



**ANNUAL TECHNICAL INSPECTION REPORT ON
PANCHAYATI RAJ INSTITUTIONS AND URBAN LOCAL BODIES
FOR THE YEAR ENDED 31 MARCH 2017**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



उत्तराखण्ड शासन

**GOVERNMENT OF UTTARAKHAND
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
UTTARAKHAND, DEHRADUN**

**Annual Technical Inspection Report on
Panchayati Raj Institutions and Urban Local Bodies
for the year ended 31 March 2017**

**Office of the Principal Accountant General (Audit),
Uttarakhand, Dehradun**

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PREFACE

This Report for the year ended March 2017 has been prepared for submission to the Government of Uttarakhand in terms of technical guidance and support to audit of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) under Section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The Report also contains the results of audit of PRIs and ULBs, including the concerned administrative departments under Section 14 of the DPC Act, 1971.

The issues noticed in the course of test audit for the period 2016-17 as well as those issues which came to notice in earlier years, but could not be dealt with in the previous Reports have been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

Executive Summary

This Report is in two parts and consists of four chapters. Chapter-1 and Chapter-3 contain the profile of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) and details of Financial Resources. Chapter-2 and Chapter-4 contain findings emerging from transaction audits of Panchayati Raj Institutions and Urban Local Bodies. A synopsis of audit findings is given in this overview.

Profile of Panchayati Raj Institutions

There are 13 Zila Panchayats (ZPs), 95 Kshetra Panchayats (KPs) and 7,958 Gram Panchayats (GPs) in the State. Overall control of the PRIs rests with the Principal Secretary/Secretary, Panchayati Raj, Government of Uttarakhand through the Director, Panchayati Raj Institutions. Audit observed several deficiencies in the working of the Panchayati Raj Institutions with regard to devolution of subjects, internal audit, computerization, preparation of cash book, maintenance of register of advances and preparation of budget.

(Chapter-1)

Results of Audit of Panchayati Raj Institutions

- There was a suspected embezzlement of ₹ 5.20 lakh as an amount of ₹ 3.80 lakh collected from the consumers as water fee and connection charges had not been deposited in the Bank as required under the guidelines. Besides, ₹ 1.40 lakh had been withdrawn from the Bank without any purpose.

(Paragraph 2.1.1)

- The assessment and realization of Tax on Circumstances and Property was not being carried out in one Zila Panchayat (ZP) in accordance with the extent provisions. Further, shortfall in the recovery of the said tax to the extent of ₹ 2.28 crore (70 per cent) was noticed in four ZPs.

(Paragraph 2.1.2)

- There was an outstanding rent in three ZPs to the tune of ₹ 36.40 lakh as of March 2016.

(Paragraph 2.1.3)

- Advances of ₹ 40.29 lakh against *Gram Panchayat Vikas Adhikari* were unadjusted despite the lapse of a considerable period.

(Paragraph 2.1.4)

- Expenditure of ₹ 75.53 lakh (₹ 17.18 lakh in two KPs and ₹ 58.35 lakh in one ZP) was incurred on the execution of inadmissible works.

(Paragraph 2.1.5)

- There was an irregular retention of interest of ₹ 125.50 lakh, accrued on various scheme funds as of March 2016.

(Paragraph 2.1.6)

- An amount of ₹ 30.00 lakh received by District Panchayati Raj Officer, Uttarkashi from Forest department (2006-07) as a share of Gram Panchayats (GPs) had not been transferred to these VPs for more than 10 years and were kept in the bank under Fixed Deposit Receipt (May 2012) by the entity.

(Paragraph 2.2.2)

- The quality and timely completion of works was not ensured by the Rural Development Department as the requisite inspections of works were not being carried out by the District Development Officers and Block Development Officers in selected Districts.

(Paragraph 2.2.7)

(Chapter-2)

Profile of Urban Local Bodies

There are six Nagar Nigams (NNs), 43 Nagar Palika Parishads (NPPs) and 43 Nagar Panchayats (NPs) in the State. Overall control of the ULBs rests with the Principal Secretary (Urban Development) to the Government of Uttarakhand through the Director, Urban Development Department. Audit observed several deficiencies in the working of the Urban Local Bodies (ULBs) such as inadequate capacity to utilize the financial resources, unspent balances at the end of financial year, *etc.*

(Chapter-3)

Results of Audit of Urban Local Bodies

- A project under Basic Services for Urban Poor (BSUP) was sanctioned by the Government of India (GoI) in 2007-08 at an approved cost of ₹ 6.23 crore. Despite expenditure of ₹ 4.47 crore, the project still remained incomplete for more than eight years from the date of sanction due to land dispute.

(Paragraph 4.2.1)

- Funds amounting to ₹ 60.30 lakh, pertaining to 'Integrated Development of Small and Medium Towns which were available during 2005-16, remained unutilized on account of land dispute resulting in blockade of funds.

(Paragraph 4.2.2)

- Labour cess amounting to ₹ 7.70 lakh (one *per cent*) was not deducted from the contractors' bills for construction works costing ₹ 7.70 crore carried out during the period 2014-16.

(Paragraph 4.3)

- House Tax to the tune of ₹ 6.31 crore was yet to be realized as of March 2016.

(Paragraph 4.4.1)

- Against the total demand of rental charges for an amount of ₹ 8.35 crore, only ₹ 4.34 crore had been recovered leaving an outstanding recovery of ₹ 4.01 crore as of March 2016.

(Paragraph 4.4.2)

- The provisions of Solid Waste Management Rules were not being adhered to as the segregation and processing of the solid waste did not take place in two *Nagar Palika Parishads* due to non-availability of trenching ground.

(Paragraph 4.5)

(Chapter-4)

CHAPTER-1

PROFILE OF PANCHAYATI RAJ INSTITUTIONS

CHAPTER-1: PROFILE OF PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

The 73rd Constitutional Amendment accorded constitutional status to a three-tier system of Panchayati Raj Institutions (PRIs), established a uniform structure with regular elections and provided for regular flow of funds through the Finance Commissions. As a follow-up, the State was required to entrust PRIs with such powers, functions and responsibilities so as to enable them to function as institutions of local self-government. In particular, PRIs were required to prepare plans and implement schemes for economic development and social justice, particularly on functions included in the XIth Schedule of the Constitution.

The State of Uttarakhand was carved out of the erstwhile State of Uttar Pradesh (U P) on 9th November 2000. The status of PRIs in the State is set out in the U P Kshetra Panchayat and Zila Panchayat Act, 1961, and the U P Panchayati Raj Act, 1947 which have been adopted by Uttarakhand through the coming into force of the Uttaranchal Amendment Act, 2002. The provisions of the U P Acts, as amended for Uttarakhand are, therefore, applicable to PRIs in the State.

1.2 Classification, Powers and Functions

The administrative set up of *Panchayats* in the State consists of a three-tier system: *Gram Panchayat* (GP) at the village level, *Kshetra Panchayat* (KP) at the Block level and *Zila Panchayat* (ZP) at the District level.

The State follows a bottom-up approach in preparation of plans. Due to decentralization in planning, the rights to prepare plans pertaining to the area under their jurisdiction, based on local problems and needs were given to the GPs. The *Gram Sabha* (consisting of all the adults of the village above the age of 18 who elect the members of the GP) then recommends the said plans to the concerned KP. General meetings of the *Gram Sabha*, to be presided by the concerned *Gram Pradhan*, should be held on a quarterly basis to review the proposals framed at the GP level and their implementation.

KP, the intermediate tier of *Panchayats* at the block level, prepares an annual development plan of the block including and consolidating plans received from the GPs under its jurisdiction and submits the same to the ZP. The KPs do not have the resources of their own. However, it is their duty to inspect and monitor the works being carried out in the block to ensure that the quality of works is maintained, targets are achieved and necessary instructions and guidelines, received from district level, are followed.

ZP is responsible for preparing an annual plan for the district as a whole and submits the same to the District Planning Committee (DPC). The objective of the district plan is to ensure social justice and economic development of the district. ZP is also responsible for ensuring the implementation of the Government of India (GoI) Schemes, State Government Schemes, District Plans, externally aided projects, *etc.*, and to co-ordinate,

evaluate and monitor the activities at both the KP and the GP levels. ZP is also required to submit necessary demands to the State Government for development purposes as per the local needs. It is the duty of ZP to ensure that policies under national programmes and other functions entrusted by the State Government under special or general orders are being adhered to.

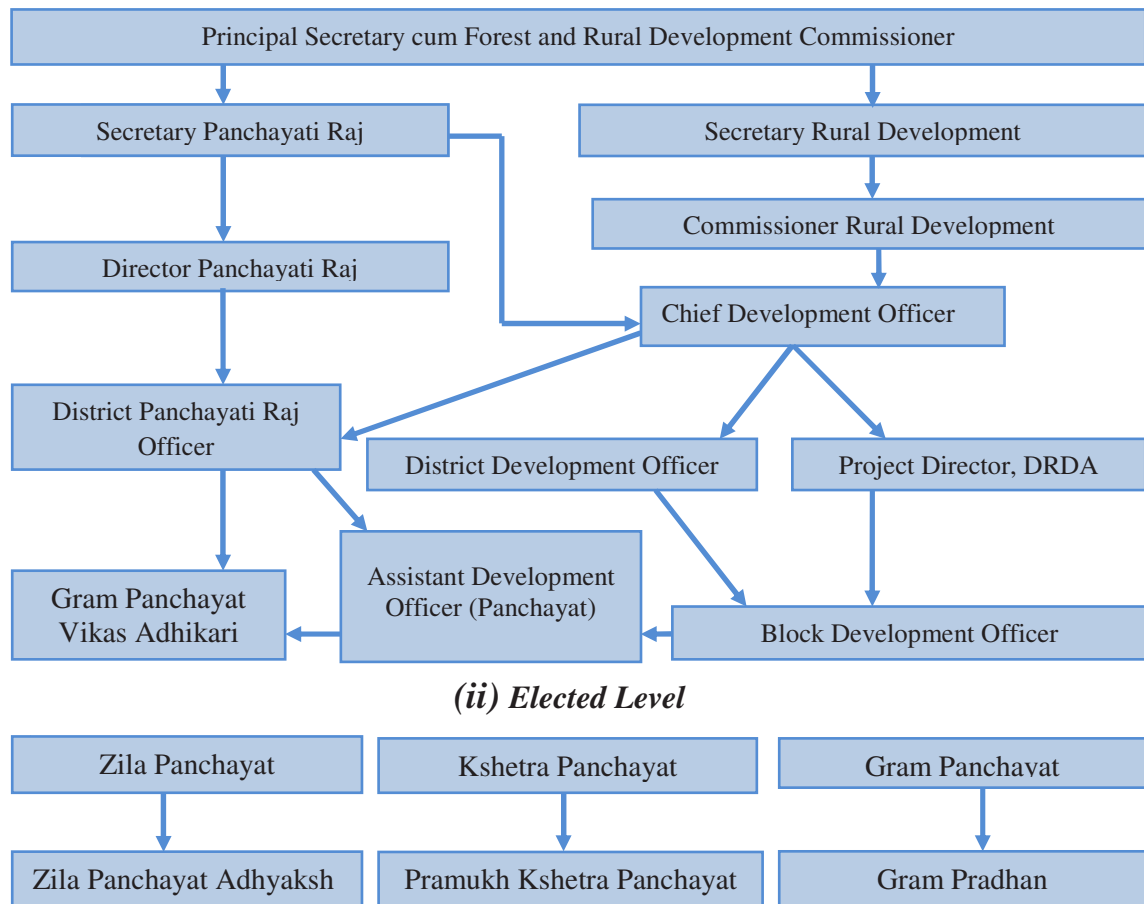
1.3 Organizational Structure

There are 13 *Zila Panchayats (ZP)*, 95 *Kshetra Panchayats (KP)* and 7,958 *Gram Panchayats (GP)* in the State of Uttarakhand (*Appendix-1.1*).

