



सत्यमेव जयते

## ANNUAL TECHNICAL INSPECTION REPORT

### ON LOCAL BODIES



*In terms of the Technical Guidance and  
Support of the Comptroller and  
Auditor General of India*

**FOR THE YEAR ENDED 31 MARCH 2014**



**GOVERNMENT OF MADHYA PRADESH**



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## **P R E F A C E**

This Report of Comptroller and Auditor General of India has been prepared for submission to the Governor of Madhya Pradesh under Technical Guidance and Support over the audit of Urban Local Bodies and Panchayat Raj Institutions.

The Report covering the period 2013-14 contains observations on Urban Local Bodies and Panchayat Raj Institutions. This Report consists of two Parts. Part - I deals with the observations on Urban Local Bodies and Part - II deals with the observations on Panchayat Raj Institutions.

The cases mentioned in the Report are among those, which came to notice in the course of test audit of accounts for the period 2013-14 as well as those which had come to notice in earlier years, but could not be reported in previous Audit Reports. Matters relating to the period subsequent to 2013-14 have also been included, wherever necessary.

Audit has been conducted in conformity with auditing standard issued by the Comptroller and Auditor General of India, based on the auditing standards of the International Organisation of Supreme Audit Institutions.





# **OVERVIEW**



## OVERVIEW

This Report consists of two Parts. Part - I is on Urban Local Bodies (ULBs) and Part - II is on *Panchayat Raj* Institutions (PRIs). Each part contains two chapters; one is on 'An overview on the Finances and Accounting Procedure' and the other one is on 'Audit paragraphs.' A summary of the major findings are discussed below:

### PART – I : URBAN LOCAL BODIES

#### CHAPTER – 1 : AN OVERVIEW OF FINANCES AND ACCOUNTING PROCEDURES IN URBAN LOCAL BODIES (ULBs)

The ULBs did not adopt the accrual based accounting system, as envisaged in the Madhya Pradesh Municipal Accounting Manual. Comptroller and Auditor General of India provided Technical Guidance and Support for audit of the ULBs.

**(Paragraph 1.4)**

There were differences between the cash book balances and the bank balances of ULBs due to non-reconciliation, which is fraught with the risk of misuse of funds.

**(Paragraph 1.10)**

Tax revenue and non-tax revenue amounting to ₹ 845 crore imposed up to 2012-13 remained outstanding in 48 ULBs.

**(Paragraph 1.11)**

Utilisation Certificates of ThFC grants were submitted by the State Government to the Government of India based on funds released to the ULBs and not on the basis of actual utilisation.

**(Paragraph 1.13.1)**

The State Government did not receive the performance grants for the year 2012-13 and 2013-14, since the conditions for being eligible for the grants were not fulfilled.

**(Paragraph 1.13.2)**

### CHAPTER - 2 : AUDIT PARAGRAPHS

#### Long Paragraph

##### Service Level Benchmarking for Performance Management of Urban Services:

In order to increase accountability for service delivery by Urban Local Bodies (ULBs), Government of India launched the Service Level Benchmarks (SLBs) initiative covering water, sanitation, solid waste management and storm water drainage. The Thirteenth Finance Commission also linked the drawal of 'Performance Grant' by the State Government with the achievement of the targets set by the State Government for delivery of the urban services.

**(Paragraph 2.1.1)**

Availability of continuous and qualitative water supply services was not adequate in four ULBs since the targets fixed for water supply connections were lower than the benchmark of 100 *per cent* coverage prescribed by GoI. The achievement was much lower than the targets fixed; the lowest was at

Indore (31 to 34 *per cent*). The *per capita* water supply was only 55 to 100 litres per day during 2013-14 against the benchmark of 135 litres per day. Against the benchmark of 100 *per cent*, the cost recovery of water supply services was 28 to 50 *per cent* in two Municipal Corporations and 2 to 14 *per cent* in two Municipal Councils.

**(Paragraphs 2.1.4.2, 2.1.4.7, 2.1.4.12 and 2.1.4.17)**

Except MC Indore, sewage services were not in existence in three other ULBs. Even in Indore cost of the services provided was not recovered.

**(Paragraphs 2.1.4.3, 2.1.4.8, 2.1.4.13 and 2.1.4.18)**

Collection of municipal solid waste (MSW) was 86 to 100 *per cent* of total generation of MSW in four ULBs. However, disposal of MSW was done only in Indore, where only seven *per cent* MSW collected was disposed at landfill sites.

**(Paragraphs 2.1.4.4, 2.1.4.9, 2.1.4.14 and 2.1.4.19)**

Government showed achievement of 70 to 90 *per cent* regarding coverage of Storm water drainage network, though the ULBs did not maintain the records of such incidences.

**(Paragraphs 2.1.4.5, 2.1.4.10, 2.1.4.15 and 2.1.4.20)**

### **Transaction audits**

Nagar Parishad, Rajgarh procured an ultra filtration plant in August 2009 for providing pure drinking water, which was not installed and made operational, even after spending ₹ 36.44 lakh because of non-laying of new distribution pipelines.

**(Paragraph 2.2)**

A work of housing project taken up by Gwalior Municipal Corporation in forest land had to be abandoned due to stoppage of work by Forest Department. As a result, expenditure of ₹ 25.55 lakh became wasteful.

**(Paragraph 2.3)**

## **PART – II: PANCHAYAT RAJ INSTITUTIONS**

### **CHAPTER – 3 : AN OVERVIEW OF FINANCES AND ACCOUNTS OF PANCHAYAT RAJ INSTITUTIONS (PRIs)**

There was short devaluation of grants to PRIs amounting to ₹ 147.98 crore. There were differences between the cash book balances and bank balances of PRIs due to non-reconciliation, which is fraught with the risk of misuse of funds.

**(Paragraph 3.7)**

Devolution of funds, functions, and functionaries to the PRIs, as envisaged in the Constitution (73<sup>rd</sup> Amendment) Act, was not done in the State. The accounts maintained by the PRIs were not in the format prescribed in Model Panchayat Accounting System.

**(Paragraph 3.9)**

There were significant delays in transfer of ThFC grants to the PRIs, which resulted in extra financial burden amounting to ₹ 6.82 crore on State Government towards interest for the delays.

**(Paragraph 3.13.1)**

The State Government submitted utilisation certificate to GoI based on funds released to the PRIs and not on the basis of actual utilisation of funds.

**(Paragraph 3.13.2)**

Distribution of General performance grants among Zila Panchayats and Janpad Panchayats was disproportionate, because the Department neither followed its own formula nor adopted the formula prescribed in the Working Plan despite suggested by Finance Department.

**(Paragraph 3.13.4)**

## CHAPTER – 4 : AUDIT PARAGRAPHS

### Long paragraph

#### Receipts of Panchayats:

Government of Madhya Pradesh made Rules for levy of obligatory taxes namely property tax, light tax, professional tax, registration fees for sale of cattle, as well as optional taxes such as water rate, drainage, license for use/occupation of land/properties etc.

**(Paragraph 4.1.1)**

Forty six *per cent* Gram Panchayats (GPs) did not levy and collect any of the obligatory taxes. Property tax and Light tax were levied by 54 *per cent* GPs and 59 *per cent* GPs respectively. Professional tax was levied only by six *per cent* GPs. There was no record to suggest that the taxes were imposed based on the resolution taken in Gram Sabha.

**(Paragraphs 4.1.3.1 to 4.1.4)**

The Gram Panchayats did not levy and collect the optional taxes and fees, except for water rate collected by 50 *per cent* GPs.

**(Paragraph 4.1.5)**

Government paid incentives to the GPs, without ascertaining their performance in collection of taxes. Recovery of taxes levied by the GPs was slow mainly because of penalty was not being imposed.

**(Paragraph 4.1.6)**

### Transaction audits

Due to injudicious decision of Madhya Pradesh State Employment Guarantee Council, MGNREGS funds of ₹ 29.51 crore remained out of bank account for four months resulting in loss of interest of ₹ 39.35 lakh to the Scheme Fund and inflated UC submitted to GoI ₹ 29.51 crore.

**(Paragraph 4.2)**

Gram Panchayats under Shivpuri Janpad Panchayat utilised MGNREGS funds of ₹ 23.68 lakh for purposes beyond the scope of the Scheme.

**(Paragraph 4.3)**



**CHAPTER – 1**  
**AN OVERVIEW OF FINANCES**  
**AND ACCOUNTING**  
**PROCEDURES OF URBAN**  
**LOCAL BODIES**



## PART – I URBAN LOCAL BODIES

### CHAPTER – I

#### AN OVERVIEW OF FINANCES AND ACCOUNTING PROCEDURES OF URBAN LOCAL BODIES

##### 1.1 Introduction

Article 243W of the Constitution of India envisages that the Legislature of a State may, by law, endow the Municipalities with such powers and authorities as may be necessary to enable them to function as institutions of self Government and such law may contain provisions for devolution of powers and responsibilities upon Municipalities.

