



**Annual Technical Inspection Report**  
**on**  
**Panchayati Raj Institutions and Urban Local Bodies**  
**for the year ended 31 March 2013**



The Report has been laid on the table of the State Legislature Assembly on 23-07-2007

**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT), TRIPURA, AGARTALA**

**In terms of the Technical Guidance and Support (TGS)  
by the Comptroller and Auditor General of India**

**Government of Tripura**

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## **PREFACE**

This report has been prepared for submission to the Government of Tripura in accordance with the terms and conditions of the Technical Guidance and Support (TGS) on the audit of accounts of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) entrusted by the Government of Tripura to the Comptroller & Auditor General of India under Section 20 (1) of the C&AG's (DPC) Act, 1971, in 2011.

2. This Annual Technical Inspection Report for the year 2012-13 is a consolidation of major audit findings arising out of audit of accounts of 165 PRIs (one Zilla Parishad, 11 Panchayat Samitis and 153 Gram Panchayats) and five ULBs (Agartala Municipal Council and four Nagar Panchayats) conducted during 2013-14 which were constituted as per 73<sup>rd</sup> and 74<sup>th</sup> Constitutional amendment Act. The Report, however, excludes the areas of the State covered under Sixth Schedule of the Constitution of India i.e. Tripura Tribal Areas Autonomous District Council (TTAADC).

3. The Report contains four Chapters, Chapter I contains an overview and financial reporting of PRIs. Chapter II contains Audit of Transactions of PRIs. Chapter III contains an overview and financial reporting of ULBs and Chapter IV contains Audit of Transactions of ULBs for the year ended 31st March 2013.

4. The purpose of this report is to provide an overview of the functioning of PRIs and ULBs in the State and draw the attention of the concerned Executive Departments to take appropriate remedial action wherever necessary.

# OVERVIEW

This Report, dealing with the results of audit of accounts of Local Bodies, is prepared in two parts and consists of four chapters. Part-I deals with Panchayati Raj Institutions and Part II deals with Urban Local Bodies. A synopsis of audit findings is presented in this overview.

## Part-I

### Chapter- I

#### An Overview of the Panchayati Raj Institutions

There were 4 Zilla Parishads, 23 Panchayat Samitis and 511 Gram Panchayats in Tripura as of March 2013.

*(Paragraph 1.1)*

The State Government had devolved only 5 subjects out of 29 listed in the 11<sup>th</sup> Schedule of the Constitution to PRIs. Besides, the transfer of functionaries to PRIs was not done.

*(Paragraph 1.6)*

A test check of records of PRIs during 2013-14 revealed that none of the PRIs finalised Annual Accounts. In the absence of Annual Accounts, the actual financial position of the respective PRIs could not be ascertained.

*(Paragraph 1.13.2)*

Scrutiny of the records of one Zilla Parishad and 11 Panchayat Samitis revealed that neither the Zilla Parishad nor the Panchayat Samitis had prepared the budget indicating estimated receipts and disbursement for the year upto 2012-13 and the expenditures were incurred without preparing the budget.

*(Paragraph 1.13.3)*

### Chapter- II

#### Audit of Transactions in Panchayati Raj Institutions

₹ 52 lakh was utilised towards non-permissible works under MGNREG Scheme

*Paragraph 2.1*

₹ 7.62 lakh was paid to Tripura State Electricity Corporation Limited being 20 per cent of power consumption bills from Panchayat Development Fund without collecting the same from the users of lift irrigation schemes. *(Paragraph 2.2)*

Utilisation certificates to the extent of ₹ 4.94 crore were pending with the Implementing Agencies. *(Paragraph 2.3)*

Matabari Panchayat Samiti had parked ₹ 26.92 lakh under different schemes in bank account. *(Paragraph 2.4)*

Advances given to Implementing Officers for implementation of developmental works remained un-adjusted. *(Paragraph 2.5)*

Stall rent of ₹ 1,19,125 and lease rent of ₹ 1,10,500 remained outstanding in respect of Matabari Panchayat Samiti. *(Paragraph 2.6)*

Bokafa Panchayat Samiti paid ₹ 4,26,557 to the suppliers for purchase of timbers and furniture without deducting Value Added Tax of ₹ 45,058. *(Paragraph 2.7)*

## **Part-II**

### **Chapter- III An Overview of the Urban Local Bodies**

There were 16 Urban Local Bodies (1 Municipal Council and 15 Nagar Panchayats) in the State as of March, 2013. *(Paragraph 3.1.2)*

All the 18 functions listed in the XII Schedule of the Constitution had been transferred by the State Government to the ULBs. However, functions like fire services, roads and bridges were still controlled by the State Government departments. *(Paragraph 3.6)*

The four test checked ULBs had not finalised their accounts for the year 2012-13. *(Paragraph 3.9.3)*

Test check of records of four Nagar Panchayats revealed that none of the Nagar Panchayats had prepared the budget. *(Paragraph 3.9.4)*

## **Chapter- IV**

### **Audit of Transactions in Urban Local Bodies**

Khowai Nagar Panchayat had taken up single work by splitting in smaller components to avoid technical sanction of higher authority in violation of CPWD Manual.

*(Paragraph 4.1)*

Kumarghat Nagar Panchayat placed ₹ 10 lakh with District Panchayat Officer, Unakoti District, for Solid Waste Management from Tripura Urban Employment Programme fund.

*(Paragraph 4.2)*

Non-adherence of prescribed guidelines resulted in irregular implementation of works under Member of Parliament Local Area Development Fund Scheme.

*(Paragraph 4.3)*

There was poor/non utilisation of developmental funds under different schemes in Amarpur Nagar Panchayat.

*(Paragraph 4.4)*

Kumarghat Nagar Panchayat could not collect revenue to the extent of ₹ 10.67 lakh and therefore it remained unrealised.

*(Paragraph 4.5)*



## CHAPTER I

### SECTION 'A' AN OVERVIEW OF PANCHAYATI RAJ INSTITUTIONS (PRIs)

#### 1.1 Background

Post 73<sup>rd</sup> Constitutional amendment, the Government of Tripura enacted the Tripura Panchayats Act, 1993 with a view to establish three tiers Panchayati Raj system in the State (except areas covered under Tripura Tribal Areas Autonomous District Council). In Tripura three tier Panchayats i.e. Gram Panchayat at Village level, Panchayat Samiti at Block level and Zilla Parishad at district level was established to enable PRIs to function as local self government institutions.

The Constitutional amendment provides for devolution of powers and responsibility with respect to preparation of plans and programmes for economic development and social justice. It also provides transferring 29 subjects listed in the Eleventh Schedule of the Constitution of India.

The legislative framework for conduct of business of the PRIs includes:

- 1) Tripura Panchayat Act, 1993 and
- 2) Tripura Panchayats (Administration) Rules, 1994.

As of March 2013, there were 4 Zilla Parishads (ZPs), 23 Panchayat Samitis (PSs) and 511 Gram Panchayats (GPs) in Tripura where 73<sup>rd</sup> Constitutional amendment is applicable in the State.

#### 1.2 State profile

Tripura, a State in North East India, is a land-locked State, surrounded by Bangladesh on its North, South and West. Tripura became a full-fledged State of the Indian Union on 21 January 1972. The length of its international border is 856 km (84 *percent* of its total border), while it shares a 53 km-long border with Assam and a 109 km-long border with Mizoram. In the North East, Tripura comes second to Assam in respect of population and population density. It covers an area of 10,491.69 sq. km. Out of this total area, 7132.56 sq. km (68 *percent* of the State) comes under the Tripura Tribal Areas Autonomous District Council (TTAADC) set up under Sixth Schedule to the Constitution of India. At present there are eight districts, 23 sub-divisions and 58

blocks in Tripura. Important statistics of the State as per Census of 2011 are shown in the following **Table 1.1**:

**Table 1.1: Statistics of the State**

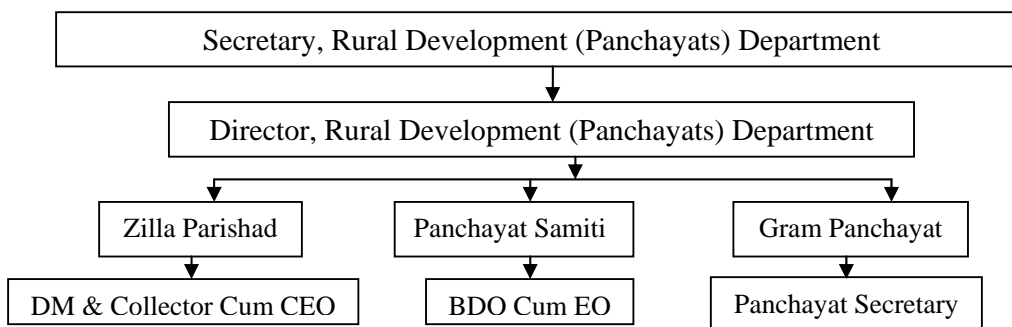
Indicator	Nos./percentage
Total population	36,71,032
Percentage of decadal variation (2001-2011)	14.75
Male	18,71,867
Female	17,99,165
Sex ratio (female per 1000 male)	961
Indicator	Nos./percentage
Density(per sq km)	350
Overall literacy rate (%)	87.80
Male literacy (%)	92.20
Female literacy (%)	83.20

Source: Census of 2011.

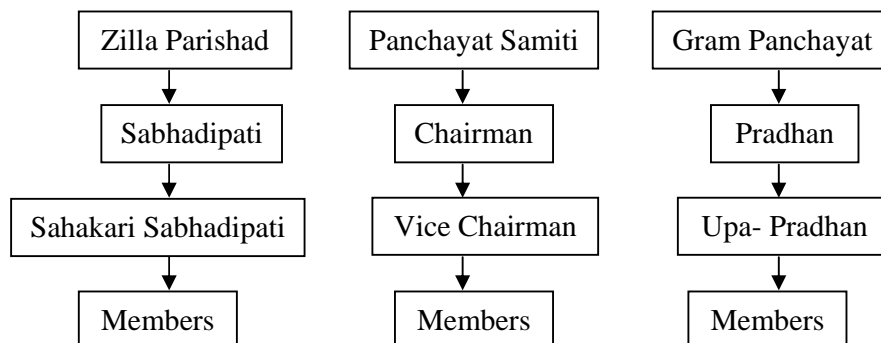
### 1.3 Organisational structure of PRIs

The Secretary, Rural Development Department is the overall in-charge of PRIs in the State. The Organisational structure with respect to functioning of PRIs in the State is as under:

#### Administrative Body



#### Elected Body



The Zilla Parishad is headed by the Sabhadhipati, while the Panchayat Samiti and Gram Panchayat are headed by the Chairman and the Pradhan who are elected representatives of the respective PRI.

At the district level, the District Magistrate & Collector-Cum-Chief Executive Officer (CEO) of Zilla Parishad carries out the policies and directives of the Zilla Parishad, discharges duties defined under the Act, controls the officers/officials of Zilla Parishad and has custody of all papers and documents of Zilla Parishad. Under the CEO, District Panchayat Officer discharges day-to-day administrative functions of the Zilla Parishad as Ex-officio Secretary.

The functions of the Block Development Officer-Cum-Executive Officer in Panchayat Samiti are to exercise all the powers conferred under the Act, to supervise and control the officials working under him, to supervise the execution of all works, to take custody of all papers and documents of Panchayat Samiti including drawals and disbursement of money out of the Panchayat Samiti fund. Panchayat Officer or Panchayat Extension Officer acts as Ex-officio Secretary of the Panchayat Samiti.

The Panchayat Secretary is responsible for convening the meeting of Gram Sabha, maintenance of the records of Gram Panchayat, implementation of various developmental works and transaction of business as provided in the Act.