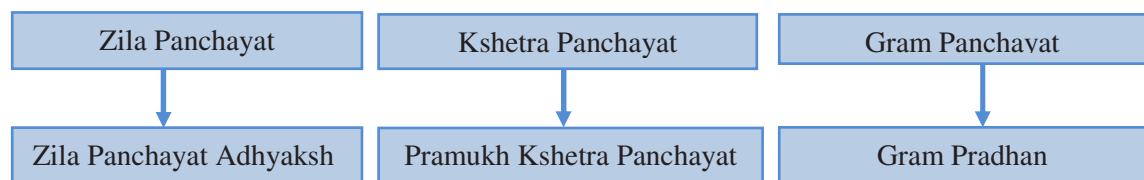
Principal Secretary cum Forest and Rural Development Commissioner is the administrative head of PRIs in the State. He/she is assisted by the Secretary, Panchayati Raj and the Secretary, Rural Development in exercising overall control and supervision of functions and schemes at the State level.

All the PRIs are distinct legal authorities constituted for discharging the functions devolved under the provisions of Acts and Rules, and are functioning through democratically elected bodies. The Organizational Structure of PRIs at State, District, Block and Village levels is depicted in *Chart-1* below:

Chart-1: Organizational Structure of Panchayati Raj Department, Uttarakhand
(i) Administrative Level



(ii) Elected Level



1.4 Audit arrangement

The State Government has appointed the Director of Audit (previously known as the Director of Local Fund Audit) as the primary auditor of accounts of PRIs and Urban Local Bodies (ULBs) in the State. The State Government has entrusted (March 2013) the CAG with the responsibility of providing suitable Technical Guidance and Support (TGS), under Section 20 (1) of the CAG's DPC Act 1971. The State Government has accepted (March 2013) the parameters of TGS as laid down by the CAG. External audit of PRIs and ULBs is already being carried out under Section 14 of the CAG's DPC Act 1971. Annual Technical Inspection Report (ATIR) for the year ended 31 March 2016 on the audit of Panchayati Raj Institutions and Urban Local Bodies carried out during preceding year (2015-16) was placed in the State Legislature by the Government of Uttarakhand (GoU) on 14th June 2017.

1.4.1 Technical Guidance and Support (TGS)

The CAG may provide suitable TGS to primary auditors of PRIs for the purpose of strengthening public finance management and accountability in the PRI. The functions of the primary auditors are as below:

- Director of Audit (DA) shall prepare an annual audit plan for next financial year by the end of March every year.
- The audit methodology and procedure for the audit of ULBs by the DA shall be as per Statutes enacted by the State Government and guidelines prescribed by the CAG of India.
- Copies of Inspection Reports (IRs) shall also be forwarded by DA to the AG (Audit) for advice on further improvement.
- DA shall furnish returns in such format as may be prescribed by the CAG for advice and monitoring.
- The AG (Audit) shall conduct test check of some units in order to provide technical guidance and report of the test check would be sent to the DA for compliance.
- Irrespective of the money value, any serious irregularities shall be intimated to the AG (Audit).
- DA shall develop a system of internal control in his organization in consultation with the AG (Audit).
- The AG (Audit) shall also undertake training and capacity building of the staff of DA.

The Office of the Principal Accountant General (Audit) is conducting supplementary audit of PRIs and ULBs under the TGS mechanism.

In the year 2016-17, PAG (Audit) imparted one-day training to the State Government auditors on 20/01/2017 on Works and Revenue Audit. Besides, PAG (Audit) also provided faculty support to a training programme organized (20/02/2017) by the State Government wherein the heads of the various departments were apprised of the procedures for settlement of outstanding audit objections.

1.4.2 Audit coverage

Audit of accounts of 85 units of PRIs (ZPs: 10; KPs: 35 and GPs: 40) was conducted by the Office of the Pr. Accountant General (Audit), Uttarakhand, Dehradun during 2016-17 under Section 14 of the DPC Act, 1971.

1.5 Standing Committees

Committees in PRIs

In Uttarakhand, six committees have been constituted in each tier of the PRIs under Section 64 of the *UP Kshetra Panchayat and Zila Panchayat Adhiniyam, 1961* which was adopted by the Government of Uttarakhand through the Uttar Pradesh Panchayati Raj Act, 1947 (Uttaranchal Amendment) Act, 2002. Various committees and their responsibilities are given in **Table-1.1** below:

Table-1.1: Role of Standing Committees in PRIs and Urban Local Bodies

Level of PRIs/ULBs	Standing Committee Headed by	Name of the Standing Committees	Role and responsibilities of the Standing Committee
For all tiers of PRIs/ULBs	Elected head and Executive head of the Panchayats	Planning and Development Committee	Preparation of plan of Panchayat; Implementation of programmes relating to Agriculture, Animal Husbandry and Poverty Alleviation
		Education Committee	Implementation of programmes relating to Primary, Higher and Informal Education and Literacy
		Works Committee	Ensure quality and effective control over maintenance of all temporary and permanent works
		Health and Welfare Committee	Implementation of programmes relating to Medical, Health and Family Welfare
		Administrative Committee	All subject matters relating to officials under the control of the Panchayat; and all matters relating to PDS shops in Panchayats
		Water Management Committee	Operation of tube wells and works relating to their maintenance; Operation of drinking water projects and schemes being implemented in the Panchayats.

The above stated standing committees are supposed to meet on a monthly basis to assess the progress in implementation of the work assigned to them. As per the information provided by the Directorate, PRI, Dehradun, only 18 per cent and 33 per cent of the prescribed number of meetings were held in the ZPs and the KPs respectively (**Appendix-1.2**). The PRI Directorate conveyed that due to lack of quorum, the said meetings could not be held on a more regular basis.

The meetings were not being held on regular basis even in 2015-16 due to lack of quorum. This fact had been highlighted in the previous ATIR ending March 2016. However, no efforts were made by the respective departments to ensure participation by the committee members in these meetings in order to ensure that the objectives for setting up the committees were fully achieved.

1.6 Resources: trends and composition

The trend of resource availability with the PRIs for the period from 2012-13 to 2016-17 is detailed in *Table-1.2 (a)* below:

Table-1.2 (a): Resources: Trends and Composition / Time series data on resources of PRIs

Resources	2012-13	2013-14	2014-15	2015-16	2016-17
Own Revenue	18.37	17.13	18.04	22.13	34.38
State Grants	8.99	8.01	7.89	7.70	7.70
Transfers from Central Government	2.91	2.52	0.90	0.00	0
Transfers from Central Finance Commission	69.35	90.40	98.81	203.26	281.45
Devolution from State Finance Commission	170.53	162.45	191.92	226.32	226.95

Source: PRIs Directorate, Dehradun and Rural Development Department, Pauri.

The application of resources for the period from 2012-13 to 2016-17 are detailed in *Table-1.2 (b)* below:

Table-1.2 (b): Application of Resources: Trends and Composition/ Application of resources in PRIs

Type of Expenditure	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Expenditure	26.32	24.94	26.35	29.36	34.07
Expenditure from State Grants	8.99	8.01	7.89	7.70	7.70
Expenditure from CFC	69.35	90.40	98.35	69.08	281.45
Expenditure from SFC	170.53	162.45	187.98	120.56	226.95

Source: PRIs Directorate, Dehradun.

In addition to the above, funds were received and expenditure incurred under various Centrally Sponsored Schemes (CSSs) as detailed *Table-1.2 (c)* below:

Table-1.2 (c): Detail of funds received and expenditure incurred under various centrally Sponsored Schemes

Year	Opening Balance	Funds Received under Major CSSs	Other receipts ¹	Total funds available	Funds utilised	Closing Balance
2015-16	171.58	562.45	482.39	1,216.42	1,060.80	155.63
2016-17	155.63	783.70	498.27	1,437.60	1,336.07	101.53

Source: Rural Development Department, Pauri.

The scheme wise receipts and expenditure under major centrally sponsored schemes are detailed in *Table-1.2(d)* below:

Table-1.2. (d): Financial Position of Major Centrally Sponsored schemes

Name of Scheme	Year	Opening Balance	Fund allotted	Total funds available	Expenditure	Unspent Fund (per cent)
MGNREGA	2015-16	5.09	499.04	504.13	493.78	10.35 (02)
	2016-17	10.35	718.92	729.27	718.70	10.57 (01)
IAY	2015-16	42.40	31.66	74.06	46.13	27.93 (38)
	2016-17	27.93	29.61	57.54	27.77	29.77 (52)
BRGF	2015-16	30.69	30.51	61.20	28.43	32.77 (54)
	2016-17	32.77	-	32.77	32.77	-
SGSY/NRLM	2015-16	11.86	1.24	13.10	6.40	6.70 (51)
	2016-17	6.70	6.63	13.33	13.02	0.31 (02)
BADP	2015-16	31.20	0.00	31.20	0.00	31.20 (100)
	2016-17	31.20	28.54	59.74	31.07	28.67 (48)

Source: Department of Rural development, Pauri, Directorate PRI, Dehradun and State Rural Livelihood Mission, Dehradun.

¹ Receipts under central schemes as: Drought Prone Areas Programme (DPAP), Integrated Wasteland Development Project (IWDP), Bio Gas, Pradhan Mantri Gram Sadak Yojna (PMGSY) and Members of Parliament Local Area Development Scheme (MPLADS).

As evident from the above table, there were substantial unspent balances at the end of respective years under different schemes with the implementing Departments.

1.6.1 Unspent balances

The position of test-checked PRIs² with respect to funding from the Central Finance Commission (CFC), the State Finance Commission (SFC), and the revenue realized from other resources, the expenditure incurred there against, and the savings during the period 2014-16, is detailed in **Table-1.3** below:

Table-1.3: Year-wise details of Receipt and Expenditure

(₹ in crore)

Year	Opening Balance	Receipt under CFC	Receipt under SFC	Receipt under own resources (ZPs only)	Other receipts ³ and interest (various schemes)	Total funds available	Expenditure (per cent to total fund available)	Savings (per cent to total fund available)
2014-15	184.44	36.51	80.15	13.97	201.38	516.45	310.43 (60)	206.02 (40)
2015-16	206.02	4.43	99.02	17.20	240.43	567.10	374.10 (66)	193.00 (34)

Source: Information furnished by ZPs/KPs and Directorate PRI, Dehradun.

It was noticed that the ZPs/KPs could not match the pace of expenditure with the flow of funds during the period 2014-16. The percentage of expenditure, as against the available funds, ranged between 60 to 66 per cent in the test-checked ZPs/KPs. Consequently, a huge amount was lying unspent at the end of each financial year, which is indicative of poor planning and implementation on the part of ZPs/KPs in achieving intended objectives within the prescribed time frame.

1.7 Human Resources

Human Resources in ZPs are categorized into two parts viz. centralized services and non-centralized services. The centralized cadre is drawn from the State Services whereas the non-centralized cadre is specific to the PRIs. The Sanctioned Strength and the Men-in-Position in ZPs are detailed in **Table-1.4** below:

Table-1.4: Manpower position in ZPs as on 31st March 2017

Sl. No.	Type of service	Sanctioned posts	Men-in-position	Vacant posts (percentage of shortage)
1.	Centralized	97	47	50 (52)
2.	Non-Centralized	507	293	214 (42)
Total		604	340	264 (44)

Source: Directorate PRI, Dehradun.

