

# **The Annual Technical Inspection Report**

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## **Panchayati Raj Institutions and Urban Local Bodies for the year ended 31 March 2015**

**Government of Himachal Pradesh**

**Office of the Principal Accountant General (Audit),  
Himachal Pradesh, Shimla**



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## Preface

This Report for the year ended 31 March 2015 has been prepared for submission to the Government of Himachal Pradesh in terms of Technical Guidance and Support to audit of Panchayati Raj Institutions and Urban Local Bodies under Section 20(1) of the Comptroller and Auditor General's (CAG) Duties, Powers and Conditions of Service Act, 1971.

The Report contains significant results of the audit of the Panchayati Raj Institutions and Urban Local Bodies in the State including the departments concerned.

The issues noticed in the course of test audit for the period 2014-15 as well as those issues which came to notice in earlier years, but could not be dealt within the previous Reports have also been included, wherever necessary.

The audit has been conducted in conformity with auditing standards issued by the Comptroller and Auditor General of India.



# **OVERVIEW**





## OVERVIEW

This Report is in two parts and consists of four chapters. Chapter-1 and 2 deals with Panchayati Raj Institutions and Chapter-3 and 4 deal with Urban Local Bodies. A synopsis of important audit findings is presented in this overview:

### Profile of Panchayati Raj Institutions (PRIs)

The 73<sup>rd</sup> constitutional amendment gave a constitutional status to the Panchayati Raj Institutions (PRIs). As a follow up, all the 29 functions listed in 11<sup>th</sup> Schedule of the Constitution were devolved to the PRIs. However, funds and functionaries remained to be devolved to the PRIs.

There are 12 Zila Parishads (ZPs), 77 Panchayat Samitis (PSs) and 3,243 Gram Panchayats (GPs) in the State. Test-check of records of seven ZPs, 17 PSs and 76 GPs during 2014-15 highlights (a) non-maintenance of registers such as stock register, immovable property register, work register, muster roll register etc, (b) improper maintenance of accounts of own resources and grant-in-aid/loans, (c) non-reconciliation between cash books and bank pass books, (d) non-conducting of physical verification (e) outstanding advances and (f) blocking of funds provided under Thirteenth Finance Commission.

(Chapter-1)

### Results of audit of Panchayati Raj Institutions

Fifty two GPs did not realise house tax of ₹ 18.93 lakh. Eighteen PRIs failed to realise an amount of ₹ 19.37 lakh on account of rental charges of shops. Revenue of ₹ 6.98 lakh on account of installation/ renewal charges of Mobile Towers in 32 GPs remained unrealized. An amount of ₹ 2.15 crore was incurred by the PS Gopalpur without preparing/passing budget estimates. In six PRIs, funds of ₹ 40.81 lakh remained unspent due to non-commencement of works. ZP Chamba did not complete works under BRGF within stipulated period resulting in unfruitful expenditure amounting to ₹ 0.93 crore and blocking of ₹ 0.64 crore. Funds of ₹ 6.51 lakh earmarked for minor irrigation schemes remained un-utilized in Personal Ledger Account. Eight GPs deployed the same labourers on different works in the same period. Mahatma Gandhi National Rural Employment Guarantee Scheme suffered from delay in release of labour payments

(Chapter-2)

### Profile of Urban Local Bodies (ULBs)

There is one Municipal Corporation, 30 Municipal Councils (MCs) and 21 Nagar Panchayats (NPs) in the State. The 74<sup>th</sup> constitutional amendment paved the way for decentralization of power and transfer of 18 functions listed in the 12<sup>th</sup> Schedule of the constitution alongwith funds and functionaries to Urban Local Bodies (ULBs). Though all the 18 functions stand transferred to ULBs, yet funds and functionaries remain to be transferred to the ULBs. The State Government has not made any provision in the Acts/

Rules for certification of accounts. Test-check of the records of one Municipal Corporation, six Municipal Councils and seven Nagar Panchayats conducted during 2014-15 brought out (a) non- certification of accounts and (b) non-preparation of budget estimates in a realistic manner.

**(Chapter-3)**

#### **Results of audit of Urban Local Bodies**

Due to ineffective monitoring, revenue of ₹ 4.04 crore on account of house tax in 11 ULBs remained outstanding. Thirteen ULBs failed to realise the rent of shops amounting to ₹ 1.86 crore from the concerned allottees. Failure to realise the installation/ renewal charges of mobile towers by seven ULBs resulted in loss of revenue of ₹ 18.14 lakh. MC Baddi failed to realise electricity tax amounting to ₹ 29.18 lakh from consumers residing within the limits of MC area. Six ULBs did not utilise the funds amounting to ₹ 2.19 crore due to non-start of developmental works. MC Dalhousie did not utilise the funds amounting to ₹ 43.44 lakh due to non-start of construction of parking. MC Shimla had not fixed the liability of the operator of the Solid Waste Management Project through insurance under the Project Public Liability Insurance Act, 1991 for ₹ 5 crore. Utilisation Certificate for ₹ 3.27 crore was wrongly issued by the MC Parwanoo to the Director, Urban Development Shimla without actual utilisation of the funds.

**(Chapter- 4)**

**CHAPTER-1**  
**PROFILE OF PANCHAYATI RAJ**  
**INSTITUTIONS**



## CHAPTER-1

### PROFILE OF PANCHAYATI RAJ INSTITUTIONS

#### 1.1 Background of Panchayati Raj Institutions

The 73<sup>rd</sup> Constitutional amendment accorded constitutional status to the Panchayati Raj Institutions (PRIs) and established a system of uniform structure, regular elections and regular flow of funds through Finance Commissions. As a follow up, the States were required to entrust these bodies with such powers, functions and responsibilities so as to enable them to function as institutions of local self government. In particular, the PRIs were required to prepare plans and implement schemes for economic development and social justice including those functions listed in the Eleventh Schedule of the Constitution. All the 29 functions listed in the 11<sup>th</sup> Schedule of the Constitution were devolved to the PRIs. However, funds were not being devolved by the departments. The Director, Panchayati Raj stated (September 2015) that the functions relating to 15 line departments have been assigned to PRIs but the matching funds and functionaries have not been provided to the PRIs.

The State Government enacted the Himachal Pradesh Panchayati Raj Act, 1994 and framed the Himachal Pradesh Panchayati Raj (General) Rules, 1997 and the Himachal Pradesh Panchayati Raj (Finance, Budget, Accounts, Audit, Works, Taxation and Allowances) Rules, 2002 to enable these institutions to work as a third tier of the Government. The Joint Director (PRI) stated (December 2015) that the State Government had adopted, with effect from March 2011, the Model Accounting system as prescribed by the Comptroller and Auditor General (CAG) of India and Ministry of Panchayati Raj (MOPR), Government of India (GOI) through a software named PRIAsoft, developed jointly by the National Informatics Centre (NIC) and Ministry of Panchayati Raj.

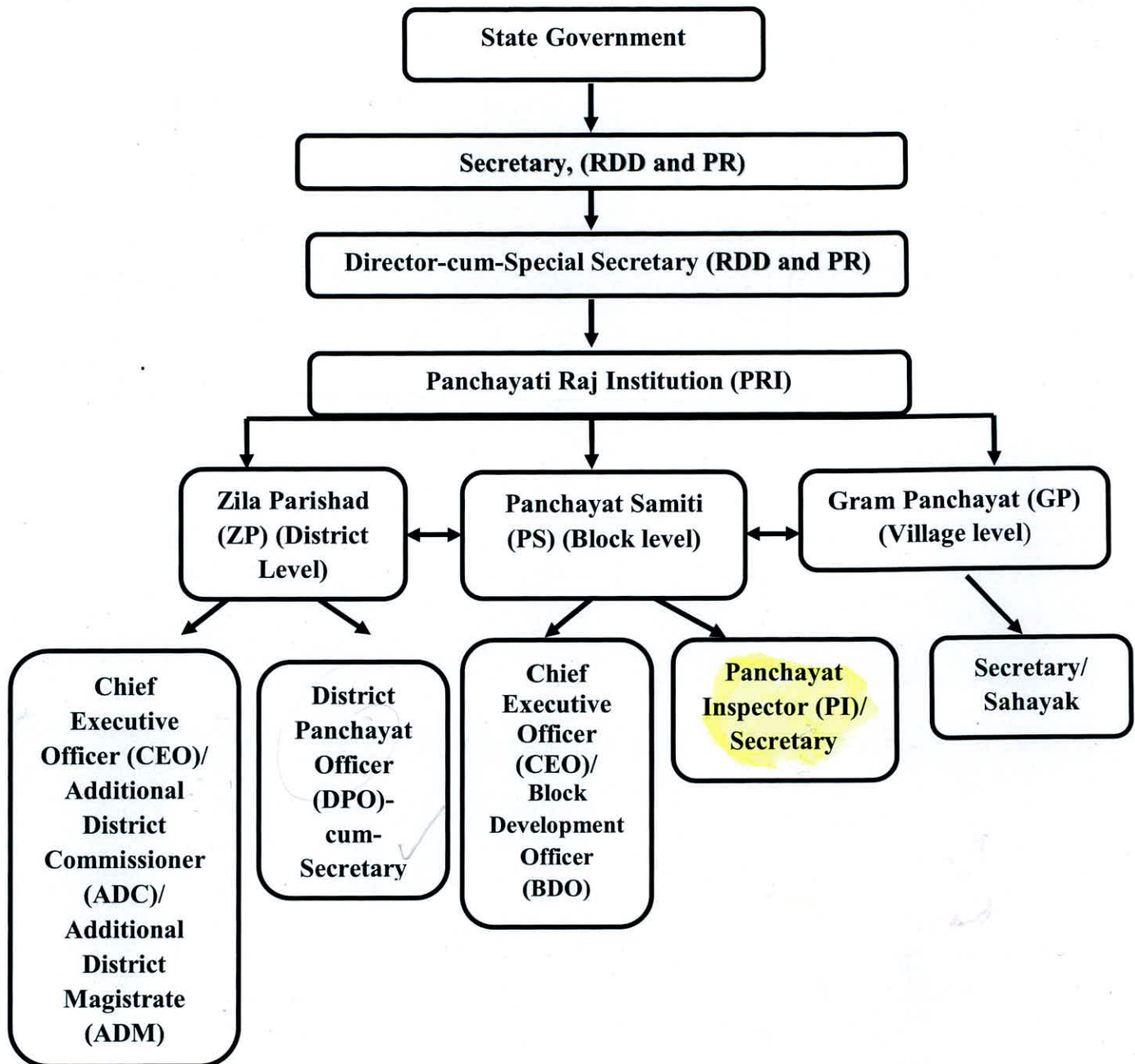
#### 1.2 Audit mandate of the CAG

In Himachal Pradesh, audit of Panchayati Raj Institutions (PRIs) is being conducted by the audit wing of the Director, Panchayati Raj Department. The State Government has entrusted (March 2011) audit of PRIs to the CAG of India with the responsibility of providing technical guidance and support under section 20(1) of the CAG's (DPC) Act, 1971. The results of audit are included in the Annual Technical Inspection Report (ATIR), which is to be placed before the State Legislature as per Section 118 of the Himachal Pradesh Panchayati Raj Act, 1994.

#### 1.3 Organisational structure of Panchayati Raj Institutions

There are 12 Zila Parishad (ZPs), 77 Panchayat Samitis (PSs) and 3,243 Gram Panchayats (GPs) in the State. The chart below depicts the organisational structure of the State Government, Panchayati Raj Department and the Panchayati Raj Institutions at the Zila Parishad (ZP), Panchayat Samiti (PS), and Gram Panchayat (GP) level:

## Organisational Set up



The chairperson of ZPs and PSs and the *Pradhans* of GPs are the elected members and head the ZPs, PSs and GPs, respectively. District level officers are required to attend the monthly meetings of ZPs to discuss the developmental activities.

### 1.3.1 Standing committees

The various standing committees in PRIs and their role and responsibilities are given in Table-1:

**Table-1**  
**Roles and responsibilities of the Standing Committees**

Level of PRIs	Standing Committee headed by	Name of the Standing Committee	Role and responsibilities of the Standing Committee
Zila Parishad	Chairman	General Standing Committee	Performs the functions relating to establishment matters, communications, building, etc.
		Finance, Audit and Planning Committee	Performs the functions relating to the finances of the Zila Parishad.
		Social Justice Committee	Performs the functions like promotion of education, economic, social and cultural and other interests of the SCs/ STs/ BCs.
		Education and Health Committee	Undertakes the planning of education in the district within the framework of the national policy and the National and State plans.
		Agriculture and Industries Committee	Performs the functions relating to agricultural production, animal husbandry, co-operation and village and cottage industries.
Panchayat Samiti	Chairman	General Standing Committee	Performs the functions relating to the establishment matters and communications.
		Finance, Audit and Planning Committee	Performs the functions relating to the finance of the Panchayat Samiti.
		Social Justice Committee	Performs the functions relating to promotion of education, economic, social, cultural and other interests of the SCs/STs/BCs.
Gram Panchayat	Pradhan or Up-Pradhan	Works Committee	All developmental works of the Gram Panchayats are executed by this committee.
		Budget Committee	Prepares the annual budget of the GP and submit the same to the Secretary.

### 1.3.2 Institutional arrangements for implementation of schemes

The Panchayati Raj Institutions (PRIs) have technical and non-technical staff. Against 4,944 sanctioned posts of various cadres, 4,582 persons were in position and 362<sup>1</sup> posts were lying vacant as of March 2015.

