

EXECUTIVE SUMMARY

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This Annual Technical Inspection Report presents the audit findings arising out of the audit of accounts of the Rural Local Bodies (RLBs – Village Councils) and Urban Local Body (ULB – Aizawl Municipal Corporation) in chapters as follows.

CHAPTER-I

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF RURAL LOCAL BODIES (VILLAGE COUNCILS)

The entire State of Mizoram is exempted from the purview of the Seventy-third Constitutional Amendment Act which empowered Panchayati Raj Institutions as third tier of Government. However, the existing traditional Village Councils (VCs) have been constituted which discharge the role of the Panchayati Raj Institutions. The Finance Department of the State Government headed by the Commissioner-cum-Secretary is responsible for overall monitoring of funds under Rural Local Bodies. The VCs are governed by Lushai Hills District (Village Councils) Act, 1953.

(Paragraphs 1.1 and 1.2)

CHAPTER-II

COMPLIANCE AUDIT PARAGRAPHS - RURAL LOCAL BODIES

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and schemes under State Finance Commission grants are being implemented by the Village Councils. Audit noticed that important records like Cash Books, Bank Pass Books, Vouchers, Actual Payee Receipts, Animal Tax collections, *etc.* were not maintained properly in the 27 Village Councils out of 32 Village Councils test checked.

(Paragraph 2.1)

CHAPTER-III

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF URBAN LOCAL BODY

There is only one Urban Local Body *i.e.*, Aizawl Municipal Corporation (AMC) in the State. The Executive head of the AMC is the Mayor, who is elected by the majority of the Councillors. The Mayor presides over the meetings of the Municipal Corporation and is responsible for the governance of the AMC.

(Paragraphs 3.1 and 3.2)

The State Government had so far transferred 15 functions and duties to AMC out of 18 functions as envisaged in the Mizoram Municipality Act. The State Government released Fourteenth Finance Commission (FFC) grants to the ULB after a delay ranging from 45 to 147 days from the date of receipt. Due to delay in release of FFC grants, the State Government was liable to pay interest of ₹ 44.81 lakh. However, the State Government released ₹ 43.65 lakh only.

(Paragraph 3.8.5)

CHAPTER-IV

COMPLIANCE AUDIT PARAGRAPHS - URBAN LOCAL BODY AIZAWL MUNICIPAL CORPORATION

Solid Waste management by Aizawl Municipal Corporation (AMC)

The Aizawl Municipal Corporation (AMC) had framed Solid Waste Management Rules, 2016. As per Fourteenth Finance Commission recommendation, Service Level Benchmark for solid waste management was fixed by AMC. Audit, however, noticed that AMC had fixed the target for several indicators below the prescribed benchmarks. AMC did not determine the actual quantum of daily solid waste generated in absence of weigh bridges. There was negligible segregation of waste before and after collection. Waste processing and scientific landfill were non-existent due to which dumping of various wastes was the most common option for disposal of waste. Even instances of burning of solid waste were noticed. The AMC did not keep the accounts of the user fee collected from the public.

(Paragraphs 4.1.4.2, 4.1.4.3, 4.1.4.5 and 4.1.4.8)

The AMC did not maintain Fixed Assets Registers as required under AMC Accounting Manual.

(Paragraph 4.2)

The AMC purchased goods worth ₹ 11.49 lakh on different occasions without constituting Purchase Committees.

(Paragraph 4.3)