After 74<sup>th</sup> Amendment of the Constitution of India in 1992, the Urban Local Bodies (ULBs) were made full fledged and vibrant institutions of Local Self Government by vesting them with clearly defined functions and responsibilities. Accordingly, the Government of Madhya Pradesh (GoMP) re-organised these institutions into three types of ULBs, namely Municipal Corporations for larger urban areas, Municipal Councils for smaller urban areas and Nagar Parishads for a transitional area<sup>1</sup>. Article 243W of 74<sup>th</sup> Constitutional Amendment Act, 1992 envisages devolution of powers and responsibilities upon Municipalities. Accordingly, 18 functions were devolved to ULBs.

At present, there are 14 Municipal Corporations, 100 Municipal Councils and 246 Nagar Parishads in the State. The basic demographic information relating to the State of Madhya Pradesh vis-a-vis National average is given below:

Particulars	Unit	Madhya Pradesh	All India average
Population	crore	7.26	121.02
Share in country's population	<i>per cent</i>	6	-
Urban population	crore	2	38
Share of urban population	<i>per cent</i>	28	31
Literacy rate*	<i>per cent</i>	71	74
Sex ratio (females per thousand males)*	ratio	930/1000	940/1000

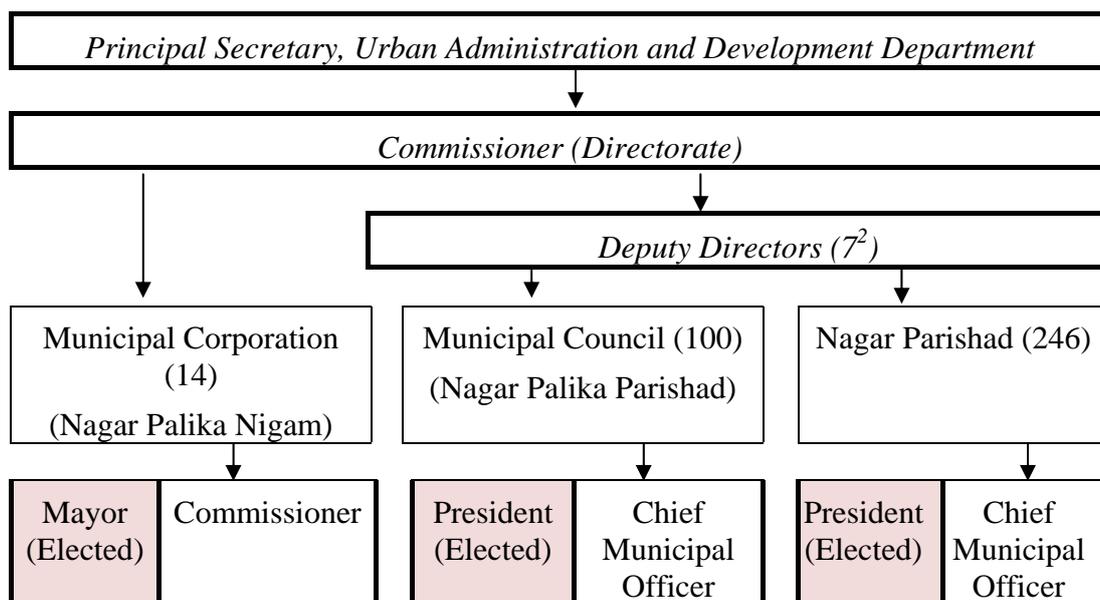
(Source: \*Census report 2011)

##### 1.2 Administrative set up

All the ULBs are empowered to discharge the functions devolved under the provisions of Madhya Pradesh Municipal Corporation Act, 1956 and Madhya Pradesh Municipalities Act, 1961, subject to monitoring powers vested in State authorities provided therein. The organisational structure of the Urban Administration and Development Department (UADD) is as under:

<sup>1</sup> Transitional area means such area as the Governor may decide as per population density, revenue generation, agricultural activities, economic importance etc.

### Organisational Chart of ULBs



#### 1.3 Implementation of Audit Plan

Out of total 360 ULBs, audit of 68 ULBs, (08 Municipal Corporations, 21 Municipal Councils and 39 Nagar Parishads) and the Directorate, were covered during the year 2013-14. Details are given in **Appendix-1.1**. Besides, performance audit of 'Service Level Benchmarking for performance management of urban services' was conducted in four ULBs (two Municipal Corporations<sup>3</sup> and two Municipal Councils<sup>4</sup>).

#### 1.4 Accounting arrangement

A Task Force constituted by Comptroller & Auditor General (C&AG) of India recommended budget and accounting formats for ULBs namely National Municipal Accounting Manual (NMAM) framed by GoI. The Urban Administration and Development Department (UADD), Government of MP published the Madhya Pradesh Municipal Accounting Manual (MPMAM) in July, 2007 for adoption of accrual basis accounting system by ULBs of the State with effect from 1 April 2008, as suggested in NMAM.

During test check of accounts of 68 ULBs, we observed that five Municipal Corporations<sup>5</sup> prepared their budget and accounts in accordance with MPMAM and 30 ULBs (Municipal Corporation, Burhanpur, 12 Municipal Councils<sup>6</sup> and 17 Nagar Parishads<sup>7</sup>) did not maintain their accounts as per MPMAM; they prepared their accounts as per the existing Accounting Rules

<sup>2</sup> Bhopal, Gwalior, Indore, Jabalpur, Rewa, Sagar and Ujjain

<sup>3</sup> Burhanpur and Indore

<sup>4</sup> Pithampur and Raghogarh

<sup>5</sup> Jabalpur, Katni, Sagar, Satna and Singroli.

<sup>6</sup> Amarwada, Ambah, Balaghat, Baraseoni, Dhanpuri, Kolar, Malajkhand, Mandla, Naugaon, Parasia, Pipria and Tikamgarh.

<sup>7</sup> Akodia, Athner, Badkuhi, Baisdehi, Bamhanibanjar, Bareli, Barghat Gotegaon, Hatpipla, Loharda, Lodhikheda, Mandav, Piploda, Rajgarh, Shahganj, Shahpura and Tendukheda.

under Madhya Pradesh Municipal Corporation, Act, 1956 and Municipal Council Act, 1961. No information was furnished by 33 ULBs to Audit.

The Commissioner UADD stated that out of 360 ULBs, 14 Municipal Corporations adopted the MPMAM and in 26 Municipal Councils and 15 Nagar Parishads, the process for adoption of MPMAM was under progress.

### **1.5 Audit arrangement**

As per recommendations of the Eleventh Finance Commission, audit of ULBs by Director Local Fund Audit (DLFA) has been brought (November 2001) under the Technical Guidance and Supervision (TGS) of the C&AG of India. The Inspection reports of ULBs audited by the Accountant General (G&SSA) were also sent to DLFA for providing Technical Guidance.

The Thirteenth Finance Commission (ThFC) recommended that Annual Technical Inspection Report (ATIR) of C&AG as well as the Annual Report of DLFA should be placed before the State Legislature. Consequently, amendments were made (January 2012) in the Madhya Pradesh Municipal Corporation Act, 1956 and Madhya Pradesh Municipalities Act, 1961 which provided that ATIRs and DLFA reports were to be laid before the State Legislature.

The ATIR for the year 2012-13 along with Audit report of DLFA were not placed before State Legislature as of August 2014. The Commissioner, UADD stated (August 2014) that action was being taken for placement of the ATIR along with Audit report of DLFA in State Legislature.

#### **Technical Guidance and Support provided by IA&AD**

Section 152 of Regulations on Audit and Accounts, 2007 envisages the following arrangements regarding technical guidance and support to ULBs:

- Local Fund Auditor would prepare annual audit plan for audit of ULBs and forward it to the Accountant General (Audit) of the State.
- the audit methodology and procedure for audit of ULBs by the Local Fund Auditor would be as per various Acts and Statutes of the State and guidelines prescribed by the C&AG.
- copies of inspection reports would be forwarded to the Accountant General (Audit) for advice on system improvement.

The Annual Audit Plan for 2013-14 was prepared by DLFA, which was forwarded to the Accountant General (Audit) and the methodology and procedure of audit as suggested by the AG (Audit) from time to time was followed. The Inspection reports were forwarded to the AG (Audit) for vetting.

