

OVERVIEW

This Annual Technical Inspection Report contains four chapters. The first and second chapters contain an overview and observations of Audit on the accounts and finances of Urban Local Bodies. The third and fourth chapters contain an overview and observations of Audit on the accounts and finances of Panchayati Raj Institutions. A synopsis of the findings contained in the Report is presented in this overview.

Urban Local Bodies

- ❖ Only seven out of the 18 functions to be devolved on the Urban Local Bodies as per the 74th Constitutional amendment were transferred as of 31 March 2012.

(Paragraph 1.4)

- ❖ The receipts and expenditure of the Urban Local Bodies during 2007-08 to 2011-12 revealed that the surplus/deficit varied widely ranging from a deficit of ₹ 2.78 crore during 2007-08 to a surplus of ₹ 25.49 crore during 2011-12.

(Paragraph 1.7)

- ❖ Urban Local Bodies maintain their accounts on cash basis and the database formats prescribed by CAG were not implemented. Further, the revised Municipal Accounts Manual as per NMAM is yet to be adopted by the Urban Local Bodies.

(Paragraph 1.8.1)

- ❖ 854 Utilisation Certificates for grants amounting to ₹ 266.44 crore were pending from Urban Local Bodies.

(Paragraph 1.8.3)

- ❖ The Unutilised balance of grants-in-aid was not refunded and was kept in bank accounts by the Municipal Authorities, resulting in blocking up of funds to the extent of ₹ 33.68 crore.

(Paragraph 2.1.1)

- ❖ Premises were leased out without executing lease agreements. Lease agreements were not renewed. Lease rent was also not revised and recovery of lease rent was ineffective.

(Paragraph 2.1.2)

- ❖ As against the entitlement of ₹ 17.77 crore for the year 2011-12, ₹ 8.95 crore was released to MCs as compensation in lieu of octroi. This resulted in short/non-release of compensation to the extent of ₹ 8.82 crore.

(Paragraph 2.1.3)

- ❖ Non-fulfilment of conditions imposed by the Thirteenth Finance Commission resulted in non-release of performance grant to ULBs, amounting to ₹ 2.99 crore.

(Paragraph 2.1.5)

Panchayati Raj Institutions

❖ Only 12 of the 25 functions to be devolved to the ZPs have actually been devolved. In the case of Village Panchayats only 12 of the 28 functions to be devolved have actually been devolved.

(Paragraph 3.4.1)

❖ 2976 Utilisation Certificates for grants amounting to ₹ 131.58 crore were pending from ZPs and VPs.

(Paragraph 3.8)

❖ The accounts of North Goa Zilla Panchayat and South Goa Zilla Panchayat were in arrears from 2008-09.

(Paragraph 3.9)

❖ The PRIs are yet to adopt the revised accounting formats prescribed by CAG.

(Paragraph 3.10)

❖ As against the entitlement of ₹ 118.83 crore for the period 2007-08 to 2011-12, only ₹ 64.94 crore was released to PRIs resulting in short/ non release of compensation to the extent of ₹ 53.89 crore.

(Paragraph 4.1.1)

❖ Non-fulfilment of conditions imposed by the Thirteenth Finance Commission resulted in non-release of performance grant to PRIs, amounting to ₹ 3.31 crore.

(Paragraph 4.1.3)