It is evident from the above table that the ZPs and the PRIs were functioning with an overall shortage of 44 per cent.

The PRIs comprise both the administrative officials/employees and the elected members. The shortfall of administrative officials at various levels is highlighted in **Table-1.5** and **Chart-1.2** below:

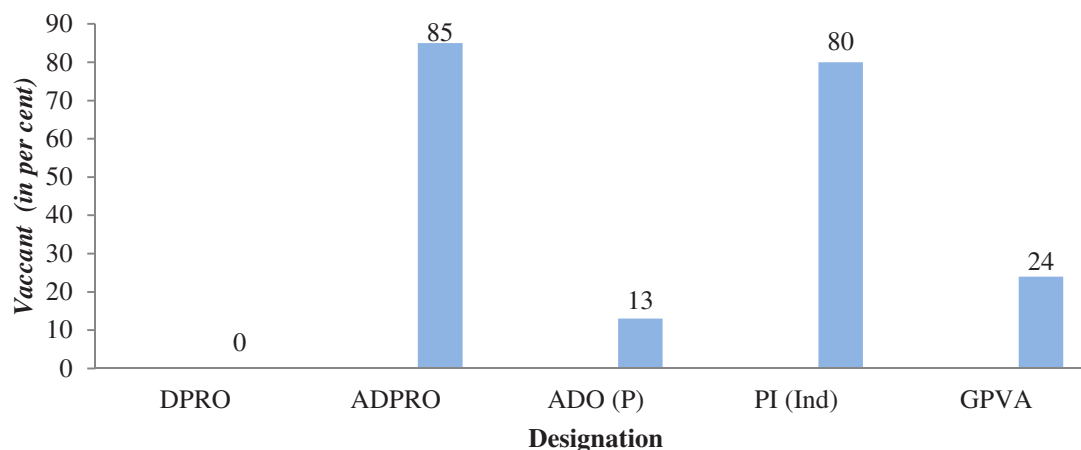
² 10 ZPs and 35 KPs.

³ Other receipts are rent from shop, haat bazaar, mela, toll etc.

Table-1.5: Manpower position in PRIs

Designation	Sanctioned Post	Occupied Post	Vacant
District Panchayat Raj Officer (DPRO)	13	13	0
Asst. DPRO	13	02	11
Asst. Development Officer(Panchayat)	95	83	12
Panchayat Inspector (Industry)	10	02	08
Gram Panchayat Vikas Adhikari	1,175	888	287
<i>Total administrative strength at DPRO, KPs and GPs</i>	<i>1,306</i>	<i>988</i>	<i>318</i>

Chart-1.2: Shortage of Manpower in PRIs



As depicted above, the vacancies ranged from 13 per cent to 85 per cent in important posts, except in the post of DPRO. The shortage of manpower at critical levels adversely affected the supervision and monitoring of the schemes / programmes.

1.8 Audit of Accounts by Primary Auditor

The status of audit of accounts of PRIs conducted by the Director of Audit, Uttarakhand during 2013-17 is detailed in **Table-1.6** below:

Table-1.6: Status of Audit of accounts of PRIs

PRIs	2013-14		2014-15		2015-16		2016-17	
	Auditable Units	Units Audited	Auditable Units	Units Audited	Auditable Units	Units Audited	Auditable Units	Units Audited
ZP	13	04	13	05	13	04	13	05
KP	95	13	95	25	95	38	95	30
GP	7,358	104 (1.41%)	7,705	190 (2.47%)	7,705	816 (10.59%)	7,581	1,788 (23.59%)
Total	7,466	121 (2%)	7,813	220 (3%)	7,813	858 (11%)	7,689	1,823 (24%)

Source: Reports of the Audit Directorate, Uttarakhand.

Though there was an increasing trend in the coverage of audit, yet the coverage was inadequate ranging from just two per cent to 24 per cent during the years from 2013-14 to 2016-17.

The Directorate of Audit was not able to set the required pace of auditing due to the unavailability of officials as the shortage of staff was observed in almost all cadres. Such shortage ranged from 67 percent to 100 percent (**Appendix-1.3**), which adversely

affected the mandated functions of the organization. The shortage of staff in PRIs has remained unchanged for the last several years. This fact has been reported in previous ATIRs also.

1.9 Non-devolution of subjects

As per the constitutional provisions (Article 243-G), Panchayats are responsible for preparation of plans and their execution for economic development and social justice with regard to 29 subjects (***Appendix-1.4***) listed in the XIth Schedule of the Constitution. The GoU had decided (October 2003) to transfer 14 subjects to PRIs in the first phase, and accordingly issued necessary Government Orders (GOs) to this effect. However, as the Government failed to devolve necessary powers and resources to the Panchayats, the transfer of the said 14 subjects remained ineffective.

1.10 Lack of internal audit

Internal Audit is an important instrument to examine and evaluate the level of compliance with rules and procedures as envisaged in the relevant Acts as well as in the Financial/Accounting Rules so as to provide independent assurance to the Management on the adequacy of the risk management and the internal control framework in the Local Bodies. It was found that Internal Audit, which has to be conducted in every quarter by the Planning and Development Committee in GPs, was not conducted in 29 out of 40 test checked GPs during 2016-17. A similar position was reported in the previous ATIR also.

1.11 Computerization

Computerization and IT enablement of government functioning has received a high impetus in various line departments of the State. Unfortunately, e-Governance has not been adopted in the PRIs in the State in a significant manner. As per the information provided by the PRI Directorate, only 1,412 out of 7,958 GPs had been provided with computers. Remaining 6,546 GPs were yet to be computerised.

1.12 Other Irregularities

Audit observed irregularities with regard to the maintenance of books of accounts and preparation of budget. These irregularities have also been reported in the previous ATIRs. Significant irregularities observed in test check of PRIs in 2016-17 were:

1.12.1 Non-preparation of Cash Book in the prescribed format

During test-check of 85 PRIs (ZPs: 10; KPs: 35 and GPs: 40), it was observed that cash books were not being maintained in 45 PRIs (ZPs: 05; KPs: 11 and GPs: 29) as per the format prescribed by the Comptroller and Auditor General of India.

1.12.2 Non-maintenance of register of Advances

As per the PRIs Manual, advances are being granted to the members and officials of GPs for the execution of works / provisioning of supplies. In 26 out of 40 test checked GPs, it was observed that the advance registers for accounting of advances and watching

recovery / adjustment thereof were not being maintained. As a result, recovery / adjustment of such advances could not be ascertained.

1.12.3 Non-preparation of budget

Budget is the most important tool for financing, planning and ensuring accountability and control over performance. Section III of UP Zila Panchayat / Kshetra Panchayat (Budget and Account Rules, 1965) stipulates that the budget proposals containing detailed estimates of income and expenditure expected during the ensuing year were to be prepared by the respective ZP, KP and GP. It was observed that out of 40 test-checked GPs, 15 GPs did not adhere to the above provisions.

1.13 Outstanding Inspection Reports (IRs)

As a result of audit of PRIs under TGS, 1,539 IRs containing 4,858 paragraphs were issued by Principal Accountant General (Audit), Uttarakhand to the concerned PRIs during the period 2012-17. Of these, only ten paragraphs were settled during the year leaving 4,848 paragraphs outstanding as of March 2017. The details are given in **Table-1.7** below:

Table-1.7: Year wise position of Inspection Reports and paras in PRIs

Sl. No.	Year of issue	No. of Inspection Reports (PRIs)	No. of outstanding paragraphs (PRIs)	No. of paragraphs settled during the year	Total outstanding paragraphs at the end of the financial year
1.	UP to 2012-13	428	1,404	Nil	1,404
2.	2013-14	279	679	Nil	679
3.	2014-15	468	1,580	02	1,578
4.	2015-16	266	820	06	814
5.	2016-17	98	375	02	373
Total		1,539	4,858	10	4,848

Source: As per available records.

The above table depicts the increasing trend of outstanding IRs and paragraphs. It indicates inadequate response of the PRIs and their administrative department to audit observations. Lack of response indicates non-compliance and erosion of accountability in the PRIs.

CHAPTER-2

**RESULTS OF AUDIT OF PANCHAYATI RAJ
INSTITUTIONS**

CHAPTER-2: RESULTS OF AUDIT OF PANCHAYATI RAJ INSTITUTIONS

2.1 Introduction

Out of 95 *Kshetra Panchayats* (KPs) and 13 *Zila Panchayats* (ZPs) in the State, 35 KPs and 10 ZPs were audited by the Office of the Accountant General (Audit) Uttarakhand during 2016-17 (as depicted in **Appendix- 2.1**).

The deficiencies noticed during the audit of Panchayati Raj Institutions (PRIs) are discussed in the succeeding paragraphs.

2.1.1 Suspected embezzlement of ₹5.20 lakh

In compliance of the Government orders issued (May 2005) for maintaining a regular supply of drinking water, a fee of ₹ 45/- per family/per month for a private connection was fixed by Uttarakhand Jal Sansthan, Peyjal Nigam to be collected by Gram Panchayats (GPs)/*Upbhogta Peyjal Evam Swachchata Samitees*.

Scrutiny of records (November 2016) of Gram Panchayat, Prateet Nagar (Block Doiwala) revealed that a water tank, constructed under the *Swajal Yojna*, was transferred (December 2013) to the GP. According to the guidelines of the scheme, water fee collected from the users in addition to the connection charges, was to be deposited into a bank account for maintenance of the scheme. Scrutiny further revealed that an amount of ₹ 3.80 lakh (connection charges ₹ 2.66 lakh and water fee ₹ 1.14 lakh) collected from the consumers during December 2013 to May 2014 was not deposited into the designated Bank Account. In addition, an amount of ₹ 1.40 lakh was withdrawn (October-November 2013) from the said bank account. It was also observed that there were no voucher/records to indicate whether and how the amount (₹ 5.20 lakh¹) was spent. There seems to be no evidence to indicate that any expenditure was incurred.

On this being pointed out, the *Gram Pradhan* stated (November 2016) that his predecessor had not handed over the related vouchers and hence the same were not available in the office. The concerned BDO (Doiwala) assured (November 2016) that an enquiry would be soon set up to look into the matter and necessary action would be taken accordingly. The enquiry report is awaited (January 2020).

Thus, the suspected embezzlement of ₹ 5.20 lakh could not be ruled out.

2.1.2 Non-realization of Tax on Circumstances and Property

Uttar Pradesh Kshetra Panchayat and Zila Panchayat Act 1961, as applicable in Uttarakhand, stipulates that 'Tax on Circumstances and Property' should be imposed on individuals, who are residing in the rural areas and conducting business subject to condition that they have performed their business for not less than six months during the assessment year.

¹ ₹ 3.80 lakh + ₹ 1.40 lakh.

Scrutiny of records of the PRIs revealed that the assessment and realization of the ‘Tax on Circumstances and Property’ was not being carried out in ZP Almora in accordance with the extant provisions. The said tax had also been assessed in four² other ZPs for the year 2015-16 but was not realized in full. Total amount of tax to be realized was ₹ 3.24 crore, out of which only ₹ 0.96 crore (30 per cent)³ had been recovered during the year. Thus, there was a short recovery of tax amounting to ₹ 2.28 crore (70 per cent). This indicates laxity on the part of the said ZPs in generating their own revenue for the smooth operation of their developmental activities.

