

TABLE OF CONTENTS		
Particulars	Paragraph	Page No.
Preface		iii
Overview		v-vi
PART-A PANCHAYATI RAJ INSTITUTIONS		
CHAPTER-1		
PROFILE OF PANCHAYATI RAJ INSTITUTIONS		
Background of Panchayati Raj Institutions	1.1	1
Audit mandate of the CAG	1.2	1
Organisational structure of Panchayati Raj Institutions	1.3	1
Financial profile	1.4	3
Accounting system in PRIs	1.5	5
Financial reporting and accountability framework of PRIs (internal control system)	1.6	6
Primary audit of PRIs	1.7	6
Technical Guidance and Support	1.8	7
Audit coverage	1.9	7
Inspection reports and audit paras pending compliance	1.10	8
CHAPTER-2		
RESULTS OF AUDIT OF PANCHAYATI RAJ INSTITUTIONS		
Accounting System	2.1	9
Revenue	2.2	11
Blocking of funds	2.3	13
Doubtful deployments and double payment of wages	2.4	15
Delay in release of wages under Mahatama Gandhi National Rural Employment Guarantee scheme	2.5	15
Part-B URBAN LOCAL BODIES		
CHAPTER-3		
PROFILE OF URBAN LOCAL BODIES		
Background	3.1	17
Audit mandate	3.2	17
Organisational structure of Urban Local Bodies	3.3	17
Financial profile	3.4	18
Financial reporting and accounting framework of ULBs (Internal control system)	3.5	20
Technical Guidance and Support	3.6	20
Audit coverage	3.7	21
Audit observations pending compliance	3.8	21
CHAPTER-4		
RESULTS OF AUDIT OF URBAN LOCAL BODIES		
Accounting System	4.1	23
Non-constitution of planning committee	4.2	23
Internal audit of Urban Local Bodies	4.3	24
Budget estimates	4.4	24
Non-preparation bank reconciliation statements	4.5	25
Non-conducting of physical verification	4.6	25
Non-accounting of materials	4.7	25
Revenue	4.8	26
Blocking of funds	4.9	28
Outstanding recovery of building tax and energy charges	4.10	28
Non-vacation of accommodation	4.11	29
Non-adjustment of temporary advances	4.12	30

APPENDICES		
Particulars	Appendix No.	Page No.
Audit coverage- Details of Panchayati Raj Institutions and Urban Local Bodies audited during 2015-16	1	31
Non-maintenance of records by the Panchayati Raj Institutions	2	35
Non-reconciliation of difference between cash books with bank pass books	3	37
Details of non-accountal of materials by the Gram Panchayat concerned	4	39
Details of non-recovery of house tax by the Gram Panchayat concerned	5	41
Details of outstanding rent of shops	6	43
Details of non-recovery of duty for installation/ renewal of mobile tower within Gram Panchayat area	7	44
Details of blocking of funds due to non-start of works	8	46
Details of blocking of funds due to non-completion of works	9	47
Details of blocking of funds under 13 th Finance Commission due to non-utilisation of grants	10	48
Details of blocking of funds due to non-start of works under 13 th Finance Commission	11	50
Details of blocking of funds under 13 th Finance Commission due to incomplete works	12	51
Details of blocking of funds due to non-release and delay in release of funds under 13 th Finance Commission	13	52
Details of delay in releasing payments under MGNREG Scheme	14	53
Statement of budget estimates and actual expenditure of ULBs during 2012-15	15	54
Details of outstanding house tax in respect of Municipal Councils and Nagar Panchayats	16	57
Details of non-realisation of rent from shops/ booths/ stalls during the period 2013-16	17	58
Details of non-recovery of duty for installation/ renewal of mobile tower within Urban Local Bodies area	18	59