



Annual Technical Inspection Report
On
Panchayati Raj Institutions and Urban Local Bodies
for the year ending 31 March 2012



OFFICE OF THE ACCOUNTANT GENERAL (AUDIT), TRIPURA, AGARTALA

In terms of the Technical Guidance and Support (TGS)
by the Comptroller and Auditor General of India

Government of Tripura

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PREFACE

This report has been prepared for submission to the Government of Tripura in accordance with the terms and conditions of the Technical Guidance and Support (TGS) on the audit of accounts of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) as entrusted by the Government of Tripura to the Comptroller & Auditor General of India under Section 20 (1) of the C&AG's (DPC) Act, 1971, in 2011.

2. This Annual Technical Inspection Report for the year 2011-12 is a consolidation of major audit findings arising out of audit of accounts of PRIs (three Zilla Parishads, 11 Panchayat Samitis and 155 Gram Panchayats) and 12 ULBs (Agartala Municipal Council and 11 Nagar Panchayats) conducted during 2012-13.

3. The Report contains four chapters. Section 'A' of Chapter I and III contains an overview and Section 'B' contains the comments on financial reporting of PRIs and ULBs. Chapter II contains Audit of Transactions of PRIs. Chapter IV contains Audit of Transactions of ULBs for the year ended 31st March 2012.

4. The purpose of this report is to provide an overview of the functioning of PRIs and ULBs in the State and draw the attention of the concerned Executive Departments to take appropriate remedial action wherever necessary.

OVERVIEW

This Report, dealing with the results of audit of accounts of Local Bodies, is prepared in two parts and consists of four chapters. Part-I deals with Panchayati Raj Institutions and Part II deals with Urban Local Bodies. A synopsis of audit findings is presented in this overview.

Part-I

Chapter- I

An Overview of the Panchayati Raj Institutions

There were four Zilla Parishads, 23 Panchayat Samitis and 511 Gram Panchayats in Tripura as of March 2012.

(Paragraph 1.1)

The State Government had devolved only five subjects out of 29 listed in the 11th Schedule of the Constitution of India, to PRIs. Besides, the transfer of functionaries to PRIs was not done.

(Paragraph 1.6)

A test check of records of PRIs during 2012-13 revealed that none of the PRIs finalised Annual Accounts. In the absence of Annual Accounts, the actual financial position of the respective PRIs could not be ascertained.

(Paragraph 1.13.1)

Scrutiny of the records of three Zilla Parishads, 11 Panchayat Samitis and 155 Gram Panchayats revealed that neither the Zilla Parishads nor the Panchayat Samitis had prepared the budget of their estimated receipts and disbursement for the year upto 2011-12 and expenditures were incurred without preparing the budget.

(Paragraph 1.13.2)

Chapter- II

Audit of Transactions in Panchayati Raj Institutions

MGNREGA fund of ₹ 2.37 crore was utilised by four Panchayat Samitis for construction of community hall, market stalls, open market shed, jungle cutting etc. which were not permissible as per the guidelines.

(Paragraph 2.1)

MGNREGA funds of ₹ 43.01 lakh was spent towards the cost of mechanical transportation for earth filling.

(Paragraph 2.2)

Due to lack of regular and timely monitoring of the work for raising the rubber nursery at Mohanpur Block headquarter, 95 per cent of the saplings were got damaged resulting into wasteful expenditure of ₹ 7.13 lakh.

(Paragraph 2.3)

The names of job card holders in the muster rolls did not match with the registered job card holders in construction of two brick soling roads. No bank scroll could be shown to audit for payment of wages through bank/post office account. Hence, execution of the works remained doubtful.

(Paragraph 2.4)

MGNREGA wages of ₹ 2.35 lakh paid in cash in violation of guidelines.

(Paragraph 2.5)

₹16.54 lakh was diverted to other non-sanctioned work without prior approval of the Zilla Parishad.

(Paragraph 2.6)

Utilisation Certificates to the extent of ₹ 7.42 crore was pending for submission to the sanctioning authority.

(Paragraph 2.7)

Part-II

Chapter- III

An Overview of the Urban Local Bodies

There were 16 Urban Local Bodies (1 Municipal Council and 15 Nagar Panchayats) in the State as of March, 2012.

(Paragraph 3.1.2)

All the 18 functions listed in the XII Schedule of the Constitution of India had been transferred by the State Government to the ULBs. However, in practice, functions like fire services, roads and bridges were still controlled by the State Government departments.

(Paragraph 3.6)

The ULBs had not finalised their accounts since their inception. Due to non-finalisation of accounts, the actual financial position of the ULBs could not be ascertained.

(Paragraph 3.9.3)

Test check of records of 11 Nagar Panchayats revealed that none of the Nagar Panchayats had prepared the budget estimates and expenditures were incurred without preparation and approval of the budget.

(Paragraph 3.9.4)

Chapter- IV

Audit of Transactions in Urban Local Bodies

Udaipur Nagar Panchayat had taken up single work by splitting into smaller components to avoid technical sanction of higher authority in violation of CPWD Manual.

(Paragraph 4.1)

Due to non-selection of beneficiaries, huge amount of Swarna Jayanti Shahari Rojgar Yojana funds remained un-utilised.

(Paragraph 4.2)

Non-adherence of prescribed guidelines resulted in irregular implementation of works under Member of Parliament Local Area Development Fund scheme.

(Paragraph 4.3)

Utilisation certificates to the extent of ₹ 3.78 crore were pending for submission.

(Paragraph 4.4)

Non adjustment of advances of ₹ 2.91 crore.

(Paragraph 4.5)

Revenue to the extent of ₹ 19.43 lakh remained outstanding.

(Paragraph 4.6)

Ambassa Nagar Panchayat was sustaining loss of revenue due to non-imposition of property tax.

(Paragraph 4.7)

Service charges of ₹ 7.07 lakh remained un-realised for five to six years.

(Paragraph 4.8)

CHAPTER I

SECTION 'A' AN OVERVIEW OF PANCHAYATI RAJ INSTITUTIONS (PRIs)

1.1 Background

Post 73rd Constitutional amendment, the Government of Tripura enacted the Tripura Panchayats Act, 1993 with a view to establish three tier Panchayati Raj system in the State. In Tripura, three tier Panchayats i.e. Gram Panchayat at Village level, Panchayat Samiti at Block level and Zilla Parishad at district level was established to enable PRIs to function as local self government institutions.

The Constitutional amendment provides for devolution of powers and responsibility with respect to preparation of plans and programmes for economic development and social justice. It also provides for transferring of 29 subjects listed in the Eleventh Schedule of the Constitution of India.

The legislative framework for conduct of business of the PRIs includes:

- 1) Tripura Panchayat Act, 1993; and
- 2) Tripura Panchayats (Administration) Rules, 1994.

There were four Zilla Parishads (ZPs), 23 Panchayat Samitis (PSs) and 511 Gram Panchayats (GPs) in Tripura as of March 2012.

1.2 State profile

Tripura, a State in North East India, became a full-fledged State of the Indian Union on 21 January 1972. It covers an area of 10,491.69 sq. km. Out of this total area, 7132.56 sq. km (68 *per cent* of the State) comes under the Tripura Tribal Areas Autonomous District Council (TTAADC) set up under Sixth Schedule to the Constitution of India. Tripura is a land-locked State, surrounded by Bangladesh on its North, South and West. The length of its international border is 856 km (84 *per cent* of its total border), while it shares a 53 km-long border with Assam and a 109 km-long border with Mizoram. In the North East, Tripura comes second to Assam in respect of population and population density. At present, there are eight districts, 23 sub-divisions and 58 blocks in Tripura. Important statistics of the State as per 2011 Census of India are shown in the following **Table 1.1**:

Table 1.1: Statistics of the State

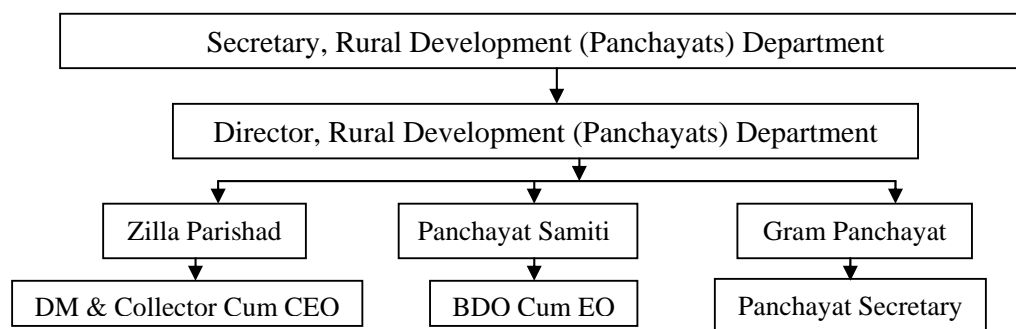
Indicator	Nos./per centage
Total population	36,71,032
Per centage of decadal variation (2001-2011)	14.75
Male	18,71,867
Female	17,99,165
Sex ratio (female per 1000 male)	961
Density(per sq km)	350

Overall literacy rate (%)	87.80
Male literacy (%)	92.20
Female literacy (%)	83.20

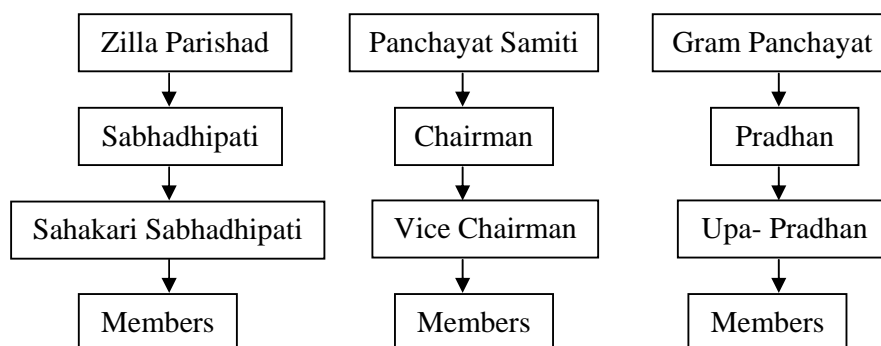
1.3 Organisational structure of PRIs

The Secretary, Rural Development Department is the overall in-charge of PRIs in the State. The Organisational structure with respect to functioning of PRIs in the State is as under:

Administrative Body



Elected Body



At the district level, the District Magistrate & Collector-Cum-Chief Executive Officer of Zilla Parishad carries out the policies and directives of the Zilla Parishad, discharges duties defined under the Act, controls the officers/officials of Zilla Parishad and has custody of all papers and documents of Zilla Parishad.

The functions of the Block Development Officer-Cum-Executive Officer in Panchayat Samiti are to exercise all the powers conferred under the Act, to supervise and control the officials working under him, to supervise the execution of all works, to take custody of all papers and documents of Panchayat Samiti including draws and disbursement of money out of the Panchayat Samiti fund.

The Panchayat Secretary is responsible for convening the meetings of Gram Sabha, maintenance of the records of Gram Panchayat, implementation of various developmental works and transaction of business as provided in the Act.

1.3.1 Standing Committees

Section 107 and 152 of the Tripura Panchayats Act, 1993 provide that Panchayat Samiti (PS) and Zilla Parishad (ZP) shall constitute standing committees to perform the assigned functions. The leadership of the committees is given in the following **Table 1.2:**

Table 1.2: Leadership of the Standing Committees

PRI	Standing Committees	Leadership
ZP/PS	(a) Finance, Audit & Planning Committee (b) Education, Environment, Cultural, Health and Sports Affairs Committee (c) Communication, Rural Electrification and Non Conventional Energy Committee (d) Industries including Cottage Industries and Sericulture Committee (e) Social Justice Committee (f) Agriculture, Food, Irrigation, Cooperation, Fishery and Animal Husbandry Committee (g) Poverty Alleviation etc. Committee	Sabhadhipati in case of ZP and Chairman in case of PS is the ex-officio President of the Finance, Audit & Planning Committee. Presidents of other committees are elected from the elected members.

