

## OVERVIEW

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

There was no uniformity in staffing pattern for Zilla Parishads (ZPs). Regarding Gram Panchayats, even though one post of Panchayat Secretary was sanctioned for each Gram Panchayat, there were only 114 Panchayat Secretaries against the existing 165 Gram Panchayats as of March 2012 in the State.

*(Paragraph 1.4)*

Under Sections 38 and 65 of the Manipur Panchayati Raj (MPR) Act, 1994, the Gram Panchayats and Zilla Parishads are required to constitute Standing Committees to perform the functions assigned to them. None of the PRIs, however, constituted Standing Committees.

*(Paragraph 1.5)*

Though DPCs were constituted in four valley districts they were not made functional as of March 2012.

*(Paragraph 1.6)*

Release of funds by the State Government to the PRIs during 2008-12 was lower than that recommended by the Second State Finance Commission (SSFC). The percentage of shortfall in release of funds ranged from 25 to 70 per cent.

*(Paragraph 1.7.3)*

Due to the non-transfer/partial transfer of funds, functions and functionaries, the PRIs could not function as institutions of local self-government.

*(Paragraph 1.8)*

Under the Manipur Panchayati Raj Act, 1994, Budget is required to be prepared by the PRIs. However, none of the 8 PRIs test-audited prepared Budget up to 2011-12 which was irregular.

*(Paragraph 1.13.4)*

Model Accounting Structure (MAS) for PRIs prescribed by the Ministry of Panchayati Raj (MoPR), Government of India in consultation with the C&AG of India was not adopted in any of the Gram Panchayats & Zilla Parishads.

*(Paragraph 1.13.5)*

Payment of ₹ 3 lakh made to the Beneficiary Secretary for construction of bazar shed at Yarou Bomdiar constituent area amounted to suspected misappropriation of funds.

*(Paragraph 2.1)*

Fund receipts amounting to ₹ 2.59 lakh under Twelfth Finance Commission (TFC) grant to meet expenses on water supply and sanitation, creation of

database and maintenance of accounts were utilised on inadmissible items, in violation of the provisions of the guidelines for utilization of TFC grants.

***(Paragraph 2.3)***

No officer/official was appointed, other than a Lower Divisional Clerk in each Nagar Panchayat/Small Town Committees as per Section 43(1) of Manipur Municipalities Act, 1994.

***(Paragraph 3.3)***

No Annual Action Plan was prepared in any of the test-checked ULBs. In the absence of such planning, the element of popular participation was compromised.

***(Paragraph 3.5)***

Though the ULBs were required to prepare their Budgets and maintain their accounts in the format as prescribed in the National Municipal Accounts Manual (NMAM) with appropriate codifications and classifications, neither the budget was prepared nor were the accounts prepared in the prescribed formats.

***(Paragraph 3.13.1 & 3.13.2)***

Procurements of a power tiller costing ₹ 1.20 lakh out of TFC grant for use in solid waste management was not utilised for the purpose for which it was procured.

***(Paragraph 4.2.2)***

Executive Officer, Sekmai NP made payment of ₹ 2.92 lakh out of TFC grants for creation of database and maintenance of accounts in double entry accounting system. On scrutiny, neither database was created nor was Double Entry Accounting system introduced in Sekmai Nagar Panchayat as of January 2012.

***(Paragraph 4.2.5)***

Diversion of SJSRY grant amounting to ₹ 13.28 lakh for payment of pay and allowances for general staff and honorarium to elected bodies of Imphal Municipal Council defeated the purpose of the scheme.

***(Paragraph 4.3.2)***

Payment of wages more than prescribed rate, to unskilled labourers by Imphal Municipal Council and Kumbi Nagar Panchayat under Swarna Jayanti Sahari Rozgar Yojana (SJSRY) resulted in excess payment of ₹ 1.28 lakh.

***(Paragraph 4.3.3)***

Due to short deposit and non-deposit of revenue collection by the Cashier of Imphal Municipal Council during 24.04.2010 to 31.03.2011 an amount of ₹ 1.61 lakh is suspected to be embezzled from the exchequer of Imphal Municipal Council.

***(Paragraph 4.7)***