

Overview

An overview of the significant audit observations made on the functioning of Panchayati Raj Institutions and Urban Local Bodies in implementing various schemes/ programmes under Panchayati Raj Department and Housing and Urban Development Department respectively is given below.

Panchayati Raj Department

2.1 Implementation of Targeted Rural Initiatives for Poverty Termination and Infrastructure

- In the planning process of the mission, “Bottom-up” approach, as envisaged in the guidelines, was not followed which prevented participation of the Community Based Organisations at the lowest level.

(Paragraph 2.1.2)

- As the State could not spend the entire credit, it was liable to pay commitment charges of ₹ 4.35 crore to the International Development Association against un-withdrawn amount of ₹ 124.35 crore.

(Paragraph 2.1.3.1)

- Even after closure of the project in June 2015, funds remained unutilised at State Project Monitoring Unit and Gram Panchayat Level Federation levels.

(Paragraph 2.1.3.2)

- Adequate number of Gram Panchayat Level Federations were not created and minimum requirement of Community Investment Fund (₹ 15 lakh) was not provided to the Gram Panchayat Level Federations, thereby restricting micro-finance to rural poor. None of the Gram Panchayat Level Federations were registered under appropriate Acts, due to which loan amount of ₹ 92.43 lakh remained unrecovered from the Self Help Groups.

(Paragraph 2.1.4)

- Though 169 Self Help Groups submitted Micro Investment Plans of ₹ 3.57 crore, loans of only ₹ 82.19 lakh (23 per cent) were sanctioned and no attempts were made to leverage external funding.

(Paragraph 2.1.4)

- Achievements under different livelihood programmes were poor due to delayed release of funds and inadequate monitoring.

(Paragraph 2.1.6)

- Non-functioning of six mandatory committees in Gram Panchayat Level Federations enabled misappropriation of Community Investment Fund, Pro-Poor Inclusion Fund and Institution Building Fund.

(Paragraph 2.1.7)

2.2 Audit of Thirteenth Finance Commission Award (2010-11 to 2014-15)

- Due to absence of monitoring by District Rural Development Agencies/ Department, component-wise utilisation of funds was not available at blocks and Gram Panchayats.

(Paragraph 2.2.2.4)

- Contrary to guidelines, funds under the components like Drinking Water Supply, Rural Sanitation and Maintenance of Local Area Network were routed through the respective blocks, instead of being released directly to Gram Panchayats.

(Paragraph 2.2.3.3)

- Tube wells and Piped Water Supplies were not repaired in time and poor maintenance of records and registers led to shortage and doubtful utilisation of spare parts worth ₹ 88.33 lakh.

(Paragraph 2.2.3.5 to 2.2.3.8)

- Instead of promoting sewerage and Solid Waste Management services in villages, the funds allotted for Rural Sanitation were utilised for construction of Cement Concrete roads.

(Paragraph 2.2.4.2)

- Under Maintenance of Roads and Bridges, new constructions were made in violation of the guidelines. In nine test checked blocks, an amount of ₹ 5.66 crore was spent on new construction of roads and bridges.

(Paragraph 2.2.5)

- The roads constructed in Gram Panchayats and blocks did not meet the prescribed specifications as deficiencies in measurements were observed in 34 out of 77 roads inspected.

(Paragraph 2.2.8)

- In Brahmagiri Panchayat Samiti, the then Senior Clerk-cum-Cashier misappropriated Old Age Pension funds by tampering with an official cheque and not depositing undisbursed Old Age Pension money of ₹ 15.02 lakh.

(Paragraph 2.3)

- Government money of ₹ 14.01 lakh was misappropriated in Puri Sadar Panchayat Samiti through double payment and drawal of self-cheque without cash book entry.

(Paragraph 2.4)

- In eight Panchayat Samitis, ₹ 1.12 lakh was misappropriated in disbursement of Old Age Pension.

(Paragraph 2.5)

- Thirteen ineligible beneficiaries (non-widows) were paid widow pension of ₹ 0.77 lakh under Madhu Babu Pension Yojana in Lahunipara Panchayat Samiti.

(Paragraph 2.6)

- An amount of ₹ 0.30 lakh was misappropriated from the miscellaneous receipts of the Boipariguda Panchayat Samiti.