Source: The Tripura Panchayats Act, 1993

As per Rule 30 of the Tripura Panchayats (Administration) Rules, 1994 every Panchayat Samiti and Zilla Parishad shall hold a meeting once in a month on such date and time as may be fixed by the President to discuss and to decide for implementation of various developmental works. Test check of records of five Panchayat Samitis and one Zilla Parishad revealed that Standing Committee Meetings were not held regularly as per the Act as shown in **Appendix 1.1.**

Thus, non-holding of regular meetings of the Standing Committees indicated that the activities of the Zilla Parishad and Panchayat Samitis were not adequately monitored and reviewed. The roles and responsibilities of the Standing Committees are given in **Appendix 1.2.**

1.4 Financial profile

1.4.1 Fund flow to PRIs

The resource base of PRIs mainly consists of State Finance Commission (SFC) grants/ Panchayat Development Fund (PDF) and Central Finance Commission (CFC) grants for development and maintenance purposes. Besides, the PRIs receive funds under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) outside the State budget. The own sources of funds in PRIs is meager as there is no tax revenue in the PRIs. The fund-wise source and its custody for each tier and the fund flow arrangements in flagship schemes are given in following **Table 1.3** and **1.4** respectively. The authorities for reporting use of funds in respect of ZPs, PSs and GPs are Chief Executive Officer, Executive Officer and Panchayat Secretary respectively.

Table 1.3: Fund flow mechanism in PRIs.

Name of Fund	Zilla Parishads		Panchayat Samitis		Gram Panchayats	
	Source of fund	Custody of fund	Source of fund	Custody of fund	Source of fund	Custody of fund
Own receipts ¹	Assessees and users	Bank	Assessees and users	Bank	Assessees and users	Bank
PDF	State Govt.	-do-	State Govt.	-do-	State Govt.	-do-
CFC	GOI	-do-	GOI	-do-	GOI	-do-
MGNREGS	GOI	-do-	GOI	-do-	GOI	-do-

Table 1.4: Fund flow arrangements in flagship schemes

Sl. No.	Scheme	Fund flow
1	2	3
1	Central Finance Commission grants	Government of India transfers the fund to the State exchequer, which is released to the Rural Development (RD) (Panchayats) Department. The RD (Panchayats) Department transfers the fund to the respective bank accounts of ZPs, PSs and GPs.
2	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	GOI and State Government transfer their respective shares of MGNREGS funds to the District Programme Coordinators (DPC) <i>i.e.</i> District Magistrate & Collector. DPC transfers the funds to ZPs, PSs and GPs through District Rural Development Agency (DRDA).

It is enjoined upon sanctioning authorities in Government of India (GOI) to ensure proper utilisation of grant money. This is achieved through receipt of progress reports, Utilisation Certificates by the implementing agencies. Each sanction of grant contains certain conditions of grants-in-aid mentioned in General Financial Rules.

1.4.2 Resources: Trends and Composition

The following **Table 1.5** shows the trends of resources of PRIs for the period 2007-08 to 2011-12.

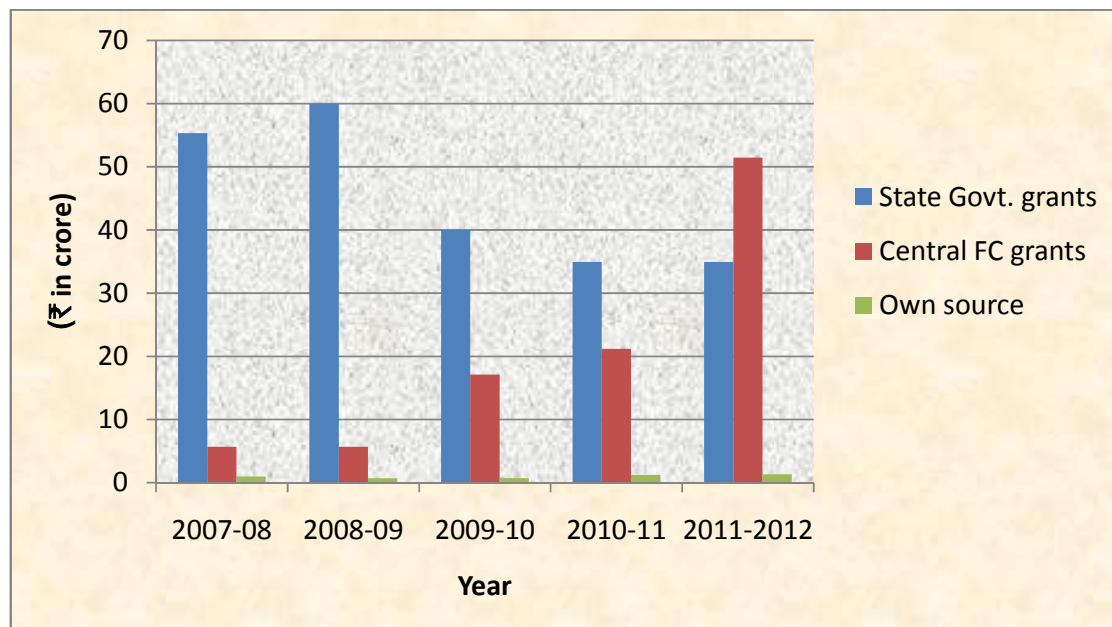
Table 1.5: Time series data on resources of PRIs

Head	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
State Govt. grants(PDF)	55.33	60.00	40.00	34.93	34.92
Central Finance Commission grants	5.70	5.70	17.10	21.18	51.43
Own source	0.97	0.70	0.72	1.25	1.34
Total	62.00	66.40	57.82	57.36	87.69

Source: Rural Development (Panchayats) Department

¹ Register of Ordinary Residents fees, Stall rent, Hall rent, Lease money from ponds etc.

Chart No. 1.1



The above chart shows that State Government grants and own source of revenue during 2007-08 to 2011-12 had remained almost constant whereas Central Finance Commission grants (13th FC grants) increased substantially during 2011-12.

1.5 State Finance Commission

After enactment of the 73rd amendment to the Constitution, the State Government so far constituted three State Finance Commissions (SFCs) to determine the principles on the basis of which adequate financial resources would be ensured for PRIs.

The First SFC was constituted in the year 1994. The recommendations of the First SFC were operative for five years starting from the year 1996-97. The Government constituted the Second SFC in the year 1999 and its reports were submitted in April, 2003. However, the State Government did not accept the recommendations of the Second SFC because the reports of the Second SFC were submitted late. Therefore, it was decided to continue the recommendations of the First SFC till the Third SFC became operative. The Third SFC was constituted in March 2008 covering the period from 2010-11 to 2014-15. The Commission submitted its report in October 2009. The Commission recommended the fund to be devolved to the PRIs and Rural Local Bodies (RLBs) under Sixth Schedule areas for the period from 2010-11 to 2014-15 as shown in the following table:

Table 1.6

Item	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
For PRIs only	26.80	29.25	31.95	35.00	38.30
For Rural Local Bodies of Sixth Schedule areas	19.60	21.52	23.86	26.03	28.52
Total	46.40	50.77	55.81	61.03	66.82

Source: Report of Third SFC

The State Government, however, accepted the recommendation of funds for PRIs and RLBs under Sixth Schedule in March 2010. The Commission also recommended the following proposals *inter-alia* for augmentation of own revenue of PRIs:

- (i) To motivate the Panchayats for increasing their own revenue it was proposed that Panchayats should acquire fisheries and horti-nurseries of their own and utilise these assets for supply of inputs to various developmental schemes and raise their own revenues.
- (ii) All village markets should be managed and controlled by the Panchayats so that they can levy and collect tolls and taxes from those markets.
- (iii) Panchayat Samitis may let out their Halls on rent to other departments and organisation against their requisition and generate some own revenues.
- (iv) Service charge at nominal rate ranging from ₹ five to ₹ 50 may be realised from the beneficiaries who are provided significant individual benefits of durable nature from the Panchayats.
- (v) Matching amount of additional grant equal to the amount of revenue collected by the Panchayats may be provided from the State Government as an incentive. This grant will be in addition to the amount provided under normal devolution accepted by the Government.
- (vi) Rules for collection of Taxes, Tolls, Duties and Fees by the Panchayats to be framed and notified quickly.

It was, however, observed that the State Government accepted the three recommendations as mentioned at Sl. No (i) to (iii). However, the recommendations at Sl. No.(iv) was not accepted. Regarding the implementation of the last two recommendations, the Government stated (March 2010) that these would be examined. The State Government had not framed any rules for collection of taxes, tolls, fees etc. by Panchayats till now (January 2014).

1.6 Devolution of Functions, Funds and Functionaries

1.6.1 Functions

The 73rd Constitutional amendment envisages transfer of functions, funds and functionaries relating to 29 subjects listed in the Eleventh Schedule of the Constitution of India, to PRIs. Accordingly the State Government has devolved only five subjects² to PRIs out of 29 subjects listed in the Eleventh Schedule of the Constitution (August, 2006 & August, 2007). The remaining 24 subjects were yet to be transferred.

² Water Resources, (2) Primary School, (3) Adult and No-Formal Education, (4) Social Welfare including Welfare of the Handicapped and Mentally Retarded and (5) Women and Child Development.

1.6.2 Funds

The funds required for the implementation of the functions were to be devolved with the transfer of functions. However, funds for payment of wages of pump operators and power consumption charges only had been transferred to the PRIs.

1.6.3 Functionaries

The Gram Panchayats in the State implement a large number of Central/State Sector schemes/programmes and substantial funds are released to the GPs. However, the GPs are not adequately equipped with qualified technical expertise. Besides, the transfer of functionaries to PRIs was not done and works of the PRIs were being performed by the State Government functionaries. The State Government appointed *Gram Rozgar Sahayak* on contract basis at GP level to maintain the records of MGNREGA works.

Thus, the State was lagging far behind in devolution of functions, funds and functionaries as envisaged in the 73rd Constitutional amendment.

1.7 Powers of PRIs

The powers to be enjoyed by the Gram Panchayats, Panchayat Samitis and Zilla Parishads have been enumerated in various Sections of the Tripura Panchayats Act, 1993. Some of the powers are as follows:

1.7.1 Powers of Gram Panchayats

- (i) Section 37 of the Act *ibid* provides that Gram Panchayats shall have control over all public streets and water-ways within their jurisdiction other than canals constructed, maintained or controlled by the State Government, and accordingly carry out all necessary activities for maintenance and repair thereof.
- (ii) As per the provision of Section 38 of the Act *ibid*, a Gram Panchayat may require the owner of a private water tank, course, spring, well or other water areas to undertake proper maintenance to protect them from pollution.
- (iii) Section 39 of the Act provides that a Gram Panchayat may require the owner or occupier of any water area to prevent growth of water-hyacinth or other weed which may pollute water.
- (iv) Section 40 of the Act provides emergent power to the Gram Panchayats to inspect and disinfect any well, tank or other place from which water is or likely to be taken for the purpose of drinking and prevent drawing of water therefrom during outbreak of epidemic.
- (v) As provided in Section 41 of the Act, a Gram Panchayat may recover the cost of work carried out by Gram Panchayat on failure of a person to perform such act despite notice issued to him by the Gram Panchayat to carry out such work.

(vi) Section 42 of the Act provides that a number of Gram Panchayats may form a joint committee for the purpose of transacting any business or carrying out any work in which they are jointly interested.

1.7.2 Powers of Panchayat Samitis

(i) Section 93 of the Tripura Panchayats Act, 1993 provides that a Panchayat Samiti shall have the power to undertake schemes or adopt measures for development of agriculture, live stock, cottage industries, co-operative movement, rural credit, water supply, irrigation, public health and sanitation including establishment of dispensaries and hospitals, etc; undertake execution of any scheme entrusted to it by the State Government; manage or maintain any work of public utility; make grants to any school, public institution or public welfare organisation within the block; make grants to the Gram Panchayats.

(ii) Section 95 of the Act provides that a Panchayat Samiti may transfer to the State Government or to the Zilla Parishad or to a Gram Panchayat, any road, or part of a road or any property, which is under its control or management, or which is vested in it, on agreed terms and conditions.

(iii) As per the provision of Section 96 of the Act, a Panchayat Samiti may take over the maintenance and control of any road, bridge, tank, ghat, well, channel or drain, belonging to a private owner or any other authority on agreed terms and conditions, if such take- over is required for public purpose.

(iv) Section 97 of the Act provides that a Panchayat Samiti may divert, discontinue or close temporarily any road, which is under its control and management or is vested in it, and may with the approval of the State Government, close any such road permanently.

(v) As provided in Section 98 of the Act, a Panchayat Samiti may be vested by the State Government with such powers under any local or special Act as the State Government may think fit. A Panchayat Samiti shall also exercise such other powers as the State Government may direct.

(vi) Section 99 of the Act provides that a Panchayat Samiti shall exercise general power of supervision over Gram Panchayats in the Block and it shall be the duty of these authorities to give effect to the directions of the Panchayat Samiti. A Panchayat Samiti may inspect any immovable property of Gram Panchayats or any work in progress under the direction of a Gram Panchayat within the Block. It may also inspect the utilisation of Gram Panchayat funds.

