

Annual Technical Inspection Report

on

**Panchayati Raj Institutions and Urban Local Bodies
for the year ended 31 March 2017**

Government of Himachal Pradesh

**Office of the Principal Accountant General (Audit)
Himachal Pradesh, Shimla**

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PREFACE

This Report for the year ended 31 March 2017 has been prepared for submission to the Government of Himachal Pradesh in terms of Technical Guidance and Support to audit of Panchayati Raj Institutions and Urban Local Bodies under Section 20(1) of the Comptroller and Auditor General's (CAG's) Duties, Powers and Conditions of Service (DPC) Act, 1971.

The Report contains significant results of the audit of the Panchayati Raj Institutions and Urban Local Bodies in the State including the departments concerned.

The issues noticed in the course of test audit for the period 2016-17, as well as those issues which came to notice in earlier years, but could not be dealt within the previous Reports have also been included, wherever necessary.

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

OVERVIEW

This Report is in two parts and consists of four chapters. Chapters 1 and 2 pertain to Panchayati Raj Institutions and Chapters 3 and 4 pertain to Urban Local Bodies. A synopsis of important audit findings is presented in this overview.

Profile of Panchayati Raj Institutions (PRIs)

The 73rd Constitution Amendment Act accorded constitutional status to Panchayati Raj Institutions (PRIs). Twenty-nine functions listed in 11th Schedule of the Constitution were to be devolved by the States to the PRIs, along with funds and functionaries.

The Government of Himachal Pradesh enacted the Himachal Pradesh Panchayati Raj Act in 1994. Functions relating to 15 line departments have been assigned by the State Government to PRIs. There are 12 Zila Parishads (ZPs), 78 Panchayat Samitis (PSs), and 3,243 Gram Panchayats (GPs) in the State.

(Chapter-1)

Results of audit of Panchayati Raj Institutions

During 2016-17, audit of six ZPs, six PSs and 128 GPs was conducted. Audit of PRIs highlighted (a) differences between figures of receipts and expenditure furnished to audit and those uploaded on PRIASoft; (b) non-maintenance of accounts through PRIASoft; (c) non-maintenance of National Assets Directory (NAD); (d) non-maintenance of registers such as stock register, immovable property register, work register, muster roll register, temporary advance register, grants-in-aid register, cheque issue and receipt register, etc.; (e) improper maintenance of accounts of income from own resources and grants-in-aid/ loans; (f) non-reconciliation of balances with bank statements; (g) non-conducting of physical verification; and (h) non-accounting of material in stock registers by PRIs.

Seventy-eight GPs did not realise house tax of ₹ 22.80 lakh upto the period 2015-16. Fifteen PRIs failed to realise an amount of ₹ 11.31 lakh on account of rental charges of shops. Revenue of ₹ 12.25 lakh on account of installation and renewal charges of mobile towers in 42 GPs remained unrealised. An expenditure of ₹ 68.71 lakh was incurred by two PRIs without preparing/ passing budget estimates during 2013-16. In 28 GPs, funds of ₹ 74.97 lakh remained unspent due to non-commencement of works. In 33 PRIs, funds of ₹ 1.44 crore remained unspent due to non-completion of works. In 51 PRIs, funds from 13th Finance Commission amounting to ₹ 11.96 crore remained unutilised on account of non-commencement of works, incomplete works and non-release of funds. Funds of ₹ 4.41 crore under 14th Finance Commission remained unutilised in 58 PRIs owing to non-start and non-completion of works. Funds of ₹ 6.16 lakh earmarked for minor irrigation schemes remained unutilised in Personal Ledger Account of three PSs. Funds of ₹ 6.09 lakh received under Nirmal Bharat Abhiyan remained unutilised in one GP. Funds of ₹ 0.20 lakh earmarked for Sampooran Sawachata Abhiyan remained unutilised in one GP. Six GPs deployed the same labourers on different works in the same period. Two GPs incurred expenditure amounting to ₹ 0.31 lakh on wages of nine workers without completing muster rolls. Four GPs paid wages amounting to ₹ 0.21 lakh to 15 workers without documentary proof. Implementation of Mahatma Gandhi National

Rural Employment Guarantee Scheme suffered from delay in release of labour payments as wages of ₹ 1.18 crore to labourers was delayed for period ranging between one and 178 days. GP Barto incurred doubtful expenditure on works under Sectoral Decentralised Planning scheme amounting to ₹ 0.19 lakh. Temporary advances amounting to ₹ 0.50 lakh remained outstanding for a period of one to 31 years in two GPs.

(Chapter-2)

Profile of Urban Local Bodies (ULBs)

The 74th Constitution Amendment Act paved the way for decentralisation of power and transfer of 18 functions listed in the 12th Schedule of the Constitution alongwith funds and functionaries to Urban Local Bodies (ULBs).

In Himachal Pradesh, 17 functions stand transferred to ULBs. The Government of Himachal Pradesh enacted the Himachal Pradesh Municipal Corporation Act, 1994 and the Himachal Pradesh Municipal Act, 1994 for transferring powers and responsibilities to ULBs. There are two Municipal Corporations, 30 Municipal Councils (MCs) and 22 Nagar Panchayats (NPs) in the State.

(Chapter-3)

Results of audit of Urban Local Bodies

During the year 2016-17, audit of one Municipal Corporation, 11 Municipal Councils and four Nagar Panchayats was conducted. Audit of ULBs *inter alia* highlighted (a) non-preparation of annual accounts; (b) non-preparation of budget estimates; (c) non-reconciliation with bank statements; and (d) non-accounting of materials.

In 12 ULBs, recovery of house tax of ₹ 8.11 crore remained unrealised as of March 2016. Sixteen ULBs failed to realise rent from shops, booths and stalls amounting to ₹ 7.30 crore. Failure to realise installation and renewal charges on mobile towers by 15 ULBs resulted in loss of revenue of ₹ 34.06 lakh. Collection of sanitation/ *safai* tax, *rehri/ tehbazari* fee and trade tax remained pending in four ULBs resulting in loss of revenue of ₹ 53.84 lakh. In Municipal Corporation, Shimla revenue of ₹ 53.64 lakh on account of lease money from shops and stalls remained unrealised. Non-collection of property tax of ₹ 1.77 crore from the lessee deprived the Municipal Corporation Shimla of its due share of revenue. Funds of ₹ 4.39 crore remained blocked in 10 ULBs on account of non-start of works and incomplete works. In Municipal Council, Shri Naina Devi Ji, funds from 13th Finance Commission amounting to ₹ 93.23 lakh remained unutilised on account of non-commencement of works. In Nagar Panchayat, Daulatpur Chowk (Una district), funds from 14th Finance Commission amounting to ₹ 11.52 lakh remained unutilised. Funds of ₹ 1.80 crore earmarked for sewerage schemes remained unutilised in three ULBs. Three Municipal Councils sanctioned temporary advances amounting to ₹ 18.84 lakh during 1988-89 to 2016-17 without adjustment of previous advances.

(Chapter- 4)

PART-A PANCHAYATI RAJ INSTITUTIONS

CHAPTER-1

PROFILE OF PANCHAYATI RAJ INSTITUTIONS

1.1 Background of Panchayati Raj Institutions

The 73rd Constitution Amendment Act accorded constitutional status to the Panchayati Raj Institutions (PRIs) and established a structure of self governing institutions at the rural level, with regular elections and flow of funds through Finance Commissions. States were expected to devolve funds, functions and functionaries to these bodies so as to enable them to function as institutions of Local Self Government. Twenty-nine functions (**Appendix-1**) listed in the 11th Schedule of the Constitution were to be devolved to PRIs, alongwith funds and functionaries. PRIs were required to prepare plans and implement schemes for socio-economic development, particularly for those functions listed in the Eleventh Schedule of the Constitution.

The Government of Himachal Pradesh enacted the Himachal Pradesh Panchayati Raj Act, 1994 and framed the Himachal Pradesh Panchayati Raj (General) Rules, 1997 and the Himachal Pradesh Panchayati Raj (Finance, Budget, Accounts, Audit, Works, Taxation and Allowances) Rules, 2002 to enable these institutions to work as the third tier of Government. The activity map for devolving functions, funds and functionaries (3Fs) of 15 line departments was notified vide notification No. PCH-HA (3)/9/2006, dated 19th October, 2009. Although all 29 functions relating to these 15 line departments (**Appendix-2**) have been assigned to PRIs, matching funds and functionaries have not been provided to the PRIs¹.

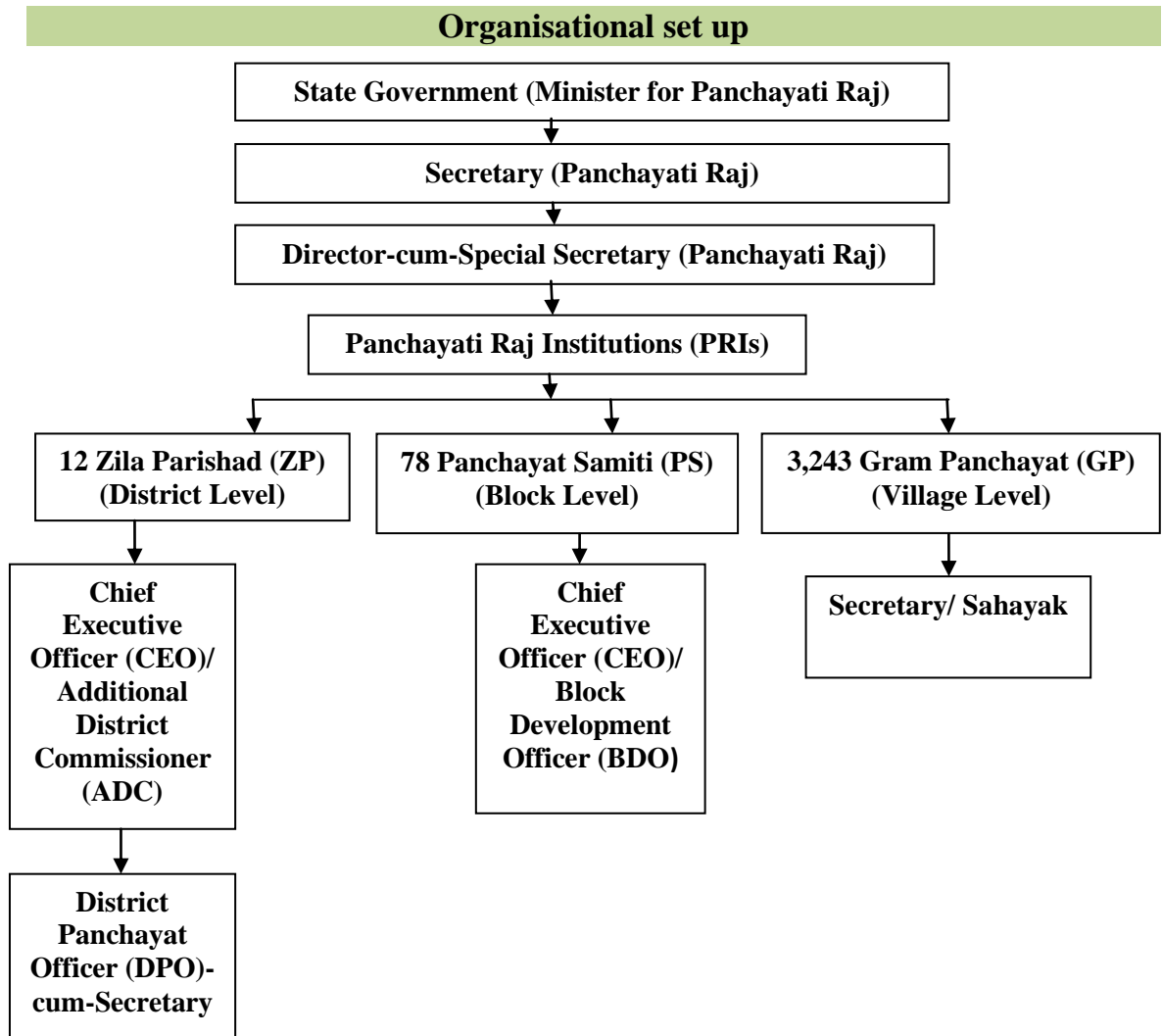
1.2 Audit mandate of the CAG

In Himachal Pradesh, primary audit of Panchayati Raj Institutions (PRIs) is being undertaken by the Director, Local Audit Department (LAD). The State Government has entrusted (March 2011) audit of PRIs to the Comptroller and Auditor General (CAG) with the responsibility of providing technical guidance and support under section 20(1) of the CAG's (DPC) Act, 1971. The results of audit are included in the Annual Technical Inspection Report (ATIR), which is to be placed before the State Legislature as per Section 118 of the Himachal Pradesh Panchayati Raj Act, 1994.

1.3 Organisational structure of Panchayati Raj Institutions

There are 12 Zila Parishads (ZPs), 78 Panchayat Samitis (PSs) and 3,243 Gram Panchayats (GPs) in the State, as of March, 2016. The chart below depicts the organisational structure of the State Government, Panchayati Raj Department and the Panchayati Raj Institutions at the Zila Parishad (ZP), Panchayat Samiti (PS), and Gram Panchayat (GP) level.

¹ Stated by Director, Panchayati Raj (July 2016).



The chairpersons of ZPs and PSs, and the Pradhans of GPs are elected representatives and head the ZPs, PSs, and GPs respectively. District level officers are required to attend monthly meetings of the ZPs.

1.3.1 Standing Committees

The various Standing Committees in PRIs and their roles and responsibilities are given in Table-1.

Table-1: Roles and responsibilities of the Standing Committees

Level of PRIs	Standing Committee headed by	Name of Standing Committees	Role and responsibilities of the Standing Committee
Zila Parishad	Chairman	General Standing Committee	Performs functions relating to establishment matters, communications, etc.
		Finance, Audit and Planning	Performs functions relating to finances of Zila Parishad.
		Social Justice Committee	Performs functions like promotion of educational, economic, social, cultural and other interests of SCs/ STs/OBCs.
		Education and Health Committee	Undertakes planning of education in the district within the framework of the national policy and National and State plans
		Agriculture and Industries Committee	Performs functions relating to agriculture

Level of PRIs	Standing Committee headed by	Name of Standing Committees	Role and responsibilities of the Standing Committee
Panchayat Samiti	Chairman	General standing committee	Performs functions relating to the establishment matters.
		Finance, Audit and Planning	Performs functions relating to finances of the Panchayat Samiti.
		Social Justice committee	Performs functions like promotion of educational, economic, social, cultural and other interests of SCs/STs/OBCs.
Gram Panchayat	Pradhan or Up-Pradhan	Works Committee	All development works of the Gram Panchayat are executed by this committee.
		Budget Committee	Prepares the annual budget of the Gram Panchayats and submits the same to the Secretary.

1.3.2 Institutional arrangements for implementation of schemes

The Panchayati Raj Institutions (PRIs) have technical and non-technical staff. Against 9,572 sanctioned posts (2,068 regular + 7,504 contractual) of various cadres, 9,496 persons (2,068 regular + 7,428 contractual) were in position and 76 posts (Junior Engineer: 14 and Panchayat Secretary: 62) were lying vacant as of March 2017. Also, 62 posts of Panchayat Secretary are vacant. All 2,954 Panchayat Secretaries were imparted 45 days' compulsory training after their joining. During 2016-17, 268 Panchayat Secretaries and Sahayaks were imparted basic computer training courses and training on e-Panchayat Applications by the Panchayati Raj Department.

1.4 Financial profile

1.4.1 Fund flow to PRIs

Fund flow: Source and custody of funds in PRIs

The resource base of PRIs consists of State Finance Commission (SFC) grants, Central Finance Commission (CFC) grants, State Government grants and Central Government grants for development activities and implementation of schemes. The funds allotted to the PRIs through different sources are kept in banks.

While Central and State grants are utilised by the PRIs for execution of Central and State sponsored schemes as per guidelines issued by the GoI and State Government, the own receipts of PRIs are utilised for execution of schemes and works formulated by the PRIs. The fund flow arrangements for flagship schemes are given in **Table-2**.

Table-2: Fund flow arrangements for the major Centrally Sponsored Flagship Schemes

Sl. No.	Scheme	Fund flow Arrangements
1.	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	GOI and State Government transfer their respective shares of MGNREGS in State Employment Guarantee Fund (SEGF) which is set outside the state accounts. Divisional Commissioner, State Rural Employment Guarantee Schemes is the custodian of the SEGF and authorises transfer of funds directly from SEGF to the beneficiary account.
2.	Swachh Bharat Mission- Gramin (SBM-G)	SBM-G is a centrally sponsored scheme. Funds are released by the Ministry of Drinking Water and Sanitation (MDWS), GOI to the Rural Development Department. Rural Development Department releases the funds to the District Rural Development Agencies (DRDAs) on the basis of District Plans, extent of demand in the district, expenditure pattern and balance funds. The District Rural Development Agencies release the funds to Block Development Officers who further distribute them to Gram Panchayats for various activities.

Sl. No.	Scheme	Fund flow Arrangements
3.	Integrated Watershed Management Programme (IWMP)	The IWMP is a centrally sponsored scheme funded on a cost-sharing basis between the GOI and the State Government in the ratio of 90:10. The nodal ministry (Ministry of Rural Development)/ Department (Department of Land Resources) allocates the budgetary outlay for the projects amongst the States keeping in view the prescribed criteria and past performance of the States (physical and financial) viz. unspent balance, outstanding utilisation certificates, percentage of completed projects out of total projects, etc., except in those schemes where States have flexibility to allocate funds between watershed and other schemes. The State Level Nodal Agencies distribute funds to the districts keeping in view the prescribed criteria.
4.	Pradhan Mantri Awaas Yojana/ Indira Awas Yojana (IAY)	Pradhan Mantri Awaas Yojana (previously Indira Awaas Yojana) is a centrally sponsored scheme, funded on a cost-sharing basis between the GOI and the State Government in the ratio of 75:25. Funds are transferred by Ministry of Rural Development (MoRD), GOI to District Rural Development Agencies (DRDAs), who are custodian of these funds. The DRDAs release the funds to BDOs who release them to the GPs. GPs further, transfer funds directly to the beneficiaries' accounts in two instalments. Second instalment is released after construction reaches the lintel level.
5.	Swarnjayanti Gram Swarajgar Yojana (SGSY)/ National Rural Livelihood Mission (NRLM)	SGSY/ NRLM is a centrally sponsored scheme (CSS) implemented in all states. The total cost of project is to be shared between Centre and State in the ratio of 75:25.
6.	Deen Dayal Upadhyaya Gramin Kaushalya Yojna (DDU-GKY)	Deen Dayal Upadhyaya Gramin Kaushalya Yojna (DDU-GKY), a sub-mission under National Rural Livelihood Mission (NRLM) is an initiative launched by Ministry of Rural Development (MoRD), Government of India. Implementation of DDU-GKY involves State Government, technical support agencies like the National Institute of the Rural Development and Panchayati Raj (NIRD & PR) and Project Implementing Agencies (PIAs). DDU-GKY State Skill Missions, embedded within the State Rural Livelihood Missions (SRLMs), are envisioned to play a central role in providing co-funding and implementation support to DDU-GKY in the State. The ratio of Central and State Government share is 90:10.

1.4.2 Resources: trends and composition

The resources of PRIs for the period from 2012-13 to 2016-17 are detailed in Table-3.

Table-3: Time series data on resources of PRIs

Particulars	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Own Revenue	82.55	92.35	105.32	96.50	88.33
Finance Commission (FC) grants from the State Government (State FC) and Central Government (Central FC)	201.56	283.62	309.95	360.18	515.83
GoI grants for CSS	488.57	163.68	511.86	403.36	659.99
State Government grants for State schemes	15.80	15.97	17.99	23.64	48.18
Other receipts	1.00	0.67	0.25	0.42	0.48
Total	789.48	556.29	945.37	884.10	1,312.81

Source: Director, Panchayati Raj and Rural Development Department, Himachal Pradesh and Economic Adviser, Economics and Statistics Department, Himachal Pradesh

Figures relating to own revenue of PRIs have not been maintained by the Directorate (Panchayati Raj) from the year 2012-13 onwards. The Department stated (April 2016) that the figures relating to own revenue of PRIs have not been compiled as they are now being compiled by the Department of Economics and Statistics, Himachal Pradesh. The figures have, therefore, been obtained from the Department of Economics and Statistics.

1.4.3 Application of resources: trends and composition

The application of resources (amounts released to PRIs by Department of Panchayati Raj, and amount of actual expenditure incurred by PRIs out of the funds released by Department of Rural Development) by PRIs for the period from 2012-13 to 2016-17 is detailed in **Table-4**.

Table-4: Sector-wise application of resources

Particulars	₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Expenditure from Finance Commission grants from the State Government (State FC) and Central Government (Central FC)	202.52	284.29	244.74	307.57	439.37
Expenditure on CSS	544.51	161.86	547.24	516.11	711.72
Expenditure on State Schemes	16.26	14.31	17.65	19.02	35.41
Total	763.29	460.46	809.63	842.70	1,186.50

Source: Director, Panchayati Raj and RDD, Himachal Pradesh.

