

CHAPTER IV

AUDIT OF TRANSACTIONS (URBAN LOCAL BODIES)

4.1 Idle investment

Non-allotment of market stalls has resulted in idle investment of ₹ 3.39 crore.

The Government of Tripura had decided to set up a super market at Teliamura to create a good congenial commercial environment for urban development. The main objectives of setting up of the super market are to rehabilitate the hawkers and other occupants of the site, to decongest the roads and to provide a unified market complex for urban development.

Accordingly, the Uttaran Super Market with 90 nos. of stalls was constructed by the Teliamura Nagar Panchayat through NBCC Ltd. during 2007-08. The complex was handed over to Nagar Panchayat in June 2008. The total cost of the construction of the complex was ₹ 6.37 crore. The scrutiny of records revealed that out of 90 stalls, only 42 stalls were allotted and 48 stalls remained vacant till June 2010 as shown in the table below:

Table No. 11

Position of stalls	Total No. of stalls	No. of stalls allotted	No. of stalls vacant
Ground floor	24	13	11
1 st floor	44	18	26
2 nd floor	22	11	11
Total	90	42	48

Neither the demand nor the assessment report for construction of the super market was produced to audit.

On this being pointed out in audit, the Executive Officer replied (November 2010) that the super market is located at a place which is about a half kilometer away from the main market of Teliamura and the market is regulated by the Teliamura Agri Produce Market Committee which is less interested in allowing/encouraging businessmen migrating from the main market to super market. He further stated that steps were being taken to allot the vacant stalls to businessmen. Thus, non-allotment of 48 stalls has resulted an idle

investment of ₹ 3.39 crore. Latest position of allotment of stalls has not been furnished (March 2011).

4.2 Unauthorised expenditure

Execution of extra items of works without obtaining technical sanction, led to unauthorized expenditure of ₹ 20.29 lakh

During test check of records of Nagar Panchayat, Sonamura it was noticed that Nagar Panchayat constructed a paddy market and a super market through the contractors. The construction of paddy market was completed in December 2009 and the super market was completed in March 2010. The contractor was paid ₹ 11.31 lakh for construction of paddy market and ₹ 35.41 lakh for construction of super market. Final payments were yet to be made. The estimated cost, tender value, value of work done and amount deviated are given in the table below:

Table No. 12

<i>(Rupees In lakh)</i>				
Name of work	Estimated cost	Tendered value	Value of work done	Amount deviated
Paddy market	5.95	10.12	14.90	4.78
Super market	16.22	27.91	43.42	15.51
Total	22.17	38.03	58.32	20.29

Scrutiny of records revealed that some major substitution of items for both the works were executed without obtaining approval of the authority competent to accord technical sanction resulting into unauthorized expenditure of ₹ 20.29 lakh.

4.3 Blockage of Swarna Joyanti Shahari Rojgar Yojona fund

Non-selection of beneficiaries for the last two years led to blockage of Swarna Joyanti Shahari Rojgar Yojona fund of ₹ 25.04 lakh.

Swarna Joyanti Shahari Rojgar Yojona (SJSRY) a centrally sponsored scheme was introduced in Tripura in the year 1998-99. The main objective of the scheme was to provide gainful employment to the urban un-employed and under-employed living below the poverty line through encouraging self employment ventures or provision of wage employment opportunities.

During test check of records of Kumarghat Nagar Panchayat, it was noticed that Nagar Panchayat received substantial funds for implementation of SJSRY scheme. The position of funds during 2008-09 and 2009-10 is shown in table below:

Table No. 13

(Rupees In lakh)

Year	Spillover	Fund received	Total	Expenditure	Balance
2008-09	10.72	5.59	16.31	0.83	15.48
2009-10	15.48	10.42	25.90	0.86	25.04

During the audit it was observed that during the last two years Nagar Panchayat did not select any beneficiary for sanction of subsidy and individual loan by banks for self employment ventures. This has confirmed that Nagar Panchayat failed to provide employment opportunities to the urban un-employed due to non selection of beneficiaries despite having sufficient funds under the scheme.

On this being pointed out in audit, the Executive officer stated that the fund would be utilized very shortly.