Panchayat *Chowkidars* are appointed by the GPs and honorarium at the rate of ₹ 1,850/- and ₹ 150/- per month is provided by the State Government and GPs (from Panchayat Nidhi) respectively. At present all the GPs have appointed Panchayat *Chowkidars*.

## 1.4 Financial profile

### 1.4.1 Fund flow to PRIs

#### Fund flow: Source and custody of funds in PRIs

The resource base of PRIs consists of State Finance Commission (SFC) grants, Central Finance Commission (CFC) grants, State Government grants and Central Government grants for maintenance/ development purposes and implementation of schemes. The funds allotted to the PRIs through different sources are kept in banks.

<sup>1</sup> Junior Engineers: 16, Assistant Engineers: one, Panchayat Sahayaks: 345.

While Central and State grants are utilised by the PRIs for execution of Central and State sponsored schemes as per the guidelines issued by GOI and State Government, the own receipts of PRIs are utilised for execution of schemes/works formulated by the PRIs. The fund flow arrangements for flagship schemes are given in **Table-2**:

**Table-2**  
**Fund flow arrangements for the major Centrally Sponsored Flagship Schemes**

Sl. No.	Scheme	Fund flow Arrangements
1.	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)	GOI and State Government transfer their respective shares of MGNREGA funds in a bank account, called State Employment Guarantee Fund (SEGF) which is set outside the state accounts. Commissioner, State Rural Employment Guarantee is the custodian of the SEGF and authorises onward transfer of funds to ZPs, PSs and GPs.
2.	Integrated Watershed Management Programme (IWMP)	The IWMP is a centrally sponsored scheme funded on cost-sharing basis between the GOI and the State Government in the ratio of 90:10. The nodal ministry (Ministry of Rural Development)/ department (Department of land resources) allocates the budgetary outlay for the projects among the States keeping in view the prescribed criteria and past performance of the State (physical and financial) viz. unspent balance, outstanding utilisation certificates, percentages of completed projects out of total projects, etc., except in those schemes where States have flexibility to allocate funds between watershed and other schemes. The State level nodal agencies distribute funds to the districts keeping in view the prescribed criteria.
3.	Total Sanitation Campaign (TSC)	Under this scheme, funds are shared in the ratio of 60:30:10 among the Centre, State and community, respectively. On receipt of funds from GOI, the same alongwith matching share is released to the District Rural Development Agency by the Rural Development Department (RDD). The community contribution, however, can be made by the Panchayat out of its own resources, from grants of the 13 <sup>th</sup> Finance Commission or from any other funds of the State duly permitted by it.
4.	Indira Awas Yojana (IAY)	The Indira Awas Yojana is a centrally sponsored scheme, funded on cost-sharing basis between the GOI and the State Government in the ratio of 75:25. Funds are transferred by Ministry of Rural Development (MoRD), GOI to District Rural Development Agencies (DRDAs), who are the custodian of these funds. The DRDAs release the funds to BDOs and the BDOs to GPs. Further, GPs transfer funds directly to the beneficiaries' accounts in two instalments. Second instalment is released after construction reaches the lintel level.
5.	Swarnjayanti Gram Swarojgar Yojana (SGSY)/ National Rural Livelihood Mission (NRLM)	SGSY/ NRLM is a centrally sponsored scheme (CSS) implemented in all states. The total cost of project is to be shared between Centre and State in the ratio of 75:25.

#### **1.4.2 Resources: trends and composition**

The resources of PRIs for the period from 2010-11 to 2014-15 are detailed in **Table-3**:



**Table-3**  
**Time series data on resources of PRIs**

Particulars	₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Own Revenue	7.81	31.52	NA	NA	NA
Grants from State Government	71.65	72.88	70.40	81.55	142.91
Grants from Central Government	82.79	113.15	131.16	202.07	167.04
GOI grants for CSS	818.56	735.20	488.57	163.68	511.86
State Government grants for state schemes	33.24	22.20	15.80	15.97	17.99
Other receipt	3.60	1.00	1.00	0.67	0.25
<b>Total</b>	<b>1017.65</b>	<b>975.95</b>	<b>706.93</b>	<b>463.94</b>	<b>840.05</b>

Source: Director, Panchayati Raj and Rural Development Department, Himachal Pradesh.  
NA: Not available.

Audit observed that figures relating to own revenue of PRIs have not been maintained by the Directorate (PRI) from the year 2012-13 onwards. The Department stated (April 2016) that the figures relating to own revenue of PRIs have not been compiled during 2012-15 as the same are now being compiled by the department of Economic and Statistics. The reply does not explain as to why the figures have not been sought by the Directorate from the said department during 2012-15.

#### 1.4.3 Application of resources: trends and composition

The application of resources of PRIs for the period from 2010-11 to 2014-15 are detailed in Table-4:

**Table-4**  
**Sector-wise application of resources**

Particulars	₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Expenditure from grants from the State Government and Central Government	154.44	187.02	202.52	284.29	244.74
Expenditure on CSS	594.89	591.35	544.51	161.86	547.24
Expenditure on State Schemes	32.18	21.49	16.26	14.31	17.65
<b>Total</b>	<b>781.51</b>	<b>799.86</b>	<b>763.29</b>	<b>460.46</b>	<b>809.63</b>

Source: Director, Panchayati Raj and RDD, Himachal Pradesh.

#### 1.5 Accounting system in PRIs

The PRIs maintain their accounts in the proforma prescribed under the Himachal Pradesh Panchayati Raj General Rules, 1997. Accounts of the Gram Panchayats are maintained by the Panchayat Secretary, appointed by the Director-cum-Special Secretary Panchayati Raj and Rural Development Department (P&RD) and Panchayat Sahayak, appointed on contract basis by the Executive Officer-cum-Block Development Officer. In case of Panchayat Samitis, the accounts are maintained by the accountants of development blocks. Accounts of ZPs are maintained by Government officials of the office of District Panchayat Officer-cum-Secretary, ZP. Audit noticed that the accounts of the PRIs are not certified in the absence of any provision for certification of PRI accounts in the HP Panchayati Raj (General) Rules, 1997 and HP Panchayati Raj Rules, 2002.

The Eleventh Finance Commission (EFC) had recommended that the CAG must exercise control and supervision over maintenance of accounts of all the three tiers of PRIs. The CAG and Ministry of Panchayati Raj (MoPR), GOI had recommended a Model Accounting Structure for PRIs in 2009. The State Government had adopted (August 2012) PRIASoft, a software developed by MoPR, for maintaining the accounts of PRIs as per the Model Accounting Structure. As of March 2015, all the 12 Zila Parishads (ZPs) have started online voucher entries while only five out of 12 ZPs, 44 out of 77 PSs and 1,691 out of 3,243 GPs are maintaining their accounts on PRIASoft. The Department attributed non-maintenance of accounts by all the PRIs to staff shortages and connectivity issues.

During test-check, it was noticed that the figures of receipts and expenditure furnished to the audit by the test-checked GPs for the year 2014-15 did not match with the figures uploaded on PRIASoft. Huge difference between figures as depicted in the **Table-5** below shows that reliability and authenticity of financial reporting was not ensured by the Directorate office.

**Table-5**  
**Difference between figures of receipt and expenditure furnished to the Audit and that uploaded on PRIASoft during 2014-15**

(₹ in lakh)

Name of GP	Block	District	Figures supplied by the test-checked PRIs		Figures uploaded on the PRIASoft	
			Receipt	Expenditure	Receipt	Expenditure
<b>Tabba</b>	Una	Una	18.53	11.66	27.21	26.02
<b>Kala Amb</b>	Nahan	Sirmour	48.40	47.40	50.25	50.76
<b>Majra</b>	Poanta Sahib	Sirmour	22.17	17.40	19.46	16.44
<b>Naggar</b>	Naggar	Kullu	70.51	40.18	72.22	54.42

Source: Figures furnished by the test-checked PRIs and compiled by audit from PRIASoft.

### **1.6 Audit coverage**

Audit of accounts of seven ZPs (out of 12), 17 PSs (out of 77) and 76 GPs (out of 3,243) was conducted by the Principal Accountant General (Audit), Himachal Pradesh during 2014-15 (**Appendix-1**). Important audit findings are discussed in the following paragraphs.

### **1.7 Technical Guidance and Support (TGS)**

The audit of PRIs has been entrusted to the CAG of India under Section 20 (1) of the CAG's (DPC) Act, 1971 with the responsibility of providing suitable TGS to Primary Auditors as per Section 152-154 of Regulations on Audit and Accounts-2007 with regard to annual audit plans, audit methodology and procedures, returns, etc., training and capacity building. Two days training programme was organised by the Office of the Principal Accountant General (Audit) for two groups of audit staff of PRIs during October 2014 in which the participants were apprised of general principles and basic approach of audit, checking of financial statement, bank reconciliation, maintenance of cash book,

physical verification of work done, etc. Further, during the year 2014-15, 44 Inspection Reports of PRIs have been reviewed by Principal Accountant General (Audit) and necessary suggestions were provided for further improvement accordingly.

### **1.8 Financial reporting and accountability framework of PRIs (internal control system)**

A sound internal control system contributes to efficient and effective governance of the PRIs by the State Government. Compliance with financial rules, procedures and directives as well as timeliness and quality of reporting on the status of such compliance are attributes of good governance. The reports on compliance and controls, if effective and operational, assist the PRIs and the State Government in meeting its basic stewardship responsibilities, including strategic planning, decision making and accountability to the stakeholders. The following discrepancies were found in the internal control system of the PRIs.

#### **1.8.1 Primary audit of PRIs**

The Local Audit Department (LAD) has been empowered to conduct the audit of PRIs as per Section 118 of the Himachal Pradesh Panchayati Raj (HPPR) Act, 1994. Audit of PRIs is not being conducted by the LAD due to shortage of staff. Sub-section (I) of section 118 of the HPPR Act, 1994 also provides that there will be a separate and independent internal audit agency under the control of the Director, Panchayati Raj to audit the accounts of PRIs with a view to ensuring proper financial control on income and expenditure. The position of internal audit conducted by the Audit wing under Director, Panchayati Raj during April 2014 to March 2015 is given in **Table-6**:

**Table-6**  
**Position of Internal Audit**

<b>Name of Institution</b>	<b>Total units</b>	<b>No. of units planned for audit</b>	<b>No. of units audited</b>	<b>No. of units not audited</b>	<b>Percentage of short fall</b>
Panchayat Samitis	77	38	30	8	21
Gram Panchayat	3,243	1,531	1,717	---	---

Source: Director, PRI.

Audit also noticed that the Audit wing under Director, Panchayati Raj had not planned internal audit of any of the ZPs since 2012-13. The Deputy Director, PRI stated (May 2015) that the internal audit of ZPs could not be conducted due to vacant post of the Deputy Controller since June 2012. The fact, however, remained that 12 ZPs in the State had remained unaudited during the year.

#### **1.8.2 Non-maintenance of registers**

Rule 31 of HPPR Rules, 2002 stipulates that every PRI shall maintain important records, registers, forms, etc., as detailed in Rule 34 of HPPR (General) Rules 1997.

It was observed that in 35 GPs (46 per cent of the test-checked GPs), important registers like stock register, immovable property register, work register, muster roll register, etc., were not maintained during 2014-15 (**Appendix-2**). Due to non-maintenance of the records, correctness of the financial transactions could not be ascertained in audit. The Panchayat Secretaries concerned admitted the facts (June 2014-March 2015) and assured to maintain these records in future.

### **1.8.3 Improper maintenance of accounts of income from own resources and grant-in-aid/ loans**

Rule 4 of HPPR Rules, 2002 provides that every GP, PS and ZP is required to maintain separate accounts of income from own resources (Account 'A') and from grant-in-aid, funds allocated for development works or special purposes, loans, share of taxes/ fees/ cess and other income (Account 'B').

It was noticed that in 16 PRIs<sup>2</sup> (one PS and 15 GPs), the accounts were not maintained in the prescribed format and all the transactions were carried out through a single account in contravention of the rule *ibid* due to which the correctness of income from own resources and grant in aid/loans received could not be verified.

### **1.8.4 Preparation of bank reconciliation statements**

Rule 15 (10) (b) of the HPPR Rules, 2002 provides that the reconciliation of balances of the cash book and bank accounts is required to be conducted every month. Any difference shall be explained and accounted for in a foot note in the cash book.

However, it was noticed that difference of ₹ 7.81 crore (**Appendix-3**) between cash books and bank pass books at the close of the year 2013-14 was not reconciled by 13 PRIs. The authenticity of accounts of these PRIs could not be ascertained in the absence of bank reconciliation. The officers of the concerned PRIs stated (June 2014-March 2015) that the differences would be reconciled.

### **1.8.5 Non conducting of Physical Verification**

Under rule 73(1) of HPPR Rules, 2002, a physical verification of all stores shall be made by the Pradhan in the case of Gram Panchayat and by the Secretary concerned in case of Panchayat Samiti or a Zila Parishad, as the case may be, at least once in six months and invariably in April every year. The result of the verification shall be recorded in writing. During the verification in April, the condition of each article shall be indicated against it in the stock register.