1.7.3 Powers of Zilla Parishads

(i) Section 144 of the Tripura Panchayat Act, 1993 provides that subject to the general or special orders of the State Government, Zilla Parishad may incur expenditure on education or medical relief; or in order to provide for carrying out any work or measures likely to promote health, safety, education, comfort, convenience or social

or economic comfort or cultural well- being of the inhabitants of district. Further, Zilla Parishad shall have the powers to do all acts necessary to carry out the functions entrusted or delegated to it.

(ii) Section 145 of the Act provides that the State Government may assign to Zilla Parishad functions in relation to any matters to which the executive authority of the Government extends or in respect of functions which have been assigned to the State Government by the Central Government.

(iii) As per provision of Section 146 of the Act, Zilla Parishad may, by notification, delegate to Chief Executive Officer or any other officer any of the powers conferred by or under the Panchayats Act on Zilla Parishad.

(iv) Section 147 provides that the State Government may, with the consent of the Zilla Parishad, place any road, bridge, ferry, channel, building and other properties vested in the State Government and situated within the district under the control or management of Zilla Parishad subject to such conditions as the Government may specify.

(v) It is provided in Section 148 that a Zilla Parishad may transfer to the State Government, a Municipality, a Panchayat Samiti, or a Gram Panchayat any road or part of a road or any other property which is under its control or management or which is vested in it on agreed terms and conditions.

(vi) Section 149 provides that Zilla Parishad shall exercise such other powers as the State Government may, by general or special order, direct.

(vii) Section 150 of the Act provides that a Zilla Parishad shall exercise general power of supervision over the Panchayat Samitis and Gram Panchayats in the District and it shall be the duty of these authorities to give effect to any directions of Zilla Parishad.

1.8 District Planning Committee

In pursuance of Article 243 ZD of the Constitution of India and Section 222 of the Tripura Panchayats Act, 1993, the Government of Tripura constituted District Planning Committee (DPC) in all the four³ districts in September 2008. The DPC consists of a Chairman, two Vice-Chairmen and some other elected representatives in each district. The District Magistrate & Collector is the Member Secretary of the Committee. In February 2012, State Government had decided that the existing DPCs shall have jurisdiction over the newly created/bifurcated (January 2012) four⁴ districts in the State.

The role and responsibility of the DPC is to consolidate the plans prepared by the Panchayats, Nagar Panchayats and the Sixth Schedule areas in the district as a whole. It is also empowered to take decisions on the development of the district. As per Section 222 of the Act, every DPC shall prepare draft development plan with regard

³ West Tripura, South Tripura, Dhalai and North Tripura.

⁴ Sepahijala, Gomati, Khowai and Unokoti,

to matters of common interest between the Zilla Parishads, the Panchayat Samitis, the Gram Panchayats, Notified Area authorities and Municipal authorities and other local authorities in the District including special planning, sharing of water and other physical and natural resources, integrated development of infrastructure and environmental conservation and the extent and type of available resources whether financial or otherwise and consult such institutions and organisations as the Government may by order specify. The Chairman of every DPC shall forward development plans as recommended by such committee to the State Government.

Scrutiny of records revealed that North Tripura District had prepared the consolidated District Plan for the year 2010-11, 2011-12 and 2012-13 and sent to the Planning Department. The West Tripura Districts also prepared consolidated District Plan for the year 2010-11, 2011-12 and 2012-13. However, the information regarding preparation of District Plan in respect of other districts was not furnished to Audit though called for.

1.9 Accountability framework

1.9.1 Authority and responsibility of State Government on PRIs

The Constitution of India empowers States to legislate on Panchayats and Municipalities. Further, in exercise of the Tripura Panchayats Act 1993 and the Tripura Panchayats (Administration) Rules 1994, the State Government exercises its powers in relation to PRIs as detailed in **Appendix- 1.3**.

1.9.2 Power of State Government to rescind or suspend resolution of Gram Panchayat, Panchayat Samiti or Zilla Parishad

1) As per Section 218 of Tripura Panchayat Act 1993, the State Government may, by order in writing, rescind any resolution passed by a Gram Panchayat, a Panchayat Samiti or a Zilla Parishad, if in its opinion such resolution- (a) has not been legally passed; or (b) is in excess, or abuse of the powers conferred by or under this Act or in rules made there under.

2) The State Government shall, before taking any such action give the Gram Panchayat, the Panchayat Samiti or the Zilla Parishad concerned an opportunity for making representation against the proposed order.

1.9.3 Appointment of Ombudsman

As per para 6.4.5 of the 13th Finance Commission the State Government must put in place a system of independent local body ombudsman who will look into complaints of corruption and mal-administration against the functionaries of local bodies, both elected members and officials, and recommend suitable action. All elected functionaries and officials in all Zilla Parishads and all municipal corporations and municipalities at least should come under the purview of ombudsman. However, the Government of Tripura had not yet appointed any ombudsman for local bodies.

1.9.4 Audit mandate

1.9.4.1 Primary Auditor

The Government of Tripura, Finance Department framed the 'Tripura Local Fund Audit Rules 2011' for audit of accounts of local bodies by the Director, Local Fund Audit and in this regard a gazette notification was issued on 12.01.2012 for implementation of the Rules. Rule 3 (1) provides that the State Government or such authority as it may direct, shall appoint a person to be Director, Local Fund Audit (LFA), and the following category of officers to assist him, namely:

- (a) Deputy Director,
- (b) Assistant Audit Officer,
- (c) Auditor/Senior Auditor, and
- (d) Chartered Accountants, as appointed under sub-rule (4) of Rule 3.

The Internal Audit Directorate of the State Government had been designated as Director of Local Fund Audit (DLFA). There were two Audit Officers, 27 Assistant Audit Officers and 60 Auditors as on March 2013 in the DLFA. The audit of the accounts of the PRIs was now being conducted by DLFA. As per the recommendation of 13th Finance Commission the DLFA was required to prepare Annual Report on local bodies for placement before the State Legislature. However, DLFA had not prepared any such report till date (January 2014).

1.9.4.2 Audit by C&AG of India

C&AG conducts audit of substantially financed PRIs under section 14(1) of C&AG (DPC) Act, 1971. Further, the Government of Tripura had entrusted audit of accounts of PRIs under Section 20(1) of the DPC Act to CAG under Technical Guidance and Support arrangement in August 2011 as per recommendation of 13th Finance Commission and accordingly audit of PRIs is being conducted by C&AG.

During 2012-13, the audit of accounts of three Zilla Parishads, 11 Panchayat Samitis and 155 Gram Panchayats was conducted.

1.9.5 Social Audit

The primary objective of social audit is to bring the activities of local bodies under close surveillance of the public and the latter to have access to records and documents of the former. Owing to this mechanism, the citizens should be able to have immediate access to information which would facilitate transparency and accountability in day to day functioning of local bodies. Social audit *inter alia* includes:

- Use of Gram Sabha and Ward Committees as important vehicles for spreading of awareness about social audit.

- Appointment of nodal officer at the level of Gram Sabha and Ward Committees who would register complaints and fix the date for social auditing.

Para 17 of the MGNREGA scheme guidelines provides a central role to “Social Audits” as a means of continuous public vigilance. Social Audits were being conducted for MGNREGA works at the Gram Panchayat level.

1.10 Conclusion

PRIs had been set up in the State in conformity with the 73rd Amendment Act of the Constitution of India. The main thrust of the Act is to enable the rural local bodies to function as institution of rural Self Government. An effective mechanism to enable them to become Self Government is through the effective devolution of Functions, Funds and Functionaries. The State Government had devolved only 5 subjects out of 29 listed in the Eleventh Schedule of the Constitution to PRIs. The transfer of functionaries to PRIs was also not done. Thus, the State was lagging far behind in devolution of Functions, Funds and Functionaries. Though the DLFA was appointed by the State Government *inter-alia* to prepare annual audit report on local bodies to be placed before the State Legislature, no such report had been prepared by DLFA till date. The PRIs were yet to levy various taxes as per the provisions of Tripura Panchayats Act, 1993 to augment their own source of revenue.

SECTION 'B'

FINANCIAL REPORTING

1.11 Framework

Financial reporting in the PRIs is a key element of accountability. Matters relating to drawal of funds, form of bills, incurring of expenditure and maintenance of primary financial records are governed by the provisions of the Tripura Panchayat Act and Rules and other departmental standing orders and instructions/guidelines.

1.12 Accounting system of PRIs

Rural Development (Panchayats) Department, Government of Tripura instructed PRIs to maintain the accounts in New Accounting Structure 2009 w.e.f 01.04.2010 as devised by the Ministry of Panchayati Raj, Government of India in consultation with the Comptroller and Auditor General of India. The PRIs started maintaining their accounts as per the new Accounting Structure from the year 2011-12.

1.13 Financial Reporting issues

1.13.1 Non-finalisation of Annual Accounts

As provided under Section 175, Section 119 and Section 66 of the Tripura Panchayats Act, 1993, the Zilla Parishads, Panchayat Samitis and the Gram Panchayats shall keep such accounts in such form as may be prescribed. As per the Tripura Panchayats (Administration) Rules 1994, the Chief Executive Officer of the Zilla Parishad is responsible for maintenance of accounts of Zilla Parishad and the Executive Officer of the Panchayat Samiti is responsible for maintenance of accounts of Panchayat Samiti. The account of the Gram Panchayat is maintained by Panchayat Secretary. None of the test audited PRIs finalised annual accounts as of March 2012. In the absence of annual accounts, the actual financial position could not be ascertained. Further, the Act and the Rules also did not provide any time frame for preparation and finalisation of annual accounts.

1.13.2 Non-preparation of Budget Estimates

Budget is the most important tool for financial planning, accountability and control. As per provisions of Sections 64, 118 and 173 of the Tripura Panchayats Act, 1993, annual budget of Gram Panchayats, Panchayat Samitis and Zilla Parishads showing the estimated receipts and disbursement for the following year are required to be prepared and submitted to the Panchayat Samiti, Zilla Parishad and State Government respectively for approval. If the approval of the higher authority is not received within two months, or by the last day of the year i.e. 31st March whichever is earlier, the budget shall be deemed to have been approved by the prescribed authority. The Act further states that no expenditure shall be incurred unless the budget is approved by the prescribed authority.

Test check of the records of 155 Gram Panchayats, 11 Panchayat Samitis and three Zilla Parishads revealed that none of the PRIs prepared the budget of its estimated receipts and disbursement for the year 2011-12. Despite non-preparation of budget, the State Government was releasing funds to PRIs.

In the absence of Budget Estimates, the expenditure incurred by the PRIs was irregular and without budgetary controls.

1.13.3 Maintenance of database

On the recommendations of the EFC, database on finances were required to be maintained at all levels of PRIs for securing accountability and transparency in maintenance of accounts. Director of Panchayats, Government of Tripura intimated (November 2010) that State Government in the RD(Panchayats) Department had adopted the eight database formats on the finances of PRIs as prescribed by the C&AG and all the formats were circulated (September 2010) to the PRIs for maintenance of database. However, it was observed that the following records were not maintained regularly by 23⁵ test checked Gram Panchayats:

- Receivable and Payable Register;
- Demand and Collection Register; and
- Inventory Register.

Due to non maintenance of above records, the details of receivable and payable, the demand & collection and outstanding revenue, opening and closing balances of inventory etc. of the above GPs could not be ascertained.

1.13.4 Deficiencies in maintenance of Cash Book

While maintaining the Cash Book, the following points should be observed:

- (i) All monetary transactions should be entered in the Cash Book, as soon as they occur and attested by the Head of the Office in token of check.
- (ii) The Cash Book should be closed regularly and completely checked. The Head of the Office should verify the totaling of the Cash Book, or have this done by some responsible subordinate other than the writer of the Cash Book and initial it as correct.
- (iii) Further, at the end of each month, the Head of Office should verify the cash balance in the Cash book and record a signed and dated certificate to that effect.
- (iv) Bank reconciliation statement should be prepared at the end of each month.

⁵ Patu Nagar, Ananga Nagar, Mohanpur, Bijoynagar, Lankamura, Ishanpur, Kamalghat, and Fatik Cherra under Mohanpur RD Block, Paharmura, Purba Ganki, Paschim Sonatala, Paschim Singichera, Paschim Chebri, Paschim Ganki, Dhalabir, Gournagar, Jambura, Santinagar, Sonatala, Sonatala Padmabil, Purba Ram Chandra Ghat, Barabil and Madhya Singhicherra under Khowai RD Block.

However, audit noticed that the above checks were not exercised in maintenance of Cash Book by one Zilla parishad⁶ and three Panchayat Samitis⁷. Without proper check in maintenance of Cash Book possibilities of loss, defalcation, embezzlement etc. could not be ruled out.