In May 2014, a meeting was held between Director, Local Fund Audit and Principal Accountant General (Audit), Madhya Pradesh and it was agreed upon that the above provisions of section 152 of Regulations on Audit and Accounts, 2007 would be complied with.

## 1.6 Sources of revenue

As per provisions of Section 105 of MP Municipalities Act, 1961 and Section 87 of MP Municipal Corporation Act, 1956, there are mainly two sources of revenue for ULBs, viz. Government grants and own revenue, which include:

- grants assigned under Finance Commission.
- loans from State Government or any other source with prior permission of the State Government.
- devolution of one *per cent* of divisible tax revenue<sup>8</sup> of the State Government under the recommendations of the Third State Finance Commission (SFC). Devolution of Grants under the recommendation of the Third SFC during 2013-14 was as under:

**Table - 1.1 : Devolution of grants**

(₹ in crore)

Year	Divisible grants of State Government	Grants were to be devolved to ULBs	Grants actually devolved to ULBs
2013-14	23940.00	239.40	170.81

(Source: Information provided by Finance Department)

Thus, there was a short devolution of ₹ 68.59 crore to ULBs by the Finance Department during the year 2013-14.

## 1.7 Budgetary allocation and expenditure

Funds (share of tax revenue of the State, schemes funds and grants, etc.) allocated to ULBs by Government of Madhya Pradesh (GoMP) through State budget during the years 2009-10 to 2013-14 were as under:

**Table - 1.2 : Budgetary allocation and expenditure**

(₹ in crore)

Year	Budgetary Allocation			Expenditure			Unspent balance
	Revenue	Capital	Total	Revenue	Capital	Total	
1	2	3	4	5	6	7	8 (4-7)
2009-10	2878.76	391.83	3270.59	2726.60	208.55	2935.14	335.45
2010-11	3577.21	323.15	3900.36	2983.60	202.64	3186.24	714.12
2011-12	4148.30	208.00	4356.30	3743.23	152.54	3895.77	460.53
2012-13	5271.89	215.09	5486.98	4879.63	138.50	5018.13	468.85
2013-14	6547.97	124.21	6672.18	5435.55	53.18	5488.73	1183.45
<b>Total</b>	<b>22424.13</b>	<b>1262.28</b>	<b>23686.41</b>	<b>19768.61</b>	<b>755.41</b>	<b>20524.01</b>	<b>3162.40</b>

(Source: Appropriation Account -Grant nos. 22, 53, 68 and 75)

It would be seen from the above that there were significant unspent balance every year. We also observed that details of receipts of ULBs from their own sources and expenditure there against such receipts were not maintained by the Commissioner, UADD. As per Article 98 of Madhya Pradesh Municipal Corporation Act, 1956 and Article 116 of Madhya Pradesh Municipal Council

<sup>8</sup> Divisible Fund = total tax revenue of previous year - ten percent of expenditure for collection of taxes - assigned revenue to PRIs and ULBs.

Act, 1961, the ULBs were required to prepare budget estimates covering all receipts and expenditure and send the same to the State Government.

The Commissioner, UADD stated (July 2013) that the details would be collected and furnished to Audit. Information was awaited (February 2015).

### 1.8 Transfer of Funds, Functions and Functionaries

The State Government devolved all 18 functions, enshrined in Twelfth schedule of the Constitution, to ULBs as detailed in **Appendix-1.2**. However, no separate funds and functionaries were transferred by the Government to the ULBs (March 2014).

### 1.9 Status of outstanding Inspection Report Paragraphs

Inspection reports (IRs) were sent to the DLFA as technical support as per TGS arrangement. DLFA was to follow up the compliance with the audit observations. We observed that 4971 paragraphs in 670 IRs, including 700 paragraphs in 69 IRs issued during 2013-14 were pending for settlement as of March 2014. The details are as under:

**Table - 1.3 : Status of outstanding Inspection Reports and Paragraphs**

Sl. No.	Year	OB + addition during the year		Clearance		Closing balance	
		No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras
1	2009-10	420	3565	42	957	378	2608
2	2010-11	85	643	5	96	80	547
3	2011-12	86	795	2	139	84	656
4	2012-13	61	603	2	143	59	460
5	2013-14	69	700			69	700
	<b>Total</b>	<b>721</b>	<b>6306</b>	<b>51</b>	<b>1335</b>	<b>670</b>	<b>4971</b>

(Source: Monthly Arrear Report)

A High Power Committee was constituted in September 2013 and 1146 paragraphs were settled during the year 2013-14.

### 1.10 Non-preparation of bank reconciliation statement

According to Rules 97 and 98 of Madhya Pradesh Municipal Accounts Rules 1971, reconciliation of differences, if any, between the balances of cash book and bank accounts was required to be conducted every month.

We observed that in 46 out of 68 test checked ULBs bank reconciliation was not done. As a result, in 12 ULBs<sup>9</sup> bank balance was less by ₹ 149.72 crore than the cash book balance and in 34 ULBs (five Municipal Corporations<sup>10</sup>, 11 Municipal Councils<sup>11</sup>, 18 Nagar Parisads<sup>12</sup>) bank balance was ₹ 9.74 crore

<sup>9</sup> Municipal Corporation:- Indore, Katni and Singroli Municipal Council:- Baraseoni and Pipria Nagar Parishad:- Barghat, Khad, Lodhikheda, Mandleshawar, Piploda, Rehti and Tendukheda

<sup>10</sup> Burhanpur, Indore, Katni, Satna and Singroli

<sup>11</sup> Amarbada, Ambah, Baraseoni, Jhabua, Kareli, Kolar, Mandla, Nainpur, Naugaon, Pipria and Sabalgarh

<sup>12</sup> Akodia, Athner, Badkuhi, Baisdehi, Barghat, Hatpiplya, Loharda, Rajgarh, Khand, Shahganj, Piploda, Karnawad, Mandav, Rajgarh, Jaronkhalsa, Sahrpura, Gotegaon and Tendukheda

more than the cash book balance as on 31 March 2013, as shown in **Appendix-1.3**. However, 31 ULBs did not furnish information to Audit.

Non-reconciliation of cash book balances with bank balances is fraught with the risk of misuse of funds.

### **1.11 Non-realisation of tax revenue/non-tax revenue**

As per Section 87 of MP Municipal Corporation Act, 1956, the ULBs earn revenue from their own resources through taxes, rent, fees, issue of licenses etc. In case of non-receipt of the tax and non-tax revenue, the ULBs are required to take necessary action for recovery as envisaged in section 173 to 183 of the MP Municipal Corporation Act, 1956.

We observed (April 2013- January 2014) that tax revenue of ₹ 689.67 crore imposed up to March 2013 in 48 ULBs remained unrealised. The amount included ₹ 685.25 crore on account of property tax, composite tax, education and development cess, market fees and show tax imposed in 45 ULBs, as shown in **Appendix-1.4A** and ₹ 4.42 crore on account of rent and premium imposed by 14 ULBs (including 11 in Appendix 1.4A) , as shown in **Appendix 1.4B**. In Katni Municipal Corporation, collection of tax was ₹ 1.29 crore more than the amount demanded. In Nagar Parishads, Subasra and Mandsaur no tax was imposed. Remaining 21 ULBs did not furnish information to Audit.

Similarly, non-tax revenue (water charges) pertaining to 38 ULBs amounting to ₹ 155.63 crore remained unrealised, as shown in **Appendix-1.5**. However, no action was taken by these ULBs under Sections 173 to 183 of the Act *ibid* to recover the dues. The remaining 30 ULBs did not furnish information.

### **1.12 Non-adjustment of temporary advances**

Rule 112 (2) of the MP Municipal Accounts Rules, 1971 stipulates that no advance shall be drawn unless expenditure is likely to be incurred within one month. Adjustment or recovery of advances was to be made after one month.

During test check of records of 68 ULBs we observed that in 28 ULBs, temporary advances of ₹ 7.45 crore paid to individuals/agencies for execution of works and contingent expenditure remained outstanding as on 31 March 2013, as shown in **Appendix-1.6**. The oldest outstanding amount pertained to September 1994, i.e. more than 20 years. In 20 ULBs no temporary advances were found pending for adjustment. The remaining ULBs did not furnish the relevant information.

The Commissioner, Municipal Corporations/CMOs stated (2013-14) that instructions for recovery and adjustment have been issued.

#### **1.12.1 Non-recovery of interest**

As per Office Memorandum issued by Finance Department of GoMP (October 2009), festival advance and grain advance could be sanctioned to Group C and D employees of the State Government. Both advances were to be recovered in ten equal installments with simple interest rate of 6.5 per cent and interest was to be recovered in one installment after recovery of principal.