### 1.3.1 Standing Committees

Section 107 and 152 of the Tripura Panchayats Act, 1993 provide that Panchayat Samiti (PS) and Zilla Parishad (ZP) shall constitute standing committees to perform the assigned functions. The leadership of the committees is given in the following

**Table 1.2:**

**Table 1.2: Leadership of the Standing Committees.**

PRI	Standing Committees	Leadership
ZP/PS	(a) Finance, Audit & Planning Committee (b) Education, Environment, Cultural, Health and Sports Affairs Committee (c) Communication, Rural Electrification and Non Conventional Energy Committee (d) Industries including Cottage Industries and Sericulture Committee (e) Social Justice Committee (f) Agriculture, Food, Irrigation, Cooperation, Fishery and Animal Husbandry Committee (g) Poverty Alleviation etc. Committee	Sabhadhipati in case of ZP and Chairman in case of PS is the ex-officio President of the Finance, Audit & Planning Committee. Presidents of other committees are elected among the elected members.

Source: The Tripura Panchayats Act, 1993

As per Rule 30 of the Tripura Panchayats (Administration) Rules, 1994 every Panchayat Samiti and Zilla Parishad shall hold a meeting once in a month on such date and time as may be fixed by the Sabhadhipati to discuss and to decide for implementation of various developmental works. Test check of records of one Zilla Parishad and 11 Panchayat Samitis revealed that Standing Committee Meetings were not held regularly as per the Act as shown in **Appendix 1.1**.

Non-holding of regular meetings indicated that the activities of the Zilla Parishad and Panchayat Samitis through different Standing Committees were not adequately monitored and reviewed. The roles and responsibilities of the Standing Committees are given in **Appendix 1.2**.

## **1.4 Financial profile**

### **1.4.1 Fund flow to PRIs**

The resource base of PRIs mainly consists of Panchayat Development Fund (PDF) and Central Finance Commission (CFC) grants for development and maintenance purposes. Besides, the PRIs receive funds under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) outside the State budget. The own sources of funds in PRIs is meager as there is no tax revenue in the PRIs. The fund-wise source and its custody for each tier and the fund flow arrangements in flagship schemes are given in following **Table 1.3** and **1.4** respectively. The authorities for reporting use of funds in respect of ZPs, PSs and GPs are Chief Executive Officer, Executive Officer and Panchayat Secretary respectively.

**Table 1.3: Fund flow mechanism in PRIs.**

Name of Fund	Zilla Parishads		Panchayat Samitis		Gram Panchayats	
	Source of fund	Custody of fund	Source of fund	Custody of fund	Source of fund	Custody of fund
Own receipts <sup>1</sup>	Assessees and users	Bank	Assessees and users	Bank	Assessees and users	Bank
PDF <sup>2</sup>	State Govt.	-do-	State Govt.	-do-	State Govt.	-do-
CFC <sup>3</sup>	GOI	-do-	GOI	-do-	GOI	-do-
MGNREGS <sup>4</sup>	GOI	-do-	GOI	-do-	GOI	-do-

<sup>1</sup> Register of Ordinary Residents fees, Stall rent, Hall rent, Lease money from ponds etc.

<sup>2</sup> Panchayat Development Fund

<sup>3</sup> Central Finance Commission

<sup>4</sup> Mahatma Gandhi National Rural Employment Guarantee Scheme

**Table 1.4: Fund flow arrangements in flagship schemes.**

Sl. No.	Scheme	Fund flow
1	2	3
1	Central Finance Commission grants	Government of India transfers the fund to the State exchequer, which is released to the Rural Development (Panchayats) Department. The RD (Panchayats) Department transfers the fund to the respective bank accounts of ZPs, PSs and GPs.
2	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	GOI and State Government transfer their respective shares of MGNREGA funds to the District Programme Coordinators (DPC) <i>i.e.</i> District Magistrate & Collector. DPC transfers the funds to ZPs, PSs and GPs through DRDA.

It is enjoined upon sanctioning authorities in Government of India (GOI) to ensure proper utilisation of grant money. This is achieved through receipt of progress reports, utilisation certificates by the implementing agencies. Each sanction of grant contains certain conditions of grants-in-aid mentioned in General Financial Rules.

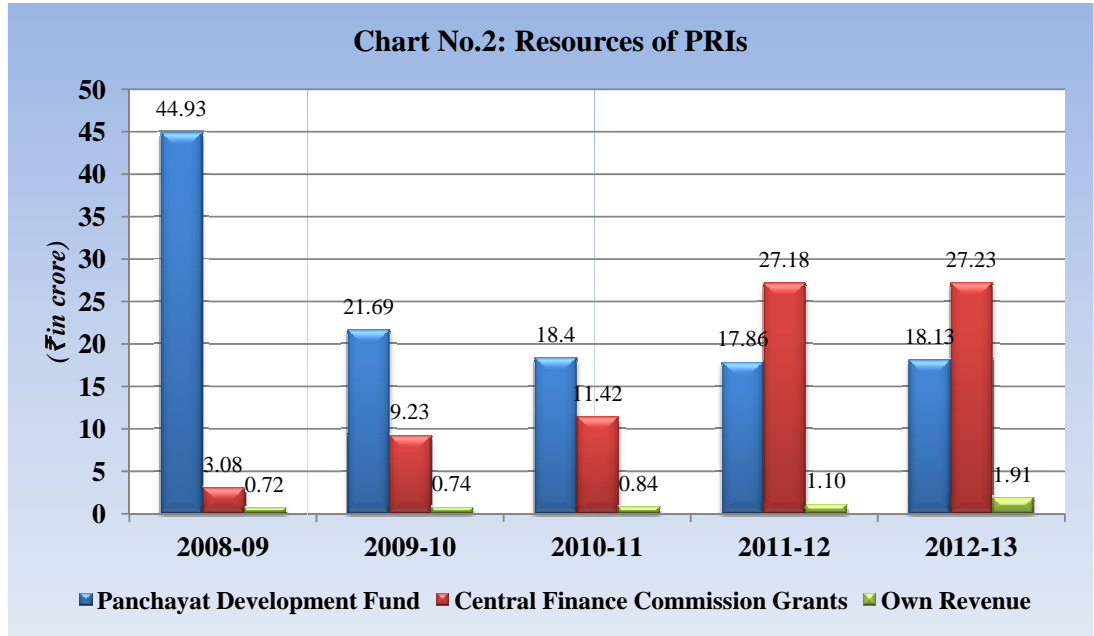
#### 1.4.2 Resources: Trends and Composition

The following **Table 1.5** shows the trends of resources of PRIs for the period 2008-09 to 2012-13.

**Table 1.5: Time series data on resources of PRIs.**

Head	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Panchayat Development Fund	44.93	21.69	18.40	17.86	18.13
Central Finance Commission grants	3.08	9.23	11.42	27.18	27.23
Own revenue	0.72	0.75	0.84	1.10	1.91
<b>Total</b>	<b>48.73</b>	<b>31.67</b>	<b>30.66</b>	<b>46.14</b>	<b>47.27</b>

**Source:** Audit Report on State Finances-2012-13.



The above table/chart shows that except 2008-09, the receipts of Panchayat Development Fund for the period from 2009-10 to 2012-13 almost remained static. However, Central Finance Commission grants during 2011-12 and 2012-13 had increased substantially as compared to previous years. The income from own revenue showed an increasing trend for the last five years.

#### 1.4.3 Expenditure of PRIs.

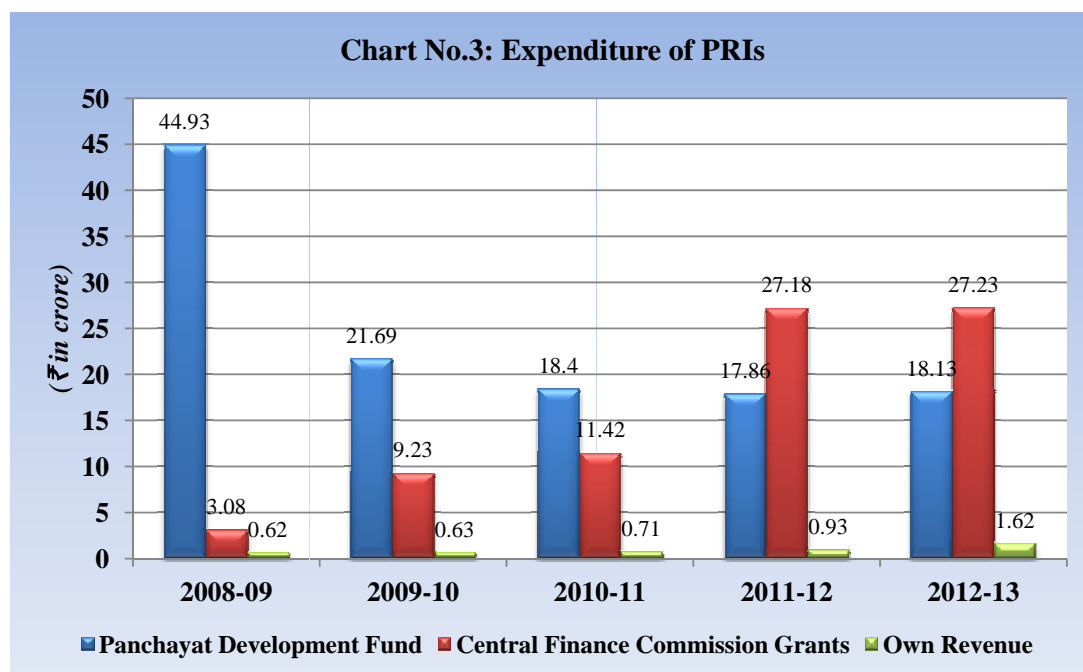
The expenditure of PRIs for the period from 2008-09 to 2012-13 is shown in **Table 1.6:**

**Table 1.6:**

Head	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Panchayat Development Fund	44.93	21.69	18.40	17.86	18.13
Central Finance Commission grants	3.08	9.23	11.42	27.18	27.23
Own revenue	0.62	0.63	0.71	0.93	1.62
<b>Total</b>	<b>48.63</b>	<b>31.55</b>	<b>30.53</b>	<b>45.97</b>	<b>46.98</b>

Source: RD (Panchayats) Department.





The above chart shows *cent percent* utilisation of funds (receipts as per chart 2 above) under Panchayat Development Fund and Central Finance Commission grants in each financial year. The expenditure of PRIs from own revenue also shows an increasing trend since 2008-09 to 2012-13. Own revenue, though increased substantially in the year 2012-13, was still meager considering the total expenditure of the PRIs.

### 1.5 State Finance Commission

After enactment of the 73<sup>rd</sup> amendment to Constitution, the State Government constituted four State Finance Commissions (SFCs) to determine the principles on the basis of which adequate financial resources would be ensured for PRIs.

The First SFC was constituted in the year 1994. The recommendations of the First SFC were operative for five years starting from the year 1996-97. The Government constituted the Second SFC in the year 1999 and its reports were submitted in April, 2003. However, the State Government did not accept the recommendations of the Second SFC because the reports of the Second SFC were submitted late. Therefore, it was decided to continue the implementation of the recommendations of the First SFC till the Third SFC became operative. The Third SFC was constituted in March 2008 covering the period from 2010-11 to 2014-15. The Commission recommended the fund to be devolved to the PRIs and Rural Local Bodies (RLBs) under Sixth Schedule areas for the period from 2010-11 to 2014-15 as shown in the following table:



**Table 1.7**

(*₹ in crore*)

Item	2010-11	2011-12	2012-13	2013-14	2014-15
For PRIs only	26.80	29.25	31.95	35.00	38.30
For Rural Local Bodies of Sixth Schedule areas	19.60	21.52	23.86	26.03	28.52
<b>Total</b>	<b>46.40</b>	<b>50.77</b>	<b>55.81</b>	<b>61.03</b>	<b>66.82</b>

Source: Report of Third SFC

The State Government, however, accepted the recommendation of funds for PRIs and RLBs under Sixth Schedule. The Commission also recommended the following proposals *inter-alia* for augmentation of own revenue of PRIs:

- (i) To motivate the Panchayats for increasing their own revenue it was proposed that Panchayats should acquire fisheries and horti-nurseries of their own and utilise these assets for supply of inputs to various developmental schemes and raise their own revenues.
- (ii) All village markets should be managed and controlled by the Panchayats so that they can levy and collect tolls and taxes from those markets.
- (iii) Panchayat Samitis may let out their Halls on rent to other departments and organisation against their requisition and generate some own revenues.
- (iv) Service charge at nominal rate ranging from ₹ 5 to ₹ 50 may be realised from the beneficiaries who are provided significant individual benefits of durable nature from the Panchayats.
- (v) Matching amount of additional grant equal to the amount of revenue collected by the Panchayats may be provided from the State Government as an incentive. This grant will be in addition to the amount provided under normal devolution accepted by the Government.
- (vi) Rules for collection of Taxes, Tolls, Duties and Fees by the Panchayats to be framed and notified quickly.

