

# OVERVIEW

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

## **I. An Overview of the Panchayati Raj Institutions**

At present, there are four Zilla Parishads, 23 Panchayat Samitis and 513 Gram Panchayats in Tripura. At the State level, the Panchayat Department of the State Government co-ordinates and monitors the functioning of the Panchayati Raj Institutions (PRIs).

*(Paragraph 1.1)*

Transfer of functionaries to PRIs was not done which is a prerequisite for successful working of local self government at the grass-root level. The works of the PRIs are being performed by the State Government functionaries only.

*(Paragraph 1.3)*

For execution of various developmental works, the PRIs mainly receive funds from the Government of India (GOI) and the State Government in the form of grants. Besides, the own source of funds includes the revenue earned by the PRIs in the form of taxes, fees, issue of licenses, etc.

*(Paragraph 1.5)*

A test check of records of the Uttar Tripura Zilla Parishad for the year 2008-09 revealed that only two meetings of Standing Committees were held against the prescribed of 12 meetings in a year. In ten Panchayat Samitis, during 2008-09 meetings of the different Standing Committees were not held regularly.

*(Paragraph 1.6)*

No prescribed audit authority has yet been appointed by the State Government as per Section 215 of the Tripura Panchayats Act, 1993. The Comptroller and Auditor General of India is conducting audit of all three level of PRIs as statutory auditor as requested by State Government.

*(Paragraph 1.8)*

The State Government did not accept the recommendations of the second State Finance Commission considering the fact that higher devolution of fund as recommended by the Commission was not found realistic under the prevailing financial position of the State.

*(Paragraph 1.9)*

Development funds remaining unspent indicates poor planning and inadequate monitoring, thereby depriving the beneficiaries from the intended benefits of the schemes.

*(Paragraph 1.11.1)*

Scrutiny of the records of four Zilla Parishads and 19 Panchayat Samitis revealed that neither the Zilla Parishads nor the Panchayat Samitis have prepared the budget of its estimated receipts and disbursement for the year upto 2008-09 and expenditures were incurred without preparing the budget.

*(Paragraph 1.11.2)*

The records of four Zilla Parishads, 19 Panchayats Samitis and 289 Gram Panchayats were test checked during 2009-10 and it was noticed that none of these PRIs prepared Annual Accounts upto the year 2008-09.

*(Paragraph 1.11.3)*

## **II. Audit of transactions in Panchayati Raj Institutions**

Unauthorized diversion of ₹ 35.11 lakh towards construction of Dakbunglow and parents hall in violation of the schemes guidelines.

*(Paragraph 2.1)*

Advances of ₹ 3.85 crore given to various Implementing Officers between July 2007 and February 2009 for execution of various works remained un-adjusted.

*(Paragraph 2.2)*

Stalls rent of ₹ 1.34 lakh was outstanding as on 31.03.2009 from Ambassa market for the period from 2007-08 to 2008-09.

*(Paragraph 2.3)*

The beneficiary contribution of ₹ 2.49 lakh was not realized as per guidelines for utilization of PDF.

*(Paragraph 2.4)*

Test check of the records of Dhalai Zilla Parishad revealed that utilisation certificates for ₹ 21.37 lakh was not submitted to the sanctioning authority.

*(Paragraph 2.6)*

Diversion of poultry and piggery scheme fund of ₹ 1.60 lakh for purchasing of 32 nos. of sewing machines.

*(Paragraph 2.7)*

Loss of revenue by under assessment of lease rent of ₹ 1.22 lakh.

*(Paragraph 2.9)*

## **III. Performance Review –National Rural Employment Guarantee Act (NREGA)**

During 2008-09, ₹ 522.02 crore was available for implementation of the NERGA in Tripura and ₹ 499.03 crore was spent for the purpose, leaving a balance of ₹ 22.99 crore unspent at the end of the year, depriving the poor people from benefit of the scheme to that extent.

*(Paragraph 3.6.1)*

Out of 5,49,022 job cards holders during 2008-09, only 56,930 job cards holders (10.36 per cent) received 100 days of guaranteed wage employment and the primary objectives of the NREGA could not be achieved.

*(Paragraph 3.6.2)*

Execution of works without the approval of Gram Sabha for ₹ 48.13 lakh in violation of NREGA.

*(Paragraph 3.17.1)*

Un-authorized diversion of NREGA fund of ₹ 3.59 crore.