We observed that interest of ₹ 20.41 lakh<sup>13</sup> was not recovered against the advances paid between July 1994 and March 2013 to departmental officials.

On this being pointed out, the Commissioners of Municipal Corporation, Bhopal (August-2014) and Ratlam (April-2014) stated that orders would be issued for recovery of interest and intimated to audit.

### 1.13 Release and utilisation of Thirteenth Finance Commission Grants

The Thirteenth Finance Commission (ThFC) made the recommendations on measures needed to augment the Consolidated Fund of the State to supplement the resources of the Local Bodies i.e. for both Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs). In this regard, the ThFC recommended basic grant-in-aid to Local Bodies (LBs) for both General Areas and Special Areas<sup>14</sup>. In addition, performance related grant is available for the years 2011-12 to 2014-15 for both general and special areas in the States, subject to fulfillment of certain conditions imposed for its release.

Allocation of grant among various ULBs was based on the share of Urban population in 2001 census (1.60 crore) i.e. 26 per cent of total population 6.03 crore of the State. All grants for local bodies were to be released in two installments in July and January of every financial year. Conditions for release of General Performance Grant and Special Area Performance Grant were to be met by the end of the year (31 March) for a State to be eligible for drawl of its performance grant for the succeeding financial year. Compliance with the conditions was also needed to be maintained during the award period for continued eligibility for performance grants.

The Central grant received by the State Government and released by the UADD to the ULBs during the year 2013-14 were as under:

(₹ in crore)

Types of grants	Recommended by ThFC	Amount received by UADD and released to ULBs
General Basic Grant (GBG)	223.40	228.51
Special Area Basic Grant (SABG)	3.95	4.24
General Performance Grant (GPG)	152.60	Nil
Special Area Performance Grant (SAPG)	3.94	Nil
<b>Grant total</b>	<b>383.89</b>	<b>232.75</b>

(Source: Information provided by the Finance Department)

#### 1.13.1 Non-submission of UCs for actual expenditure

Para 6.3 (ii) of guidelines of ThFC stipulated that for release of the second installment of grants from 2010-11 onwards, the State Government was required to send utilisation certificates (UCs) for the previous installments to the GoI.

<sup>13</sup> Outstanding interest of ₹ 19.56 lakh in NN Bhopal, ₹ 81520 in NN Ratlam under grain advance and ₹ 3540 in NN Ratlam under festival advance.

<sup>14</sup> In Madhya Pradesh 61 ULBs listed as Special areas out of 360 ULBs.

We observed that during the year 2013-14, in the UCs submitted to the State Government, the UADD reported utilisation of the entire ThFC grant received. Accordingly, State Government submitted UCs for the same amount to GoI.

We further observed that Nagar Palika Parishad Unhel, District Ujjain received grant of ₹ 36.06 lakh during the year 2010-11 to 2013-14, but no expenditure was incurred and the entire amount was retained in the Account as of March 2014. Thus, submission of the UCs for the entire ThFC grant by UADD to State Government and the State Government to GoI was not correct.

On this being pointed out, Commissioner UADD stated that the UCs were sent on time to Government of India (GoI) in prescribed proforma showing receipt and expenditure of grant. The reply did not answer the audit observations.

### 1.13.2 Fulfillment of conditions by State Government to draw GPG

The State was eligible to draw its allocation of GPG, if it complies with certain conditions prescribed in ThFC guidelines. The status of compliance with the conditions by State Government as of March 2014 was as under:

Conditions	Action taken by the State Government
ULBs, having elected body were eligible to receive GPG.	All ULBs had elected body in Madhya Pradesh
Release of grants will be subject to submission of utilisation certificate for the previous installments drawn.	Utilisation certificates were submitted by UADD on time, but on the basis of funds released to ULBs and not on the basis of actual expenditure
The State should implement in all ULBs an accounting framework suggested in the National Municipal Accounts Manual (NMAM).	UADD, Government of Madhya Pradesh issued an order (July-2010) to implement National Accounting Manual in all ULBs but it was implemented only in all the 14 Nagar Nigams. It was under process in 26 Nagar Palika Parishads out of 100 Nagar Palika Parishads of State and in 15 Nagar Parishads out of 246 Nagar Parishads of State. Thus, NMAM was implemented only in four <i>per cent</i> ULBs of the State.
To put in place an audit system for ULBs and the Annual Technical Inspection Report of the C&AG as well as the Annual Report of the Director of Local Fund Audit must be placed before the State legislature	According to the MP Municipal Corporation Adhiniyam 1956 and Nagar Palika Adhiniyam 1971, ammended in July 2011, the Annual Audit report of DLFA on Panchayats along with the ATIR of the C&AG of India shall be submitted to the Governor, for laying in Legislative Assembly.

Conditions	Action taken by the State Government
To put in place a system of independent local body ombudsmen who will look into complaints of corruption and mal-administration against the functionaries of local bodies.	The M.P. Lokayukt evam Up-Lokayukt <i>Adhiniyam</i> , 1981 was in force and all functionaries of Local Bodies are covered under the Jurisdiction of this Act.
To put in place a system of transfer of funds through e-banking in all ULBs.	All ThFC grants were transferred through e-banking by UADD
To constitute State Finance Commission (SFC) as per Article 243 I(2) of the Constitution.	Already constituted and currently 3rd SFC was functioning.
Constitution of State Property Tax Board for suggesting reform in tax collection by the ULBs.	Government constituted the Board in March 2011. But, no reforms for tax collection were made by this Board. ULBs were collecting taxes at the prevailing rates.

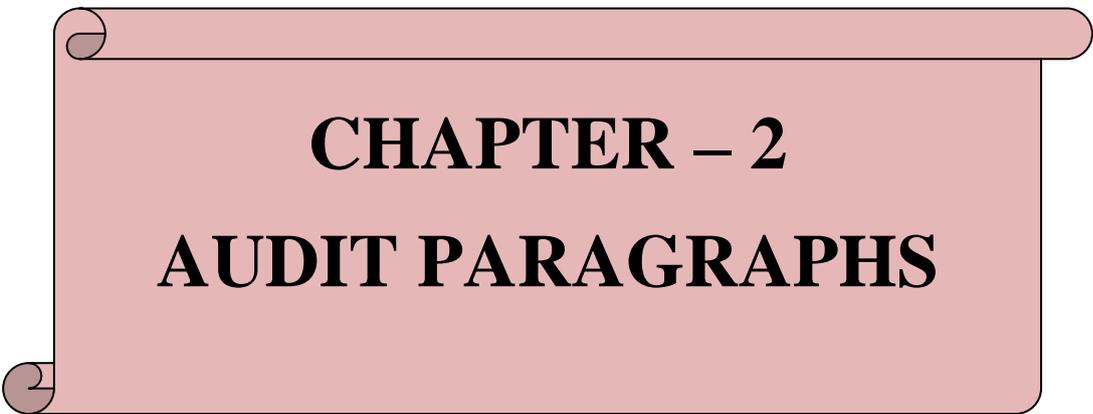
We observed that Performance Grant for the years 2012-13 and 2013-14 was not received by UADD (August 2014).

On this being pointed out, Commissioner UADD stated that proposal for GPG for the years 2012-13 and 2013-14 was submitted to GoI, but GPG was not received (August 2014).

## 1.14 Conclusions

- The ULBs did not adopt the accrual based accounting system, as envisaged in the Madhya Pradesh Municipal Accounting Manual. Comptroller and Auditor General of India provided Technical Guidance and Support for audit of the ULBs.
- There were differences between the cash book balances and bank balances of ULBs due to non-reconciliation, which is fraught with the risk of misuse of funds.
- Tax revenue and non-tax revenue amounting to ₹ 845 crore imposed up to 2012-13 remained outstanding in 48 ULBs.
- Utilisation Certificates of ThFC grants were submitted by the State Government to the Government of India based on funds released to the ULBs and not on the basis of actual utilisation.
- The State Government did not receive the performance grants for the year 2012-13 and 2013-14, since the conditions for being eligible for the grants were not fulfilled.





**CHAPTER – 2**  
**AUDIT PARAGRAPHS**



## CHAPTER – 2

### AUDIT PARAGRAPHS

#### **2.1 SERVICE LEVEL BENCHMARKING FOR PERFORMANCE MANAGEMENT OF URBAN SERVICES (URBAN ADMINISTRATION AND DEVELOPMENT DEPARTMENT)**

##### **2.1.1 Introduction**

The urban sector has significantly increased in the country with rapid population growth in urban areas. Even as additional investments are being made in basic services, there is a critical need to increase accountability for service delivery. Recognizing its importance, Government of India (GoI) launched the Service Level Benchmarks (SLBs) initiative covering water, sanitation, solid waste management and storm water drainage. A Hand Book on SLBs for adoption of benchmarks with respect to basic municipal services was also issued.

