
OVERVIEW

The Report consists of two Parts. Part - I on Urban Local Bodies (ULBs) and Part - II on Panchayati Raj Institutions (PRIs). Part I is divided in to two Chapters, Chapter I on Overview on finance of ULBs including the accounting procedures; Chapter II on Transaction Audit Paragraphs. Part II consists of two Chapter which includes Chapter I on Overview on finance of ULBs including the accounting procedures; Chapter II on Transaction Audit Paragraphs.

PART – I URBAN LOCAL BODIES

OVERVIEW ON FINANCES INCLUDING THE ACCOUNTING PROCEDURES OF THE URBAN LOCAL BODIES

The accrual system of accounting was made applicable from April 2008 only in 14 Municipal Corporations (MCs) and was yet to be implemented in remaining of ULBs.

(Paragraph 1.3.1.)

The Steering Committee to oversee the implementation of budget and accounting formats, as suggested by the Task Force, was not formed till January 2011.

(Paragraph 1.3.2.)

The provisions of Model Municipal Law (MML) with modification as suggested by CAG for section 93 to 96 of MML were not incorporated in the concerned Acts of ULBs.

(Paragraph 1.3.3)

Reconciliation of difference of ₹ 2.41 crore between balances of cash book and bank accounts was not done by six ULBs.

(Paragraph 1.9)

Advances amounting ₹ 26.65 lakh were not recovered from individuals of three ULBs.

(Paragraph 1.10)

Non recovery of tax amounting ₹ 245.87 crore by 10 Nagar Nigam/ Nagar Palika /Nagar Panchayat.

(Paragraph 1.11)

**CHAPTER – II
TRANSACTIONS AUDIT PARAGRAPHS**

Avoidable payment of penal interest

(Paragraph 2.1)

Loss due to non imposing and levying Urban Development Cess.

(Paragraph 2.2)

Diversion of funds ₹ 353.69 lakh

(Paragraph 2.3)

Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

(Paragraph 2.4)

Release and utilisation of Twelfth Finance Commission grants of Urban Local Bodies

(Paragraph 2.5)

PART – II

CHAPTER - I

PANCHAYATI RAJ INSTITUTIONS

**OVERVIEW ON FINANCES INCLUDING THE ACCOUNTING
PROCEDURES OF THE PANCHAYATI RAJ INSTITUTIONS**

Out standing advance against individual / executing agencies.

(Paragraph 1.9)

Non-refund of unspent balances of closed/ non-operational schemes amounting to ₹ 2.20 crore.

(Paragraph 1.11.5)

**CHAPTER – II
TRANSACTIONS AUDIT PARAGRAPHS**

Irregular write-off of Indira Awas Yojna Funds.

(Paragraph 2.1)

Injudicious expenditure of ₹ 51.29 lakh on procurement of computers & office furniture by Zila Panchayat Khargone

(Paragraph 2.2)

Unrecovered amount of ₹ 82.64 lakh

(Paragraph 2.3)

Suspected embezzlement of ₹ 0.81 lakh

(Paragraph 2.4)

Release and utilisation of Twelfth Finance Commission grants of PRIs

(Paragraph 2.5)