

OVERVIEW

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This Report is in two parts and consists of four chapters. Chapter-1 and 2 deals with Panchayati Raj Institutions and Chapter-3 and 4 deal with Urban Local Bodies. A synopsis of important audit findings is presented in this overview:

Profile of Panchayati Raj Institutions (PRIs)

The 73rd constitutional amendment gave a constitutional status to the Panchayati Raj Institutions (PRIs). As a follow up, all the 29 functions listed in 11th Schedule of the Constitution were devolved to the PRIs. However, funds and functionaries remained to be devolved to the PRIs.

There are 12 Zila Parishads (ZPs), 77 Panchayat Samitis (PSs) and 3,243 Gram Panchayats (GPs) in the State. Test-check of records of seven ZPs, 17 PSs and 76 GPs during 2014-15 highlights (a) non-maintenance of registers such as stock register, immovable property register, work register, muster roll register etc, (b) improper maintenance of accounts of own resources and grant-in-aid/loans, (c) non-reconciliation between cash books and bank pass books, (d) non-conducting of physical verification (e) outstanding advances and (f) blocking of funds provided under Thirteenth Finance Commission.

(Chapter-1)

Results of audit of Panchayati Raj Institutions

Fifty two GPs did not realise house tax of ₹ 18.93 lakh. Eighteen PRIs failed to realise an amount of ₹ 19.37 lakh on account of rental charges of shops. Revenue of ₹ 6.98 lakh on account of installation/ renewal charges of Mobile Towers in 32 GPs remained unrealized. An amount of ₹ 2.15 crore was incurred by the PS Gopalpur without preparing/passing budget estimates. In six PRIs, funds of ₹ 40.81 lakh remained unspent due to non-commencement of works. ZP Chamba did not complete works under BRGF within stipulated period resulting in unfruitful expenditure amounting to ₹ 0.93 crore and blocking of ₹ 0.64 crore. Funds of ₹ 6.51 lakh earmarked for minor irrigation schemes remained un-utilized in Personal Ledger Account. Eight GPs deployed the same labourers on different works in the same period. Mahatma Gandhi National Rural Employment Guarantee Scheme suffered from delay in release of labour payments

(Chapter-2)

Profile of Urban Local Bodies (ULBs)

There is one Municipal Corporation, 30 Municipal Councils (MCs) and 21 Nagar Panchayats (NPs) in the State. The 74th constitutional amendment paved the way for decentralization of power and transfer of 18 functions listed in the 12th Schedule of the constitution alongwith funds and functionaries to Urban Local Bodies (ULBs). Though all the 18 functions stand transferred to ULBs, yet funds and functionaries remain to be transferred to the ULBs. The State Government has not made any provision in the Acts/

Rules for certification of accounts. Test-check of the records of one Municipal Corporation, six Municipal Councils and seven Nagar Panchayats conducted during 2014-15 brought out (a) non- certification of accounts and (b) non-preparation of budget estimates in a realistic manner.

(Chapter-3)

Results of audit of Urban Local Bodies

Due to ineffective monitoring, revenue of ₹ 4.04 crore on account of house tax in 11 ULBs remained outstanding. Thirteen ULBs failed to realise the rent of shops amounting to ₹ 1.86 crore from the concerned allottees. Failure to realise the installation/ renewal charges of mobile towers by seven ULBs resulted in loss of revenue of ₹ 18.14 lakh. MC Baddi failed to realise electricity tax amounting to ₹ 29.18 lakh from consumers residing within the limits of MC area. Six ULBs did not utilise the funds amounting to ₹ 2.19 crore due to non-start of developmental works. MC Dalhousie did not utilise the funds amounting to ₹ 43.44 lakh due to non-start of construction of parking. MC Shimla had not fixed the liability of the operator of the Solid Waste Management Project through insurance under the Project Public Liability Insurance Act, 1991 for ₹ 5 crore. Utilisation Certificate for ₹ 3.27 crore was wrongly issued by the MC Parwanoo to the Director, Urban Development Shimla without actual utilisation of the funds.

(Chapter- 4)