
OVERVIEW

The Report consists of two Parts. Part - I on Urban Local Bodies (ULBs) and Part - II on Panchayati Raj Institutions (PRIs). Part I is divided in to two Chapters, Chapter I on Overview on finance of ULBs including the accounting procedures; Chapter II on Transaction Audit Paragraphs. Part II consists of only one Chapter which includes Overview on finance of PRIs including the accounting procedures.

PART – I URBAN LOCAL BODIES

OVERVIEW ON FINANCES INCLUDING THE ACCOUNTING PROCEDURES OF THE URBAN LOCAL BODIES

The accrual system of accounting was made applicable from April 2008 only in 14 Municipal Corporations (MCs) and was yet to be applied in Nagar Panchayats and Nagar Palikas of the State.

(Paragraph 1.3.1.)

The Steering Committee to oversee the implementation of budget and accounting formats, as suggested by the Task Force, was not formed till March 2010.

(Paragraph 1.3.2.)

The provisions of Model Municipal Law (MML) with modification as suggested by CAG for section 93 to 96 of MML were not incorporated in the concerned Acts of ULBs.

(Paragraph 1.3.3)

Reconciliation of difference of ` 2.65 crore between balances of cash book and bank accounts was not done by 9 ULBs.

(Paragraph 1.9)

Advances amounting ` 22.08 lakh were not recovered from individuals of 13 Nagar Nigam/ Nagar Palika/ Nagar Panchayat.

(Paragraph 1.10)

Irregular diversion of funds amounting to ` 24.98 lakh by 4 ULBs.

(Paragraph 1.11)

Non recovery of tax amounting ` 7.71 crore by 18 Nagar Nigam/ Nagar Palika /Nagar Panchayat.

(Paragraph 1.12)

Premium of shops (` 0.68 crore) and rent (` 0.52 crore) was not recovered for last 2 to 6 years by 13 Nagar Palika, Nagar Panchayats.

(Paragraph 1.15)

Interest payable to ULBs for the delay in release of TFC grants was not paid.

(Paragraph 1.17.1)

<p style="text-align: center;">CHAPTER – II TRANSACTIONS AUDIT PARAGRAPHS</p>

Urban Development Cess of ` 16.78 crore was not credited by Nagar Nigam Jabalpur, Ratlam & Satna.

(Paragraph 2.1)

Blockage of funds worth ` 1.17 crore on the construction of shops.

(Paragraph 2.2)

Allotment of plots at the lower rates than fixed by Collector's guidelines resulted in loss of revenue of ` 78.10 lakhs.

(Paragraph 2.3)

Loss of ` 26.68 lakh on account of interest and processing charges.

(Paragraph 2.4)

Idle expenditure on construction of shopping complex amounting to ` 59.10 lakh.

(Paragraph 2.5)

PART – II

CHAPTER - I

PANCHAYATI RAJ INSTITUTIONS

**OVERVIEW ON FINANCES INCLUDING THE ACCOUNTING
PROCEDURES OF THE PANCHAYATI RAJ INSTITUTIONS**

Non-refund of unspent balances of closed/ non-operational schemes amounting to ` 1.17 crore resulted in deprival of intended benefits to the rural population.

(Paragraph 1.11)

Non payment of interest on delayed transfer.

(Paragraph 1.15.1)

User charges for water supply amounting to ` 0.39 crore were pending for recovery in 77 GPs of seven districts.

(Paragraph 1.15.3)

750 works taken up by 11 Janpads Panchayats under various schemes remained incomplete since 2001-02.

(Paragraph 1.16.1)

Irregular allotment of 5249 houses costing ` 1049.87 lakh by 14 Janpad Panchayats.

(Paragraph 1.16.2)