

OVERVIEW

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This Report comprises of five chapters under two sections. Section A includes two chapters containing observations on Accounts and Finances of Panchayati Raj Institutions and one transaction audit paragraph. Section B comprises of three chapters containing observations on Accounts and Finances of Urban Local Bodies, one performance audit on Prevention and control of fire by selected Municipal Corporations and two transaction audit paragraphs. A summary of major audit findings is presented in this overview.

1. Accounts and Finances of Panchayati Raj Institutions

The allocation from total revenue of the state to Panchayati Raj Institutions showed a marginal decrease from 15.93 *per cent* in 2010-11 to 14.70 *per cent* in 2014-15. The total allocation to Local Bodies during the same period also showed a marginal decrease from 21.16 *per cent* to 18.75 *per cent* as against 40 *per cent* recommended by the Second Maharashtra State Finance Commission. There was a delay of more than three and two years in finalization and publication of annual accounts of 2011-12 and 2012-13 respectively. Further, the annual accounts of 2013-14 and 2014-15 were yet to be finalized.

The State Government has not amended (December 2015) The Maharashtra Zilla Parishads and Panchayat Samitis Account Code, 1968; and The Bombay Village Panchayat (Budget and Accounts) Rules, 1959; and The Maharashtra Gram Panchayat Accounts Code, 2011. As a result, accounts in the formats recommended by the Comptroller and Auditor General of India were not being maintained by any of the Zilla Parishads.

The Public Accounts Committee discussed 22 paragraphs related to Panchayati Raj Institutions and made 27 recommendations (up to December 2015) on eight paragraphs pertaining to Audit Reports 2005-06, 2006-07 and 2007-08. Action Taken Notes in respect of all the 27 recommendations were pending (April 2016).

(Paragraphs 1.5, 1.8.4, 1.8.5 and 1.10.5)

2. Transaction Audit Findings - Panchayati Raj Institutions

The planning for implementation of Scheme for Development of Scheduled Caste and Navboudha Wastis in Maharashtra was deficient. The format for preparation of master plans, showing details of wastis indentified for development and the financial entitlements of the wastis, was not uniform. The priority list of wastis for the purpose of release of grants was also not prepared, resulting in denial of benefits of the Scheme to large number of needy wastis. The population of Scheduled Castes and Navboudhas considered in the master plans was significantly higher than that indicated in the census data, resulting in allocation of excess grants to number of wastis over entitlements.

While there was delay of one to six months in release of grants by Social Justice and Special Assistance Department (SJSA) to eight selected ZPs, the ZPs did not release the grants to the PSs fully and had significant unspent

balance of ₹ 288.14 crore during 2010-15. Fifteen *per cent* of the works sanctioned in eight selected ZPs during 2010-14 registered a delay of one to three years from the stipulated dates of completion primarily due to delay in release of grants to ZPs.

Though the Scheme stands transferred to the ZPs from November 2000, SJSA in 2013-14 irregularly released ₹ 309.68 crore to the State PWD for execution of various developmental works in the notified wastis. Monitoring of the Scheme at the Department and field level was weak. The Department also did not conduct any impact assessment or evaluation of the Scheme. Geographical Information System mapping of notified wastis was not done.

(Paragraph 2.1)

3. Accounts and Finances of the Urban Local Bodies

The total receipts of 26 Municipal Corporations in the State during 2014-15 was ₹ 43,355 crore which was higher by eight *per cent* over the previous year. The major contribution in total receipts was from rent and taxes (49.93 *per cent*) and other income (43.45 *per cent*). Only 34 of 238 Municipal Councils could maintain accounts in Double Entry Accounting System till 2013-14. Audit of all the 26 Municipal Corporations was completed by Director, Local Fund Audit up to 2012-13 while audit of only three of 26 Municipal Corporations was completed for the year 2013-14. However, certification of accounts of none of the 26 Municipal Corporations could be done by Director, Local Fund Audit for the years 2011-12, 2012-13 and 2013-14 due to non-submission of approved accounts by the respective Municipal Corporations.

Information furnished by 22 of 26 Municipal Corporations, which have prepared their annual accounts, revealed that audit of accounts for the years 2014-15, 2013-14, 2012-13 and 2010-11 was completed by Municipal Chief Auditors in eight, five, four and three Municipal Corporations respectively and reports submitted to the Standing Committees. In the remaining two of 22 Municipal Corporations, there were arrears of five and 12 years in audit by Municipal Chief Auditors.

The Public Accounts Committee discussed 27 paragraphs of Urban Local Bodies and issued (up to December 2015) 17 recommendations on nine paragraphs - seven pertaining to the Audit Report 2005-06 and one paragraph each from Audit Reports of 2006-07 and 2007-08. Action Taken Notes in respect of all the 17 recommendations were pending (April 2016).

(Paragraphs 3.4.5, 3.4.6, 3.6.3, 3.7.1, 3.7.2 and 3.8.2)

4. Performance Audit - Urban Local Bodies

Prevention and control of fire by selected Municipal Corporations

A performance audit of 'Prevention and control of fire by selected Municipal Corporations' for the period 2010-15 revealed that eight of 26 Municipal Corporations could not spend 78 *per cent* of their capital budget during 2010-15 for purchase of specialized fire appliances, equipment, vehicles etc. There was acute shortage of fire stations in the State as well as in eight Municipal Corporations. The fire stations were also ill-equipped and deficient in basic infrastructure such as, land, permanent building, drill towers, water sources, fire hydrants, fire tenders, specialized fire appliances etc. There was

significant shortage of key personnel in the Fire Departments in the State as well as in eight Municipal Corporations. Many buildings and hazardous premises such as, petrol pumps, LPG stations, fire cracker shops, saw mills etc. in the local area jurisdiction of the eight Municipal Corporations were operating without final fire NOC from the Fire Departments. While there was shortfall in imparting training to fire personnel, no outreach activities were conducted by the Fire Departments to educate and train the community to respond to fire emergencies during 2010-15. There were deficiencies in filing of fire investigation reports by the Chief Fire Officers. In some Municipal Corporations, fire stations were being commanded by firemen and leading firemen instead of Station Officers. Form-A and Form-B certificates issued by the licensed agencies to ensure compliance to fire prevention and life safety measures in buildings and premises were deficient and not effectively monitored by the Chief Fire Officers. The Fire Department of Municipal Corporation of Greater Mumbai did not conduct periodical inspections of high-rise and dilapidated buildings leading to major fire accidents during 2010-15 and loss of lives and property.

(Paragraph 4.1)

5. Transaction Audit Findings - Urban Local Bodies

A training centre constructed in March 2009 by Nashik Municipal Corporation as part of solid waste management project was not put to use till April 2016 due to resource constraints and non-availability of staff, thereby rendering an expenditure of ₹ 1.03 crore unfruitful.

(Paragraph 5.1)

The Municipal Council Basmatnagar, Hingoli made an excess payment of ₹ 40.54 lakh to a contractor due to incorrect application of rate for provisioning and supply of ductile iron pipes.

(Paragraph 5.2)