Table of Contents

	Reference to	
	Paragraph	Page
Preface		v
Overview		vii
About this Report	1	vii
Significant Audit Observations	2	vii

Part - A

Chapter I An Overview of the Functioning, Accountability Mechanism and Financial Reporting issues of Panchayat Raj Institutions

An overview of the Functioning of the Panchayat Raj Institutions (PRIs) in the State

Introduction	1.1	1
Organisational set-up of PRIs	1.2	2
Functioning of PRIs	1.3	2
Formation of various committees	1.4	3
Audit arrangement	1.5	3
Response to Audit Observations	1.6	4
Accountability Mechanism	-	-
Ombudsman	1.7	5
Social Audit	1.8	6
Submission of Utilisation Certificates	1.9	7
Internal Audit and Internal Control System of PRIs	1.10	7
Financial Reporting Issues		
Sources of Funds	1.11	7
Recommendations of the State Finance Commission (SFC)	1.12	10
Recommendations of the Thirteenth Finance Commission	1.13	11
Maintenance of Records	1.14	11
Maintenance of Accounts by PRIs	1.15	13
Maintenance of database and the formats therein on the finances of PRIs	1.16	13

	Reference to	
	Paragraph	Page
Conclusion	1.17	13

Chapter II Compliance Audit Paragraph

Panchayat Raj and Rural Development Department		
Delayed remittances resulted in avoidable expenditure	2.1	15

Part – B

Chapter III An Overview of the Functioning, Accountability Mechanism and Financial Reporting issues on Urban Local Bodies

An overview of the Functioning of the Urban Local Bodies (ULBs) in the State

Introduction	3.1	17
Organisational set-up of ULBs	3.2	18
Functioning of ULBs	3.3	18
Formation of various committees	3.4	19
Audit arrangement	3.5	19
Response to audit observations	3.6	20

Accountability Mechanism

Ombudsman	3.7	21
Social Audit	3.8	21
Property Tax Board	3.9	21
Service Level Benchmark	3.10	22
Fire hazard response	3.11	22
Submission of Utilisation Certificates	3.12	22

Financial Reporting Issues

Sources of funds	3.13	22
Recommendations of the State Finance Commission (SFC)	3.14	24
Recommendations of the Thirteenth Finance Commission	3.15	25
Maintenance of Records	3.16	25
Maintenance of Accounts by ULBs	3.17	26
Maintenance of database and the formats therein on the finances of ULBs	3.18	27

	Referei	nce to
	Paragraph	Page
Conclusion	3.19	27
Chapter IV Performance Audit		
Municipal Administration and Urban Development Department		
Infrastructural development in slums identified under		20
IHSDP	4	29
Chapter V Compliance Audit Paragraphs		
Municipal Administration and Urban Development Department		
Municipal Solid Waste Management	5.1	51
Municipal Administration and Urban Development Department		
Avoidable late payment charges of ₹5.10 crore	5.2	59

Appendices

Appendix	ppendix	Referen	ce to
No. Subject	Paragraph	Page	
1.1	Statement showing district-wise and department- wise devolution of funds to PRIs during 2014-15	1.3	61
2.1	Statement showing the details of notices issued by Fund Commissioner	2.1	62
4.1	Statement showing the details of components proposed and completed in test-checked projects	4.6.2	63
	Glossary of abbreviations		65