It was, however, observed that the State Government accepted the three recommendations as mentioned at Sl. No (i) to (iii) and the recommendations at Sl. No. (iv) was not accepted. Regarding the implementation of the last two recommendations, the Government stated that these would be examined. The State Government had not framed any rules for collection of taxes, tolls, fees etc. till now.



The fourth SFC constituted in March 2013 was to submit the report to the State Government within six months, but had not submitted the same as of March 2014.

## **1.6 Devolution of Functions, Funds and Functionaries**

### **1.6.1 Functions**

The 73<sup>rd</sup> Constitutional amendment envisages transfer of functions, funds and functionaries relating to 29 subjects listed in the Eleventh Schedule of the Constitution of India to PRIs. Accordingly the State Government has devolved only five subjects<sup>5</sup> to PRIs out of 29 subjects listed in the Eleventh Schedule of the Constitution (August, 2006 & August, 2007). The remaining 24 subjects were yet to be transferred.

### **1.6.2 Funds**

The funds required for the implementation of the functions were to be devolved with the transfer of functions. However, funds for payment of wages of pump operators and power consumption charges only had been transferred to the PRIs.

### **1.6.3 Functionaries**

The Gram Panchayats in the State implement a large number of Central/State sector schemes/programmes and substantial funds are released to the GPs. However, the GPs were not adequately equipped with qualified technical expertise. Besides, the transfer of functionaries to PRIs was not done and works of the PRIs were being performed by the State Government functionaries. The State Government appointed *Gram Rojgar Sahayak* on contract basis at GP level to maintain the records of MGNREGA works.

Thus, the State was yet to transfer all the functions, funds and functionaries as envisaged in the 73<sup>rd</sup> Constitutional amendment.

## **1.7 Powers of State Government over PRIs**

### **1.7.1 Power of State Government to rescind or suspend resolution of Gram Panchayat, Panchayat Samiti or Zilla Parishad**

1) As per Section 218 of Tripura Panchayat Act 1993 the State Government may, by order in writing, rescind any resolution passed by a Gram Panchayat, a Panchayat Samiti or a Zilla Parishad, if in its opinion such resolution- (a) has not been legally

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<sup>5</sup> Water Resources, (2) Primary School, (3) Adult and No-Formal Education, (4) Social Welfare including Welfare of the Handicapped and Mentally Retarded and (5) Women and Child Development.

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passed; or (b) is in excess, or abuse of the powers conferred by or under this Act or in rules made there under.

2) The State Government shall, before taking any such action give the Gram Panchayat, the Panchayat Samiti, or the Zilla Parishad concerned an opportunity for making representation against the proposed order.

#### ***1.7.2 Power of State Government to make model regulations***

Section 227 of the Tripura Panchayats Act 1993 provides that the State Government may, subject to the provisions of this Act and the rules made thereunder, after previous publication of the draft for not less than one month, make model regulations, detailed regulations and bye-laws for Gram Panchayat, Panchayat Samiti and Zilla Parishad.

#### ***1.7.3 Rules and orders to be laid before the House of the State Legislature***

As per Section 228 of the Act, the State Government may, by notification published in the Official Gazette, make rules for carrying out the purposes of this Act.

Every rule made under the Act shall be laid as soon as after it is made, before the State Legislature while it is in session for a period of fourteen days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session in which it is so laid or sessions immediately following, the house agrees or makes any modification in the rule or the House agrees that the rules should not be made the rule shall thereafter have the effect or be effective only in such modified form or be of no effect, as the case may be, so however that any such modification or annulment shall be prejudice to the validity of anything previously done under that rule.

#### ***1.7.4 Disciplinary power of the State Government***

The State Government shall have disciplinary control over the chief Executive Officer, the Additional Chief Executive Officer, Secretary and Officers and employees whose services are placed at the disposal of the Zilla Parishad under Section 158 of the Act.

### **1.8 District Planning Committee**

In pursuance of Article 243 ZD of the Constitution of India and Section 222 of the Tripura Panchayats Act, 1993, the Government of Tripura constituted District

Planning Committee (DPC) in all the four<sup>6</sup> districts in September 2008. The DPC consists of a Chairman, two Vice-Chairmen and some other elected representatives in each district. The District Magistrate & Collector is the Member Secretary of the Committee. In February 2012, State Government had decided that the existing DPCs shall have jurisdiction over the newly created/bifurcated (January 2012) four<sup>7</sup> districts in the State.

The role and responsibility of the DPC is to consolidate the plans prepared by the Panchayats, Nagar Panchayats and the Sixth Schedule areas in the district as a whole. It is also empowered to take decisions on the development of the district. As per Section 222 of the Act, every DPC shall prepare draft development plan with regard to matters of common interest between the Zilla Parishads, the Panchayat Samitis, the Gram Panchayats, Notified Area authorities and Municipal authorities and other local authorities in the District including special planning, sharing of water and other physical and natural resources, integrated development of infrastructure and environmental conservation and the extent and type of available resources whether financial or otherwise and consult such institutions and organisations as the Government may by order specify. The Chairman of every DPC shall forward development plans as recommended by such committee to the State Government.

The North Tripura District had prepared the consolidated District Plan for the year 2010-11, 2011-12 and 2012-13 and sent to the Planning Department. Similarly, the West Tripura District also prepared District Plan for the year 2010-11, 2011-12 and 2012-13. However, the information regarding preparation of District Plan in respect of other districts was not furnished to Audit though called for.

## **1.9 Accountability framework**

### **1.9.1 Appointment of Ombudsman**

As per para 6.4.5 of the 13<sup>th</sup> Finance Commission the State Government must put in place a system of independent local body ombudsman who will look into complaints of corruption and mal-administration against the functionaries of local bodies, both elected members and officials, and recommend suitable action. All elected functionaries and officials in all Zilla Parishads and all municipal corporations and

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<sup>6</sup> West Tripura, South Tripura, Dhalai and North Tripura.

<sup>7</sup> 1Shipahijala, Gomati, Khowai and Unokoti,

municipalities at least should come under the purview of ombudsman. However, the Government of Tripura had not yet appointed any ombudsman.

### **1.9.2 Audit mandate**

#### **1.9.2.1 Primary Auditor**

The Government of Tripura, Finance Department framed the 'Tripura Local Fund Audit Rules 2011' for audit of accounts of local bodies by the Director, Local Fund Audit and in this regard a gazette notification was issued on 12.01.2012 for implementation of the rules. Rule 3 (1) provides that the State Government or such authority as it may direct, shall appoint a person to be Director, Local Fund Audit (LFA), and the following category of officers to assist him, namely:

- (a) Deputy Director,
- (b) Assistant Audit Officer,
- (c) Auditor/Senior Auditor, and
- (d) Chartered Accountants, as appointed under sub-rule (4) of Rule 3.

The Internal Audit Directorate of the State Government had been designated as Director of Local Fund Audit (DLFA). The audit of the accounts of the PRIs is conducted by DLFA. As per para 6.4.4 of the guidelines issued by the Ministry of Finance for release and utilization of the 13<sup>th</sup> Finance Commission grants the DLFA was required to prepare Annual Report on local bodies which must be placed before the State Legislature. However, DLFA had not prepared any such report till date (March 2014).

#### **1.9.2.2 Audit by C&AG of India**

C&AG conducts audit of substantially financed PRIs under section 14(1) of C&AG (DPC) Act, 1971. Further, the Government of Tripura had entrusted audit of accounts of PRIs under Section 20(1) of the DPC Act to CAG under Technical Guidance and Support arrangement in August 2011 as per recommendation of 13<sup>th</sup> Finance Commission and accordingly audit of PRIs was also being conducted by C&AG.

The transaction audit of one Zilla Parishad<sup>8</sup>, 11 Panchayat Samitis<sup>9</sup> and 153 Gram Panchayats was conducted during 2013-14 covering the period upto March 2013.

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<sup>8</sup> Uttar Tripura Zilla Parishad.

### 1.9.3 Social Audit

The primary objective of social audit is to bring the activities of local bodies under close surveillance of the public and the latter to have access to records and documents of the former. Owing to this mechanism, the citizens should be able to have immediate access to information which would facilitate transparency and accountability in day to day functioning of local bodies. Social audit *inter alia* includes:

- Use of Gram Sabha and Ward Committees as important vehicles for spreading of awareness about social audit.
- Appointment of nodal officer at the level of Gram Sabha and Ward Committees who would register complaints and fix the date for social auditing.

MGNREGA scheme guidelines provide a central role to “Social Audits” as a means of continuous public vigilance. Social Audits were being conducted for MGNREGA works at the Gram Panchayat level.

## 1.10 Conclusion

Three tier PRIs had been set up in the State in conformity with the 73<sup>rd</sup> Amendment Act of the Constitution of India. The main thrust of the Act is to enable the rural local bodies to function as institution of rural self government. An effective mechanism to enable them to become self government is through the effective devolution of Functions, Funds and Functionaries. The State Government had devolved only five subjects out of 29 listed in the Eleventh Schedule of the Constitution to PRIs. Funds for payment of wages of pump operators and power consumption charges only had been transferred to the PRIs. The transfer of functionaries to PRIs was also not done. Thus, the State was yet to transfer all the functions, funds & functionaries as envisaged in the 73<sup>rd</sup> amendment of the Constitution to have an effective PRIs system. The DLFA was yet to prepare annual audit report on local bodies for placement before the State Legislature as per recommendation of 13<sup>th</sup> Finance Commission. The PRIs were yet to levy various taxes as per the provisions of Tripura Panchayats Act, 1993 to augment their own source of revenue.

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<sup>9</sup> Jirania, Teliamura, Bokafa, Gournagar, Khowai, Satchand, Amarpur, Matabari, Kumarghat Kadamtala and Hrishyamukh.

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## SECTION 'B'

### FINANCIAL REPORTING

#### 1.11 Framework

Financial reporting in the PRIs is a key element of accountability. Matters relating to drawal of funds, form of bills, incurring of expenditure and maintenance of primary financial records are governed by the provisions of the Tripura Panchayat Act and Rules and other departmental standing orders and instructions/guidelines.

#### 1.12 Accounting system of PRIs

Rural Development (Panchayats) Department, Government of Tripura instructed PRIs to maintain the accounts in New Accounting Structure 2009 w.e.f 01.04.2010 as devised by the Ministry of Panchayati Raj, Government of India in consultation with the Comptroller and Auditor General of India. The PRIs started maintaining their accounts as per the new Accounting Structure from the year 2011-12. The PRIs also maintain their accounts in Panchayati Raj Institutions Accounting Software (PRIYASoft). Due to lack of internet connectivity in the GPs, the accounts in PRIYASoft are not being maintained on daily basis and the concerned Panchayat Secretaries maintain the same at the blocks in periodical manner with the help of Data Entry Operators.

#### 1.13 Financial Reporting issues

##### *1.13.1 Preparation of report of work*

As per Rule 28(1) in the Tripura Panchayat (Administration) Rules, 1994, Panchayat Samitis were required to make reports pertaining to the work done related to the previous year and also prepare works to be undertaken in the next year to the Chief Executive Officer, Zilla Parishad and District Panchayat Officer before 15th May of the year.

However, it was observed that none of the test checked Panchayat Samitis prepared such report.

