts/Rules for certification of accounts

(Paragraph 1.6)

Test check of the records of Municipal Corporation, Shimla, seven Municipal Committees (MCs)¹ out of 20 MCs and eight Nagar Parishad (NPs)² out of 28 NPs was conducted during 2009-10

(Paragraph 1.8)

It was noticed that coverage of audit by the local audit department was between 10 and 96 percent during the last three years 2006-07 to 2008-09.

(Paragraph 1.10)

State Government delayed the release of 1st installment of TFC grant of ` 0.80 crore to Director UDD by 80 days during 2008-09. Contrary to the TFC guidelines, no interest for delay in releasing the TFC grant was allowed by the State Government.

(Paragraph 1.11.1)

Utilisation certificates (UCs) amounting to ` 12.43 crore were awaited from 28 ULBs

(Paragraph 1.12)

During 2007-09, ` 82.54 lakh for maintenance of roads, were not utilized by six ULBs.

(Paragraph 2.2.2)

In six ULBs, 21 assets (Parking, Shops, Hall and Rehan Basera) created at a cost of ` 61.70 lakh were lying idle.

(Paragraph 2.3.3)

¹ Bilaspur, Kangra, Kullu, Mandi, Nahan, Solan and Sundernagar

² Arki, Bhotia, Chopal, Gagret, Manali Narkanda, Rewalsar and Sunni

Four assets valued at ₹ 43.70 lakh were utilized for the purposes other than those for which these were created.

(Paragaraph-2.3.5)

In three ULBs, ₹ 37.79 lakh were rendered wasteful on three abandoned works.

(Paragaraph-2.4)

Twenty nine works sanctioned between 2001-09 for ₹ 8.35 crore were not started due to non-finalisation of sites.

(Paragaraph-2.6)

Rent of ₹ 7.70 crore was not recovered by 21 ULBs.

(Paragaraph-2.8.1)

Internal control system to assets management available in the ULBs was not effective as physical verification of assets was not being done. The assets register were also incomplete.

(Paragaraph-2.10)

Unfruitful expenditure of ₹ 13.60 lakh on construction of building at NP Bhota due to abandoned of work by the contractor

(Paragraph 3.1)

Non execution of Scheme under “Urban Infrastructure Development for Small and Medium Towns” resulted in blocking of funds of ₹ 1.11 crore

(Paragraph 3.2)

Failure of MC Solan for finalization of site for Solid Waste Management resulted in blockage of ₹ 1.60 crore under TFC

(Paragraph 3.3)

Rent of ₹ 6.70 crore was not recovered by fifteen ULBs

(Paragraph 3.5.1)

Due to ineffective monitoring a revenue of ₹ 11.51 crore on account of house tax in 14 ULBs remained outstanding.

(Paragraph 3.5.2)

MC Solan failed to recover Sanitary Tax of ₹ 36.29 lakh despite orders of the Court

(Paragraph 3.5.3)

Failure of MC Mandi to recover rent of ₹ 15.21 lakh from judicial department resulted in loss of revenue.

(Paragraph 3.5.4)

Non-revision of rates of house tax by nine ULBs as per recommendations of SFC resulted in loss of revenue of ₹ 1.27 crore.

(Paragraph 3.5.5)

Failure to realize the installation/renewal charges of mobile towers by eight ULBs resulted in loss of revenue of ` 5.30 lakh.

(Paragraph 3.5.6)

Failure to mobilize the resources by three ULBs resulted in creation of un-discharged liability on account of energy charges to the tune of ` 11.17 crore.

(Paragraph 3.6)

Failure to make payment of water bills resulted in creation of liability of ` 6.32 crore.

(Paragraph 3.7)

Six MCs incurred expenditure of ` 10.22 crore in excess of norms and failed to collect the outstanding taxes to the tune of ` 12.23 crore which could have been utilized thereby reducing the percentage of establishment expenditure.

(Paragraph 3.8)

Scrutiny of records of three ULBs revealed that non-reconciliation of figures of cash books and pass books resulted in difference of ` 12.50 lakh.

(Paragraph 3.9)