The utilisation of funds in 140 test-checked PRIs for the period 2013-14 to 2015-16 ranged between 75 and 78 per cent as detailed in **Table-5** below.

Table-5: Utilisation of funds in test checked PRIs

Year	₹ in crore)	
	Receipts	Expenditure
2013-14	97.78	75.92 (78)
2014-15	103.57	77.76 (75)
2015-16	126.79	97.61 (77)

Source: Figures furnished by the test-checked PRIs

1.5 Accounting system in PRIs

The PRIs maintain their accounts in the proforma prescribed under the Himachal Pradesh Panchayati Raj General Rules, 1997. Accounts of the Gram Panchayats are maintained by the Panchayat Secretary, appointed by the Director-cum-Special Secretary Panchayati Raj Department, and Panchayat Sahayak, appointed on contract basis by the Chief Executive Officer-cum-Block Development Officer. In case of Panchayat Samitis, the accounts are maintained by the accountants of development blocks. Accounts of ZPs are maintained by the District Panchayat Officer-cum-Secretary, ZP.

The Eleventh Finance Commission (EFC) had recommended that the CAG exercise control and supervision over maintenance of accounts of all the three tiers of PRIs. The CAG and Ministry of Panchayati Raj (MoPR), GoI had recommended a Model Accounting Structure for PRIs in 2009. The State Government adopted (August 2012) PRIASoft, a software developed by MoPR, for maintaining the accounts of PRIs as per the Model Accounting Structure. The Deputy Director (PRI) stated (October 2017) that

accounts are maintained on PRIASoft as recommended by the CAG and Ministry of Panchayati Raj (MoPR), GoI.

1.6 Financial reporting and accountability framework of PRIs (internal control system)

A sound internal control system contributes to efficient and effective governance. Compliance with financial rules, procedures and directives as well as timeliness and quality of reporting on the status of such compliance is attributes of good governance. The reports on compliance and controls, if effective and operational, assist the PRIs and the State Government in meeting its basic stewardship responsibilities, including strategic planning, decision making and accountability to the stakeholders. Himachal Pradesh Panchayati Raj (HPPR) Rules, 2002 provide that PRIs are required to maintain certain records, registers, forms and accounts. Discrepancies noticed in the internal control system of the PRIs are discussed in Chapter -2.

1.7 Primary audit and Internal audit of PRIs

The Local Audit Department (LAD) has been empowered to conduct the primary audit of PRIs as per Section 118 of the Himachal Pradesh Panchayati Raj (HPPR) Act, 1994. During the year 2016-17, 286 PRIs were audited by the LAD.

Sub-section (i) of section 118 of the HPPR Act, 1994 also provides that there will be a separate and independent internal audit agency under the control of the Director, Panchayati Raj to audit the accounts of PRIs with a view to ensure proper control on income and expenditure. The position of internal audits conducted by the Audit Wing under Director, Panchayati Raj during April 2016 to March 2017 is given in **Table-6**.

Table-6: Position of Internal Audits during 2016-17

Name of Institution	Total units	No. of units planned for audit	No. of units audited	No. of units not audited	Percentage of shortfall/ Excess
Panchayat Samitis	78	39	28	11	(-) 28
Gram Panchayat	3,243	1,622	1,666	--	(+) 03

Source: Director, PRI.

It was noticed that the audit wing under Director, Panchayati Raj had not planned internal audit of any of the ZPs. Deputy Director (PR) stated (July 2018) that internal audit of Zila Parishads was not planned by the department as all ZPs were already being audited by Local Audit Department; however, the department would start conducting internal audit of ZPs from 2018-19.

1.8 Technical Guidance and Support

The audit of PRIs has been entrusted to the CAG under Section 20 (1) of the CAG's (DPC) Act, 1971 with the responsibility of providing Technical Guidance and Support (TGS) to the Primary Auditors as per sections 152-154 of Regulations on Audit and

Accounts, 2007 with regard to annual audit plans, audit methodology and procedures, training and capacity building, reporting and submission of returns.

Audit Plans for the year 2016-17 were received from the Primary Auditor (Director, LAD) and noted for the process of audit planning in this office.

Primary Auditor (Director, LAD) adhered to the audit methodology and procedures for audit as prescribed in Section 80 of the HPPR (Finance, Budget, Accounts, Audit, Works, Taxation and Allowance) Rules 2002.

During the year 2016-17, seven inspection reports from the audit of the PRIs conducted by the Primary Auditor were reviewed by the Office of the Principal Accountant General (Audit), Himachal Pradesh. Inspection Reports were evaluated and recommendations were made for improvement and subsequent follow-up. The following recommendations were made:

- i. Income and expenditure of last three years may be shown in tabular format.
- ii. Reference to rules may be given in the paras while raising objections in audit.
- iii. Audit memos may be issued to the auditee unit
- iv. Audit paras may incorporate the reply of the Secretary, Gram Panchayat.

It may be pointed out that similar recommendations for improvement had been made during previous years, but the shortcomings persisted indicating that LAD had not taken adequate steps to address the same.

Every year, two days' training is imparted to the audit staff of Local Audit Department (LAD) as per their requirement. During 2016-17, 18 participants from LAD were imparted training on 8th and 9th December 2016 on the topics: (i) Statutory provisions regarding finance, taxation and recovery of claims (ii) PRIs funds, their operation, application and investment (iii) Budget, expenditure and stores (iv) Audit and inspection (v) Panchayati Raj Public Works Rules; and (vi) Introduction to MGNREGA and its operational guidelines.

1.9 Audit coverage

During the year 2016-17, test-check of accounts and records of 140 PRIs was conducted by this office and reports were issued to the respective PRIs. This included six ZPs (out of 12), six PSs (out of 78) and 128 GPs (out of 3,243) (**Appendix-3**) selected on the basis of periodicity and expenditure. Important audit findings are discussed in Chapter-2.

1.10 Inspection reports and audit paras pending compliance

As a result of audit of PRIs under TGS, 2,294 inspection reports (IRs) containing 15,292 paras were issued by the office of Principal Accountant General (Audit), Himachal Pradesh to the PRIs concerned as of March 2017. Of these, four IRs and 110 paras were settled leaving 2,290 IRs and 15,182 paras pending compliance as of March 2017. The details are given in **Table-7**.

Table-7: Outstanding inspection reports and audit paras

(In numbers)

Sl. No.	Year of issue of Inspection Reports	IRs/ Paras Outstanding as on 31March 2016		Addition (No. of IRs/ paras issued during the year)		Total		No. of IRs/paras settled during 2016-17		No. of IRs/Paras outstanding as on 31 March 2017	
		IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
1.	Upto 2012-13	1,752	11,226	---	---	1,752	11,226	2	65	1,750	11,161
2.	2013-14	147	970	---	---	147	970	1	16	146	954
3.	2014-15	100	724	---	---	100	724	1	13	99	711
4.	2015-16	155	1,331	---	---	155	1,331	0	5	155	1,326
5.	2016-17	---	---	140	1,041	140	1,041	0	11	140	1,030
	Total	2,154	14,251	140	1,041	2,294	15,292	4	110	2,290	15,182

Correspondence is being undertaken regularly with PRIs and Panchayati Raj Department to settle outstanding IRs/ Paras, but despite this the number of outstanding paras has increased. Increasing trend of outstanding inspection reports and paras is indicative of inadequate attention towards compliance to audit observations, and remains a matter of concern.

CHAPTER-2

RESULTS OF AUDIT OF PANCHAYATI RAJ INSTITUTIONS

The deficiencies noticed during audit of Panchayati Raj Institutions conducted in 2016-17 are discussed in the succeeding paragraphs.

2.1 Accounting System

2.1.1 Discrepancies noticed in Accounting System

Difference between figures of receipts and expenditure furnished to Audit and uploaded on PRIASoft

All Zila Parishads (12), 59 out of 78 Panchayat Samitis and 2,738 out of 3,243 Gram Panchayats were maintaining their accounts on PRIASoft during 2015-16.

During test-check, it was noticed that the figures of receipts and expenditure for the year 2015-16 furnished by 102 test-checked GPs to Audit did not match with the figures uploaded on PRIASoft. There was a difference of ₹ 21.63 crore in the figures of receipt and ₹ 13.07 crore in the figures of expenditure (**Appendix-4**).

Deviation in figures of receipts ranged between one and 99 *per cent* and that of expenditure ranged between one and 98 *per cent*. The deviation in figures of receipts was particularly high in GPs Himri (99 *per cent*), Dhagoli (90 *per cent*) and Chanota (85 *per cent*); and deviation in figures of expenditure was particularly high in GPs Himri (98 *per cent*), Chanota (91 *per cent*) and Dhagoli (91 *per cent*).

The large deviations raise questions over the reliability of financial information being maintained.

2.1.2 Implementation of PRIASoft and maintenance of National Asset Directory (NAD)

(i) The State Government adopted PRIASoft (March 2011), a software developed by MoPR, for maintaining the accounts of PRIs as per the Model Accounting Structure. The Director, Panchayati Raj Department had also directed (January 2012) all the Block Development Officers to implement the PRIASoft accounting system in the Gram Panchayats. Training on PRIASoft to officials of Gram Panchayats had also been provided.

In 15 test-checked GPs², audit observed that maintenance of accounts on PRIASoft accounting system had not been started as of March 2016. In 21 test-checked GPs³, maintenance of accounts on PRIASoft had started but it was found that cash book for 2014-15 and 2015-16 had not been maintained on PRIASoft. In reply, the Secretaries of the GPs concerned stated (May 2016 to February 2017) that the accounts could not be

² Materni; Gharana; Yangpa; Tharola; Kosariyan; Salbad; Sanwal; Rajera; Poolan; Racholi; Balera; Panjey; Sangdah; Kalyada and Ridkamar.

³ Dhagoli; Totu Manjthai; Bhogpur; Kulahan; Vikrambag; Rit; Malyawar; Patta; Bhulswaye; Ghandalwin; Dharog; Bhakeda; Shangher; Hatpang; Chamboh; Dado Deveriya; Khala Kyar; Sarahan; Shiva; Baloth and Thalli.

maintained on PRIASoft due to non-connectivity of broadband network and heavy workload in GPs.

(ii) Joint Director-cum-Deputy Secretary, Panchayati Raj Department directed (June 2015) that National Asset Directory (NAD) is to be maintained by all PRIs in the State and that information of all assets created by PRIs may be uploaded on NAD application.

Audit noticed that in 66 GPs (**Appendix-5**), information of assets created by PRIs was not being uploaded on NAD application. In reply, the Secretary of GPs concerned stated (May 2016 to February 2017) that entries on NAD application would be started shortly.

2.1.3 Non-maintenance of registers

Rule 31 of HPPR Rules, 2002 stipulates that every PRI shall maintain important records, registers, forms, etc., as detailed in Rule 34 of HPPR (General) Rules, 1997.

It was observed that out of 140 test checked PRIs, in 81 (63 *per cent* of 128 test-checked) GPs and one Zila Parishad (ZP, Keylong) (**Appendix-6**), important registers like stock register, immovable property register, work register, muster roll register, temporary advance register, travelling allowance register, contingency expenditure register, Grants-in-aid register, cheque issue and receipt register, etc., were not maintained during 2016-17. Due to non-maintenance of the records, correctness of the financial transactions could not be ascertained in audit. The Panchayat Secretaries concerned assured (June 2016-March 2017) that these records would be maintained in future.

2.1.4 Improper maintenance of accounts of income from own resources, grants-in-aid and loans

Rule 4 of HPPR Rules, 2002 provides that every GP, PS and ZP is required to maintain separate accounts of income from own resources (Account 'A'), and income from grants-in-aid, funds allocated for development works or special purposes, loans, share of taxes, fees, cess and other income (Account 'B').

It was noticed that out of 140 test-checked PRIs, 33 GPs⁴ and one Panchayat Samiti (PS Kunihar), were not maintaining such accounts in the prescribed format and all transactions were carried out through a single account in contravention of the rule *ibid*, due to which the correctness of figures of income from own resources and grants-in-aid and loans received could not be verified. The Panchayat Secretaries concerned assured (June 2016 - February 2017) to maintain separate accounts in the prescribed format in future.

2.1.5 Non reconciliation of balances with bank statements

Rule 15 (10) (b) of the HPPR Rules, 2002 provides that reconciliation of balances of cash book and bank accounts is required to be conducted every month. Any difference shall be explained and accounted for in a footnote in the cash book.

⁴ Materni, Giyu, Nehra, Himri, Koti Bonch, Drabil, Behral, Naya, Aalampur, Paplah, Bhulswanye, Ghandalwin, Beri Rajadian, Dharman, Khalwahan, Dhagoli, Shangher, Sanwal, Sapedu, Langna, Sihuni, Haar, Nain, Gurenwad, Chudhred, Kathog, Rajera, Pulan, Baloth, Thakri Mathi, Panjai, Jarad Bhutti and Prini.

It was noticed that difference amounting to ₹ 22.66 crore (**Appendix-7**) between balances of cash books and bank pass books at the close of the year 2015-16 was not reconciled by 35 PRIs. Significant difference of ₹ 93.25 lakh and ₹ 1,835.21 lakh was noticed in Panchayat Samiti (Amb) and Zila Parishad (Kangra) respectively. In view of the differences in balances, the authenticity of accounts of these PRIs could not be relied upon and there was a risk of money received and spent through cash transactions being misappropriated or embezzled. The officials of the PRIs concerned stated (June 2016 - March 2017) that the differences would be reconciled shortly.

2.1.6 Non-conducting of Physical Verification

Under rule 73(1) of HPPR Rules, 2002, physical verification of all stores shall be conducted by the Pradhan in the case of Gram Panchayat and by the Secretary concerned in case of Panchayat Samiti or Zila Parishad, at least once in six months and invariably in April every year. The result of the verification shall be recorded in writing. During the verification in April, the condition of each article shall be indicated against it in the stock register.

Scrutiny of records showed that in Zila Parishad, Kangra, and 60 GPs (**Appendix-8**), physical verification of store and stock had not been carried out. Out of the test checked six ZPs, six PSs and 128 GPs, physical verification was not found to have been conducted in one ZP and 60 GPs. In reply, the Executive Officer and Secretaries of PRIs concerned stated (June 2016-March 2017) that the physical verification of stores and stock would be conducted shortly.

2.1.7 Non-accounting of materials

Material of ₹ 1.40 crore was not accounted for in the stock register by 39 Gram Panchayats

Under rule 69 of HPPR Rules, 2002, all stores when received are required to be examined, counted, measured or weighed, as the case may be, at the time of taking delivery and should be entered in the stock register immediately. A certificate to the effect is also required to be given at the end of the entries for each single day by the official in charge of stores authorised by the Gram Panchayat or the Panchayat Samiti or the Zila Parishad, as the case may be, stating that the stores have been received in proper condition and according to specifications. In the event of stores found surplus, the same should be indicated as additional receipt and shortages, if any, should be indicated in red ink. Further, rule 70 of the HPPR Rules, 2002 *ibid* stipulates that articles of stores shall be issued against proper indents.

It was observed during the course of audit that in 39 out of 128 test checked GPs, items of stores such as steel, timber, furniture, hardware items, etc., purchased during the period 2010-16 at a cost of ₹ 1.40 crore were not accounted for in stock registers (**Appendix-9**). This was indicative of poor record maintenance on the part of GPs and the possibility of pilferage or loss as a result of non-accounting of these stores can not be ruled out. In reply, the Secretaries of GPs concerned stated (August 2016-March 2017) that the items would be entered in the stock registers. The fact, however, remains that

there was absence of proper check over maintenance of store records by the GPs concerned.

2.2 Revenue

2.2.1 Non-recovery of House Tax

Seventy eight GPs did not realise house tax of ₹ 22.80 lakh upto the period 2015-16

Rule 33 of HPPR Rules, 2002, provides that the Secretary of the GP shall see that all revenues are correctly, promptly and regularly assessed, realised and credited to the accounts of the Panchayat concerned; and section 114 of HPPanchayati Raj Act, 1994 provides that any person evading the payment of any tax, fee, rate or amount due shall be punishable with fine.

Audit noticed that in 78 out of 128 test checked GPs, house tax amounting to ₹ 22.80 lakh upto the period 2015-16 was not recovered as of March 2017 (**Appendix-10**). Moreover, the GPs had not taken any action to levy penalty on the defaulters for non-payment of house tax in terms of Section 114 of HP Panchayati Raj Act, 1994. The Secretaries of GPs concerned stated (May 2016 - March 2017) that efforts would be made to recover the outstanding house tax. Replies are indicative of ineffective monitoring on the part of the GPs resulting in non-collection/ loss of revenue.

2.2.2 Outstanding rent

Fifteen PRIs failed to realise rent due from shops amounting to ₹ 11.31 lakh

ZPs, PSs and GPs maintain shops in their jurisdiction and these are rented out on monthly rental basis.

Scrutiny of records revealed that in 15 PRIs, an amount of ₹ 11.31 lakh on account of rent from 81 shops (for the period 1989-90 to 2015-16) was outstanding as of March 2016 (**Appendix-11**). This indicated that timely collection of shop rent had not been given due attention by the PRIs. The PRIs concerned stated (July 2016-March 2017) that outstanding rent would be recovered from defaulters.

2.2.3 Non-recovery of duty for installation of Mobile Towers

Revenue of ₹ 12.25 lakh on account of installation and renewal charges of mobile towers remained un-realised in 42 GPs

The Government of Himachal Pradesh authorised (November 2006) GPs to levy duty on installation of mobile communication towers in their jurisdiction at the rate of ₹ 4,000 per tower and to collect annual renewal fee at the rate of ₹ 2,000 per tower.

Audit noticed that in 42 out of 128 test checked GPs, 80 mobile towers were installed during 2003-16 but installation and renewal charges amounting to ₹ 12.25 lakh (**Appendix-12**) had not been recovered from the mobile companies concerned as of March 2016. This deprived the GPs of their due share of revenue. The Secretaries of the GPs concerned stated (June 2016- March 2017) that action would be taken shortly to recover the dues.

2.2.4 Expenditure incurred without preparing budget estimates by PRIs

Rule 37 of HPPR Rules, 2002, provides that every Gram Panchayat (GP) shall annually prepare budget estimates of its receipts and expenditure for each financial year in the format prescribed (Form-11). The budget estimates shall be prepared by the Secretary of the GP by 15th October of the previous year and shall be submitted to the Gram Panchayat for scrutiny, and the same shall be passed by the Gram Sabha by majority vote.

Audit noticed that two⁵ out of 128 test checked GPs had incurred an expenditure of ₹ 68.71 lakh without preparing and passing the budget estimates during 2013-14 and 2015-16. The Secretaries of the Gram Panchayats concerned stated (November 2016-December 2016) that rules will be followed strictly in future.

2.3 Blocking of funds

2.3.1 Blocking of funds due to non-commencement of works

Funds of ₹ 74.97 lakh remained unspent due to non-commencement of works

Scrutiny of records showed that in 28 out of 128 test checked GPs (**Appendix-13**), ₹ 74.97 lakh was received (2010-16) for execution of 91 development works under various schemes. However, no expenditure was incurred on execution of these works as of February 2017. Thus, non-utilisation of funds for developmental activities resulted in blocking of funds, besides depriving the beneficiaries of the intended benefits. The Secretaries of the PRIs concerned stated (August 2016 - February 2017) that works could not be started due to involvement of field functionaries in elections of Panchayati Raj Institutions and the development works would be started soon. Deputy Director (PR) stated (September 2018) that the works could not be started or were delayed due to non-completion of codal formalities (such as getting NOC from the person whose land is to be acquired) and engagement of field staff in elections of PRIs. The reply is not tenable as works have not started even after lapse of one to seven years resulting in blocking of funds.

2.3.2 Unutilised funds due to non-completion of works

Funds of ₹ 1.44 crore remained unspent due to non-completion of works by GPs

In 33 out of 128 test-checked GPs, against an amount of ₹ 3.38 crore received for execution of 123 works (scheduled for completion within three to 12 months) during 2011-16 under various schemes, an expenditure of ₹ 1.94 crore was incurred and the balance amount of ₹ 1.44 crore (43 *per cent*) was lying unutilised as of February 2017 (**Appendix-14**). The Secretaries of PRIs concerned stated (July 2016-February 2017) that works could not be completed due to land disputes and litigation. Some works were in progress and would be completed shortly. The replies are not acceptable as these works

⁵ Patta: ₹ 36.10 lakh and Bhakeda: ₹ 32.61 lakh.

have remained incomplete even after lapse of one to six years from the date of their sanction.