##### *1.13.2 Annual Accounts*

As provided under Section 175, Section 119 and Section 66 of the Tripura Panchayats Act, 1993, the Zilla Parishads, Panchayat Samitis and the Gram Panchayats shall keep such accounts in such form as may be prescribed. As per the Tripura Panchayats

(Administration) Rules 1994, the Chief Executive Officer of the Zilla Parishad is responsible for maintenance of accounts of Zilla Parishad and the Executive Officer of the Panchayat Samiti is responsible for maintenance of accounts of Panchayat Samiti. The accounts of the Gram Panchayats are maintained by Panchayat Secretaries.

The Director of Panchayats, Government of Tripura intimated (July 2013) that all tiers of the PRIs had prepared and finalised their accounts duly certified by the competent authority. However, test check of records of 165 PRIs<sup>10</sup> revealed that the annual accounts for the year 2012-13 were neither prepared nor finalised. In the absence of the complete accounts the actual financial position of the respective PRIs could be not ascertained.

### ***1.13.3 Budget Estimates***

Budget is the most important tool for financial planning, accountability and control. As per provisions of Sections 64, 118 and 173 of the Tripura Panchayats Act, 1993, annual budget of Gram Panchayats, Panchayat Samitis and Zilla Parishads showing the estimated receipts and disbursement for the following year are required to be prepared and submitted to the Panchayat Samiti, Zilla Parishad and State Government respectively for approval. If the approval of the higher authority is not received within two months, or by the last day of the year i.e. 31<sup>st</sup> March whichever is earlier, the budget shall be deemed to have been approved by the prescribed authority. The Act further states that no expenditure shall be incurred unless the budget is approved by the prescribed authority.

Test check of the records of 153 Gram Panchayats, 11 Panchayat Samitis and one Zilla Parishad revealed that none of the PRIs prepared the budget of its estimated receipts and disbursement for the year 2012-13. Despite non-preparation of budget, the State Government was releasing funds to PRIs.

In the absence of Budget Estimates, the expenditure incurred by the PRIs was irregular and without budgetary controls.

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<sup>10</sup> 1 ZP, 11 PSs and 153 GPs

#### **1.13.4 Database on finances of PRIs**

On the recommendations of the EFC, database on finances were required to be maintained at all levels of PRIs for securing accountability and transparency in maintenance of accounts. Director of Panchayats, Government of Tripura intimated (November 2010) that State Government in the RD (Panchayats) Department had adopted the eight database formats on the finances of PRIs as prescribed by the C&AG and the data bases on the finances were being generally maintained by the PRIs. However, it was observed that Uttar Tripura Zilla Parishad, Teliamura Panchayat Samiti and Kalyanpur Panchayat Samiti did not maintain data bases.

#### **1.13.5 Deficiencies in maintenance of Cash Book**

While maintaining the Cash Book, the following points should be observed:

- (i) All monetary transactions should be entered in the Cash Book, as soon as they occur and attested by the Head of the Office in token of check.
- (ii) The Cash Book should be closed regularly and completely checked. The Head of the Office should verify the totaling of the Cash Book, or have this done by some responsible subordinate other than the writer of the Cash Book and initial it as correct.
- (iii) Further, at the end of each month, the Head of Office should verify the cash balance in the Cash Book and record a signed and dated certificate to that effect.
- (iv) Bank reconciliation statement should be prepared at the end of each month.

However, audit noticed that the above checks were not exercised in maintenance of Cash Book by two Panchayat Samitis<sup>11</sup>. Without proper check in maintenance of Cash Book possibilities of loss, defalcation, embezzlement etc. could not be ruled out.

### **1.14 Conclusion**

Proper financial reporting is the key element for accountability. The PRIs entrusted with public resources had the responsibility to manage these resources with utmost prudence. For this, budgets had to be prepared, accounts had to be maintained and monitoring of expenditure had to be done as per relevant Acts/guidelines/rules. It was noticed that none of the test-audited PRIs prepared budget estimates nor prepared the

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<sup>11</sup> Teliamura and Kalyanpur



accounts for the year 2012-13. In the absence of annual accounts, the actual financial position could not be ascertained and making expenditure without preparation of budget estimates was in violation of the pertinent provisions of the Tripura Panchayats Act. Though, this issue was reported in our earlier reports as well, no compliance had been done on this account.

## CHAPTER II

### AUDIT OF TRANSACTIONS (PANCHAYATI RAJ INSTITUTIONS)

#### 2.1 Execution of non-permissible works

##### **₹ 52 lakh was utilised towards non-permissible works under MGNREG Scheme.**

The intention of the National Rural Employment Guarantee Act (NREGA) is to provide a basic employment guarantee in rural areas to enhance livelihood security by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult member volunteers to do unskilled manual work and to augment wage employment. Schedule-I, Para 1 of Operational Guidelines provides the lists of permissible works under the MGNREGA.

Test check (May 2013) of records of MGNREGA funds of two Programme Officers<sup>1</sup>, revealed that some works valuing ₹ 52 lakh under MGNREGA had been executed at different Gram Panchayats which were not included in the list of permissible works viz, construction of market sheds, farmer shed, community halls etc. Besides, no record was made available to audit whether any notification was issued by the Central Government for taking up of such works under MGNREGA. Details are shown in **Appendix 2.1.**

Thus, execution of non-permissible works in violation of guidelines was irregular.

#### 2.2 Diversion of PDF towards payment of power bills- ₹ 7.62 lakh

##### **₹ 7.62 lakh was paid to Tripura State Electricity Corporation Limited being 20 per cent of power consumption bills from Panchayat Development Fund without collecting the same from the users of lift irrigation schemes.**

As per decision of Government of Tripura for payment of Power Consumption bill for Lift Irrigation (LI) Scheme, users of the schemes are to pay 20 per cent of power consumption bills and 80 per cent is to be paid out of budget being transferred in favour of Panchayat Department from the budget of Water Resource, Public Works Department, Government of Tripura.

Test check (October 2013) of records of Kalyanpur Panchayat Samiti for the year 2011-12 and 2012-13 revealed that the user charges of LI schemes for the year 2011-

<sup>1</sup> Khawai for ₹ 7.35 lakh and Gournagar for ₹ 44.65 lakh.

12 and 2012-13 amounting to ₹ 7.62 lakh<sup>2</sup> were not realised from the users and further the amount was paid out of Panchayat Development Fund to Tripura State Electricity Corporation Limited (TSECL) being the 20 per cent power consumption bills for LI schemes which was irregular.

The Executive Officer stated (October 2013) that the matter for non-realisation of user charges would be forwarded to the higher authority. Reason for non-realisation of user charges, however, was not intimated to audit.

Thus, failure to collect the user charges of lift irrigation schemes resulted in irregular expenditure of ₹ 7.62 lakh.

### 2.3 Non-submission of utilisation certificates

**Utilisation certificates to the extent of ₹ 4.94 crore were pending with the Implementing Agencies.**

General Financial Rules provide that each drawing and disbursing officer should submit the utilisation certificate to the sanctioning authority certifying that all the funds drawn were fully utilised for the purpose for which it sanctioned.

During test check (December 2013) of records and information as furnished to audit for the year 2010-11 to 2012-13 of Kumarghat Panchayat Samiti it was seen that an amount of ₹ 5.83 crore was placed with four Implementing Agencies(IAs) for implementation of various projects under MGNREGA. The IAs, however, had not submitted utilisation certificates/adjustments for ₹ 4.94 crore till the date of audit (November, 2013), details are shown below:

(₹ in crore)

Sl. No.	Name of Implementing Agencies	Financial Year	Amount placed	Utilisation certificate pending
1	Chief Executive Officer cum Member Secretary, KLS,FDA,DFO, KLS Forest Division	2010-11	0.23	0.23
		2011-12	0.14	0.14
		2012-13	0.38	0.38
2	Superintendent of Fisheries, Kumarghat	2010-11	0.10	0.10
		2011-12	0.33	0.33
		2012-13	0.52	0.52
3	Zonal Development Officer, Machmara	2010-11	0.17	0.17
		2011-12	0.11	0.11
		2012-13	2.40	2.40
4	Supdt. of Horticulture, Kumarghat	2011-12	0.87	0.38
		2012-13	0.58	0.18
<b>Total:</b>			<b>5.83</b>	<b>4.94</b>

<sup>2</sup> 2011-12: ₹ 2.67 lakh ; 2012-13: ₹ 4.95 lakh.

Due to non submission of utilisation certificate/adjustment vouchers by the IAs, it could not be ascertained whether the funds were utilised for the purpose for which it was sanctioned.

During discussion, the Programme Officer/Executive Officer stated that necessary arrangement would be made with line departments for submission of utilisation certificates/adjustments.

Latest position had not been intimated to audit (March 2014).

## **2.4 Parking of funds**

**Matabari Panchayat Samiti had parked ₹ 26.92 lakh under different schemes in bank account.**

As a general rule, system of drawal of funds in excess of requirement or in anticipation of demands or to prevent the lapse of budget grants and keeping the same in the bank accounts for future use is not admissible by financial rules, as it might lead to loss or misappropriation of Government fund.

Scrutiny (November 2013) of records of Matabari Panchayat Samiti, Gomati District for the year 2011-12 and 2012-13 revealed that a total of ₹ 26.92 lakh was lying in the savings bank account of Tripura State Cooperative Bank, Udaipur Branch without utilisation for the period ranging from six months to 96 months as on 31<sup>st</sup> March 2013. The funds were mainly related to Panchayat Development Fund and 13<sup>th</sup> Finance Commission grants (**Appendix 2.2**). Non-utilisation or delay in utilisation of funds indicates deprivation of intended benefit of the schemes to the poor in time. Reason for non utilisation of funds, however, was not on record.

The Executive Officer stated that necessary steps would be taken in consultation with Panchayat Samiti for early utilisation of funds.

Latest position had not been furnished (March 2014).

## **2.5 Un-adjusted advances**

**Advances given to Implementing Officers for implementation of developmental works remained un-adjusted.**

Advances made to individuals/implementing officers for developmental works should be promptly adjusted and the unspent balances refunded/recovered immediately.

Test check (April 2013) of records of Jirania Panchayat Samiti for the year 2011-12 and 2012-13 revealed that advances given to Implementing Officers (IOs) during 2011-12 and 2012-13 were yet to be adjusted. The advances were given to 26 IOs for implementation of developmental works under Panchayat Development Fund and 13th Finance Commission grants during 2011-12 and 2012-13. It was noticed that the IOs had not submitted adjustments for ₹ 57.97 lakh and remained outstanding with them till the date of audit (April 2013). The details are shown in **Appendix 2.3**.

Advances remaining outstanding for prolonged period may result in loss of Government money/embezzlement etc.

The Executive Officer stated (April 2013) that necessary steps would be taken to obtain adjustment vouchers from the IOs.

Latest position had not been furnished (March 2014).

## 2.6 Outstanding rent

**Stall rent of ₹ 1,19,125 and lease rent of ₹ 1,10,500 remained outstanding in respect of Matabari Panchayat Samiti.**

During test check (November 2013) of the records of Matabari Panchayat Samiti for the 2011-12 and 2012-13 it was observed that market stall rent of ₹ 1,19,125 and lease rent of ₹ 1,10,500 of fishery ponds remained outstanding till the date of audit as shown below:

### Outstanding stall rent

(In ₹)

Place of market	No. of market stall	Rate of rent per stall per month	Stall rent collected	Stall rent outstanding
Matabari Temple	19	125	1,00,500	1,19,125

### Outstanding lease rent

(In ₹)

No. of fishery pond	Rate of lease rent per hectare per year	Lease rent collected	Lease rent Outstanding
6 (25.95 hectare)	10000 per hectare per year	1,49,000	1,10,500

On this being pointed out, the Executive Officer assured that steps would be taken to realise the outstanding stall rent and lease rent.

Latest position had not been intimated (March 2014).

