

Overview

OVERVIEW

Profile of Urban Local bodies

There are two Municipal Corporations, six Municipal Councils and seventy two Municipal Committees. Though State Government prepared J&K Municipal Accounting Manual, this has not been fully adopted.

(Paragraphs: 1.2 & 1.4)

The State Government under the provisions of J&K Municipal Corporation Act, 2000 and J&K Municipal Act, 2000, notified (April 2013) 18 mandatory functions and powers to ULBs, out of which only eight functions, were carried out by the ULBs.

(Paragraph: 1.3)

85 *per cent* of funds were allocated under non-plan and merely 15 *per cent* of funds were allocated for plan expenditure by the State Government to the ULBs during the period 2011-15 indicating that adequate attention was not given towards developmental activities.

(Paragraph: 1.7)

The term of the elected representatives of the ULBs in the State expired in March 2010 and no elections had been held since then. Due to non holding of municipal elections, the State Government lost the financial assistance of ₹169.28 crore under the 13th Finance Commission Award.

(Paragraphs: 1.1 & 1.8.1)

Technical guidance and Supervision Role

Accountant General (Audit) provided technical guidance and assistance to Director, LFA&P regarding preparation of annual audit plan for the year 2015-16 and measures to be taken for improving the quality of Audit Inspection Reports. Accountant General (Audit) also imparted training to 36 staff members of local fund audit for capacity development on subjects relating to drafting of Audit Inspection Reports and maintenance of objection book items during the month of December 2015.

(Paragraphs: 2.3, 2.5 & 2.8)

Result of Audit of Urban Local Bodies

All the works relating to construction of 382 dwelling units under BSUP were retendered but penalty of ₹28.50 lakh, as provided under the terms and conditions of the contract was not imposed upon the defaulting contractors. Further, against the allotted cost of ₹50.22 lakh for construction of 18 units at Tibetan Colony, an amount of ₹105.85 lakh was paid to the contractor on account of his work done claims which resulted in excess payment of ₹55.63 lakh to the contractor.

(Paragraph: 3.3.1)

Faulty decision on part of the Srinagar Municipal Corporation resulted in idle parking lots and subsequent loss of ₹16.40 lakh to the Corporation.

(Paragraph: 3.4.2)

Due to weak recovery mechanism there was short realization of rent of ₹534.22 lakh from flats/shops/godowns rented out by nine ULBs.

(Paragraph: 3.5.1)

Failure on part of the Srinagar Municipal Corporation to take timely actions resulted in non recovery of ₹218.35 lakh on account of rent and premium of the shops allotted under the rehabilitation package.

(Paragraphs: 3.5.2 & 3.5.3)

The ULBs had failed to safeguard their financial interests as a result the contract amount of ₹44.55 lakh on account of Lory Adda Toll had not been recovered from the respective contractors by seven ULBs during the period 2010-15.

(Paragraph: 3.6.1)

Delay in submission of report by the enquiry committee resulted in non recovery of the embezzled amount of ₹19.49 lakh besides not initiating of action against the defaulting official.

(Paragraph: 3.7.1)

Failure on part of the Srinagar Municipal Corporation to comply with the orders and instructions issued by the Government from time to time resulted in inadmissible payment of ₹24.73 lakh to the Advocate General of the State and Standing Counsels.

(Paragraphs: 3.7.4 & 3.7.5)

Inaction on part of the Srinagar Municipal Corporation has resulted in non recovery of ₹41.51 lakh on account of garbage collection charges for the period 2013-15.

(Paragraph: 3.7.10)

Due to non maintenance of proper tax records, Rajouri Municipal Committee had failed to levy/ recover Professional Tax and User Sanitation Charges during the period 2010-15 and suffered a revenue loss of ₹37.14 lakh.

(Paragraph: 3.8.2)