2.3.3 Unutilised funds received under 13th Finance Commission

Funds of ₹11.96 crore under 13th Finance Commission remained unutilised in PRIs on account of non-start of works, incomplete works and non-release of funds

As per guidelines of the 13th Finance Commission (13th FC), grants released by the GoI to the State Government were to be transferred to the PRIs within 15 days from the date of their credit into the account of the State and the works approved thereof were to be completed within a period of three months from the date of their sanction. Audit noticed the followings:

(i) In 41 out of 140 test-checked PRIs (**Appendix-15**) ₹ 16.77 crore were received under 13th Finance Commission during 2011-16. Funds amounting to ₹ 14.54 crore had been utilised during the above period and ₹ 2.23 crore (13 *per cent*) remained unutilised with these PRIs. The Executive Officers/ Secretaries of the PRIs concerned stated (June 2016 - December 2016) that available funds would be utilised shortly.

(ii) It was noticed that in two Zila Parishads⁶ and four Panchayat Samitis⁷, ₹ 4.11 crore were received during 2011-16 under 13th FC for 367 development works which had not been taken up for execution as of January 2017. The entire amount remained blocked with the PRIs as of January 2017. The Executive Officers and Secretaries of the PRIs concerned stated (December 2016-January 2017) that the works could not be taken up for execution due to non-completion of codal formalities. The reply is not acceptable as codal formalities should have been completed before getting the works sanctioned and funds being released.

(iii) It was noticed that in three PRIs⁸, ₹ 4.54 crore were received during 2009-16 under 13th FC for 470 development works which were lying incomplete, and information regarding expenditure incurred was not available with the PRIs although the status of works have been shown as near completion. The entire amount remained blocked with the PRIs as of December 2016. The Executive Officers of the PRIs concerned stated (August 2016 - December 2016) that directions would be issued to complete the pending works soon. The replies are not acceptable as these works have remained incomplete even after lapse of one to seven years from the date of sanction.

(iv) Out of ₹ 7.54 crore received during 2013-16 under 13th FC by two test-checked ZPs⁹, ₹ 6.46 crore were further released to various executive agencies and ₹ 1.08 crore remained unutilized and unreleased with these PRIs. The Executive Officers of these ZPs

⁶ ZP Una: ₹ 291.67 lakh and ZP Kullu: ₹ 60.74 lakh.

⁷ PS Kullu: ₹ 42.97 lakh; PS Amb: ₹ 3.69 lakh; PS Chamba: ₹ 5.12 lakh and PS Pragpur: ₹ 6.68 lakh.

⁸ PS Kunihar: ₹ 32.58 lakh; PS Kullu: ₹ 19.30 lakh and ZP Solan: ₹ 402.14 lakh.

⁹ ZP Una: ₹ 1.05 crore and ZP Keylong: ₹ 0.03 crore.

concerned stated (September 2016 - January 2017) that funds could not be released due to non-receipt of shelf and estimates from ZP members and funds would be released shortly.

2.3.4 Unutilised funds received under 14th Finance Commission

Funds of ₹ 4.41 crore under 14th Finance Commission remained unutilised in 58 PRIs owing to non-start and non-completion of works

As per guidelines of the 14th Finance Commission (14th FC), grants released by the GoI to the State Government were to be transferred to the PRIs within 15 days from the date of their credit into the account of the State and the works approved thereof were to be completed within a period of three months from the date of their sanction. Audit noticed the followings:

(i) In 53 Gram Panchayats (**Appendix-16**) funds amounting to ₹ 3.92 crore were received during 2015-16 under 14th Finance Commission for various development works which had not been taken up for execution as of March 2017. The entire amount remained blocked with the PRIs as of February 2017. The Secretaries of the Gram Panchayats concerned stated (September 2016 - February 2017) that works could not be taken up for execution due to non-receipt of shelf or estimates from GP members in accordance with 14th Finance Commission guidelines. The shelf (proposal of works with expected expenditure) prepared by the GPs were not as per 14th FC guidelines and had to be prepared again and resubmitted. Hence, lack of due diligence by the GPs at the time of preparation of estimates, resulted in blocking of funds.

(ii) It was further noticed that in five Gram Panchayats (**Appendix-16**), ₹ 0.62 crore were received during 2015-16 under 14th Finance Commission. Funds amounting to ₹ 0.13 crore were utilised during above period and ₹ 0.49 crore remained unutilised with these GPs due to delay in start of works owing to late receipt of shelf/ estimates. The Secretaries of the Gram Panchayats concerned stated (December 2016 - March 2017) that available amount would be utilised shortly. The reply is indicative of poor planning resulting in non-utilization of the funds within the stipulated time period.

2.3.5 Blocking of funds in Personal Ledger Account (PLA)

Funds of ₹ 6.16 lakh earmarked for minor irrigation schemes remained un-utilised in Personal Ledger Accounts

The PSs had been maintaining Personal Ledger Accounts (PLAs) for crediting the grants received from Government for execution of minor irrigation and water supply schemes in rural areas. As per the condition of the sanctions, the funds were required to be drawn within one month and utilised within one year from the date of sanction.

Scrutiny of records showed that ₹ 6.16 lakh were received in three PSs¹⁰ for execution of schemes during 2011-16. However, no expenditure was incurred on minor irrigation and water supply works. The funds remained blocked in PLAs, while the intended benefits of the schemes remained unrealised.

¹⁰ Kunihar: ₹ 1.20 lakh, Pragpur: ₹ 1.60 lakh and Amb: ₹ 3.36 lakh.

The Executive Officers of PSs concerned stated (August 2016 – December 2016) that amount would be utilised shortly for intended purposes. Convincing reasons for non-execution of schemes were not found on record. However, Deputy Director (PR) stated (September 2018) that instruction had been issued to stop depositing funds received for schemes under PLAs. The replies are not acceptable as funds deposited in PLAs were required to be utilised within one year from the date of sanction.

2.3.6 Blocking of funds under Nirmal Bharat Abhiyan

Funds of ₹ 6.09 lakh remained unutilised under Nirmal Bharat Abhiyan

Audit noticed that GP Sanwal in Tissa block (Chamba district) received funds amounting to ₹ 7.92 lakh under Nirmal Bharat Abhiyan during 2014-16. Expenditure of only ₹ 1.83 lakh was incurred during 2014-16 leaving balance amount of ₹ 6.09 lakh unutilised as of February 2017. The GP did not utilise balance funds for a period of more than two years without any reason depriving the beneficiaries of intended benefits.

The Secretary of Gram Panchayat concerned stated (February 2017) that amount received under Nirmal Bharat Abhiyan would be released to beneficiaries shortly. The reply is not acceptable as funds should have been utilised in time.

2.3.7 Blocking of funds under Sampooran Sawachta Abhiyan

Failure of the Gram Panchayat to execute works under Sampooran Sawachta Abhiyan resulted in blocking of funds ₹ 0.20 lakh

Audit noticed that GP Jalel in Masobra block (Shimla district) received funds amounting to ₹ 0.20 lakh under Sampooran Sawachta Abhiyan during 2010-11 for construction of toilets and deposited the funds in Himachal Pradesh Cooperative Bank, Shoghi. More than six years have lapsed but the funds are lying unutilised as of March 2017 in a savings bank account of GP due to non-finalisation of list of beneficiaries by the Mashobra block.

The Secretary of Gram Panchayat concerned stated (March 2017) that amount received under Sampooran Sawachata Abhiyan would be released to beneficiaries shortly. The reply does not explain as to how the funds would be utilised without identification of beneficiaries.

2.4 Doubtful/ double payment of wages under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

2.4.1 Six GPs showed deployment of same labourers on different works in same period

Scrutiny of records showed that in six test-checked GPs¹¹, same labourers were shown as having been deployed on different works and different muster rolls in the same period during 2010-15, indicating doubtful deployment and double payment of wages of ₹ 0.31 lakh. The Secretaries of the GPs concerned stated (January 2017 to March 2017) that the matter would be investigated. The concerned District Panchayat Officers stated that the

¹¹ Rappad: ₹ 0.04 lakh; Chadiayar: ₹ 0.02 lakh; Ghodav: ₹ 0.15 lakh; Kalyada: ₹ 0.04 lakh; Bhattla ₹ 0.05 lakh and Bhuned ₹ 0.01 lakh.

amount paid as double payment of wages has been recovered. In this context, it may be pointed out that the same irregularity was highlighted in para 2.4 of the Annual Technical Inspection Report of 2015-16. Repeated instances of the same irregularity indicated that the control mechanism needed to be strengthened.

2.4.2 Two GPs incurred expenditure on wages of labourers without completing muster rolls

Rule 102 of HPPR Rules, 2002 stipulates that in the case of work carried out by daily labourers, the person in charge of the work shall maintain a muster-roll.

Audit noticed that in two GPs¹², nine workers were deployed on different works / muster-rolls during 2014-15 and expenditure of ₹ 0.31 lakh was incurred on their wages. Contrary to *ibid* provision, muster-rolls were incomplete and attendance of workers was not found marked on them. In the absence of marking of attendance of workers, payment of wages to labourers cannot be admitted as genuine and the possibility of misappropriation cannot be ruled out. The Secretaries of GPs concerned stated (December 2016 – February 2017) that appropriate action would be taken.

2.4.3 Payment by four GPs to workers without documentary proof

Rule 50 of HPPR Rules, 2002 stipulates that separate acknowledgment, stamped where necessary, shall be taken, from the person receiving payment, at the time of making payment and shall be attached to the voucher concerned.

Audit noticed that in four GPs,¹³ wages amounting to ₹ 0.21 lakh were paid to 15 workers during 2011-15 without taking acknowledgement receipt (signature) of the workers on the muster rolls. Thus, there was doubtful payment of ₹ 0.21 lakh and the possibility of misappropriation cannot be ruled out. The Secretaries of the GPs concerned stated (December 2016 - February 2017) that appropriate action would be taken and intimated to audit.

2.5 Delay in release of wages under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

Payment of wages amounting to ₹ 1.18 crore in 21 GPs to labourers was delayed for period ranging between one and 178 days

As per Para 8.3.1 of MGNREGS guidelines, workers were to be paid wages on a weekly basis and in any case not beyond a fortnight from the date on which work was done. In case of delay beyond a fortnight, workers were entitled for compensation as per the provisions of 'Payment of Wages Act, 1936'.

Audit noticed that 21 GPs made payment of ₹ 1.18 crore to workers under MGNREGS after a delay ranging between one and 178 days beyond the permissible period of a fortnight (**Appendix-17**). However, no compensation was paid to the labourers for delayed payment. The Secretaries of the GPs concerned did not furnish (August 2016 - December 2016) cogent reasons for delay in payment of wages and non-payment of

¹² Matehad ₹ 0.28 lakh and Mawa kahola ₹ 0.03 lakh.

¹³ Matehad; ₹ 0.08 lakh; Mawa Kahola; ₹ 0.07 lakh; Tihra Bangana; ₹ 0.04 lakh and Kathog ₹ 0.02 lakh.

compensation due to the labourers for delayed payments were furnished by the Secretaries of the GPs concerned.

2.6 Doubtful expenditure

As per rule 47 of HPPR Act 2002 every payment, including repayment of money previously lodged in the Panchayat Fund, for whatever purpose, shall be supported by a voucher setting forth full and clear particulars and proper classification in the accounts.

Scrutiny of records showed that in GP Barto, Sunder Nagar block (Mandi district) an expenditure of ₹ 0.19 lakh was incurred on works under Sectoral Decentralised Planning (SDP) scheme and 13th Finance Commission during 2012-13 whereas bills and vouchers were not made available and produced to audit. In the absence of vouchers, the expenditure could not be verified and the possibility of misappropriation cannot be ruled out.

The Secretary of GP concerned stated (October 2016) that vouchers will be traced and kept in the file. Reply is not acceptable as every payment is to be supported by a voucher.

2.7 Non-adjustment of temporary advances

Rule 30 of HPPR, 2002 stipulates that whenever any advance is required to be given to any office bearer or official of the Gram Panchayat for carrying out the purposes of the Gram Panchayat, a record of such advance shall be kept in the register of temporary advances in form-9.

As per Rule 189 (1) to (4) of Himachal Pradesh Financial Rules, 2009, head of office is authorised to sanction advances to a Government servant for purchase of goods or for hiring services or for any other special purpose, as may be prescribed. Rule further provides that adjustment bills along with balances, if any, have to be submitted within 15 days of the drawal of advance. Second advance shall not be granted until the Government servant concerned has submitted adjustment account of the first.

Audit noticed that temporary advances of ₹ 0.36 lakh were sanctioned between March 1986 and September 2016 to Pradhan, GP Dhagoli, (Chohhara block in Shimla district) and temporary advances of ₹ 0.14 lakh were sanctioned to construction committee of GP, Jalel, (Mashobra block in Shimla district) during 2006-07 for construction of water tank. These advances were pending for adjustment for a period ranging from one to 31 years. The Secretary of GP, Dhagoli could not indicate the work for which such amount had been advanced to the Pradhan and stated (September, 2016) that notices had been issued to Pradhan but no reply had been received. The Secretary, GP Jalel stated (March, 2017) that adjustment of advance would be checked and intimated to audit.

PART-B
URBAN LOCAL BODIES

CHAPTER-3

PROFILE OF URBAN LOCAL BODIES

3.1 Background

The 74th Constitution Amendment Act paved the way for decentralisation of power and transfer of 18 functions (**Appendix-1**) listed in the Twelfth Schedule of the Constitution alongwith funds and functionaries to the Urban Local Bodies (ULBs). In Himachal Pradesh, although 17 functions stand transferred (August 1994) to ULBs (except fire services); however, the corresponding funds and functionaries were yet to be made available to the ULBs. The Government of Himachal Pradesh enacted the Himachal Pradesh Municipal Corporation Act, 1994 and the Himachal Pradesh Municipal Act, 1994 for transferring powers and responsibilities to ULBs.

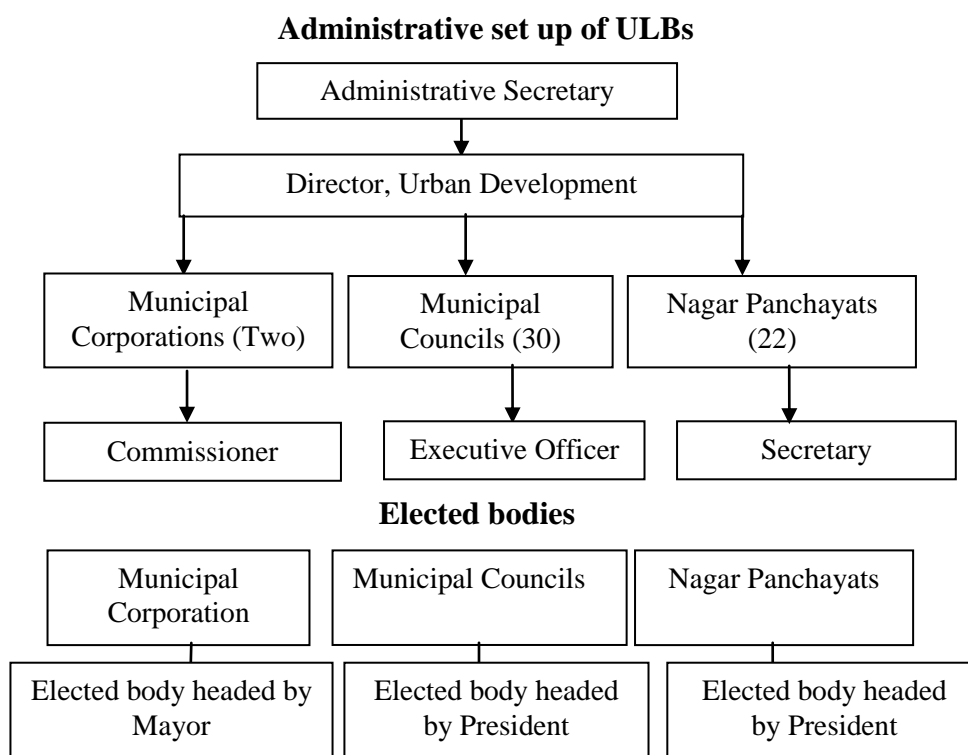
3.2 Audit mandate

In Himachal Pradesh, primary audit of ULBs is being conducted by the Director, Local Audit Department. The State Government entrusted (March 2011) audit of ULBs to CAG with the responsibility of providing Technical Guidance and Support (TGS) under Section 20(1) of the CAG's DPC Act, 1971. The results of audit are included in Chapter-4.

3.3 Organisational structure of Urban Local Bodies

There are two Municipal Corporations, 30 Municipal Councils (MCs) and 22 Nagar Panchayats (NPs) in the State.

The overall control of the ULBs rests with the Additional Chief Secretary (Department of Urban Development) to the Government of Himachal Pradesh through Director, Urban Development. The organisational set-up is as under:



3.3.1 Standing committees

Various standing committees involved in financial matters and implementation of schemes are detailed in **Table-8**.

Table-8: Roles and responsibilities of the Standing Committees

Name of the standing committee	Standing committee headed by	Roles and responsibilities of the standing committee
General Standing Committee	Mayor in Municipal Corporation and President in Municipal Council and Nagar Panchayat	Performs functions relating to establishment matters, communications, buildings, urban housing and provision of relief against natural calamities, water supply and all residuary matters.
Finance, Audit and Planning Committee		Performs functions relating to the finances of municipality, framing of budget, scrutinising prospects of increase of revenue and examination of receipts and expenditure statements.
Social Justice Committee	Deputy Mayor in Municipal Corporation and President in Municipal Council and Nagar Panchayat	Performs functions relating to promotion of education and economic, social, cultural and other interests of SC, ST, other backward classes, women and other weaker sections of the society.

3.3.2 Institutional arrangements for implementation of the schemes

In the Directorate of Urban Development, one Project Officer and two Statistical Assistants have been posted in the project section to oversee implementation of various schemes by the ULBs. Against 3,729 sanctioned posts, 1,047 posts (28 *per cent*) were lying vacant in various categories in the ULBs and 38 employees were in excess in three ULBs¹⁴.

3.4 Financial profile

3.4.1 Fund flow to ULBs

For execution of various development works, ULBs receive funds mainly from GOI and the State Government in the form of grants. GOI grants include grants assigned under the recommendations of the Central Finance Commission (CFC) and grants for implementation of various schemes. The State Government grants are received through devolution of net proceeds of the total tax revenue on the recommendations of the State Finance Commission (SFC) and grants for implementation of State sponsored schemes. Besides, revenue is also mobilised by the ULBs in the form of taxes, rent, fees, etc. The funds allotted to the ULBs through various sources are kept in banks.

While Central and State grants are utilised by the ULBs for execution of Central and State sponsored schemes as per guidelines issued by GoI and the State Government, the own receipts of ULBs are utilised for administrative expenses and execution of schemes/works formulated by the ULBs. The fund flow arrangements in flagship schemes are given in **Table-9**.

¹⁴ Municipal Corporation, Dharamshala: 27, Municipal Council Hamirpur: one and Municipal Council Dalhousie: 10.

Table-9: Fund flow arrangements in major centrally sponsored flagship schemes

Sl. No.	Scheme	Fund flow Arrangements
1.	Smart City Mission	The Smart City Mission is a centrally sponsored scheme (CSS) and the Central Government proposes to give financial support to the Mission at an average of ₹ 100 crore per city per year. An equal amount, on a matching basis, will have to be contributed by the State/ULB.
2.	Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)	Grants-in-Aid is to be shared by Centre and State Government in the ratio of 80:10 and balance 10 <i>per cent</i> is to be contributed by the ULBs.
3.	Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	Funding pattern of the schemes in Himachal Pradesh is in the ratio of 90:10 between Centre and State Government.
4.	Swacch Bharat Mission	Himachal Pradesh being a Special Category State, the funding is to be shared in the ratio of 90:10 by centre and State Government.

3.4.2 Resources: Trends and Composition

The resources of ULBs for the period from 2012-13 to 2015-16 are detailed in **Table-10**.

Table-10: Time series data on resources of ULBs

	(₹ in crore)			
	2012-13	2013-14	2014-15	2015-16
Own Revenue	44.23	50.10	119.38	153.14
CFC transfers (Finance Commission devolutions) including Central sponsored schemes (CSS)	30.97	46.88	22.52	24.55
SFC transfers (State Finance Commission devolutions)	57.07	68.08	72.40	85.51
GOI grants for CSS	3.90	149.16	91.64	159.62
State Government grants for State schemes	78.01	8.84	34.55	67.15
Total	214.18	323.06	340.49	489.97

It may be inferred from the above table that the State Government had released grants for State Schemes after considering the amount of funds received from GoI for CSS so as to maintain an increasing trend of total funds released for development schemes.

3.4.3 Application of Resources: Trends and Composition

The application of resources of ULBs for the period from 2012-13 to 2015-16 is detailed in **Table-11**.

Table-11: Application of resources sector-wise

	(₹ in crore)			
	2012-13	2013-14	2014-15	2015-16
Expenditure from own revenue	31.04	19.35	NA	NA
Expenditure from CFC transfers (Central Finance Commission devolutions)	30.97	35.39	22.52	24.55
Expenditure from SFC transfers (State Finance Commission devolutions)	57.07	68.08	72.40	85.51
Expenditure from grants from State Government and Central Government.	78.01	169.49	126.19	226.77
Total	197.09	292.31	221.11	336.83

Source: Director, Urban Development; NA: Not available.

