

## EXECUTIVE SUMMARY

This Report is in two parts and consists of four chapters. Chapters I and II deal with Panchayati Raj Institutions and Chapters III and IV deal with Urban Local Bodies. A synopsis of audit findings is presented in this Executive Summary:

### Overview of Panchayati Raj Institutions (PRIs)

There are 22 Zila Parishads (ZPs), 145 Panchayat Samitis (PSs) and 13,109 Gram Panchayats (GPs) in the State. Total number of 1,903 posts of technical and non-technical staff under PRIs were lying vacant. Of the 29 functions included in the Eleventh Schedule of the Constitution, only 13 functions have been transferred to the PRIs. Important records like movable/immovable asset register, demand and collection register, advances/loan outstanding register, receipt book register, etc. were not maintained. 79 Gram Panchayats and one Panchayat Samiti did not reconcile the balances of bank accounts with the balances of cash book. 21 Gram Panchayats operated more than one bank account for Panchayat funds in violation of norms issued under Punjab Panchayati Raj (Gram Panchayat) Rules 2012.

(Chapter-I)

### Results of Audit of Panchayati Raj Institutions

- In eight GPs ₹ 7.85 lakh were not handed over by the Sarpanchs on vacation of office to the concerned Block Development and Panchayat Officers.
- In 64 GPs and six PSs, ₹ 2.17 crore were withdrawn from bank through self-cheques in contravention to the Rules.
- There was short collection of Panchayat Secretary wages of ₹ 2.28 crore as 20 per cent of the income from auction of Gram Panchayat land by six Panchayat Samitis in respect of 415 GPs.
- Detailed estimate involving expenditure of ₹ 1.96 crore in 14 GPs were not prepared in contravention of provisions of PWD Code.
- Unauthorised occupation of land measuring 116 acre, 7 kanal and 14 marla under Bhogpur Panchayat Samiti valuing ₹ 17.79 lakh was noticed.
- Rent/lease money amounting to ₹ 1.06 crore was outstanding in respect of 179 shops and buildings in four Panchayat Samitis.
- Material worth ₹ 3.18 crore was purchased by 106 Gram Panchayats from local market in contravention of provisions of Punjab Financial Rules (Volume I).
- Irregularities in auction of shamlat land in Samalsar Gram Panchayat were noticed.

(Chapter-II)

### **Overview of Urban Local Bodies (ULBs)**

There are 10 Municipal Corporations and 164 Municipal Councils/Town Councils in the State. State specific accounts manual, though prepared could not be adopted as the re-submitted draft manual after sorting out the discrepancies pointed out by Examiner, Local Fund Accounts Punjab was being re-examined by the department.

**(Chapter-III)**

### **Results of Audit of Urban Local Bodies**

- Failure of the department to ensure availability of land prior to release of funds resulted in blocking of ₹ one crore.
- Labour cess of ₹ 3.38 crore was not remitted to the Labour Welfare Board within 30 days of collection of Cess in contravention of the Cess Rules, 1998.
- VAT was deducted at the rate of four and five *per cent* during the period between April 2011 and August 2014 instead of at the rate of five and six *per cent* respectively resulting in short deduction of VAT of ₹ 18.77 lakh.
- No action was initiated against the library authorities for unauthorised construction of 33 shops on the land leased out exclusively for library purpose.
- Payment of ₹ 87.86 lakh was made for the work left midway by the contractor.
- Wasteful expenditure of ₹ 17.95 lakh by MC, Kurali and ₹ 1.18 crore by MC, Jalandhar was incurred on incomplete works.

**(Chapter-IV)**