Scrutiny of records showed that in 16 PRIs<sup>3</sup> (One ZP, two PSs and 13 GPs,) physical verification of store/ stock had not been carried out. Consequently, physical existence of the store/ stock could not be verified in audit. In reply, the Executive Officers/ Secretaries

<sup>2</sup> PS: Dharamshala, GPs: Ambota, Arniyala Lower, Arniyala Upper, Saloh, Wahdala, Baranda, Muhalkadchahdi, Shekhpora, Bhadech, Bhaloh, Goharma, Udaipur, Kot, Samaila, Lippa.

<sup>3</sup> ZP: Kullu; PSs: Dharmshala and Rampur; GPs: Badach, Bhaloh, Bharti, Bijhri, Dand, Farnohal, Goharma, Khuhni Panoli, Manikaran, Ropa, Saloh and Saproh.

of PRIs concerned stated (June 2014-March 2015) that the physical verification of stores/ stock would be conducted shortly.

### 1.8.6 Outstanding advances

**Three GPs did not take action to recover/ adjust outstanding advances of ₹ 9.97 lakh.**

Rule 30 of the HPPR Rules, 2002 provide that a record shall be kept of any advance given to officer/ official of the GP for carrying out the activities of the GP, in the register of Temporary Advances and such advances should be adjusted regularly and promptly.

Scrutiny of records of three GPs<sup>4</sup> brought out that advances of ₹ 9.97 lakh sanctioned during 2006-2011 to various office bearers such as *Pradhan*, *Up-Pradhan*, Panchayat members and non elected officials, for carrying out developmental activities remained unadjusted as of December 2014. No efforts were made to recover these advances and the same had remained outstanding for five to 14 years. Lack of effective action to recover/ adjust the outstanding advances may lead to misappropriation of ₹ 9.97 lakh. The Secretaries of concerned PRIs stated (July 2014-January 2015) that efforts would be made to recover the advances.

### 1.8.7 Blocking of funds under 13<sup>th</sup> Finance Commission

**Funds of ₹ 39.33 crore remained unutilised under 13<sup>th</sup> Finance Commission in 84 PRIs on account of incomplete works and non-start of works.**

As per guidelines of the 13<sup>th</sup> Finance Commission (13<sup>th</sup> FC), the grant released by the GOI to the State Government was to be transferred to the PRIs within 15 days from the date of its credit into the account of the State and the works approved thereof were to be completed within a period of three months from the date of their sanction. Audit noticed that:

- (i) Of ₹ 6.60 crore received under 13<sup>th</sup> FC during 2014-15, the ZP, Una had released/ utilised only ₹ 2.61 crore during the above period and ₹ 3.99 crore (60 per cent) had remained unutilised with the ZP depriving the beneficiaries of the intended benefits. The Secretary stated (February 2015) that due to late submission of work plans by the members of ZP, the grants were not released. The reply is not convincing as preparatory items of works should have been completed in time.
- (ii) In 73 test-checked PRIs, against an amount of ₹ 82.41 crore received under 13<sup>th</sup> FC during 2010-15, an expenditure of ₹ 47.84 crore was incurred and the balance amount of ₹ 34.57 crore (42 per cent) was lying unutilised as of March 2015 (**Appendix-4**). Executive Officers/ Secretaries of concerned PRIs stated that efforts would be made to release the funds shortly. Thus, failure to utilise the available funds within the stipulated period led to blocking of funds and denial of intended facilities to the beneficiaries.

<sup>4</sup> GP Baglati, Nankhari Block, Shimla district: ₹ 3.04 lakh, GP Dyothi Majhgaon, Rajgarh Block, Sirmaur district: ₹ 0.66 lakh and GP Badhach, Nankhari Block, Shimla district: ₹ 6.27 lakh.

- (iii) In 10 test-checked PRIs, 168 works (estimated cost: ₹ 0.77 crore) under 13<sup>th</sup> FC during 2010-14 had not been taken up for execution as of March 2014 (**Appendix-5**) due to non-completion of codal formalities. Evidently, ₹ 0.77 crore remained blocked with the PRIs as of March 2014. The Executive Officers/ Secretaries of concerned PRIs stated (November 2014-February 2015) that works could not be taken up for execution due to non-receipt of land papers/ no objection certificates (NOCs). The reply is not convincing as codal formalities should have been completed before the sanction of funds.

### 1.8.8 Outstanding inspection reports

#### Inadequate response to Audit observations resulted in erosion of accountability.

As a result of audit of PRIs under TGS, 2,006 inspection reports (IRs) containing 13,312 paras were issued by the office of Principal Accountant General (Audit), Himachal Pradesh to the concerned PRIs during 2010-15. Of these, two IRs and 195 paras were settled leaving 2,004 IRs and 13,117 paras outstanding as of March 2015. The details are given in **Table-7**:

**Table-7**  
**Outstanding inspection reports**

Sl. No.	Year of issue of Inspection Reports	Outstanding IRs/ Paras as on 31 March 2014		Addition (No. of IRs/ paras issued during the year)		Total		No. of IRs/ paras settled during 2014-15		No. of outstanding IRs/Paras as on 31 March 2015.	
		IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
1.	Upto 2010-11	1515	9677	--	--	1515	9677	2	145	1513	9532
2.	2011-12	126	993	--	--	126	993	0	19	126	974
3.	2012-13	117	897	--	--	117	897	0	14	117	883
4.	2013-14	148	1019			148	1019	0	17	148	1002
5.	2014-15	--	--	100	726	100	726	--	--	100	726
	<b>Total</b>	<b>1906</b>	<b>12586</b>	<b>100</b>	<b>726</b>	<b>2006</b>	<b>13312</b>	<b>2</b>	<b>195</b>	<b>2004</b>	<b>13117</b>

Matter regarding settlement of paras had been discussed in the quarterly meeting held on 12<sup>th</sup> November 2015 with the Director (PRI). Increasing trend of outstanding inspection reports and paras is indicative of non-compliance of audit observations, which resulted in erosion of accountability.

Audit findings were referred to the Government in March 2016. Reply had not been received (April 2016).

**CHAPTER-2**  
**RESULTS OF THE AUDIT OF**  
**PANCHAYATI RAJ INSTITUTIONS**





## CHAPTER-2

### RESULTS OF AUDIT OF PANCHAYATI RAJ INSTITUTIONS

The deficiencies noticed in audit of Panchayati Raj Institutions conducted during 2014-15 are discussed in the succeeding paragraphs.

#### 2.1 Revenue

##### 2.1.1 Non-recovery of House Tax

###### **Fifty two GPs did not realise house tax of ₹ 18.93 lakh.**

Rule 33 of HPPR Rules, 2002, provides that the Secretary of the GP shall see that all revenues are correctly, promptly and regularly assessed, realised and credited to the accounts of the Panchayat concerned.

Audit noticed that in 52 GPs, house tax amounting to ₹ 18.93 lakh for the period 2013-14 was not recovered as of March 2015 (**Appendix-6**). This was indicative of ineffective monitoring on the part of GPs which may result in loss of revenue. Moreover, the GPs had not taken any action to levy penalty on the defaulters for non-payment of house tax in terms of Section 114 of HP Panchayati Raj Act, 1994. The Secretaries of concerned GPs stated (June 2014-March 2015) that efforts would be made to recover the outstanding house tax.

##### 2.1.2 Outstanding rent

###### **Eighteen PRIs failed to realise rent of shops amounting to ₹ 19.37 lakh.**

The ZPs, PSs and GPs had been maintaining shops in their jurisdiction and these were rented out to the public on monthly rental basis.

Scrutiny of records revealed that in 18 PRIs, an amount of ₹ 19.37 lakh<sup>5</sup> from 2005-06 to 2014-15 on account of rent of 103 shops was outstanding as of March 2015 (**Appendix-7**). This indicated that the process of rent collection had not been given due attention by the PRIs. The concerned PRIs stated (September 2014-January 2015) that notices had been served to the defaulters to deposit the outstanding rent immediately or else necessary steps would be taken to vacate the shops.

##### 2.1.3 Non-recovery of duty for installation of Mobile Towers

###### **Revenue of ₹ 6.98 lakh remained un-realised on account of installation/ renewal charges of mobile towers in 32 GPs.**

The Government of Himachal Pradesh authorised (November 2006) the GPs to levy duty on installation of mobile communication towers in their jurisdiction at the rate of ₹ 4,000 per tower and collect annual renewal fee at the rate of ₹ 2,000 per tower.

In 32 GPs, 72 mobile towers were installed during 2005-14 in their jurisdiction but the installation/ renewal charges amounting to ₹ 6.98 lakh (**Appendix-8**) had not been recovered from the concerned mobile companies as of March 2014. This deprived the GPs

<sup>5</sup> ZP: ₹ 4.40 lakh, PSs: ₹ 7.55 lakh and GPs: ₹ 7.42 lakh.

of their due share of revenue. The concerned Secretaries of the GPs stated (December 2014 – February 2015) that action would be taken to recover the dues shortly.

#### **2.1.4 Expenditure incurred without preparing budget estimates by PS Gopalpur**

Rule 38 of HPPR Rules, 2002, provides that every Panchayat Samiti (PS) shall annually prepare a budget estimate of its receipts and expenditure in Form-12 for each financial year. The budget will be prepared by the Executive Officer of the PS by 31st December and shall be submitted to the Finance, Audit and Planning Committee of the Samiti for close scrutiny and modification, if any. After scrutiny, the said committee shall submit the same to the PS for its approval in or before February. The budget shall be passed by the PS by a majority vote. Further rule 45 provides that no expenditure will be incurred without budget provision.

Audit noticed that the PS Gopalpur had incurred an expenditure of ₹ 2.15 crore without preparing and passing the budget estimates during 2011-12 and 2013-14. The Executive Officer, Panchayat Samiti stated (February 2015) that the expenditure incurred without budget estimates will be got regularised shortly from the competent authority.

## **2.2 Blocking of funds**

### **2.2.1 Blocking of funds due to non-commencement of works**

#### **Funds of ₹ 40.81 lakh remained unspent due to non-commencement of works by the PRIs.**

Scrutiny of records showed that in three PSs and three GPs funds amounting to ₹ 40.81 lakh<sup>6</sup> were received (2009-14) under various schemes for execution of 60 works such as construction and repairs of parking, shops, roads, drains, solid waste management projects, street lights, etc. However, no expenditure was incurred on execution of the works as of March 2014. Thus, non-utilisation of funds for developmental activities resulted in blocking of funds besides, depriving the beneficiaries of the intended benefits. The Executive Officers/ Secretaries of the PRIs concerned stated (June 2014-Feb 2015) that due to land disputes and litigations, the works could not be started. The reply is not convincing as such issues should have been resolved before getting the works sanctioned and release of funds.

### **2.2.2 Unfruitful expenditure under Backward Region Grant Fund (BRGF).**

#### **Non-completion of works by Zila Parishad, Chamba within stipulated period had resulted in unfruitful expenditure of ₹ 0.93 crore and blocking of ₹ 0.64 crore.**

As per BRGF guidelines, works sanctioned should be started immediately and completed within six months after the release of funds to concerned executing agency.

Scrutiny of records of ZP, Chamba showed that 85 works amounting to ₹ 1.57 crore were sanctioned during 2011-14 under BRGF for execution by the various executing agencies.

<sup>6</sup> PSs: Gopalpur 3.91 lakh, Gagret 19.75 lakh, Anni 8.40 lakh ,GPs: Bohli 6.30 lakh, Chewa 1.20 lakh, Patta 1.25 lakh.

Out of this, ₹ 0.93 crore were utilised on above works and ₹ 0.64 crore were lying unutilised in the bank as of November 2014. Non completion of works within stipulated period had resulted in unfruitful expenditure of ₹ 0.93 crore and blocking of ₹ 0.64 crore besides denial of the intended benefits of the schemes to beneficiaries.

The Secretary Zila Parishad, Chamba stated (November 2014) that delay was due to non release of balance (25 per cent) grant from the GOI and limited working season. The reply is not acceptable as some of the works were lying incomplete since 2011.

### **2.2.3 Blocking of funds in Personal Ledger Account (PLA)**

#### **Funds of ₹ 6.51 lakh earmarked for minor irrigation schemes remained un-utilised in Personal Ledger Accounts.**

The PSs had been maintaining Personal Ledger Accounts (PLAs) for crediting the grants received from Government for execution of minor irrigation and water supply schemes in rural areas. As per the condition of the sanctions, the funds are required to be drawn within one month and utilised within one year from the date of sanction.

Scrutiny of records showed that out of ₹ 9.66 lakh available with five<sup>7</sup> PSs for execution of schemes during 2010-14, an expenditure of ₹ 3.15 lakh was incurred leaving an unspent balance of ₹ 6.51 lakh in PLAs of these PSs as of March 2014. Non-utilisation of funds resulted in unnecessary blocking of funds in PLAs besides, depriving the beneficiaries of the intended benefits of the schemes.

While admitting the facts, the PRIs concerned stated (September 2014-February 2015) that the amount would be utilised in future. The reply is not acceptable as funds deposited in PLAs were required to be utilised within one year from the date of sanction.

### **2.3 Doubtful deployments**

#### **2.3.1 Irregularities in payment to labourers**

#### **Eight GPs showed deployment of same labourers on different works in same period.**

Scrutiny of records showed that in eight<sup>8</sup> test-checked GPs, same labourers were shown as deployed on different works and different muster rolls in the same period during 2008-14, resulting in doubtful deployment and double payment of wages of ₹ 0.26 lakh. The name of schemes/ works for which these muster rolls were issued had not been mentioned in most of the muster rolls, which was indicative of ineffective internal control mechanism. The concerned Secretaries of the GPs stated (November 2014-March 2015) that the matter would be investigated and action would be taken accordingly.