Directorate of Urban Development had not maintained expenditure figures from own revenue from the year 2014-15 onwards. In this regard, the Joint Director, Urban Development stated (July 2018) that Urban Local bodies were being directed time and again to submit annual income & expenditure regularly. The fact, however, remained that the department had not been able to obtain figures for expenditure from own revenue by ULBs since 2014-15.

3.5 Financial reporting and accounting framework of ULBs (Internal Control System)

A sound internal control system significantly contributes to efficient and effective governance. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the ULBs and the State Government in meeting their basic stewardship responsibilities including strategic planning, decision making and accountability towards stakeholders. The weaknesses and gaps noticed in the internal control system are mentioned in Chapter-4.

3.6 Primary audit and Internal audit of ULBs

Under Section 161(3) of Himachal Pradesh Municipal Corporation Act and Section 255(1) of Himachal Pradesh Municipality Act, 1994, the accounts of the ULBs are to be audited by a separate and independent agency. Primary audit of ULBs is being conducted by the Director, Local Audit Department. During the year 2016-17, 20 ULBs were audited by the LAD. The results of these audits are included in Annual Audit Report of the ULBs which is laid before the State Legislature by the State Government as per Section 255 (3) of Himachal Pradesh Municipal Act, 1994.

There is no provision for a separate and independent internal audit agency under the control of the Director, Urban Development to conduct internal audit of ULBs with a view to ensure internal control on income and expenditure.

3.7 Technical Guidance and Support

The audit of ULBs has been entrusted to the CAG under Section 20 (1) of the CAG's (DPC) Act, 1971 with the responsibility of providing suitable Technical Guidance and Support (TGS) to Primary Auditors as per sections 152-154 of Regulations on Audit and Accounts, 2007 with regard to annual audit plans, audit methodology and procedures, training and capacity building, reporting and submission of returns.

Audit Plan for the year 2016-17 was received from the Primary Auditor (Director, Local Audit Department (LAD)) and noted for the process of audit planning in this office.

The Primary Auditor (Director, LAD) adhered to the audit methodology and procedures for audit as prescribed in Section 164 of the HPMC Act, 1994.

During the year 2016-17, six Inspection Reports from the audit of ULBs conducted by the primary auditors were reviewed by the office of the Principal Accountant General (Audit), Himachal Pradesh. Inspection Reports were evaluated and recommendations

were made for improvement and subsequent follow-up. The following recommendations were made to the office of the Director, Local Audit Department:

- (i) Reference to rules may be given in the paras while raising audit objections in audit.
- (ii) Audit memos may be issued to the auditee unit and Audit paras may incorporate reply of the Secretary and Executive Officer of the ULBs concerned.

It may be pointed out that similar recommendations for improvement had been made during previous years, but the shortcomings persisted indicating that LAD had not taken adequate steps to address the same.

Every year, two days’ training is imparted to the audit staff of Local Audit Department (LAD) as per their requirement and topics suggested by them. During 2016-17, 18 participants from LAD staff were imparted training on 8th - 9th December 2016 on the topics: (i) Statutory provision regarding finance, taxation and recovery of claims (ii) PRIs funds, their operation, application and investment (iii) Budget, expenditure and stores (iv) Audit and inspection (v) Panchayati Raj Public Works Rules; and (vi) Introduction to MGNREGA and its operational guidelines.

3.8 Audit Coverage

During 2016-17, 16 ULB units were test-checked by the office of the Principal Accountant General (Audit), Himachal Pradesh and reports were issued to the respective ULBs. Records of Municipal Corporation, Shimla, 11 Municipal Councils and four Nagar Panchayats were examined during 2016-17 (**Appendix-3**) and important audit findings have been incorporated in Chapter-4 of this report.

3.9 Audit observations pending compliance

The ULBs are required to rectify the defects/ omissions highlighted in the observations contained in the Inspection Reports (IRs) issued by the Principal Accountant General (Audit), Himachal Pradesh, and report their compliance to settle the observations. The details of IRs and paragraphs issued, settled and outstanding as on 31st March 2017 are given in **Table-12**.

Table-12: Position of pending IRs/ Paras

Sl. No.	Year of issue of Inspection Reports	IRs/ Paras Outstanding as on 31 March 2016		Addition during 2016-17		Total		No. of IRs/ paras settled during 2016-17		No. of IRs/Paras outstanding as on 31 March 2017	
		IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
1.	Upto 2012-13	126	829	-	-	126	829	0	42	126	787
2.	2013-14	17	172	-	-	17	172	0	7	17	165
3.	2014-15	14	139	-	-	14	139	0	8	14	131
4.	2015-16	16	172	-	-	16	172	0	8	16	164
5.	2016-17	-	-	16	181	16	181	-	-	16	181
	Total	173	1,312	16	181	189	1,493	0	65	189	1,428

Correspondence was being undertaken to settle IRs/ Paras but despite this the number of paras pending settlement has increased, which remains a matter of concern.

CHAPTER-4

RESULTS OF AUDIT OF URBAN LOCAL BODIES

The deficiencies noticed during audit of Urban Local Bodies in 2016-17 are discussed in the succeeding paragraphs.

4.1 Accounting system

The ULBs were directed (April 2009) by the Director, Urban Development to adopt the double entry system of accounting. The ULBs test-checked during 2016-17 had maintained their accounts in double entry system.

4.1.1 Non-preparation of Accounts

According to Section 252 of Himachal Pradesh Municipal Act, 1994, accounts of the income and expenditure of the municipality shall be kept in accordance with such rules as may be prescribed. The municipality shall within a period not exceeding three months from the end of the financial year prepare the accounts for that year.

During test-check of records, it was noticed that annual accounts for the years 2013-14 to 2015-16 had not been prepared in two ULBs¹⁵ whereas these accounts were required to be prepared and approved by elected house of the Municipality. The Secretary and Executive Officer concerned stated (February 2017) that annual accounts will be prepared regularly in future.

4.2 Preparation of Budget

4.2.1 Preparation of budget without estimating expected expenditure

The budget estimates of ULBs are to be prepared as per Himachal Pradesh Municipal Accounts Code, 1975, keeping in view the expected income and expenditure for the next financial year, and are placed before the House of the Committee thereafter. After passing of budget by the House of the Committee, budget estimates are submitted to the Director, Urban Development for approval. The year-wise position of budget provision and expenditure thereagainst in the test-checked one Municipal Corporation, 11 Municipal Councils and four Nagar Panchayats during 2013-16 is given in **Table-13**.

Table-13: Budget provision vis-a-vis expenditure in 16 test-checked ULBs

(₹ in crore)

Year	Budget Estimate	Actual Expenditure	Savings (-)/ Excess (+)	Percentage of saving
2013-14	275.47	118.56	156.91 (-)	57
2014-15	263.04	129.93	133.11 (-)	51
2015-16	269.95	184.16	85.79 (-)	32

Note: Unit-wise position is given in **Appendix-18**.

It is evident from **Table-13** that there were persistent savings ranging between 32 and 57 *per cent* during 2013-16 indicating that the budget estimates were not realistic. The Joint

¹⁵ Municipal Corporation: Shimla and Nagar Panchayat: Joginder Nagar.

Director of Urban Development Department stated (March 2017) that suitable directions are being issued to the ULBs.

4.3 Non-reconciliation with bank statements

According to rule 19 (2) of the State Municipal Accounts Code 1975, general cash book shall be checked item-wise, closed and signed by the Executive Officer each day. At the end of the month it shall be compared and agreed with the bank pass book. Every item of receipt and expenditure shall be checked with the entries in the cash book and differences shall be explained and accounted for in the general cash book.

Scrutiny of records of two Municipal Councils¹⁶ showed that there was a difference of ₹ 15.90 lakh between cash books and bank pass books at the close of the year 2015-16 which was not reconciled as of January 2017. The authenticity of accounts could not be ascertained in the absence of reconciliation with bank statements. The Executive Officers of the ULBs concerned stated (January 2017) that differences would be reconciled in future.

4.4 Non-accounting of material

Material of ₹ 2.84 lakh was not accounted for in the stock register by the Municipal Council, Paonta Sahib

Rule 15.4 (a) of HPFR Vol. I provides that all the material received should be examined, counted, measured, weighed as the case may be when delivery is being taken by a responsible Government servant who should see that quantity is correct and quality is good. A certificate in token of receipt of material is to be recorded and entry made in an appropriate register.

Scrutiny of records of Municipal Council, Paonta Sahib, showed that 960 cement bags purchased at a cost of ₹ 2.84 lakh were not accounted for in the relevant store and stock register. Hence, the possibility of pilferage or loss cannot be ruled out. This was also indicative of poor record maintenance on the part of MC. In reply, the Executive Officer of MC concerned stated (October 2016) that the relevant entries would be made in the stock registers. The fact, however, remained that there was absence of proper check over maintenance of records by the MC concerned.

4.5 Revenue

4.5.1 Outstanding house tax

Due to ineffective monitoring, revenue of ₹ 8.11 crore on account of house tax in 12 ULBs remained unrealised.

Rule 258 (2) of the Himachal Pradesh Municipal Act, 1994 stipulates that sum due to municipality is to be paid within 15 days failing which the sum shall be recovered, with all costs, by distraint and sale of the property of the defaulter.

¹⁶ MC: Chamba: ₹2.15 lakh and MC Palampur: ₹ 13.75 lakh.

Audit noticed that house tax of ₹ 7.46 crore was outstanding in 12 ULBs as on 1st April 2015. Demand of ₹ 4.00 crore of house tax was raised during the period 2015-16 (**Appendix-19**) against which collection of ₹ 3.34 crore was made and rebate of ₹ 0.01 crore was provided. Thus, total revenue of ₹ 8.11 crore on account of house tax remained outstanding as of March 2016 in these 12 ULBs.

Test-check of house tax arrears in MC Nahan showed that 42 households had not paid house tax amounting to ₹ 23.77 lakh for the period 2001-16 resulting in accumulation of arrears for a period ranging from one to 15 years. This indicated that effective action had not been taken as per rule *ibid* even in cases of tax outstanding for long periods. The Executive Officers/ Secretaries of ULBs concerned stated (September 2016 - March 2017) that outstanding amount will be recovered. It was further stated that notices have been issued to the defaulters and efforts for recovery would be made.

4.5.2 Non-realisation of rent

Rent due from shops, booths and stalls amounting to ₹ 7.30 crore remained unrealised in 16 ULBs

Section 258 (i)(b)(2) of the Himachal Pradesh Municipal Act, 1994 provides that if any amount due to the municipality remains unpaid for 15 days, the Executive Officer/ Secretary may serve notice of demand upon the persons concerned.

It was noticed that in 16 ULBs, rental charges amounting to ₹ 6.91 crore were pending for recovery as on 1st April 2015 (**Appendix-20**) against the tenants and lessees of shops and stalls owned and rented out by these ULBs. Further, demand of ₹ 5.08 crore was raised against the tenants and lessees of these shops and stalls during 2015-16. Against the total demand of ₹ 11.99 crore, ₹ 4.69 crore were recovered leaving recovery of ₹ 7.30 crore pending as of March 2016. The ULBs stated (June 2016-March 2017) that notices had been issued to the defaulters and the amount would be recovered shortly.

4.5.3 Non-recovery of installation and renewal charges on mobile towers

Failure to realise installation and renewal charges on mobile towers by 15 ULBs resulted in loss of revenue of ₹ 34.06 lakh

Himachal Pradesh Government authorised (August 2006) ULBs to levy duty on installation of mobile communication towers at the rate of ₹ 10,000 per tower and annual renewal fee at the rate of ₹ 5,000.

In 15 ULBs, mobile towers were installed during 2004-16 but the ULBs concerned had not recovered installation and renewal charges of ₹ 34.06 lakh (**Appendix-21**) in respect of 258 towers as of March 2016. This deprived the ULBs of their due share of revenue. The ULBs concerned stated (June 2016-March 2017) that action would be taken shortly to recover the dues.

4.5.4 Outstanding sanitation/ safai tax, rehri/ tehbazari fee and trade tax

Collection of sanitation/ safai tax, rehri/ tehbazari fee and trade tax remained pending in four ULBs resulting in loss of revenue of ₹ 53.84 lakh

Rule 66 of Himachal Pradesh Municipal Act, 1994 provides that municipality is empowered to impose any toll, tax or fee such as sanitation tax, rehri/ tehbazari fee, trade tax, etc., in its jurisdiction.

(i) In two test-checked Municipal Councils (Nahan and Parwanoo) it was noticed that against the total demand of ₹ 60.73 lakh of sanitation/ safai tax for the period 2015-16, only ₹ 12.89 lakh (21 per cent) was collected as of September 2016 and balance amount of ₹ 47.84 lakh¹⁷ remained outstanding. The Executive Officers stated (September 2016 to October 2016) that efforts are being made to recover the outstanding amount by issuing notices to the defaulters.

(ii) In two test-checked ULBs (Municipal Council, Chamba and Municipal Corporation, Shimla), rehri/ tehbazari fee amounting to ₹ 2.62 lakh¹⁸ was pending for recovery as of March 2016. The Executive Officers of the ULBs concerned stated (January 2017) that notices have been served to recover the tehbazari fee from the defaulters. It was further stated that some cases are pending for decision in court and recovery will be made from those defaulters accordingly.

(iii) In two test-checked Municipal Councils (Nahan and Parwanoo), trade tax amounting to ₹ 2.77 lakh was pending for recovery as on March 2015. Further, demand of ₹ 0.83 lakh was raised against traders during 2015-16. Against the total demand of ₹ 3.60 lakh, ₹ 0.22 lakh were recovered leaving trade tax of ₹ 3.38 lakh¹⁹ pending as of March 2016. The Executive Officers of Municipal Councils concerned stated (September 2016 - October 2016) that notices had been issued to the defaulters and the amount would be recovered shortly.

Thus, non-recovery of various taxes had deprived the ULBs of revenue which could have been utilised for other developmental works.

4.5.5 Non-recovery of lease money

Municipal Corporation Shimla failed to realise lease money from shops and stalls resulting in loss of revenue of ₹ 53.64 lakh.

Municipal Corporation, Shimla had leased out shops/ stalls to 153 parties during the period 2014-15. It was noticed that lease money amounting to ₹ 32.89 lakh was pending for recovery against 153 shops and stalls as of March 2015. Further, demand of ₹ 67.88 lakh was raised during 2015-16. Against the total demand of ₹ 100.77 lakh, ₹ 47.13 lakh were recovered leaving recovery of ₹ 53.64 lakh pending as of March 2016.

¹⁷ MC Nahan: ₹ 36.89 lakh and MC Parwanoo; ₹ 10.95 lakh.

¹⁸ Municipal Council, Chamba: ₹ 1.11 lakh and Municipal Corporation, Shimla: ₹ 1.51 lakh.

¹⁹ MC Nahan: ₹ 1.15 lakh and MC Parwanoo: ₹ 2.23 lakh.

The Executive Officer concerned stated (January 2017) that the main reason for shortcoming in the recovery of lease money is shortage of staff.

4.5.6 Non-imposing of House Tax

Rule 65 of Himachal Pradesh Municipal Act, 1994 provides that Municipal Council is empowered to impose house tax on building and land which shall not be less than 7.5 per cent and not more than 12.5 per cent of the annual value of such building and land.

In the case of Municipal Council (MC) Baddi, audit noticed that the MC is providing various facilities to the households falling within the MC area such as maintenance of roads, paths, streetlights, cleanliness, collection of garbage, etc.; but the house tax as per the above provision has not been imposed by the MC. The Executive Officer concerned stated (September 2016) that the house tax was not imposed due to non co-operation of households and preparatory work of geographic information system (GIS) based property tax survey was in process for imposition of property tax.

4.5.7 Non-collection of property tax by Municipal Corporation Shimla

Non-collection of property tax of ₹ 1.77 crore from the lessee deprived the Municipal Corporation Shimla of its due share of revenue.

Section 90(1) of HPMC Act, 1994 provides that taxes on lands and buildings shall be primarily leviable upon owner and in absence of the owner, it shall be leviable and recovered from the occupier including tenants.

Test-check of records of Municipal Corporation, Shimla revealed that project-site sub-lease deed was made on 12 October 2011 between Himachal Pradesh Bus Stands Management and Development Authority (HPBS&DA) (the lessor) and M/s CK Infrastructures Limited (the lessee) to design, finance, construct, operate and maintain the Tutikandi bus terminal project at Shimla. Clause 17 of the said deed stipulates that lessee shall be liable to pay all taxes imposed by the State Government and Municipal Committees during the lease period on the structure and land.

Scrutiny further revealed that Municipal Corporation Shimla had raised bills for property tax amounting to ₹ 1.77 crore for the period 2011-12 to 2015-16 against the lessee but collection of the property taxes remained pending as of January 2017. Municipal Corporation, Shimla had not initiated any action to recover the tax in the manner prescribed under section 124 of HP Municipal Corporation Act, 1994. The Commissioner Municipal Corporation stated (January 2017) that the lessee had returned the bill with the observation that it was not the owner of the premises and the matter is pending before the Divisional Commissioner, Shimla Division. The fact, however,

remains that non-collection of property tax deprived the Municipal Corporation Shimla of its due share of revenue during the above period.

4.6 Blocking of funds

4.6.1 Blocking of funds under various schemes

Funds of ₹ 4.39 crore remained blocked in 10 ULBs on account of non-started and incomplete works.

(i) In seven ULBs, funds amounting to ₹ 2.46 crore were available during 2006-16 for execution of 104 development works²⁰ such as construction of retaining walls, ambulance roads, sewerline, repair of paths, community centre, parking, etc. These works were to be completed within a period of six months to one year. However, no expenditure had been incurred out of these funds on execution of works as of January 2017 which resulted in depriving the beneficiaries of intended benefits. The Executive Officers of the ULBs concerned stated (September 2016-March 2017) that the works could not be started due to non-fulfilment of codal formalities, land disputes, etc., and efforts are being made to start the works at the earliest. Replies are not acceptable as codal formalities should have been completed before getting the works sanctioned and release of funds.

(ii) In seven ULBs, funds amounting to ₹ 3.84 crore were received under various schemes during 2005-06 to 2015-16 for execution of 47 development works like construction of parking, paths, solid waste management, installation of light, etc. These works were to be completed within a period of one year. Out of these funds, ₹ 1.91 crore were utilised upto January 2017 and funds amounting to ₹ 1.93 crore²¹ (50 per cent) remained unutilised with these ULBs. The Executive Officers concerned stated (October 2016- January 2017) that the works could not be completed due to land disputes, court cases and non-availability of suitable land. The fact, however, remains that the works remained incomplete and funds remained unutilised, and availability of suitable land should have been ensured before sanction of works and release of funds.

4.6.2 Blocking of funds received under 13th Finance Commission

Director, Urban Development, Shimla had released (January 2014) special grants-in-aid, received under Thirteenth Finance Commission, amounting to ₹ 93.23 lakh to Municipal Council Shri Naina Devi Ji. The funds were to be spent under three sectors i.e. parking (₹ 35.00 lakh), drainage (₹ 25.00 lakh) and solid waste management (SWM) (₹ 33.23 lakh) and utilised within the financial year 2013-14.

²⁰ Municipal Corporation, Shimla: ₹ 165.19 lakh (53 works), MC Nurpur: ₹ 8.04 lakh (07 works); MC Chamba: ₹ 16.61 lakh (07 works); MC Una: ₹ 14.58 lakh (11 works); MC Santokhgarh: ₹ 5.15 lakh (02 works); MC Nahan: ₹ 29.65 lakh (21 works) and MC Parwanoo: ₹ 6.50 lakh (03 works).

²¹ MC Una: ₹ 10.19 lakh (04 works); MC Paonta Sahib: ₹ 61.55 lakh (05 works); Municipal Corporation Shimla: ₹ 43.28 lakh (23 works); MC Chamba: ₹ 12.67 lakh (11 works); MC Nahan: ₹ 15.35 lakh (01 work); MC Palampur: ₹ 8.16 lakh (01 work) and NP Talai: ₹ 41.53 lakh (02 works).

Scrutiny of records showed that Municipal Council, Shri Naina Devi Ji, had not utilised the entire special grant of ₹ 93.23 lakh as of January 2017. Construction work of parking had not been started for want of approval for cutting standing trees at selected site whereas funds required to be spent on providing drainage/ solid waste management facility in Shri Naina Devi Ji were not utilised in time due to non-completion of codal formalities. The Executive Officer concerned stated (January 2017) that the grant was not utilised as codal formalities for start of work could not be completed due to shortage of staff.

4.6.3 Blocking of funds received under 14th Finance Commission

As per guidelines of the 14th Finance Commission, grants received by urban and local bodies shall be utilised for the specified purposes within six months from the receipts of such funds.

