

OVERVIEW

This Report includes four Chapters. Chapter-I and III contain an overview, including financial reporting of the Panchayati Raj Institutions and Urban Local Bodies, respectively. Chapter-II and IV contain audit observations on the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) followed by recommendations. A summary of audit findings is given as under:

As per the Manipur Panchayati Raj Act, 1994, the PRIs shall constitute Standing Committees to perform the functions assigned to them. However, none of the PRIs have constituted Standing Committees.

(Paragraph 1.3.2)

The State Government has issued orders for constituting District Planning Committees (DPCs) in all the four Valley Districts of Manipur. Although the DPCs were constituted, they were not made functional due to non-engagement of technical expert teams and secretarial support staff for monitoring and implementation of plan.

(Paragraph 1.4)

As of March 2011, the State Government transferred 16 functions to the PRIs. However, the transfer of funds, functions and functionaries to PRIs were not adequate and effective to enable them to function as institution of local self-government.

(Paragraph 1.6)

Due to non-maintenance of accounts, statements/records and poor maintenance of Cash Book, the financial as well as assets position of the PRIs could not be ascertained.

(Paragraph 1.11.1)

No Bank Reconciliation Statement was prepared in all the test-checked PRIs.

(Paragraph 1.11.2)

The State Government is yet to adopt Model Accounting System (MAS) as on March 2011. As such, none of the test-audited PRIs maintained their accounts in MAS.

(Paragraph 1.11.4)

Funds released under Twelfth Finance Commission for maintenance of accounts and creation of database were utilized on construction of crematorium and improvement of public ground by Wabagai Gram Panchayat and Leishangthem Gram Panchayat defeating the purpose for which funds were released.

(Paragraph 2.2)

The Twelfth Schedule of the Constitution enlists 18 functions to be devolved to the ULBs. However, the Government of Manipur has not yet transferred the funds, functions and functionaries to ULBs.

(Paragraph 3.3)

Test check of four Municipal Councils and one Nagar Panchayat revealed that other than Imphal Municipal Council, no other ULB had prepared budget.

(Paragraph 3.10.1)

None of the test-checked ULBs prepared monthly and quarterly Bank Reconciliation Statements. Due to non-reconciliation of balances, the correct financial position of ULBs could not be ascertained.

(Paragraph 3.10.3)

Principal Cash Books were not properly maintained in Moirang Municipal Council, Ningthoukhong Municipal Council and Yairipok Nagar Panchayat. Thus, due to non-maintenance of Cash Books, analysis of Cash receipts and disbursements for a particular scheme for a period of time could not be carried out.

(Paragraph 3.10.4)

Funds provided for Urban Wage Employment Programme were temporarily diverted for payment of salaries to staff of Imphal Municipal Council.

(Paragraph 4.1.1)

No BPL list/register was maintained in any of the test-audited ULBs for selection of beneficiaries under SJSRY scheme. Audit could not ascertain the correctness of the list of beneficiaries in the absence of BPL register.

(Paragraph 4.1.6)

Advance payment of ₹ 40.74 lakh to 27 Councillors of Imphal Municipal Council under Urban Development Fund was still outstanding due to non-submission of adjustment bills.

(Paragraph 4.2.1)

Final payments were made before completion of works in violation of General Financial Rules.

(Paragraph 4.2.2)

There was excess drawal of honorarium of ₹ 2.18 crore by the Chairperson, Vice-Chairperson and Councillors of Imphal Municipal Council during the period from August 1995 to March 2010.

(Paragraph 4.4)