### **2.4 Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)**

The main objective of the scheme is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every

<sup>7</sup> Chauntra, Darang, Gagret, Nahan and Sundernagar.

<sup>8</sup> Gabli Dadi, Ghoond, Kajlot, Khhuni Panoli, Kot, Kothi Chehni, Kunnu and Ropa.

household whose adult members volunteer to do unskilled manual work. The funds relating to MGNREGS are being received by the GPs through District Rural Development Agencies (DRDAs) for implementation of Mahatama Gandhi National Rural Employment Guarantee Act (MGNREGA). Deficiencies noticed in implementation of the scheme during the course of audit of PRIs are discussed in the succeeding paragraphs.

#### **2.4.1 Delay in release of labour payment**

**Fourteen GPs delayed payment of ₹ 1.56 crore to labourers for periods ranging between 02 and 14 days.**

As per Para 8.3.1 of MGNREGS guidelines, workers were to be paid wages on a weekly basis and in any case not beyond a fortnight from the date on which work was done. In the case of delay beyond a fortnight, workers were entitled for compensation as per the provisions of 'Payment of Wages Act, 1936'.

Audit noticed that fourteen GPs made payment of ₹ 1.56 crore to the workers under MGNREGS after a delay ranging between 02 and 14 days (**Appendix-9**), contrary to the provisions of MGNREGS guidelines. No compensation was paid to the labourers for delayed payment. The Secretaries of the GPs concerned stated (November 2014-March 2015) that the delay in payment of wages was due to late receipt of funds from Block Development Officers. The reply is not acceptable as delay in payment of wages denied the beneficiaries of their due entitlements.

Audit findings were referred to the Government in March 2016. Reply had not been received (April 2016).

**CHAPTER-3**  
**PROFILE OF URBAN LOCAL**  
**BODIES**



## CHAPTER-3

### PROFILE OF URBAN LOCAL BODIES

#### 3.1 Background of Urban Local Bodies

The 74<sup>th</sup> constitutional amendment paved the way for decentralization of power and transfer of 18 functions, listed in the twelfth schedule of the Constitution along with funds and functionaries to the Urban Local Bodies (ULBs). Though all the 18 functions stands transferred (August 1994) to ULBs except fire services, the corresponding funds and functionaries were yet to be transferred to the ULBs. To incorporate the provisions of the 74<sup>th</sup> constitutional amendment, the Government of Himachal Pradesh enacted the Himachal Pradesh Municipal Corporation Act, 1994 and the Himachal Pradesh Municipal Act, 1994 for transferring the powers and responsibilities to the ULBs. However, some obligatory and discretionary functions like maintenance of roads and streets, street lights, cleanliness, etc., were being implemented by the ULBs prior to enactment of these Acts.

#### 3.2 Audit mandate

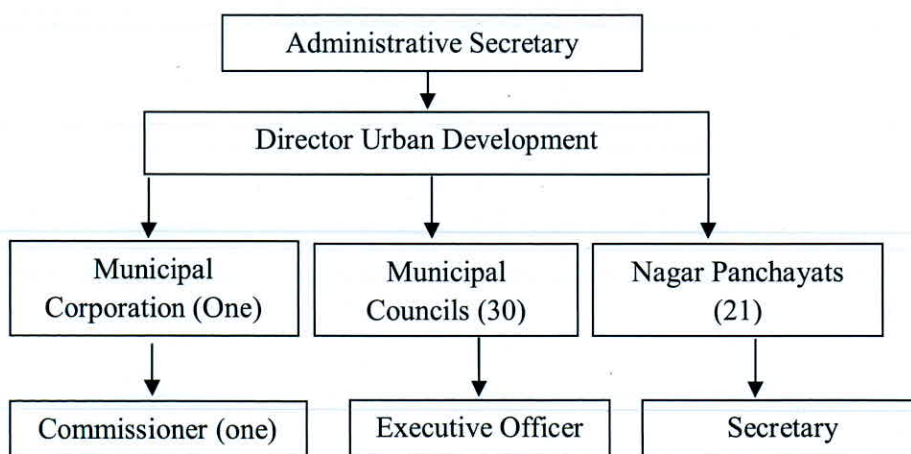
In Himachal Pradesh, audit of ULBs is being conducted by the Director, Local Audit Department. The State Government had entrusted (March 2011) audit of ULBs to CAG of India with the responsibility of providing Technical Guidance and Support (TGS) under Section 20(1) of the CAG's DPC Act, 1971. The results of audit are included in this Report.

#### 3.3 Organisational structure of Urban Local Bodies

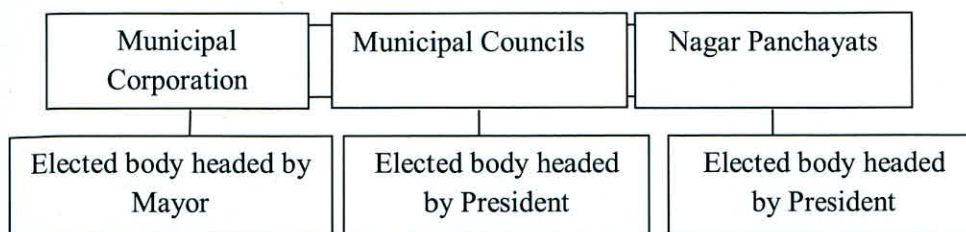
There is one Municipal Corporation, 30 Municipal Councils (MCs) and 21 Nagar Panchayats (NPs) in the State.

The overall control of the ULBs rests with the Principal Secretary (Urban Development) to the Government of Himachal Pradesh through Director, Urban Development Department. The organisational set-up of Urban Local Bodies is as under:-

#### Administrative set up of ULBs



### Elected Bodies



#### 3.3.1 Standing committees

Various standing committees involved in financial matters and implementation of schemes are detailed in **Table-8**:

**Table-8**  
Roles and responsibilities of the standing committees

Level of ULBs	Name of the standing committee	Standing committee headed by	Roles and responsibilities of the standing committee
Urban Local Bodies (ULBs)	General Standing Committee	Mayor in Municipal Corporation and President in Municipal Council/ Nagar Panchayat	Performs functions relating to establishment matters, communications, buildings, urban housing and provision of relief against natural calamities, water supply and all residuary matters.
	Finance, Audit and Planning Committee		Performs functions relating to the finances of municipality, framing of budget, scrutinising prospects of increase of revenue and examination of receipts and expenditure statements.
	Social Justice Committee	Deputy Mayor in Municipal Corporation and President in Municipal Council/ Nagar Panchayat	Performs functions relating to promotion of education and economic, social, cultural and other interests of SC, ST, backward classes, women and other weaker sections of the society.

#### 3.3.2 Institutional arrangements for implementation of the schemes

In the Directorate of Urban Development, one Project Officer and two Statistical Assistants have been posted in the project section to oversee implementation of various schemes by the ULBs. Against 3,330 sanctioned posts, 872 posts (26 per cent) were lying vacant in various categories in the ULBs and 13 employees were in excess in three ULBs (NP Chowari: two; NP Joginder Nagar: eight and NP Mehatpur: three) as on 1<sup>st</sup> October 2015 (**Appendix-10**). The Additional Director (ULB) stated (January 2016) that staff in newly created MC Ner Chowk and NP Baijnath-Paprola was not sanctioned at the time of their creation.

### 3.4 Financial profile

#### 3.4.1. Fund flow to ULBs

For execution of various developmental works, the ULBs receive funds mainly from GOI and the State Government in the form of grants. GOI grants include grants assigned under



the recommendations of the Central Finance Commission and grants for implementation of various schemes. The State Government grants are received through devolution of net proceeds of the total tax revenue on the recommendations of the State Finance Commission (SFC) and grants for implementation of State sponsored schemes. Besides, revenue is also mobilised by the ULBs in the form of taxes, rent, fees, issue of licenses, etc. The funds allotted to the ULBs through various resources are kept in banks.

While Central and State grants are utilised by the ULBs for execution of Central and State sponsored schemes as per the guidelines issued by GOI and the State Government, the own receipts of ULBs are utilised for administrative expenses and execution of schemes/ works formulated by the ULBs. The fund flow arrangements in flagship schemes are given in **Table-9:**

**Table-9**  
**Fund flow arrangements in major centrally sponsored flagship schemes**

Sl. No.	Scheme	Fund flow Arrangements
1.	Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	GOI provides 100 <i>per cent</i> financial assistance under JNNURM as additional central assistance to the implementing agencies.
2.	Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)	Grant-in-aid is to be shared by Central and State Government in the ratio of 80:10 and balance 10 <i>per cent</i> to be arranged by the ULBs from their own sources.
3.	Rajiv Awas Yojana(RAY)	Himachal Pradesh being the special category State, the funding pattern is to be shared in the ratio of 80:10:10 by GOI, State Government and beneficiaries for Housing and GOI, State Government and ULBs for Infrastructure.

### 3.4.2 Resources: Trends and Composition

The resources of ULBs for the period from 2010-11 to 2014-15 are detailed in **Table-10:**

**Table-10**  
**Time series data on resources of ULBs**

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Own Revenue	54.54	58.78	44.23	50.10	NA
CFC transfers (Finance Commission devolutions) including Central sponsored schemes (CSS)	7.77	24.30	30.97	46.88	22.52
SFC transfers (State Finance Commission devolutions)	46.12	51.88	57.07	68.08	72.40
GOI grants for CSS	19.50	25.83	3.90	149.16	91.64
State Government grants for State schemes	85.19	109.90	78.01	8.84	34.55
<b>Total</b>	<b>213.12</b>	<b>270.69</b>	<b>214.18</b>	<b>323.06</b>	<b>221.11</b>

NA: Not available; Source: Director, Urban Development.

### 3.4.3 Application of Resources: Trends and Composition

The application of resources of ULBs for the period from 2010-11 to 2014-15 are detailed in **Table-11**:

**Table-11**  
Application of resources sector-wise

	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Expenditure from own revenue	55.97	59.14	31.04	19.35	NA
Expenditure from CFC transfers (Central Finance Commission devolutions)	7.77	24.30	30.97	35.39	22.52
Expenditure from SFC transfers (State Finance Commission devolutions)	46.12	51.88	57.07	68.08	72.40
Expenditure from grants from State Government and Centre Government.	85.81	110.45	78.01	169.49	126.19
<b>Total</b>	<b>195.67</b>	<b>245.77</b>	<b>197.09</b>	<b>292.31</b>	<b>221.11</b>

NA: Not available; Source: Director, Urban Development.

The Directorate of Urban Development had not compiled receipt and expenditure figures from own revenue for the year 2014-15 as of April 2016.

### 3.5 Audit Coverage

Scrutiny of records of Municipal Corporation, Shimla, six Municipal Councils<sup>9</sup> and seven Nagar Panchayats<sup>10</sup> was conducted during 2014-15 (**Appendix-1**). Important audit findings have been incorporated in Chapter-4 of this Report.

### 3.6 Technical Guidance and Support (TGS)

The audit of ULBs has been entrusted to the CAG of India under Section 20 (1) of the CAG's (DPC) Act, 1971 with the responsibility of providing TGS. Two days training programme was organised by O/O the Principal Accountant General for the audit staff of Local Audit Department of the State Government on 17<sup>th</sup> and 18<sup>th</sup> November 2014 in which the participants were apprised of audit scope, objectives, criteria and methodology for taking up of audit of works, grants-in-aid, etc. Further, during the year 2014-15, five Inspection Reports of ULBs have been reviewed by Principal Accountant General (Audit) and necessary suggestions were provided for further improvement.

### 3.7 Financial reporting and accounting framework of ULBs (Internal Control System)

A sound internal control system significantly contributes to efficient and effective governance of the ULBs by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of

<sup>9</sup> Baddi, Dalhousie, Dharamshala, Ghumarwin, Parwanoo and Theog.

<sup>10</sup> Arki, Bhota, Bhunter, Chopal, Chowari, Gagret and Jubbal.

such compliance is one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the ULBs and the State Government in meeting their basic stewardship responsibilities including strategic planning, decision making and accountability towards stakeholders. The weaknesses/ gaps noticed in the internal control system are mentioned in the succeeding paragraphs.

### 3.7.1 Non-certification of Accounts

Specific provision regarding certification of accounts by an independent agency is not provided in the State's Acts/ Rules. However, instructions have been issued (2007) by the Director, Urban Development Department to all the ULBs to maintain accounts on accrual basis with effect from April 2009. The ULBs were also directed (April 2009) to switch over to the double entry system. It was however, noticed that accrual based accounting system had not been adopted by any of the ULBs as of December 2015. The Additional Director (ULB) stated (December 2015) that the Himachal Pradesh Municipal Accounting Manual for ULBs on the basis of National Municipal Accounts Manual (NMAM) is under process. However, in the absence of specific provisions in the State's Acts/ Rules, certification of accounts by an independent agency remained non-existent in the ULBs.