Audit noticed that in Nagar Panchayat, Daulatpur Chowk, funds amounting to ₹ 11.52 lakh were received under 14th Finance Commission during 2015-16. The whole amount remained unutilised as of December 2016 due to failure of NP to finalise estimates in time. The Executive Officer concerned stated (December 2016) that the amount could not be utilised as approved estimates of schemes were awaited from Project Officer, DRDA Una. The reply is not acceptable as the process should have been completed and funds should have been utilised within the stipulated period.

4.6.4 Blocking of funds received for sewerage schemes

Urban Development Department released funds amounting to ₹ 1.80 crore to three test-checked ULBs²² for execution of sewerage schemes during 2014-15. These funds were required to be further released to the Irrigation and Public Health (IPH) Department as per their requirement to execute the sewerage schemes in respective ULBs.

Audit noticed that the work of sewerage schemes had not been taken up for execution as of January 2017 and these funds were either lying deposited in the bank account of IPH Department (in case of Nagar Panchayat, Gagret) or in the savings bank account of MCs (Municipal Council Paonta Sahib and Una) resulting in blocking of funds. The reasons for non-execution of sewerage scheme were neither available on record nor assigned by the ULBs concerned. The Executive Officer and Secretary of the ULBs concerned, however, stated that (November 2016 to January 2017) the matter will be taken up with the IPH Department to start the work of sewerage schemes. The reply is not acceptable as the funds had been lying unutilised even after lapse of more than two years from the date of release besides resulting in non-achievement of the intended benefits.

²² NP Gagret: ₹ 100.10 lakh; MC Paonta Sahib: ₹ 69.39 lakh and MC Una ₹ 10.97 lakh.

4.7 Non-adjustment of temporary advances

Three MCs sanctioned temporary advances of ₹ 18.84 lakh during 1988-89 to 2016-17 without adjustment of previous advances

As per Rule 189 (1) to (4) of Himachal Pradesh Financial Rules, 2009, head of the office is authorised to sanction advances to a Government servant for purchase of goods or for hiring services or for any other special purpose, as may be prescribed. Rule further provides that adjustment bills along with balances, if any, had to be submitted within 15 days of the drawal of advance. Second advance shall not be granted until the Government servant concerned has submitted adjustment account of the first advance.

Audit noticed that in three Municipal Councils (Baddi, Chamba and Una), temporary advances of ₹ 18.84 lakh sanctioned between 1988-89 and 2016-17 to 10 Government officials/ Public Works Department for carrying out development works, festival celebration and election expenditure, purchasing stores, etc., were pending for adjustment for a period of more than one to 29 years (**Appendix-22**) as of January 2017. Subsequent advances were being given to the officials without adjustment of previous advances. Further, some officials have been transferred to other places without the advance(s) having been adjusted. In MC Chamba, one official had retired from service but the adjustment bills for advances amounting to ₹ 9.27 lakh advanced to him between April 1994 and October 2016 were neither submitted by him nor adjusted by the Department at the time of his retirement. This indicated laxity on the part of MCs in enforcing codal provisions regarding adjustment of advances involving substantial amount.

Shimla
Dated:

(Inderdeep Singh Dhariwal)
Principal Accountant General (Audit)
Himachal Pradesh

Appendices

Appendix-1

(Refer paragraphs 1.1 and 3.1; page 1 and 19)

Details of functions listed in 11th & 12th Schedules of the Constitution

Sl. No.	Detail of 29 functions listed in 11 th Schedule of the Constitution which were devolved to PRIs
1.	Agriculture, including agricultural extension
2.	Land improvement, implementation of land reforms, land consolidation and soil conservation
3.	Minor irrigation, water management and watershed development
4.	Animal husbandry, dairying and poultry
5.	Fisheries
6.	Social forestry and farm forestry
7.	Minor forest produce
8.	Small scale industries, including food processing industries
9.	Khadi, village and cottage industries
10.	Rural housing
11.	Drinking water
12.	Fuel and fodder
13.	Roads, culverts, bridges, ferries, waterways and other means of communication
14.	Rural electrification, including distribution of electricity,
15.	Non-conventional energy sources
16.	Poverty alleviation programme
17.	Education, including primary and secondary schools
18.	Technical training and vocational education
19.	Adult and non-formal education
20.	Libraries
21.	Cultural activities
22.	Market and fairs
23.	Health and sanitation, including hospitals, primary health centres and dispensaries
24.	Family welfare
25.	Women and child development
26.	Social welfare, including welfare of the handicapped and mentally retarded
27.	Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes
28.	Public distribution system
29.	Maintenance of community assets
Sl. No.	Detail of 18 functions listed in 12 th Schedule of the Constitution which were devolved to ULBs
1.	Urban planning including town planning,
2.	Planning of land- use and construction of buildings
3.	Planning for economic and social development
4.	Roads and bridges
5.	Water supply for domestic, industrial and commercial purposes
6.	Public health, sanitation conservancy and solid waste management
7.	Fire services
8.	Urban forestry, protection of the environment and promotion of ecological aspects
9.	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded
10.	Slum improvement and upgradation
11.	Urban poverty alleviation
12.	Provision of urban amenities and facilities such as parks, gardens, playgrounds
13.	Promotion of cultural, educational and aesthetic aspects
14.	Burials and burial grounds; cremations, cremation grounds and electric crematoriums
15.	Cattle pounds; prevention of cruelty to animals,
16.	Vital statistics including registration of births and deaths
17.	Public amenities including street lighting, parking lots, bus stops and public conveniences
18.	Regulation of slaughter houses and tanneries

Appendix-2

(Refer paragraphs 1.1; page 1)

Detail of 15 line departments assigned to PRIs

Sl. No.	Line departments
1.	Agriculture
2.	Animal Husbandry
3.	Ayurveda
4.	Education
5.	Food & Supplies
6.	Forest
7.	Health and Family Welfare
8.	Horticulture
9.	Industries
10.	Irrigation and Public Health
11.	Public Works
12.	Revenue
13.	Rural Development
14.	Social Justice and Empowerment
15.	Fisheries

Appendix-3

(Refer paragraphs 1.9 and 3.8; pages 7 and 23)

Audit coverage- Details of Panchayati Raj Institutions and Urban Local Bodies audited during 2016-17**Zila Parishad**

Sl. No.	Name of Zila Parishads
1.	Solan
2.	Keylong
3.	Kinnaur
4.	Kangra at Dharamshala
5.	Kullu
6.	Una

Panchayat Samitis

Sl. No.	Name of Panchayat Samitis
1.	Kunihar
2.	Pragpur
3.	Chamba
4.	Amb
5.	Bamsan at Tauni Devi
6.	Kullu

Gram Panchayat

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District
1.	Hobar	Bhattiyat	Chamba
2.	Balera	Bhattiyat	Chamba
3.	Raipur	Bhattiyat	Chamba
4.	Rajera	Mehla	Chamba
5.	Baloth	Mehla	Chamba
6.	Poolan	Bharmour	Chamba
7.	Thakri Matthi	Salooni	Chamba
8.	Panjey	Salooni	Chamba
9.	Thalli	Tissa	Chamba
10.	Yangpa	Nicchar	Kinnaur
11.	Giyu	Kaza	Lahual and Spiti
12.	Mandhi	Karsog	Mandi
13.	Pangna	Karsog	Mandi
14.	Chimret	Udaipur	Lahual and Spiti
15.	Droh	Balh	Mandi
16.	Sohja	Sundernagar	Mandi
17.	Varto	Sundernagar	Mandi
18.	Sakhroha	Balh	Mandi
19.	Khalvahan	Janjheli	Mandi
20.	Kasarla	Balh	Mandi
21.	Thachadhar	Janjheli	Mandi
22.	Kona	Lambagaon	Kangra
23.	Aalampur	Lambagaon	Kangra
24.	Kulhan	Nurpur	Kangra
25.	Laroh	Fatehpur	Kangra
26.	Paplah	Lambagaon	Kangra
27.	Rit	Lambagaon	Kangra
28.	Dhar	Sadarmandi	Mandi
29.	Hatpang	Fatehpur	Kangra
30.	Pandoh	Sadarmandi	Mandi
31.	Nadolhi	Nagrot surian	Kangra
32.	Kathog	Drang	Mandi
33.	Sihuni	Nagrot Surian	Kangra
34.	Jilhan	Drang	Mandi
35.	Langna	Chauntra	Mandi

36.	Ropdi	Chauntra	Mandi
37.	Maire	Fatehpur	Kangra
38.	Badi	Fatehpur	Kangra
39.	Matehar	Chauntra	Mandi
40.	Khrota	Fatehpur	Kangra
41.	Fatehpur	Fatehpur	Kangra
42.	Dharman	Baijnath	Kangra
43.	Bagli	Dharmshala	Kangra
44.	Bhatla	Rait	Kangra
45.	Kalyada	Rait	Kangra
46.	Ridkamar	Rait	Kangra
47.	Bhuned	Nagrota Bagwan	Kangra
48.	Har	Pragpur	Kangra
49.	Gurenwad	Pragpur	Kangra
50.	Sapedu	Baijnath	Kangra
51.	Nain	Baijnath	Kangra
52.	Chudhred	Pragpur	Kangra
53.	Ghodav	Nagrota	Kangra
54.	Sanwal	Tissa	Chamba
55.	Dharampur	Dharampur	Mandi
56.	Chanota	Dharampur	Mandi
57.	Chadihar	Panchrukhi	Kangra
58.	Chek	Panchrukhi	Kangra
59.	Sorta	Karsog	Mandi
60.	Suradvan	Indora	Kangra
61.	Rappad	Indora	Kangra
62.	Dhangil	Kandaghat	Solan
63.	Kangal	Narkanda	Shimla
64.	Badagaon	Narkanda	Shimla
65.	Noni Manjhgaon	Solan	Solan
66.	Dadwa	Dharampur	Solan
67.	Prini	Nagar	Solan
68.	Jarad Bhutti	Kullu	Kullu
69.	Dhaugi	Banjar	Kullu
70.	Jagjit Nagar	Daharmpur	Solan
71.	Shangad	Banjar	Kullu
72.	Palog	Kunihar	Solan
73.	Kundlu	Nalagarh	Shimla
74.	Kashmirpur	Nalagarh	Solan
75.	Racholi	Rampur	Shimla
76.	Lalsa	Rampur	Shimla
77.	Lot	Nirmand	Kullu
78.	Durah	Anni	Kullu
79.	Muhan	Anni	Kullu
80.	Ropa	Anni	Kullu
81.	Tharola	Jubbal Kotkhai	Shimla
82.	Nehra	Basantpur	Shimla
83.	Himri	Basantpur	Shimla
84.	Mandhol	Jubbal Kotkhai	Shimla
85.	Dahrada	Rohru	Shimla
86.	Totu Majhtai	Mashobra	Shimla
87.	Materni	Kunihar	Solan
88.	Koti Vonch	Shilai	Sirmaur
89.	Naya	Shilai	Sirmaur
90.	Drabil	Shilai	Sirmaur
91.	Bahral	Poanta Sahib	Sirmaur
92.	Vikram Bag	Nahan	Sirmaur
93.	Bhogpur	Nalagarh	Solan

94.	Dhagoli	Chhohara	Shimla
95.	Saraha	Pachad	Sirmaur
96.	Dado Deveriya	Pachad	Sirmaur
97.	Khala Kiyar	Sangrah	Sirmaur
98.	Sangrah	Sangrah	Sirmaur
99.	Shiva	Poanta Sahib	Sirmaur
100.	Chamboh	Bamsan	Hamirpur
101.	Dharog	Bamsan	Hamirpur
102.	Bhakeda	Bhoranj	Hamirpur
103.	Bhulswae	Ghumarwin	Bilaspur
104.	Bari Rajadian	Sadar	Bilaspur
105.	Ghandalwin	Ghumarwin	Bilaspur
106.	Dhawas	Chaupal	Shimla
107.	Patta	Bhoranj	Hamirpur
108.	Malyawar	Ghumarwin	Bilaspur
109.	Bohar	Chaupal	Shimla
110.	Tibbi	Hamirpur	Hamirpur
111.	Khay Lohakh Riyan	Hamirpur	Hamirpur
112.	Ladoli	Amb	Una
113.	Choar	Amb	Una
114.	Koserian	Jhandutta	Bilaspur
115.	Salwad	Jhandutta	Bilaspur
116.	Jhabola	Jhandutta	Bilaspur
117.	Shamshi	Kullu	Kullu
118.	Tihra	Bangana	Una
119.	Thada	Bangana	Una
120.	Mavakola	Gagret	Una
121.	Oel	Gagret	Una
122.	Hirah	Haroli	Una
123.	Batuhi	Una	Una
124.	Panoh	Sujanpur Tihra	Hamirpur
125.	Rangad	Sujanpur Tihra	Hamirpur
126.	Lohdar	Bijhri	Hamirpur
127.	Beetan	Haroli	Una
128.	Jalel	Mashobra	Shimla

Municipal Corporation

Sl. No.	Name of Municipal Corporation
1.	Shimla

Municipal Council

Sl. No.	Name of Municipal Council
1.	Kangra
2.	Parwanoo
3.	Baddi
4.	Nahan
5.	Poanta Sahib
6.	Palampur
7.	Santogarh
8.	Naninadevi
9.	Una
10.	Chamba
11.	Nurpur

Nagar Panchayat

Sl. No.	Name of Nagar Panchayat
1.	Gagret
2.	Talai
3.	Joginder Nagar
4.	Daulatpur Chowk

Appendix-4

(Refer paragraph 2.1.1; page 9)

Difference between figures of receipts and expenditure furnished to audit by test-checked GPs and that of uploaded on PRIASoft during 2015-16

(₹ in lakh)

Sl. No.	Name of PRIs	Receipt as per Inspection Report	Receipt uploaded on PRIASoft	Difference	Expenditure as per Inspection Report	Expenditure uploaded on PRIASoft	Difference
1.	GP Alampur	22.36	7.53	14.83	19.3	11.87	7.43
2.	GP Badi	32.02	11.87	20.15	28.92	12.9	16.02
3.	GP Bagli	16.66	10.08	6.58	8.02	8.29	-0.27
4.	GP Baragaon	47.86	17.98	29.88	26.85	1.09	25.76
5.	GP Varto	39.36	14.94	24.42	37.02	24.1	12.92
6.	GP Bathuhi	31.83	15.84	15.99	21.38	15.41	5.97
7.	GP Behral	20.19	2.75	17.44	1.89	5.02	-3.13
8.	GP Bhattala	43.73	20.52	23.21	27.05	17.23	9.82
9.	GP Bhogpur	27.61	40.74	-13.13	22.1	25.02	-2.92
10.	GP Bhulswain	31.86	13.57	18.29	21.72	8.23	13.49
11.	GP Bhuned	74.8	11.43	63.37	63.53	12.07	51.46
12.	GP Bittan	58.45	31.99	26.46	45.57	18.58	26.99
13.	GP Chudhred	37.07	29.93	7.14	28.8	30.19	-1.39
14.	GP Chadiyar	35.75	11.4	24.35	32.22	6.85	25.37
15.	GP Chanota	49.44	7.47	41.97	41.22	2.39	38.83
16.	GP Chimret	46.77	28.19	18.58	33.2	1.35	31.85
17.	GP Chowar	38.24	15.23	23.01	21.15	9.79	11.36
18.	GP Dangeel	34.09	30.95	3.14	35.8	31.67	4.13
19.	GP Dharman	30.69	21.2	9.49	15.58	15.61	-0.03
20.	GP Dhaugi	211.38	173.26	38.12	172.32	149.05	23.27
21.	GP Dhagoli	94.93	9.83	85.1	84.5	7.96	76.54
22.	GP Dado Devariya	36.97	7.05	29.92	36.66	2.99	33.67
23.	GP Dharampur	84.85	73.31	11.54	65.88	65.87	0.01
24.	GP Dharara	57.01	6.41	50.6	50.73	8.71	42.02
25.	GP Dharog	25.38	3.18	22.2	15.66	8.62	7.04
26.	GP Dhwaas	38.45	12.77	25.68	38.48	1.47	37.01
27.	GP Fatehpur	35.31	15.31	20	27.71	14.01	13.7
28.	GP Durah	22.61	20.88	1.73	12.34	15.43	-3.09
29.	GP Ghandalwin	62.67	19.62	43.05	40.55	20.58	19.97
30.	GP Ghodav	38.96	17.36	21.6	34.43	16.4	18.03
31.	GP Guranwad	8.35	1.22	7.13	4.15	0.41	3.74
32.	GP Har	27.79	16.28	11.51	17.08	17.58	-0.5
33.	GP Hatpang	25.51	15.07	10.44	23.5	15.28	8.22
34.	GP Himri	47.61	0.24	47.37	46.84	1.05	45.79
35.	GP Jailal	3.49	6.48	-2.99	8.48	10.05	-1.57
36.	GP Jarad Bhutti	19.37	16.27	3.1	11.87	6.88	4.99

37.	GP Jhabola	45.39	7.64	37.75	31.91	2.3	29.61
38.	GP Jilhan	65.38	3.97	61.41	32.87	30.12	2.75
39.	GP Kassrala	9.92	5.58	4.34	9.92	17.12	-7.2
40.	GP Kalyada	53.41	15.61	37.8	43.22	11.02	32.2
41.	GP Kangal	53.61	24.46	29.15	26.82	1.05	25.77
42.	GP Kashmirpur	70.5	26.54	43.96	9.93	33.98	-24.05
43.	GP Kathog	32.11	22.73	9.38	24.4	14.18	10.22
44.	GP Khalwan	153.88	23.06	130.82	133.02	7.42	125.6
45.	GP Kharota	57.04	20.03	37.01	48.79	15.77	33.02
46.	GP Kona	35.56	27.01	8.55	29.44	27.04	2.4
47.	GP Kulahan	42	11.63	30.37	25.38	4.66	20.72
48.	GP Kundlu	25.03	4.48	20.55	7.32	3.92	3.4
49.	GP Ladholi	53.38	48.21	5.17	28.56	36.74	-8.18
50.	GP Lalsa	24.79	24.99	-0.2	20.38	20.58	-0.2
51.	GP Langna	26.89	23.26	3.63	14.48	13.67	0.81
52.	GP Lokhariya	17	8.45	8.55	5.3	5.04	0.26
53.	GP Lot	34.71	6.47	28.24	22.97	8.85	14.12
54.	GP Malyawar	31.59	15.53	16.06	17.98	7.75	10.23
55.	GP Mandhol	29.27	22.68	6.59	24.31	19.96	4.35
56.	GP Matehad	22.98	18.39	4.59	10.68	9.62	1.06
57.	GP Materni	47.93	26.61	21.32	17.88	22.22	-4.34
58.	GP Mawa kola	24.32	17.6	6.72	12.25	12.86	-0.61
59.	GP Mehandi	24.55	25.09	-0.54	15.41	10.67	4.74
60.	GP Mera	20.02	11.07	8.95	8.48	11.67	-3.19
61.	GP Muhan	81.6	27.85	53.75	20.08	19.84	0.24
62.	GP Nadoli	54.18	20.3	33.88	47.47	20.63	26.84
63.	GP Naya	39.29	12.76	26.53	27.52	3.58	23.94
64.	GP Nehra	30.12	2.99	27.13	24.82	6.81	18.01
65.	GP Oyal	33.37	35.84	-2.47	25.4	25.46	-0.06
66.	GP Pandoh	28.4	22.55	5.85	8.14	11.04	-2.9
67.	GP Palog	21.51	18.89	2.62	4.9	9.07	-4.17
68.	GP Pangna	42.02	58.77	-16.75	19.37	37.9	-18.53
69.	GP Panoh	37.33	23.2	14.13	20.05	18.88	1.17
70.	GP Patta	26.45	2.55	23.9	11.32	0.68	10.64
71.	GP Prini	60.43	25.15	35.28	37.09	17.35	19.74
72.	GP Pulan	21.75	2.41	19.34	15.65	3.53	12.12
73.	GP Racholi	63.03	18.45	44.58	43.35	18.26	25.09
74.	GP Rangarh	27.6	6.16	21.44	13.75	1.87	11.88
75.	GP Ridkamar	32.82	3.97	28.85	26.69	3.15	23.54
76.	GP Ropa	36.52	42.9	-6.38	32.86	29.42	3.44
77.	GP Ropadi	15.93	6.15	9.78	4.66	4.27	0.39
78.	GP Rappad	34.32	33.69	0.63	23.92	31.38	-7.46
79.	GP Shangad	107.11	49.28	57.83	86.56	29.85	56.71
80.	GP Sangrah	21.34	16.96	4.38	20.86	19.73	1.13

