

TABLE OF CONTENTS

Particulars	Paragraph	Page No.
<i>Preface</i>	-	v
<i>Overview</i>	-	vii-x
PART-A		
PANCHAYATI RAJ INSTITUTIONS (PRIs)		
CHAPTER-1		
PROFILE OF PANCHAYATI RAJ INSTITUTIONS		
Background	1.1	1
Audit mandate of the CAG	1.2	1
Organisational structure of Panchayati Raj Institutions	1.3	1-3
Financial profile	1.4	3-6
Accounting system in PRIs	1.5	6
Financial reporting and accountability framework of PRIs (Internal Control System)	1.6	7
Primary audit and Internal audit of PRIs	1.7	7
Technical Guidance and Support	1.8	7-8
Audit coverage	1.9	8
Inspection reports and audit paras pending compliance	1.10	8-9
CHAPTER-2		
RESULTS OF AUDIT OF PANCHAYATI RAJ INSTITUTIONS		
Accounting System	2.1	11-17
Revenue	2.2	17-19
Blocking of funds	2.3	19-22
Unutilised funds received under 14 th Finance Commission	2.4	22-23
Blocking of funds under National Rural Health Mission	2.5	23
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	2.6	24-26
Doubtful expenditure	2.7	26
Non-adjustment of temporary advances	2.8	26-27
Non-preparation of budget estimates	2.9	27
Irregular purchase of materials	2.10	27
Irregular payment of Government money	2.11	28
Irregular payment	2.12	28
PART-B		
URBAN LOCAL BODIES (ULBs)		
CHAPTER-3		
PROFILE OF URBAN LOCAL BODIES		
Background	3.1	29
Audit mandate	3.2	29

Organisational structure of Urban Local Bodies	3.3	29-30
Financial profile	3.4	30-33
Financial reporting and accounting framework of ULBs (Internal Control System)	3.5	33
Primary audit and Internal audit of ULBs	3.6	33
Technical Guidance and Support	3.7	33-34
Audit coverage	3.8	34
Audit observations pending compliance	3.9	34-35
CHAPTER-4		
RESULTS OF AUDIT OF URBAN LOCAL BODIES		
Accounting System	4.1	37
Preparation of Budget	4.2	37-38
Purchase of material without inviting quotations	4.3	38-39
Non-maintenance of records	4.4	39-40
Revenue	4.5	40-46
Blocking of funds	4.6	46-52
Diversion of funds	4.7	52
Unfruitful expenditure and non-realisation of beneficiary share	4.8	52-53
Unfruitful expenditure	4.9	53
Unfruitful expenditure and lapse of GOI grant	4.10	53-54
Idle expenditure on salary	4.11	54
Liability for electricity bills along with surcharge	4.12	54-55
Violation of norms - Splitting up of works	4.13	55
Non-obtaining of Utilisation Certificates	4.14	55-56
Irregular expenditure incurred without obtaining technical sanction	4.15	56
Non-adjustment of advances	4.16	56-57
Undue Benefits to the firms	4.17	57-58
Non-accounting of material	4.18	58
Non-conducting of Physical Verification of stores/ stock	4.19	58-59
APPENDICES		
Particulars	Appendix No.	Page No.
Details of functions listed in 11 th and 12 th Schedules of the Constitution	1	61
Detail of 15-line departments assigned to PRIs	2	62
Audit coverage- Details of Panchayati Raj Institutions and Urban Local Bodies audited during 2017-18 and 2018-19	3	63-67
Non-preparation of cash book in PRIASoft, Non-maintenance of assets on National Assets Directory and non-maintenance of three Model Accounting System Registers	4	68

Difference between figures of balance in bank pass book and that of uploaded on PRIASoft during 2016-17 and difference between figures of receipt and expenditure furnished to audit by test-checked PRIs and that of uploaded on PRIASoft during 2017-18	5	69-72
Non-maintenance of important records	6	73-75
Non-reconciliation of difference between cash books with bank pass books	7	76-79
Non-depositing of liquor cess in Account 'A'	8	80
Details of non-accountal of material by the Gram Panchayats during 2017-18	9	81
Non-conducting of physical verification	10	82-83
Details of non-recovery of house tax by the Gram Panchayat concerned	11	84-86
Details of outstanding rent of shops	12	87
Details of non-recovery of duty for installation/ renewal of mobile tower within Gram Panchayat area	13	88-89
Non-deduction of TDS	14	90
Blocking of funds due to non-commencement of works under various schemes	15	91-92
Blocking of funds due to non-completion of works under various schemes	16	93-94
Details of blocking of funds under 13 th Finance Commission	17	95
Details of blocking of funds under 14 th Finance Commission due to incomplete work	18	96-98
Details of blocking of funds under 14 th Finance Commission due to non-start of work	19	99
Details of funds remained unutilized under NRHM	20	100
Details of delay in releasing payments under MGNREG Scheme	21	101
Irregular purchase of material	22	102-104
Irregular payment of Government money	23	105
Statement of budget estimates and actual expenditure of ULBs	24	106-109
Details of outstanding house tax in respect of ULBs	25	110
Details of non-realization of rent from shops/ booths/ stalls	26	111
Details of non-recovery of duty for installation/ renewal of mobile towers within Urban Local Bodies area	27	112
Statements showing the detail of outstanding advances given to officials/ departments but not adjusted or recouped as of December 2017 and 2018	28	113-114