### 3.7.2 Internal audit of ULBs

Under Section 161 (3) of Himachal Pradesh Municipal Corporation Act and Section 255 (1) of Himachal Pradesh Municipality Act, 1994, the accounts of the ULBs are to be audited by a separate and an independent agency. The State Government issued (February 2008) a notification, according to which the Director, Local Audit was required to prepare an annual plan for conduct of audit of ULBs. As per audit plan for the year 2014-15, 22 ULBs were planned for audit, of which, 21 ULBs were covered upto 31<sup>st</sup> March 2015. The Additional Director stated that it was observed by them during audit that only MC Shimla has been maintaining annual accounts.

### 3.7.3 Budget estimates

The budget estimates of ULBs are to be prepared as per Himachal Pradesh Municipal Accounts Code, 1975 in the prescribed form, keeping in view the budget estimates of expected income and expenditure for the next financial year and are placed before the House of the elected representatives of the Municipality (House). After passing of the budget by the House, it is submitted to the Director, Urban Development for approval. The year-wise position of budget provision and the expenditure by the test-checked Municipal Corporation, MCs and NPs during 2011-14 is given in **Table-12**:

**Table-12**  
**Budget estimates vis-a-vis expenditure**

Year	Budget Estimate	Actual Expenditure	Savings (-) Excess (+)	(₹ in crore)
				Percentage of saving
2011-12	23.79	19.44	(-) 4.35	18
2012-13	32.57	27.87	(-) 4.70	14
2013-14	28.95	22.43	(-) 6.52	23

Note: Unit-wise position is given in **Appendix-11**.

It is evident from **Table-12** that preparation of budget estimates was not done in a realistic manner which resulted in persistent savings ranging between 14 and 23 *per cent* during 2011-12 and 2013-14.

### 3.7.4 Non-preparation of bank reconciliation statements

As per rule 19 (2) of the State Municipal Accounts Code 1975, general cash book shall be checked item-wise, closed and signed by the Executive Officer each day. At the end of each month it shall be compared and agreed with the bank pass book. Every item of receipt and expenditure shall be checked with the entries in the cash book and differences shall be explained and accounted for in the general cash book.

It was, however, noticed that there was a difference of ₹ 1.44 crore (**Appendix-12**) between cash books and bank pass books at the close of the year 2013-14 which was not reconciled by five ULBs as of March 2014. The authenticity of accounts of these ULBs could not be ascertained in the absence of reconciliation with bank statements. The Executive Officers of the concerned ULBs stated (October 2014-February 2015) that the differences would be reconciled in future.

### 3.7.5 Pending audit observations

#### Inadequate response to Audit findings and observations resulted in erosion of accountability.

The Commissioner, Executive Officer, Secretary of the Municipal Corporation, Municipal Council and Nagar Panchayat, respectively, are required to comply with the observations, contained in the Inspection Reports (IRs) issued by the Principal Accountant General (Audit), Himachal Pradesh, rectify the defects/ omissions and report their compliance to settle the observations. The details of IRs and paragraphs issued, settled and outstanding as on 31<sup>st</sup> March 2015 are as detailed in **Table-13**:

**Table-13**  
Position of pending IRs/ Paras

Sl. No.	Year of issue of Inspection Reports	Outstanding IRs/ Paras as on 31 March 2014		Addition		Total		No. of IRs/ paras settled during 2014-15		No. of outstanding IRs/Paras as on 31 03.2015.	
		IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
1.	Upto 2010-11	99	673	-	-	99	673	-	48	99	625
2.	2011-12	14	138	-	-	14	138	-	20	14	118
3.	2012-13	15	175	-	-	15	175	1	36	14	139
4.	2013-14	17	218	-	-	17	218	-	-	17	218
5.	2014-15	-	-	14	144	14	144	-	-	14	144
	<b>Total</b>	<b>145</b>	<b>1,204</b>	<b>14</b>	<b>144</b>	<b>159</b>	<b>1,348</b>	<b>1</b>	<b>104</b>	<b>158</b>	<b>1,244</b>

The large number of pending inspection reports and outstanding paras is indicative of inadequate response to audit observations, which resulted in erosion of accountability.

Audit findings were referred to the Government in March 2016. Reply had not been received (April 2016).

**CHAPTER-4**  
**RESULTS OF AUDIT OF URBAN**  
**LOCAL BODIES**



## CHAPTER-4

### RESULTS OF AUDIT OF URBAN LOCAL BODIES

The deficiencies noticed in audit of Urban Local Bodies during 2014-15 are discussed in the succeeding paragraphs.

#### 4.1 Revenue

##### 4.1.1 Outstanding house tax

**Due to ineffective monitoring, revenue of ₹ 4.04 crore on account of house tax in 11 ULBs remained outstanding.**

Audit noticed outstanding house tax of ₹ 4.34 crore as on April 2013 in 11 ULBs. Demand of ₹ 4.13 crore of house tax was raised during the period 2013-14 (**Appendix-13**). However, collection was only ₹ 4.43 crore during the above period, resulting in outstanding balance of ₹ 4.04 crore as of March 2014. The pace of recovery was slow and even the current demand was not recovered. Non-recovery of house tax resulted in non-realisation of ₹ 4.04 crore which could have been utilised for other developmental activities. The Executive Officers/ Secretaries of ULBs concerned stated (October 2014-February 2015) that notices have been issued to the defaulters and efforts for recovery would be made.

##### 4.1.2 Non-realisation of rent

**Thirteen ULBs failed to realise the rent of shops / booths/ stalls from allottees amounting to ₹ 1.86 crore.**

Section 258 (i)(b)(2) of the Himachal Pradesh Municipal Act, 1994 provides that where any amount which is due to the municipality remains unpaid for fifteen days after the same is due, the Executive Officer/ Secretary may serve notice of demand upon the persons concerned. The Act also provides that any sum due for recovery, shall without prejudice to any other mode of collection, be recovered as arrear of land revenue.

It was noticed that in 13 ULBs, rental charges amounting to ₹ 1.70 crore were pending for recovery as on April 2013 (**Appendix-14**) against the allottees of shops/ stalls, owned by these ULBs. Further, demand of ₹ 0.94 crore was raised against the tenants/ lessees of these shops/ stalls during 2013-14. Against the total demand of ₹ 2.64 crore, only ₹ 0.78 crore had been recovered leaving outstanding recovery of ₹ 1.86 crore as of March 2014. The ULBs stated (September 2014-February 2015) that notices had been issued to the defaulters and the amount would be recovered shortly.

#### 4.1.3 Non-recovery of installation/ renewal charges on mobile towers

**Failure to realise the installation/ renewal charges of mobile towers by seven ULBs resulted in loss of revenue of ₹ 18.14 lakh.**

Himachal Pradesh Government authorised (August 2006) the ULBs to levy duty on installation of mobile communication towers at the rate of ₹ 10,000 per tower and annual renewal fee at the rate of ₹ 5,000.

In seven ULBs, mobile towers were installed in their jurisdiction during 2006-14 but the concerned ULBs had not recovered the charges of ₹ 18.14 lakh<sup>11</sup> as of March 2014 in respect of 106 towers. The ULBs concerned stated (September 2014 to February 2015) that action would be taken shortly to recover the dues.

#### 4.1.4 Non-recovery of Electricity Cess

**MC Baddi failed to impose electricity tax amounting to ₹ 29.18 lakh.**

The State Government authorised (April 2002) the MCs to collect tax at the rate of one paisa per unit on electricity consumption by the consumers residing within the limits of MC area.

Scrutiny of records of MC Baddi showed that electricity consumption within the MC area of Baddi was 29,18,28,201 units during the period April 2012 to March 2014 and electricity tax on it worked out to ₹ 29.18 lakh. However, the MC had not realised the same from the HPSEBL which was to collect the tax from the consumers. While admitting the facts, the executive officer stated that efforts would be made to recover tax at the earliest.

### 4.2 Blocking of funds

#### 4.2.1 Non-utilisation of available funds

During audit it was noticed that in Municipal Corporation, Shimla, two MCs and three NPs funds amounting to ₹ 2.19 crore<sup>12</sup> were available during 2001-14 for 48 development works. However, no expenditure was incurred out of these funds on execution of works as of March 2014. Thus, non-utilisation of funds for development works resulted in depriving the intended beneficiaries of the benefits of development works. The Executive Officers of the concerned ULBs stated (August 2014-February 2015) that the works could not be started due to land disputes, non-completion of codal formalities and shortage of technical staff. The reply is not convincing as such issues could have been resolved before getting the works sanctioned and funds released from the funding agencies.

<sup>11</sup> Municipal Corporation Shimla: ₹12.07 lakh, ₹ MCs Dalhausi: ₹1.25 lakh, Ghumarwin: ₹0.5 lakh, Dharamshala: ₹ 2.35 lakh, ₹ Parwanoo: 0.88 lakh, NPs: Una: ₹0.64, Jubbal: ₹ 0.45.

<sup>12</sup> Municipal Corporation Shimla: ₹ 86.52 lakh, MC Ghumarwin: ₹ 85.78 lakh, MC Parwanoo: ₹ 4.00 lakh, NP Arki: ₹ 10.10 lakh, NP Chopal: ₹ 2.10 lakh and NP Chuwari: ₹ 30.29 lakh.



#### 4.2.2. Blocking of funds due to non-construction of parking

The Ministry of Tourism, GOI sanctioned (2012-13) ₹ 86.87 lakh for construction of parking at Dalhousie, Chamba district under Integrated Development of Tourism Destination by way of creating parking facilities at major places in Himachal Pradesh. Accordingly, first instalment of ₹ 43.44 lakh was released (March 2013) by the District Tourism Development Officer, Chamba to MC Dalhousie.

Audit noticed that the execution of work had not been started by the MC Dalhousie as of November 2014 due to non-availability of site. Thus, lackadaisical approach in execution of work by MC Dalhousie had resulted into blocking of ₹ 43.44 lakh and denial of intended facilities to the public. The Executive Officer stated (November, 2014) that suitable land is being identified for the construction of parking and detailed project report (DPR) would be prepared accordingly. The reply is not acceptable as MC Dalhousie failed to start the work after more than one and half years.

#### 4.3 Non-fixing the liability of the operator

**Municipal Corporation Shimla had not fixed the liability of the Operator of the Solid Waste Management Project through insurance under Project Public Liability Insurance Act, 1991 for ₹ 5.00 crore.**

A concession agreement was entered into (July 2010) between Municipal Corporation Shimla and a firm for management of solid waste in municipal area. As per the Clause No. 5.9 (m) of the agreement, the concessionaire should maintain Public Liability Insurance for a minimum of ₹ 5.00 crore as per Public Liability Insurance Act, 1991 for the entire period of concession agreement (20 years) and post closure period.

Audit noticed that the concessionaire had not maintained the Public Liability Insurance as of February 2015 as per terms and conditions of the agreement, which had resulted in undue favour to the concessionaire.

#### 4.4 Issuance of fake utilisation certificate

**Utilisation Certificate for ₹ 3.27 crore was wrongly issued by the MC Parwanoo to the Director, Urban Development Shimla without its actual utilisation.**

A project for improvement of Water Supply Scheme at Parwanoo was sanctioned (November 2013) under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) for ₹ 7.27 crore. First instalment of ₹ 3.27 crore was released (April 2014) with the condition that a separate account for these funds may be maintained and its utilisation may be made after completion of all codal formalities.

Scrutiny of records showed that MC Parwanoo released (April 2014) the funds to the executing agency, Himachal Pradesh Urban Development Agency (HIMUDA) and submitted (January 2015) utilisation certificate (UC) for ₹ 3.27 crore to the Director, Urban Development, Shimla inspite of the fact that no expenditure had been incurred. The Executive

Officer stated (January 2015) that tenders have been floated and UC had been submitted in order to get second instalment of the grant. The reply is not acceptable as MC had failed to utilise the grant and submitted the UC irregularly.

Audit findings were referred to the Government in March 2016. Reply had not been received (April 2016).



