

**Report of the
Comptroller and Auditor General of India
on Local Bodies**

for the year ended March 2012

**Government of Karnataka
Report No.6 of the year 2013**

TABLE OF CONTENTS

	Paragraph number	Page number
Preface		v
Overview		vii
CHAPTER I		
SECTION 'A'		
An overview of Panchayat Raj Institutions	1.1 to 1.8	1 - 10
SECTION 'B'		
Financial Reporting	1.9 to 1.15	11-17
CHAPTER II – RESULTS OF AUDIT		
SECTION 'A' - PERFORMANCE AUDIT		
RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT		
Water quality component under National Rural Drinking Water Programme	2.1	19
SECTION 'B' - PARAGRAPHS		
RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT AND SOCIAL WELFARE DEPARTMENT		
Fraudulent withdrawal of funds from Bank account	2.2	43
RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT		
Extra expenditure	2.3	44
Unfruitful expenditure on water supply scheme	2.4	45
Entrustment of work in disregard of norms	2.5	46
CHAPTER III		
SECTION 'A'		
An overview of Urban Local Bodies	3.1 to 3.9	49 - 60
SECTION 'B'		
Financial Reporting	3.10 to 3.13	61 - 65

CHAPTER IV – RESULTS OF AUDIT		
SECTION ‘A’ – PERFORMANCE AUDITS		
URBAN DEVELOPMENT DEPARTMENT		
Jawaharlal Nehru National Urban Renewal Mission projects implemented by Bruhat Bangalore Mahanagara Palike	4.1	67
Chief Minister’s Special Grant of ₹100 crore each to seven City Corporations	4.2	96
SECTION ‘B’ - PARAGRAPHS		
URBAN DEVELOPMENT DEPARTMENT		
Solid waste management in Urban Local Bodies of Belgaum district	4.3	114
Wasteful expenditure on incomplete houses	4.4	117
Tampering of records resulting in irregular payment	4.5	119
Non-recovery of Income Tax resulting in undue benefits to contractors	4.6	120

LIST OF APPENDICES

Appendix number	Details	Page number
1.1	Details of major State and district sector schemes implemented by PRIs	123
1.2	Statement showing balances under Major heads of account 8670 and 8782 for the year 2011-12	124
1.3	Statement showing balances under Taluk Panchayat and Gram Panchayat Suspense for the year 2011-12	125
1.4	Statement of outstanding IRs and Paragraphs as at the end of March 2012	126
2.1	Statement showing the extra expenditure incurred on surface dressing	127
3.1	Details of Tax & Non-Tax revenue of selected ULBs	128
3.2	Role of the State Government with respect to ULBs	129
4.1	Financial position for the test-checked projects implemented by BBMP as of March 2012	130
4.2	Details of 15 package works on remodelling of primary and secondary SWDs	131
4.3	Works exempted under KTPP Act	132
4.4	Statement showing the benefit accrued to the contractors due to fore-closure of SWD package works	133