4.4 Non-utilisation of National Rural Health Mission fund

Funds for ₹ 1.13 crore received under NRHM remained un-utilised resulting into non-providing of medical facilities to the poor.

The NRHM was launched by the Government of India in April 2005 with the objective of converging different health programmes. The mission mainly aims at the rural poor for special attention to mother and children. However, the proposal for implementation of the NRHM in the urban slum areas was approved by the Government of India. The main objectives of the mission are to reduce:

- i. infant mortality rate
- ii. mother mortality rate
- iii. total fertility rate per population and to
- iv. prevent and control communicable and non- communicable diseases including endemic diseases.

During test check of records of Agartala Municipal Council (AMC), it was noticed that the District Health Society, West Tripura placed an amount of ₹ 30.89 lakh (₹ 22.50 lakh for strengthening of nine dispensaries and ₹ 8.39 lakh for medicine purpose) to AMC in

December 2006. It was observed that only ₹ 8.39 lakh was utilized for purchase of medicine and ₹ 22.50 lakh remained un-utilized. During 2009-10, AMC received another amount of ₹ 91.30 lakh for construction of Urban Health Centres in slum areas. Records indicated that the entire fund of ₹ 1.13 crore (₹ 22.50 lakh and ₹ 91.30 lakh) remained unutilized (July 2010) and deposited in the bank account. Reasons for non-utilisation of funds were not on record.

Thus, the objective of the mission to provide medical facilities to the poor people remained un-achieved to that extent.

On this being pointed out, the Chief Executive Officer stated (July 2010) that construction of dispensaries would be started immediately. Latest position has not been received (March 2011).

4.5 Irregular implementation of Member of Parliament Local Area Development Scheme

Non-adherence of prescribed guidelines resulted in irregular implementation of works under Member of Parliament Local Area Development Fund Scheme.

Para 2.1 of guidelines of the Member of Parliament Local Area Development Scheme (MPLADS) prohibits engagement of private contractor on MPLADS works.

Test check of records of Sonamura Nagar Panchayat revealed that Nagar Panchayat constructed a sports development centre by engaging private contractor at an estimated cost of ₹ 9.99 lakh under MPLADS. The contractor completed the work in March 2009 and handed over the same to Nagar Panchayat in April 2009.

Thus, execution of works under MPLADS by engaging private contractor was in violation of the guidelines.

4.6 Poor implementation of Tripura Urban Employment Programme

Due to poor implementation of the scheme, the objective of the Tripura Urban Employment Programme for providing wage employment to the urban poor people could not be achieved to the desired extent.

The Government of Tripura introduced (2009) a scheme namely the Tripura Urban Employment Programme (TUEP) to provide wage employment to the urban poor living below the poverty line.

Test check of records of Agartala Municipal Council and Sonamura Nagar Panchayat for the year 2009-10 revealed that an amount of ₹ 7.63 crore was placed for wage employment under TUEP during 2009-10. But only ₹ 2.60 crore was spent for the purpose leaving an unspent balance of ₹ 5.03 crore at the end of March 2010 as shown in the table below:

Table No. 14

(Rupees In crore)

Year	Name of ULB	Funds available	Expenditure incurred for wage employment	Funds remained unutilised as on 31.03.2010
2009-10	Agartala Municipal Council	7.06	2.54	4.52
	Sonamura Nagar Panchayat	0.57	0.06	0.51
Total		7.63	2.60	5.03

From the above, it would be seen that both the ULBs spent only 34 *per cent* of the total funds available during the year and 66 *per cent* of funds remained un-utilised. Besides, no action plan could be furnished to audit for implementation of the scheme during 2009-10. This indicated that the scheme could not be implemented to the desired extent due to which the funds remained blocked.

Reasons for poor implementation of the scheme and non utilization of funds were not on records.

Thus, the objective of the scheme to provide wage employment to the needy urban poor people could not be achieved despite having sufficient funds during the year 2009-10.

4.7 Short realisation of beneficiary contribution

Non-collection of beneficiary contribution at the appropriate rate has resulted in short realisation of ₹ 67.22 lakh.