On this being pointed out in audit, the Apar Mukhya Adhikaris (AMAs) of the concerned ZPs stated that the recovery certificates had already been issued and the realization of tax would be soon effected. As on date, (January 2020) an amount of ₹ 507.51 lakh⁴ is still pending to be recovered.

2.1.3 Pending recovery of Rent

The ZPs had been maintaining shops in their jurisdiction. These were being rented out to the public on monthly rental basis.

Scrutiny of records revealed that in three ZPs⁵ out of 10 test checked ZPs, an amount of ₹ 36.40 lakh out of ₹ 95.85 lakh on account of rent of 455 shops was outstanding as of March 2016. This indicated that the process of rent collection had not been given due attention by the PRIs.

On this being pointed out, the concerned ZPs stated (October 2016 and November 2016) that due to manpower constraints, outstanding dues could not be recovered; however, notices would be served upon the defaulters and the amount would be recovered shortly.

2.1.4 Unadjusted Advances

Scrutiny of five KPs⁶ showed that an amount of ₹ 55.57 lakh had been advanced (2007-08 to 2015-16) to 38 Gram Panchayat Vikas Adhikaris (GPVAs) of various GPs, for execution of various construction works in GPs, falling under the administrative control of these KPs.

On this being pointed out, the BDOs of the concerned KPs stated that the notices to recover these advances have already been issued and fresh notices would be issued for the same. However, on the basis of information collected (January 2020) from the concerned entities, an amount of ₹ 15.28 lakh had been adjusted against the advances given to 14 GPVA’s and there was unadjusted amount of ₹ 40.29 lakh against 24 GPVAs

² Dehradun, Chamoli, Haridwar and Pauri.

³ Dehradun: ₹ 9.98 lakh, Chamoli: ₹ 10.03 lakh, Haridwar: ₹ 64.55 lakh and Pauri: ₹ 10.96 lakh.

⁴ As PRI do not keep amount of Property Tax year wise, hence the figure includes status upto 2017-18.

⁵ Almora, Pauri and Tehri.

⁶ Devprayag, Tarikhet, Narendranagar, Ekeshwar and Okhalkanda.

(Appendix-2.2) despite laps of one to 11 years (upto 2018-19) which reflects poor compliance with rules in the test checked KPs.

2.1.5 Expenditure on Inadmissible Works

The Backward Regions Grant Fund (BRGF) is a Government of India scheme launched in 2006-07 which was designed to redress regional imbalances in development by way of providing financial resources for supplementing and converging existing developmental inflows into the identified critical gaps in local infrastructure and other development requirements of the region.

Expenditure in contravention of the scheme guidelines was observed in the following cases:

- Backward Region Grant Fund (BRGF) guidelines have defined the admissible works that can be carried out using the funds sanctioned under BRGF. Test check of records of two KPs⁷ in district Chamoli showed that an expenditure of ₹ 17.18 lakh was incurred (2012-14) on the execution of 12 inadmissible works⁸.
- Grants received under *Thirteenth Finance Commission* (TFC) have to be utilized by the PRIs exclusively on (i) Maintenance of Street Lights, (ii) Water Supply and maintenance of Water Supply Schemes, (iii) Sanitation, (iv) Building Assets and (v) *Swajaldhara* Programme, etc. Scrutiny of records of ZP Almora showed that an amount of ₹ 58.35 lakh was incurred on works not covered under above mentioned categories.

On this being pointed out, the BDO and AMA of the concerned KP and ZP respectively stated that the works were executed under the orders of Chairman.

The reply of the entity was not acceptable. Non-compliance with the scheme guidelines defeated the very purpose for which the funds were being provided.

2.1.6 Irregular retention of Interest earned

The guidelines of various schemes being implemented in the PRIs are silent about the treatment of interest earned on the funds released under various schemes/programmes. The State Government had issued (January 2013) instructions to PRIs to credit the interest earned on these funds to the relevant receipt head.

Scrutiny of records of 13 PRIs showed that an amount of ₹ 1.82 crore, accrued as interest on various scheme funds as of March 2017, had not been credited to the relevant receipt head.

On this being pointed out, the entities replied that interest would be credited to the relevant head at the earliest. However, on the basis of information collected (January 2020),

⁷ Narayan Bagarh and Ghat (where BRGF was implemented) out of total 35 KPs selected.

⁸ Construction of Panchayat Buildings, Boundary Walls.

an amount of ₹ 56.74 lakh had been credited to the relevant head and an amount of ₹ 125.50 lakh pertaining to 09 PRIs⁹ where irregularity retained by the concerned PRIs despite clear instructions from State Government (January 2013) in this regard.

2.2 Transaction Audit of Rural Development Department (RDD) and Panchayati Raj Institutions (PRIs) in District Uttarkashi

A district level compliance audit of the activities of RDD and PRIs was also carried out in District Uttarkashi to assess the work carried out post disaster of June 2013. The offices of the District Development Officer (DDO), the District Panchayati Raj Officer (DPRO), the District Rural Development Agency (DRDA), three¹⁰ Block Development Officers (BDO's) and nine *Gram Panchayats*¹¹ (GPs) were covered during the period October 2016 to January 2017.

The audit findings are discussed in the succeeding paragraphs.

2.2.1 Non-utilization of Funds

The details of funds provided for implementation of the different schemes by the *Panchayati Raj Institution* (PRI) and the RDD in District Uttarkashi and the expenditure incurred against the released funds during 2013-14 to 2015-16 (Scheme wise details given in *Appendix-2.3*) are shown in the *Table-2.1* below:

Table-2.1: Status of Grants released and Expenditure incurred

(₹ in crore)						
Financial year	Opening Balance	Funds received during the year	Total	Expenditure incurred	Closing balance	Savings in per cent
2013-14	9.69	64.15	73.84	63.62	10.22	14
2014-15	10.22	65.45	75.67	56.70	18.97	25
2015-16	18.97	79.85	98.82	82.80	16.02	16
Total		209.45	248.33	203.12		

Source: DDO, DPRO and DRDA.

It is evident from the above table that there were savings ranging from 14 per cent to 25 per cent during the period 2013-2016. Besides, the Departments failed to utilize funds received under different schemes as there were huge savings especially in MPLAD, MLALAD and BADP. The savings under the said schemes ranged between 40 and 62 per cent.

2.2.2 Parking of funds

Following instances of parking of funds were noticed during test check of records:

(i) As per instructions issued (May 2014) by the Government of Uttarakhand (GoU), the Department was required to deposit the unutilised amount of MLALAD funds pertaining to preceding years into the treasury.

⁹ KP: 06, DPRO: 03.

¹⁰ Chinyalisaur, Naugaon and Purola.

¹¹ Thali, Kafrol, Jaida (Naugaon), Math, Srikot, Kaida (Purola), Kainthogi, Jagatmalla, Jagattalla (Chinyalisaur).

Test-check of records of the DDO Uttarkashi revealed (November 2016) that despite the previously mentioned instructions, ₹ 58.49 lakh pertaining to preceding years were not deposited into the treasury by the Department. These funds were lying unutilised in the departmental Personal Ledger Account (PLA) (₹ 34.42 lakh + interest ₹ 24.07 lakh) for more than four years, resulting in blockade of funds to the tune of ₹ 58.49 lakh.

On this being pointed out the Department accepted the facts and stated that the said amount was lying in PLA and in the Bank for want of instructions from the Commissioner, Rural Development, Pauri. The reply of the Department was not acceptable as necessary instructions had already been issued by the GoU to deposit the unutilised funds into the treasury.

(ii) In DPRO Uttarkashi, an amount of ₹ 30.00 lakh had been received, prior to Financial Year 2006-07, from the Forest Department as a share of Gram Panchayats (GPs) under “*Soyam Van*”¹². The said amount was to be given to the concerned GPs through the DPRO for other construction work and current requirements of the GPs. It was observed that the said amount was not transferred to the concerned GPs and was still lying with the Department for a period of more than ten years. Further, the said amount was withdrawn by the Department and deposited under an FDR in May 2012.

On this being pointed out, the DPRO stated that the said amount could not be transferred due to non-availability of village-wise details of amount to be transferred.

The reply was not acceptable as it was the duty of the DPRO, Uttarkashi to make efforts for ascertaining village-wise details of funds to be transferred. Thus, the laxity on the part of entity resulted in blockade of funds.

(iii) *Swarnjayanti Gram Swarozgar Yojana* (SGSY) aims at providing self-employment to the villagers through the establishment of self-help groups (SHGs). All SHGs come together to form a federation at the village level.

Test check of records of BDO, Naugaon revealed that an amount of ₹ 2.00 lakh was received (2009-10) by the BDO from the DRDA, Uttarkashi under SGSY for constitution of federation groups. The amount was lying unutilized with the Department as on March 2016.

On this being pointed out, the BDO, Naugaon stated that due to some technical issues and lack of coordination between the groups, the federation could not be formed.

Thus, the very purpose of the scheme was defeated.

¹² The Land covered by trees and herbs, excluding the private land and not pertaining to the forest department, situated within the limits of village, is called “*Soyam Van*”.

2.2.3 Surrender of ₹108.28 lakh

An amount of ₹ 118.28 lakh was sanctioned (March 2015) to the DDO, Uttarkashi for execution of various construction works under the scheme “Uttarakhand Seemant Pichhda Kshetra Vikas Nidhi Yojna”, out of which expenditure of only ₹10.00 lakh was incurred on installation of solar water heater in Naugaon and Purola. The remaining amount of ₹ 108.28 lakh was left unutilised because the estimates were received late from the executing agencies and finally surrendered to the Government without execution of the projects, resulting in non-achievement of targets.

On this being pointed out, the Department stated that balance amount was surrendered as per the orders of the Government.

The reply is not acceptable as the funds could not be utilized for construction works that could have benefited the area.

2.2.4 Unadjusted Balance of ₹54.90 lakh

Test check of records of two BDOs revealed (December 2016) that an amount of ₹ 54.90 lakh¹³ pertaining to MGNREGA was lying unadjusted with the BDO, Purola and BDO, Chinyalisaur up to March 2016. As per the scheme guidelines, payments to beneficiaries were to be made by cheques till the end of financial year 2014-15 against which necessary adjustment vouchers were to be submitted at block level by the Gram Panchayat Vikas Adhikari (GPVA) for final adjustment. However, due to non-submission of adjustment vouchers, the balances were still lying unadjusted.

On this being pointed out, the concerned BDOs stated that the payments had been made to the beneficiaries, but adjustment vouchers were not submitted by the concerned GPVA to the block offices. Thus, in the absence of the relevant vouchers the payments to the tune of ₹ 54.90 lakh had remained unadjusted (January 2020) in the books of the concerned BDOs.

2.2.5 Non-completion of Projects/Works

Scrutiny of records (2016-17) of the selected units revealed that works pertaining to seven schemes¹⁴ had been sanctioned for an amount of ₹ 7.75 crore during the year 2013-14 and 2014-15. An amount of ₹ 5.26 crore had been incurred on the said projects/works. It was observed that despite delay of six to 33 months from the stipulated date of completion, the said works were yet to be completed (**Appendix-2.4**) despite availability of adequate funds.

On this being pointed out, the units stated that due to shortage of staff and geographical conditions, the completion of the said works was delayed.

¹³ ₹ 41.36 lakh of Block Development Officer, Purola and ₹ 13.54 lakh of Block Development Officer, Chinyalisaur.