Further, as per recommendations (September 2010) of the Thirteenth Finance Commission (ThFC), State Government would be eligible to draw performance grant for Urban Local Bodies (ULBs) if they fulfil certain conditions. One of the conditions is that the State Government must notify by the end of a fiscal year (31 March) the service standards for four service sectors, viz. water supply, sewerage, storm water drainage and solid waste management proposed to be achieved by them by the end of succeeding fiscal year. This could be in the form of a declaration of minimum level of service for the indicators mentioned against each of these four service sectors in the Hand Book of SLBs published by GoI. The fact of publication of a notification in State *Gazette* will demonstrate compliance with this condition.

Out of 360 ULBs in the State, the SLBs have been notified in 114 ULBs (14 Municipal Corporations and 100 Municipal Councils) as of March 2014. The State Government notified every year the targets for delivery of various urban services for the current year and the achievement vis-à-vis targets for the previous year in respect of each ULB.

##### **2.1.2 Scope and objectives of audit**

The performance management of urban services in terms of the service level benchmarking in two Municipal Corporations (Indore and Burhanpur) and two Municipal Councils (Pithampur and Raghogarh) was examined (April to August 2014) covering the period 2011-14. The audit objectives were to assess whether:

- Continuous and qualitative water supply services were available to all the urban households with efficient collection of water supply related charges;
- Sewage management services, such as collection of sewage and reuse of water through treatment plant were available with extent of cost recovery;

- Solid waste management services were made available, with efficiency in collection and disposal of municipal solid waste with extent of cost recovery;
- Drainage network for storm water was effective with regard to past incidences of water logging/ flooding.

## Audit findings

### 2.1.3 Notification of SLBs by the State Government

During scrutiny of records of Urban Administration and Development Department (UADD) (January 2014), we observed that out of 360 ULBs the notifications were issued in respect of 110 ULBs (30 per cent) in 2011-12, 111 ULBs (31 per cent) in 2012-13 and 114 ULBs (32 per cent) in 2013-14. Thus, 68 to 70 per cent of the ULBs were not covered under SLB.

We observed that the UADD received the General Performance Grant (₹ 87.50 crore) during 2011-12, based on the performance for the year 2010-11. No performance grant was received thereafter. Further, we observed that there were delays in issue of notification of SLBs in respect of the ULBs as shown below:

Table – 2.1: Status of issue of Notification in State Gazette

Year	Due date	Actual date of Notification	No. of ULBs notified (out of total 360)	Delay in months
2011-12	31.3.2011	27.1.2011	110	No delay
2012-13	31.3.2012	03.9.2012	111	5 months
2013-14	31.3.2013	17.2.2014	114	10 months

(Source: Information provided by UADD)

Significant delays in issue of notification adversely impact the monitoring of the performance and delivery of services by the ULBs.

On this being pointed out, the Chief Engineer, UADD stated (February 2015) that the SLBs in respect of 114 ULBs were notified in State Gazette during the years 2011-12, 2012-13 and 2013-14.

The reply of the Department was not correct since the notifications were issued in respect of 110 ULBs in 2011-12 and 111 ULBs in 2012-13.

Regarding delays in notification, the Department stated (February 2015) that the delays occurred due to delay in submission of information by the ULBs.

### 2.1.4 Service Level Benchmarks (SLBs) and achievement thereof

In the Hand Book of SLBs, the desired value of benchmarks for each of the following four urban service sectors has been prescribed. The State Government fixed the targets for each year, which was much lower than the value fixed by GoI, as discussed in the succeeding paragraphs. We observed that no target date was fixed by the State Government for achieving the benchmark value.

ULB-wise status of targets and achievements under four urban services<sup>1</sup> are discussed below:

### A : Municipal Corporation, Indore

#### 2.1.4.1 Financial position

The benchmarking is a mechanism for monitoring accountability in service delivery on a continuous basis. For achieving the targets fixed for ULBs, no separate provision of funds was made by the GoI or the State Government. The ULBs are required to set the targets for delivery of services for a particular year, based on the resources available with them.

The receipts and expenditure in Municipal Corporation (MC), Indore during the years 2011-12 to 2013-14 was as below:

Table – 2.2: Details of receipts and expenditure of MC Indore

(₹ in crore)			
Year	Receipts	Expenditure	Balance
2011-12	692.41	690.07	2.35
2012-13	564.89	545.42	19.48
2013-14	779.30	770.20	9.10

(Source: information furnished by MC Indore)

#### 2.1.4.2 Water Supply Services

The objective of the Water Supply System was to supply safe and clean potable water in adequate quantity, conveniently and economically. The status of performance relating to water supply services in MC Indore was as under:

Table – 2.3: Targets and achievement Notified in State Gazette

Sl. No	Service Indicators	Benchmarks of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Households connected (per cent)	100	40	40	42	42	45	48
2	Per Capita Water Supply (lpcd)	135	80	80	90	92	100	100
3	Extent of metering (per cent)	100	0.50	0.50	1.00	0.50	10	10
4	Continuity of Water supply	24 hours	50 mts. per day	50 mts. per day	1 hr. alt. day	1 hr. alt. day	1.5 hr. alt. day	1.5 hr. alt. day
5	Quality of Water supply (per cent)	100	92	92	95	95	95	95
6	Cost recovery (per cent)	100	40	40	45	45	50	50

(Source: Gazette Notification issued by State Government)

- We observed that the actual achievement under the indicator 'coverage of water supply connections' was 31 per cent (1,79,898 households), 32 per cent (1,83,163 households) and 34 per cent (1,98,074 households) during the years 2011-12, 2012-13 and 2013-14 respectively. Thus, the achievement notified during these years was incorrect and was much less than the actual achievement.
- We observed that though the Gazette Notification showed no shortfall in achieving the targets (80 to 100 per cent), under 'per capita water

<sup>1</sup> Water Supply Services, Sewage and Sanitation Management, Solid Waste Management and Storm Water Drainage

supply,' the actual achievement was 52 lpcd, 71 lpcd and 70 lpcd during the years 2011-12, 2012-13 and 2013-14 respectively. Thus, the *per capita* supply of water in the Indore was 39 to 53 *per cent* of the benchmark of 135 lpcd fixed by GoI.

- Against the benchmark of 100 *per cent* metering of water connection fixed by GoI, the MC Indore notified targets and achievement of only 10 *per cent*. We observed that no metering was actually done in Indore as of April 2014.
- Though the *Gazette* Notification showed targets and achievement of continuity of water supply as 1.5 hour/alternate day in Indore, actual continuity of water supply was 1 hour/alternate day, which was much below the benchmark of 24 hours fixed by GoI.
- In Indore, quality of water supplied was ensured in 92 to 95 *per cent* of water supplied during 2011-14.
- In Indore, the cost recovery of water supply services was 40 *per cent*, 45 *per cent* and 50 *per cent* of operating cost during the years 2011-12, 2012-13 and 2013-14 against the benchmark of 100 *per cent*.

On this being pointed out, the MC Indore did not furnish any reply.

#### 2.1.4.3 Sewage and Sanitation

The objective of sewage management services is collection of sewage and reuse of water through treatment plant with extent of cost recovery. The targets and achievement under Sewage and Sanitation Service in Indore were as below:

Table – 2.4: Targets and achievement notified in State *Gazette*

Sl. No.	Service indicators	Benchmarks of GoI	<i>(in per cent)</i>					
			2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Coverage of toilets	100	98	98	99	98	100	98
2	Coverage of sewage network	100	97	97	98	98	100	98
3	Collection efficiency of sewage network	100	58	58	61	58	65	58
4	Adequacy of sewage treatment capacity	100	62	62	70	nil	70	nil
5	Extent of cost recovery of sewage	100	nil	nil	nil	nil	nil	nil

*(Source: Gazette Notification issued by State Government)*

- We observed that no data base was maintained by MC Indore in respect of 'coverage of toilets.' Thus, there was no basis for showing the achievements in the *Gazette* Notification.
- The MC Indore informed that actual coverage of service area under the sewage network was 83 *per cent* against 97 to 98 *per cent* notified, but no documentary evidence in support of the actual coverage produced to Audit. Thus, the achievement shown in the State *Gazette* could not be verified.

