

## OVERVIEW

This Report includes four Chapters. Chapters-I and II contain an overview, including financial reporting and audit observations on the Panchayati Raj Institutions (PRIs) and Chapters-III and IV contain overview, including financial reporting and audit observations on the Urban Local Bodies(ULBs) followed by recommendations. A summary of audit findings is given as under:

There was no uniformity in staffing pattern for Zilla Parishads (ZPs). Regarding Gram Panchayats (GPs), even though one post of Panchayat Secretary was sanctioned for each Gram Panchayat, there were only 113 Panchayat Secretaries against the existing 161 Gram Panchayats as of March 2013 in the State.

*(Paragraph 1.4)*

Under Sections 38 and 65 of the Manipur Panchayati Raj (MPR) Act, 1994, the GPs and ZPs are required to constitute Standing Committees to perform the functions assigned to them. However, none of the PRIs, except Imphal West ZP, constituted Standing Committees as of 31 March 2013.

*(Paragraph 1.5)*

Though District Planning Committees were constituted in four valley districts they were not made functional as of March 2013.

*(Paragraph 1.6)*

Release of funds by the State Government to the PRIs during 2008-13 was lower than that recommended by the Second State Finance Commission (SSFC). The percentage of shortfall in release of funds ranged from 25 to 70 per cent.

*(Paragraph 1.8.3)*

Transfer of funds, functions and functionaries to PRIs listed in the XI<sup>th</sup> Schedule of the Constitution was not adequate and effective to enable them to function as institutions of local self-government.

*(Paragraph 1.9)*

The authenticity of cash balances as per Cash Books of all the test-checked PRIs could not be ascertained in the absence of reconciliation of balances with Bank Pass Book.

*(Paragraph 1.15.3)*

Under the Manipur Panchayati Raj Act, 1994, Budget is required to be prepared by the PRIs. However, none of the 30 PRIs test-checked prepared Budget up to 2012-13, which was irregular.

*(Paragraph 1.15.4)*

Model Accounting System (MAS) for PRIs prescribed by the Ministry of Panchayati Raj (MoPR), Government of India in consultation with the C&AG of India was not adopted in any of the Gram Panchayats & Zilla Parishads.

***(Paragraph 1.15.5)***

28 test-checked GPs had not transferred funds pertaining to Sampoorna Gramin Rozgar Yojana (SGRY) Scheme to MGNREGS as of March 2013. Due to non-furnishing of records the balance amount of fund in the account of SGRY scheme in 22 out of 28 GPs could not be ascertained in Audit.

***(Paragraph 2.1.1)***

Despite incurrence of ₹ 13.12 lakh by 14 PRIs out of XII-FC & XIII-FC grants, no database could be created in the PRIs resulting in unfruitful expenditure.

***(Paragraph 2.3.1)***

No Annual Action Plan was prepared in any of the test-checked ULBs. In absence of such planning, the element of popular participation was compromised.

***(Paragraph 3.5)***

The release of funds to the ULBs was much lower than that of the recommendation of SSFC during the period from 2008-09 to 2012-13. During 2011-12 no fund was released to ULBs.

***(Paragraph 3.7.2)***

Though the ULBs were required to prepare their Budgets and maintain their accounts in the format as prescribed in the National Municipal Accounts Manual (NMAM) with appropriate codifications and classifications, neither the budget was prepared nor were the accounts prepared in the prescribed formats.

***(Paragraph 3.13.2)***

None of the beneficiaries to whom financial assistance was given under SJSRY were from amongst the beneficiaries who have successfully completed the training under USEP.

***(Paragraph 4.1.1)***

In Nambol MC, 230 beneficiaries out of the listed 1,739 BPL card holders were benefited under UWEP. However, out of the 230 beneficiaries, 9 beneficiaries were benefited consecutively both in the first and second installments thereby depriving the benefits of the scheme to other beneficiaries who had never availed of the benefits.

***(Paragraph 4.1.3)***

The Wangoi NP and Nambol MC incurred an expenditure of ₹ 6.66 lakh out of XII-FC grants for maintenance of accounts and training on double entry accounting system. However, the MCs had not maintained their accounts in accrual based double entry accounting system.

**(Paragraph 4.2.1)**

The Imphal MC and Kakching MC diverted SSFC funds of ₹ 56.69 lakh towards administrative expenses and purchase of vehicle from the fund meant for creation of socially and economically useful public amenities thereby depriving the public of the intended benefits.

**(Paragraph 4.4.1)**

Out of 300 shopkeepers registered in the Imphal MC during the period 01.04.2011 to 17.02.2012, only 18 shopkeepers renewed their licenses before the expiry date. The licenses of 282 shops were yet to be renewed as of March 2013.

**(Paragraph 4.5.1)**

Imphal MC suffered a loss of ₹ 5.60 lakh by allowing exemption to an agent for collection of toll tax in contrary to the resolution of Finance and Assessment Committee.

**(Paragraph 4.5.2)**

The Imphal MC was yet to collect rent of ₹ 43.58 lakh for the period 2011-12 from the Women Vendors.

**(Paragraph 4.5.4)**

The Imphal MC paid excess honorarium of ₹ 34.73 lakh to the Chairperson, Vice-Chairperson and Councilors without approval of the State Government.

**(Paragraph 4.6)**

Three Municipalities namely the Nambol MC, the Kakching MC and the Bishnupur MC had drawn ₹ 11.37 lakh as sitting allowance of their Chairperson, Vice-Chairperson and Councilors without approval of the State Government which is tantamount to violation of Section 71 of the Manipur Municipalities Act, 1994.

**(Paragraph 4.7)**