## **2.7 Non-deduction of Value Added Tax**

**Bokafa Panchayat Samiti paid ₹ 4,26,557 to the suppliers for purchase of timbers and furniture without deducting Value Added Tax of ₹ 45,356.**

Tripura Value Added Tax Act, 2004 states that every dealer shall be required to pay tax on the sale value of taxable goods at every stage of sales of those goods till the sale to consumer at the rate specified in the schedule of the Tripura Value Added Tax Act, 2004 and no dealer, while being liable to pay tax under this Act shall carry on business as a dealer unless he has been registered and possesses a certificate of registration.

During test check (April 2013) of records of Bokafa Panchayat Samiti for the year 2012-13, it was noticed that an amount of ₹ 4,26,557 was paid to different suppliers for purchase of timbers/wood, steel furniture etc. without deducting VAT (applicable as per the Tripura Value Added Tax Act). Thus, VAT deductible on the above purchases worked out to ₹ 45,356. Details are shown in **Appendix 2.4**.

On this being pointed out in audit, the Executive Officer of the Panchayat Samiti stated (April 2013) that clearance certificate had been produced by the suppliers regarding VAT etc. However, no such tax clearance certificate could be shown to audit.

## **2.8 Conclusion and recommendations**

Non-permissible works, diversion of fund, un-adjusted advances, outstanding revenue, and non-deduction of VAT etc. indicated that internal control mechanism was not effective.

In view of the audit findings, the following recommendations are made:

- Execution of non-permissible works should be avoided;
- Outstanding advances should be adjusted promptly;
- User charges for lift irrigation scheme should be collected; and
- Internal control mechanism should be strengthened.

## CHAPTER III

### SECTION “A” AN OVERVIEW OF URBAN LOCAL BODIES

#### 3.1 Introduction

**3.1.1** Consequent upon the 74<sup>th</sup> Constitutional amendments, the Urban Local Bodies (ULBs) were made full fledged and vibrant institutions of Local Self Governments and witnessed a significant increase in responsibilities with greater powers, distinct sharing of resources with the State Government. The amendment empowered ULBs to function efficiently and effectively and to deliver services for economic development and social justice with regard to 18 subjects listed in the XII<sup>th</sup> Schedule of the Constitution. The Government of Tripura enacted the Tripura Municipal Act, 1994 empowering ULBs to function as institutions of self government and to accelerate economic development in urban areas.

**3.1.2** There was one Municipal Council and 15 Nagar Panchayats as of March 2013 in Tripura where 74<sup>th</sup> Constitutional amendment was applicable in the State. The ULBs are governed by the Tripura Municipal Act, 1994. Each ULB area is divided into a number of wards, which are determined and notified by the State Government. The Legislative framework for conduct of business of the ULBs includes:

- 1) The Tripura Municipal Act, 1994.
- 2) Tripura Municipal (Procedure and Conduct of Business) Rules, 1996

#### 3.2 Size of ULBs

The comparative position of ULBs in the State of Tripura in terms of area and population is given in the following **Table 3.1**:

**Table 3.1: Statement showing area and population of ULBs.**

Sl. No.	Name of the ULBs	Area (in Sq. Km.)	Total Population as per 2011 Census
1	Agartala Municipal Council	58.84	3,97,619
2	Santirbazar Nagar Panchayat	26.94	11,884
3	Ambassa Nagar Panchayat	14.77	18,867
4	Dharmanagar Nagar Panchayat	10.69	40,564
5	Kamalpur Nagar Panchayat	10.16	10,868
6	Amarpur Nagar Panchayat	8.55	10,834

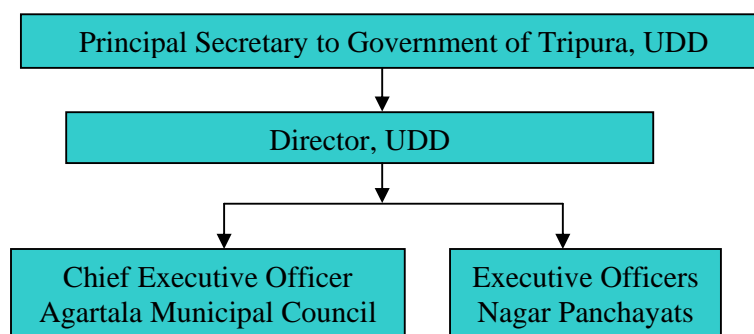
Sl. No.	Name of the ULBs	Area (in Sq.Km.)	Total Population as per 2011 Census
7	Kailashahar Nagar Panchayat	6.19	24,449
8	Udaipur Nagar Panchayat	6.10	32,781
9	Khawai Nagar Panchayat	5.81	18,407
10	Belonia Nagar Panchayat	5.75	19,938
11	Bishalgarh Nagar Panchayat	5.74	21,075
12	Sabroom Nagar Panchayat	5.06	7,134
13	Sonamura Nagar Panchayat	4.13	11,278
14	Teliamura Nagar Panchayat	3.75	21,018
15	Kumarghat Nagar Panchayat	3.50	12,914
16	Ranirbazar Nagar Panchayat	1.95	13,117
<b>Total</b>		<b>177.93</b>	<b>6,72,747</b>

Source: Urban Development Department

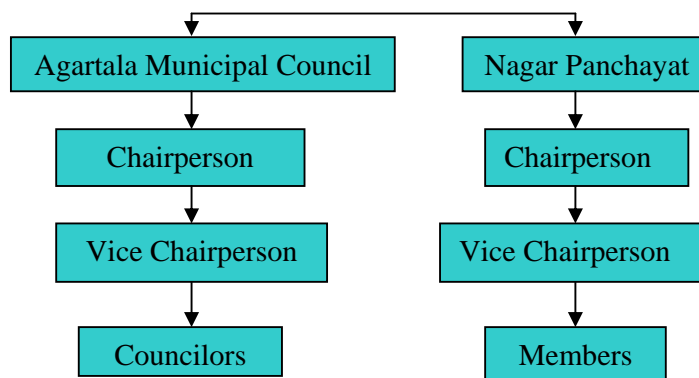
### 3.3 Organisational set up

3.3.1 The Principal Secretary, Urban Development Department (UDD) is the overall in-charge of Urban Local Bodies in the State. The organisational structure with respect to functioning of ULBs in the State is as follows:

#### Administrative Body



#### Elected Body





### 3.3.2 Composition of ULBs

All the ULBs have a body comprising of Councilors/Members elected by the people under their jurisdiction. The Chairperson who is elected presides over the meetings of the Council/Nagar Panchayats and is responsible for overall function of the body. All the ULBs have Standing Committees to deal with their respective functions.

The Chief Executive Officer is the executive head of the Agartala Municipal Council (AMC) while the Nagar Panchayat (NP) is headed by the Executive Officer. They exercise such powers and perform such functions as prescribed in the Act and as per instructions of the Urban Development Department.

### 3.3.3 Standing Committees

The ULBs perform their functions through the supervision of different Standing Committees as shown in the following **Table 3.2**:

**Table 3.2: Leadership of the Standing Committees**

ULB	Standing Committees	Leadership
AMC/NP	(a) Finance Committee (b) Public Health Committee (c) Public Works Committee (d) Education, Health and Sanitation Committee (e) Sports and Culture Committee (f) Poverty Alleviation Committee	Chairperson of the municipality/NP shall be the ex-officio President of the Finance Committee. The President of each Standing Committee other than the Finance Committee shall be appointed by the Chairperson from amongst the members of such Committee.

According to Rule 21 of the Tripura Municipal (Procedure and Conduct of Business) Rules 1996, every Standing Committee shall hold a meeting in the office of the Municipality once in a month on such date and at such time as may be fixed by the President. Test check of records of three Nagar Panchayats<sup>1</sup> revealed that Standing Committees Meetings were not held regularly as per the Rules *ibid*. No such meeting was held in Khowai Nagar Panchayat during 2011-12 and 2012-13. Kumarghat Nagar Panchayat could hold only eight meetings in 2011-12 and five meetings in 2012-13. Similarly, only 25 meetings were held in Santirbazar Nagar Panchayat against 144 during 2011-12 and 2012-13

Non-holding of regular meetings indicated that the developmental activities of the Nagar Panchayats through different Standing Committees were not adequately monitored and reviewed.

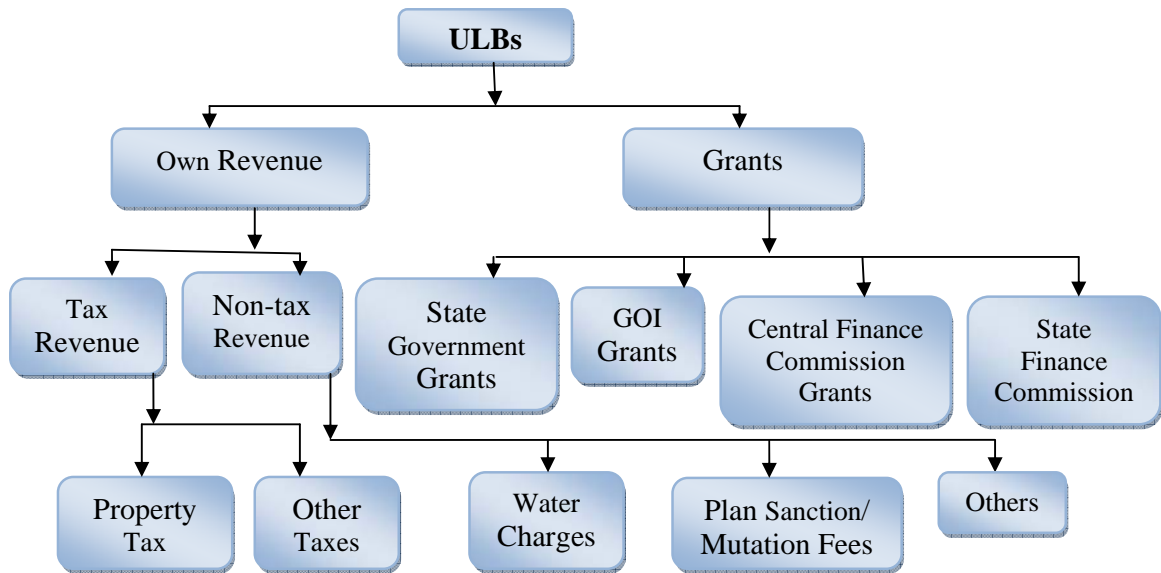
<sup>1</sup> Ambassa Nagar Panchayat, Dharmanagar Nagar Panchayat and Kamalpur Nagar Panchayat.

### 3.4 Financial profile

#### 3.4.1 Resources of ULBs

The finances of ULBs comprise of receipts from own sources, grants and assistance from Government of India (GOI) and the State Government. State Government Grants are received through devolution of net proceeds of the total tax revenue under the formula prescribed by State Finance Commission. Property tax on land and buildings is the main contributor of ULBs own tax revenue. While power to collect certain taxes is vested with the ULBs, powers pertaining to the rates and revision thereof, procedure of collection, method of assessment, exemption, concessions, etc. are vested with the State Government. The own non-tax revenue of ULBs comprise of fee for sanction of plans/mutations, water charges, etc.

Grants and assistance released by the Governments are utilised for developmental activities and execution of various schemes. Flow chart of finances of ULBs is as follows:



#### 3.4.2 Custody of fund in ULBs

The grants received for implementation of various schemes are kept in bank accounts of the ULBs duly authorised by the State Government. The Drawing and Disbursing Officers under ULBs are empowered to draw the fund from the banks after getting sanction from the State Government.