According to para 4.8 of the guidelines of the Integrated Housing and Slum Development Programme (IHSDP), the dwelling houses should not be provided free of cost to the beneficiaries by the State Government. A Minimum of 10 *per cent* to 12 *per cent* beneficiary contribution of the unit cost of a house should be realised from each beneficiary.

Test check of records of three³¹ Nagar Panchayats for the year 2009-10 revealed that the Nagar Panchayats constructed 987 nos. of houses under IHSDP and beneficiary contribution of ₹ 23.48 lakh (@ 4,000 per unit) was collected from the beneficiaries of Ranirbazar and Belonia Nagar Panchayats instead of collecting at the Minimum of 10 per cent of the unit cost of each house as prescribed in the above guidelines. Nagar Panchayat, Teliamura, however, allotted the houses without collecting any beneficiary contribution. Thus, non- collection of beneficiary contribution at the appropriate rate has resulted in short realisation of ₹ 67.22 lakh as shown in the table below:

Table No. 15

(Rupees In lakh)

Name of NP	No. of houses constructed	Unit cost of house	Beneficiary contribution minimum @ 10 per cent of unit cost of house	Contribution to be collected @ 10 per cent	Contribution collected @ Rs 4,000 per house	Contribution short collected
Ranirbazar	422	1.00	0.10	42.20	16.88	25.32
Belonia	165	1.00	0.10	16.50	6.60	9.90
Teliamura	400	0.80	0.08	32.00	Nil	32.00
Total	987	2.80	0.28	90.70	23.48	67.22

On this being pointed out in audit, the Executive Officers of the Nagar Panchayats replied that the beneficiary contribution was collected as per Detailed Project Report. But the replies of the Executive Officers were not tenable as it was clearly mentioned in the guidelines of the IHSDP to collect beneficiary contribution at 10 per cent to 12 per cent of the unit cost of the houses.

4.8 Irregular payment of wages

Three Nagar Panchayats paid wages for ₹ 71.41 lakh to 3034 nos. of registered job card holders under the Tripura Urban Employment Programme without maintaining employment registers/ works registers which led to irregular expenditure to that extent.

The Government of Tripura introduced (2009) an urban employment programme viz; Tripura Urban Employment Programme(TUEP) modeled on MGNREGA. As per the guidelines of TUEP, an adult member of each BPL family will be provided 50 days of wage employment in a year. Payment of wages to the registered job card holders should be made through bank/post office. The Urban Local Bodies are required to maintain

³¹ Ranirbazar, Belonia, Teliamura

employment register/work register, to record the date of applications for work, date of allotment of work to job card holders, amount of wages paid etc.

Test check of records of three[↔] Nagar Panchayats revealed that wages for ₹ 71.41 lakh was paid to 3034 job card holders under TUEP during 2009-10 without maintaining any employment register/works registers as detailed in the table below:

Table No. 16

Name of NP	Fund received	Wages paid	No. of job card holders to whom wages paid
	(Rupees in lakh)		
Sonamura	39.46	18.84	769
Kumarghat	38.15	17.51	1,040
Belonia	64.50	35.06	1,225
Total	142.11	71.41	3,034

Due to non-maintenance of employment registers/works registers, the actual nos. of man-days generated, no. of days worked by the job card holders etc. could not be ascertained. Thus, the expenditures of ₹ 71.41 towards payment of wages without recording details of particulars were irregular.

The Executive Officers while admitting the fact stated that henceforth all the records/register would be maintained.

4.9 Non-adjustment of advances

Advances of ₹ 56.76 lakh paid to various implementing officers during 2008-09 and 2009-10 remained unadjusted.

Test check of records of Khowai Nagar Panchayat, revealed that advances of ₹ 56.76 lakh paid to various implementing officers during 2008-09 & 2009-10 for execution of different development works remained un-adjusted till the date of audit (June 2010).

Due to non-submission of adjustment, it could not be ascertained in audit whether the works were actually executed for which the advances were given to the implementing officers.

The Executive Officer replied (June 2010) that necessary instruction would be issued to the implementing officers for submission of adjustments. Latest position has not been furnished (March 2011).

[↔] Kumarghat, Sonamura, Belonia

4.10 Unspent balance of funds

Due to lack of proper planning huge amount of development funds remained unspent at the end of the year.