**(Ram Mohan Johri)**  
**Pr. Accountant General (Audit)**  
**Himachal Pradesh**

**Shimla**

**Dated: 19 AUG 2016**

# APPENDIX



**Appendix-1**

(Refer paragraphs 1.6 and 3.5; pages 6 and 18)

**Audit coverage- Details of Panchayati Raj Institutions and Urban Local Bodies audited during 2014-15****Zila Parishad**

Sl. No.	Name of Zila Parishads
1.	Chamba
2.	Kangra
3.	Kullu
4.	Solan
5.	Una
6.	Shimla
7.	Hamirpur

**Panchayat Samitis**

Sl. No	Name of Panchayat Samiti
1.	Gagret
2.	Drang
3.	Haroli
4.	Chountra
5.	Dharamshala
6.	Mashobra
7.	Narkanda
8.	Nirmand
9.	Rampur
10.	Anni
11.	Solan
12.	Nahan
13.	Sundernagar
14.	Dharampur
15.	Gopalpur
16.	Kullu
17.	Naggar

**Gram Panchayats**

Sl. No.	GPs	Name of Block	Name of District
1.	Triloknath	Lahaul	Lahaul and Spiti
2.	Udaipur	Keylong	Lahaul and Spiti
3.	Goharma	Lahaul at Keylong	Lahaul and Spiti
4.	Kot	Gopalpur	Mandi
5.	Kufri	Drang	Mandi
6.	Nichla Grodu	Drang	Mandi
7.	Kunnu	Drang	Mandi
8.	Smailla	Gopalpur	Mandi
9.	Sidhpur	Dharampur	Mandi
10.	Cholthara	Dharampur	Mandi

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Sl. No.	GPs	Name of Block	Name of District
11.	Khudla	Gopalpur	Mandi
12.	Chok	Dharampur	Mandi
13.	Bhadarwad	Gopalpur	Mandi
14.	Tang Narwana	Dharamshala	Kangra
15.	Gabli Dadi	Dharamshala	Kangra
16.	Sidhwadi	Dharamshala	Kangra
17.	Kajlot	Dharamshala	Kangra
18.	Gunehar	Baijnath	Kangra
19.	Majheran	Baijnath	Kangra
20.	Sirath	Indora	Kangra
21.	Jogipur	Kangra	Kangra
22.	Baranda	Indora	Kangra
23.	Gangath	Indora	Kangra
24.	Sekhpura	Indora	Kangra
25.	Kulund	Bhawarna	Kangra
26.	Pantehar	Baijnath	Kangra
27.	Smella	Kangra	Kangra
28.	Hatwas	Nagrota	Kangra
29.	Muhalakad Chahri	Nagrota	Kangra
30.	Bhattu	Baijnath	Kangra
31.	Sunnam	Pooh	Kinnaur
32.	Giyabung	Pooh	Kinnaur
33.	Lippa	Pooh	Kinnaur
34.	Mangla	Mehla	Chamba
35.	Kidi	Mehla	Chamba
36.	Dand	Salooni	Chamba
37.	Sundla	Salooni	Chamba
38.	Utip	Mehla	Chamba
39.	Brangaal	Salooni	Chamba
40.	Bahli	Solan	Solan
41.	Bharti	Solan	Solan
42.	Basaal	Solan	Solan
43.	Chewa	Solan	Solan
44.	Kasoli	Dharampur at Garkhal	Solan
45.	Ghund	Theog	Shimla
46.	Bhaloh	Mashobra	Shimla
47.	Mogda	Narkanda	Shimla
48.	Badhach	Nankhari	Shimla
49.	Khunni	Nankhari	Shimla
50.	Baglati	Nankhari	Shimla
51.	Bharech	Mashobra	Shimla
52.	Bohal Talia	Rajgarh	Sirmour
53.	Bharadi	Sangrah	Sirmour
54.	Bhallona	Sangrah	Sirmour

Sl. No.	GPs	Name of Block	Name of District
55.	Vyong Tatwa	Sangrah	Sirmour
56.	Dyothi	Rajgarh	Sirmour
57.	Arniyala Lower	Una	Una
58.	Arniyala Upper	Una	Una
59.	Ambota	Gagret	Una
60.	Saloh	Haroli	Una
61.	Sanghneyi	Gagret	Una
62.	Wahdala	Una	Una
63.	Takarla	Amb	Una
64.	Dhar Tatoh	Sadar	Bilaspur
65.	Barmana	Sadar	Bilaspur
66.	Patta	Ghumarwin	Bilaspur
67.	Dhol Kothi	Sadar	Bilaspur
68.	Railla	Kullu	Kullu
69.	Manikaran	Kullu	Kullu
70.	Manjhali	Kullu	Kullu
71.	Kothi Chehni	Kullu	Kullu
72.	Farnol	Hamirpur	Hamirpur
73.	Ropa	Hamirpur	Hamirpur
74.	Bijhari	Bijhari	Hamirpur
75.	Baliah	Bijhari	Hamirpur
76.	Saproh	Nadaun	Hamirpur

### Municipal Corporation

Sl. No.	Name of Municipal Corporation
1.	Shimla

### Municipal Council

Sl. No.	Name of Municipal Council
1.	Dharamshala
2.	Dalhousie
3.	Theog
4.	Ghumarwin
5.	Parwanoo
6.	Baddi

### Nagar Panchayat

Sl. No.	Name of Nagar Panchayat
1.	Gagret
2.	Chowari
3.	Bhuntar
4.	Bhota
5.	Arki
6.	Jubbal
7.	Chopal

**Appendix-2**

(Refer paragraph 1.8.2; page 8)

**Non-maintenance of records by the Gram Panchayats**

**Gram Panchayat**

Sl. No.	Name of GPs	Name of Block	Name of District
1.	Badhach	Nankhari	Shimla
2.	Bhaloh	Mashobra	Shimla
3.	Bharech	Mashobra	Shimla
4.	Khunni Panoli	Nankhari	Shimla
5.	Mogda	Narkanda	Shimla
6.	Farnol	Hamirpur	Hamirpur
7.	Ropa	Hamirpur	Hamirpur
8.	Saproh	Nadaun	Hamirpur
9.	Baliah	Bijhari	Hamirpur
10.	Bijhari	Bijhari	Hamirpur
11.	Baranda	Indora	Kangra
12.	Basaal	Solan	Solan
13.	Khudla	Gopalpur	Mandi
14.	Kot	Gopalpur	Mandi
15.	Bhadrawaad	Gopalpur	Mandi
16.	Cholthara	Dharampur	Mandi
17.	Samela	Gopalpur	Mandi
18.	Gangath	Indora	Kangra
19.	Kalund	Bhawarna	Kangra
20.	Pantehad	Baijnath	Kangra
21.	Shekhpura	Indora	Kangra
22.	Giabung	Pooh	Kinnaur
23.	Sunnam	Pooh	Kinnaur
24.	Lippa	Pooh	Kinnaur
25.	Kothi chehni	Banjaar	Kullu
26.	Mani karan	Kullu	Kullu
27.	Manjahli	Kullu	Kullu
28.	Railla	Kullu	Kullu
29.	Saloh	Haroli	Una
30.	Sanghnai	Gagret	Una
31.	Takarla	Amb	Una
32.	Wahdala	Una	Una
33.	Sidhpur	Dharampur	Mandi
34.	Triloknath	Keylong	Lahaul & Spiti
35.	Udaipur	Keylong	Lahaul & Spiti



## Appendix-3

(Refer paragraph 1.8.4; page 8)

## Non-reconciliation of difference between cash books with bank pass books in GPs

## 1. Cases where bank pass book shows less balance than cash book

## Zila Parishad

(₹ in lakh)

Sl. No.	Name of Zila Parishad	Balance as per Pass Book on 31 March 2014	Balances as per Cash Book on 31 March 2014	Difference
1.	Solan	543.81	533.45	10.36
2.	Shimla	157.04	34.70	122.34
<b>Total</b>		<b>700.85</b>	<b>568.15</b>	<b>132.70</b>

## Panchayat Samitis

Sl. No.	Name of Panchayat Samiti	District	Balance as per Pass Book on 31 March 2014	Balances as per Cash Book on 31 March 2014	Difference
1.	Narkanda	Shimla	63.22	44.53	18.69
2.	Rampur	Shimla	73.04	69.21	3.83
3.	Chauntra	Mandi	140.20	107.91	32.29
4.	Drang	Mandi	99.31	99.18	0.13
5.	Sundernagar	Mandi	119.34	110.29	9.05
6.	Solan	Solan	63.30	53.55	9.75
<b>Total</b>			<b>558.41</b>	<b>484.67</b>	<b>73.74</b>
<b>Grand Total</b>			<b>1259.26</b>	<b>1052.82</b>	<b>206.44</b>

## 2. Cases where Cash book shows less balance than bank pass book

Sl. No.	Name of Zila Parishad	Balance as per Pass Book on 31 March 2014	Balances as per Cash Book on 31 March 2014	Difference
1.	Kangra	2224.38	2735.96	511.58
<b>Total</b>		<b>2224.38</b>	<b>2735.96</b>	<b>511.58</b>

## Panchayat Samities

Sl. No.	Name of Panchayat Samiti	District	Balance as per Pass Book on 31 March 2014	Balances as per Cash Book on 31 March 2014	Difference
1	Haroli	Una	75.18	90.28	15.10
2	Gagret	Una	150.06	159.17	9.11
3	Nirmand	Kullu	91.05	98.93	7.88
4	Dharampur	Mandi	112.43	143.38	30.95
<b>Total</b>			<b>428.72</b>	<b>491.76</b>	<b>63.04</b>
<b>Grand total</b>			<b>2653.10</b>	<b>3227.72</b>	<b>574.62</b>

## Summary of Difference between cash book and bank pass book

Sl.No.	Kind of Unit	No. of Units	Difference between Cash Book and Bank Pass Book
1.	ZP	3	644.28
2.	PS	10	136.78
<b>Grand total</b>		<b>13</b>	<b>781.06</b>

Source: Figures supplied by the test-checked units.

**Appendix-4**

(Refer paragraph 1.8.7(ii); page 9)

**Blocking of funds under 13<sup>th</sup> Finance Commission due to incomplete works**

**Zila Parishads**

(₹ in lakh)

Sl. No.	ZP	District	Period	Receipt	Exp	Balance
1.	Chamba	Chamba	2012-15	1283.14	551.01	732.13
2.	Kangra	Kangra	2013-15	3111.88	1532.28	1579.60
3.	Solan	Solan	2012-14	416.87	227.67	189.20
4.	Shimla	Shimla	2013-15	1196.46	1072.41	124.05
<b>Total</b>				<b>6008.35</b>	<b>3383.37</b>	<b>2624.98</b>

**Panchayat Samitis**

Sl. No.	PS	District	Period	Receipt	Exp.	Balance
1.	Narkanda	Shimla	2010-14	66.74	40.50	26.24
2.	Mashobra	Shimla	2010-14	144.76	107.10	37.66
3.	Rampur	Shimla	2011-14	137.77	95.35	42.42
4.	Haroli	Una	2010-14	147.46	96.46	51.00
5.	Gagret	Una	2011-14	127.07	36.75	90.32
6.	Dharamshala	Kangra	2011-14	154.05	41.70	112.35
7.	Chauntra	Mandi	2010-14	155.20	90.68	64.52
8.	Sundernagar	Mandi	2010-14	210.00	138.65	71.35
9.	Gopalpur	Mandi	2010-14	154.36	106.92	47.44
10.	Drang	Mandi	2010-15	153.01	87.66	65.35
11.	Aani	Kullu	2010-14	217.44	173.12	44.32
12.	Nirmand	Kullu	2011-14	183.06	126.20	56.86
13.	Solan	Solan	2010-14	141.32	108.83	32.49
14.	Nahan	Sirmaur	2011-14	88.14	74.52	13.62
<b>Total</b>				<b>2080.38</b>	<b>1324.44</b>	<b>755.94</b>

## Gram Panchayat

Sl. No.	Name of GPs	Block	District	Period	Receipt	Exp	Balance
1.	Ambota	Gagret	Una	2011-14	4.05	2.42	1.63
2.	Arniyala Lower	Una	Una	2011-14	2.90	0.57	2.33
3.	Saloh	Haroli	Una	2010-14	2.60	0.19	2.41
4.	Sanghnayi	Gagret	Una	2011-14	5.16	1.99	3.17
5.	Takarla	Amb	Una	2011-14	5.16	3.56	1.60
6.	Wahdala	Una	Una	2011-14	3.72	3.00	0.72
7.	Badach	Nankhari	Shimla	2011-14	1.40	0.13	1.27
8.	Bagalti	Nankhari	Shimla	2011-14	2.30	0.00	2.30
9.	Bhadach	Mashobra	Shimla	2011-14	9.10	3.66	5.44
10.	Ghund	Theog	Shimla	2011-14	1.82	1.18	0.64
11.	Khhuni Panoli	Nankhari	Shimla	2011-14	2.38	0.72	1.66
12.	Mogda	Narkanda	Shimla	2011-14	0.52	0.00	0.52
13.	Farnol	Hamirpur	Hamirpur	2011-14	1.58	0.07	1.51
14.	Baliah	Bijhari	Hamirpur	2011-14	2.82	1.78	1.04
15.	Ropa	Hamirpur	Hamirpur	2011-14	1.55	0.00	1.55
16.	Bhattu Panjata	Baijnath	Kangra	2011-14	2.11	0.00	2.11
17.	Gangath	Indora	Kangra	2010-14	5.00	2.97	2.03
18.	Hatwas	Nagrota Bagwan	Kangra	2010-14	3.48	2.90	0.58
19.	Jogipur	Kangra	Kangra	2010-14	4.27	3.19	1.08
20.	Baranda	Indora	Kangra	2010-14	4.82	2.05	2.77
21.	Muhalkadcha hdi	Nagrota Bagwan	Kangra	2010-14	3.33	1.74	1.59

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22.	Pantehar	Bajjnath	Kangra	2010-14	7.36	4.24	3.12
23.	Shekhpura	Indora	Kangra	2010-14	4.29	3.09	1.20
24.	Sidhwadi	Dharamshala	Kangra	2010-14	3.75	0.21	3.54
25.	Sirat	Indora	Kangra	2011-14	5.28	4.30	0.98
26.	Samela	Kangra	Kangra	2013-14	0.66	0.00	0.66
27.	Kajlot	Dharamshala	Kangra	2010-14	3.91	2.34	1.57
28.	Tang Narwana	Dharamshala	Kangra	2010-14	3.88	2.16	1.72
29.	Sunnam	Pooh	Kinnaur	2011-12	0.48	0.00	0.48
30.	Giabung	Pooh	Kinnaur	2011-14	0.61	0.00	0.61
31.	Dhar Tatoh	Sadar	Bilaspur	2011-14	3.69	2.59	1.10
32.	Dhown Kothi	Sadar	Bilaspur	2012-14	2.29	0.37	1.92
33.	Barmana	Sadar	Bilaspur	2012-14	2.75	2.46	0.29
34.	Basal	Solan	Solan	2010-14	1.69	1.27	0.42
35.	Bharti	Solan	Solan	2011-14	1.43	1.09	0.34
36.	Bohli	Solan	Solan	2011-14	2.37	0.23	2.14
37.	Kasauli Gadkhal	Dharampur	Solan	2011-14	5.16	4.66	0.50
38.	Bhalona	Sangrah	Sirmaur	2010-14	1.57	0.95	0.62
39.	Dyothi Majhgaon	Rajgarh	Sirmaur	2010-14	3.09	2.02	1.07
40.	Vyong Tatwa	Sangrah	Sirmaur	2011-14	1.38	1.07	0.31
41.	Dand	Salooni	Chamba	2013-14	0.73	0.60	0.13
42.	Sundla	Salooni	Chamba	2013-14	0.77	0.60	0.17
43.	Brangaal	Salooni	Chamba	2013-14	0.86	0.41	0.45
44.	Uteep	Mehla	Chamba	2011-14	2.89	1.41	1.48
45.	Cholthara	Dharampur	Mandi	2010-14	1.26	0.76	0.50

