

OVERVIEW

This Report is in two parts and consists of four chapters. Chapters-1 and 2 pertain to Panchayati Raj Institutions and Chapters-3 and 4 pertain to Urban Local Bodies. A synopsis of important audit findings is presented in this overview.

Profile of Panchayati Raj Institutions (PRIs)

The 73rd Constitution Amendment Act accorded constitutional status to Panchayati Raj Institutions (PRIs). Twenty nine functions listed in 11th Schedule of the Constitution were to be devolved by the States to the PRIs, along with funds and functionaries.

In the State of Himachal Pradesh, there are 12 Zila Parishads (ZPs), 77 Panchayat Samitis (PSs) and 3,243 Gram Panchayats (GPs). During 2015-16, audit of four ZPs, 22 PSs and 129 GPs was conducted.

(Chapter-1)

Results of audit of Panchayati Raj Institutions

Audit of PRIs highlighted the following: (a) differences between figures of receipts and expenditure furnished to audit and those uploaded on PRIAsoft, (b) non-maintenance of registers such as stock register, immovable property register, work register, muster roll register, temporary advance register, grants-in-aid register, etc., (c) improper maintenance of accounts of income from own resources and grants-in-aid/ loans, (d) non-reconciliation between cash books and banks pass books, (e) non-conducting of physical verification (f) non-accounting of materials.

Eighty-four GPs did not realise house tax of ₹ 35.21 lakh. Twenty-seven PRIs failed to realise an amount of ₹ 48.65 lakh on account of rental charges of shops. Revenue of ₹ 16.47 lakh on account of installation/ renewal charges of Mobile Towers in 40 GPs remained unrealised. An expenditure of ₹ 3.79 crore was incurred by four PRIs without preparing/ passing budget estimates. In 33 PRIs, funds of ₹ 1.42 crore remained unspent due to non-commencement of works. In 25 PRIs, funds of ₹ 1.08 crore remained unspent due to non-completion of works. In 111 PRIs, funds from 13th Finance Commission amounting to ₹ 34.58 crore remained unutilised on account of non-commencement of works, incomplete works and non-release of funds. Funds of ₹ 4.54 crore earmarked for minor irrigation schemes remained unutilised in Personal Ledger Account of three PRIs. Eight GPs deployed the same labourers on different works in the same period. Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme suffered from delay in release of labour payments.

(Chapter-2)

Profile of Urban Local Bodies (ULBs)

The 74th Constitution Amendment Act paved the way for decentralization of power and transfer of 18 functions listed in the 12th Schedule of the Constitution along with funds and functionaries to Urban Local Bodies (ULBs). In Himachal Pradesh, although 17 functions stand transferred to ULBs, the corresponding funds and functionaries were yet to be transferred to the ULBs. There are two Municipal Corporations, 30 Municipal Councils (MCs) and 22 Nagar Panchayats (NPs) in the State. During the year 2015-16, audit of one Municipal Corporation, 11 Municipal Councils and four Nagar Panchayats was conducted.

(Chapter-3)

Results of audit of Urban Local Bodies

Audit of ULBs highlighted the following: (a) non-preparation of annual accounts, (b) non-constitution of Planning Committee, (c) non-preparation of budget estimates, (d) non-reconciliation between cash and bank pass books, (e) non-conducting of physical verification and (f) non-accounting of materials.

In 17 ULBs, house tax of ₹ 17.82 crore remained outstanding for a period ranging between one and more than 50 years. Eighteen ULBs failed to realise rent from shops/ booths/ stalls amounting to ₹ 5.43 crore. Failure to realise installation/ renewal charges on mobile towers by 10 ULBs resulted in loss of revenue of ₹ 24.43 lakh. Two MCs failed to collect safai /sanitation tax resulting in loss of revenue of ₹ 18.38 lakh. There was blocking of funds of ₹ 4.63 crore due to non-commencement of 93 development works in nine ULBs. Recovery of building tax and energy charges from Electrical Engineer, Himachal Pradesh State Electricity Board Limited Hamirpur amounting to ₹ 1.45 crore remained outstanding. Failure of MC Parwanoo to realise charges on account of rent, electricity, water and other expenses resulted in loss of revenue of ₹ 31.68 lakh. The MC Kullu sanctioned temporary advances amounting to ₹ 26.09 lakh during 2011-12 to 2014-15 without adjustment of previous advances.

(Chapter- 4)