
Overview

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Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) fall under Panchayat Raj and Rural Development (PR&RD) and Municipal Administration and Urban Development (MA&UD) departments respectively. The Audit Reports on Local Bodies have been presented to the State Legislature since March 2008. Total seven Audit Reports (2005-06 to 2013-14 for erstwhile State of Andhra Pradesh excluding 2010-11 to 2011-12) were presented in the State Legislature of Andhra Pradesh and two for the years 2014-15 and 2015-16 in the State Legislature of Telangana. However, discussions have not taken place in the State Legislature since 2008. Explanatory notes were not received to any of the paragraphs and reviews included in the above Audit Reports.

This Report of the Comptroller and Auditor General of India (C&AG) on Government of Telangana includes results of one Performance Audit, one detailed Compliance Audit paragraph and six Compliance Audit paragraphs of PRIs and ULBs. These are as follows:

- Performance Audit on ‘Greater Hyderabad Municipal Corporation’
- Detailed Compliance Audit on ‘Land management in Panchayat Raj Institutions’
- Compliance Audit Paragraphs

An overview of the significant audit observations is given below:

Performance Audit on Greater Hyderabad Municipal Corporation

Greater Hyderabad Municipal Corporation (GHMC) covering an area of 650 sq. kms, was formed in April 2007 by amalgamating the erstwhile Municipal Corporation of Hyderabad (MCH) with 12 other municipalities. Functioning of GHMC is governed by GHMC Act, 1955. Performance Audit of GHMC in four selected areas viz., building permissions, property tax, solid waste management and storm water drains was carried out covering the period from 2012-13 to 2016-17. The overview of audit findings is given below:

- *GHMC could not ensure compliance with regard to implementation of Building Rules issued by Government. This resulted in deviations to the approved plans and proliferation of unauthorised constructions. During 2012-17, deviations existed in 30,864 assessments (41 per cent) out of 75,387 property tax assessments in test-checked Circles. Of these, 10,460 were unauthorised constructions.*

[Paragraph 4.4.4]

- *GHMC did not ensure strict compliance with regard to enforcement of penal provisions for non/delay in payment of Property Tax. Of the total arrears of ₹1,403.43 crore as of March 2017 in respect of residential and*

non-residential properties, an amount of ₹900.33 crore (64 per cent) was pending for more than three years from 1,78,701 assessments.

[Paragraph 4.5.4]

- *Lack of data integration between the Town Planning wing (building permissions) and Revenue wing (Trade licenses and Property Tax) resulted in short assessment of Property Tax. Audit analysis in six test-checked Circles showed short assessment of ₹5.25 crore in 708 assessments.*

[Paragraph 4.5.3]

- *Corporation undertook 71 improvement works on 26 storm water drains with estimated cost of ₹350.13 crore. A total of ₹187.80 crore was expended on these works as of July 2017. Of these, 39 works were completed. 16 works were in-progress and 16 works were stopped mid-way due to failure of GHMC in evicting encroachments.*

[Paragraph 4.7.3]

- *Collection of segregated waste from primary waste generating units was only 27 per cent of the total Municipal Solid Waste. Further, the poor segregation facilities at transfer stations burdened the landfill site.*

[Paragraphs 4.6.4.2 and 4.6.4.4]

- *Efforts for processing and safe disposal of waste was not effective. Establishment of waste to energy plants[#], which was envisaged as important source of disposal of Municipal Solid Waste had not materialised due to land issues. Two new processing and disposal units at Choutuppall and Lakdaram were yet to be established. Reclamation of existing dump sites was also not done.*

[Paragraph 4.6.4.4]

- *The draft master plan for strengthening storm water drainage system for the city prepared in 2011 was yet to be implemented. There were 461 water logging points in the city, of which 52 points were critical and 67 major traffic junctions. All these water logging points were prone to risk of inundation during monsoon due to non-availability of connecting / aligning system to the nearby storm water drains.*

[Paragraphs 4.7.1.1 and 4.7.1.3]

- *GHMC failed in protecting water bodies. There were 12,182 encroachments along nalas and water bodies, of which only 847 (7 per cent) were evicted as of July 2017. Seventeen lakes were not traceable while nine lakes were fully encroached. The incidence of*

[#] a power generation plant that will generate electricity by using the municipal solid waste

missing lakes showed non-protection of water bodies resulting in continuance of inundation during monsoons.

[Paragraphs 4.7.4.1 and 4.7.4.2]

Compliance Audit Paragraphs

Land management in Panchayat Raj Institutions

Audit of 'Land management in Panchayat Raj Institutions' was carried out in five Zilla Praja Parishads, 25 Mandal Praja Parishads and 46 Gram Panchayats for the period 2014-17. The overview of audit findings is given below:

- PRIs did not have records detailing the inventory of land in their possession. In the absence of records, stewardship was rendered difficult. This resulted in encroachment of PRIs land of 26 acres and 26 guntas in two Zilla Praja Parishads (Karimnagar and Rangareddy) and one Gram Panchayat (Aushapur GP of Rangareddy district).*

[Paragraph 2.1.6]

- As per Layout Rules 2002, 10 per cent of the total layout area developed in Gram Panchayat should be transferred free of cost to the GP by the developer. Audit observed that 161 acres and 24 guntas of land valuing ₹90.13 crore was not transferred in 29 GPs.*

[Paragraph 2.1.4.1]

Non-protection of land from encroachments

Inadequate stewardship of land of Telangana State Institute of Panchayat Raj and Rural Development (TSIPARD) led to encroachment of 27 acres and 20 guntas of land with market value of ₹247.50 crore.

[Paragraph 2.3]

Incomplete water supply project

The Rural Water Supply department failed to initiate timely action to identify the source of funding before taking up the water supply scheme and completion of works in time. This had resulted in non-completion of the water supply scheme and thereby ultimate objective of providing safe drinking water to all the intended habitations could not be achieved.

[Paragraph 2.5]