

TABLE OF CONTENTS

| <i>Description</i> | <i>Reference</i> | |
|---|------------------|-------------|
| | <i>Paragraph</i> | <i>Page</i> |
| Preface | - | iii |
| Overview | - | v |
| Chapter I | | |
| Organisation, devolution and accountability framework of Local Self-Government Institutions | - | 1 |
| Chapter II | | |
| Finances and financial reporting issues of Local Self-Government Institutions | - | 5 |
| Chapter III – Performance Audit | | |
| Assessment, levy, collection and accounting of property tax in Urban Local Bodies | - | 15 |
| Chapter IV – Subject-Specific Compliance Audit | | |
| Implementation of Deen Dayal Upadhyaya Grameen Kaushalya Yojana | - | 53 |
| Chapter V - Compliance Audit paragraphs | | |
| Misappropriation/Fraud | | |
| Embezzlement of funds allotted by Thiruvananthapuram Municipal Corporation for micro business activities | 5.1 | 75 |
| Unfruitful expenditure | | |
| Unfruitful expenditure on purchase of looms | 5.2 | 78 |
| Non/short realisation | | |
| Short realisation of Permit fee for additional floor area | 5.3 | 81 |
| Regularity issues | | |
| Irregularities in release of Technology Fund | 5.4 | 82 |
| Irregularities in purchase and installation of RO water purifiers resulted in siphoning of funds and unfruitful expenditure | 5.5 | 85 |
| Undue favour extended by Kudumbashree to a Public Limited Company | 5.6 | 88 |

APPENDICES

| <i>Appendix No.</i> | <i>Description</i> | <i>Page</i> |
|---------------------|--|-------------|
| 1.1 | Eleventh Schedule (Article 243G) | 93 |
| 1.2 | Twelfth Schedule (Article 243W) | 94 |
| 2.1 | Results of Supplementary Audit | 95 |
| 3.1 | Selected urban local bodies | 97 |
| 3.2 | Unaided educational institutions not paying property tax | 98 |
| 3.3 | Service charge due from Government of India buildings | 99 |
| 3.4 | Total tax due from BSNL buildings | 100 |
| 3.5 | Tax due from Government of Kerala buildings | 101 |
| 3.6 | Short demand from serviced apartments | 102 |
| 3.7 | Loss of revenue due to application of incorrect rate | 103 |
| 3.8 | Details of dishonoured cheques | 104 |
| 3.9 | Status of implementation of SFC recommendations related to property tax | 105 |
| 3.10 | Property tax due from unauthorised constructions | 106 |
| 3.11 | Property tax due from unauthorised mobile towers | 109 |
| 3.12 | Details of short duration of time for file processing and bypassing of segregation of duties | 110 |
| 4.1 | Project-wise details of expired bank guarantees | 111 |
| 5.1 | Details of amount transferred to accounts of Service Co-operative Banks | 112 |
| 5.2 | Amount sanctioned in excess of eligibility | 113 |
| 5.3 | Component-wise list related to purchase of RO water purifiers | 114 |