(Paragraph 2.7)

- In Babuchhipidihi Gram Panchayat of Laikera Panchayat Samiti, the Panchayat Executive Officer and Sarpanch misappropriated Gram Panchayat Fund of ₹ 0.23 lakh.

(Paragraph 2.8)

- Non-accounting of Hume Pipes in stock register of Gurundia Panchayat Samiti resulted in loss of stock of ₹ 12.71 lakh.

(Paragraph 2.9)

Housing and Urban Development Department

Generation of own revenue and its collection by Bhubaneswar Municipal Corporation

- Bhubaneswar Municipal Corporation (BMC) did not set up the required institutional arrangements for levy of property tax even after 13 years of enactment of the Orissa Municipal Corporation Act, 2003 and was only levying and collecting the holding tax.

(Paragraph 4.1.6.1)

- The annual value of holdings was not revised after 1977, resulting in loss of revenue.

(Paragraph 4.1.7.3)

- There was a loss of revenue of ₹ 19.94 crore due to under-assessment of advertisement tax and non-enforcement of agreement condition for display of advertisement and renewal of passenger shelters at a lower rate.

(Paragraph 4.1.8.1 to 4.1.8.6)

- Failure of BMC to levy penalty on trade licences, collect licence fees from traders and implement recommendation of Third State Finance Commission, led to loss of revenue of ₹ 12.40 crore.

(Paragraph 4.1.9.1 to 4.1.9.5)

- Bhubaneswar Municipal Corporation allotted 35 shop-rooms to rehabilitated shopkeepers in its new garment market without making any agreement, due to which it lost the rent revenue of ₹ 24.31 lakh.

(Paragraph 4.1.10.1)

- Bhubaneswar Municipal Corporation failed to implement user charges reform as per the Orissa Municipal Corporation Act and Government orders, as a result of which there was a loss of ₹ 6.62 crore towards non-imposition of user charges on shops and non-realisation of user fees from hospitals, nursing homes, apartments and hotels.

(Paragraph 4.1.11)

- Bhubaneswar Municipal Corporation could not collect revenue of ₹ 43.25 crore from the buildings, constructed without obtaining No Objection Certificates due to its failure to enforce the Orissa Municipal Corporation Act and maintain co-ordination with Bhubaneswar Development Authority. Further, it under-assessed the project cost of buildings due to which demands for development charges were short levied to the extent of ₹ 2.32 crore.

(Paragraph 4.1.12.1 and 4.1.12.2)

- In BMC-Keshari Mall, BMC could not sell out the shops and assets valued at ₹ 16.77 crore and they were lying idle, as it did not take possession of the shops in the last six years. Similarly, BMC failed to sell out or give on rent 95 per cent area of BMC-Bhavani Mall.

(Paragraph 4.1.13.1 and 4.1.13.2)

- Bhubaneswar Municipal Corporation's failure to execute the deeds of conveyance in favour of the shop owners of BMC-Keshari Mall prevented it from collecting holding tax of ₹ 39.84 lakh during the last five and half years.

(Paragraph 4.1.13.3)

- Bhubaneswar Municipal Corporation did not raise demand for authorisation premium of ₹ 55.13 lakh from the agency constructing Foot Over Bridge.

(Paragraph 4.1.13.4)

- Bhubaneswar Municipal Corporation did not take any follow-up action under the Orissa Municipal Corporation Act to realise the arrears of holding tax and market rent amounting to ₹ 84.96 crore.

(Paragraph 4.1.14.1)

Compliance Audit Paragraphs

- Holding Tax of ₹ 0.93 lakh received by the Tax Collector of Notified Area Council, Kotpad was misappropriated without depositing with the Cashier.

(Paragraph 5.1)

- In Basudevpur Municipality, there was doubtful procurement of electrical items worth ₹ 10.20 lakh, due to absence of stock-taking and non-availability of purchase records.

(Paragraph 5.2)

- In Sambalpur Municipal Corporation, rent of ₹ 1.74 crore was not collected from the retired officials at revised rates along with penalty.

(Paragraph 5.3)

- Six Urban Local Bodies did not remit Employees' Provident Fund dues to the Regional Provident Fund Commissioners which resulted in payment of penalty and interest of ₹ 1.47 crore in addition to a committed liability of ₹ 34.04 lakh.

(Paragraph 5.4)