### 3.4.3 Revenues of NPs

Own revenue of NPs include property tax, building permission fees, trade license, hoarding tax, mutation fees, rent from stalls, etc. Collection of own revenue in respect of 15 NPs<sup>2</sup> during the last five years is shown in the following **Table 3.4**:

**Table 3.4: Statement showing own revenue of 15 Nagar Panchayats for the year 2008-09 to 2012-13.**

(₹ in lakh)

Sl. No.	Name of the NP	Year				
		2008-09	2009-10	2010-11	2011-12	2012-13
1	Dharmanagar	52.29	55.54	53.79	30.35	66.86
2	Kailashahar	22.07	27.57	33.41	36.88	48.08
3	Kumarghat	15.15	15.43	17.78	19.04	17.35
4	Kamalpur	11.35	11.49	14.22	19.15	16.85
5	Khowai	50.31	33.27	33.94	51.08	50.70
6	Teliamura	27.75	17.62	27.46	17.41	28.46
7	Ranirbazar	13.31	12.94	25.13	18.53	20.70
8	Sonamura	23.34	17.70	25.22	30.35	40.40
9	Udaipur	117.50	59.56	83.26	77.75	81.39
10	Amarpur	7.64	13.37	13.32	17.51	21.26
11	Subroom	13.99	14.57	11.35	12.51	11.16
12	Belonia	82.67	72.95	84.03	93.37	98.50
13	Shantirbazar	NA	NA	NA	11.58	15.45
14	Bishalgarh	NA	NA	NA	8.67	13.19
15	Ambassa	NA	NA	NA	18.77	17.83

**Source:** Urban Development Department

The above table shows that the revenue collection in respect of Kumarghat, Kamalpur, Khowai, Subroom and Ambassa Nagar Panchayat had decreased in 2012-13 as compared to previous year. The growth in revenue of other Nagar Panchayats during 2012-13 was also not very significant except few cases.

### 3.4.4 The trend of own revenue income of AMC

The trend of own revenue income of AMC for the years 2008-09 to 2012-13 is shown in the following **Table 3.5**:

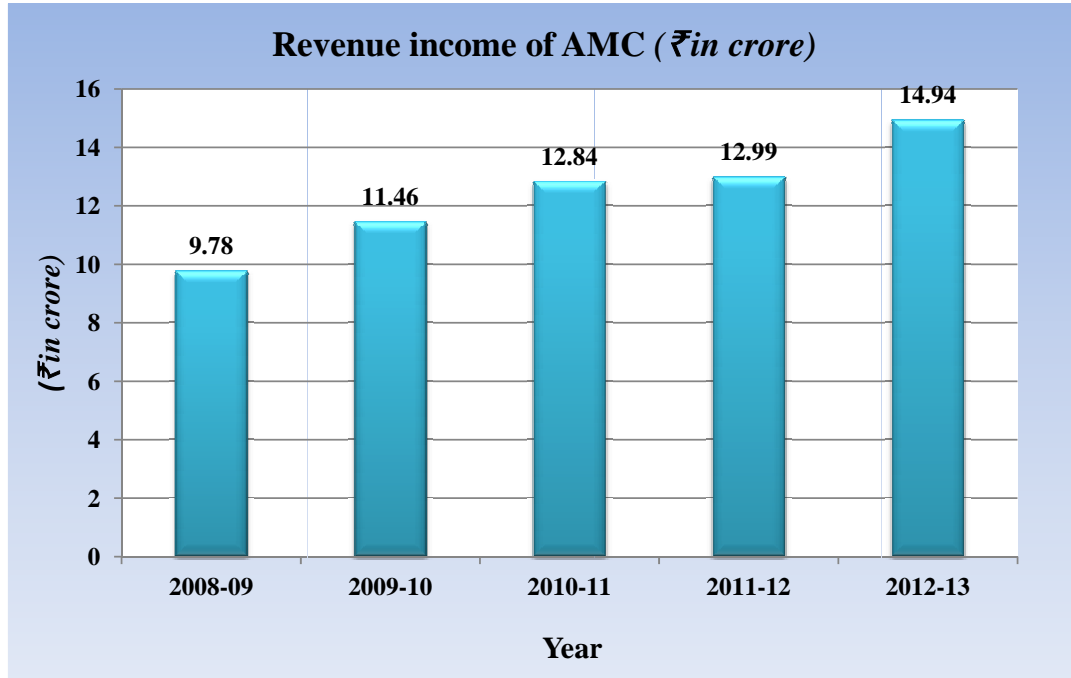
**Table 3.5: Statement showing trend of own revenue income of AMC.**

(₹ in crore)

Year	Revenue income	% Increase over last year
2008-09	9.78	52
2009-10	11.46	17
2010-11	12.84	12
2011-12	12.99	01
2012-13	14.94	15

**Source:** Performance Budget 2012-13, Outcome Budget 2013-14 of AMC.

<sup>2</sup> Three Nagar Panchayats i.e. Santirbazar, Bishalgarh and Ambassa came into existence in 2009.



The revenue income of AMC during 2011-12 had not increased significantly as compared to 2010-11. However, the collection of revenue in 2012-13 had increased to 15 percent over the previous year.

### 3.5 Investment through major schemes

Receipts *vis-à-vis* expenditure incurred for major schemes implemented by ULBs for the year 2009-10 to 2012-13 are given in the following **Table 3.6**:

**Table 3.6: Statement showing receipts and expenditure of major schemes**

(₹ in lakh)

Name of the Scheme	2009-10		2010-11		2011-12		2012-13	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
Swarna Jayanti Shahari Rojgar Yojana (SJSRY)	24.88	24.88	279.25	279.25	30.00	30.00	NA	NA
Urban Infrastructure Development Scheme for Small and Medium Towns (IDSSMT)	1097.80	130.50	89.72	1479.00 <sup>3</sup>	800.00	800.00	NA	NA
Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	2250.00	235.25	797.30	1060.30 <sup>3</sup>	1091.32	1091.32	NA	NA
Integrated Housing and Slum Development Programme (IHSDP)	911.86	911.86	705.65	705.65	1235.68	1235.68	NA	NA

**Source:** Urban Development Department

<sup>3</sup> Expenditure also incurred from the previous year's unspent balances available under the schemes.



The receipts of funds under different schemes were not consistent and expenditure under IDSSMT and JNNURM during 2009-10 was not significant as such large amount of funds remained un-utilised. The information for the year 2012-13 was not furnished by the department though called for (March 2014).

### **3.6 Devolution of functions**

The Tripura Municipal Act 1994 envisages transfer of functions of various departments of the State Government to ULBs. All the 18 functions listed in the XII<sup>th</sup> Schedule of the Constitution had been transferred by the State Government to the ULBs. However, functions like fire services, roads and bridges were still controlled by the State Government departments. The ULBs with the approval of the Government appointed non- gazetted staff to perform various functions.

### **3.7 Accountability framework**

#### **3.7.1 Power of the State Government**

Acts governing the ULBs entrusts the State Government with the following powers so as to enable it to monitor the proper functioning of the ULBs:

- Frame rules to carry out the purposes of the Tripura Municipal Act;
- Dissolve the ULBs, if the ULBs fail to perform or default in the performance of any of the duties imposed on them;
- Removal of difficulties in giving effect to the provisions of the Act; and
- Creation, abolition, recruitment and placement of staff of State Government at the disposal of the Municipality.

#### **3.7.2 Audit mandate**

**3.7.2.1** As per Sections 264, 265 and 266 of the Tripura Municipal Act, 1994, the accounts of the Municipality shall be examined and audited by an auditor appointed in that behalf by the State Government. The State Government shall, by rules, make provision with respect to the maintenance of accounts of the Municipalities and auditing of such accounts, including the power of the auditor. The auditor shall submit the audit report to the Chairperson of the Municipality and a copy thereof to the State Government. However, the State Government had not appointed any auditor for audit of accounts of Municipalities (March 2014).

**3.7.2.2** Based on the recommendations of the Thirteenth Finance Commission, the State Government entrusted (March 2011) audit of ULBs under Technical Guidance and Support (TGS) to the C&AG as per standard terms and conditions.

The transactions audit of AMC and four<sup>4</sup> NPs was carried out during 2013-14 covering the period upto 31<sup>st</sup> March 2013.

### **3.8 Conclusion**

The ULBs perform their functions through the supervision of different Standing Committees. However, it was observed that the required number of meetings by Standing Committees were not held. The increase of revenue income in respect of AMC in 2012-13 was only 15 *percent* over the previous year. The Tripura Municipal Act 1994 envisages transfer of all the 18 functions listed in the XII<sup>th</sup> Schedule of the Constitution. However, functions like fire service, road and bridge were still controlled by the State Government.

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<sup>4</sup> Khowai Nagar Panchayat ,Amarpur Nagar Panchayat, Santirbazar Nagar Panchayat and Kumarghat Nagar Panchayat

## SECTION “B”

### Financial Reporting

#### 3.9 Framework

**3.9.1** Financial reporting is a key element of accountability. Best practices require preparation of General Purpose Financial Statement (GPFS) for each entity. According to Section 262 (1) of the Tripura Municipal Act, 1994, the ULBs should prepare the Annual Financial Statements which would include Income and Expenditure Accounts for the preceding year within three months of the close of a financial year in such form and manner as prescribed. Section 263 of the said Act provides that every Municipality should prepare annual Balance Sheet of assets and liabilities in the prescribed form within six months of the close of the financial year.

#### **3.9.2 Accounting Reforms**

Based on the recommendations of Eleventh Finance Commission, the Ministry of Urban Development, GOI in consultation with Comptroller and Auditor General of India developed the National Municipal Accounts Manual (NMAM) which was based on double entry accrual based system of accounting. The Urban Development Department (UDD), Government of Tripura had drafted (June 2010) the ‘Tripura Municipal Accounting Manual’ based on the NMAM. Though the Manual had been finalised in 2011 but was not yet implemented by the ULBs. The UDD instructed the Agartala Municipal Council and 15 Nagar Panchayats to switch over to the Accrual Based Double Entry Accounting System explicitly w.e.f April 2011. However, none of the ULBs had introduced the same.

#### **3.9.3 Annual Accounts**

Different ULBs had engaged Chartered Accountants for preparation of annual accounts in 2011. However, the annual accounts for the year 2012-13 had not yet been prepared by the four<sup>5</sup> test checked ULBs. The Khowai Nagar Panchayat had prepared the Annual Accounts upto 2010-11 and thereafter all the accounts were pending. The Kumarghat Nagar Panchayat prepared Annual Accounts for the period from 2006-07 to 2011-12 only. Amarpur and Santirbazar Nagar Panchayats had not prepared annual

<sup>5</sup> Khowai, Amarpur, Santirbazar and Kumarghat.

accounts for the year 2012-13. Due to non preparation of annual accounts, their actual financial position for the year 2012-13 could not be ascertained.

#### **3.9.4 Budget Estimates**

Under section 260(1) of the Tripura Municipal Act, 1994, the Budget Estimates of Municipality for a year should be prepared in the prescribed form and presented before a meeting of Municipality, specially convened for the purpose, not later than the tenth day of March every year and should be adopted after discussion within two weeks of presentation. A copy of the Budget Estimates adopted by the Municipality should be sent to the State Government and a revised budget for the current year should be framed in the prescribed form and presented before the Municipality for adoption after the first day of October every year, but not later than the thirty first day of December.

Test check of records of four<sup>6</sup> Nagar Panchayats revealed that none of the Nagar Panchayats prepared the budget estimates and expenditures were incurred without preparation and approval of the budget. Despite non-preparation of budget estimates, the State Government was releasing fund to the Nagar Panchayats. However, Agartala Municipal Council prepares the budget every year.

### **3.10 Conclusion**

None of the ULBs had adopted the accrual based double entry accounting system. The test audited four ULBs neither prepared annual accounts nor had they prepared budget for the year 2012-13. Though, this issue was reported in our earlier reports as well, no compliance had been done on this account.

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<sup>6</sup> Khowai, Amarpur, Santirbazar and Kumarghat.



## CHAPTER IV

### AUDIT OF TRANSACTIONS (URBAN LOCAL BODIES)

#### 4.1 Splitting up of work

**Khowai Nagar Panchayat had taken up single work by splitting in smaller components to avoid technical sanction of higher authority in violation of CPWD Manual.**

According to para 2.47 (v) of CPWD Manual Vol-II (5<sup>th</sup> Edition 2002) as applicable in Tripura splitting up of work in smaller components or in phases for the purpose of avoiding technical sanction or invitation of tenders by lower authorities is prohibited unless such splitting is allowed by Chief Engineer. Further, according to Rule 130 of General Financial Rules, splitting up of works for the purpose of keeping tenders in his own competence by subordinate officers is an irregularity.