- The MC Indore collected 90 mld<sup>2</sup> waste water per day through sewage treatment plant, which was 23 to 32 per cent of total waste water generated during the years 2011-12 (223 mld), 2012-13 (313 mld) and 2013-14 (313 mld). We further observed that out of 90 mld of waste water collected only 0.075 mld was recycled and reused after treatment during the years 2011-12 to 2013-14. Thus, the adequacy of sewage treatment capacity was less than the benchmark of 100 per cent.
- The operating cost of sewage and sanitation services was ₹ 121.73 lakh per annum in Indore, but no charges were imposed and recovered.

On this being pointed out, the MC Indore did not furnish the reply.

#### 2.1.4.4 Municipal Solid Waste (MSW) Management

The Solid waste management services include efficiency in collection and disposal of municipal solid waste with extent of cost recovery. The targets and achievement under Solid Waste Management service in Indore were as below:

**Table – 2.5: Targets and achievement notified in State Gazette**

Sl. No.	Service Indicators	Benchmarks of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Household Level Coverage	100	30	30	32	32	80	85
2	Efficiency in collection of MSW	100	78	78	80	80	80	80
3	Extent of segregation of MSW	100	2	0	2	2	50	40
4	Extent of Scientific Disposal of MSW	100	2	10	10	25	50	50
5	Extent of Cost recovery	100	52	52	54	54	54	54

(in per cent)

(Source: Gazette Notification issued by State Government)

- We observed that only one lakh households were connected with door-to-door collection of MSW out of four lakh households in MC Indore (25 per cent) during 2013-14. Thus, the achievement notified in State Gazette as 85 per cent which was incorrect.
- In MC Indore, 21,018 Metric Tons (MTs) of MSW (89 per cent) was collected out of 23,540 MTs generated during 2013-14. Thus, the targets shown in Gazette Notification were achieved.
- During 2013-14, only 5661 MTs of MSW (27 per cent) was segregated out of 21,018 MTs collected. Thus, the achievement notified was incorrect.
- During 2013-14, out of 21,018 MTs of MSW collected per month, only 1500 MTs per month (seven per cent) was disposed. Thus, the achievement shown in Gazette Notification for 2013-14 was not correct.

On this being pointed out, the MC Indore stated (September 2014) that the door-to-door collection of MSW was being done through resident's unions and Jagirdars which was 35 to 40 per cent of total MSW generated. The CHO, MC Indore stated (September 2014) that the segregation would be started after

<sup>2</sup> Million litres per day

starting door-to-door collection of MSW. The CHO, MC Indore stated (September 2014) that a proposal for establishing a "Waste to Energy Plant" was submitted to the Mayor-in-Council. CHO, MC Indore stated (September 2014) that the fees at ₹ 50 per house would be charged after making arrangement for door-to-door collection of MSW.

#### 2.1.4.5 Storm Water Drainage Services

The objective of storm water drainage network was to avoid the incidences of water logging/ flooding. The targets and achievement under the Storm Water Drainage services in MC Indore were as below:

**Table – 2.6 : Targets and achievement notified in State Gazette**

Sl. No.	Service Indicators	Benchmarks of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Coverage of Storm water drainage (in per cent)	100	35	35	50	50	50	70
2	Incidence of water logging	zero	30	30	25	21	21	15

(Source: Gazette Notification issued by State Government)

We observed that no records were maintained relating to these indicators. The actual status could not be ascertained in audit in the absence of records.

On this being pointed out, the MC Indore did not furnish the reply.

### **B : Municipal Corporation Burhanpur**

#### 2.1.4.6 Financial position

The receipts and expenditure in Municipal Corporation (MC) Burhanpur during the years 2011-12 to 2013-14 were as below:

**Table – 2.7: Details of receipts and expenditure in Burhanpur**

(₹ in crore)

Year	Receipts	Expenditure	Balance
2011-12	22.51	22.29	0.22
2012-13	24.64	22.33	2.31
2013-14	29.53	26.00	3.53

(Source: information furnished by MC Burhanpur)

#### 2.1.4.7 Water Supply Services

The status of performance indicators relating to water supply services in MC Burhanpur was as under:

**Table – 2.8 : Targets and achievement Notified in State Gazette**

Sl. No.	Service Indicators	Benchmarks of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Households connected	100 per cent	60	58	63	63	68	68
2	Per Capita Supply of Water	135 lpcd	80	80	85	85	85	85
3	Extent of metering	100 per cent	nil	nil	nil	nil	nil	nil
4	Continuity of Water supply	24 hours	1 hr. / day					
5	Quality of Water supply	100 per cent	50	50	50	50	50	50
6	Cost recovery	100 per cent	35	48	50	55	60	60

(Source: Gazette Notification issued by State Government)

- We observed that the actual achievement under the indicator 'coverage of water supply connections' was 58 per cent, 63 per cent and 68 per cent during the years 2011-12, 2012-13 and 2013-14 respectively. Thus, the targets notified in State Gazette were less than the benchmark value of 100 per cent.
- Actual achievement under 'per capita water supply' was 80 lpcd, 85 lpcd and 85 lpcd during 2011-12, 2012-13 and 2013-14 respectively, which was much less than the benchmark value.
- MC Burhanpur did not set any target for coverage of metering of water connection in the State Gazette.
- Actual status of continuity of water supply in MC Burhanpur was 45 minutes per day during 2013-14 against the benchmark value of 24 hours.
- MC Burhanpur did not have any filtration plant. Thus, in absence of filtration plant, the quality of water supplied by the MC was not ensured, which can pose serious public health hazards.
- In Burhanpur, the actual cost recovery in Burhanpur was 28 per cent, 31 per cent and 28 per cent during the years 2011-12, 2012-13 and 2013-14 respectively against the benchmark of 100 per cent. The achievement of 48 to 68 per cent shown in State Gazette was also incorrect.

On this being pointed out, the MC Burhanpur accepted the fact and stated (June 2014) that the detailed project report for water supply services was prepared and sent to State Government (March 2014) for approval.

#### 2.1.4.8 Sewage and Sanitation

The targets and achievement under the Sewage and Sanitation service in MC Burhanpur were as below:

**Table – 2.9: Targets and achievement notified in State Gazette**

Sl. No.	Service Indicators	Benchmarks of GoI	<i>(in per cent)</i>					
			2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Coverage of toilets	100	72	70	75	70	80	78
2	Coverage of sewage network	100	2	2	2	2	5	2
3	Collection efficiency of sewage network	100	100	2	2	nil	nil	nil
4	Adequacy of sewage treatment capacity	100	nil	nil	nil	nil	nil	nil
5	Extent of cost recovery of sewage	100	nil	nil	nil	nil	nil	nil

*(Source: Gazette Notification issued by State Government)*

- We observed that no database was maintained by MC Burhanpur in respect of 'coverage of toilets.' Thus, there was no basis for showing the achievements in the Gazette Notification.
- The MC Burhanpur set the target of two per cent of service are under the sewage network. But, no sewage network was established in

Burhanpur as of June 2014. The achievement shown in the State Gazette was, therefore, not correct.

- The MC Burhanpur did not have any treatment plant for treatment of waste water. Since no sewage network was therein Burhanpur, no charges were imposed and recovered.

On this being pointed out, the MC Burhanpur stated that construction of a sewage network in a colony "Heeranagar" was under progress and for remaining area of city a proposal would be prepared.

#### 2.1.4.9 Municipal Solid Waste (MSW) Management

The targets and achievement under the Solid Waste Management service in MC Burhanpur were as follows:

Table – 2.10: Targets and achievement notified in State Gazette

Sl. No.	Service indicator	Benchmarks of GoI	(in per cent)					
			2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Household Level Coverage	100	100	70	75	75	75	75
2	Efficiency in collection of MSW	100	100	90	90	92	95	92
3	Extent of segregation of MSW	100	40	nil	40	40	42	40
4	Extent of Scientific Disposal of MSW	100	45	nil	40	41	42	41
5	Extent of Cost recovery	100	100	13	85	82	85	82

(Source: Gazette Notification issued by State Government)

- Only 7500 households were connected with door-to-door collection of MSW out of 0.25 lakh households in MC Burhanpur (30 per cent) during 2013-14 against the benchmark of 100 per cent. Thus, the achievement of 70 to 75 per cent shown in Gazette notification was incorrect.
- In MC Burhanpur, the entire quantity of MSW generated was collected. Thus, the targets shown in Gazette Notification were achieved.
- We observed that there was no system of segregation and disposal of MSW in Burhanpur. Thus, the achievement of 40 per cent shown in Gazette was incorrect.
- The operating cost of SWM services in MC Burhanpur was ₹ 3.12 crore, but no charges were imposed and recovered.

On this being pointed out, the MC Burhanpur stated that a work plan was sent to State Government for approval.