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81.	GP Sapeharu	13.75	7.56	6.19	4.16	4.16	0
82.	GP Sarahan	63.81	38.68	25.13	53.81	49.12	4.69
83.	GP Sarota	24.51	25.4	-0.89	7.64	17.41	-9.77
84.	GP Shamshi	30.21	24.18	6.03	11.29	7.5	3.79
85.	GP Shiva	10.39	10	0.39	8.9	7.39	1.51
86.	GP Sojha	21.05	4.93	16.12	9.65	6.02	3.63
87.	GP Surandwa	38.96	13.87	25.09	34.43	4.01	30.42
88.	GP Sakroha	33.63	31.23	2.4	22.14	22.76	-0.62
89.	GP Thachaadar	102.07	29.95	72.12	96.07	22.93	73.14
90.	GP Thada	32.15	22.23	9.92	20.39	24.51	-4.12
91.	GP Tharola	41.72	8.23	33.49	20.13	6.52	13.61
92.	GP Tibbi	29.2	7.57	21.63	21.59	8.42	13.17
93.	GP Tihara	21.4	22.94	-1.54	18.36	21.47	-3.11
94.	GP Troh	66	27	39	35.43	27.9	7.53
95.	GP Totu Majthai	39.66	19.79	19.87	19.9	1.22	18.68
96.	GP Vikrambag	41.71	1.72	39.99	29.15	3.3	25.85
97.	GP Dhar	32.69	21.67	11.02	14.31	14.52	-0.21
98.	GP Chamboh	34.63	1.22	33.41	21.59	5.57	16.02
99.	GP Baire Rajadian	31.86	0.92	30.94	21.72	0.69	21.03
100.	GP Paplal	16.15	7.45	8.7	9.45	7.15	2.3
101.	GP Rit	11.7	10.07	1.63	5.7	6.09	-0.39
102.	GP Laroooh	41.37	24.01	17.36	30.43	18.47	11.96
Total		4154.42	1990.68	2163.74	2874.90	1568.04	1306.86

Appendix-5

(Refer paragraph 2.1.2; page 9)

Non-preparation of cash book in PRIASoft and non-maintenance of assets on National Assets Directory**Gram Panchayats**

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District
1.	Jilhan	Drang at Padhar	Mandi
2.	Dhar	Sadar Mandi	Mandi
3.	Giyu	Spiti at Kaza	Lahaul & Spiti
4.	Mandhol	Jubbal Kotkhai	Shimla
5.	Kona	Lambagaon	Kangra
6.	Pandoh	Sadar Mandi	Mandi
7.	Alampur	Lambagaon	Kangra
8.	Paplah	Lambagaon	Kangra
9.	Rangad	Sujanpur Tihra	Hamirpur
10.	Panoh	Sujanpur Tihra	Hamirpur
11.	Lohdar	Bijhri	Hamirpur
12.	Ladoli	Amb	Una
13.	Khalvahan	Janjheli	Mandi
14.	Tihra	Bangana	Una
15.	Mavakahola	Gagret	Una
16.	Ropdi	Chauntra	Mandi
17.	Matehar	Chauntra	Mandi
18.	Sakroha	Balh at Nerchowk	Mandi
19.	Oel	Gagret	Una
20.	Thda	Bangana	Una
21.	Chowar	Amb	Una
22.	Langna	Chauntra	Mandi
23.	Sihuni	Nagrota Surian	Kangra
24.	Nadoli	Nagrota Surian	Kangra
25.	Kathog	Drang at Padhar	Mandi
26.	Thachadhar	Jajheli	Mandi
27.	Thakri Matti	Salooni	Chamba
28.	Kangal	Narkanda	Shimla
29.	Badagaon	Narkanda	Shimla
30.	Jarad Bhutti	Kullu	Kullu
31.	Prini	Naggat	Kullu

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District
32.	Dhaugi	Banjar	Kullu
33.	Materni	Kunihar	Shimla
34.	Dharada	Rohru	Shimla
35.	Yangpa	Nicchar	Kinnaur
36.	Tharola	Jubbal Kotkhai	Shimla
37.	Kosariyan	Jhandutta	Bilaspur
38.	Salwad	Jhandutta	Bilaspur
39.	Sanwal	Tissa	Chamba
40.	Rajera	Mehla	Chamba
41.	Poolan	Bharmour	Chamba
42.	Racholi	Rampur	Shimla
43.	Balera	Bhattiyat	Chamba
44.	Panjey	Salooni	Chamba
45.	Sangdah	Sangdah	Sirmaur
46.	Dhagoli	Chhohara	Shimla
47.	Totu Majhtai	Mashobra	Shimla
48.	Bhogpur	Nalagarh	Solan
49.	Kulhan	Nurpur	Kangra
50.	Vikram Bag	Nahan	Sirmaur
51.	Rit	Lambagaon	Kangra
52.	Malyawar	Ghumarwin	Bilaspur
53.	Patta	Bhoranj	Hamirpur
54.	Bhulswae	Ghumarwin	Bilaspur
55.	Ghandalwin	Ghumarwin	Bilaspur
56.	Dharog	Bamsan	Hamirpur
57.	Bhakeda	Bhoranj	Hamirpur
58.	Shangher	Banjar	Kullu
59.	Hatpang	Fatehpur	Kangra
60.	Chamboh	Bamsan	Hamirpur
61.	Dado Deveriya	Pachad	Sirmaur
62.	Khala Kiyar	Sangrah	Sirmaur
63.	Sarahan	pachhad	Sirmaur
64.	Shiva	Poanta sahib	Sirmaur
65.	Baloth	Mehla	Chamba
66.	Thalli	Tissa	Chamba

Appendix-6

(Refer paragraph 2.1.3; page 10)

Non-maintenance of records by the Panchayati Raj Institutions

Zila Parishad

Sl. No.	Name of Zila Parishad
1.	Keylong

Gram Panchayats

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District
1.	Bhogpur	Nalagarh	Solan
2.	Tutu Majthai	Mashobra	Shimla
3.	Yangpa	Nicchar	Kinnaur
4.	Materni	Kunihar	Solan
5.	Giyu	Spiti at Kaza	Lahual & Spiti
6.	Nehra	Basantpur	Shimla
7.	Himri	Basantpur	Shimla
8.	Vikram Bag	Nahan	Sirmaur
9.	Drabil	Shilai	Sirmaur
10.	Bahral	Paonta Sahib	Sirmaur
11.	Naya	Shilai	Sirmaur
12.	Kona	Lambagaon	Kangra
13.	Pandoh	Sadar Mandi	Mandi
14.	Dhar	Sadar Mandi	Mandi
15.	Alampur	Lambagaon	Kangra
16.	Kulahan	Nurpur	Kangra
17.	Rit	Lambagaon	Kangra
18.	Malyavar	Ghumarwin	Bilaspur
19.	Patta	Bhoranj	Hamirpur
20.	Paplah	Lambagaon	Kangra
21.	Laroooh	Fatehpur	Kangra
22.	Bhulswanye	Ghumarwin	Bilaspur
23.	Ghandalwin	Ghumarwin	Bilaspur
24.	Dharog	Bamsan	Hamirpur
25.	Bhakeda	Bhoranj	Hamirpur
26.	Koserian	Jhandutta	Bilaspur
27.	Rappad	Indora	Kangra
28.	Jalel	Mashobra	Shimla
29.	Rangad	Sujanpur Tihra	Hamirpur
30.	Panoh	Sujanpur Tihra	Hamirpur
31.	Jilhan	Drang at Padhar	Mandi
32.	Dharman	Baijnath	Kangra
33.	Lohdar	Bijhari	Hamirpur
34.	Ladoli	Amb	Una
35.	Palog	Kunihar	Solan
36.	Lot	Nirmand	Kullu
37.	Lalsa	Rampur	Shimla
38.	Troh	Balh at Nerchowk	Mandi

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District
39.	Surdwan	Indora	Kangra
40.	Dhagoli	Chhohara	Shimla
41.	Tihra	Bangana	Una
42.	Mva Kaholan	Gagret	Una
43.	Ropri	Chauntra	Mandi
44.	Matehar	Chauntra	Mandi
45.	Sakroha	Balh at Nerchowk	Mandi
46.	Oel	Gagret	Una
47.	Thda	Bangana	Una
48.	Shanghar	Banjar	Kullu
49.	Dhrampur	Dharmpur	Mandi
50.	Sanwal	Tissa	Chamba
51.	Sapedu	Baijnath	Kangra
52.	Chowar	Amb	Una
53.	Langna	Chauntra	Mandi
54.	Sihuni	Nagrota Surian	Kangra
55.	Nadholi	Nagrota Surian	Kangra
56.	Hatpang	Fatehpur	Kangra
57.	Har	Pragpur	Kangra
58.	Nain	Baijnath	Kangra
59.	Guranwad	Pragpur	Kangra
60.	Chadiyaar	Panchrukhi	Kangra
61.	Chudhred	Pragpur	Kangra
62.	Kathog	Drang at Padhar	Mandi
63.	Poolan	Bharmour	Chamba
64.	Kundlu	Nalagarh	Solan
65.	Chamboh	Basman (Tauni Devi)	Hamirpur
66.	Sangrah	Sangrah	Sirmaur
67.	Dado Devariya	Pachhad	Sirmaur
68.	Khala Kyar	Sangrah	Sirmaur
69.	Sarahan	Pachhad	Sirmaur
70.	Shiva	Paonta Sahib	Sirmaur
71.	Dhangil	Kandaghat	Solan
72.	Thakri Matti	Salooni	Chamba
73.	Panjai	Salooni	Chamba
74.	Kangal	Narkanda	Shimla
75.	Thalli	Tissa	Chamba
76.	Dadwa	Dharmpur	Solan
77.	Badagaon	Narkanda	Shimla
78.	Nauni Manjhgaon	Solan	Solan
79.	Jarad bhutti	Kullu	Kullu
80.	Prini	Naggar	Kullu
81.	Dhaugi	Banjar	Kullu

Source: Audit findings.

Appendix-7

(Refer paragraph 2.1.5; page 10)

Non-reconciliation of difference between cash books with bank pass books

1. Cases where bank pass book shows less balance than cash book

Panchayat Samities

(₹ in lakh)

Sl. No.	Name of Panchayat Samities	District	Balance as per Bank Pass Book on 31 March 2016	Balance as per Cash Book on 31 March 2016	Difference
1.	Amb	Una	48.03	141.28	93.25
2.	Chamba	Chamba	93.37	113.90	20.53
3.	Pragpur	Kangra	82.39	118.51	36.12
Total (i)			223.79	373.69	149.90

Gram Panchayats

Sl. No.	Name of Gram Panchayats	Block	District	Balance as per Bank Pass Book on 31 March 2016	Balance as per Cash Book on 31 March 2016	Difference
1.	Jagjit Nagar	Dharampur	Solan	16.25	16.26	0.01
2.	Ghodav	Nagrota Bagwan	Kangra	4.41	4.53	0.12
3.	Kangal	Narkanda	Shimla	22.04	22.29	0.25
Total (ii)			42.70	43.08	0.38	
Grand Total (i) and (ii)			266.49	416.77	150.28	

Source: Figures supplied by the test-checked units.

2. Cases where cash book shows less balance than bank pass book

Zila Parishad

(₹ in lakh)

Sl. No.	Name of Zila Parishad	Balance as per Bank Pass Book on 31 March 2016	Balance as per Cash Book on 31 March 2016	Difference
1.	Kangra	4,113.69	2,278.48	1,835.21
2.	Keylong	53.98	33.89	20.09
Total (i)		4,167.67	2,312.37	1,855.30

Panchayat Samities

Sl. No.	Name of Panchayat Samities	District	Balance as per Bank Pass Book on 31 March 2016	Balance as per Cash Book on 31 March 2016	Difference
1.	Kunihar	Solan	107.42	34.66	72.76
Total (ii)			107.42	34.66	72.76

Gram Panchayats

Sl. No.	Name of Gram Panchayats	Block	District	Balance as per Bank Pass Book on 31 March 2016	Balance as per Cash Book on 31 March 2016	Difference
1.	Vikram Bag	Nahan	Sirmaur	4.14	0.52	3.62
2.	Drabil	Shilai	Sirmaur	6.22	1.78	4.44
3.	Jalel	Mashobra	Shimla	13.17	13.06	0.11
4.	Kulahan	Nurpur	Kangra	0.78	0.17	0.61
5.	Lohdar	Bijhdi	Hamirpur	1.38	1.18	0.20
6.	Ladoli	Amb	Una	24.81	13.06	11.75

Sl. No.	Name of Gram Panchayats	Block	District	Balance as per Bank Pass Book on 31 March 2016	Balance as per Cash Book on 31 March 2016	Difference
7.	Khyah Loha Khariya	Hamirpur	Hamirpur	4.60	4.42	0.18
8.	Ridkamar	Rait	Kangra	6.16	5.79	0.37
9.	Sojha	Sundernagar	Mandi	11.40	0.04	11.36
10.	Barto	Sundernagar	Mandi	6.04	5.41	0.63
11.	Sorta	Karsog	Mandi	9.31	8.87	0.44
12.	Dhagoli	Chohhara	Shimla	10.37	0.54	9.83
13.	Shanghar	Banjar	Kullu	8.66	0	8.66
14.	Maira	Fatehpur	Kangra	0.61	0.30	0.31
15.	Sanwal	Tissa	Chamba	14.78	0.04	14.74
16.	Poolan	Bharmor	Chamba	5.88	0.12	5.76
17.	Dado Deveriya	Pachhaad	Sirmaur	2.45	0.05	2.40
18.	Mahdi	Karsog	Mandi	27.95	0	27.95
19.	Shiva	Poanta Sahib	Sirmaur	4.65	0.40	4.25
20.	Pangna	Karsog	Mandi	22.65	21.05	1.60
21.	Thakri Matthi	Salooni	Chamba	9.92	0.21	9.71
22.	Prini	Naggur	Kullu	26.57	0	26.57
23.	Panjej	Salooni	Chamba	17.14	0.02	17.12
24.	Badagaon	Narkanda	Shimla	28.75	25.72	3.03
25.	Jarad Bhutti	Kullu	Kullu	17.07	0	17.07
26.	Thalli	Tissa	Chamba	5.30	0.27	5.03
Total (iii)				290.76	103.02	187.74
Grand Total (i), (ii) and (iii)				4,565.85	2,450.05	2,115.70

Summary of Difference between cash book and bank pass book

Sl. No.	Kind of Unit	Number of Units	Difference between cash book and bank pass book
1.	Zila Parishad	2	1,855.30
2.	Panchayat Samiti	4	222.66
3.	Gram Panchayat	29	188.12
Total		35	2,266.08

Source: Figures supplied by the test-checked units.

Appendix-8

(Refer paragraph 2.1.6; page 11)

Non-conducting of physical verification

Zila Parishad

Sl. No.	Name of Zila Parishad
1.	Kangra

Gram Panchayats

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District
1.	Yangpa	Nicchar	Kinnaur
2.	Giyu	Lahual & Spiti	Lahual & Spiti
3.	Nehra	Basantpur	Shimla
4.	Himri	Basantpur	Shimla
5.	Koti bonch	Shillai	Sirmaur
6.	Bhogpur	Nalagarh	Solan
7.	Vikrambag	Nahan	Sirmaur
8.	Drabil	Shillai	Sirmaur
9.	Bahral	Poanta Sahib	Sirmaur
10.	Naya	Shillai	Sirmour
11.	Kona	Lambagon	Kangra
12.	Dhavas	Chopal	Shimla
13.	Alampur	Lambagaon	Kangra
14.	Bohar	Chopal	Shimla
15.	Kulahan	Nurpur	Kangra
16.	Rit	Lambagaon	Kangra
17.	Malyavar	Ghumarwin	Bilaspur
18.	Patta	Bhoranj	Hamirpur
19.	Paplah	Lambagaon	Kangra
20.	Laroooh	Fatehpur	Kangra
21.	Bhulswaye	Ghumarwin	Bilaspur
22.	Ghandalwin	Ghumarwin	Bilaspur
23.	Bari Rajadian	Sadar	Bilaspur
24.	Dharog	Bamsan (Tauni Devi)	Hamirpur
25.	Bhekda	Bhoranj	Hamirpur
26.	Jalel	Mashobra	Shimla
27.	Dharman	Baijnath	Kangra
28.	Khyah Lohakharian	Hamirpur	Hamirpur
29.	Palog	Kunihar	Solan

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District
30.	Durah	Nirmand	Kullu
31.	Lalsa	Rampur	Shimla
32.	Dhagoli	Chhohara	Shimla
33.	Maira	Fatehpur	Kangra
34.	Bari	Fatehpur	Kangra
35.	Dharampur	Dharampur	Mandi
36.	Sapedu	Baijnath	Kangra
37.	Chowar	Amb	Una
38.	Sihuni	Nagrota Surian	Kangra
39.	Nadoli	Nagrota Surian	Kangra
40.	Hatpang	Fatehpur	Kangra
41.	Haar	Pragpur	Kangra
42.	Nain	Baijnath	Kangra
43.	Guranwad	Pragpur	Kangra
44.	Kharota	Fatehpur	Kangra
45.	Chudhred	Pragpur	Kangra
46.	Jagjitnagar	Dharampur	Solan
47.	Kashmirpur	Nalagarh	Solan
48.	Kundlu	Nalagarh	Solan
49.	Chamboh	Bamsan (Tauni Devi)	Hamirpur
50.	Sangrah	Sangrah	Sirmaur
51.	Dado Deveriya	Pacchad	Sirmaur
52.	Khala Kiyar	Sangrah	Sirmaur
53.	Srahan	Pacchad	Sirmaur
54.	Mehdi	Karsog	Mandi
55.	Shiva	Poanta Sahib	Sirmaur
56.	Dhangil	Kandaghat	Solan
57.	Kangal	Narkanda	Shimla
58.	Badagaon	Narkanda	Shimla
59.	Prini	Naggar	Kullu
60.	Dhaugi	Banjar	Kullu

Appendix-9

(Refer paragraph 2.1.7; page 11)

Details of non-accountal of materials by the Gram Panchayat concerned

Gram Panchayats

(₹ in lakh)

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District	Period of Purchase	Amount
1.	Koti Bonch	Shillai	Sirmaour	2013-2015	4.72
2.	Rappad	Indora	Kangra	2012-2016	2.09
3.	Koserian	Jhandutta	Bilaspur	2012-2015	0.33
4.	Bhulswaye	Ghumrwin	Bilaspur	2011-2016	2.92
5.	Malyawar	Ghumrwin	Bilaspur	2015-2016	1.12
6.	Rit	Lambagaon	Kangra	2011-2015	2.05
7.	Alampur	Lambagaon	Kangra	2011-2015	3.40
8.	Dhar	Sadar Mandi	Mandi	2010-2013	1.26
9.	Paplah	Lambagaon	Kangra	2012-2015	3.15
10.	Pandoh	Sadar Mandi	Mandi	2011-2015	1.36
11.	Kona	Lambagaon	Kangra	2012-2016	6.61
12.	Naya	Shillai	Sirmaur	2015-2016	1.91
13.	Jilhan	Drang at Padhar	Mandi	2013-2015	1.02
14.	Lohdar	Bijhri	Hamirpur	2012-2014	2.04
15.	Channota	Dharampur	Mandi	2012-2015	0.82
16.	Tihra	Bangana	Una	2011-2012	3.32
17.	Khalwahan	Janjheli	Mandi	2011-2012	1.86
18.	Troh	Balh at Ner Chowk	Mandi	2011-2014	2.03
19.	Sorta	Karsog	Mandi	2011-2016	0.17
20.	Chek	Panchrukhi	Kangra	2011-2013	0.81
21.	Ropdi	Chauntra	Mandi	2011-2014	4.68
22.	Matehar	Chauntra	Mandi	2011-2016	12.04
23.	Sakroha	Balh	Mandi	2013-2014	1.49
24.	Oel	Gagret	Una	2011-2015	8.93
25.	Nauni Manjhgaon	Solan	Solan	2010-2016	14.03
26.	Pangna	Karsog	Mandi	2013-2016	6.44
27.	Chimret	Udaipur	Lahual & Spiti	2011-2016	14.94
28.	Shiva	Poanta Sahib	Sirmaur	2011-2016	1.14
29.	Saraha	Pacchad	Sirmaur	2015-2016	7.17
30.	Dado Deveryia	Pacchad	Sirmaur	2011-2016	3.10
31.	Sangrah	Sangrah	Sirmaur	2011-2016	5.35
32.	Kathog	Drang at Padhar	Mandi	2011-2012	2.75
33.	Chadiyar	Panchrukhi	Kangra	2011-2016	0.25
34.	Gurenwad	Pragpur	Kangra	2011-2015	3.03
35.	Nain	Baijnath	Kangra	2011-2015	1.90
36.	Nadholi	Nagraota Surian	Kangra	2012-2015	3.89
37.	Sihuni	Nagraota Surian	Kangra	2012-2016	2.48
38.	Langna	Chauntra	Mandi	2012-2014	2.54
39.	Dharampur	Dharampur	Mandi	2011-2016	0.50
Total					139.64

Appendix-10

(Refer paragraph 2.2.1; page 12)

Details of non-recovery of house tax by the Gram Panchayat concerned

(₹ in lakh)