Test check (April 2013) of records of the Nagar Panchayat for the years 2011-12 and 2012-13 revealed that Nagar Panchayat had constructed a Gymnasium departmentally through the Junior Engineer (JE). It was observed that the JE had framed five separate estimates for the single work of construction of the Gymnasium as shown below:

Sl. No	Group	Estimated cost (₹ in lakh)
1.	Group-1	9.55
2.	Group-II	7.08
3.	Group-III	8.18
4.	Group-IV	9.38
5.	Group-V	1.20
<b>Total:</b>		<b>35.39</b>

Mention was made in the Annual Technical Inspection Report (ATIR) for the year ended 31 March 2009 regarding splitting up of single work into groups by the Khowai Nagar Panchayat. Despite reporting the matter of splitting up of the single work into groups in the ATIR the Nagar Panchayat had committed persistent irregularity in construction of the said Gymnasium.

On this being pointed out, the Executive Officer, however, assured that no such splitting up of work would be done in future

Thus, framing of estimate for single work by splitting up into several groups infringes provision of rules and was hence irregular.

## 4.2 Diversion of funds

**Kumarghat Nagar Panchayat placed ₹ 10 lakh with District Panchayat Officer, Unakoti District, for Solid Waste Management from Tripura Urban Employment Programme fund.**

As per Memorandum dated 15.05.2009, the Government of Tripura introduced the Tripura Urban Employment Programme (TUEP) scheme in order to provide employment opportunities in urban areas on a sustained basis to listed BPL families on the line of National Rural Employment Guarantee Act. TUEP is fully funded by state's own resources. The Urban Development Department, Government of Tripura sanctioned and placed fund to Urban Local Bodies with instruction that the fund cannot be diverted for any other purposes other than generation of man-days work by the job card holders of the respective Nagar Panchayat such as garbage collection & disposal, cleaning of roads, roadside jungle clearance, plantation, flood protection measures, new roads-brick soling, maintenance /beautification of parks, playground, water areas, community services, routine maintenance works for roads, schools/ colleges etc.

Test check (November-December 2013) of records of cash book, fund receipts register, cheque issue register and sanction memo file of Kumarghat Nagar Panchayat for the year 2011-12 and 2012-13 revealed that Nagar Panchayat placed (October 2012) ₹ 10.00 lakh to the District Panchayat Officer, Unakoti District, Kailashar for Solid Waste Management purposes by diverting funds from TUEP. Further, Nagar Panchayat has not received any Estimate/DPR of the project from the District Panchayat Officer, Unakoti District, Kailashar.

Thus, placement of funds from TUEP towards Solid Waste Management in rural areas led to diversion of ₹ 10.00 lakh.

## 4.3 Irregular implementation of Member of Parliament Local Area Development Scheme

**Non-adherence of prescribed guidelines resulted in irregular implementation of works under Member of Parliament Local Area Development Fund Scheme.**

Under the MPLAD Scheme, each MP will have the choice to suggest works to the tune of ₹ 5 crore per year, to be taken up in his/her constituency to the head of the District. The work under the scheme shall be development in nature based on locally felt needs. The emphasis is on creation of durable assets. Fund provided under the scheme should not be based for incurring revenue expenditure. The funds can also be used for purposes such as

provision of service support facilities. However, these would not include any recurring expenditure like staff payments to maintain such facilities. After receipt of recommendation from MP, as far as possible, all sanction for works should be accorded within 45 days from the date of receipt of proposal from the concerned MP. The district authority is to examine within the prescribed period and the time limit for completion of sanctioned work should generally not exceed more than one year. For the works relating to urban areas their implementation can be done through Commissioner, Chief Executive Officers of corporation, Municipalities, etc. or through the Head of District concerned as per the option of the MPs.

Para 2.1 of Guidelines of the Member of Parliament Local Area Development Scheme (MPLADS) prohibits engagement of private contractor on MPLADS works.

Test check of records (March-April 2013) of Agartala Municipal Council (AMC) for the year 2011-12 revealed that AMC had spent ₹ 12.17 lakh under MPLAD Scheme on installation of air circulation system at Hawkers Corner, a commercial establishment at Agartala. Besides, AMC utilised ₹ 1.50 lakh and ₹ 7.00 lakh on construction of retaining wall for maintenance of road and construction of market sheds respectively. It was further observed that AMC constructed a Madrasa at a cost of ₹ 7.32 lakh under MPLADS through private contractor.

Similarly, test check (April 2013) of records of Khowai Nagar Panchayat for the years 2011-12 and 2012-13 revealed that Nagar Panchayat had executed works valuing ₹ 1.22 lakh through private contractor for construction of drain, road etc. under MPLADS during 2011-12.

Thus, execution of non-permissible works under MPLADS and engagement of private contractor in contravention to the guidelines was irregular.

On this being pointed out in audit, the Chief Executive Officer of the AMC replied that the projects were implemented as per sanction of the District Magistrate & Collector, West Tripura while the Executive Officer of the Nagar Panchayat stated that such work will not be taken up by engaging private contractor in future.

The reply of the Chief Executive Officer was not tenable in audit as Section 3.12 of the Guidelines of MPLAD Scheme states that District Authority itself could verify the eligibility /feasibility of each recommended work. If any work is not eligible/ feasible, District Authority shall intimate the same to honourable MP concerned and also

Government of India. But in this case, no such formality was followed and non-permissible works to the extent of ₹ 21.89 lakh<sup>1</sup> were carried out under MPLAD Scheme.

**4.4 Poor/non utilisation of funds**

**There was poor/non utilisation of developmental funds under different schemes in Amarpur Nagar Panchayat.**

As per Rule 290 of CTR (Volume I), no money shall be drawn unless it is required for immediate disbursement or in anticipation of demands or to prevent the lapse of budget grants; keeping the same in the bank accounts for future use is also not admissible by financial rules, as it might lead to loss or misappropriation of Govt. fund.

Scrutiny (August 2013) of cash book, registers related to different schemes and other relevant documents of Amarpur Nagar Panchayat for the period from April 2011 to June 2013 revealed that Nagar Panchayat retained considerable amount of unspent balance each month resulting in huge accumulation of funds under various schemes. It was noticed that out of ₹ 537.53 lakh (including spill over fund of previous year), only ₹ 178.53 lakh was utilised and 66.79 per cent of the total funds remained un-utilised as of June 2013. Details are shown below:

(₹ in lakh)

Sl. No.	Name of the scheme	Total receipts including opening balance as on 31.3 2013	Amount utilised	Amount not utilised	Percentage of non-utilisation
1	Share of Taxes	66.23	17.10	49.13	74.18
2	Land Acquisition	10.59	-	10.59	100
3	13 <sup>th</sup> Finance Commission grants	24.07	-	24.07	100
4	Tripura Urban Employment Programme	45.93	0.09	45.84	99.80
6	Solid waste Management	2.74	-	2.74	100
7	Swarna Jayanti Shahari Rojgar Yojana	10.36	0.10	10.26	99.03
8	SNP Godown	11.81	1.92	9.89	83.74
9	ILCS with BC	20.11	-	20.11	100
10	Dumping Ground	12.80	-	12.80	100
11	Motor Stand	315.00	157.50	157.50	50
12	Other	17.89	1.82	16.07	89.79
<b>Total</b>		<b>537.53</b>	<b>178.53</b>	<b>359.00</b>	<b>66.79</b>

From the above, it would be seen that in several schemes large amount of funds remained un-utilised which ranged between 50 per cent and 100 per cent of the total receipts. Non-utilisation of funds under 13th FC grants was indicative of failure to provide basic service

<sup>1</sup> (₹12.17 lakh + ₹ 1.50 lakh + ₹ 7.00 lakh + ₹ 1.22 lakh) = ₹ 21.89 lakh.

delivery to the people as envisaged in the 13th FC guidelines. Utilisation of funds under Tripura Urban Employment Programme (TUEP) a State Sponsored Scheme and Swarna Jayanti Shahari Rojgar Yojana (SJSRY) a Centrally Sponsored Scheme was discouraging. This indicated that Nagar Panchayat failed to provide wage employment and employment opportunities to the poor despite having substantial funds under the schemes.

On this being pointed out, the Executive Officer stated (August 2013) that steps would be taken to reduce the unspent balances.

Latest position had not been furnished (March 2014).

#### **4.5 Outstanding revenue**

##### **Kumarghat Nagar Panchayat could not collect revenue to the extent of ₹ 10.67 lakh and therefore it remained unrealised.**

Section 192 & 193 of the Tripura Municipal Act 1994 authorize Municipality to levy, collect and appropriate property tax and Section 201 of the said Act provides that the amount of fees on license and permits issued by a Municipality, shall be determined by the Municipality from time to time with the approval by the State Government and any profession, trade, calling and employment or any other gainful activities in the Municipal area which require a license or a permit under any other law shall also require a Municipal license or permit to be obtained and renewed in such manner as may be provided in the regulation.

As per Jawaharlal Nehru National Urban Reforms Mission agenda, there should be 85 *per cent* coverage of property tax by the ULBs. The 13<sup>th</sup> Finance Commission had also made this condition mandatory for release of the performance grants to the States. As per Memorandum dated 25.03.2011, the Urban Development Department, Government of Tripura decided that Agartala Municipal Council and all Nagar Panchayats shall adhere to the stricture of 85 *per cent* coverage of property tax by ULBs with immediate effect in order to meet the stipulation of the 13<sup>th</sup> Finance Commission.

Test check (November-December 2013) of records of Kumarghat Nagar Panchayat for the years 2011-12 and 2012-13 revealed that the revenue to the extent of ₹ 4.58 lakh during 2011-12 and ₹ 6.09 lakh during 2012-13 remained unrealised as the Nagar Panchayat could not collect the revenue as shown in **Appendix 4.1**. During 2012-13,

the collection of property tax was very poor, only ₹ 0.61 lakh (23.87 per cent) was collected against the target of ₹ 2.56 lakh.

The Executive Officer stated (December 2013) that special efforts would be made for collection of revenue.

#### **4.6 Conclusion and recommendations**

Splitting up of single work into groups, poor/non utilisation of funds, engagement of private contractor in MPLAD Scheme, outstanding revenue etc., were instances indicating inadequate internal control mechanism in the ULBs.

The following recommendations are made for consideration of the Government:

- Splitting up of one work into small groups should be avoided;
- Scheme funds should be utilised in timely manner;
- Engagement of private contractor in MPLAD work should be avoided;
- Internal control mechanism should be strengthened.