1.14 Conclusion

Proper financial reporting is the key element for accountability. The PRIs entrusted with public resources had the responsibility to manage these resources with utmost prudence. For this, budgets had to be prepared, accounts had to be maintained and monitoring of expenditure had to be done as per relevant Acts/guidelines/rules. It was noticed that none of the test-audited PRIs prepared budget estimates nor prepared the accounts. In the absence of annual accounts, the actual financial position could not be ascertained and making expenditure without preparation of budget estimates was in violation of the pertinent provisions of the Tripura Panchayats Act. A few of the Gram Panchayats test checked by audit did not maintain the records prescribed by C&AG due to which, the actual position of revenue and inventory of PRIs could not be ascertained.

⁶ Dhalai Zilla Parishad.

⁷ Salema Panchayat Samiti, Dukli Panchayat Samiti and Kakraban Panchayat Samiti.

CHAPTER II

AUDIT OF TRANSACTIONS (PANCHAYATI RAJ INSTITUTIONS)

2.1 Utilisation of MGNREGA funds on non-permissible works

MGNREGA fund of ₹ 2.37 crore was utilised by four Panchayat Samitis for construction of community hall, market stalls, open market shed, jungle cutting etc. which were not permissible as per the guidelines.

Schedule-1 of MGNREG Act 2005 provides the list of permissible works that can be executed by utilising MGNREGS fund. It is also mentioned in item (ix) of Schedule-1 that if a State Government finds any difficulty and wants to take up any other works other than those mentioned in Schedule-1, then proposals are to be sent to the Central Government through the State Employment Guarantee Council (SEGC) for necessary notification by the Ministry of Rural Development (MORD).

Test check of records (June 2012 – November 2012) of Programme Officer of four¹ Panchayat Samitis revealed that an amount of ₹ 2.37 crore was utilised for construction of community hall, market stalls, open market sheds, maintenance of daktanglow, jungle cutting etc. which were not permissible as per the MGNREGS guidelines (Details are shown in **Appendix-2.1**). Besides, no record could be made available to audit whether any proposals were sent to the Central Government through SEGC for execution of such works.

Thus, utilisation of MGNREGS funds of ₹ 2.37 crore on non-permissible works was irregular.

2.2 Mechanical earth filling

MGNREGA funds of ₹ 43.01 lakh was spent towards the cost of mechanical transportation for earth filling which was violative of operational guidelines.

According to para 1.4 (xv) of operational guidelines of MGNREG Act 2008, no contractor or machine is allowed for MGNREGA works and Schedule-1 of the Act stipulates that as far as practicable, task funded under the scheme shall be performed by using manual labour and not through machine in any manner in execution of MGNREGA works.

During test check of records (October 2012 -November 2012) of Dukli Panchayat Samiti and Ambassa Panchayat Samiti, it was observed that mechanical transport had been used for earth filling at different places on different date(s) under the respective Panchayat Samiti for which an amount of ₹ 43.01 lakh was spent. Details are shown in **Appendix-2.2**.

¹ Boxanagar, Mohanpur, Ambassa and Melaghar

Thus, use of mechanical transport in execution of works under MGNREGS was in violation of the scheme guidelines.

On this being pointed out in audit, both the Programme Officers replied (October 2012 and November 2012) that the works had been executed with the prior approval of District Programme Coordinators (DM & Collectors).

The replies of the Programme Officers, however, were not tenable since it was clearly mentioned in the operational guidelines that no contractor or machine was allowed in MGNREGS works.

2.3 Wasteful expenditure

Due to lack of regular and timely monitoring of the work for raising the rubber nursery at Mohanpur Block headquarter, 95 per cent of the saplings got damaged resulting into wasteful expenditure of ₹ 7.13 lakh.

General Financial Rules, 2005 provide that purchase of goods above ₹ one lakh should be made after inviting bids/ tenders.

During test check of records (October 2012) of the Programme Officer of Mohanpur Panchayat Samiti it was observed that 50,000 nos. of rubber budded stumps were procured (June 2010) from a supplier² without inviting quotations at a cost of ₹ 7.50 lakh (@ ₹ 15/- per stump) under MGNREG Scheme as per the direction of Panchayat Samiti and on the recommendation of the inspection team formed by the Samiti to purchase the rubber stumps for raising the rubber nursery at Mohanpur Block headquarter. One Work Assistant³ was entrusted to implement the work and he had been given cash advance of ₹ 1.00 lakh as labour cost, application of fertiliser etc. The work commenced on 14.06.2010 and got completed on 30.06.2010. In reply to an audit query, the Executive Officer (BDO) informed that out of 50,000 stumps, only 5 per cent survived and 95 per cent got damaged. Reasons for damage of the stumps, however, were neither on record nor stated to audit.

It was also observed that no tenders/bids had been invited to compare the rate and the quality of the stumps. This indicated that the codal formalities were not followed in procurement of the rubber budded stumps. In the work order, it was mentioned to form a monitoring committee before start of the work and implementing officer shall submit weekly report on labour employed and materials received to the Programme Officer. Neither any record about formation of monitoring committee and nor any weekly report of the implementing officer was made available to audit.

Thus, there was lack of monitoring and supervision of the work for which the rubber stumps could not be protected from getting damaged which ultimately led to wasteful expenditure of at least ₹ 7.13 lakh being the cost of 95 per cent of the stumps and also deprivation of rubber plantation.

² Ajit Nag of Bagma.

³ Shri Shyamal Paul, Work Assistant

While admitting the audit observation, the Executive Officer of Mohanpur Panchayat Samiti stated (October 2012) that such type of rubber nursery would not be taken up departmentally in future.

2.4 Doubtful execution of works

The names of job card holders in the muster rolls did not match with the registered job card holders in construction of two brick soling roads. No bank scroll could be shown to audit for payment of wages through bank/post office account. Hence, execution of the works remained doubtful.

Test check of records (November 2012) of Programme Officer, Ambassa Panchayat Samiti revealed that two work orders were issued (March 2011) to a Technical Assistant for construction of two brick soling roads (i) from Raima road to Kongla Mog house via Cendil Mog house (700 metre length) with the estimated cost of ₹ 5.64 lakh (material cost ₹ 4.74 lakh: wages ₹ 0.90 lakh) and (ii) from Champabati house to Biswarai Debbarma house (300 metre length) with the estimated cost of ₹ 2.33 lakh (material cost ₹ 2.06 lakh: wages ₹ 0.27 lakh) under Jagannathpur village committee. Records indicated that the implementing officer had started both the works on 16.03.2011 and completed on 20.04.2011.

Scrutiny of adjustment vouchers and muster rolls in both the works revealed that the name of job card holders as recorded in the muster rolls did not match with the name of registered job card holders as detailed in **Appendix-2.3**.

Due to non-matching of job card holders in the muster rolls with the registered job card holders, the possibility of recording fictitious job card holders in the muster rolls could not be ruled out. As per guidelines, the MGNREGA wages are to be paid through bank account/post office. In the instant cases, no bank scroll regarding payment of wages through bank account could be shown to audit. The execution of the above works was, therefore, doubtful.

On this being pointed out in audit, the Programme Officer of Ambassa Panchayat Samiti stated that necessary action would be taken against implementing officer and intimated to audit.

Latest position had not been intimated (November 2013).

2.5 MGNREGA wages paid in cash

MGNREGA wages of ₹ 2.35 lakh paid in cash in violation of guidelines.

According to para 7.2 of MGNREGA Operational Guidelines 2008, payment of wages of job card holders should be made through bank or post office account.

Scrutiny of records (November 2012) of Programme Officer, Ambassa Panchayat Samiti for the years 2010-11 and 2011-12 revealed that an amount of ₹ 2.35 lakh (**Appendix 2.4**) was paid to the MGNREGA job card holders in cash for head loading

of bricks, cement, sand etc. for construction of Anganwadi Centres at different places in violation of the scheme guidelines.

On this being pointed in audit the Programme Officer replied (November 2012) that the practice had already been stopped. The reply was not tenable as nothing had been said about cases where violation of guidelines had already taken place.

2.6 Diversion of funds

₹ 16.54 lakh was diverted to other non-sanctioned work without prior approval of the Zilla Parishad.

Paschim Tripura Zilla Parishad(PTZP) sanctioned ₹ 1.39 crore to Mohanpur Panchayat Samiti for brick soling works as per approved action plan under MGNREGA scheme during 2011-12. Construction of brick soling road from Priyalal Debnath house to Ranjit Choudhury house (200 meter) valuing ₹ 1.50 lakh was one of the projects approved by the Zilla Parishad. It was observed that Mohanpur Panchayat Samiti took up a work for construction of RCC cantilever retaining wall near the house of Ranjit Chowdhury at the cost of ₹ 18.04 lakh in place of the above approved project without prior approval of the Zilla Parishad. Thus, the Panchayat Samiti had not only taken up the work without prior sanction of PTZP but some other works were excluded from the PTZP Action Plan to divert ₹ 16.54 lakh towards the retaining wall. This had also been commented upon by the DM & Collector, West Tripura.

Thus, taking up of non-sanctioned work had resulted in diversion of ₹ 16.54 lakh (₹ 18.04 lakh - ₹ 1.50 lakh).

On this being pointed out (November 2012) in audit, the Secretary, Zilla Parishad replied (December 2012) that the matter had already been taken up with the concerned authority.

Latest position had not been intimated (November 2013).

2.7 Non submission of utilisation certificates

Utilisation Certificates to the extent of ₹ 7.42 crore were pending for submission to the sanctioning authority.

As per Rule 212(1) of the General Financial Rules 2005 a certificate of utilisation of the grants received is required to be furnished by the grantee institution to the concern fund sanctioning authority certifying fully utilisation of the amount within 12 months of the close of the financial year.

Test check of records (November 2012) of Salema Panchayat Samiti revealed that the Panchayat Samiti had sanctioned ₹ 9.00 crore to different line departments during 2009-10 to 2011-12 for implementation of various projects. However, the utilisation certificates to the extent of ₹ 7.42 crore were not submitted to the sanctioning authority by the line departments till date of audit (November 2012) as shown in

Appendix-2.5. Non-submission of utilisation certificates not only indicated slow progress of developmental works but also violated the codal provisions.

The Executive Officer, Salema Panchayat Samiti stated that steps would be taken to collect utilisation certificates from the line departments immediately.

Latest position had not been intimated (November 2013).

2.8 Conclusion and recommendations

Irregular utilisation of MGNREGA funds on non- permissible works, use of mechanical transport for earth filling in MGNREGA works, wasteful expenditure, diversion of funds etc. indicated that internal control mechanism was not effective.

In view of the audit findings, the following recommendations are made:

- Fund should be utilised for the purpose for which it was sanctioned;
- Use of mechanical transport in MGNREGA works should be avoided; and
- Internal control mechanism should be strengthened.

CHAPTER III

SECTION “A” AN OVERVIEW OF URBAN LOCAL BODIES

3.1 Introduction

3.1.1 Consequent upon the 74th Constitutional amendment, the Urban Local Bodies (ULBs) were made full fledged and vibrant institutions of Local Self Governments and witnessed a significant increase in responsibilities with greater powers, distinct sharing of resources with the State Government. The amendment empowered ULBs to function efficiently and effectively and to deliver services for economic development and social justice with regard to 18 subjects listed in the XIIth Schedule of the Constitution. The Government of Tripura enacted the Tripura Municipal Act, 1994 empowering ULBs to function as institutions of self government and to accelerate economic development in urban areas.

3.1.2 In Tripura, there is one Municipal Council and 15 Nagar Panchayats. The ULBs are governed by the Tripura Municipal Act, 1994. Each ULB area is divided into a number of wards, which is determined and notified by the State Government. The Legislative framework for conduct of business of the ULBs includes:

- 1) The Tripura Municipal Act, 1994.
- 2) Tripura Municipal (Procedure and Conduct of Business) Rules, 1996.