#### 2.1.4.10 Storm Water Drainage Services

The targets and achievement under the Storm Water Drainage services in MC Burhanpur were as below:

**Table – 2.11: Targets and achievement notified in State Gazette**

Sl. No.	Service indicator	Benchmark of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Coverage Storm water drainage ( <i>per cent</i> )	100	100	80	90	90	90	90
2	Incidence of water logging	zero	nil	nil	nil	nil	nil	nil

(Source: Gazette Notification issued by State Government)

We observed that no records were maintained relating to these indicators. The actual status could not be ascertained in audit in the absence of records.

### **C : Municipal Council, Pithampur**

#### **2.1.4.11 Financial position**

The receipts and expenditure in Municipal Council, Pithampur during the years 2011-12 to 2013-14 were as below:

**Table – 2.12 : Details of receipts and expenditure of Pithampur**  
(₹ in crore)

Year	Receipts	Expenditure	Balance
2011-12	15.94	15.73	0.21
2012-13	21.90	18.96	2.94
2013-14	31.26	26.40	4.86

(Source: information furnished by MC Pithampur)

#### **2.1.4.12 Water Supply Services**

The status of performance indicators relating to water supply services in Municipal Council, Pithampur was as under:

**Table – 2.13: Targets and achievement Notified in State Gazette**

Sl. No.	Service Indicators	Benchmark of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Households connected	100 <i>per cent</i>	25	24	25	50	70	25
2	<i>Per Capita</i> Supply of Water	135 lpcd	35	35	35	35	45	55
3	Extent of metering	100 <i>per cent</i>	nil	nil	nil	nil	nil	nil
4	Continuity of Water supply	24 hours	30 minutes / day	30 minutes/ day	30 minutes / day	30 minutes/ day	30 minutes / day	30 minutes/ day
5	Quality of Water supply	100 <i>per cent</i>	100	100	100	45	70	30
6	Cost recovery	100 <i>per cent</i>	14	14	14	64	90	64

(Source: Gazette Notification issued by State Government)

- We observed that the actual achievement under the indicator 'coverage of water supply connections' was 25 *per cent* during the years 2011-12 to 2013-14, which was much less than the benchmark value.

- The actual achievement under 'per capita water supply' was 35 lpcd, 35 lpcd and 55 lpcd during the year 2011-12, 2012-13 and 2013-14 respectively, which was much less than the benchmark of 135 lpcd.
- No target for coverage of metering of water connection was set in Pithampur.
- Continuity of water supply in Pithampur was 30 minutes per day which was much less against the benchmark of 24 hours fixed by GoI.
- Pithampur did not have any filtration plant. In absence of filtration plant, the quality of water supplied by Municipal Council was not ensured, which can pose serious public health hazards.
- The actual cost recovery of water supply services in Pithampur was 14 per cent during 2011-14, against the benchmark of 100 per cent. The achievement of 64 per cent shown in Gazette Notification was also incorrect.

On this being pointed out, the MC Pithampur stated that a project under *Mukhya Mantri Urban Drinking Water Scheme* had been sanctioned which would help achieving the benchmark of 135 lpcd. The reply was not in order since the DPR of the project was prepared only for 70 lpcd.

#### 2.1.4.13 Sewage and Sanitation

The targets and achievement under the Sewage and Sanitation service in Municipal Council, Pithampur were as below:

Table – 2.14: Targets and achievement Notified in State Gazette

(in per cent)

Sl. No.	Service indicators	Benchmark of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	2	3	4	5	6	7	8	9
1	Coverage of toilets	100	36	36	40	65	80	60
2	Coverage of sewage network	100	10	nil	10	nil	nil	30
3	Collection efficiency of sewage network	100	nil	nil	nil	nil	nil	nil
4	Adequacy of sewage treatment capacity	100	nil	nil	nil	nil	nil	nil
5	Extent of cost recovery of sewage	100	nil	nil	nil	nil	nil	nil

(Source: Gazette Notification issued by State Government)

- We observed that no database was maintained by Municipal Council Pithampur in respect of 'coverage of toilets.' Thus, there was no basis for showing the achievement in the Gazette Notification.
- The achievement of coverage of sewage network shown by the MC Pithampur was 30 per cent during 2013-14. We observed that no sewage network was established in Pithampur.
- The Municipal Council Pithampur had no plant for treatment of waste water. Since no sewage network was therein Pithampur, no charges were imposed and recovered.

On this being pointed out, the Municipal Council, Pithampur stated that a project for sewage had been sanctioned and work was under progress.

#### 2.1.4.14 Municipal Solid Waste (MSW) Management

The targets and achievement under the Solid Waste Management service in Municipal Council Pithampur were as below:

**Table – 2.15: Targets and achievement Notified in State Gazette**

(in per cent)

Sl. No.	Service Indicators	Benchmarks of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Household Level Coverage	100	22	22	23	35	80	nil
2	Efficiency in collection of MSW	100	66	66	70	60	80	40
3	Extent of segregation of MSW	100	nil	nil	nil	nil	50	nil
4	Extent of Scientific Disposal of MSW	100	nil	nil	nil	5	nil	25
5	Extent of Cost recovery	100	9	10	10	10	10	40

(Source: Gazette Notification issued by State Government)

- We observed that only 22600 households were connected with door-to-door collection of MSW out of 31,000 households in Municipal Council, Pithampur (72 per cent) during 2013-14 against the benchmark value of 100 per cent fixed by GoI.
- 240 MTs of MSW (86 per cent) was collected out of 280 MTs generated.
- We observed that there was no system of segregation and disposal of MSW in Pithampur.
- The operating cost of SWM services in Pithampur was ₹ 2.52 crore, but no charges were imposed and recovered.

The Chief Municipal Officer, Pithampur stated that collection of MSW was being done in 20 wards out of 31 wards, but no evidence in support of the reply was furnished.

#### 2.1.4.15 Storm Water Drainage Services

The targets and achievement under the Storm Water Drainage services in Municipal Council, Pithampur were as below:

**Table – 2.16: Targets and achievement Notified in State Gazette**

Sl. No.	Service indicator	Benchmark of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Coverage of Storm Water Drainage	100 per cent	69	69	75	75	80	80
2	Incidence of water logging	zero	nil	nil	nil	nil	nil	nil

(Source: Gazette Notification issued by State Government)

We observed that no records were maintained relating to these indicators. The actual status could not be ascertained in audit in the absence of records.

**D : Municipal Council Raghogarh****2.1.4.16 Financial position**

The receipts and expenditure in Municipal Council, Raghogarh during the years 2011-12 to 2013-14 were as under:

**Table – 2.17: Details of receipts and expenditure of Raghogarh**

(₹ in crore)			
Year	Receipts	Expenditure	Balance
2011-12	10.79	10.77	0.02
2012-13	12.08	11.99	0.10
2013-14	14.94	12.69	2.25

(Source: information furnished by MC Raghogarh)

**2.1.4.17 Water Supply Services**

The status of performance indicators relating to water supply services in Municipal Council, Raghogarh was as follows:

**Table – 2.18: Targets and achievement notified in State Gazette**

Sl. No.	Service indicator	Benchmark of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Households connected	100 per cent	70	69	85	80	95	85
2	Per Capita Supply of Water	135 lpcd	63	63	100	70	120	75
3	Extent of metering	100 per cent	nil	nil	nil	nil	nil	nil
4	Continuity of Water supply	24 hours	40 minutes/day	45 minutes/day	60 minutes/day	45 minutes/day	60 minutes/day	40 minutes/day
5	Quality of Water supply	100 per cent	86	86	100	90	100	95
6	Cost recovery	100 per cent	10	12	100	20	100	20

(Source: Gazette Notification issued by State Government)

- In Raghogarh, the actual status under the 'coverage of water supply connections' was 46 per cent to 50 per cent during the years 2011-12 to 2013-14 against the benchmark of 100 per cent. Thus, the achievement shown in Gazette Notification was not correct.
- Actual achievement under 'per capita water supply' was 43 lpcd, 45 lpcd and 48 lpcd during the years 2011-12, 2012-13 and 2013-14, which was much less than the benchmark of 135 lpcd.
- Municipal Council, Raghogarh did not set any target for coverage of metering of water connection.
- Continuity of water supply in Raghogarh was 45 minutes per day against the benchmark of 24 hours.
- Municipal Council, Raghogarh established a filtration plant of 5 mld in which 2.5 mld of raw water was being treated. The actual achievement was 29 per cent. In absence of adequate nos of filtration plant, the quality of water supplied by MC was not satisfactory.
- The actual cost recovery of water supply system in Raghogarh was 2 to 3 per cent during the years 2011-12 to 2013-14 against the benchmark

of 100 per cent. The achievement of 12 to 20 per cent shown in Gazette was also incorrect.