During test check of records of 11 ULBs, it was observed that with the available funds of ₹ 116.50 crore during 2009-10, the ULBs could utilize only ₹ 56.87 crore and the balance of ₹ 59.63 crores remained unutilized at the end of the year. The percentage of utilisation of funds ranged between 21.84 per cent and 69.27 per cent (**Appendix IV**).

Reasons for non-utilisation of funds were not stated.

Funds remained unspent indicate lack of proper planning so as to utilize the funds in the prescribed time.

4.11 Slow implementation of works under MPLADS

Slow implementation of MPLADS works has deprived the people from the intended benefits of the scheme.

Guidelines of the MPLAD scheme provide that any recommendation received from Member of Parliament is required to be examined within 45 days by the District Authority and the time limit for completion of sanctioned works should generally not exceed more than a year.

Scrutiny of records of AMC relating to implementation of MPLAD scheme revealed that huge amount of funds could not be utilized during the last two years as shown in the table below:

Table No. 17

(Rupees In lakh)

Year	Opening balance	Fund received	Total	Expenditure	Balance
2008-09	164.22	27.83	192.05	21.98	170.07
2009-10	170.07	49.67	219.74	58.90	160.84

During 2008-09, the utilization of funds was very poor (11.44 per cent). In 2009-10, only 26.80 per cent was utilized out of the total available funds of ₹ 219.74 lakh.

Records indicated that some works which were sanctioned during 1995-96 had not yet been taken up. It was further observed that the works which were taken up in the year 2005-06 onwards have not yet been completed till the date of audit (July 2010).

Thus, slow implementation of works has resulted into idling of funds and deprivation of the intended benefits of the scheme to the targeted beneficiaries.

4.12 Non accounting of cash withdrawal in the cash book

Due to non accounting of cash withdrawal of ₹ 21.47 lakh in the cash book, possibility of misappropriation/ embezzlement of Government money may not be ruled out.

During test check of records of cash book and bank pass book of secretary, Ward No. 24. SD Mission Kalitilla under South Zone of AMC, it was observed that the ward secretary has withdrawn ₹ 21.47 lakh from bank (A/C No. 14470 TGB, Bardawali Branch) between 22.09.2009 and 28.04.2010, however, the entire amount of ₹ 21.47 lakh was neither entered in the receipts side of the cash book nor was any disbursement shown in the payment side of the cash book. Besides, the cash book was also not closed daily basis as prescribed. Thus the possibility of misappropriation/ embezzlement of Government money could not be ruled out.

The Chief Executive Officer replied (July 2010) that the ward cash book would be verified and result would be intimated to audit. However, report of verification has not yet been received (March 2011).

4.13 Delay in construction of the Anganwadi Centres

Due to lack of proper planning and survey has led to delay in completion of the Anganwadi Centres which has deprived the people from intended benefit of the scheme.

The Director of Social Welfare and Social Education Department, Government of Tripura placed ₹ 3.00 crore to AMC during period from 2007-08 to 2009-10 for construction of 223 nos of Anganwadi Centres (AWCs) in AMC area. Year-wise details of funds received and expenditure made etc. are given in the table below:

Table No. 18

Year	Target for construction	Fund received	Expenditure	No of centre completed
		<i>(Rupees in lakh)</i>		
2007-08	70	87.50	80.70	61
2008-09	63	55.13	33.09	05
2009-10	90	157.50	85.70	Nil
Total	223	300.13	199.49	66

It would be seen that against the target of construction of 223 nos of AWCs during the year 2007-08 to 2009-10 only 66 nos have been completed and 157 nos remained incomplete and an amount of ₹ 1.00 crore remained unutilized.

Thus, there was inordinate delay in construction of AWCs. Records indicated that delay for construction of the centers was attributable mainly due to site dispute. This indicates that the site selection was not done with due diligence.

4.14 Non-imposition of property tax

Failure to assess and impose the property tax, Kumarghat Nagar Panchayat has been sustaining loss of revenue.

Director, Urban Development Department, Government of Tripura instructed all Nagar Panchayats to impose of property tax w.e.f 1st April 2006.