3.2 Size of ULBs

The comparative position of ULBs in the State of Tripura in terms of area and population is given in the following **Table 3.1**:

Table 3.1: Statement showing area and population of ULBs

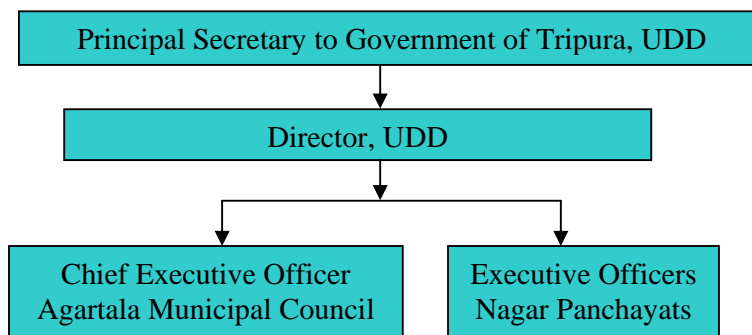
Sl. No.	Name of the ULBs	Area (in Sq. Km.)	Total Population as per 2011 Census
1	Agartala Municipal Council	58.84	3,97,619
2	Santirbazar Nagar Panchayat	26.94	11,884
3	Ambassa Nagar Panchayat	14.77	18,867
4	Dharmanagar Nagar Panchayat	10.69	40,564
5	Kamalpur Nagar Panchayat	10.16	10,868
6	Amarpur Nagar Panchayat	8.55	10,834
7	Kailashahar Nagar Panchayat	6.19	24,449
8	Udaipur Nagar Panchayat	6.10	32,781
9	Khowai Nagar Panchayat	5.81	18,407
10	Belonia Nagar Panchayat	5.75	19,938
11	Bishalgarh Nagar Panchayat	5.74	21,075
12	Sabroom Nagar Panchayat	5.06	7,134
13	Sonamura Nagar Panchayat	4.13	11,278
14	Teliamura Nagar Panchayat	3.75	21,018
15	Kumarghat Nagar Panchayat	3.50	12,914
16	Ranirbazar Nagar Panchayat	1.95	13,117
Total		177.93	6,72,747

Source: Urban Development Department

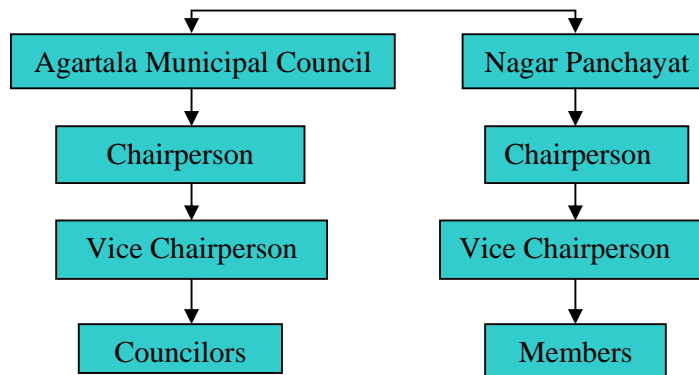
3.3 Organisational set up

3.3.1 The Principal Secretary, Urban Development Department (UDD) is the overall in-charge of Urban Local Bodies in the State. The organisational structure with respect to functioning of ULBs in the State is as follows:

Administrative Body



Elected Body



3.3.2 Composition of ULBs

All the ULBs have a body comprising of Councilors/Members elected by the people under their jurisdiction. The Chairperson who is elected presides over the meetings of the Council/Nagar Panchayats and is responsible for overall function of the body. All the ULBs have Standing Committees to deal with their respective functions.

The Chief Executive Officer is the executive head of the Agartala Municipal Council (AMC) while the Nagar Panchayat (NP) is headed by the Executive Officer. They exercise such powers and perform such functions as prescribed in the Act and as per instructions of the Urban Development Department.

3.3.3 Standing Committees

The ULBs perform their functions through the supervision of different Standing Committees as shown in the following **Table 3.2**:

Table 3.2: Leadership of the Standing Committees

ULB	Standing Committees	Leadership
AMC/NP	(a) Finance Committee (b) Public Health Committee (c) Public Works Committee (d) Education, Health and Sanitation Committee (e) Sports and Culture Committee (f) Poverty Alleviation Committee	Chairperson of the municipality/NP shall be the ex-officio President of the Finance Committee. The President of each Standing Committee other than the Finance Committee shall be appointed by the Chairperson from amongst the members of such Committee.

According to Rule 21 of the Tripura Municipal (Procedure and Conduct of Business) Rules 1996, every Standing Committee shall hold a meeting in the office of the Municipality once in a month on such date and at such time as may be fixed by the President. Test check of records of three Nagar Panchayats¹ revealed that Standing Committees Meetings were not held regularly as per the Rules *ibid*. Ambassa Nagar Panchayat conducted only 15 meetings out of required 72 number of meetings during 2011-12 and Dharmanagar & Kamalpur Nagar Panchayat conducted 24 and four meetings respectively.

Non-holding of regular meetings indicated that the activities of the Nagar Panchayats through different Standing Committees were not adequately monitored and reviewed.

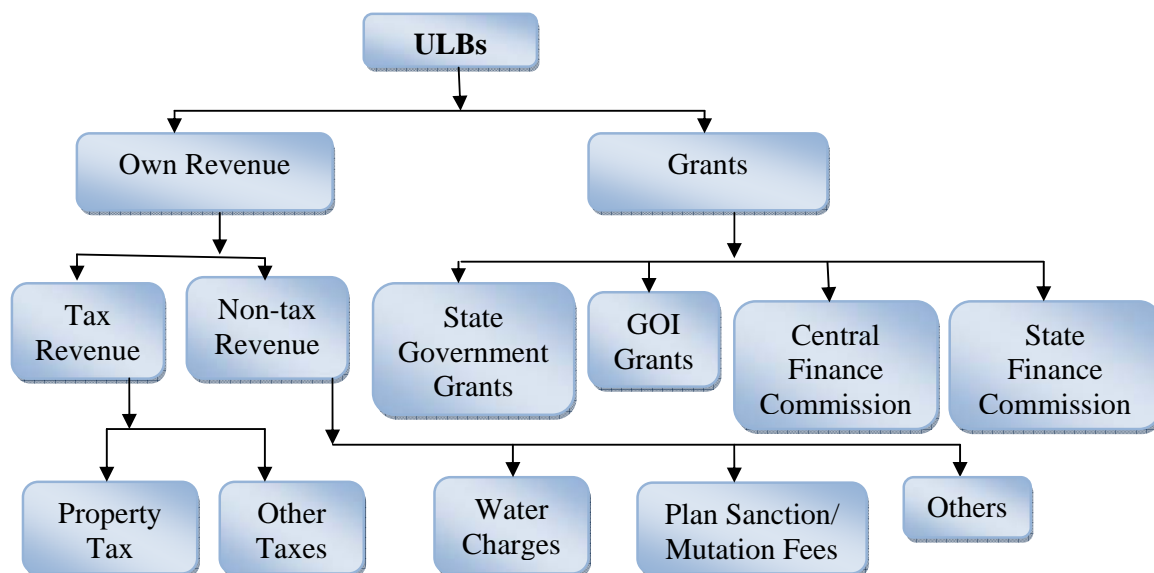
3.4 Financial profile

3.4.1 Resources of ULBs

The finances of ULBs comprise of receipts from own sources, grants and assistance from Government of India (GOI) and the State Government. State Government Grants are received through devolution of net proceeds of the total tax revenue under the formula prescribed by State Finance Commission. Property tax on land and buildings is the main contributor of ULBs' own tax revenue. While power to collect certain taxes is vested with the ULBs, powers pertaining to the rates and revision thereof, procedure of collection, method of assessment, exemption, concessions, etc. are vested with the State Government. The own non-tax revenue of ULBs comprise of fee for sanction of plans/mutations, water charges, etc.

Grants and assistance released by the Governments are utilised for developmental activities and execution of various schemes. Flow chart of finances of ULBs is as follows:

¹ Ambassa Nagar Panchayat, Dharmanagar Nagar Panchayat and Kamalpur Nagar Panchayat.



3.4.2 Custody of fund in ULBs

The grants received for implementation of various schemes are kept in bank accounts of the ULBs duly authorised by the State Government. The Drawing and Disbursing Officers under ULBs are empowered to draw the fund from the banks after getting sanction from the State Government.

3.4.3 Revenues of NPs

Own revenue of NPs include property tax, building permission fees, trade license, hoarding tax, mutation fees, rent from stalls, etc. Collection of own revenue in respect of 15 NPs² during the last five years is shown in the following **Table 3.4**:

Table 3.4: Statement showing own revenue of 15 Nagar Panchayats during the last five years

(₹ in lakh)

Sl. No.	Name of the NP	Year				
		2007-08	2008-09	2009-10	2010-11	2011-12
1	Dharmanagar	34.88	52.29	55.54	53.79	30.35
2	Kailashahar	13.91	22.07	27.57	33.41	36.88
3	Kumarghat	7.16	15.15	15.43	17.78	19.04
4	Kamalpur	7.65	11.35	11.49	14.22	19.15
5	Khowai	18.57	50.31	33.27	33.94	51.08
6	Teliamura	5.89	27.75	17.62	27.46	17.41
7	Ranirbazar	8.04	13.31	12.94	25.13	18.53
8	Sonamura	13.63	23.34	17.70	25.22	30.35
9	Udaipur	31.19	117.50	59.56	83.26	77.75
10	Amarpur	7.19	7.64	13.37	13.32	17.51
11	Subroom	11.17	13.99	14.57	11.35	12.51

² Three Nagar Panchayats i.e. Santirbazar, Bishalgarh and Ambassa came into existence in 2009.

(₹ in lakh)

Sl. No.	Name of the NP	Year				
		2007-08	2008-09	2009-10	2010-11	2011-12
12	Belonia	26.20	82.67	72.95	84.03	93.37
13	Shantirbazar	--	--	--	--	11.58
14	Bishalgarh	--	--	--	--	8.67
15	Ambassa	--	--	--	--	18.77

Source: Urban Development Department

The above table indicates that the revenue collection trend in respect of NPs was not consistent. The growth in revenue was also not very significant except in few cases.

3.4.4 The trend of own revenue income of AMC

The trend of own revenue income of AMC for the last five years is shown in the following Table 3.5:

Table 3.5: Statement showing trend of own revenue income of AMC

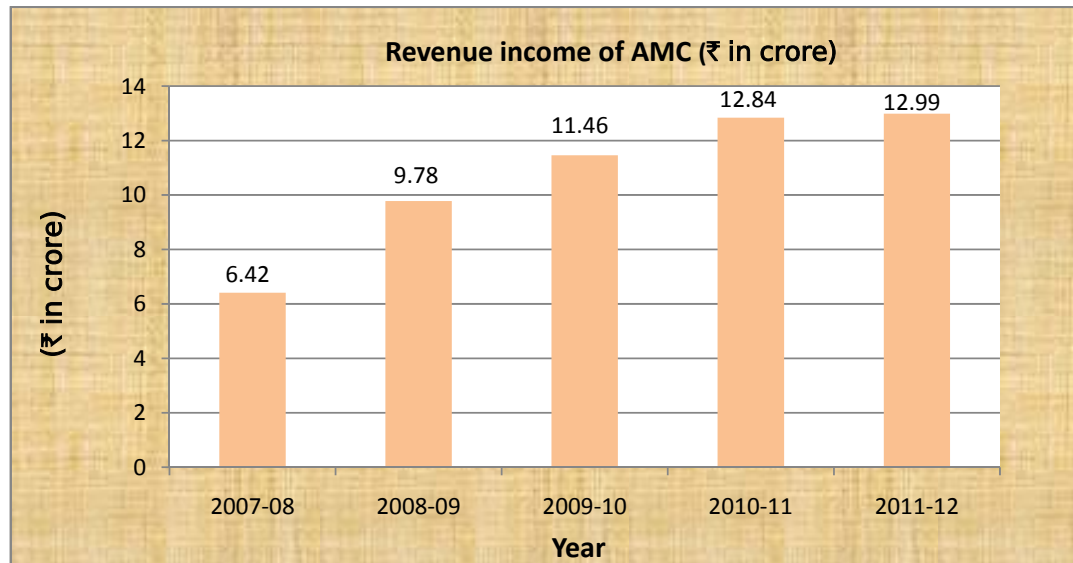
(₹ in crore)

Year	Revenue income	% Increase over last year
2007-08	6.42	(-) 8
2008-09	9.78	52
2009-10	11.46	17
2010-11	12.84	12
2011-12	12.99	1.17

Source: Performance Budget 2010-11, Outcome Budget 2011-12 and information furnished by AMC.

The large chunk of revenue income in years 2008-09 and 2009-10 had been due to collection of the arrears pending for last 5 to 10 years and mobilised through one time settlement. During 2011-12, the collection of revenue had increased to 1.17 per cent only over the previous year.