46.	Kot	Gopalpur	Mandi	2012-14	1.25	0.30	0.95
47.	Kufri	Drang	Mandi	2013-14	1.09	0.56	0.53
48.	Kunnu	Drang	Mandi	2010-14	5.84	2.48	3.36
49.	Nichla Garodu	Drang	Mandi	2011-14	3.07	1.73	1.34
50.	Samailla	Gopalpur	Mandi	2010-14	2.48	0.00	2.48
51.	Manikaran	Kullu	Kullu	2010-14	1.34	0.22	1.12
52.	Manjhali	Kullu	Kullu	2010-14	1.96	1.40	0.56
53.	Kothi Chehni	Banjar	Kullu	2011-14	1.55	0.27	1.28
54.	Triloknath	Lahaul	Lahaul and Spiti	2011-14	0.42	0.00	0.42
55.	Udaipur	Keylong	Lahaul and Spiti	2012-15	0.72	0.00	0.72
<b>Total</b>					<b>151.94</b>	<b>75.91</b>	<b>76.03</b>
<b>Grand total</b>					<b>8240.67</b>	<b>4783.72</b>	<b>3456.95</b>

Source: Figures supplied by the test-checked units.

**Appendix-5**

(Refer paragraph 1.8.7(iii); page 10)

**Blocking of funds due to non-start of works under 13<sup>th</sup> Finance Commission**

**Zila Parishad**

(₹ in lakh)

Sl. No.	ZP	Period	Receipt	No. of Works	Exp.	Balance
1.	Chamba	2013-14	2.50	1	-	2.50
2.	Solan	2012-14	10.80	14	-	10.80
<b>Total</b>			<b>13.30</b>	<b>15</b>	<b>-</b>	<b>13.30</b>

**Panchayat Samitis**

Sl. No.	PS	District	Period	Receipt	No. of works	Exp.	Balance
1.	Narkanda	Shimla	2011-13	9.75	30	-	9.75
2.	Mashobra	Shimla	2011-13	10.55	44	-	10.55
3.	Dharmshala	Kangra	2010-13	14.69	36	-	14.69
4.	Chauntra	Mandi	2012-14	8.49	14	-	8.49
5.	Solan	Solan	2010-14	11.18	14	-	11.18
6.	Nahan	Sirmour	2011-14	7.25	13	-	7.25
<b>Total</b>				<b>61.91</b>	<b>151</b>	<b>-</b>	<b>61.91</b>

**Gram Panchayats**

Sl. No.	Name of GPs	Block	District	Period	Receipt	No. of Works	Exp.	Balance
1.	Bhaloh	Mashobra	Shimla	2012-13	0.75	1	-	0.75
2.	Bharech	Mashobra	Shimla	2013-14	1.00	1	-	1.00
<b>Total</b>					<b>1.75</b>	<b>2</b>	<b>-</b>	<b>1.75</b>
<b>Grand Total</b>					<b>76.96</b>	<b>168</b>	<b>-</b>	<b>76.96</b>

Source: Figures supplied by the test-checked units.

## Appendix-6

(Refer paragraph 2.1.1; page 11)

## Non-recovery of house tax

(₹ in lakh)

Sl. No.	GPs	Name of Block	Name of District	Amount Outstanding
1.	Khhumi Panoli	Nankhari	Shimla	0.35
2.	Bhaloh	Mashobra	Shimla	0.07
3.	Bhadech	Mashobra	Shimla	0.09
4.	Ghoond	Theog	Shimla	0.09
5.	Mogda	Narkanda	Shimla	0.15
6.	Badach	Nankhari	Shimla	0.75
7.	Bagalti	Nankhari	Shimla	0.29
8.	Saloh	Haroli	Una	0.53
9.	Sanghnei	Gagret	Una	1.13
10.	Arniyala Lower	Una	Una	0.37
11.	Arniyala Upper	Una	Una	0.11
12.	Takarla	Amb	Una	0.41
13.	Wahdala	Una	Una	1.22
14.	Railla	Kullu	Kullu	0.29
15.	Manjhli	Kullu	Kullu	0.46
16.	Kothi Chehni	Banjar	Kullu	0.74
17.	Manikaran	Kullu	Kullu	0.36
18.	Vyong Tatwa	Sangrah	Sirmaur	0.08
19.	Dhar Tatoh	Sadar	Bilaspur	0.21
20.	Barmana	Sadar	Bilaspur	0.15
21.	Kasauli Gadkhal	Dharampur	Solan	0.33
22.	Ropa	Hamirpur	Hamirpur	0.23
23.	Bijhri	Bijhri	Hamirpur	0.37
24.	Balyah	Bijhri	Hamirpur	0.61
25.	Farnol	Hamirpur	Hamirpur	0.63
26.	Triloknath	Udaipur	Lahaul & Spiti	0.43
27.	Udaipur	Keylong	Lahaul & Spiti	0.14
28.	Goharma	Lahaul at Spiti	Lahaul & Spiti	0.01
29.	Majhren	Baijnath	Kangra	0.38
30.	Gunehad	Baijnath	Kangra	0.12
31.	Muhalkadchahdi	Nagrota	Kangra	0.25
32.	Shekhpura	Indora	Kangra	0.28
33.	Gangath	Indora	Kangra	0.09
34.	Baranda	Indora	Kangra	0.91
35.	Jogipur	Kangra	Kangra	0.14
36.	Sirath	Indora	Kangra	0.38
37.	Kajlot	Dharamshala	Kangra	0.29

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Sl. No.	GPs	Name of Block	Name of District	Amount Outstanding
38.	Gabli Dadi	Dharamshala	Kangra	0.39
39.	Sidhwadi	Dharamshala	Kangra	0.64
40.	Tang Narwana	Dharamshala	Kangra	0.63
41.	Kalund	Bhawarna	Kangra	0.12
42.	Pantehad	Baijnath	Kangra	0.38
43.	Bhattu	Baijnath	Kangra	0.24
44.	Sidhpur	Dharampur	Mandi	0.74
45.	Bhadrawaad	Gopalpur	Mandi	0.45
46.	Chaulthara	Dharampur	Mandi	0.19
47.	Mangla	Mehla	Chamba	0.17
48.	Dand	Salooni	Chamba	0.3
49.	Brangaal	Salooni	Chamba	0.28
50.	Sunnam	Pooh	Kinnaur	0.34
51.	Giabung	Pooh	Kinnaur	0.39
52.	Lippa	Pooh	Kinnaur	0.23
<b>Total</b>				<b>18.93</b>

Source: Figures supplied by the test-checked units.



**Appendix-7**

(Refer paragraph 2.1.2; page 11)

**Outstanding rent of shops**

(₹ in lakh)

Sl. No.	Name of ZPs/PSs /GPs	Period	Number of Shops	Amount
<b>Zila Parishad</b>				
1.	Kangra	2014-15	4	2.12
2.	Kullu	2013-14	9	1.68
3.	Hamirpur	2013-14	4	0.60
<b>Total</b>			<b>17</b>	<b>4.40</b>
<b>Panchayat Samities</b>				
1.	Mashobra	2005-13	6	1.73
2.	Gagret	2009-13	9	3.83
3.	Rampur	2011-14	2	0.08
4.	Nahan	2013-15	1	0.09
5.	Naggar	2010-14	5	0.72
6.	Dharampur	2010-14	7	1.10
<b>Total</b>			<b>30</b>	<b>7.55</b>

**Gram Panchayats**

Sl. No.	GPs	Name of Block	Name of District	Period	No of Shops	Amount
1.	Kothi Chehni	Banjaar	Kullu	2011-13	9	1.97
2.	Bohli	Solan	Solan	2013-14	4	0.13
3.	Chewa	Solan	Solan	2013-14	1	0.33
4.	Kasauli Gadkhal	Dharampur	Solan	2010-14	3	0.46
5.	Arniyala Upper	Una	Una	2009-14	8	1.08
6.	Udaipur	Keylong	Lahaul and Spiti	2013-14	7	1.46
7.	Tang Narwana	Dharamshala	Kangra	2006-12	11	0.68
8.	Gabli Dadi	Dharamshala	Kangra	2011-14	3	0.69
9.	Gangath	Indora	Kangra	2006-14	10	0.62
<b>Total</b>					<b>56</b>	<b>7.42</b>
<b>Grand Total</b>					<b>103</b>	<b>19.37</b>

Source: Figures supplied by the test-checked units.

## Appendix-8

(Refer paragraph 2.1.3 page 11)

## Non-recovery of duty for installation of mobile towers within Gram Panchayat area

(₹ in lakh)

Sl. No.	GPS	Block	District	No. of towers	Year of installation	Amount
1	Manikaran	Kullu	Kullu	5	2007-08	0.14
2	Raila	Kullu	Kullu	4	2008-09	0.15
3	Manjhli	Kullu	Kullu	3	2007-08	0.38
4	Basal	Solan	Solan	4	2011-14	0.82
5	Bohli	Solan	Solan	2	2008-10	0.16
6	Kasauli Gadkhal	Dharampur	Solan	3	---	0.28
7	Bharari	Sangrah	Sirmaur	2	2012-14	0.08
8	Bohal Taliya	Rajgarh	Sirmaur	3	2005-08	0.56
9	Sanghnayi	Gagret	Una	1	2013-14	0.04
10	Ambota	Gagret	Una	2	2013-14	0.04
11	Arniyala Lower	Una	Una	3	2006-07	0.24
12	Wahdala	Una	Una	2	2009-11	0.16
13	Barmana	Sadar	Bilaspur	1	2008-09	0.14
14	Dhar Tatoh	Sadar	Bilaspur	2	2012-13	0.14
15	Patta	Ghumarwin	Bilaspur	1	---	0.06
16	Bagalti	Nankhari	Shimla	3	2007-10	0.22
17	Ghund	Theog	Shimla	5	2006-07	0.56
18	Bijhri	Bijhri	Hamirpur	4	2007-08	0.52
19	Baliah	Bijhri	Hamirpur	1	2006-07	0.12
20	Kunnu	Drang	Mandi	3	2009-13	0.25
21	Tang Narwana	Dharamshala	Kangra	1	2006-07	0.16
22	Kalund	Bhawarna	Kangra	3	2009-10	0.24
23	Gabli Dadi	Dharamshala	Kangra	1	2007-08	0.08
24	Sidhwadi	Dharamshala	Kangra	1	2006-07	0.18
25	Sirath	Indora	Kangra	1	2006-07	0.05
26	Baranda	Indora	Kangra	3	2008-11	0.26
27	Shekhpura	Indora	Kangra	1	2009-10	0.08
28	Mangla	Mehla	Chamba	2	2011-12	0.14
29	Dand	Salooni	Chamba	2	2009-10	0.28
30	Sundla	Salooni	Chamba	1	2007-08	0.19
31	Giabung	Pooh	Kinnaur	1	2006-07	0.14
32	Lippa	Pooh	Kinnaur	1	2009-10	0.12
<b>Total</b>				<b>72</b>		<b>6.98</b>

Source: Figures supplied by the test-checked units.

**Appendix-9**

(Refer paragraph 2.4.1; page 14)

**Delay in releasing payments under MGNREG scheme**

Sl. No.	Name of GPs	Name of Block	Name of District	Period	Delay in days	(₹ in lakh)
						Amount
1.	Khhuni Panoli	Nankhari	Shimla	2013-14	15 to 90	11.81
2.	Ghoond	Theog	Shimla	2013-14	15 to 90	15.82
3.	Mogda	Narkanda	Shimla	2013-14	15 to 90	6.03
4.	Badach	Nankhari	Shimla	2013-14	15 to 90	13.41
5.	Manikaran	Kullu	Kullu	2013-14	15 to 90	25.30
6.	Raila	Kullu	Kullu	2013-14	15 to 90	8.38
7.	Kasauli	Dharampur	Solan	2011-14	15 to 78	2.01
8.	Farnol	Hamirpur	Hamirpur	2013-14	15 to 90	9.64
9.	Ropa	Hamirpur	Hamirpur	2013-14	15 to 90	5.42
10.	Bijhri	Bijhri	Hamirpur	2013-14	15 to 90	17.86
11.	Balyah	Bijhri	Hamirpur	2013-14	15 to 30	4.21
12.	Sidhwadi	Dharamshala	Kangra	2013-14	02 to 14	7.25
13.	Jogipur	Kangra	Kangra	2013-14	15 to 90	27.47
14.	Lippa	Pooh	Kinnaur	2013-14	100 to 160	1.47
<b>Total</b>						<b>156.08</b>

Source: Figures supplied by the test-checked units.