Test check of records of Kumarghat Nagar Panchayat, revealed that Nagar Panchayat did not impose property tax as yet in spite of instruction issued by the Urban Development Department to impose the same and also no assessment has been made by the Nagar Panchayat for imposition of the tax till the date of audit (September 2010). Due to non-assessment of the tax, the actual loss of revenue could not be ascertained in audit.

Reasons for non assessment and non imposition of property tax were neither on records nor stated to audit. This has resulted into deprivation of the scheme benefit to targeted beneficiaries.

Executive Officer replied (September 2010) that property tax would be imposed and collected in consultation with the Nagar Panchayat committee.

4.15 Outstanding revenue

Lack of concerted efforts in collection of revenue by the four Nagar Panchayats resulted in outstanding revenue of ₹ 14.79 lakh

Test check of records of four Nagar Panchayats revealed that own source of revenue such as stall rent, property tax, water charges etc. amounting to ₹ 14.79 lakh remained outstanding as on 31-03-2010 as shown in the table below:

Table No. 19

(Rupees In lakh)

Name of Nagar Panchayat	Outstanding revenue as on 31.03.2010
Teliamura	3.39
Dharmanagar	1.08
Sonamura	9.29
Amarpur	1.03
Total	14.79

Revenue remained outstanding indicates that Nagar Panchayats did not have any concrete plan nor any concerted efforts were taken to collect and increase their own source of revenue.

4.16 Non-realization of ₹ 25.00 lakh from the allottees of market stalls

Due to inaction of the AMC, ₹ 25.00 lakh remained un-realised from the allottees of market stalls of Bordowali Bipani Bitan.

Agartala Municipal Council (AMC) constructed Bordowali Bipani Bitan through the NBCC Ltd. at a cost of ₹ 1.76 crore. NBCC handed over the Bipani Bitan to AMC in September 2008. There were 21 stalls in ground floor, 23 stalls in first floor and 11 stalls in 2nd floor.

Scrutiny of records revealed that AMC allotted 31 out of 55 nos of stalls in March 2009. AMC had given an opportunity to the allottees to exercise either option I or option II.

As per option I, if the allottees pay full value of the amount payable at the time of allotment, they will be entitled for 5 per cent rebate on the total cost of the stalls.

As per option II, the allottees may pay 50 per cent of the total value at the time of allotment and the remaining balance of 50 per cent be paid in four equal instalments on or before 31.05.2009, 31.08.2009, 30.11.2009 and 28.02.2010.

Records showed that all the allottees exercised option II and AMC fixed the following rates for allotment of the stalls in different floors.

1. Stall in ground floor- Rs. 1,208 per sq. ft
2. Stall in first floor- Rs. 1,087 per sq. ft
3. Stall in 2nd floor- Rs. 966 per sq. ft

It was noticed that 21 stalls having floor area of 2834.58 sq. ft in ground floor and 10 stalls with floor area of 1367.23 sq. ft in first floor were allotted to the beneficiaries. The total payable price for 21 stalls in ground floor and 10 stalls in first floor comes to ₹ 49.10 lakh (₹ 1208 × 2834.58 + ₹ 1087 × 1367.23) respectively. But AMC realized only ₹ 24.09 lakh. Thus, ₹ 25.01 lakh remained un-realized from the allottees. No action has been taken by AMC to collect the balance amount of ₹ 25.01 lakh from the allottees till the date of audit (July 2010).

The Chief Executive Officer replied (July 2010) that steps would be taken to realize the amount from the allottees, however, recovery details are awaited (March 2011).

4.17 Conclusion and Recommendations

There were a number of cases of accumulation of unutilized balances of funds. Annual accounts were not prepared. Idle investment on construction of market stalls, unauthorised expenditure, blockade of funds, poor implementation of schemes, non-imposition of property tax, non-adjustment of advances, are instances indicating inadequate internal control mechanism in the ULBs.

The following recommendations are made for consideration of the Government:

- Annual accounts may be prepared by the ULBs without further delays.
- Proper assessment of requirement should be made before construction of market stalls.
- Schemes should be implemented in timely manner to achieve the intended benefits.

- Advances given to Implementing Officers should be adjusted within the prescribed time.
- Internal control mechanism should be put in place and be strengthened wherever found necessary.

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