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District	Amount
1.	Sapedu	Baijnath	Kangra	0.05
2.	Jalel	Mashobra	Shimla	0.35
3.	Materni	Kunihar	Solan	0.10
4.	Giyu	Spiti at Kaza	Lahaul & Spiti	0.11
5.	Nehra	Basantpur	Shimla	0.03
6.	Vikrambag	Nahan	Sirmaur	0.11
7.	Naaya	Shilai	Sirmaur	0.32
8.	Dhawas	Chaupal	Shimla	0.27
9.	Pandoh	Sadar Mandi	Mandi	0.43
10.	Dhar	Sadar Mandi	Mandi	0.26
11.	Bohar	Chaupal	Shimla	0.72
12.	Kulahan	Nurpur	Kangra	0.10
13.	Malyavar	Ghumarwin	Bilaspur	1.08
14.	Bhulswaye	Ghumarwin	Bilaspur	0.68
15.	Ghandalwin	Ghumarwin	Bilaspur	0.30
16.	Beri Rajadian	Sadar Mandi	Mandi	0.22
17.	Koserian	Jhandutta	Bilaspur	0.06
18.	Rappad	Indora	Kangra	0.14
19.	Bhatlla	Dharamhala	Kangra	0.46
20.	Kalyada	Rait	Kangra	0.22
21.	Ridkamar	Rait	Kangra	0.02
22.	Jilhan	Drang at Padhar	Mandi	0.06
23.	Dharman	Baijnath	Kangra	0.05
24.	Beetan	Haroli	Una	0.31
25.	Shamshi	Kullu	Kullu	0.07
26.	Chanota	Dharamapur	Mandi	0.39
27.	Khyah Lohakharian	Hamirpur	Hamirpur	0.32
28.	Tihra	Bangana	Una	0.21
29.	Lot	Nirmand	Kullu	0.42
30.	Durah	Nirmand	Kullu	0.04
31.	Sojha	Sunder Nagar	Mandi	0.14
32.	Barto	Sunder Nagar	Mandi	0.21
33.	Chek	Panchrukhi	Kangra	0.21
34.	Surdwa	Indora	Kangra	0.71
35.	Dhagoli	Chhohara	Shimla	0.25
36.	Hirah	Haroli	Una	0.29
37.	Badi	Fatehpur	Kangra	1.56
38.	Maira	Fatehpur	Kangra	0.76

39.	Shangher	Banjar	Kullu	0.04
40.	Oel	Gagret	Una	0.13
41.	Ropri	Chauntra	Mandi	0.21
42.	Mawa Kahola	Gagret	Una	0.33
43.	Salwad	Jhandutta	Bilaspur	1.05
44.	Dharampur	Dharampur	Mandi	0.69
45.	Sanwal	Tissa	Chamba	0.35
46.	Langna	Chauntra	Mandi	0.82
47.	Nadholi	Nagrota Surian	Kangra	0.29
48.	Hatpang	Fatehpur	Kangra	0.03
49.	Haar	Pragpur	Kangra	0.09
50.	Bagli	Dharamshala	Kangra	0.17
51.	Nain	Baijnath	Kangra	0.33
52.	Gurnwad	Pragpur	Kangra	0.30
53.	Kharota	Fatehpur	Kangra	0.17
54.	Chudhred	Pragpur	Kangra	0.13
55.	Ghodab	Nagrota Banwan	Kangra	0.12
56.	Bhuned	Nagrota Banwan	Kangra	0.81
57.	Kathog	Drang at Padhar	Mandi	0.18
58.	Poolan	Bharmour	Chamba	0.33
59.	Kundlu	Nalagarh	Solan	0.08
60.	Thachadhar	Janjheli	Mandi	0.14
61.	Dado Devrian	Pachhad	Sirmaur	0.11
62.	Mehdi	Karsog	Mandi	0.03
63.	Chimrat	Udaipur	Lahual & Spiti	0.06
64.	Pangna	Karsog	Mandi	0.30
65.	Bloth	Mehla	Chamba	0.18
66.	Rajera	Mehla	Chamba	0.36
67.	Raipur	Bhattiyat	Chamba	0.12
68.	Balera	Bhattiyat	Chamba	0.19
69.	Hobar	Bhattiyat	Chamba	0.19
70.	Thakri Matthi	Salooni	Chamba	0.37
71.	Panjai	Salooni	Chamba	0.19
72.	Kangal	Narkanda	Shimla	0.23
73.	Thalli	Tissa	Chamba	0.21
74.	Dadwa	Dharampur	Solan	0.44
75.	Badagaon	Narkanda	Shimla	0.25
76.	Nauni Majhgaon	Solan	Solan	0.20
77.	Jarad Bhutti	Kullu	Kullu	0.17
78.	Prini	Naggur	Kullu	0.38
Total				22.80

Source: Figures supplied by the test-checked units.

Appendix-11

(Refer paragraph 2.2.2; page 12)

Details of outstanding rent of shops

Zila Parishad

(₹ in lakh)

Sl. No.	Name of Zila Parishads/ Panchayat Samities/Gram Panchayats	Period	Number of shops	Amount
1.	Kullu	2014-2016	9	1.18
2.	Kinnaur at Keylong	2012-2016	6	0.56
3.	Kangra	2014-2016	8	2.09
Total (i)			23	3.83

Panchayat Samities

1.	Bamsan	2014-2016	2	0.58
2.	Chamba	2014-2017	2	0.19
3.	Pragpur	2002-2016	9	2.80
Total (ii)			13	3.57

Gram Panchayats

Sl. No.	Name of Gram Panchayats	Name of Block	Name of District	Period	Number of shops	Amount
1.	Fatehpur	Fatehpur	Kangra	1989-2016	6	0.89
2.	Dhagoli	Chhohara	Shimla	2008-2016	1	0.25
3.	Chadiyar	Panchrukhi	Kangra	2010-2017	4	0.09
4.	Sangrah	Sangrah	Sirmaur	2011-2016	12	1.90
5.	Sarahan	Pachhad	Sirmaur	2011-2016	4	0.31
6.	Hobar	Bhattiyat	Chamba	2013-2016	1	0.17
7.	Badagaon	Narkanda	Shimla	2013-2016	4	0.21
8.	Rappad	Indora	Kangra	2010-2016	12	0.07
9.	Thachadhar	Janjehli	Mandi	2015-2016	1	0.02
Total (iii)					45	3.91
Grand Total (i), (ii) and (iii)					81	11.31

Source: Figures supplied by the test-checked units.

Appendix-12

(Refer paragraph 2.2.3; page 12)

Details of non-recovery of duty for installation/ renewal of mobile tower within Gram Panchayat area

(₹ in lakh)

Sl. No.	Name of Gram Panchayat	Name of Block	Name of District	Number of Towers	Year of installation	Amount
1.	Materni	Kunihar	Solan	1	2006-07	0.25
2.	Giyu	Spiti at Kaza	Lahual & Spiti	1	2011-12	0.12
3.	Tharola	Jubbal Kotkhai	Shimla	6	2008-09	1.17
4.	Dharada	Rohru	Shimla	1	2008-16	0.20
5.	Himri	Basantpur	Shimla	2	2006-13	0.35
6.	Mandhol	Jubbal Kotkhai	Shimla	1	2008-09	0.20
7.	Naya	Shillai	Sirmaur	1	2010-11	0.15
8.	Kona	Lambagaon	Kangra	1	2009-10	0.17
9.	Dhar	Sadar Mandi	Mandi	7	2003-07	1.02
10.	Bohar	Chaupal	Shimla	1	2009-10	0.05
11.	Ghandalwin	Ghumarwin	Bilaspur	3	2007-09	0.54
12.	Jalel	Mashobra	Shimla	1	2015-16	0.04
13.	Fatehpur	Fatehpur	Kangra	3	2004-08	0.40
14.	Batuhi	Una	Una	2	2009-16	0.17
15.	Betan	Haroli	Una	1	2008-09	0.08
16.	Shamshi	Kullu	Kullu	1	2008-09	0.06
17.	Lot	Nirmand	Kullu	3	2006-12	0.52
18.	Muhan	Anni	Kullu	1	2009-10	0.17
19.	Durah	Nirmand	Kullu	3	2010-13	0.16
20.	Kasarla	Balh	Mandi	1	2008-09	0.20
21.	Troh	Balh at Mandi	Mandi	1	2007-08	0.22
22.	Sorta	Karsog	Mandi	2	2007-14	0.24
23.	Surdwan	Indora	Kangra	1	2008-09	0.20
24.	Sakroha	Balh	Mandi	1	2008-09	0.20
25.	Shangher	Banjar	Kullu	1	2009-10	0.03
26.	Dharampur	Dharampur	Mandi	1	2010-11	0.15
27.	Bagli	Dharamshala	Kangra	1	2011-16	0.02
28.	Poolan	Bharmour	Chamba	1	2006-07	0.12
29.	Kundlu	Nalagarh	Solan	2	2005-06	0.58
30.	Chamboh	Bamsan	Hamirpur	1	2007-08	0.05
31.	Sangrah	Sangrah	Sirmaur	2	2005-09	0.47
32.	Khala Kiyar	Sangrah	Sirmaur	2	2006-08	0.44
33.	Sarahan	Pacchad	Sirmaur	4	2006-08	1.08
34.	Baloth	Mehla	Chamba	1	2009-10	0.18
35.	Raipur	Bhattiyat	Chamba	1	2013-14	0.02
36.	Hobar	Bhattiyat	Chamba	1	2013-14	0.10
37.	Panjai	Salooni	Chamba	3	2007-09	0.42
38.	Thalli	Tissa	Chamba	1	2009-10	0.11
39.	Badagaon	Narkanda	Shimla	2	2004-06	0.62
40.	Nauni Manjhgaon	Solan	Solan	1	2010-11	0.15
41.	Jaradbhutti	Kullu	Kullu	6	2006-13	0.51
42.	Prini	Naggar	Kullu	3	2005-14	0.32
Total				80		12.25

Source: Figures supplied by the test-checked units.

Appendix-13

(Refer paragraph 2.3.1; page 13)

Details of blocking of funds due to non-start of works

(₹ in lakh)

Sl. No.	Name of Gram Panchayat	Name of District	Period	Number of works	Receipt	Expend-iture	Amount
1.	Channota	Mandi	2011-12	1	0.20	-	0.20
2.	Jhabola	Bilaspur	2010-11	1	0.52	-	0.52
3.	Vikrambag	Sirmaur	2015-16	2	2.25	-	2.25
4.	Drabil	Sirmaur	2015-16	1	2.00	-	2.00
5.	Aalampur	Kangra	2015-16	2	1.25	-	1.25
6.	Rit	Kangra	2006-07	3	0.50	-	0.50
7.	Paplah	Kangra	2010-16	3	1.44	-	1.44
8.	Totu Majthai	Shimla	2014-15	8	7.00	-	7.00
9.	Himri	Shimla	2014-16	7	11.79	-	11.79
10.	Giyu	Spiti at Kaza	2015-16	3	3.50	-	3.50
11.	Koserian	Bilaspur	2011-12	1	1.00	-	1.00
12.	Mehndi	Mandi	2010-11	1	1.00	-	1.00
13.	Sanwal	Chamba	2010-15	8	2.11	-	2.11
14.	Chowar	Una	2015-16	4	3.50	-	3.50
15.	Sihuni	Kangra	2015-16	18	8.65	-	8.65
16.	Nadholi	Kangra	2012-15	3	2.40	-	2.40
17.	Hatpang	Kangra	2013-14	-	0.93	-	0.93
18.	Racholi	Shimla	2014-15	1	1.00	-	1.00
19.	Kundlu	Solan	2012-15	3	0.65	-	0.65
20.	Chamoh	Hamirpur	2014-15	1	1.50	-	1.50
21.	Dado Devrian	Sirmaur	2015-16	4	5.00	-	5.00
22.	Badagaon	Shimla	2013-14	2	2.00	-	2.00
23.	Bhulswaye	Bilaspur	2015-16	6	5.11	-	5.11
24.	Malyawar	Bilaspur	--	1	1.21	-	1.21
25.	Bahral	Sirmaur	2012-13	1	0.30	-	0.30
26.	Baire Razadian	Mandi	2015-16	5	3.50	-	3.50
27.	Laroooh	Kangra	2014-15	-	1.26	-	1.26
28.	Salwar	Bilaspur	2014-15	1	3.40	-	3.40
Total				91	74.97		74.97

Source: Figures supplied by the test-checked units.

Appendix-14

(Refer paragraph 2.3.2; page 13)

Details of blocking of funds due to non-completion of works

(₹ in lakh)

Sl. No.	Name of Gram Panchayat	Name of District	Period	Number of works	Receipt	Expenditure	Amount
1.	Saraha	Sirmaur	2015-16	9	11.25	7.92	3.33
2.	Dharman	Kangra	2015-16	1	2.50	1.60	0.90
3.	Nain	Kangra	2015-16	-	22.32	7.98	14.34
4.	Hirah	Una	2014-15	1	8.00	6.00	2.00
5.	Nehra	Shimla	2010-13	2	2.99	1.52	1.47
6.	Himri	Shimla	2010-11	1	1.47	0.75	0.72
7.	Koti Bonch	Sirmaur	2012-16	8	34.07	27.14	6.93
8.	Drabil	Sirmaur	2015-16	7	11.31	4.18	7.13
9.	Baire Rajadian	Bilaspur	2015-16	10	8.20	3.99	4.21
10.	Ghandalwin	Bilaspur	2011-13	2	1.20	0.19	1.01
11.	Bhulswaye	Bilaspur	2015-16	9	17.81	9.12	8.69
12.	Aalampur	Kangra	2015-16	1	0.60	0.11	0.49
13.	Kona	Kangra	2013-14	2	10.97	2.09	8.88
14.	Naya	Sirmaur	2012-16	8	26.70	15.73	10.97
15.	Bahral	Sirmaur	2011-13	2	1.75	0.81	0.94
16.	Bhogpur	Solan	2014-15	3	3.08	1.40	1.68
17.	Chowar	Una	2015-16	3	8.61	0.60	8.01
18.	Sihuni	Kangra	2015-16	1	0.70	0.08	0.62
19.	Haar	Kangra	2015-16	-	37.96	13.45	24.51
20.	Gurenwar	Kangra	2011-14	2	0.77	0.20	0.57
21.	Kharota	Kangra	2013-14	1	1.50	1.00	0.50
22.	Sangrah	Sirmaur	2013-16	5	22.67	21.20	1.47
23.	Khala Kyar	Sirmaur	2014-16	10	16.75	13.51	3.24
24.	Mehndi	Mandi	2012-15	5	15.21	13.47	1.74
25.	Shiva	Sirmaur	2013-15	6	10.67	6.36	4.31
26.	Dadwa	Solan	2011-15	5	9.50	6.41	3.09
27.	Yangpa	Kinnaur	2013-15	7	29.99	21.38	8.62
28.	Boher	Shimla	2014-15	1	0.75	0.38	0.37
29.	Badi	Kangra	2013-15	-	6.02	3.23	2.79
30.	Bhakeda	Hamirpur	2014-16	1	1.00	0.33	0.67
31.	Totu Majthai	Shimla	2010-16	5	3.82	1.51	2.31
32.	Dharog	Hamirpur	2013-16	1	0.77	0.19	0.58
33.	Palog	Solan	2011-16	4	7.80	0.66	7.14
Total				123	338.71	194.49	144.23

Appendix-15

(Refer paragraph 2.3.3; page 14)

Details of blocking of funds under 13th Finance Commission**Zila Parishad**

(₹ in lakh)

Sl. No.	Name of Zila Parishad	Period	Receipt	Expenditure	Balance
1.	Solan	2013-2016	1,230.62	1,132.00	98.62
Total (i)			1,230.62	1,132.00	98.62

Panchayat Samities

Sl. No.	Name of Panchayat Samities	District	Period	Receipt	Expenditure	Balance
1.	Kunihar	Solan	2013-2016	155.46	127.97	27.49
2.	Amb	Una	2013-2016	48.88	38.59	10.29
3.	Bamsan at Tauni Devi	Hamirpur	2013-2016	16.71	14.02	2.69
Total (ii)				221.05	180.58	40.47

Gram Panchayats

Sl. No.	Name of Gram Panchayats	Block	District	Period	Receipt	Expenditure	Balance
1.	Palog	Kunihar	Solan	2011-16	6.64	1.96	4.68
2.	Dhagoli	Chohhara	Shimla	2011-16	6.04	5.59	0.45
3.	Bhakeda	Bhoranj	Hamirpur	2011-16	13.26	8.81	4.45
4.	Baire Razadian	Sadar	Mandi	2011-16	9.13	6.26	2.87
5.	Ghandalwin	Ghumarwin	Bilaspur	2011-16	9.30	6.23	3.07
6.	Bhulswaye	Ghumarwin	Bilaspur	2011-16	2.51	1.96	0.55
7.	Kona	Lambagaon	Kangra	2013-16	18.62	15.08	3.54
8.	Naya	Shillai	Sirmaur	2011-16	7.39	3.79	3.60
9.	Bahral	Paonta Sahib	Sirmaur	2011-16	3.96	3.52	0.44
10.	Drabil	Shillai	Sirmaur	2011-16	8.21	7.78	0.43
11.	Vikrambag	Nahan	Sirmaur	2011-15	2.81	2.30	0.51
12.	Bhogpur	Nalagarh	Solan	2011-16	8.59	7.40	1.19
13.	Koti Bonch	Shillai	Sirmaur	2011-16	7.27	5.95	1.32
14.	Materni	Kunihar	Solan	2011-16	24.93	16.19	8.74

Sl. No.	Name of Gram Panchayats	Block	District	Period	Receipt	Expenditure	Balance
15.	Shangher	Banjar	Kullu	2011-16	2.15	1.74	0.41
16.	Ropri	Chontra	Mandi	2011-16	2.07	0.52	1.55
17.	Matehad	Chontra	Mandi	2011-16	2.22	0.39	1.83
18.	Noni Manjhgaon	Solan	Solan	2013-16	1.49	0.37	1.12
19.	Panjai	Salooni	Chamba	2011-16	3.19	0.86	2.33
20.	Thakri Matthi	Salooni	Chamba	2011-16	6.99	3.17	3.82
21.	Thalli	Tissa	Chamba	2011-16	5.11	3.40	1.71
22.	Baloth	Mehla	Chamba	2011-16	2.04	1.63	0.41
23.	Pangna	Karsog	Mandi	2011-16	3.32	1.14	2.18
24.	Chimret	Udaipur	Lahual & Spiti	2011-16	1.91	0.44	1.47
25.	Mehdi	Karsog	Mandi	2011-16	5.08	0.45	4.63
26.	Dado Deveriya	Pachhad	Sirmaur	2013-16	2.82	1.83	0.99
27.	Sangdah	Sangdah	Sirmaur	2011-16	5.56	3.69	1.87
28.	Chmboh	Bamsan	Hamirpur	2011-16	9.72	6.56	3.16
29.	Kundlu	Nalagrah	Solan	2011-16	14.53	1.66	12.87
30.	Kashmirpur	Nalagarh	Solan	2011-16	4.63	4.51	0.12
31.	Poolan	Bharmour	Chamba	2011-16	1.85	0.38	1.47
32.	Kathog	Drang at Padhar	Mandi	2011-16	2.07	1.82	0.25
33.	Nadholi	Nagrota Suriyan	Kangra	2013-16	2.19	1.55	0.64
34.	Jagjit Nagar	Daharampur	Solan	2014-16	1.38	1.10	0.28
35.	Jarad Bhutti	Kullu	Kullu	2011-16	4.59	3.38	1.21
36.	Dhaugi	Banjar	Kullu	2011-16	8.77	7.34	1.43
37.	Prini	Kullu	Naggur	2011-16	3.01	1.10	1.91
Total (iii)					225.35	141.85	83.50
Grand Total (i), (ii) and (iii)					1,677.02	1,454.43	222.59

Source: Figures supplied by the test-checked units.