¹⁴ TFC, Block Development Fund, Mera Gaon Meri Sadak, BADP, MPLAD, MLALAD, Natural Disaster.

The reply was not tenable because geographical conditions were known prior to the start of work.

2.2.6 Non-maintenance of accounts as per prescribed formats

As per instructions issued (February 2011) by the Director Panchayati Raj to the DPRO, eight accounting formats¹⁵ were to be adopted by all Panchayati Raj Institutions for maintenance of accounts.

During test check of records of the selected nine GPs, it was noticed that these formats were not being adopted by the said GPs and their accounts were also not being maintained according to the prescribed formats.

On this being pointed out, concerned GPs accepted the facts and stated that accounts were not maintained on requisite formats due to lack of training.

The reply was not acceptable as non-maintenance of accounts in prescribed formats even after around five years is fraught with serious control risks.

2.2.7 Inadequate Inspections

Since inspection is an important regulatory function, Government orders were issued in April 2016 whereby DDOs and BDOs were required to conduct 10 and 15 inspections respectively per month for effective implementation of the schemes and to ensure quality and timely completion of works.

Test check of records of selected units revealed that the units were not maintaining inspection registers. Further, required numbers of inspections were not carried out by the concerned officers. There was huge shortfall in conducting inspections ranging from 57 to 98 *per cent*.

On this being pointed out, concerned units stated that excessive workload and shortage of staff adversely affected the implementation of the order.

¹⁵ 1: Monthly/Annual receipt and payment accounts; 2: Consolidated Abstract; 3: Monthly reconciliation statement; 4: Yearly Statement of Receivable and Payable; 5: Details of Immovable Property; 6: Details of Movable Property; 7: Inventory Register; 8: Details of Demand, collection and balance.

CHAPTER-3

PROFILE OF URBAN LOCAL BODIES

CHAPTER-3: PROFILE OF THE URBAN LOCAL BODIES

3.1 Introduction

The 74th Constitutional Amendment gave constitutional status to the Urban Local Bodies (ULBs), thereby putting in place a uniform organizational structure, system of regular elections, and mechanism for ensuring regular flow of funds through the Central Finance Commission (CFC) and the State Finance Commission (SFC). As a follow-up, the States were also required to entrust the ULBs with such powers, functions and responsibilities as to enable them to function as institutions of Local Self Government. In particular, ULBs were required to prepare plans and implement schemes for economic development and social justice. Their jurisdiction also included functions contained in the XIIth Schedule of the Constitution.

The status of ULBs in Uttarakhand is set out in the U P Nagar Nigam *Adhiniyam*, 1959, and the U P Municipalities Act, 1916 as adopted by the Government of Uttarakhand in 2002.

3.2 Position of Urban Local Bodies

The position of Urban Local Bodies in terms of number, population and area is detailed in *Table-3.1* below:

Table-3.1: Position of Urban Local Bodies in terms of number, population and area

Level of ULB	No.	Area (in Sq.km)	Total population
Nagar Nigam	6	140.79	14,16,301
Nagar Palika Parishad	43	448.75	9,79,784
Nagar Panchayat	43	170.02	2,90,441

3.3 Maintenance of Accounts

National Municipal Accounting Manual (NMAM) was developed by the Ministry of Urban Development, Government of India under the guidance of the Comptroller and Auditor General (CAG) in November 2004. On the basis of this manual, the Uttarakhand Government had prepared in December 2011, its own Uttarakhand Municipal Accounting Manual (UMAM) for all the tiers of Urban Local Bodies in the State. The State Government has also issued directions to all ULBs in the State to adopt the double entry accounting system for maintaining their accounts.

3.4 Audit Mandate

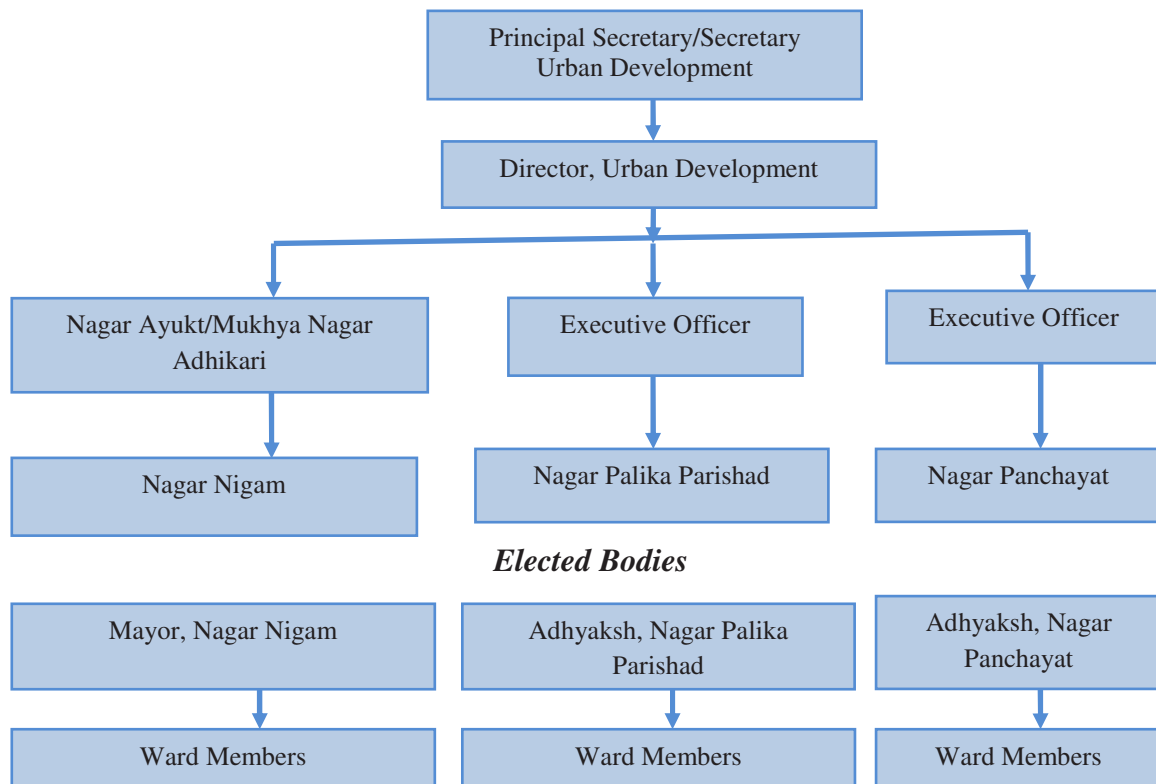
The State Government has entrusted (March 2013) to the CAG the responsibility of providing suitable Technical Guidance and Support (TGS), under Section 20(1) of the CAG's DPC Act 1971. External audit of PRIs and ULBs is already being carried out under Section 14 of the CAG's DPC Act 1971. The results of audit, *i.e.* the Inspection Report (IR) of ULBs, are sent to the Director, Urban Development Department. Annual Technical Inspection Report (ATIR), on the audit of Local Bodies (LBs) is sent by

Principal Accountant General (Audit) to the State Government for being placed in the State's Legislative Assembly.

3.5 Organizational Structure of Urban Local Bodies

There are six Nagar Nigams (NNs), 43 Nagar Palika Parishad (NPP) and 43 Nagar Panchayats (NP) in the State (*Appendix-3.1*). The overall control of the ULBs rests with the Principal Secretary (Urban Development) to the Government of Uttarakhand. He/she is assisted by the Director, Urban Development at the State level. The organizational set up of ULBs is given in *Chart-3.1* below:

Chart-3.1: Administrative Hierarchy of Urban Development Department, Uttarakhand



The term of an elected head in an ULB is five years from the date of first meeting after the election. The elections to the ULBs were last held on 23-25 November 2018.

3.6 Standing Committees

Uttar Pradesh Municipal Corporation Act, 1959 (Section 95) and Uttar Pradesh Municipalities Act, 1916 (Section 104 to 110) contain provisions to constitute Standing Committees in ULBs for performing assigned functions. As per the information obtained from the ULB Directorate, no committee was functional during 2016-17.

3.7 Human Resources

Human Resources in ULBs are categorized into two parts *viz.* centralized services and non-centralized services. The centralized cadre is drawn from the State Services whereas

the non-centralized cadre is specific to the municipal bodies. In non-centralized cadre, the Urban Local Body appoints and controls the cadre. The Sanctioned Strength and the Men-in-Position in ULBs in both streams are detailed in **Table-3.2** below:

Table-3.2: Manpower position in ULBs as on 31st March 2017

Sl. No.	Type of service	Sanctioned posts	Men- in - position	Vacant posts (percentage of shortage)
1.	Centralized Cadre	810	183	627 (77)
2.	Non- Centralized Cadre	1,002	723	279 (28)
3.	Class-IV - Non- Centralized	5,917	3,833	2,084 ¹ (35)

Source: Urban Development Directorate, Uttarakhand.

As observed from the table above, there is shortage of staff in both the centralized as well as the non-centralized Cadres. The percentage of shortage of staff in centralized cadre remains unchanged as compared to the position of staff in the previous year as reported in the ATIR for the year 2015-16. Unless the ULBs are optimally staffed, it would not be possible for these local bodies to execute their functions effectively.

3.8 Financial profile of Local Bodies

3.8.1 Fund flow in ULBs

The sources of revenue for the ULBs are own revenue, Central Finance Commission (CFC) grants, State Finance Commission (SFC) grants, Central Government grants for Centrally Sponsored Schemes (CSS), and State Government grants for State Schemes. Own revenue resources comprises 'Tax' and 'Non-Tax' revenue realized by the ULBs as per the provisions made in the Uttar Pradesh Nagar Nigam Act, 1959, and the Municipality Act, 1916.

3.8.2 Resources of ULBs: Trends and Composition

The resources of the ULBs for the period from 2012-13 to 2016-17 are detailed in **Table-3.3 (a)** below:

Table-3.3 (a): Time Series data on resources of ULBs

Resources of ULBs	2012-13	2013-14	2014-15	2015-16	2016-17
Own Revenue	47.83	61.87	67.56	86.12	97.43
CFC transfers (Central Finance Commission devolution)	12.61	12.62	29.12	22.27	41.55
SFC transfers (State Finance Commission devolutions)	254.60	253.03	254.04	254.04	254.11
GoI grants for CSS	149.61	68.66	54.28	72.68	119.33
State Govt. grants for State schemes	3.46	6.70	26.03	46.88	29.56
Total	468.11	402.88	431.03	481.99	541.98

Source: Urban Development Directorate, Uttarakhand.

3.8.3 Application of Resources: Trends and Composition

The application of resources for the period from 2012-13 to 2016-17 is detailed in **Table-3.3 (b)** below:

¹ The vacancies in Class-IV were stated to be filled on contractual basis.

Table-3.3 (b): Application of resources in ULBs

		(₹ in crore)				
Application of Resources	2012-13	2013-14	2014-15	2015-16	2016-17	
Expenditure from own resources	45.37	48.64	63.91	78.14	87.68	
Expenditure from CFC transfers (Finance Commission devolutions)	10.96	7.67	23.73	19.27	0.00	
Expenditure from SFC transfers (State Finance Commission Devolutions)	247.51	248.62	250.41	252.79	249.02	
Expenditure against Centrally Sponsored Schemes	59.65	19.88	9.29	54.30	39.43	
State Govt. grants for State schemes	Nil	Nil	11.26	8.26	23.65	
Total Expenditure	363.49	324.81	358.60	412.76	399.78	
(Percentage of expenditure in respect to available fund)	(78)	(81)	(83)	(86)	(74)	

Source: Directorate of Urban Development, Uttarakhand.