Agartala  
The

(S. K. Garg)  
Sr. Deputy Accountant General (Audit)

Countersigned

Agartala  
The

(R. K. Agrawal)  
Accountant General (Audit),  
Tripura

**Appendix 1.1**

**Statement showing Standing Committee Meetings of 12 PRIs during 2012-13**

*(Reference: Paragraph 1.3.1)*

Name of ZP/PS	No of meeting to be held in a year	No. of meeting held by each Standing Committee							Total meeting held	Short
		Finance	Education	Works	Industries	Social Justice	Agriculture	Poverty alleviation		
Uttar Tripura ZP	84	4	3	3	3	3	3	3	22	62
Amarpur PS	84	5	8	7	6	8	8	8	50	34
Gournagar PS	84	3	2	2	1	2	7	1	18	66
Jirania PS	84	2	7	4	5	6	6	2	32	52
Khowai PS	84	0	3	2	3	3	3	4	18	66
Kumarghat PS	84	1	1	1	2	1	1	1	8	76
Kalyanpur PS	84	3	5	3	3	3	3	5	25	59
Matabari PS	84	4	5	5	5	3	5	5	32	52
Satchand PS	84	1	2	2	2	1	2	1	11	73
Teliamura PS	84	3	2	3	2	4	3	3	20	64
Kadamtala PS	84	4	4	4	4	4	4	4	28	56
Hrishyamukh PS	84	4	4	6	3	2	6	4	29	55

**Source:** Information furnished by the auditee units

## **Appendix – 1.2**

### **Roles and responsibilities of Standing Committees**

*(Reference: Paragraph 1.3.1)*

<b>Sl. No.</b>	<b>Zilla Parishad/Panchayat Samiti</b>
1	The Finance Audit and Planning Committee shall perform functions relating to establishment matters and the finances of the Panchayat Samiti, framing of budget, scrutinizing proposals for increase of revenue, examination of receipt and expenditure statements, consideration of all proposals affecting the finances of the Panchayat Samiti and general supervision of revenue and expenditure of the Panchayat Samiti and the plan priorities, allocation of outlay to development programmes, horizontal and vertical linkages, implementation of guidelines issued by the Government, regular review of planning programmes, evaluation of important programmes and small savings schemes.
2	The Education, Environment, Cultural, Health and Sports Affairs Committee shall perform functions relating to all educational environment and sports activities of the Panchayat Samiti, undertake the planning of education in the Block within the framework of the national policy and the national and State plans. Survey and evaluation of the educational activities of the Panchayat Samiti, perform such other duties pertaining to education, adult literacy and cultural activities as the Panchayat Samiti may assign to it and health services, hospital, family welfare and other allied matters.
3	The Communication, Rural Electrification and Non Conventional Energy Committee shall perform functions relating to communication, buildings, non conventional energy, rural electrification and allied matters.
4	The Agriculture committee shall perform functions relating to agriculture production, animal husbandry, fisheries, contour bunding and reclamation of waste land, food and cooperation.
5	The Industries Committee shall perform functions relating to village and cottage industries, promotion of industries development of the district, promotion of sericulture and promotion of handloom and handicrafts.
6	The Social Justice Committee shall perform functions relating to promotion of education, economic, socio cultural and other interest of the Scheduled Castes and the Scheduled Tribes and the Backward Classes, protection of the Scheduled Castes the Schedule Tribes and the Backward Classes from social injustice and all other forms of exploitation, amelioration of the condition of the Scheduled Castes and the Scheduled Tribes and the Backward Classes and securing social justice to the Scheduled Castes and Scheduled Tribes, women and other weaker sections of the society.
7	The Poverty Alleviation Committee shall perform functions relating to promotion of rural water supply, sanitation and employment, other poverty alleviation programmes, rural housing, social forestry and farm forestry.



## Appendix 2.1

## Statement showing execution of non-permissible work

(Reference: Paragraph 2.1)

**Khowai**

SL No.	Name of Work / Project.	Work Order No & Date	Total Cost (₹ in lakh)
1.	Construction of open market shed for fisherman at Jabartilla market under Jambura GP.	4721-27 dt. 12-07-11	1.96
2.	Construction of paccaghatla at Panchayat pond near Ganki Class XII School under Madhya Ganki GP	14353-61 dt. 14-11-12	2.34
3.	Construction of open farmer shed at BrindhabanGhat market under Purba Cebri GP.	4603-10 dt. 11-07-11	2.07
4.	Maintenance of existing market shed at Sonatala under Sonatala GP.	20108-16 dt. 01-01-13	0.98
<b>Total</b>			<b>7.35</b>

**Gournagar**

Sl. No.	Name of work	Work Order No & Date	Total cost (₹ in lakh)
1	Const. of guard wall at Fultali Panchayat Office	2911-12 dt. 31.07.2010	9.00
2	-do-	2909-10 dt. 31.07.2010	9.00
3	Const. of Guard wall at market stall (Madhya Para) under Jarultali GP	1407-05 dt. 17.06.2010	2.03
4	Const. of community hall near the tea estate at Rangrung GP	27-28 dt. 03.04.2010	2.58
5	Const. of community hall at Madhya Srirumpur GP	647-48 dt. 19.05.2010	5.88
6	Const. of community hall kinairc AWC at Srirumpur GP	3528-29 dt. 31.08.2010	6.88
7	Const. of Market stall at Uttar hirachara Bazar, Under Hirachara VC	1755-56 dt. 03.07.2010	9.28
<b>Total</b>			<b>44.65</b>

**Appendix – 2.2**

**Statement showing parking of funds-Matabari Panchayat Samiti**

*(Reference: Paragraph 2.4)*

*(In ₹)*

<b>Sl. No.</b>	<b>Bill/Cheque/Sanction memo No. &amp; dt.</b>	<b>Scheme/Purpose</b>	<b>Total fund received</b>	<b>Expenditure incurred</b>	<b>Balance as on 31.03.2013</b>
1	770302 dt. 21-04-08	PDF(DTZP)	345500	255330	90170
2	949639 dt. 16-04-08	-do-	1120	--	1120
3	872774 dt. 09-04-09	-do-	550589	516000	34589
4	242106 dt. 29-03-11	-do-	786350	627747	158603
5	031676 dt. 04-02-10	-do-	250000	115107	134893
6	949648 dt. 09-07-08	PDF( RD Cost)	9508	--	9508
7	949664 dt. 21-10-08	-do-	13160	--	13160
8	949236 dt. 31-03-06	-do-	20000	18490	1510
9	949645 dt. 23-06-08	-do-	1925	--	1925
10	949734 dt. 31-07-09	-do-	15510	--	15510
11	949801 dt. 19-11-09	-do-	4060	--	4060
12	949647 dt. 07-07-08	-do-	5562	--	5562
13	949819 dt. nil	-do-	9075	--	9075
14	194025 dt. 30-03-11	-do-	25620	22453	3167
15	151448 dt. 19-04-12	-do-	75235	--	75235
16	292962 dt. 28-09-11	Blood donation day	5000	--	5000
17	113431 dt. 27-12-12	ROR entry	5591	--	5591
18	10609-752 dt. 20-09-11	PDF(hon/Cont)	33300	28985	4315
19	2438-525 dt. 21-03-12	PDF(Dev/Hon/Con)	1435875	1355439	80436
20	1128-334 dt. 21-03-12	-do-	709789	644081	65708
21	-do-	PDF(hon/Cont)	33300	23500	9800
22	441-547 dt. 08-04-11	13 <sup>th</sup> Finance	1346334	1339487	6847
23	1845-950 dt. 30-04-11	-do-	1597834	1593687	4147
24	9185-289 dt.19-08-12	-do-	126904	117779	9125
25	3551-658 dt.17-05-12	-do-	157534	129723	27811
26	8584-694 dt. 28-06-11	-do-	1695261	1475113	220148
27	13532-624 dt. 28-09-12	-do-	1695261	--	1695261
<b>Total:</b>			<b>10955197</b>	<b>8262921</b>	<b>2692276</b>

## Appendix – 2.3

## Statement showing outstanding advances with the Implementing Officers of Jirania Panchayat Samiti.

(Reference: Paragraph 2.5)

(₹ in lakh)

Statement showing the details of un-adjusted amount lying with Implementing Officers				
Sl. No.	Name of Implementing Officers	Amount lying un-adjusted against advances given during 2011-12	Amount lying un-adjusted against advances given during 2012-13 (upto December, 2013)	Total amount lying un-adjusted
1	Ranjit Ghosh,J/M	10.67	4.24	14.91
2	Pannalal Dasgupta,T/A	2.30	8.07	10.37
3	Sukhen Patwari, J/E	3.68	1.28	4.96
4	Laxman Das,W/A	0.37	3.78	4.15
5	Subra Sanka Saha, T/A	--	2.72	2.72
6	Bijoy Bhattacharjee,P/S	--	2.00	2.00
7	Pintu Deb,P/S	--	1.91	1.91
8	Chandan Bose,P/S	--	1.81	1.81
9	Apu Majumder,P/S	--	1.88	1.88
10	Narayan Roy,P/S	1.46	0.33	1.79
11	Goutam Das,J/M	1.60	-	1.60
12	Nihar Bhowmik,P/S	-	0.96	0.96
13	Suamen Lahiri,P/S	-	0.96	0.96
14	Biswanath Roy Choudhury,P/S	-	0.88	0.88
15	Ajit Das,W/A	-	0.88	0.88
16	Sanjoy Laskar,P/S	-	0.88	0.88
17	Amitabha Roy Choudhury,P/S	-	0.80	0.80
18	Matilal Pal,P/S(sup)	-	0.74	0.74
19	Sankar Das,Y/O	0.71	-	0.71
20	Ranjita Roy Namasudra,P/S	-	0.54	0.54
21	Subrata Chakraborty,T/A	-	0.50	0.50
22	Haralal Das,P/S	0.50	-	0.50
23	Tusar Kanti Ghosh,P/S	-	0.47	0.47
24	Kamakhya Charan Baksi,P/S	-	0.25	0.25
25	Dipika Bhattacharjee,P/S	0.21	-	0.21
26	Kanailal Chakraborty,,P/S	-	0.18	0.19
27	Kalpna Debnath,P/S	0.16	-	0.6
28	Lalit Shil,Secy.TAS	0.15	-	0.15
29	Sukanta Das,Asst. Teacher	-	0.10	0.10
	<b>Total:</b>	<b>21.81</b>	<b>36.21</b>	<b>57.97</b>

**Appendix 2.4**

**Statement showing non-deduction of VAT  
(Reference: Paragraph 2.7)**

<b>Sl. No.</b>	<b>Name of suppliers</b>	<b>Particular</b>	<b>Work order No. &amp; date</b>	<b>Amount paid (In ₹)</b>	<b>VAT not deducted at source (In ₹)</b>
1	Biswaskarma sowing Timber	Supply of Koroi and Gamai wood.	3774 dt. .29/12/12	34,699	4,127
2.	do	do	3774 dt. .29/12/12	34,699	4,127
3.	do	do	Do	34,699	4,127
4.	do	do	3773 dt. 29/12/12	34,699	4,127
5.	Tripureswari sowing Timber	do	42 dt .06/03/13	34,699	4,127
6	Puja size Timber	Supply of Soft wood	1462 dt .01/08/12	12,375	1,072
7.	B.K.Size Timber	Supply of Koroi and Gamai wood.	1179 dt .04/07/11	25,438	3,026
8.	Ramthkur Mechanical works	Supply of steel door, hater, collapsible	2456 dt.. 26/9/11	66,791	7,944
9.	Joy Baba Parameswar Timber & Electronics	Supply of Karoi wood	2208 dt. 18/10/12	42,682	5,077
10.	Biswaskarma sowing Timber	Do	Do	13,041	1,551
11	Satya Narayan Cabinet	Supply of Koroi and Gamai wood.	1164 dt 04/07/11	7,294	868
12	Kalimata Hardware	Cement paint, Pink primer, wood paint & ply wood	1163 dt. 04/07/11	27,780	3,304
13	Baba Parameswar Timber	Supply of Koroi and Gamai wood.	1176 dt. .04/07/11	24,248	288
14	Swanath baidya	Supply of river sand	2208 dt. 18/10/12	33,413	1,591
<b>Total:</b>				<b>4,26,557</b>	<b>45,356</b>

## Appendix – 4.1

Statement showing outstanding revenue in Kamarghat Nagar Panchayat as on  
31-03-2013.

(Reference: Paragraph 4.5)

(₹ in lakh)

Sl. No.	Year	Source of revenue	Target	Revenue realised	Revenue outstanding
1	2011-12	Property tax	2.41	1.45	0.96
2	-do-	Trade license	1.73	1.13	0.60
3	-do-	Stall rent	7.64	6.41	1.23
4	-do-	Water tax	3.73	1.94	1.79
<b>Sub Total</b>			<b>15.51</b>	<b>10.93</b>	<b>4.58</b>
5	2012-13	Property tax	2.56	0.61	1.95
6	-do-	Trade license	2.72	2.02	0.70
7	-do-	Stall rent	8.25	7.08	1.17
8	-do-	Water tax	4.24	1.98	2.26
<b>Sub Total</b>			<b>17.77</b>	<b>11.69</b>	<b>6.08</b>
<b>Grant Total</b>			<b>33.28</b>	<b>22.62</b>	<b>10.66</b>