Chart No. 3.1



3.5 Investment through major schemes

Receipts *vis-à-vis* expenditure incurred for major schemes implemented by ULBs during last four years are given in the following **Table 3.6**:

Table 3.6: Statement showing receipts and expenditure of major schemes

(₹ in lakh)

Name of the Scheme	2008-09		2009-10		2010-11		2011-12	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
Swarna Jayanti Shahari Rojgar Yojana (SJSRY)	298.39	298.39	24.88	24.88	279.25	279.25	30.00	30.00
Urban Infrastructure Development Scheme for Small and Medium Towns (IDSSMT)	2005.00	1151.00	1097.80	130.50	89.72	1479.00 ³	800.00	800.00
Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	1760.85	41.75	2250.00	235.25	797.30	1060.30 ³	1091.32	1091.32
Integrated Housing and Slum Development Programme (IHSDP)	Nil	Nil	911.86	911.86	705.65	705.65	1235.68	1235.68

Source: Urban Development Department

The receipts of funds under different schemes were not consistent and expenditure under IDSSMT and JNNURM during 2009-10 was not significant as large amounts of funds remained un-utilised.

3.6 Devolution of functions

The Tripura Municipal Act 1994 envisages transfer of functions of various departments of the State Government to ULBs. All the 18 functions listed in the XIIth Schedule of the Constitution of India had been transferred by the State Government to the ULBs. However, in practice, functions like fire services, roads and bridges were still controlled by the State Government departments. The ULBs with the approval of the Government appointed non-gazetted staff to perform various functions

3.7 Accountability framework

3.7.1 Power of the State Government

Acts governing the ULBs entrusts the State Government with the following powers so as to enable it to monitor the proper functioning of the ULBs:

- Frame rules to carry out the purposes of the Tripura Municipal Act;
- Dissolve the ULBs, if the ULBs fail to perform or default in the performance of any of the duties imposed on them;
- Removal of difficulties in giving effect to the provisions of the Act;
- Creation, abolition, recruitment and placement of staff of State Government at the disposal of the Municipality.

³ Expenditure also incurred from the previous year's unspent balances available under the schemes.

3.7.2 Audit mandate

3.7.2.1 As per Sections 264, 265 and 266 of the Tripura Municipal Act, 1994, the accounts of the Municipality shall be examined and audited by an auditor appointed in that behalf by the State Government. The State Government shall, by rules, make provision with respect to the maintenance of accounts of the Municipalities and auditing of such accounts, including the power of the auditor. The auditor shall submit the Audit Report to the Chairperson of the Municipality and a copy thereof to the State Government. However, the Government had not appointed any auditor so far for audit and certification of accounts of ULBs.

3.7.2.2 Based on the recommendations of the Thirteenth Finance Commission, the State Government entrusted (March 2011) audit of ULBs under Technical Guidance and Support (TGS) to the C&AG as per standard terms and conditions u/s 20(1) of C&AG's DPC Act 1971.

Accordingly, audit of ULBs are being conducted by C&AG. During 2012-13 the audit of the accounts of AMC and 11 NPs were carried out.

3.8 Conclusion

The ULBs perform their functions through the supervision of different Standing Committees. However, it was observed that the required numbers of meetings by Standing Committees were not held. The revenue collection trend in respect of ULBs was not consistent. The growth in revenue was also not very significant except in few cases. The increase of revenue income in respect of AMC in 2011-12 was only 1.17 *per cent* over the previous year. The Tripura Municipal Act 1994 envisages transfer of all the 18 functions listed in the XIIth Schedule of the Constitution. But in practice, functions like fire service, road and bridge were still controlled by the State Government.

SECTION “B”

Financial Reporting

3.9 Framework

3.9.1 Financial reporting is a key element of accountability. Best practices require preparation of General Purpose Financial Statement (GPFS) for each entity. According to Section 262 (1) of the Tripura Municipal Act, 1994, the ULBs should prepare the Annual Financial Statements which would include Income and Expenditure Accounts for the preceding year within three months of the close of a financial year in such form and manner as prescribed. Section 263 of the said Act provides that every Municipality should prepare annual Balance Sheet of assets and liabilities in the prescribed form within six months of the close of the financial year.

3.9.2 Accounting Reforms

Based on the recommendations of Eleventh Finance Commission, the Ministry of Urban Development, GOI in consultation with Comptroller and Auditor General of India developed the National Municipal Accounts Manual (NMAM) which was based on double entry accrual based system of accounting. The Urban Development Department, Government of Tripura had drafted (June 2010) the ‘Tripura Municipal Accounting Manual’ based on the NMAM. The Manual had been finalised in June 2011 but was yet to be implemented.

3.9.3 Annual Accounts

Different ULBs had engaged Chartered Accountants for preparation of annual accounts in 2011. However, the accounts had not yet been finalised. Due to non finalisation of accounts, the actual financial position of the ULBs could not be ascertained.

3.9.4 Budget Estimates

Under section 260(1) of the Tripura Municipal Act, 1994, the Budget Estimates of Municipality for a year should be prepared in the prescribed form and presented before a meeting of Municipality, specially convened for the purpose, not later than the tenth day of March every year and should be adopted after discussion within two weeks of presentation. A copy of the Budget Estimates adopted by the Municipality should be sent to the State Government and a revised budget for the current year should be framed in the prescribed form and presented before the Municipality for adoption after the first day of October every year, but not later than the thirty first day of December.

Test check of records of 11 Nagar Panchayats revealed that none of the Nagar Panchayats prepared the budget estimates and expenditures were incurred without

preparation and approval of the budget. Despite non-preparation of budget estimates, the State Government was releasing fund to the Nagar Panchayats.

3.10 Conclusion

None of the ULBs had finalised their annual accounts nor had they prepared budget till date. Though, this issue was reported in our earlier reports as well, no compliance had been done on this account (November 2013).

CHAPTER IV

AUDIT OF TRANSACTIONS (URBAN LOCAL BODIES)

4.1 Splitting up of work

Udaipur Nagar Panchayat had taken up single work by splitting up in smaller components to avoid technical sanction of higher authority in violation of CPWD Manual.

According to para 2.47 (v) of CPWD Manual Vol-II (5th Edition 2002) (applicable in Tripura), splitting up of work in smaller components or in phases for the purpose of avoiding technical sanction or invitation of tenders by lower authorities is prohibited unless such splitting is allowed by Chief Engineer.

Scrutiny (November 2012) of records of Udaipur Nagar Panchayat revealed that District Magistrate & Collector, South Tripura Udaipur accorded administrative approval and expenditure sanction for ₹ 15.00 lakh for construction of a drain from Bramhabari Udaipur to Amarpur Road in ward No. 18 of Udaipur Nagar Panchayat under MPLAD scheme in June 2011. The work was to be completed within 45 to 65 days from date of issue of work orders. The work orders were issued in November 2011 and April 2012 (Phase wise).

It was observed that Nagar Panchayat had taken up the above work departmentally through Junior Engineer in November 2011 by splitting up of the single work into 15 groups of ₹ 1.00 lakh each. The work started (phase-wise) in November 2011 and got completed in April 2012.

Thus, Nagar Panchayat had taken up the single work by splitting it into various groups to avoid technical sanction of the higher authority in violation of CPWD Manual. Further, approval of Chief Engineer for splitting up of the work was not obtained.

The Executive Officer agreed with the audit observation and assured that no such splitting of work would be done in future.

4.2 Poor utilisation of SJSRY funds

Due to non-selection of beneficiaries, huge amount of Swarna Jayanti Shahari Rojgar Yojana funds remained un-utilised.

Swarna Jayanti Shahari Rojgar Yojana (SJSRY), a Centrally Sponsored Scheme was introduced in Tripura in the year 1998-99. The main objective of the scheme was to provide gainful employment to the urban un-employed and under-employed living below the poverty line through encouraging self employment ventures or provision of wage employment opportunities.

Test check of records (December 2012) of Sonamura Nagar Panchayat revealed that Nagar Panchayat had substantial funds for implementation of SJSRY scheme during 2010-11 and 2011-12 as shown in the following table:

Table No. 4.1

Year	Spillover	Fund received	Total	Expenditure	Balance
2010-11	29.87	2.00	31.87	0.43	31.44
2011-12	31.44	11.80	43.24	0.49	42.75

From the above it would be seen that during 2010-11 and 2011-12 the per centage of utilisation of funds was 1.34 *per cent* and 1.13 *per cent* respectively.

Similarly, Kailashahar Nagar Panchayat could utilise only 7.31 *per cent* out of available SJSRY fund of ₹ 73.57 lakh during 2011-12.

Scrutiny of records revealed that both the Nagar Panchayats failed to select any beneficiary for sanction of subsidy and individual loan by banks for self employment resulting into huge amount of SJSRY funds un-spent and consequent deprivation of people from intended benefit of the scheme.

4.3 Irregular implementation of Member of Parliament Local Area Development Scheme

Non-adherence of prescribed guidelines resulted in irregular implementation of works under Member of Parliament Local Area Development Fund scheme.

Para 2.1 of guidelines of the Member of Parliament Local Area Development Scheme (MPLADS) prohibits engagement of private contractor on MPLADS works.

Test check of records (May 2012) of Belonia Nagar Panchayat revealed that Nagar Panchayat had awarded (February 2012) a work to a private contractor for construction of a stall (single storied with RCC roof) on Pankaj Roy land, at Bidhyapit corner at a tendered value of ₹ 10.33 lakh under MPLADS. The contractor completed the work in September 2012.

This being pointed out, the Executive Officer replied (August 2012) that due to shortage of supervising staff and engineers the work was executed by the private concern through tender process.

Thus, execution of works under MPLADS by engaging private contractor was in violation of the guidelines.

4.4 Non submission of utilisation certificates

Utilisation certificates to the extent of ₹ 3.78 crore were pending for submission.

Scheme guidelines of Centrally Sponsored Schemes, CFC grants and State Government grants stipulate that utilisation certificates should be obtained from the grantees and submitted to GOI/State Government Department within six months from the date of their sanction unless specified otherwise.

Test check of records (November 2012 - January 2013) of Udaipur Nagar Panchayat and Kailashahar Nagar Panchayat revealed that utilisation certificates to the extent of ₹ 2.26 crore and ₹ 1.52 crore respectively were pending for submission to the sanctioning authorities till date of audit (November 2012 and January 2013) as shown in the following **Table**:

Table No. 4.2

Year	Name of Nagar Panchayat	Fund received	Amount for which utilization certificates were submitted	Amount for which utilisation certificates were outstanding
2011-12	Udaipur	7.44	5.18	2.26
2011-12	Kailashahar	3.26	1.74	1.52

Non- submission of utilisation certificates not only indicated possible delay in utilisation of funds for the intended purpose, but also led to violation of the conditions attached to sanction of grants.

Reasons for non-submission of utilisation certificates were not on records.

Both the Executive Officers stated that utilisation certificates would be submitted shortly under intimation to audit.

Latest position had not been intimated (November 2013).

4.5 Non submission of adjustment

Non adjustment of advances of ₹ 2.91 crore.

During test check of records (November 2012) of Udaipur Nagar Panchayat for the years 2010-11 and 2011-12 it was noticed that Nagar Panchayat had been paying advances to the implementing officers for implementation of various works under its jurisdiction. Scrutiny of records revealed that an amount of ₹ 28.57 lakh (2010-11: ₹ 15.83 lakh and 2011-12: ₹ 12.74 lakh) remained un-adjusted with the implementing officers till the date of audit (November 2012) as detailed in **Appendix-4.1**. Besides, the line departments/ executing agencies also had not submitted adjustments and ₹ 2.62 crore was pending for submission to Nagar Panchayat (**Appendix-4.2**).

The Executive Officer ensured that immediate steps would be taken for obtaining adjustments. Latest position had not been furnished (November 2013).

4.6 Outstanding revenue

Revenue to the extent of ₹ 19.43 lakh remained outstanding.

As per Section 192 and 193 of The Tripura Municipal Act, 1994 a municipality may levy, collect and appropriate various taxes, duties, tools and fees.

Test check of records (December 2012) of Dharmanagar Nagar Panchayat revealed that revenue to the extent of ₹ 19.43 lakh was outstanding as of 31st March 2012 as shown in the following Table:

Table No. 4.3

Source of revenue	Amount outstanding during 2010-11	Current demand	Total	Amount realised during 2011-12	Amount not yet realised
<i>(₹ in lakh)</i>					
Stall rent	1.08	13.27	14.35	3.50	10.85
Property tax	2.37	20.00	22.37	16.57	5.80
Water tax	0.31	18.58	18.89	16.11	2.78
Total	3.76	51.85	55.61	36.18	19.43

From the above, it would be seen that the collection of stall rent was very poor and only 24.39 *per cent* was collected during 2011-12.

The Executive Officer (December 2012) replied that action would be taken for realisation of outstanding revenue.

4.7 Non imposition of property tax

Ambassa Nagar Panchayat was sustaining loss of revenue due to non-imposition of property tax.

