



सत्यमेव जयते

ANNUAL TECHNICAL INSPECTION REPORT
ON
LOCAL BODIES



*In terms of the Technical Guidance and
Support of the Comptroller and
Auditor General Of India*

FOR THE YEAR ENDED 31 MARCH 2012



GOVERNMENT OF MADHYA PRADESH

Table of Contents		
	Reference to	
	Paragraph No.	Page No.
Preface		v
Overview		vi to xi
PART – I - URBAN LOCAL BODIES		
CHAPTER – I		
OVERVIEW OF FINANCES OF URBAN LOCAL BODIES INCLUDING THE ACCOUNTING PROCEDURES		
Introduction	1.1	1
Administrative arrangements	1.2	1
Audit coverage	1.3	2
Accounting arrangements	1.4	2
Audit arrangements	1.5	3
Source of revenue	1.6	4
Budgetary allocation and expenditure	1.7	4
Short devolution of grants	1.8	5
Submission of utilisation certificates	1.9	5
Status of outstanding audit paras	1.10	6
Bank Reconciliation statements not prepared	1.11	6
Non recovery of tax/ non-tax revenue	1.12	6
Non adjustment of advances	1.13	7
Non recovery of rent / premium of shops	1.14	7
Conclusion	1.15	8
CHAPTER - II		
PERFORMANCE AUDIT		
Municipal Solid Waste Management	2.1	9 to 35
Thematic paragraph on Public Private Partnership Projects taken-up by the ULBs Khandwa, Shivpuri and Bhopal	2.2	36 to 47
CHAPTER –III		
TRANSACTION AUDIT PARAGRAPH		
Audit findings on release and utilisation of Thirteenth Finance Commission grants for Urban local bodies	3.1	48 to 51
Avoidable surcharge on electricity bills, ₹ 1.23 crore	3.2	51
Avoidable liability for temporary project, ₹ 15.67 crore.	3.3	52
Loss of revenue of ₹ 7.90 crore.	3.4	53

PART – II PANCHAYATI RAJ INSTITUTIONS		
CHAPTER – I		
OVERVIEW ON FINANCES INCLUDING THE ACCOUNTING PROCEDURES OF THE PANCHAYATI RAJ INSTITUTIONS		
Introduction	1.1	55
Administrative arrangements	1.2	56
Roles and responsibilities of three tiers of PRI	1.3	56
Audit coverage	1.4	57
Accounting arrangements	1.5	57
Audit arrangements	1.6	58
Source of revenue	1.7	58
Receipts and expenditure of PRIs	1.8	59
Devolution of State Finance Commission grants	1.9	59
Non preparation of bank reconciliation statement	1.10	60
Status of outstanding audit paras	1.11	60
Defective reporting of utilisation certificates to the Government of India	1.12	61
Non adjustment of advances	1.13	61
Conclusion	1.14	62
CHAPTER-II		
TRANSACTION AUDIT PARAGRAPHS		
Audit findings on release and utilisation of Thirteenth Finance Commission Grants to Panchayati Raj Institutions.	2.1	63 to 69
Loss of ₹ 1.82 crore due to insolvency of bank	2.2	69 to 70

	APPENDIX- ULB	Page No.
Appendix – 1.1	List of ULBs audited during 2011-12	71 to 72
Appendix-1.2	Bank Reconciliation statements not prepared	73
Appendix-1.3	Statement showing non collection of tax revenue (ULBs)	74
Appendix-1.4	Statement showing details of non-collection of non-tax revenue as on 31.03.2012	75
Appendix-1.5	Details of unadjusted advances of ULBs during the year -2011-12	76
Appendix-2.1	List of selected ULBs	77
Appendix- 2.2	Details of shortfall of deployment of manpower in ULB for MSW	78 to 79
Appendix-2.3	Details of diversion of funds	80
Appendix- 2.4	Status of conduction of public awareness programme	81
Appendix- 2.5	Details of shortfall of deployment of manpower in ULB for MSW	82
Appendix-3.1	TFC funding for the year 2011-12	83
Appendix-3.2	Details of unspent grant	84
Annexure -3.3	Statement of surcharged electricity bills on connection code No. 502022	85
Annexure -3.4	Statement of surcharged electricity bills on connection code No. 502023	86
Annexure -3.5	List of unauthorised TIT	87

	APPENDIX- PRI	Page No.
Appendix – 1.1	List of PRIs audited in 2011-12	88 to 92
Appendix-1.2	Receipt and payment statement of Zila panchayat Narsinghpur	93
Appendix-1.3	Non preparation of Bank Reconciliation statements in PRIs units	94
Appendix-1.4	Defective reporting of utilisation certificates of grant in aid under pension scheme to the Government of India	95
Appendix-1.5	Details of unadjusted advances of PRIs- during the year -2011-12	95
Appendix - 2.1	Statement showing the position of GIA received from the GOI and its drawl by the directorate of PRI from treasury and transfer to rural local bodies for the year 2011-2012	96
Appendix-2.2	Statement showing the details of GBG & SABG of FC-XIII Grants transferred to PRIs	97 to 100
Appendix-2.3	Statement of unspent balance in GPs A/C as on 31-03-2012	101 to 103
Appendix-2.4	Statement of recoverable property tax as on 31.03.2012	104 to 106
Appendix-2.5	Non recovery of pending user charges (as on March 2012)	107 to 109
Appendix-2.6	Status of Social Audit during 2011-12	110 to 112