

Chapter II

Audit Framework

2.1 *Audit Objectives*

The objectives for Performance Audit were to assess whether:

- (i) provisions of 74th CAA have been adequately covered in the State legislations.
- (ii) the ULBs have been empowered by the State Government to discharge their functions/responsibilities effectively through creation of appropriately designed institutions/institutional mechanism and their functions.
- (iii) the functions stated to have been devolved have actually been devolved effectively; and
- (iv) the ULBs have been empowered to access adequate resources for discharge of functions devolved to them.

2.2 *Audit Criteria*

The audit criteria were derived from the following:

- (i) 74th Constitutional Amendment Act, 1992.
- (ii) Rajasthan Municipalities Act, 2009
- (iii) Laws and By-laws framed by Urban Local Bodies.
- (iv) General Financial and Accounts Rules.
- (v) Various notifications, orders, and circulars issued by LSGD and Government of Rajasthan
- (vi) Central and State Finance Commissions Reports.

2.3 *Audit Scope and Methodology*

The Performance Audit covering the period April 2015 to March 2020 was carried out in two stages. Stage-I from June to December 2020, comprised audit of implementation of CAA by the State Government and parastatals and Stage-II comprised test-check of 14 ULBs across all tiers and selected five¹

¹ Three functions (one major function “Public Health, sanitation conservancy and solid waste management” has been bifurcated in two functions due to extensiveness + Fire Services + Provision of urban amenities and facilities) and one major revenue source ‘Property Tax’.

functions. Due to Corona pandemic, the selection of ULBs had to be restricted to Jaipur and nearby area. ULBs were selected through simple random sampling using IDEA software. The details of ULBs selected for test check, are as under:

Table 2.1: Details of selected units

S. No.	Types of ULBs	Population wise category	Total number of units	Selected units	Name of units
1.	Municipal Corporation	I	2	2	Jaipur & Ajmer
2.	Municipal Council	I	11	2	Sikar & Kishangarh
3.	Municipal Board	II	5	1	Nawalgarh
		III	22	3	Chaksu, Chomu and Niwai
		IV	38	6	Jobner, Thanagaji, Shahpura, Phulera, Bagru and Lalsot
Total			78	14	

During audit, activities relating to following five focus areas were selected for detailed test-check:

- (i) Fire Services;
- (ii) Public Health and Sanitation;
- (iii) Solid Waste Management;
- (iv) Property Tax; and
- (v) Provisions of Urban amenities and facilities such as parks, gardens, playgrounds

An Entry Conference was held on 23 December 2020 with the Secretary, LSGD, in which the audit methodology, scope, objectives and criteria were explained. An Exit Conference was held on 22 July 2021 with the Secretary, LSGD, in which the points raised in the Draft Paragraph were discussed. The replies received from State Government (July 2021) have also been incorporated in the Report.

2.4 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the State Government, Directorate of Local Bodies, RIICO, UDAs/UITs, RHB, RUDSICO, and all selected urban local bodies in conducting the performance audit.

2.5 *Organization of Audit Findings*

The audit observations relating to status of devolution of functions, funds and functionaries are presented in the following chapters.

Chapter III: Compliance with provisions of 74th CAA

Chapter IV: Empowerment of ULBs and their functioning

Chapter V: Financial resources of ULBs

Chapter VI: Human resources of ULBs

Chapter VII: Conclusions