The Tripura Municipal Act 1994 envisages that property tax @ 7 % shall be realised on land & building on Annual Rental Value (ARV) from the land owner residing within the Nagar Panchayat area from the date of holding the property. The property tax consists of the following components.

1. Holding tax 3%
2. Conservancy tax 3%
3. Lighting tax 1%

Test check of records (January 2013) of Ambassa Nagar Panchayat revealed that Nagar Panchayat had neither assessed property tax nor imposed the same till date of audit. Due to non-imposition of property tax Nagar Panchayat was sustaining loss of revenue. As the property tax had not been assessed till date of audit, the actual loss of revenue could not be ascertained.

Reasons for non assessment/non imposition of property tax were not stated to audit.

On this being pointed out, the Executive Officer stated that effective steps would be taken for realisation of property tax. Latest position had not been furnished (October 2013).

4.8 Outstanding service charges

Service charges of ₹ 7.07 lakh remained un-realised for five to six years.

As per Notification (dated 7th December 2004) issued by the Government of Tripura, Urban Development Department, service charges on Government land for non-residential purpose is required to be collected at the following rate:

i) On service for conservancy:	3% of Annual Rental Value (ARV)
ii) <u>On service for street lighting:</u>	<u>1% of ARV</u>
Total	4% of ARV

Accordingly, Udaipur Nagar Panchayat imposed service charges on 17 out of 29 Government Offices. During audit (November 2012), it was observed that 15 offices were not paying service charges regularly to the Nagar Panchayat and ₹ 7.07 lakh was outstanding as of 31st March 2012 as detailed in **Appendix 4.3**.

Out of 29 offices, service charge of 12 offices had not been imposed by the Udaipur Nagar Panchayat till date of audit (November 2012).

4.9 Conclusion and recommendations

Splitting up of single work into groups in violation of CPWD Manual, poor utilisation of SJSRY funds, engagement of private contractor in MPLAD Scheme, non-submission of utilisation certificates, outstanding revenue etc., were instances indicating inadequate internal control mechanism in the ULBs.

The following recommendations are made for consideration of the Government:

- Splitting up of work should be avoided;
- Engagement of private contractor in MPLAD work should be avoided;
- Outstanding advances should be adjusted on completion of works;
- Outstanding revenues should be collected promptly; and
- Internal control mechanism should be strengthened.

Agartala

(S. K. Garg)
Sr. Deputy Accountant General (Audit)

Countersigned

Agartala

(R. K. Agrawal)
Accountant General (Audit),
Tripura

Appendix 1.1

Statement showing Standing Committee Meeting of Six PRIs during 2011-12

(Reference: Paragraph 1.3.1)

Name of P.S/ Z.P	No of meeting to be held in a year	No. of meeting to be held in by each Standing Committee			Indus tries	Social Justice	Agric ulture	Poverty alleviation	Total meetings held	Short fall
		Finance	Education	Works						
Rajnagar	84	2	8	5	3	3	6	4	31	53
Salema	84	1	2	2	2	2	2	1	12	72
Boxnagar	84	7	4	5	5	5	5	5	36	48
Ambassa	84	Nil	2	1	1	2	2	1	9	75
Bocafa	84	4	8	5	8	4	10	3	42	42
Dhalai ZP	84	4	2	1	1	1	2	1	12	72

(Source: Information furnished by the auditee units)

Appendix – 1.2

Roles and responsibilities of Standing Committees

(Reference: Paragraph 1.3.1)

Sl. No.	Zilla Parishad/Panchayat Samiti
1	The Finance Audit and Planning Committee shall perform functions relating to establishment matters and the finances of the Panchayat Samiti, framing of budget, scrutinising proposals for increase of revenue, examination of receipt and expenditure statements, consideration of all proposals affecting the finances of the Panchayat Samiti and general supervision of revenue and expenditure of the Panchayat Samiti and the plan priorities, allocation of outlay to developmental programmes, horizontal and vertical linkages, implementation of guidelines issued by the Government, regular review of planning programmes, evaluation of important programmes and small savings schemes.
2	The Education, Environment, Cultural, Health and Sports Affairs Committee shall perform functions relating to all educational environment and sports activities of the Panchayat Samiti, undertake the planning of education in the Block within the framework of the national policy and the national and State plans. Survey and evaluation of the educational activities of the Panchayat Samiti, perform such other duties pertaining to education, adult literacy and cultural activities as the Panchayat Samiti may assign to it and health services, hospital, family welfare and other allied matters.
3	The Communication, Rural Electrification and Non Conventional Energy Committee shall perform functions relating to communication, buildings, non conventional energy, rural electrification and allied matters.
4	The Agriculture committee shall perform functions relating to agriculture production, animal husbandry, fisheries, contour bunding and reclamation of waste land, food and cooperation.
5	The Industries Committee shall perform functions relating to village and cottage industries, promotion of industries, development of the district, promotion of sericulture and promotion of handloom and handicrafts.
6	The Social Justice Committee shall perform functions relating to promotion of education, economic, socio cultural and other interest of the Scheduled Castes, the Scheduled Tribes and the Backward Classes, protection of the Scheduled Castes, the Schedule Tribes and the Backward Classes from social injustice and all other forms of exploitation, amelioration of the condition of the Scheduled Castes, the Scheduled Tribes and the Backward Classes and securing social justice to the Scheduled Castes and Scheduled Tribes, women and other weaker sections of the society.
7	The Poverty Alleviation Committee shall perform functions relating to promotion of rural water supply, sanitation and employment, other poverty alleviation programmes, rural housing, social forestry and farm forestry.

Appendix – 1.3

Powers of State Government in relation to PRIs

(Reference: Paragraph 1.9.1)

Section of Tripura Panchayats Act, 1993	Power	Nature of power and conditionalities attached to its exercise
158	Placing the services of State Government officers at disposal of Zilla Parishad	<p>The State Government may place at the disposal of Zilla Parishad, services of such officers or other employees serving under it and on such terms and conditions as it may think fit.</p> <p>Provided that any such officer or employee shall be recalled by the State Government if a resolution to that effect is passed by the Zilla Parishad, at a meeting specifically convened for the purpose, by a majority of the total number of members holding office for the time being.</p>
159	Disciplinary power of the State Govt.	The State Government shall have disciplinary control over the Chief Executive Officer, the Additional Chief Executive Officer, Secretary and officers and employees whose services are placed at the disposal of the Zilla Parishad under Section 158 of the Act.
193	Directions from Government	<p>Notwithstanding anything contained in this Act, it shall be lawful for the Government to issue directions to any Gram Panchayat, Panchayat Samiti and Zilla Partishad, in matters relating to the state and national policies, and such directions shall be binding on the Gram Panchayat, Panchayat Samiti and Zilla Parishad.</p> <p>The State Government may –</p> <ol style="list-style-type: none"> (a) call for any record or register, and other document in possession or under the control of any Panchayat; (b) require any Panchayat to furnish any return, plan, estimate, statement account or statistics; and (c) require any Panchayat to furnish any information or report on any matters connected with such Panchayat.

Appendix – 1.3 (Contd.)

Powers of State Government in relation to PRIs

(Reference: Paragraph 1.9.1)

Section of Tripura Panchayats Act, 1993	Power	Nature of power and conditionalities attached to its exercise
194	Powers of State Government to dissolve Gram Panchayat, Panchayat Samiti or Zilla Parishad	<p>(1) If in the opinion of the State Government any Gram Panchayat, Panchayat Samiti or Zilla Parishad –</p> <p>(a) has shown its incompetence to perform, or has persistently made default in the performance of, the duties imposed on it by or under this Act or any other law;</p> <p>(b) has failed to carry out or implement the direction given by the State Government under Section 193; or</p> <p>(c) has exceeded or abused its powers,</p> <p>The Statement Government may, by order, to be published in the Official Gazette, stating the reasons therefor, dissolve the Gram Panchayat, the Panchayat Samiti or the Zilla Parishad, as the case may be, and direct that it be reconstituted within such period not exceeding six months as may be specified in the order:</p> <p>Provided that the members of the Gram Panchayat, the Panchayat Samiti or the Zilla Parishad, as reconstituted, shall hold office for the unexpired portion of the period for which the members of the Gram Panchayat, the Panchayat Samiti or Zilla Parishad, as the case may be, would have held office had the Gram Panchayat, the Panchayat Samiti or the Zilla Parishad, as the case may be, not been dissolved.</p> <p>(2) The State Government shall, before making any order under sub-section (1) give the Gram Panchayat, the Panchayat Samiti or the Zilla Parishad, as the case may be, an opportunity of making representation against the proposed order.</p> <p>(3) Every order made under sub-section (1) shall be laid before the State Legislature.</p>

Appendix – 1.3 (Contd.)

Powers of State Government in relation to PRIs

(Reference: Paragraph 1.9.1)

Section of Tripura Panchayats Act, 1993	Power	Nature of power and conditionalities attached to its exercise
220	Infringement of Rules or bye-laws or regulations	In making rules the State Government in making bye-laws the Gram Panchayat, in making regulations the Panchayat Samiti and in making regulations or regulation the Zilla Parishad, with the sanction of the prescribed authority, may direct that a breach of it shall be punishable with fine which may extend to five hundred rupees and when the breach is a continuing one, with a further fine which may extend to five thousand rupees for every day after the date of first conviction during which the offender is proved to have persisted in the offence.
222	District Planning Committees	The Government shall constitute in every District, a Planning Committee to consolidate the plans prepared by the Zilla Parishad, the Panchayat Samitis, the Gram Panchayats, Notified area Authorities and Municipal Authorities or any other local authorities in the District and to prepare a draft development plan for the District as a whole.
227	Power of Government to make model regulations	The Government may, subject to the provisions of this Act and the rules made there under, after pervious publication of the draft for not less than one month, make model regulations, detailed regulations and by-laws for Gram Panchayat, Panchayat Samiti and Zilla Parishad.

Appendix – 1.3 (Concl.)

Powers of State Government in relation to PRIs

(Reference: Paragraph 1.9.1)

Section of Tripura Panchayats Act, 1993	Power	Nature of power and conditionalities attached to its exercise
228	Rules and orders to be laid before the House of the State legislature	(1) The State Government may, by notification published in the Official Gazette, make rules for carrying out the purposes of this Act. (2) Every rule made under this Act shall be laid as soon as may be after it is made, before the State Legislature while it is in session for a period of fourteen days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session in which it is so laid or sessions immediately following, the House agrees or makes any modification in the rule or the House agrees that the rules should not be made, the rule shall thereafter have the effect or be effective only in such modified form or be of no effect, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Appendix 2.1

Statement showing execution of non-permissible works at different places under
Boxanagar, Mohanpur, Ambassa and Melaghar Panchayat Samiti

(Reference: Paragraph 2.1)

(₹ in lakh)

Sl. No.	Name of projects/works	Work Order No. & date	Estimated Cost
Boxanagar Panchayat Samiti			
1	Maintenance of Nazrul Mukta Mandir under Boxanagar G.P.	5123-26 dt 02.07.10	0.10
2	Maintenance of door/ window at Boxanagar Panchayat Samiti	5119-22 dt 02.07.10	0.19
3	Maintenance of Samarsmriti Milanyata under Boxanagar GP	4502-06 dt. 02.07.10	0.96
4	Maintenance of Meeting hall under kulubari GP	4215-19 dt. 26.06.10	0.34
5	Providing GC sheet for Rahimpur High School for extension of Veranda under Rahimpur GP	136-140 dt. 06.04.10	0.22
6	Development of land including Barbed wire fencing for raising nursery of different horticulture species and rubber under Manikyanagar GP	7477-81 dt. 16.09.10	2.57
7	Maintenance of Kamalnagar Panchayat Office Building under Kamalnagar GP	3581-85 dt. 08.06.10	1.02
8	Maintenance of Kamalnagar Panchayat Office Building under Kamalnagar GP	3581-85 dt. 08.06.10	3.11
9	Construction of additional class room at kalamnagar High school kamalnagar GP (Gr. A)	1649-52 dt. 14.05.10	7.91
10	Construction of additional class room at Kalamnagar high School	1649-52 dt. 14.05.10	9.90
11	Construction of additional class room at Dakshin Kamalchera HS school under Dakshin kalamchoura GP (Gr. A)	1184-89 dt. 04.05.10	7.91
12	Construction of additional class room at Dakshin Kamalchera HS School under Dakshin Kalamchoura GP (Gr. B)	1184-89 dt. 04.05.10	9.90
13	Construction of kitchen (GCI sheet roofing & wooden truss) SB School under Kalshimura GP	14757-63 dt. 15.02.11	0.82
14	Construction of additional class room at Madhya Boxanagar GP	11312-317 dt. 07.01.10	10.00
Mohanpur Panchayat Samiti			
15	Construction of community hall at Satdubia Gram Panchayat under Mohanpur Panchayat Samiti	6074-80 dt. 26.11.2010	12.15

Appendix 2.1 (Concl.)