**Appendix-10**

(Refer paragraph 3.3.2; page 16)

**Sanctioned strength and persons-in-position of ULBs**

**Municipal Corporation**

Municipal Corporation	Sanctioned strength	Posts filled on				Excess (+)	Shortfall (-)
		Regular basis	Daily wages	Contract basis	Total		
MC Shimla	856	640	6	3	649	--	207
<b>Total</b>	<b>856</b>	<b>640</b>	<b>6</b>	<b>3</b>	<b>649</b>	<b>--</b>	<b>207</b>

**Municipal Councils**

Name of Municipal Councils	Sanctioned strength	Posts filled on				Excess (+)	Shortfall (-)
		Regular basis	Daily wages	Contract basis	Total		
Baddi	18	7	0	2	9	-	-9
Bilaspur	70	47	1	1	49	-	-21
Chamba	100	72	14	0	86	-	-14
Dalhousie	87	64	1	0	65	-	-22
Dharamsala	161	138	5	3	146	-	-15
Ghumarwin	25	21	0	1	22	-	-3
Hamirpur	76	49	3	3	55	-	-21
Kangra	56	31	5	1	37	-	-19
Kullu	157	97	15	0	112	-	-45
Manali	62	57	0	0	57	-	-5
Mandi	164	93	1	2	96	-	-68
Nagrota	41	29	3	1	33	-	-8
Nahan	184	121	27	4	152	-	-32
Nainadevi	16	6	0	2	8	-	-8
Nalagarh	61	37	0	1	38	-	-23
Nurpur	39	23	0	2	25	-	-14
Palampur	43	28	0	1	29	-	-14
Paonta Sahib	53	38	2	1	41	-	-12
Parwanoo	42	36	0	0	36	-	-6
Rampur	50	33	2	0	35	-	-15
Rohru	22	15	1	1	17	-	-5
Solan	219	186	9	1	196	-	-23
Sundernagar	96	70	1	2	73	-	-23
Theog	24	11	2	1	14	-	-10
Una	68	42	1	0	43	-	-25
Dehra	37	20	0	0	20	-	-17
Jawalamukhi	58	39	1	0	40	-	-18
Santokhgarh	20	13	0	0	13	-	-7
Sujanpur	30	24	1	2	27	-	-3
<b>Total</b>	<b>2079</b>	<b>1447</b>	<b>95</b>	<b>32</b>	<b>1574</b>	<b>-</b>	<b>-505</b>

## Nagar Panchayats

Name	Sanctioned strength	Posts filled in on regular basis	On Daily wages	On Contract basis	Total	Excess (+)	Shortfall (-)
Arki	25	13	1	2	16	-	-9
Banjar	20	6	0	0	6	-	-14
Bhota	19	5	0	0	5	-	-14
Bhuntar	23	16	0	0	16	-	-7
Chopal	18	3	0	0	3	-	-15
Chowari	18	9	10	1	20	-	-
Daulatpur	18	8	0	2	10	-	-8
Gagret	20	6	0	0	6	-	-14
Jogindernaga	31	24	13	2	39	-	-
Jubbal	18	4	1	3	8	-	-10
Kotkhai	18	4	1	0	5	-	-13
Mehatpur	19	17	4	1	22	-	-
Nadaun	32	25	2	0	27	-	-5
Narkanda	18	7	0	0	7	-	-11
Rajgarh	18	5	0	0	5	-	-13
Rewalsar	20	8	7	0	15	-	-5
Sarkaghat	19	15	0	1	16	-	-3
Sunni	18	7	0	0	7	-	-11
Talai	18	12	3	0	15	-	-3
Karsog	5	0	0	0	0	-	-5
<b>Total</b>	<b>395</b>	<b>194</b>	<b>42</b>	<b>12</b>	<b>248</b>	<b>-</b>	<b>-160</b>
<b>Grand Total</b>	<b>3330</b>	<b>2281</b>	<b>143</b>	<b>47</b>	<b>247</b>	<b>-</b>	<b>-872</b>

Source: Figures supplied by the test-checked units.

**Appendix-11**

(Refer paragraph 3.7.3; page 19)

**Statement of budget estimates and actual expenditure of ULBs  
for the year 2011-12**

(₹ in lakh)

Sl. No.	Name of ULBs	Budget Estimate	Actual Expenditure	Saving (-) Excess (+)
<b>Municipal Corporation</b>				
1.	Shimla	69.49	65.62	3.87
<b>Municipal Councils</b>				
1.	Theog	244.19	75.07	169.12
2.	Dalhousie	219.82	229.59	-9.77
3.	Ghumarwin	289.78	122.02	167.76
4.	Parwanoo	566.50	418.12	148.38
5.	Dharamshala	609.34	716.02	-106.68
6.	Baddi	-	-	-
<b>Total</b>		<b>1929.63</b>	<b>1560.82</b>	<b>368.81</b>
<b>Nagar Panchayat</b>				
1.	Chowari	79.25	70.58	8.67
2.	Bhuntar	84.00	110.11	-26.11
3.	Jubbal	0.63	0.63	0
4.	Arki	-	-	-
5.	Bhota	70.67	33.07	37.60
6.	Gagret	145.59	103.19	42.40
7.	Chopal	0.39	0.39	0
<b>Total</b>		<b>380.53</b>	<b>317.97</b>	<b>62.56</b>
<b>Grand Total</b>		<b>2379.65</b>	<b>1944.41</b>	<b>435.24</b>

Source: Figures supplied by the test-checked units.

**Statement of budget estimates and actual expenditure of ULBs  
for the year 2012-13**

(₹ in lakh)

Sl. No.	Name of ULBs	Budget Estimate	Actual Expenditure	Saving(-) Excess (+)
<b>Municipal Corporation</b>				
1.	Shimla	110.83	71.33	39.50
<b>Municipal Councils</b>				
1.	Theog	277.63	128.22	149.41
2.	Dalhousie	399.68	320.45	79.23
3.	Ghumarwin	316.85	139.11	177.74
4.	Parwanoo	531.70	766.79	-235.09
5.	Dharamshala	744.67	603.45	141.22
6.	Baddi	303.50	364.41	-60.91
<b>Total</b>		<b>2574.03</b>	<b>2322.43</b>	<b>251.60</b>
<b>Nagar Panchayat</b>				
1.	Chowari	77.98	87.42	-9.44
2.	Bhuntar	96.50	103.95	-7.45
3.	Jubbal	0.31	0.31	0
4.	Arki	157.16	72.71	84.45
5.	Bhota	85.87	58.71	27.16
6.	Gagret	153.92	69.67	84.25
7.	Chopal	0.30	0.23	0.07
<b>Total</b>		<b>572.04</b>	<b>393.00</b>	<b>179.04</b>
<b>Grand total</b>		<b>3256.90</b>	<b>2786.76</b>	<b>470.14</b>

Source: Figures supplied by the test-checked units.

**Statement of budget estimates and actual expenditure of ULBs for the year 2013-14**

(₹ in lakh)

Sl. No.	Name of ULBs	Budget Estimate	Actual Expenditure	Saving(-) Excess (+)
<b>Municipal Corporation</b>				
1.	Shimla	184.73	76.82	107.91
<b>Municipal Councils</b>				
1.	Theog	259.38	128.30	131.08
2.	Dalhousie	274.43	332.72	-58.29
3.	Ghumarwin	366.00	159.29	206.71
4.	Parwanoo	623.50	692.62	-69.12
5.	Dharamshala	184.33	102.15	82.18
6.	Baddi	380.63	295.64	84.99
<b>Total</b>		<b>2088.27</b>	<b>1710.72</b>	<b>377.55</b>
<b>Nagar Panchayat</b>				
1.	Chowari	77.05	93.59	-16.54
2.	Bhuntar	120.00	116.52	3.48
3.	Jubbal	0.36	0.36	0
4.	Arki	157.64	96.58	61.06
5.	Bhota	64.97	34.04	30.93
6.	Gagret	202.07	114.00	88.07
7.	Chopal	0.38	0.29	0.09
<b>Total</b>		<b>622.47</b>	<b>455.38</b>	<b>167.09</b>
<b>Grand total</b>		<b>2895.47</b>	<b>2242.92</b>	<b>652.55</b>

Source: Figures supplied by the test-checked units.



## Appendix-12

(Refer paragraph 3.7.4; page 20)

## Non-reconciliation of difference of cash book with bank pass book in ULBs

## 1. Statement showing cases where pass book shows less balance than bank cash book

(₹ in lakh)

Sl. No.	Name of MC/NP	Balance as per Cash Book on 31 March 2014	Balances as per Pass Book on 31 March 2014	Difference
<b>Municipal Council</b>				
1.	Theog	139.39	13.83	125.5
2.	Dharamshala	90.74	83.56	7.18
<b>Total</b>		<b>230.13</b>	<b>97.39</b>	<b>132.7</b>
<b>Nagar Panchayat</b>				
1.	Bhota	30.94	29.82	1.12
2.	Chopal	55.33	54.44	0.89
<b>Total</b>		<b>86.27</b>	<b>84.26</b>	<b>2.01</b>

## 2. Statement showing cases where cash book shows less balance than bank pass book

(₹ in lakh)

Sl. No.	Name of MC/NP	Balance as per Cash Book on 31 March 2014	Balances as per Pass Book on 31 March 2014	Difference
<b>Nagar Panchayat</b>				
1.	Arki	61.06	70.49	9.43
<b>Total</b>		<b>61.06</b>	<b>70.49</b>	<b>9.43</b>

Source: Figures supplied by the test-checked units.

## Summary of Difference between cash book and bank pass book

(₹ in lakh)

Sl. No.	Unit	Number of Units	Difference between Cash Book and Pass Book
1.	Municipal Council	2	132.74
2.	Nagar Panchayat	3	11.44
<b>Grand total</b>		<b>5</b>	<b>144.18</b>

**Appendix-13**

(Refer paragraph 4.1.1; page 21)

**Outstanding house tax**

(₹ in lakh)

Sl. No.	Name of MCs	O.B. as of April 2013	Demand during 2013-14	Total Demand	Collection during 2013-14	Outstanding amount as of March 2014
1.	Theog	83.36	13.08	96.44	13.16	83.28
2.	Dalhousie	61.96	32.21	94.17	11.68	82.49
3.	Ghumarwin	56.10	15.48	71.58	18.72	52.86
4.	Dharamshala	77.78	135.24	213.02	146.38	66.64
5.	Parwanoo	70.86	186.54	257.40	232.05	25.35
<b>Total</b>		<b>350.06</b>	<b>382.55</b>	<b>732.61</b>	<b>421.99</b>	<b>310.62</b>
<b>Nagar Panchayats</b>						
1.	Bhota	12.13	1.73	13.86	2.56	11.3
2.	Arki	35.35	8.38	43.73	7.69	36.04
3.	Jubbal	8.92	1.82	10.74	0.87	9.87
4.	Chopal	23.65	2.51	26.16	0.72	25.44
5.	Chuwari	2.97	1.06	4.03	1.73	2.30
6.	Bhuntar	1.17	15.42	16.59	8.00	8.59
<b>Total</b>		<b>84.19</b>	<b>30.92</b>	<b>115.11</b>	<b>21.57</b>	<b>93.54</b>
<b>Grand Total</b>		<b>434.25</b>	<b>413.47</b>	<b>847.72</b>	<b>443.56</b>	<b>404.16</b>

Source: Figures supplied by the test-checked units.

## Appendix-14

(Refer paragraph 4.1.2; page 21)

## Non-realisation of rent from shops/ booths/ stalls

(₹ in lakh)

Sl. No.	Name of MCs	Opening balance as on 1 April 2013	Demand during 2013-14	Total	Collection	Outstanding amount as on 31.03.2014
<b>Municipal Councils</b>						
1.	Baddi	11.47	6.74	18.21	3.28	14.93
2.	Parwanoo	2.26	1.86	4.12	1.32	2.8
3.	Dharamashala	9.39	37.49	46.88	29.91	16.97
4.	Dalhousie	33.42	13.51	46.93	6.11	40.82
5.	Theog	25.33	10.70	36.03	9.92	26.11
6.	Ghumarwin	4.61	2.14	6.75	2.93	3.82
<b>Total</b>		<b>86.48</b>	<b>72.44</b>	<b>158.92</b>	<b>53.47</b>	<b>105.45</b>
<b>Nagar Panchayats</b>						
1.	Bhuntar	37.64	1.62	39.26	9.00	30.26
2.	Chuwari	4.67	2.26	6.93	2.63	4.3
3.	Jubbal	14.17	4.51	18.68	2.53	16.15
4.	Chopal	15.38	2.63	18.01	1.36	16.65
5.	Gagret	5.97	6.09	12.06	5.59	6.47
6.	Bhota	3.11	1.28	4.39	1.20	3.19
7.	Arki	2.16	3.58	5.74	2.58	3.16
<b>Total</b>		<b>83.10</b>	<b>21.97</b>	<b>105.07</b>	<b>24.89</b>	<b>80.18</b>
<b>Grand Total</b>		<b>169.58</b>	<b>94.41</b>	<b>263.99</b>	<b>78.36</b>	<b>185.63</b>

Source: Figures supplied by the test-checked units.

