

OVERVIEW

This Report consists of two Parts. Part - I on Urban Local Bodies (ULBs) and Part - II on Panchayati Raj Institutions (PRIs). Part I is divided into two Chapters viz. Chapter- 1: Overview of ULBs and Chapter –2: Audit of Transactions. Part II consists of three Chapters viz. Chapter 3: Overview of the PRIs, Chapter 4: Performance Audit of Backward Region Grant Fund Programme and Chapter-5: Audit of Transactions.

PART – I: URBAN LOCAL BODIES

CHAPTER-I: OVERVIEW OF URBAN LOCAL BODIES

The steps to be taken by DLFA under TGS have not been followed. Although training for the staff of DLFA had been conducted by the Accountant General, approval of Accountant General on audit plan was not obtained by the DLFA and sample Inspection Reports were not sent.

(Paragraphs 1.1 to 1.8)

CHAPTER – II: AUDIT OF TRANSACTIONS

The construction work of *Haat Bazaar* on which an expenditure of ₹ 30.28 lakh has been incurred remains incomplete three years beyond the scheduled date of completion.

(Paragraph 2.1)

Initiation of construction work of Commercial Complex without ensuring clear possession of site of Rajkishore Nagar, Bilaspur resulted in non-completion and blockade of funds of ₹ 1.08 crore.

(Paragraph 2.2)

Delay in execution of construction work of mini stadium due to not ensuring encroachment free site resulted in blockage of ₹ 55.46 lakh.

(Paragraph 2.3)

Failure to ensure speedy construction of houses led to cost escalation and non-completion of the houses.

(Paragraph 2.4)

The work of construction of houses for urban poor was taken up without ensuring prior possession of the site free from encroachment leading to cost escalation of ₹ 13.45 crore.

(Paragraph 2.5)

Start of construction without ensuring firm demand resulted in shops constructed at a cost of ₹ 20.25 lakh remaining vacant and the shops on which an expenditure of ₹ 16.50 lakh has been incurred in another location remained incomplete.

(Paragraph 2.6)

Award of work in violation of scheme guidelines and failure to take action against executing agencies resulted in non-completion of residential quarters under *Valmiki Ambedkar Aawas Yojana* and escalation in cost to the tune of ₹ 1.01 crore.

(Paragraph 2.7)

PART – II: PANCHAYATI RAJ INSTITUTIONS

CHAPTER –III: OVERVIEW OF THE PANCHAYATI RAJ INSTITUTIONS

Significant number of outstanding objections of DLFA were not settled. There was short devolution of funds from the State Government's Own Tax Revenue during the period from 2008-09 to 2011-12. In the year 2012-13 the devolution of funds was as recommended by second SFC.

(Paragraphs 3.1 to 3.10)

CHAPTER-IV: PERFORMANCE AUDIT OF BACKWARD REGION GRANT FUND

The Central objective of BRGF was to bring a huge turn around in backward areas through convergence of all the schemes and programmes and preparation of integrated district plan with involvement at grass root level. Baseline survey to identify the reason of backwardness and missing development infrastructure was not conducted, rendering the planning process irrelevant. Decentralised planning at village, GP, block and district level was missing. Gram Sabhas in rural areas were hardly consulted and Area Sabhas in urban areas were never consulted while preparing Annual Plans under BRGF. There was absence of institutional arrangements as well as professional support at GP, JP and ZP. Despite engagement of Technical Support Institutions for plan formulation, there were deficiencies like delays in preparation of Annual Plans and inclusion of inadmissible works in the AAPs. Diversion and parking of programme funds in fixed deposits as well as parking of funds in Non-interest bearing Accounts were also noticed. Implementation of the programme also suffered due to absence of quality checks, lack of transparency in contract management and non-utilisation of completed projects. Low coverage under training to PRI members and staff etc. led to poor human capital formation. Monitoring was inadequate. The role of the DPC remained limited to only a plan approving body for BRGF and technical and professional support to DPC for guidance, preparation of integrated district plans, monitoring and evaluation of the outcome were hardly available. No robust mechanism for social audit, peer review of performances of PRIs and ULBs was put in place.

(Paragraph 4.1 to 4.1.15)

CHAPTER – V: AUDIT OF TRANSACTIONS

Supply and installation of Oil Extraction Mill was carried out at a cost of ₹ 18.47 lakh without tendering. The Oil Extraction Mill had been lying idle due to lack of electric supply for which advance action was not taken.

(Paragraph 5.1)

Failure to ensure firm demand before start of construction led to assets created at a cost of ₹ 40.90 lakh being not put to use.

(Paragraph 5.2)

An amount of ₹ 44.22 lakh was spent from funds provided under *Moolbhoot Yojana* on inadmissible works.

(Paragraph 5.3)