**Statement showing execution of non-permissible works at different places under Boxanagar,
Mohanpur, Ambassa and Melaghar Panchayat Samiti**

(Reference: Paragraph 2.1)

(₹ in lakh)

Sl. No.	Name of projects/works	Work Order No. & date	Estimated Cost
Ambassa Panchayat Samiti			
16	Construction of Park/children play centre at Kulai	3086-90 dt. 15.01.2011	20.28
17	Construction of open shed at Cow market of Kulai Bazar	3790-95 dt. 23.03.2011	4.74
18	Jungle cutting at various places of Village Committees	Work order issued on 17.08.2010 and fund placed vide Money transfer No.1447 dt. 21.08.2011	7.32
18	Jungle cutting at various places of Village Committees	Work order issued during 2011-12 and fund placed vide Money transfer No.1409 dt. 12.08.2011	7.56
19	Construction of basket ball court at Uttar Nalicharra High School	2655-61 dt. 30.11.2011	5.73
Melaghar Panchayat Samiti			
20	Construction of 55 Market stalls under Melaghar Panchayat Samiti	-	76.03
21	Construction of open market shed	-	5.04
22	Maintenance of Dakbanglow	-	1.69
23	Construction of VIP stand	-	26.51
24	Fixing of tiles	-	0.21
25	Construction of ARDD office/sub-centre under Melaghar Panchayat Samiti	-	15.07
Total:			237.28

Appendix 2.2

Statement showing mechanical earth filling at different places under Dukli and Ambassa Panchayat Samiti

(Reference: Paragraph 2.2)

(₹ in lakh)

Sl. No.	Name of work	Work order No. & date.	Cost of mechanical transportation for earth filling
Dukli Panchayat Samiti			
1	Earth Filling by mechanical transportation at the side of Hapania AWC under Dukli Panchayat Samiti during the year 2010-11	No.F.6(80-6)/BDO/DKL/ NREGS/2010-11/4293-302 dt..02.06.10	4.22
2	Earth Filling by mechanical carrying at Ramkrishna Mission at Madhuban GP under Dukli Panchayat Samiti during the year 2010-11	No.F.6(80-6)/BDO/DKL/ NREGS/2010-11/3647-60 dt. 19.05.10	12.72
Ambassa Panchayat Samiti			
3	Earth filling by mechanical carrying in the approach road of Triple cell box culvert under Kamalachara VC	427-32 dt. 30.05.2011	0.98
4	Mechanical earth filling in the back side of Bagmara Chowmuhani market at Jumia colony under Lalcherri VC	5190-98 dt. 19.03.2012	24.64
5	Mechanical earth filling in the side of RCC retaining wall at back side of Kulai Class XII School under Purba Nalicherra GP	1298-1303 dt. 08-08-2011	0.45
Total:			43.01

Appendix – 2.3

Statement showing doubtful execution of works

(Reference: Paragraph 2.4)

Name of work	Estimated cost (₹ in lakh)	Name of Unskilled labour as recorded in Register	Job Card No	Name of Unskilled labour as recorded in MR	Job Card No.	Name of Implementing Officer
Construction of brick soling road from Raima road to Kongla Mog house via Cendil Mog house under Jagannathpur Village Committee (VC)	5.64	Birendra Jamatia	1/14	Ferawty Reang	1/14	Jayanta Das, Technical Assistant (TA)
		Karjashing Reang	1/29	Pashanta Reang	1/29	
		Amarjoy Reang	2/27	Khatjram Reang	2/27	
		Dankirai Reang	2/28	Barat Chandra Reang	2/28	
		Mong Mog	4/10	Jiban Rai Reang	4/10	
		Rifru Mog	4/2	Madhuram Reang	4/2	
		Suman Das	1/25	Dhara Sing Reang	1/25	
		Ananda Reang	2/31	Jatan Ram Reang	2/31	
		Thaichai Mog	4/29	Hirendra Reang	4/29	
Construction of brick soling road from Champabati house to Biswarai Debbarma house under Jagannathpur VC	2.33	Nanda mohan Reang	1/16	Rupjoy Reang	1/16	Jayanta Das, Technical Assistant
		Narendra Reang	1/32	Rashim Reang	1/32	
		Amarjoy Reang	2/27	Brihala Reang	2/27	
		Pabiram Reang	2/29	Ratnajoy Reang	2/29	
		Biswakhabela Das	1/26	Balaram Reang	1/26	
		Paturani Sarkar	1/34	Sukharam Reang	1/34	
		Gonungti Jamatia	1/38	Bikanda Reang	1/38	
Total:	7.97					

Appendix – 2.4

Statement showing MGNREGA wages paid in cash in violation of guidelines

(Reference: Paragraph 2.5)

(₹ in lakh)

Sl. No.	Work order/ MT No.	Name of works	Name of IO	Amount of wages paid
1	3646 dt.21.03.2011	Head loading of materials for construction of Anganwadi Centre (AWC) at Purbarai Para under Jeolchara VC	Bijan Rakshit, JE	0.34
2	-do-	Head loading of materials for construction of AWC at Chailafu Para under Bagmara VC	-do-	0.28
3	-do-	Head loading of materials for construction of AWC at Gumsing Para under Jeolchara VC	-do-	0.30
4	-do-	Head loading of materials for construction of AWC at Parsi Para under Lalchari VC	-do-	0.07
5	-do-	Head loading of materials for construction of AWC at Dhanaban Para under Bagmara VC	-do-	0.19
6	-do-	Head loading of materials for construction of AWC at Jumiya Colony under Lalchari VC	-do-	0.07
7	-do-	Head loading of materials for construction of AWC at Purnajoy Para, Upendra Para and Kakam joy Para Para under Kulai Reserve Forest Extn.VC	Jayanta Das, TA	1.10
			Total:	2.35

Appendix 2.5

**Statement showing non submission of utilisation certificates by the line departments during
2009-10, 2010-11 and 2011-12**

(Reference: Paragraph 2.7)

(₹ in crore)

Sl. No.	Year	Name of Line Department	Fund placed	Utilization certificates outstanding
1	2009-10	Superintendent of Agriculture, Kamalpur	0.21	0.21
2	-do-	Primitive Group Programme	0.12	0.12
3	2010-11	Superintendent of Agriculture, Kamalpur	0.15	0.15
4	-do-	Tripura Rubber Project Corporation	0.05	0.05
5	-do-	Primitive Group Programme	0.03	0.03
6	-do-	Mission Coordinator, Tripura Bamboo Mission	0.03	0.03
7	2011-12	Superintendent of Agriculture, Kamalpur	1.81	1.81
8	-do-	Superintendent of Fisheries, Avanga	0.94	0.94
9	-do-	Handloom Development Officer, Dhalai	0.64	0.64
10	-do-	Dy. Director, ARDD, Dhalai	0.04	0.04
11	-do-	DFO, Ambassa	0.22	0.22
12	-do-	ZDO. Dhalai Zone, TTHHDC	1.38	1.38
13	-do-	E.E. Water resource Division, Kamalpur	1.80	1.80
Total:			7.42	7.42

Appendix – 4.1

Statement showing un-adjusted advances lying with various Implementing Officers/Agencies of Udaipur Nagar Panchayat as on 31-03-2012.

(Reference: Paragraph 4.5)

(₹ in lakh)

Sl. No.	Bill No.	Date	Name of Ios S/ Shri	Amount
1	74	28.04.2010	Kanan Das, W/A	1.04
2	118	25.05.2010	do	1.07
3	119	28.05.2010	Pradip Paul, J/E	0.20
4	161	29.06.2010	Kanan Das, W/A	1.04
5	183	02.07.2010	do	0.25
6	234	29.07.2010	do	1.07
7	235	29.07.2010	do	0.59
8	265	24.08.2010	Pradip Pal, J/E	0.97
9	265	24.08.2010	do	0.37
10	265	24.08.2010	do	0.72
11	265	24.08.2010	do	0.37
12	265	24.08.2010	do	0.96
13	265	24.08.2010	do	0.88
14	289	28.08.2010	Kanan Das, W/A	1.07
15	290	28.08.2010	do	0.62
16	338	16.09.2010	Jiban Raha	0.05
17	389	30.09.2010	Kanan Das, W/A	1.67
18	475	03.11.2010	Kanan Das, W/A	1.68
19	616	15.03.2010	Pradip Pal, J/E	0.11
20	616	15.03.2010	do	0.35
21	152	21.06.2010	Nani Gopal Debnath	0.75
22	392	24.11.2011	Pradip Pal, J/E	3.25
23	397	24.11.2011	Nani Gopal Debnath	1.00
24	399	24.11.2011	do	1.00
25	400	24.11.2011	do	1.00
26	401	24.11.2011	do	1.00
27	403	24.11.2011	do	1.00
28	404	24.11.2011	do	1.00
29	405	24.11.2011	do	3.00
30	602	15.03.2012	do	0.49
Total:				28.57

Appendix – 4.2

Non submission of adjustment by the Line Department /Agencies

(Reference: Paragraph 4.5)

(₹ in lakh)

Sl. No.	Bill No.	Date	Name of department	Amount
1.	47	13.04.2010	Executive Engineer, RDD, Udaipur	2.50
2.	253	10.08.2010	-do-	5.00
3.	532	24.11.2010	-do-	3.32
4.	253	10.08.2010	-do-	5.00
5.	154	23.06.2010	N.B Institute Rural Technology, Agartala	103.83
6.	382	14.11.2011	-do-	132.90
7.	383	14.11.2011	-do-	1.39
8.	385	14.11.2011	-do-	6.24
9.	249	07.08.2010	Headmaster, Vivekananda Vidyapith	0.07
10.	329	13.09.2010	Headmaster, Tripura Sundari H/S School	0.86
11.	320	17.10.2011	Headmaster, Udaipur Girl's H/S School	0.37
12.	634	22.03.2012	SDM, Udaipur	1.00
Total:				262.48

Appendix – 4.3
Statement showing outstanding service charges
(Reference: Paragraph 4.8)

(In ₹)

Sl. No.	Name of office	Year	Amount	Total Amount
1	District Magistrate & Collector	2007-08 to 2011-12	5 years @ ₹ 7622.00	38110.00
2	Hariyananda Girls H/S School	2006-07 to 2011-12	6 years @ ₹415.00 + ₹ 50.00 (H Charge)	2540.00
3	Superintendent of Tax	2007-08 to 2011-12	5 years @ ₹ 1010.00	5050.00
4	Inspector of School, Udaipur	2007-08 to 2011-12	5 years @ ₹ 339.00	1695.00
5	District labour officer	2006-07 to 2011-12	6 years @ ₹ 314.00 + ₹ 50.00 (H charge)	1934.00
6	Deputy Director, Youth Affairs & Sports, Udaipur	2006-07 to 2011-12	6 years @ ₹ 428.00 + ₹ 50.00 (H. Charge)	2618.00
7	Deputy Director of ICAT	2006-07 to 2011-12	6 years @ ₹4452.00 + ₹ 50.00 (H. Charge)	26762.00
8	Secretary, Dakshin Tripura Zilla Parishad	2011-12	1 year @ ₹ 4266.00	4266.00
9	Superintendent of District Jail Udaipur	2006-07 to 2011-12	6 years @ ₹ 20361.00 + ₹ 50.00 (H. Charge)	122216.00
10	Sub-divisional of Police Officer (SDPO), Udaipur	2006-07 to 2011-12	6 years @ ₹ 632.00 + ₹ 50.00 (H. Charge)	3842.00
11	Head Librarian	2006-07 to 2011-12	6 years @ ₹. 2298.00 + ₹ 50.00 (H. Charge)	13838.00
12	Manager, Udaipur Primary Marketing Co-operative society Ltd., Udaipur	2006-07 to 2011-12	6 years @ ₹ 3162.00 + ₹ 50.00 (H. Charge)	19022.00
13	Executive Engineer, Udaipur Division PWD (R&B), Udaipur	2006-07 to 2011-12	6 years @ ₹ 63571.00 + ₹ 50.00 (H. Charge)	381476.00
14	Executive Engineer, Udaipur Division PWD (R&B), Udaipur	2006-07 to 2011-12	6 years @ ₹ 8655.00 + ₹ 50.00 (H. Charge)	51980.00
15	Deputy Director of Education, South District Zonal Office, Udaipur	2006-07 to 2011-12	6 years @ ₹ 5261.00 + ₹ 50.00 (H. Charge)	31616.00
Total:				706965.00