

## **GOVERNMENT OF MADHYA PRADESH**

### ANNUAL TECHNICAL INSPECTION REPORT

ON

#### **URBAN LOCAL BODIES**

AND

# PANCHAYATI RAJ INSTITUTIONS

In terms of the Technical Guidance and Support of the Comptroller and Auditor General of India

## FOR THE YEAR ENDING 31 MARCH 2011

Office of the Principal Accountant General (General & Social Sector Audit) Madhya Pradesh, Gwalior

	1	
	Referenc	e to
	Paragraph No.	Page No.
Preface		v
Overview		vii
PART – I - URBAN LOCAL BODIES		•
CHAPTER – I OVERVIEW OF FINANCES OF URBAN LOCAL BODIES INCLUDING THE ACCOUNTING PROCEDURES		
Introduction	1.1	1
Administrative arrangements	1.2	2
Audit coverage	1.3	2
Accounting arrangements	1.4	2
Audit arrangements	1.5	3
Source of Revenue	1.6	3
Budgetary Allocation and Expenditure	1.7	4
Submission of Utilisation Certificates (UCs)	1.8	5
Status of outstanding audit observations	1.9	5
Non-preparation of Bank reconciliation Statement	1.10	6
Non recovery of Tax / Non - Tax Revenue	1.11	6
Non adjustment of Advances	1.12	6
Non deposit of amount in Provident Fund Accounts	1.13	7
Conclusion	1.14	7
CHAPTER – II PERFORMANCE AUDIT OF SWARNA JAYANTI SHAHARI ROZGAR YOJANA (SJSRY)		

Annual Technical Inspection Report for the year ended 31 March 2011

CHAPTER – III TRANSACTION AUDIT PARAGRAPHS				
Release and Utilisation of Thirteenth Finance Commission Grants to ULBs	3.1	18 to 20		
Loss of Revenue due to non allotment of commercial shops amounting to ₹ 2.90 crore	3.2	20 to21		
PART - II – PANCHAYATI RAJ INSTITUTIONS				
CHAPTER – I OVERVIEW ON FINANCES OF PANCHAYATI RAJ INSTITUTIONS INCLUDING THE ACCOUNTING PROCEDURES				
Introduction	1.1	22		
Administrative arrangements	1.2	23		
Roles and responsibilities of three tiers of PRIs	1.3	23		
Audit coverage	1.4	24		
Maintenance of Accounts	1.5	24		
Audit arrangements	1.6	24		
Source of Revenue	1.7	25		
Receipts and Expenditures of PRIs	1.8	25		
Devolution of SFC Grants	1.9	25		
Bank-reconciliation statement not prepared	1.10	26		
Status of outstanding audit observations	1.11	26		
Conclusion	1.12	27		
CHAPTER – II TRANSACTION AUDIT PARAGRAPHS				
Release and Utilisation of Thirteenth Finance Commission grants of PRIs	2.1	28 to 31		

	APPENDIX	Page No.
Appendix – I	List of Nagar Nigam Audited during 2010-11	33 to 34
Appendix - II	Statement showing differences in Cash Book and Bank Pass Book (ULBs)	35
Appendix - III	Statement showing details of Non-collection of tax revenue as on 31.03.2011	36
Appendix- IV	Statement showing details of Non-collection of Non-tax revenue as on 31.03.2011	37
Appendix - V	Statement showing non adjustment of Advances	38
Appendix - VI	Closing balances as on 31 March in the Bank Accounts of DUDA	39
Appendix - VII	Loan cases in which Subsidy was irregularly adjusted by the Banks	40
Appendix – VIII	Statement showing the position of GIA received from the GOI and its drawl by the UADD from treasury and transfer to Local Bodies for the year 2010-11	43
Appendix – IX	List of Panchayti Raj Institutions audited in 2010-11	45
Appendix – X	Statement showing differences in Cash Book and Bank Pass Book	48
Appendix –XI	Statement showing the position of GIA received from the GOI and transfer to Local Bodies for the year 2010-11	49