



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Local Bodies
for the year ended March 2013**

The Report has been laid on the table of the State Legislature Assembly on 14-07-2014



Government of Karnataka
Report No.5 of the year 2014

**Report of the
Comptroller and Auditor General of India
on Local Bodies**

for the year ended March 2013

**Government of Karnataka
Report No.5 of the year 2014**

TABLE OF CONTENTS

| | Paragraph number | Page number |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------|
| Preface | | v |
| Overview | | vii |
| CHAPTER I | | |
| SECTION 'A' | | |
| An overview of Panchayat Raj Institutions | 1.1 | 1 |
| SECTION 'B' | | |
| Financial Reporting | 1.11 | 10 |
| CHAPTER II – RESULTS OF AUDIT | | |
| SECTION 'A' - PERFORMANCE AUDITS | | |
| DEPARTMENT OF HOUSING | | |
| Indira Awaas Yojana | 2.1 | 19 |
| RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT | | |
| Implementation of Backward Regions Grant Fund Programme | 2.2 | 46 |
| SECTION 'B' – COMPLIANCE AUDIT | | |
| DEPARTMENT OF WOMEN AND CHILD DEVELOPMENT | | |
| Implementation of Bhagyalakshmi Scheme | 2.3 | 59 |
| DEPARTMENT OF AGRICULTURE, DEPARTMENT OF ANIMAL HUSBANDRY & VETERINARY SERVICES AND WATERSHED DEVELOPMENT DEPARTMENT | | |
| Implementation of Rashtriya Krishi Vikas Yojana | 2.4 | 74 |
| RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT | | |
| Unproductive investment on a water supply scheme | 2.5 | 95 |
| Unfruitful expenditure on water purification systems | 2.6 | 96 |
| Wasteful expenditure on construction of a deck slab bridge | 2.7 | 97 |

| | | |
|--------------------------------------------------------------|------|-----|
| CHAPTER III | | |
| SECTION 'A' | | |
| An overview of Urban Local Bodies | 3.1 | 101 |
| SECTION 'B' | | |
| Financial Reporting | 3.10 | 114 |
| CHAPTER IV – RESULTS OF AUDIT | | |
| SECTION 'A' – PERFORMANCE AUDIT | | |
| URBAN DEVELOPMENT DEPARTMENT | | |
| Solid Waste Management in Bruhat Bangalore Mahanagara Palike | 4.1 | 125 |
| SECTION 'B' – COMPLIANCE AUDIT | | |
| URBAN DEVELOPMENT DEPARTMENT | | |
| Wasteful expenditure | 4.2 | 157 |
| Loss of revenue | 4.3 | 158 |
| Unauthorised exemption resulting in loss of revenue | 4.4 | 159 |
| Avoidable expenditure on road markings | 4.5 | 160 |
| Doubtful execution of works | 4.6 | 162 |

LIST OF APPENDICES

| Appendix number | Details | Page number |
|------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------|
| 1.1 | Organisational structure of PRIs | 165 |
| 1.2 | Statement showing the fund flow arrangements in flagship schemes | 166 |
| 1.3 | Details of major State and district sector schemes implemented by PRIs | 167 |
| 1.4 | Statement showing amount under 'II PWD cheques' and 'II Forest cheques' under Major Head 8782 for the year 2011-12 | 168 |
| 1.5 | Statement showing balances under Taluk Panchayat and Gram Panchayat Suspense account for the year 2011-12 | 169 |
| 1.6 | Statement showing outstanding IRs & Paras as at the end of March 2013 | 170 |
| 2.1 | Names of selected ZPs, TPs and GPs | 171 |
| 2.2 | Financial position of the test-checked districts for the period 2008-13 | 172 |
| 2.3 | Details of amount deducted by GOI during 2011-12 | 173 |
| 2.4 | Delay in release of State share | 174 |
| 2.5 | Difference between cash book and certified accounts | 175 |
| 2.6 | Difference between cash book and pass book balances | 177 |
| 2.7 | Details of physical progress of selected districts as on 31 March 2013 | 178 |
| 2.8 | Details of category-wise selection of beneficiaries | 179 |
| 2.9 | Details of other fields containing blank or invalid data | 180 |
| 2.10 | Implementing agencies selected for performance audit of BRGF programme | 181 |
| 2.11 | Receipts and utilisation of funds in the test-checked districts during 2007-13 | 182 |
| 3.1 | Organisation and Executive set-up of Urban Development Department and Urban Local Bodies | 183 |
| 3.2 | Financial position of BBMP for the period 2008-12 | 184 |
| 3.3 | Details of tax and non-tax revenue of selected ULBs for the period 2008-12 | 185 |
| 3.4 | Statement showing details of collection of property tax in selected ULBs for the period 2008-13 | 186 |
| 3.5 | Statement showing details of collection of water charges in selected ULBs for the period 2008-13 | 187 |

| Appendix number | Details | Page number |
|------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------|
| 3.6 | Statement showing details of collection of rent in selected ULBs for the period 2008-13 | 188 |
| 3.7 | Statement showing details of cess collected and remitted to Government account in selected ULBs for the period 2008-13 | 189 |
| 3.8 | Duties and powers of officers of ULBs | 190 |
| 3.9 | Non-maintenance of Registers | 191 |
| 3.10 | Omissions and deficiencies noticed in the Annual Accounts of selected ULBs | 192 |
| 4.1 | Organisational structure for SWM | 194 |