

## **OVERVIEW**

The report organized in three Chapters. The first Chapter contains audit observations on the accounts and finances of the Municipal Corporation, Municipal Councils and Nagar Panchayats. Chapter 2 contains a performance review on Rajiv Gandhi Urban Renewal Facility in ULBs and Chapter 3 contains paragraphs based on audit of financial transactions of ULBs. The following is a synopsis of the findings contained in the report:-

### **Chapter-1 Accounts and Finances of Urban Local Bodies**

There is one Municipal Corporation, 25 Municipal Councils (MCs) and 23 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 Councils (MCs) out of 25 MCs and ten Nagar Parishads (NPs) out of 23 NPs were conducted during 2010-11.

“Paragraph 1.8”

Utilisation certificates (UCs) of Twelfth Finance Commission grants amounting to ₹ 5.91 crore were awaited from ULBs.

“Paragraph 1.10”

### **Chapter-2 Performance review on Rajiv Gandhi Urban Renewal Facility**

During 2007-09 ₹ 4.59 crore were sanctioned to seven ULBs under Rajiv Gandhi Urban Renewal Facility without keeping in view the first priority for Solid Waste Management.

“Paragraph 2.1.6.2”

MC Solan and Una incurred expenditure of ₹ 1.34 crore without approval of DPRs.

“Paragraph 2.1.6.3”

Sixteen works sanctioned between 2007 and 2010 for ₹ 5.49 crore were not commenced due to non availability/transfer of land and non completion of codal formalities.

“Paragraph 2.1.6.4”

### Chapter-3 Transaction Audit

Non-start of renewal and rejuvenation of Water Supply Scheme Shimla resulted in blockage of ₹ 15.92 crore.

“Paragraph 3.1”

Non commencement of construction of Modern Slaughter House at Boileaguanj, Shimla resulted in blockage of ₹ 6.51 crore.

“Paragraph 3.2”

Doubtful execution of work valued at ₹ 23.02 lakh and non-completion of Solid Waste Management Project (SWMP) resulted in blockage of funds of ₹ 0.47 crore.

“Paragraph 3.3”

MC Parwanoo extended undue favour to contractor for execution of work valued at ₹ 13.97 lakh without getting the estimates approved.

“Paragraph 3.4”

Municipal Corporation Shimla did not adjust/recover contingent advance of ₹ 24.33 crore due to non availability of records.

“Paragraph 3.5”

MC Parwanoo failed to recover ₹ 22.33 lakh as rent of office premises from Assistant Commissioner (Protocol).

“Paragraph 3.6”

Non-revision of rates of house tax by six ULBs as per recommendations of SFC resulted in loss of revenue of ₹ 2.86 crore.

“Paragraph 3.7”

Fourteen ULBs failed to realize the rent of shops from allottees amounting to ₹ 6.00 crore.

“Paragraph 3.8”

Due to ineffective monitoring a revenue of ₹ 4.85 crore on account of house tax in eleven ULBs remained outstanding.

“Paragraph 3.9”

Failure to realize the installation/renewal charges of mobile towers by Twelve ULBs resulted in loss of revenue of ₹ 14.40 lakh.

“Paragraph 3.10”

Failure to make payment of water bills resulted in creation of liability of ₹ 75.04 crore.

“Paragraph 3.11”

Five MCs and three NPs incurred expenditure of ₹ 2.70 crore in excess of norms for establishment expenditure.

“Paragraph 3.12”