Appendix-16

(Refer paragraph 2.3.4 (i) and (ii); page 15)

Details of blocking of funds under 14th Finance Commission

Development works not started

(₹ in lakh)

Sl. No.	Name of Gram Panchayats	Block	District	Period	Receipt	Expenditure	Balance
1.	Shiva	Paonta Sahib	Sirmaur	2015-16	5.19	-	5.19
2.	Kathog	Drang at Padhar	Mandi	2015-16	4.38	-	4.38
3.	Chamboh	Bamsan (Tauni Devi)	Hamirpur	2015-16	7.77	-	7.77
4.	Sangdah	Sangdah	Sirmaur	2015-16	8.60	-	8.60
5.	Dado Deveriya	Pacchad	Sirmaur	2015-16	8.68	-	8.68
6.	Khala Kyar	Sangrah	Sirmaur	2015-16	12.65	-	12.65
7.	Sarahan	Pacchad	Sirmaur	2015-16	4.60	-	4.60
8.	Mehndi	Karsog	Mandi	2015-16	5.90	-	5.90
9.	Chowar	Amb	Una	2015-16	8.38	-	8.38
10.	Langnaa	Chauntra	Mandi	2015-16	6.88	-	6.88
11.	Sihuni	Nagrota Surian	Kangra	2015-16	8.17	-	8.17
12.	Nadholi	Nagrota Surian	Kangra	2015-16	10.08	-	10.08
13.	Hatpang	Fatehpur	Kangra	2015-16	5.98	-	5.98
14.	Bagli	Dahramshala	Kangra	2015-16	7.86	-	7.86
15.	Chadiyar	Panchrukhi	Kangra	2015-16	8.74	-	8.74
16.	Ropdi	Chauntra	Mandi	2015-16	3.25	-	3.25
17.	Mva Kahola	Gagret	Una	2015-16	3.23	-	3.23
18.	Matehar	Chauntra	Mandi	2015-16	4.48	-	4.48
19.	Oel	Gagret	Una	2015-16	3.05	-	3.05
20.	Thda	Bangana	Una	2015-16	3.45	-	3.45
21.	Salwad	Jhandutta	Bilaspur	2015-16	8.86	-	8.86
22.	Batalla	Dharamshala	Kangra	2015-16	16.85	-	16.85
23.	Kaliara	Rait	Kangra	2015-16	13.35	-	13.35
24.	Ridkamar	Rait	Kangra	2015-16	6.02	-	6.02
25.	Rangad	Sujanpur	Hamirpur	2015-16	1.78	-	1.78
26.	Panoh	Sujanpur	Hamirpur	2015-16	3.28	-	3.28
27.	Zilhan	Drang at padhar	Mandi	2015-16	4.81	-	4.81
28.	Lohdar	Bihjri	Haimrpur	2015-16	2.41	-	2.41

29.	Shamshi	Kullu	Kullu	2015-16	8.58	-	8.58
30.	Ladoli	Amb	Una	2015-16	11.96	-	11.96
31.	Khalwan	Janjehli	Mandi	2015-16	8.12	-	8.12
32.	Sojha	Sundernagar	Mandi	2015-16	4.79	-	4.79
33.	Troh	Balh at Mandi	Mandi	2015-16	6.85	-	6.85
34.	Barto	Sunder Nagar	Mandi	2015-16	4.47	-	4.47
35.	Jhabola	Jhandutta	Bilaspur	2015-16	13.00	-	13.00
36.	Tihra	Bangana	Una	2015-16	2.89	-	2.89
37.	Koserian	Jhandutta	Bilaspur	2015-16	14.43	-	14.43
38.	Bhakeda	Bhoranj	Hamirpur	2015-16	7.03	-	7.03
39.	Dharog	Bamsan	Hamirpur	2015-16	9.65	-	9.65
40.	Baire Rajadian	Sadar	Bilaspur	2015-16	7.27	-	7.27
41.	Ghandalwin	Ghumarwin	Bilaspur	2015-16	5.07	-	5.07
42.	Bhulswaye	Ghumarwin	Bilaspur	2015-16	8.10	-	8.10
43.	Laroooh	Fatehpur	Kangra	2015-16	8.76	-	8.76
44.	Paplah	Lambagaon	Kangra	2015-16	6.99	-	6.99
45.	Patta	Bhoranj	Hamirpur	2015-16	4.45	-	4.45
46.	Malyawar	Ghumarwin	Bilaspur	2015-16	4.03	-	4.03
47.	Dhar	Sadarmandi	Mandi	2015-16	6.98	-	6.98
48.	Pandoh	Sadaramndi	Mandi	2015-16	7.96	-	7.96
49.	Rit	Lambagaon	Kangra	2015-16	5.15	-	5.15
50.	Kona	Lambagaon	Kangra	2015-16	9.30	-	9.30
51.	Vikrambag	Nahan	Sirmaur	2015-16	10.88	-	10.88
52.	Bhogpur	Nalagarh	Solan	2015-16	15.74	-	15.74
53.	Alampur	Lambagaon	Kangra	2015-16	11.11	-	11.11
Total					392.24	-	392.24

Development works started but not completed

Sl. No.	Name of Gram Panchayats	Block	District	Period	Receipt	Expend-iture	Balance
1.	Surdwan	Indora	Kangra	2015-16	25.89	1.10	24.79
2.	Rappad	Indora	Kangra	2015-16	12.45	3.47	8.98
3.	Kulahan	Nurpur	Kangra	2015-16	8.09	2.56	5.53
4.	Ghodab	Nagrota Bagwan	Kangra	2015-16	7.93	1.32	6.61
5.	Sanwal	Tissa	Chamba	2015-16	8.14	5.00	3.14
Total					62.50	13.45	49.05

Source: Figures supplied by the test-checked units.

Appendix-17

(Refer paragraph 2.5; page 17)

Details of delay in releasing payments under MGNREG Scheme

(₹ in lakh)

Sl. No.	Name of Gram Panchayats	Name of Block	Name of District	Period	Delay in days	Amount
1.	Ghandalwin	Ghumarwin	Bilaspur	2011-12	15 to 83	5.97
2.	Bhulswanye	Ghumarwin	Bilaspur	--	21 to 165	1.23
3.	Laroooh	Fatehpur	Kangra	2014-16	15 to 120	21.10
4.	Paplah	Lambagaon	Kangra	2014-15	6 to 115	2.78
5.	Malyawar	Ghumarwin	Bilaspur	2011-12	15 to 127	4.12
6.	Rit	Lambagaon	Kangra	2014-15	9 to 26	0.98
7.	Aalampur	Lambagaon	Kangra	--	15 to 90	1.79
8.	Kona	Lambagaon	Kangra	2015-16	1 to 178	6.61
9.	Naya	Shilai	Sirmaur	2014-15	9 to 26	4.07
10.	Drabil	Shilai	Sirmaur	2014-15	8 to 19	2.15
11.	Vikrambag	Nahan	Sirmaur	2014-15	15 to 75	2.70
12.	Bhogpur	Nalagarh	Solan	2015-16	77	0.12
13.	Ladoli	Amb	Una	2013-16	1 to 117	24.27
14.	Chohhar	Amb	Una	2012-14	6 to 16	1.77
15.	Sihuni	Nagrota surian	Kangra	2014-16	1 to 13	0.51
16.	Nadholi	Nagrota surian	Kangra	2014-16	2 to 15	3.19
17.	Hatpang	Fatehpur	Kangra	2014-16	15 to 90	13.88
18.	Sangdah	Sangdah	Sirmaur	2013-14	5 to 104	9.40
19.	Khala Kyar	Sangdah	Sirmaur	2014-16	45 to 120	6.31
20.	Sarahan	Pachhad	Sirmaur	2014-15	15 to 170	2.74
21.	Shiva	Paonta Sahib	Sirmaur	2014-15	7 to 94	2.56
Total						118.25

Source: Figures supplied by the test-checked units.

Appendix-18

(Refer paragraph 4.2.1; page 25)

Statement of budget estimates and actual expenditure of ULBs during 2013-16**2013-14**

(₹ in lakh)

Municipal Corporation

Sl. No.	Name of ULBs	Budget Estimate	Actual Expenditure	Savings (+)/ Excess (-)
1.	Shimla	18,477.58	7,682.23	10,795.35
Total (i)		18,477.58	7,682.23	10,795.35

Municipal Council

1.	Nahan	1,133.75	609.74	524.01
2.	Palampur	412.96	195.93	217.03
3.	Baddi	842.04	295.63	546.41
4.	Parwanoo	853.35	760.10	93.25
5.	Kangra	742.03	322.35	419.67
6.	Nurpur	235.99	201.13	34.86
7.	Chamba	1,042.43	478.47	563.96
8.	Una	651.47	316.49	334.98
9.	Bilaspur (Nainadevi)	431.71	102.62	329.09
10.	Santokhgarh	183.27	159.49	23.78
11.	Paonta Sahib	1,553.85	319.86	1,233.99
Total (ii)		8,082.85	3,761.81	4,321.03

Nagar Panchayat

1.	Gagret	202.07	114.90	87.17
2.	Joginder Nagar	104.79	104.11	0.68
3.	Daulatpur	202.51	118.48	84.03
4.	Talai	476.98	74.61	402.37
Total (iii)		986.35	412.10	574.25
Grand Total (i), (ii) and (iii)		27,546.78	11,856.14	15,690.63

2014-15**Municipal Corporation**

Sl. No.	Name of ULBs	Budget Estimate	Actual Expenditure	Savings (+)/ Excess (-)
1.	Shimla	12,652.75	7,604.11	5,048.64
Total (i)		12,652.75	7,604.11	5,048.64

Municipal Council

1.	Nahan	1,269.59	610.32	659.27
2.	Palampur	435.99	267.84	168.15
3.	Baddi	3,466.42	374.15	3,092.27
4.	Parwanoo	993.45	944.81	48.64
5.	Kangra	816.59	338.70	477.89
6.	Nurpur	410.76	331.09	79.67

7.	Chamba	1,155.39	553.15	602.24
8.	Una	864.87	304.05	560.82
9.	Bilaspur (Naninadevi)	487.61	172.46	315.15
10.	Santokhgarh	427.56	249.44	178.12
11.	Paonta Sahib	1,993.08	758.16	1,234.92
Total (ii)		12,321.31	4,904.17	7,417.14

Nagar Panchayat

1.	Gagret	237.23	117.86	119.37
2.	Joginder Nagar	318.72	148.44	170.23
3.	Daulatpur	256.39	137.18	119.21
4.	Talai	517.89	81.27	436.62
Total (iii)		1,330.23	484.75	845.43
Grand Total (i), (ii) and (iii)		26,304.29	12,993.03	13,311.21

Source: Figures supplied by the test-checked units.

2015-16

Municipal Corporation

(₹ in lakh)

Sl. No.	Name of ULBs	Budget Estimate	Actual Expenditure	Savomgs (+)/ Excess (-)
1.	Shimla	12,172.30	11,722.43	449.87
Total (i)		12,172.30	11,722.43	449.87

Municipal Council

1.	Nahan	1,466.41	553.89	912.52
2.	Palampur	565.29	265.47	299.83
3.	Baddi	3,843.22	1,532.99	2,310.24
4.	Parwanoo	705.27	567.98	137.29
5.	Kangra	908.72	443.32	465.40
6.	Nurpur	635.59	270.66	382.93
7.	Chamba	1,127.75	605.17	522.58
8.	Una	1,152.09	439.87	712.22
9.	Bilaspur (Naninadevi)	469.39	149.98	319.41
10.	Santokhgarh	392.17	231.11	161.06
11.	Paonta Sahib	2,048.80	925.05	1,123.75
Total (ii)		13,314.70	5,985.49	7,347.23

Nagar Panchayat

1.	Gagret	335.66	197.33	138.33
2.	Joginder Nagar	397.12	305.36	91.76
3.	Daulatpur	238.78	118.09	120.69
4.	Talai	537.15	87.41	449.74
Total (iii)		1,508.71	708.19	800.52
Grand Total (i), (ii) and (iii)		26,995.71	18,416.11	8,597.62

Appendix-19

(Refer paragraph 4.5.1; page 26)

Details of outstanding house tax in respect of Municipal Councils and Nagar Panchayats

(₹ in lakh)

Municipal Council

Sl. No.	Name of Municipal Councils	Opening balance as of April 2015	Demand during 2015-16	Total Demand	Collection during 2015-16	Rebate	Outstanding amount as of March 2016
1.	Chamba	66.04	49.59	115.63	27.61	-	88.02
2.	Nurpur	24.69	6.27	30.96	3.26	-	27.70
3.	Parwanoo	65.46	186.54	252.00	182.71	-	69.29
4.	Nahan	318.23	43.99	362.23	13.86	-	348.37
5.	Palampur	50.46	40.31	90.77	43.73	-	47.04
6.	Santokhgarh	40.83	4.59	45.42	3.64	-	41.78
7.	Naina Devi Ji	20.18	7.11	27.29	4.89	-	22.40
8.	Una	32.85	39.15	72.01	35.16	-	36.84
Total (i)		618.74	377.55	996.31	314.86	-	681.44

Nagar Panchayat

Sl. No.	Name of Nagar Panchayat	Opening balance as of April 2015	Demand during 2015-16	Total Demand	Collection during 2015-16	Rebate	Outstanding amount as of March 2016
1.	Daulatpur Chaowk Una	22.39	5.45	27.84	3.29	-	24.55
2.	Gagret	20.68	7.96	28.64	6.54	1.03	21.07
3.	Joginder Nagar	57.76	4.47	62.23	4.82	-	57.41
4.	Talai	26.27	5.18	31.45	4.64	0.21	26.60
Total (ii)		127.10	23.06	150.16	19.29	1.24	129.63
Grand Total (i) & (ii)		745.84	400.61	1146.47	334.15	1.24	811.07

Source: Figures supplied by the test-checked units.

Appendix-20

(Refer paragraph 4.5.2; page 27)

Details of non-realisation of rent from shops/booths/ stalls during the period 2015-16

(₹ in lakh)

Municipal Corporation

Sl. No.	Name of Municipal Corporation	Opening balance as on 01 April 2015	Demand raised	Total	Collection as on 31 March 2016	Outstanding amount as on 31 March 2016
1.	Shimla	405.76	220.10	625.86	210.22	415.64
Total (i)		405.76	220.10	625.86	210.22	415.64

Municipal Council

1.	Kangra	12.47	9.48	21.95	5.81	16.14
2.	Parwanoo	3.16	1.86	5.02	0.89	4.13
3.	Baddi	15.17	6.43	21.60	8.25	13.35
4.	Nahan	43.94	59.99	103.93	58.89	45.04
5.	Paonta Sahib	10.76	28.02	38.78	26.35	12.43
6.	Palampur	48.70	23.25	71.95	22.08	49.87
7.	Santokhgarh	11.79	7.82	19.61	7.75	11.86
8.	Naina Devi Ji	30.52	30.00	60.52	20.88	39.64
9.	Una	29.24	48.16	77.40	44.72	32.68
10.	Nurpur	13.88	10.02	23.90	5.82	18.08
11.	Chamba	54.02	38.57	92.59	32.87	59.72
Total (ii)		273.65	263.60	537.25	234.31	302.94

Nagar Panchayat

1.	Daulatpur Chowk	1.92	14.99	16.91	14.98	1.93
2.	Gagret	6.58	6.81	13.39	6.75	6.64
3.	Joginder Nagar	2.47	2.61	5.08	2.90	2.18
4.	Talai	0.69	0.32	1.01	0.28	0.73
Total (iii)		11.66	24.73	36.39	24.91	11.48
Grand Total (i), (ii) & (iii)		691.07	508.43	1,199.50	469.44	730.06

Source: Figures supplied by the test-checked units.

Appendix-21

(Refer paragraph 4.5.3; page 27)

Details of non-recovery of duty for installation/ renewal of mobile towers within Urban Local Bodies area

Municipal Corporation

(₹ in lakh)

Sl. No.	Name of Municipal Corporation	Year of installation	Period for which amount pending	Number of towers	Amount
1.	Shimla	---	---	177	19.58
Total (i)				177	19.58

Municipal Council

Sl. No.	Name of Municipal Council	Year of installation	Period for which amount pending	Number of towers erected	Amount
1.	Nahan	--	2011-12 to 2015-16	9	2.50
2.	Kangra	--	--	9	1.81
3.	Parwanoo	--	2011-12 to 2015-16	8	1.58
4.	Poanta Sahib	2014-16	2014-15 to 2015-16	8	0.63
5.	Palampur	--	2014-15 to 2015-16	1	0.14
6.	Santokh Garh	2004-08	2004-05 to 2007-08	4	1.28
7.	Naina Devi Ji	--	2007-08 to 2015-16	2	0.37
8.	Una	--	2008-09 to 2015-16	15	1.47
9.	Nurpur	2006-15	2012-13 to 2015-16	3	1.21
10.	Chamba	2009-10	2009-10 to 2015-16	6	0.56
Total (ii)				65	11.55

Nagar Panchayat

Sl. No.	Name of Nagar Panchayat	Year of installation	Period for which amount pending	Number of towers	Amount
1.	Daulatpur Chowk	2005-09	2006-07 to 2010-11	3	0.91
2.	Gagret	---	---	3	0.90
3.	Joginder Nagar	2005-08	2013-14 to 2015-16	7	0.99
4.	Talai	---	---	3	0.13
Total (iii)				16	2.93
Grand Total (i), (ii) and (iii)				258	34.06

Source: Figures supplied by the test-checked units.

Appendix-22

(Refer paragraph 4.7; page 32)

Statements showing the detail of outstanding advances given to officials but not adjusted or recouped as of January 2017

Municipal Council, Chamba

(₹ in lakh)

Sl. No.	Name of Employee	Purpose of advance	Date on which advance given	Amount	Delay in adjustment/ recoupment of advance (In months)
1.	Sh. Vivek Kumar, Clerk	Election Expenditure	12.12.2005	2,000	132 (11 years)
		Celebration of Lohri Festival 2012	05.01.2012	15,000	59
		Celebration of Lohri Festival 2013	11.01.2013	32,500	47
		Passing of MC vehicles and sterilization of dogs	16.12.2014	6,000	24
		Celebration of Suhi Fair 2015	08.04.2015	80,000	20
		Expenses for Chamunda Yatra 2015	28.04.2015	50,000	19
		Celebration Suhi Fair 2016	05.04.2016	1,00,000	8
		Expenses for Chamunda Yatra 2016	06.04.2016	50,000	8
Total (i)				3,35,500	
2.	Sh. William, Clerk (now retired)	Regarding purchase of grass	26.04.1994	500	271 (22 years)
		Travelling Allowance for Shimla	01.12.1999	1,000	204
		Travelling Allowance for Shimla	23.01.2004	1,000	154
		Travelling Allowance for Shimla	16.10.2004	2,000	145
		Travelling Allowance for Shimla	29.01.2005	800	142
		Purchase of charcoal	21.11.2008	8,000	96
		Arrangement of vehicles for cattle carriage and purchase of grass	17.03.2009	5,000	93
		To collect EVM Machines from Shimla	16.06.2010	10,000	78
		Arrangement of SFCC 2011	03.01.2012	5,000	59
		Minjar Fair 2012	26.07.2012	2,10,000	52
		Minjar Fair 2012	04.08.2012	2,00,000	51
		Minjar Fair 2012	08.08.2012	3,50,000	51
		Minjar Fair 2012	18.09.2012	59,000	50
		Minjar Fair 2012	28.02.2013	55,322	45
		Travelling Allowance for Shimla	07.09.2016	10,000	3
Travelling Allowance for Shimla	25.10.2016	10,000	1		
Total (ii)				9,27,622	
3.	BSNL Civil Circle-II, Shimla-9	Construction of parking near Cefeteria, Chamba	31.05.2013	1,00,000	42
Total (iii)				1,00,000	
4.	Sh. Victor Bhisty	Repair of MC vehicles	06.01.2015	10,000	23
		-do-	04.09.2015	8,000	15
		Dog sterilization	03.02.2015	5,000	12
Total (iv)				23,000	
5.	Sh. Lalit Kumar, EO	Meeting at Shimla	07.08.2015	15,000	16
Total (v)				15,000	
6.	Sh. Rajesh Choudhary, JE	Purchase of fodder	16.11.2015	8,500	1
Total (vi)				8,500	
Grand Total (i), (ii), (iii), (iv) (v) and (vi)				14,09,622	

Municipal Council, Baddi

Sl. No.	Name of Employee	Purpose of advance	Date on which advance given	Amount	Delay in adjustment/ recoupment of advance (In months)
7.	Sh. Ram Karan, Clerk	Purchase of stationery	19.05.2012	20,000	52
		Purchase of Phynile	02.06.2012	15,000	53
		Purchase of stationery	17.05.2013	15,000	40
		Updation of muckdumping byelaws	17.05.2013	2,000	40
8.	Sh. Sharif Muhammad, J.E	Repair of Vehicle	06.10.2012	10,000	47
		Purchase of sanitary material	20.06.2014	5,000	27
		Purchase of plants	21.08.2014	35,000	25
9.	Sh. Pradeep Kumar, Clerk	Repair of vehicle	21.08.2014	5,000	26
		Purchase of stationery	27.09.2014	20,000	24
Total (vii)				1,27,000	
Grand Total (i), (ii), (iii), (iv) (v), (vi) and (vii)				15,36,622	

Municipal Council, Una

10.	Executive Engineer, HPPWD, B&R, Division, Una	For construction of boundary wall to working women hostel, Una	May1988	39,528	344 (28 years)
		For construction of boundary wall to working women hostel, Una (4th instalment)	May1988	2,42,670	344 (29 years)
		For installation of 36 Nos. of street lights points.	February 1991	25,000	322 (26 years)
		For installation of 36 Nos. of street lights points.	April 1991	39,924	320 (26 years)
Total (viii)				3,47,122	
Grand Total (i), (ii), (iii), (iv) (v), (vi), (vii) and (viii)				18,83,744	