*(Paragraph 3.17.2)*

Due to non-adjustment of balance of ₹ 2.53 crore, the total generation of man-days created during 2008-09 could not be ascertained.

*(Paragraph 3.17.3)*

#### **IV. An Overview of Urban Local Bodies**

There are 16 Urban Local Bodies (1 Municipal Council and 15 Nagar Panchayats) in the State as on 31.03.2009. At the State level, the Urban Development Department of the State Government coordinates and monitors the functioning of ULBs.

*(Paragraph 4.1)*

All the 18 functions listed in the 12<sup>th</sup> Schedule of the Constitution have been transferred by the State Government to the ULBs. But in practice, certain important functions like fire service, road and bridges are still controlled by the State Government departments.

*(Paragraph 4.3)*

For execution of various developmental works, the ULBs mainly receive funds from the Government of India and the State Government in the form of grants. Besides, the sources include the revenue mobilized by the ULBs in the form of taxes, rent, fees, issue of licenses, etc.

*(Paragraph 4.4)*

Test check of records revealed that none of the ULBs has prepared balance sheet for the year upto 2008-09 as per the Tripura Municipal Act, 1994. Due to non-preparation of balance sheet, the actual position of assets and liabilities could not be ascertained.

*(Paragraph 4.8.2)*

TFC grants of ₹ 0.80 crore was allocated during 2006-07 and 2007-08 to the ULBs for database and maintenance of accounts. Test check of records revealed that neither the database nor the accounts maintenance was developed till date (December 2010)

*(Paragraph 4.8.4)*

Test check of records of nine Nagar Panchayats revealed that none of the Nagar Panchayats has prepared the Budget Estimates till now and expenditures were incurred without preparation and approval of the budget.

*(Paragraph 4.8.5)*

**V. Audit of transactions in Urban Local Bodies**

Idle investment of ₹ 33.93 lakh on construction of Fish and Meat market and loss of revenue of ₹ 22,200 per year.

**(Paragraph 5.1)**

Development funds of ₹ 3.63 crore kept in fixed deposits and remained unutilized.

**(Paragraph 5.2)**

Non utilisation of IDSMT funds of ₹ 1.42 crore for five years resulted in failure of achievement of objectives.

**(Paragraph 5.3)**

Non realisation of outstanding fees of ₹ 2.88 crore on the erection of electrical poles and transformers from Tripura State Electricity Corporation Ltd.

**(Paragraph 5.4)**

Avoidable loss of ₹ 12.59 lakh on account of penalty due to delayed payment of electricity bills.

**(Paragraph 5.5)**

Non realisation of outstanding revenues of ₹ 20.80 lakh from Bharat Sanchar Nigam Ltd for installation of 26 Mobile Towers.

**(Paragraph 5.6)**

Out of the available SJSRY funds of ₹ 7.12 crore during 2007-08 and 2008-09, AMC could utilise only ₹ 2.23 crore (31.32 *per cent*) leaving a balance of ₹ 4.89 crore (68.68 *per cent*) un-utilised and parked in the bank account as on March 2009.

**(Paragraph 5.7)**

Diversion of Valmiki Ambedkar Malin Basti Awas Yojana (VAMBAY) scheme funds of ₹ 35.88 lakh towards payment of salaries and wages.

**(Paragraph 5.8)**

Slow implementation of National Slum Development Programme/Environmental Improvement of Urban Slum led to locking up of funds.

**(Paragraph 5.9)**

Non-allotment of 351 stalls resulted idle investment of ₹ 10.89 crore.

**(Paragraph 5.10)**

Award of 427 nos of works (without call of tender) for ₹ 2.09 crore in excess of financial powers.

**(Paragraph 5.11)**

Test check of records of 13 markets under AMC revealed that touji rent of ₹ 1.73 crore was outstanding as on 31-03-2007

**(Paragraph 5.12)**

Advances paid to Implementing Officers (IOs) of ₹ 2.72 crore are yet to be adjusted/settled.

**(Paragraph 5.13)**

Loss of revenue of ₹ 23.67 lakh due to non-imposition of property tax by Kailashahar Nagar Panchayat.

**(Paragraph 5.14)**

Idle expenditure of ₹ 18.63 lakh for construction of a commercial complex and fish, meat & dry fish market and a vegetable market.

**(Paragraph 5.15)**

Due to failure to handover a clear site to the contractor in time for construction of a Super Market, avoidable extra expenditure of ₹ 8.52 lakh had to be incurred due to time and cost over run.

**(Paragraph 5.17)**