

Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2021 has been prepared for submission to the Governor of the State of Uttarakhand under Article 151(2) of the Constitution of India.

The Report contains the results of the Performance Audit on 'Implementation of 74th Constitutional Amendment Act', covering the period 2015-20.

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

Out of 18 functions, specified in 12th Schedule of the Constitution, 14 functions have been devolved either fully or partially. Audit observed that the legal provisions were not backed by decisive actions resulting in a situation in which the spirit of the 74th Constitutional Amendment Act has not fructified. This was especially true in case of provisions pertaining to the devolution of functions and creation of appropriate institutional mechanism for effective decentralisation. There was shortfall in men-in-position ranging from 62 to 75 *per cent* in ULBs and the highest shortfall lies with the centralized staff which provides leadership to municipal bureaucracy. The funds allocated by the Central Government were fully released except the Performance Grant for the year 2018-19 and 2019-20. The ULBs lacked autonomy in levying and collecting their own sources of revenue.

Audit wishes to acknowledge the co-operation received from Government of Uttarakhand at each stage of the audit process.

