

OVERVIEW

This Report is in two parts and consists of five chapters. Chapters 1, 2 and 3 deal with Panchayati Raj Institutions and Chapters 4 and 5 deal with Urban Local Bodies. A synopsis of audit finding is presented in this overview:

Profile of Panchayati Raj Institutions (PRIs)

There are 12 Zila Parishads (ZPs), 77 Panchayat Samitis (PSs) and 3243 Gram Panchayats (GPs) in the State. Audit observed several deficiencies in the working of the Panchayati Raj Institutions. Expenditure was incurred without approval of budget estimates. Important registers like stock register, immovable property register, works register, muster roll register, etc were not maintained. Reconciliation between cash books and bank pass books at the close of the year was not carried out. Outstanding Inspection Reports and paragraphs were on the increasing trend.

(Chapter 1)

Performance Audit on Backward Region Grant Fund

Backward Region Grant Fund (BRGF) programme was launched by the Prime Minister on 19 February, 2006 to redress regional imbalances in development by providing financial resources for supplementing and converging existing developmental inflows in identified districts. The programme was launched in 2006 - 07 by the Ministry of Panchayati Raj, Government of India (GOI) in Himachal Pradesh for two backward districts (Chamba and Sirmour). A performance audit of the programme revealed non-preparation of the district vision plan to bridge the critical gaps in local infrastructure and other development requirements at grass root level resulting in execution of works in an unplanned manner. While identifying the works/ schemes, the District Planning Committee ignored the instructions issued by the High Power Committee. As a result, sectors like Public Health, Animal Husbandry, Minor Irrigation, Drinking Water etc. were given least importance. An innovative feature of the BRGF programme was to ensure transparency by examination of peer review reports of the Gram Panchayats by the Review Committee at District level. However, the Review Committee constituted for examining the peer review reports neither inspected the works nor convened any meeting resulting in ineffective monitoring.

(Chapter 2)

Results of Audit of Panchayati Raj Institutions

In one GP there was no record of closing balance of ₹1.09 lakh. One ZP and five GPs retained cash in hand in excess of the prescribed limit. Eight GPs and two PSs did not take action to recover/ adjust the outstanding advances of ₹ 14.10 lakh. Funds amounting to ₹8.74 lakh earmarked for minor irrigation schemes remained un-utilised in Personal Ledger Account (PLA). Revenue of ₹3.07 lakh remained un-realised on account of installation/ renewal charges of Mobile Towers in 19 GPs. Thirty four GPs purchased material costing ₹2.09 crore without inviting quotations/ tenders. Forty five GPs did not realize house tax of ₹8.86 lakh. Ten PRIs failed to realize the rent of shops amounting to ₹14.14 lakh. Sixty two GPs did not recover royalties of ₹20.54 lakh from suppliers. Eighteen GPs deployed same labourers on different works in the same period. Six GPs paid ₹0.10 lakh as wages for non-existent dates of a calendar month. GP, Bhalwani made payment of ₹12.07 lakh without pass orders. Mahatma Gandhi National Rural

Employment Guarantee Scheme suffered from non-maintenance of wage-material ratio, delay in release of labour payment and payment of extra wages to elected members of Gram Panchayats.

(Chapter 3)

Profile of Urban Local Bodies (ULBs)

There is one Municipal Corporation, 25 Municipal Councils (MCs) and 23 Nagar Panchayats (NPs) in the State. Overall control of the ULBs rests with Pr. Secretary (Urban Development) to the Government of Himachal Pradesh, through Director, Urban Development Department. The State Government has not made provision in Acts/ Rules for certification of Accounts. Test-check of the records of one Municipal Corporation, eight MCs out of 25 Municipal Councils and five Nagar Panchayats out of 23 Nagar Panchayats were conducted during 2010-12.

(Chapter 4)

Results of Audit of Urban Local Bodies

Municipal Corporation failed to levy general tax of ₹ 15.73 crore from the owners of the newly merged areas. Municipal Council, Una failed to receive developmental grant of ₹ 91 lakh from GOI due to delay in commencement of work. Municipal Council Dalhousie failed to realize ₹ 5.19 crore lease money from various lessees. Non-revision of rates of house tax by six Urban Local Bodies as per recommendations of State Finance Commission resulted in loss of revenue of ₹ 1.18 crore. Fourteen Urban Local Bodies failed to realize the rent of shops from allottees amounting to ₹ 4.85 crore. Due to ineffective monitoring, revenue of ₹ 4.90 crore on account of house tax in thirteen Urban Local Bodies remained outstanding. Failure to realize the installation/ renewal charges of mobile towers by nine ULBs resulted in loss of revenue of ₹ 14.75 lakh. Due to non levy of Service Tax, Municipal Corporation, Shimla suffered avoidable financial burden of ₹ 57.74 lakh. Two Municipal Councils and one Nagar Panchayat irregularly incurred ₹ 85 lakh on developmental works on land not pertaining to these municipalities. Municipal Council Una did not utilize the building constructed at a total cost of ₹ 15 lakh.

(Chapter 5)