Overall, there was significant non-utilization of resources ranging from 14 per cent to 26 per cent during 2012-17. Further, no expenditure was incurred against CFC grants for the year 2016-17 due to late release of funds (March 2017) which could not be utilised during the year.

3.8.3.1 Unspent balances

The position of test-checked ULBs with respect to funding from the Central Finance Commissions (CFC), the State Finance Commission (SFC), and the revenues realised from own and other resources, the expenditure incurred there against, and the savings during the period 2014-16, is detailed in **Table-3.4** below:

Table-3.4: Year-wise details of Receipt and Expenditure

		(₹ in crore)						
Year	Opening Balance	Receipt under CFC	Receipt under SFC	Receipt under own resources	Other receipts and interest (various schemes)	Total funds available	Expenditure (per cent to total fund available)	Savings (per cent to total fund available)
2013-14	54.53	13.87	122.02	26.12	48.94	265.48	169.66(64)	95.82 (36)
2014-15	95.82	19.68	120.54	29.96	41.46	307.46	193.23 (63)	114.23 (37)
2015-16	114.23	21.67	121.74	43.69	60.82	362.15	230.00 (64)	132.15 (36)

Source: Information furnished by NNs/NPPs/NPs.

As is evident from the above table, the NNs/NPPs/NPs could not match the pace of expenditure with the flow of funds during 2013-16. The percentage of expenditure as against the available funds ranged between 63 to 64 per cent in the test-checked NNs/NPPs/NPs. Consequently, a huge amount was lying unspent at the end of each financial year, which is indicative of poor planning and implementation on the part of the NNs/NPPs/NPs in achieving intended objectives within the prescribed period.

3.9 Devolution of functions

As a follow-up of the 74th Constitutional (Amendment) Act, 1992, the Government of Uttarakhand was required to entrust and transfer 18 functions to the ULBs. Out of these, 13 functions have been transferred to ULBs and five functions are yet to be transferred as detailed in **Table-3.5 (a)** and **Table-3.5 (b)** below:

Table-3.5 (a): Functions entrusted and transferred to ULBs

Sl. No.	Particulars
1.	Registration of Death and Birth
2.	Slum Improvement
3.	Urban Poverty Alleviation
4.	Provision for Urban Amenities
5.	Burials and burial grounds
6.	Cattle pounds
7.	Regulation of Slaughter Houses
8.	Public Amenities
9.	Safeguarding the interests of weaker sections of society including the Handicapped and Mentally Retarded
10.	Promotion of cultural, educational and aesthetic aspects
11.	Urban Forestry
12.	Roads and Bridges
13.	Public Health

Table-3.5 (b): Functions not transferred to ULBs

Sl. No.	Particulars
1.	Regulation of Land Use and Construction of Buildings
2.	Urban Planning
3.	Socio-economic Planning
4.	Fire Services
5.	Water Supply

The State Government departments are implementing the above-mentioned five functions.

3.10 Accounting System in Local Bodies

3.10.1 Statutory requirements and accounting arrangements

Article 243-Z of the Constitution of India mandates that the States would make provisions with respect to maintenance of accounts in ULBs. The provisions relating to maintenance of accounts, therefore, emanate from the governing statutes or rules framed there under.

3.10.2 Basis and periodicity of accounting

As per the State Government order², ULBs in the State were required to maintain their accounts according to double entry system. The Directorate informed audit that only 14 ULBs out of a total of 92 had prepared and finalized their Balance Sheets up to 2015-16. However, 39 ULBs were maintaining their accounts in Double Entry System during the year 2016-17.

3.11 Audit Coverage

Audit of accounts of 21 units of ULBs³ (*Appendix-3.2*) was conducted by the Principal Accountant General (Audit), Uttarakhand during 2016-17 under Section 14 of the DPC Act, 1971.

² Order No. 934 / IV (2) – UD -13-284 (SA) / 04 dated 26.07.2013.

³ Four NNs, 12 NPPs and five NPs. However, three NPs (Devprayag, Chamba & Chinyalisaur) had been upgraded to NPPs.

3.11.1 Audit of Local Bodies by Primary Auditor

The status of audit of accounts of ULBs conducted by the Director of Audit, Uttarakhand (erstwhile DLFA⁴) during 2014-17 is detailed in **Table-3.6** below:

Table-3.6: Status of audit of accounts of ULBs

Local Body	2013-14		2014-15		2015-16		2016-17	
	Auditable units	Units audited	Auditable units	Units audited	Auditable units	Units audited	Auditable units	Units audited
Nagar Nigam	04	01	04	01	06	03	06	03
Nagar Palika Parishad	32	10	32	12	32	20	32	18
Nagar Panchayat	30	07	30	25	30	20	45	15
Total	66	18 (27%)	66	38 (58%)	68	43 (63%)	83	36 (43%)

Source: Directorate of Audit, Uttarakhand.

As is evident from the above table, audit coverage was only 43 per cent during 2016-17. Coverage was lower in 2016-17 as compared to the coverage achieved during 2015-16 (63 per cent). The low coverage of the ULBs was attributed to shortage of staff in the Directorate of Audit. No IRs were forwarded to the Office of the Accountant General (Audit) by the Director of Audit under TGS arrangements during the years 2015-16 and 2016-17.

3.11.2 Response to Audit observations

Audit of ULBs, through test check of records by the Office of the Principal Accountant General (Audit), Uttarakhand, is followed by issuing of Inspection Reports (IRs) to the State Government / ULB Directorate with a copy to the concerned ULB. Time limit of four weeks is fixed for prompt response by the authorities to all such paragraphs included in the IRs issued by the Audit. The details of IRs and the outstanding paragraphs are given in **Table-3.7** below:

Table-3.7: Year- wise details of IRs issued and paragraphs outstanding as of March 2017

Sl. No.	Year of Issue	No. of IR issued (ULBs)	No. of outstanding Paras (ULBs)	No. of Paras settled during the year	Total outstanding Paras at the end of the financial year
1.	Upto 2012-13	19	180	Nil	180
2.	2013-14	15	83	Nil	83
3.	2014-15	11	88	Nil	88
4.	2015-16	21	118	Nil	118
5.	2016-17	21	129	Nil	129
	Total	87	598	Nil	598

As of March 2017, 598 paragraphs pertaining to 87 IRs were yet to be settled for want of satisfactory replies.

⁴ Director of the Local Fund Audit.

CHAPTER-4

RESULTS OF AUDIT OF URBAN LOCAL BODIES

CHAPTER-4: RESULTS OF AUDIT OF URBAN LOCAL BODIES

4.1 Introduction

Out of six *Nagar Nigams* (NNs), 43 *Nagar Palika Parishads* (NPPs) and 43 *Nagar Panchayats* (NPs) in the State, four NNs, 12 NPPs and five NPs were audited during 2016-17 as detailed in **Appendix-3.1 and 3.2**. These Urban Local Bodies (ULBs) were mainly funded by grants from the Central Government on the recommendations of Central Finance Commission (CFC) and the State Finance Commission (SFC) besides from their own sources of revenue.

Audit brought out several instances of lapses in management of resources and failures in the observance of norms of regularity, propriety and economy. These have been described in the succeeding paragraphs:

4.2 Works withheld due to land disputes

4.2.1 Unfruitful expenditure

(I) Basic Services for Urban Poor (BSUP), a sub-mission under JnNURM, was launched (2005-06) by the Government of India (GoI) with the objective of ensuring integrated development of slums through projects for providing shelter, basic services and other related civic amenities to the urban poor. The duration of the Mission was seven years *i.e.* up to 2012-13, which was extended up to March 2015.

During scrutiny (July 2016) of records of the Nagar Nigam (NN), Dehradun, it was observed that a Project, for constructing 148 units of residential flats in 10 Blocks and for providing other infrastructural facilities in the slum area of Kath Bangla in Dehradun, was sanctioned by the GoI under BSUP in the year 2007-08 at an approved cost of ₹ 6.23 crore. The State was eligible for 80 *per cent* of funds from GoI and the remaining 20 *per cent* of funds were to be borne by the State Government. An amount of ₹ 4.47 crore¹ (Central Share: ₹ 3.91 crore and State share: ₹ 0.56 crore) had been released in favour of the NN up to March 2015.

The said work was awarded (December 2009) to a contractor for an amount of ₹ 5.33 crore after a lapse of 20 months from the date of first release of funds due to delay in tender process. Further, the agreement had to be terminated soon after as no work could be executed due to land dispute.

The dispute was resolved in February 2011. However, just before the resolution of the dispute, Uttar Pradesh Rajkiya Nirman Nigam (UPRNN) was declared (December 2011) as the Construction Agency for the said work with scheduled date of completion as 15 June 2013. UPRNN demanded an additional charge (Centage charges) of ₹ 49.83 lakh for the said construction work. An agreement was entered into in December 2011 for ₹ 6.73 crore. The Nagar Nigam incurred an expenditure of ₹ 24.74 lakh on demarcation of the construction site and other works. The remaining amount of ₹ 4.22 crore² was released and accordingly utilised by the UPRNN. The

¹ ₹ 1.56 crore in March 2008 and ₹ 2.91 crore in February 2015.

² ₹ 1.10 crore in December 2011, ₹ 0.37 crore in July 2012 and ₹ 2.75 crore in March 2015.

State was required to bear the amount of its matching share to the tune of ₹ 1.25 crore³, out of which ₹ 55.28 lakh had been released and there was a short release of ₹ 69.31 lakh which had not been released by the State Government. Since no further central assistance could be received from the GoI after the lapse of Mission period, there was an extra burden of ₹ 1.82 crore⁴ on the State Government against the agreement cost. Thus, the work remained incomplete resulting in unfruitful expenditure of ₹ 4.47 crore.

On this being pointed out, it was stated by the NN, Dehradun that due to land dispute, tenders could not be invited afresh. It was further stated that the work had to be completed by UPRNN by June 2013 but as the funds were not released within time, there was further delay in completion of the project.

The reply was not acceptable because rather than lack of funds, it was the submission of the project for sanction by the NN without resolving the land dispute and considerable delay in starting the work which resulted in the housing project remaining incomplete despite an expenditure of ₹ 4.47 crore. As per the information collected (January 2020), the work was yet to be completed in any of the Blocks. Besides, the people staying in the area were deprived of the intended benefits.

(II) In NN, Rudrapur an agreement, pertaining to site development, with regard to *Chhath Puja* at *Teen Panni*, was entered into (October 2012) for an amount of ₹ 10.46 lakh. The work was to be completed by April 2013. Scrutiny of the records revealed that after incurring an expenditure of ₹ 2.48 lakh, the work was abandoned due to land dispute. The dispute was yet to be resolved as observed during audit (January 2017). This indicates that the entity failed to carry out due diligence in ensuring encumbrance free land for the project. Besides, expenditure of ₹ 2.48 lakh also turned out to be unfruitful.

4.2.2 Blockade of funds

In NPP, Jaspur, three projects⁵ pertaining to 'Integrated Development of Small and Medium Towns' (IDSMT) were sanctioned for an amount of ₹ 126.55 lakh against which ₹ 75.00 lakh were released in March 2005. It was observed that an expenditure of ₹ 14.70 lakh, against an estimated cost of ₹ 19.19 lakh, was incurred upon construction of a road. The balance amount of ₹ 60.30 lakh, pertaining to other two projects, could not be utilized by the concerned NPP on account of land disputes. Thus, funds amounting to ₹ 60.30 lakh, which were available during 2005-16, remained unutilized resulting in blockade of funds up to the date of Audit (June 2016). The concerned NPP had failed to ensure availability of encumbrance free land prior to according sanctions to the projects, indicating its indifferent approach to project execution. Besides, the beneficiaries were also deprived of the intended benefits.

