

# OVERVIEW

This Report, dealing with the results of audit of accounts of Local Bodies, is prepared in two parts and consists of four chapters. Part-I deals with Panchayati Raj Institutions and Part II on Urban Local Bodies. A synopsis of audit findings is presented in this overview.

## **I. An Overview of the Panchayati Raj Institutions**

At present, there are four Zilla Parishads, 23 Panchayat Samitis and 511 Gram Panchayats in Tripura. At the State level, the Panchayat Department of the State Government co-ordinates and monitors the functioning of the Panchayati Raj Institutions (PRIs).

*(Paragraph 1.1)*

The State Government has devolved only five subjects out of 29 listed in the 11<sup>th</sup> Schedule to the Constitution to the control of 3-tier PRIs. Besides, the transfer of functionaries to PRIs was not done.

*(Paragraph 1.3)*

For execution of various developmental works, the PRIs mainly receive funds from the Government of India (GOI) and the State Government in the form of grants. Besides, the own source of funds includes the revenue earned by the PRIs in the form of rent, fees etc.

*(Paragraph 1.5)*

The State Government accepted 41 out of 47 recommendations of 3<sup>rd</sup> SFC relating to PRIs mainly on the issue of augmentation of revenue, enhancement of rates of honorarium in respect of elected representatives, devolution of funds, framing of necessary rules for maintenance of accounts by all tiers of PRIs, training for public representatives etc.

*(Paragraph 1.9)*

Development funds remaining unspent indicate poor planning and inadequate monitoring, there by depriving the beneficiaries from the intended benefit of the scheme.

*(Paragraph 1.11.1)*

Scrutiny of the records of one Zilla Parishad and 11 Panchayat Samitis revealed that neither the Zilla Parishad nor the Panchayat Samitis have prepared the budget of their estimated receipts and disbursement for the year upto 2009-10 and expenditures were incurred without preparing the budget.

*(Paragraph 1.11.2)*

A test check of records of one Zilla Parishad, 11 Panchayat Samitis and 507 Gram Panchayats revealed that none of the PRIs prepared Annual Accounts. In absence of Annual Accounts the position of opening balance, closing balance, receipts and payments under several heads could not ascertained.

*(Paragraph 1.11.3)*

On the recommendations of the EFC, database on finances were required to be maintained at all levels of PRIs for securing accountability and transparency in maintenance of accounts. But the databases are yet to be developed by the PRIs.

*(Paragraph 1.11.4)*

## **II. Audit of transactions in Panchayati Raj Institutions**

Utilisation of funds under Mahatma Gandhi National Rural Employment Guarantee Act, on the works which were not included in the list of permissible works in Schedule I of the Act, led to unauthorised utilization of ₹ 3.58 crore.

*(Paragraph 2.1)*

Abandoning of the “Balicherra Project” at Ujjan Dhutpur Gram Panchayat under Kumarghat Panchayat Samiti due to inadequate survey has led to wasteful expenditure of ₹ 9.50 lakh.

*(Paragraph 2.2)*

Non-submission of adjustments by the Technical Assistant due to non-adoption of proper measure to safeguard the government money resulted into doubtful of recovery of ₹ 30.12 lakh.

*(Paragraph 2.3)*

Utilisation of Panchayat Development Fund in violation of the guidelines resulted in diversion of ₹ 52.79 lakh towards construction of community halls.

*(Paragraph 2.4)*

Irregular diversion of TFC grants of ₹ 2.72 crore deprived water supply and sanitation facilities to that extent.

*(Paragraph 2.5)*

Execution of works without approval of the Gram Sabha resulted in irregular expenditure of ₹ 1.44 crore.

*(Paragraph 2.6)*

Due to non-submission of adjustments by the implementing officers, advances of ₹ 28.89 lakh remained outstanding.

*(Paragraph 2.7)*

Lack of proper planning has resulted in poor utilisation of funds and less generation of man-days.

*(Paragraph 2.8)*

Non-execution of works has resulted in blockade of fund of Rs. 52.95 lakh

*(Paragraph 2.9)*

Stock of bricks valuing ₹ 1.48 crore was not accounted for and payment of bricks was made without maintaining stock register

*(Paragraph 2.10)*

Panchayat Secretary of Jarul Bachai Gram Panchayat has withdrawn money from bank with the signature of old pradhan even after the new Pradhan was elected which has resulted in unauthorized drawal of ₹ 2.58 lakh

*(Paragraph 2.11)*

Due to non-furnishing of replies by the auditees, large nos. of Inspection Reports/Paras remained un-settled.

*(Paragraph 2.12)*

### **III. An Overview of Urban Local Bodies**

There were 16 Urban Local Bodies (1 Municipal Council and 15 Nagar Panchayats) in the State as on 31.03.2010. At the State level, the Urban Development Department of the State Government coordinates and monitors the functioning of ULBs.

*(Paragraph 3.1)*

All the 18 functions listed in the 12<sup>th</sup> Schedule of the Constitution have been transferred by the State Government to the ULBs. But in practice, certain important functions like fire service, road and bridges are still controlled by the State Government departments.

*(Paragraph 3.3)*

For execution of various developmental works, the ULBs mainly receive funds from the Government of India and the State Government in the form of grants. Besides, the sources include the revenue mobilized by the ULBs in the form of taxes, rent, fees, issue of licenses, etc.

*(Paragraph 3.4)*

The ULBs have not yet finalized their annual accounts. The accounts of Agartala Municipal Council and all the Nagar Panchayats are in arrears since their inception. Urban Development Department, Government of Tripura has prepared the Tripura Municipal Accounts Manual (volume I & II) 2006 based on the National Municipal Accounts Manual which has not yet been adopted by the State Government.

*(Paragraph 3.9.2)*

On the recommendations of the EFC, database on finances as prescribed by the C&AG were required to be maintained at all levels of ULBs for securing accountability and transparency in maintenance of accounts. But the database on finances has not yet been developed by the ULBs.

*(Paragraph 3.9.4)*

Test check of records of 10 Nagar Panchayats revealed that none of the Nagar Panchayats has prepared the Budget Estimates till now and expenditures were incurred without preparation and approval of the budget.

*(Paragraph 3.9.5)*

#### **IV. Audit of transactions in Urban Local Bodies**

Non-allotment of market stalls by Teliamura Nagar Panchayat has resulted in idle investment of ₹ 3.39 crore.

*(Paragraph 4.1)*

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

*(Paragraph 4.2)*

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

*(Paragraph 4.3)*

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

*(Paragraph 4.4)*

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

*(Paragraph 4.5)*

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.

*(Paragraph 4.6)*

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

*(Paragraph 4.7)*

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.

*(Paragraph 4.8)*

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

*(Paragraph 4.9)*

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

*(Paragraph 4.10)*

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

**(Paragraph 4.11)**

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.

**(Paragraph 4.12)**

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.

**(Paragraph 4.13)**

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

**(Paragraph 4.14)**

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

**(Paragraph 4.15)**

Due to inaction of the AMC, ₹ 25 lakh remained un-realised from the allottees of market stalls of Bordowali Bipani Bitan.

**(Paragraph 4.16)**