

## OVERVIEW

This Annual Technical Inspection Report deals with the results of audit of accounts of Local Body (Aizawl Municipal Council) and is presented in two chapters. **Chapter-I** includes an overview of the organisation, devolution and accountability frame work of Urban Local Body and **Chapter-II** contains observations on Audit of Transactions of Urban Local Body.

### CHAPTER-I

#### AN OVERVIEW OF THE ORGANISATION, FINANCES, DEVOLUTION AND ACCOUNTABILITY FRAMEWORK OF URBAN LOCAL BODY (ULB)

There is one Urban Local Body (Aizawl Municipal Council) in the State. Under Aizawl Municipal Council there are 19 Wards comprising 83 Local Councils. The Secretary, Urban Development and Poverty Alleviation Department is the administrative head of ULB.

*(Paragraph 1.2)*

The full devolution of powers and functions to the ULB as envisaged in the Mizoram Municipality Act is yet to be effected by the State Government.

*(Paragraph 1.3)*

As per Government notification (March 2011), the AMC is required to prepare its budget and maintain accounts in the formats prescribed in the National Municipal Accounts Manual (NMAM) with appropriate codification and classification. It was noticed that the AMC had not maintained its accounts as per the formats prescribed in the NMAM, as of March 2012.

*(Paragraph 1.4)*

The Report of the Mizoram Finance Commission for the coming period of five years starting from 1 April 2013 to 31 March 2018 has not been submitted by the Commission as of February 2013.

*(Paragraph 1.6)*

### CHAPTER-II

#### AUDIT OF TRANSACTIONS OF URBAN LOCAL BODY

The AMC prepared unrealistic budget estimates for the year 2010-12 which indicates poor financial management.

*(Paragraph 2.1.2)*

The amount of short deposit of revenue by the Revenue Assistants ranged from ` 3.34 lakh to ` 23.38 lakh resulting in huge amount of Government revenue being retained by the Revenue Assistants and thus, remaining unaccounted for in the cash book.

*(Paragraph 2.2.4)*

Construction materials valued at ` 75.38 lakh purchased without adequate publicity stopped the benefit of competitive rates.

***(Paragraph 2.3.3.1)***

Completion certificates on minor works were recorded by Junior Engineers/Executive Engineer without physical inspection of works executed.

***(Paragraph 2.3.4)***

Figures entered in the Cash Books were corrected through overwriting without proper attestation of the DDO. The Cash Books were not closed regularly with complete checking.

***(Paragraph 2.4.1)***