³ 20 per cent of ₹ 6.23 crore.

⁴ Balance amount of ₹ 2.51 crore due to UPRNN - ₹ 0.69 crore (Short release by the State Government).

⁵ 1. Construction of commercial complex: ₹ 49.72 lakh; 2. Tourist House: ₹ 57.64 lakh; 3. Construction of Road approaching to combined hospital: ₹ 19.19 lakh.

NPP, Jaspur stated that the work could not be constructed due to site dispute.

4.3 Non-deduction of labour cess

As per the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and “Building and other Construction Workers’ Welfare Cess Rules, 1998”, there shall be levied and collected a cess at the rate of one *per cent* on the cost of construction incurred by employers with a view to augmenting the resources of the building and other construction workers’ welfare boards constituted under the said Act.

In compliance of the above, the State Government issued a notification (May 2012) which stated that every establishment, which employs 10 or more workers in any building, or other construction works, are liable to pay cess under the Act including individual residential houses whose total cost of construction exceeds ₹ 10 lakh.

Scrutiny of records (November and December 2016) of two NPs⁶ and one NPP⁷ revealed that construction works costing ₹ 7.70 crore were carried out during the period 2014-16 but labour cess amounting to ₹ 7.70 lakh was not deducted from the contractors’ bills resulting in extending an undue benefit to the contractors besides non-compliance of the notification.

On this being pointed out in audit, the Executive Officers of the said Local Bodies replied that the deduction of the labour cess would be ensured in future.

4.4 Short realization of Revenue

Sections 504(1) and 506 of the Uttar Pradesh Municipal Act, 1959 provide that as soon as a person becomes liable for the payment of any sum, due to the Municipality, payable upon immediate demand, the Municipal Commissioner shall cause a bill to be presented to the person so liable, and if the sum for which a bill has been presented is not paid within fifteen days from the presentation thereof, the Municipal Commissioner may cause to be served upon him, a notice of demand in the form prescribed by rule. Further, Section 516(3) of the Act stipulates that if the occupier shall fail to pay to the Corporation any rent due or falling due which he has been required to pay in pursuance of a notice served upon him, the amount of such rent may be recovered from him as if it were an arrear of property tax. During the course of audit, following observations were made:

4.4.1 Outstanding House tax of ₹6.31 crore

In 11 ULBs⁸ there was an opening balance of outstanding house tax of ₹ 5.40 crore as of April 2015. A demand of ₹ 5.89 crore was raised during the period 2015-16. However, the ULBs could collect only ₹ 4.98 crore during 2015-16. The ULBs also did not initiate any action regarding realization of the outstanding amount, in violation of

⁶ Devprayag and Chamba.

⁷ Doiwala.

⁸ Two NNs: Kashipur and Rudrapur; Eight NPPs: Khatima, Jaspur, Mussoorie, Gopeshwar (Chamoli), Kotdwar, Uttarkashi, Karnprayag and Sitarganj; One NP: Devprayag.

the provisions of the Act, which clearly states that action should be initiated within fifteen days from the serving of the notice. As a result, House Tax of ₹ 6.31 crore was yet to be realized as of March 2016 (*Appendix-4.1*).

On this being pointed out in audit, the ULBs stated (April 2016-March 2017) that effective measures were being taken in this regard, and notices had been issued against the defaulters.

The reply was not acceptable as the slow pace of recovery adversely impacted the revenue receipts and fiscal health of ULBs, increasing their dependence on the State Government for meeting revenue and development expenditure.

4.4.2 Non-realization of rent of ₹4.01 crore

During audit, it was noticed that in 10 ULBs⁹, rental charges amounting to ₹ 3.21 crore were pending recovery as on March 2015 against those individuals who had been allotted shops/buildings owned by these ULBs. A further demand of ₹ 5.14 crore was raised during 2015-16. Against the total demand of ₹ 8.35 crore, only ₹ 4.34 crore had been recovered leaving an outstanding recovery of ₹ 4.01 crore as of March 2016 (*Appendix-4.2*).

The concerned Executive officers stated that notices would be served upon the defaulters, and the amount would be recovered shortly.

The reply was not convincing as, till date, no action had been initiated for timely realization of rent.

4.5 Non-adherence to the provisions of Solid Waste Management Rules

Rule 4 (1) of the Municipal Solid Wastes (Management and Handling) Rules, 2000 provides that every Municipal authority shall, within the territorial area of the Municipality, be responsible for the implementation of the provision of this rule, which advocates that infrastructure development for collection, storage, segregation, processing and disposal of municipal solid wastes shall be provided. Further, as per Rule 4 (2), every municipal authority or an operator of a facility shall seek authorization from the State Pollution Control Board (SPCB) or the Committee for setting up of waste processing and disposal facility including landfills. Schedule II of the said rules also stipulates that vehicles used for transportation of wastes shall be covered and should not be exposed to open environment preventing their scattering.

Scrutiny of records showed that little action had been initiated in creating the said infrastructure for Solid Waste Management. Some findings noticed in the different NPPs and NNs during the course of audit are:

➤ Audit of NPP, Khatima (August 2016) revealed that there was no trenching ground available with the NPP, and the waste was being disposed of in open forest reserve area

⁹ Two NNs: Kashipur and Rudrapur; Seven NPPs: Khatima, Jaspur, Mussoorie, Gopeshwar (Chamoli), Kotdwar, Uttarkashi and Karnaprayag; One NP: Devprayag.

for which no prior permission had been sought. Though an amount of ₹ 22.96 lakh was sanctioned and released to the said entity in February 2014 under Solid Waste Management, the said amount could not be utilised by the NPP on account of non-availability of suitable land required to be used as trenching/dumping ground and had to be surrendered (January 2015).

➤ Audit of NPP, Jaspur (June 2016) revealed that though the waste was being collected from the households, it was transported in open vehicles and was being dumped in open ground. Besides, segregation and processing of the solid waste was not taken up due to non-availability of trenching/dumping ground.

Place: Dehradun
Date: 22 June 2020



(Ajay Kumar K.)
Deputy Accountant General
(Local Bodies)

Countersigned

Place: Dehradun
Date: 22 June 2020



(S. ALOK)
Principal Accountant General (Audit)
Uttarakhand

APPENDICES

Appendix-1.1
(Reference: Paragraph No. 1.3; Page No. 2)

District-wise number of Panchayats in Uttarakhand

Sl. No.	Name of District	Numbers of Kshetra Panchayats	Numbers of Gram Panchayats
1.	Almora	11	1,166
2.	Bageshwar	3	416
3.	Chamoli	9	615
4.	Champawat	4	313
5.	Dehradun	6	460
6.	Haridwar	6	308
7.	Nainital	8	511
8.	New Tehri	9	1,038
9.	Pithoragarh	8	690
10.	Pauri Garhwal	15	1,212
11.	Rudraprayag	3	339
12.	U.S. Nagar	7	390
13.	Uttarkashi	6	500
Total		95	7,958

Source: Letter No. 674/P-2/Lekha/audit/2017-18 Dehradun dated 04.07.2017.

Appendix -1.2
(Reference: Paragraph No.1.5; Page No. 4)

Details of Meetings of Standing Committees in PRIs

Sl. No.	Name of the Standing Committee	No. of meetings required as per rule during 2016-17		No. of meetings held during the year 2016-17		Reason of shortage in conducting meetings, if any
		ZPs	KPs	ZPs	KPs	
1.	Planning & Development Committee	12	12	3	4	Due to lack of quorum ¹ .
2.	Education Committee	12	12	2	4	
3.	Works Committee	12	12	2	4	
4.	Health & Welfare Committee	12	12	2	4	
5.	Administrative Committee	12	12	2	4	
6.	Water Management Committee	12	12	2	4	
Total		72	72	13	24	

Note: Above figures have been taken on an average basis in 13 ZPs and 95 KPs.
Source: Letter No. 674/P-2/Lekha/audit/2017-18 Dehradun dated 04.07.2017.

¹ One third of the elected members.

Appendix - 1.3
(Reference: Paragraph No. 1.8; Page No. 7)

Manpower Arrangement in Directorate of Audit

Sl. No.	Name of Post	Sanctioned Strength				Shortage in percentage
		Cooperative and Local Funds section		Director of Audit		
		Sanctioned	Men-in-position	Sanctioned	Men-in-position	
1.	Director	-	-	01	01	0.0
2.	Additional Director	-	-	02	-	100.0
3.	Joint Director	-	-	04	-	100.0
4.	Deputy Director	-	-	08	2	75.0
5.	Audit Officer Grade	-	-	50	12	76.0
6.	Assistant Audit Officer	-	-	110	36	32.7
Total		-	-	175	51	

Source: Directorate of Audit, Uttarakhand.

Appendix - 1.4
(Reference: Paragraph No. 1.9; Page No. 8)

Devolution of Subjects in XIth Schedule of Constitution

Subject devolved	Subjects yet to be devolved
1. Drinking Water	1. Land improvement, implementation of land reforms, land consolidation and soil conservation.
2. Rural Housing	2. Animal husbandry, dairying and poultry.
3. Poverty Alleviation Programme	3. Fisheries.
4. Education including primary and secondary schools	4. Social forestry and farm forestry.
5. Adult and non formal education	5. Minor forest produce.
6. Libraries	6. Small scale industries, including food processing industries.
7. Cultural Activities	7. <i>Khadi</i> , village and cottage industries.
8. Family Welfare	8. Fuel and fodder.
9. Health and sanitation, including hospitals, primary health centres and dispensaries	9. Roads, culverts, bridges, ferries, waterways and other means of communication.
10. Women and Child Development	10. Rural electrification, including distribution of electricity.
11. Social Welfare including welfare of the handicapped and mentally retarded	11. Non-conventional energy sources.
12. Public Distribution System	12. Technical training and vocational education.
13. Minor Irrigation, water management and watershed development	13. Markets and fairs.
14. Agriculture, including agricultural extension.	14. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
	15. Maintenance of community assets.

Appendix - 2.1
(Reference: Paragraph No. 2.1; Page No. 11)

Number of PRIs audited during the Financial Year 2016-17

Sl. No.	Name of Audited Units
Zila Panchayats	
1.	Almora
2.	Bageshwar
3.	Chamoli
4.	Dehradun
5.	Haridwar
6.	Nainital
7.	Pauri
8.	Pithoragarh
9.	Tehri
10.	Udham Singh Nagar
Kshetra Panchayats	
1.	Agastmuni
2.	Bajpur
3.	Bhainsiyachana
4.	Champawat
5.	Chinyalisaur
6.	Devprayag
7.	Dharchula
8.	Doiwala
9.	Dwarahat
10.	Dwarikhal
11.	Ekeshwar
12.	Ghat
13.	Garud
14.	Jakholi
15.	Kalsi
16.	Kaljikhil
17.	Karnprayag
18.	Kashipur
19.	Khanpur
20.	Khatima
21.	Kirtinagar
22.	Kot
23.	Kotabagh
24.	Munakot
25.	Munsyari
26.	Narayanbagar
27.	Narandra Nagar
28.	Narsan
29.	Naugaon
30.	Pauri
31.	Purola
32.	Ramgarh
33.	Sahaspur
34.	Tarikhet
35.	Okhalkanda
Total	45 Units

Appendix - 2.2
(Reference: Paragraph No.2.1.4; Page No. 13)

Unadjusted Advances

Sl. No.	KSHTRA PANCHAYAT	NAME OF V D O S/Shri	YEAR OF SANCTION	AMOUNT OF ADVANCE	NO OF WORKS
1.	DEVPRAYAG	RAJWANT SINGH RAGAD	2010-11 & 2012-13	1,20,000	03
2.	"	SHIV PRASAD YADAV	2012-13	40,000	01
3.	"	ANURAG CHAUHAN	2015-16	2,50,000	05
4.	"	VINOD PRAKASH BHAT	2014-15	40,000	01
5.	"	VIRENDER CHAUHAN	2015-16	88,000	01
6.	"	PRAVIN KUMAR	2015-16	50,000	01
7.	"	AZAD VIR	2015-16	40,000	01
8.	"	SOHAN LAL RATURI	2015-16	40,000	01
9.	"	ARVIND GOSWAMI	2010-11	50,000	01
10.	NARENDRA NAGAR	JAYENDRA SINGH RANA	2015-16	1,85,000	04
11.	"	DANESH PALIWAL	2015-16	60,000	01
12.	"	N K NAUTIYAL	2015-16	1,00,000	02
13.	"	MOHAN LAL RATURI	2015-16	4,00,000	02
14.	"	ANIL RAYAL	2015-16	2,00,000	01
15.	"	ARVIND GAUR	2015-16	2,00,000	01
16.	"	VINOD BISHT	2015-16	4,00,000	01
17.	"	NAND KISHORE NAUTIYAL	2015-16	6,00,000	02
18.	"	SURESH CHAND ARYA	2007-08	87,622	04
19.	"	HARISH CHANDER SINGH NEGI	2010-11 to 2012-13	1,62,141	07
20.	TADIKHET	K. C TRIPATHI	2010-11 to 2011-12	94,995	02
21.	"	GOPAL RAM	2009-10 to 2011-12	3,13,657	04
22.	"	H. C. SUYAL	2010-11 to 2012-13	1,89,910	05
23.	"	M. S. ADHIKARI	2010-11 to 2012-13	2,10,000	04
24.	"	B. S. BISHT	2007-08 to 2009-10	1,08,000	02
Total				40,29,325	57

Appendix - 2.3
(Reference: Paragraph No.2.2.1; Page No. 14)

Scheme wise Details of Grants

(₹ in lakh)

Sl. No.	Scheme	OB	Grants Received	Total	Expenditure	CB	Savings (in per cent)
1.	MLA LAD	1,548.64	2,400.00	3,948.64	2,295.80	1,652.84	42
2.	UBBDF	171.93	328.07	500.00	328.07	171.93	34
3.	Deen Dayal Awaas	0.12	77.88	78.00	77.88	0.12	
4.	Zila Yojana	0	80.50	80.50	80.50	0	
5.	M G M S	0	288.75	288.75	280.00	8.75	
6.	MNREGA	136.00	10,602.79	10,738.79	10,670.65	68.13	
7.	CCS	11.70	35.30	47.00	36.90	10.10	21
8.	Peyjal Yojana	24.86	183.63	208.49	183.96	24.54	12
9.	K P Vikas Nidhi	94.94	134.74	229.68	229.68	0	
10.	TFC	0	1,759.53	1,759.53	1,759.14	0.39	
11.	State Finance	0	1,563.40	1,563.40	1,563.23	0.17	
12.	Panchayat Bhawan	0	140.77	140.77	131.56	9.21	
13.	N R L M	5.59	33.09	38.68	24.71	13.97	36
14.	Gramin Hut	8.59	0.25	8.84	7.59	1.25	
15.	Indra Awaas Yojana	116.40	413.45	529.85	425.00	104.85	20
16.	DRDA Admn.Fund	8.10	216.83	224.93	211.36	13.57	
17.	I W M P	53.19	146.41	199.60	143.95	55.65	28
18.	MPLAD	193.11	660.07	853.18	513.75	339.43	40
19.	BADP	1,489.92	1,812.73	3,302.65	1,262.73	2,039.92	62
20.	CM Shilp Vikas	2.38	5.21	7.59	3.80	3.79	
21.	Hariyali	14.77	7.66	22.43	22.43	0	
22.	S G S Y	2.65	28.79	31.44	31.44	0	
23.	Sarvbhoom Yojana	3.00	0.02	3.02	3.02	0	
24.	Trainings	0	10.51	10.51	10.28	0.23	
25.	Rapid Survey	0	4.83	4.83	4.83	0	
26.	Talab Yojana	0	10.00	10.00	10.00	0	
Total		3,887.89	20,945.21	24,833.10	20,312.26	4,520.85	

Appendix - 2.4
(Reference: Paragraph No.2.2.5; Page No. 16)

Details of incomplete Projects

(₹ in lakh)

Sl. No.	Name of schemes	No of incomplete projects	Sanctioned amount	Released Amount	Period of Delay
1.	MLA LAD	303	233.35	164.36	9-28 months
2.	TFC	06	3.20	1.74	19-28months
3.	Kshetra Panchayat Vikas Nidhi	05	2.64	1.30	12months
4.	Mera Gaon Meri Sadak	01	35.00	30.64	6 months
5.	Natural Disaster	01	2.50	1.05	20 months
6.	Border Area Development	09	327.13	196.34	6 months
7.	MP LAD	156	171.00	130.49	9-33 months
Total		481	774.82	525.92	

Source: Information provided by DDO, DPRO, DRDA & BDOs.

Appendix-3.1
(Reference Paragraph No. 3.5 and 4.1; Page No.20 and 25)

District-wise number of ULBs in Uttarakhand

Sl. No.	Name of the District	Name of Urban Local Bodies		
		NN	NPP	NP
1.	Almora	-	1. Almora 2. Ranikhet-Chiniyanaula	1. Dwarahat 2. Batrozkhana 3. Bhikiyasain
2.	Bageshwar	-	1. Bageshwar	1. Kapkot
3.	Chamoli	-	1. Chamoli (Gopeshwar) 2. Joshimath 3. Gauchar 4. Karnprayag	1. Badrinath 2. NandPrayag 3. Pokhari 4. Gairsain 5. Tharali 6. Pipalkoti
4.	Champawat	-	1. Tanakpur 2. Champawat	1. Lohaghat 2. Banbasa
5.	Dehradun	1. Dehradun	1. Vikas Nagar 2. Mussoorie 3. Rishikesh 4. Doiwala 5. Herbatpur	1. Selaqui
6.	Haridwar	1. Haridwar 2. Roorkee	1. Manglaur 2. Shivalik Nagar 3. Laksar	1. Jhabrera 2. Landhaura 3. Bhagwanpur 4. Piran Kaliyar
7.	Nainital	1. Haldwani	1. Bhowali 2. Nainital 3. Ramnagar	1. Bhimtal 2. Kaladhungi 3. Lalkuan
8.	New Tehri	-	1. New Tehri 2. Narendra Nagar 3. Munikireti 4. Devprayag 5. Chamba	1. Kirti Nagar 2. Chamiyala 3. Ghansali 4. Gaja 5. Lambgaon
9.	Pauri	-	1. Pauri 2. Srinagar 3. Dugadda 4. Kotdwar	1. SwargashramJaunk 2. Satpuli
10.	Pithoragarh	-	1. Pithoragarh 2. Dharchula 3. Didihat	1. Gangolihat 2. Berinag
11.	Rudraprayag	-	1. Rudraprayag	1. Agastyamuni 2. KedarNath 3. Ukhimath 4. Tilwara
12.	Udhamsingh Nagar	1. Kashipur 2. Rudrapur	1. Gadarpur 2. Jaspur 3. Bazpur 4. Kichha 5. Sitarganj 6. Khatima 7. Mahwakhedaganj	1. Mahuwadabra 2. Sultanpur Patti 3. Kelakhera 4. Dineshpur 5. Shaktigarh 6. Nanakmatta 7. Gularbhoj
13.	Uttarkashi		1. Uttarkashi 2. Barkot 3. Chinyalisaur	1. Gangotri 2. Purola 3. Naugaon

Nagar Nigams: 06, Nagar Palika Parishads: 43, Nagar Panchayats: 43.

Appendix-3.2

(Reference: Paragraph No.3.11 and 4.1; Page No. 23 and 25)

Number of ULBs audited during the Financial Year 2016-17

Name of the NN	Name of the NPP	Name of the NP
1. Dehradun	1. Doiwala	1. Chamba
2. Haldwani	2. Gopeshwar	2. Devprayag
3. Kashipur	3. Gauchar	3. Chinyalisaur
4. Rudrapur	4. Jaspur	4. Nandprayag
	5. Karanprayag	5. Ukhimath
	6. Khatima	
	7. Kotdwar	
	8. Mussoorie	
	9. Nanital	
	10. Sitarganj	
	11. Uttarkashi	
	12. Vikas Nagar	

Appendix-4.1
(Reference: Paragraph No. 4.4.1; Page No. 28)

Details of outstanding House tax

(₹ in lakh)

Sl. No.	Name of Unit	O.B.	House tax due for 2015-16	Total Due	Recovered During 2015-16	Balance
1.	Nagar Nigam Kashipur	52.81	100.00	152.81	98.10	54.71
2.	Nagar Nigam Rudrapur	50.44	151.98	202.42	79.57	122.85
3.	Nagar Palika Parishad Khatima	24.95	13.23	38.18	07.76	30.42
4.	NPP Jaspur	43.81	21.05	64.86	25.51	39.35
5.	NPP Mussoorie	319.13	251.80	570.93	234.07	336.86
6.	NPP Gopeshwar	15.24	16.40	31.64	18.08	13.56
7.	NPP Kotdwar	06.32	23.10	29.42	21.54	07.88
8.	NPP Uttarkashi	04.69	0.73	05.42	02.82	02.60
9.	NPP Karnprayag	11.82	03.13	14.95	03.17	11.78
10.	NPP Sitarganj	09.26	05.58	14.84	05.47	09.37
11.	Nagar Panchayat Devprayag	01.66	01.91(including 0.13 as penalty)	03.57	02.16	01.41
Total		540.13	588.91	1,129.04	498.25	630.79

Appendix-4.2
(Reference: Paragraph No. 4.4.2; Page No. 28)

Details of outstanding Rent

(₹ in lakh)

Sl. No.	Name of Unit	O.B.	Rent for 2015-16	Total Recoverable	Recovered During 2015-16	Balance
1.	Nagar Nigam Kashipur	31.66	30.22	61.88	25.48	36.40
2.	Nagar Nigam Rudrapur	10.98	19.00	29.98	18.97	11.01
3.	Nagar Palika Parishad Khatima	09.44	10.90	20.34	08.16	12.18
4.	NPP Jaspur	03.72	03.62	07.34	02.43	04.91
5.	NPP Mussoorie	224.51	361.49	586.00	300.21	285.79
6.	NPP Gopeshwar	23.75	43.24	66.99	36.33	30.66
7.	NPP Kotdwar	01.19	13.59	14.78	13.52	01.26
8.	NPP Uttarkashi	11.45	17.15	28.60	17.39	11.21
9.	NPP Karnprayag	04.00	10.66	14.66	07.85	06.81
10.	Nagar Panchayat Devprayag	0.50	03.81	04.31	03.26	01.05
Total		321.20	513.68	834.88	433.60	401.28

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