On this being pointed out, the Municipal Council, Raghogarh stated that the figures shown in the State Gazette were incorrect. A DPR was being prepared for water supply services.

#### 2.1.4.18 Sewage and Sanitation

The targets and achievement under the Sewage and Sanitation service in Municipal Council, Raghogarh were as below:

**Table – 2.19: Targets and achievement Notified in State Gazette**

(in per cent)

Sl. No.	Service Indicators	Benchmark of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Coverage of toilets	100	80	80	84	80	90	70
2	Coverage of sewage network	100	nil	nil	nil	nil	nil	nil
3	Collection efficiency of sewage network	100	nil	nil	nil	nil	nil	nil
4	Adequacy of sewage treatment capacity	100	nil	nil	nil	nil	nil	nil
5	Extent of cost recovery of sewage	100	nil	nil	nil	nil	nil	nil

(Source: Gazette Notification issued by State Government)

- We observed that no database was maintained by Municipal Council Raghogarh in respect of 'coverage of toilets.' Thus, there was no basis for showing the achievements in the Gazette Notification. No sewage network was established in Raghogarh.

On this being pointed out, the Chief Municipal Officer, Raghogarh stated that in view of geographical position, the sewage network could not be established. Presently, the disposal of sewage was being done in septic tank.

#### 2.1.4.19 Municipal Solid Waste (MSW) Management

The targets and achievement under the Solid Waste Management service in Municipal Council Raghogarh were as below:

**Table – 2.20: Targets and achievement notified in State Gazette**

(in per cent)

Sl. No.	Service Indicators	Benchmarks of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Household Level Coverage	100	30	22	45	22	60	20
2	Efficiency in collection of MSW	100	83	83	85	83	90	80
3	Extent of segregation of MSW	100	nil	nil	20	nil	40	nil
4	Extent of Scientific Disposal of MSW	100	nil	nil	20	nil	40	nil
5	Extent of Cost recovery	100	7	7	15	10	20	20

(Source: information furnished by Municipal Council Raghogarh)

- We observed that no system of door-to-door collection of MSW was in existence in Raghogarh.
- In Raghogarh, entire quantity of MSW generated was collected.
- There was no system of segregation and disposal of MSW in Raghogarh.
- The operating cost of SWM services in Municipal Council, Raghogarh was ₹ 0.12 crore, but not charges were imposed and recovered.

On this being pointed out, the Chief Municipal Officer, Raghogarh stated that no arrangement for MSW was there.

#### 2.1.4.20 Storm Water Drainage Services

The targets and achievement under the Storm Water Drainage services in Municipal Council, Raghogarh were as below:

Table – 2.21: Targets and achievement Notified in State Gazette

Sl. No.	Service Indicators	Benchmark of GoI	2011-12		2012-13		2013-14	
			Targets	Achievement	Targets	Achievement	Targets	Achievement
1	Coverage of storm water drainage ( <i>per cent</i> )	100	70	71	80	75	100	70
2	Incidence of water logging	zero	nil	nil	nil	nil	nil	nil

(Source: information furnished by Municipal Council Raghogarh)

We observed that no records were maintained relating to these indicators. The actual status could not be ascertained in audit in the absence of records.

### 2.1.5 Monitoring and Evaluation

#### 2.1.5.1 At ULB level

As per Para 1.3 of Hand Book of SLB, a performance management data was to be maintained for monitoring and evaluation of performance of SLB at ULB level. Performance management data using SLBs was to be included in the set of information disseminated under mandatory public disclosure. The key step for ULBs was to generate performance reports on SLBs periodically. Specific persons should be designated with the mandate to collate the data received from the field and generate the performance reports. The performance indicators reported, should be closely examined at the management level such as Mayor/Municipal Commissioner at a defined frequency.

The following were observed:

- The performance management data was not maintained by any of the ULBs.
- Though a nodal officer was designated in MC Indore and MC Burhanpur no data was collected by them and no report was generated.
- Monitoring and evaluation of the performance indicators of SLBs was not done. No meeting of management was held for this purpose.
- No database was maintained by the ULBs for public complaints/grievances of public in respect of above indicators.

Thus, monitoring mechanism was not in existence in any of the four ULBs.

### 2.1.5.2 At State level

As per para 1.3 of Hand Book on SLB, the State Government would need to periodically evaluate the SLBs as an input for decision related to policy, resource allocation, providing incentives/penalties and channelising technical and manpower support.

We observed that evaluation of SLBs at State level was not being done.

Chief Engineer, UADD stated (February 2015) that the SLB cell constituted as State Level and Executive Engineers at Division level were being directed to monitor the SLBs.

### 2.1.6 Conclusions

- Availability of continuous and qualitative water supply services was not adequate in four ULBs since the targets fixed for water supply connections were lower than the benchmark of 100 *per cent* coverage prescribed by GoI. The achievement was much lower than the targets fixed; the lowest was at Indore (31 to 34 *per cent*). The *per capita* water supply was only 55 to 100 litres per day during 2013-14 against the benchmark of 135 litres per day. Against the benchmark of 100 *per cent*, the cost recovery of water supply services was 28 to 50 *per cent* in two Municipal Corporations and 2 to 14 *per cent* in two Municipal Councils.
- Except MC Indore, sewage services were not in existence in three other ULBs. Even in Indore cost of the services provided was not recovered.
- Collection of municipal solid waste (MSW) was 86 to 100 *per cent* of total generation of MSW in four ULBs. However, disposal of MSW was done only in Indore, where only seven *per cent* MSW collected was disposed at landfill sites.
- Government showed achievement of 70 to 90 *per cent* regarding coverage of Storm water drainage network, though the ULBs did not maintain the records of such incidences.

## 2.2 Unfruitful expenditure on water filtration plant

**Nagar Panchayat Council, Rajgarh procured an ultra filtration plant in August 2009 for providing pure drinking water, which was not installed and made operational, even after spending ₹ 36.44 lakh because of non-laying of new distribution pipelines.**

With a view to provide clear drinking water to the residents of the Municipal area of Rajgarh, in Dhar District, the President, Nagar Parishad (NP) accorded financial sanction and administrative approval of ₹ 44 lakh for procurement and installation of one ultra filtration plant. The plant was sanctioned on the plea that maintenance cost of the existing piped water supply system was very expensive and achieving the purity level of water was difficult.

During test check of records of the Chief Municipal Officer (CMO) of NP Rajgarh, we observed (September 2013) that the CMO called (June 2009) for Notice Inviting Tender (NIT) for procurement of the filter plant without obtaining financial sanction from the competent authority<sup>3</sup>, i.e. the Director, UADD and without ensuring availability of requisite infrastructural support, i.e. standardised pipe lines. The NP finalised (June 2009) the cost of the project at lowest tendered rate of ₹ 50 lakh<sup>4</sup>.

The NP procured the plant in August 2009 and paid ₹ 35 lakh<sup>5</sup> to the firm; the balance was payable after installation of the plant. The NP also constructed (March 2011) a platform for installation of the plant at a cost of ₹ 1.44 lakh. However, the plant was not installed as of July 2014, because of non-laying of fresh distribution pipeline which was essential for the use of the plant. As of July 2014, laying of distribution pipeline was done up to 90 per cent.

On this being pointed out, the CMO stated (September 2013) that the plant could not be operationalised due to non-availability of standardised pipe line. It was also stated (05 February 2015) that the plant would be made operational after laying of fresh distribution pipe line.

Thus, unfruitful expenditure of ₹ 36.44 lakh was incurred on procurement of filter plant, without availability of standardised distribution pipeline required for achieving the intended benefit of the plant.

Government accepted (November 2014) the audit observations and stated that action would be taken after fixing the responsibility.

<sup>3</sup> NP is empowered to accord sanction up to ₹ 25 lakh and the Director, UADD is empowered to sanction more than ₹ 25 lakh and up to ₹ 2 crore.

<sup>4</sup> Cost of filtration plant ₹ 50 lakh was inclusive of installation and maintenance for one year from the date of commissioning/ installation.

<sup>5</sup> ₹ 25 lakh in September 2009 and ₹ 10 lakh in December 2012.

### 2.3 Wasteful expenditure due to execution of work in forest land

**A work of housing project taken up by Gwalior Municipal Corporation in forest land had to be abandoned due to stoppage of work by Forest Department. As a result, expenditure of ₹ 25.55 lakh became wasteful.**

Integrated Housing and Slum Development Programme (IHSDP) was launched under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in 2005. The funds for the Scheme were to be provided in the ratio 80:8:12 by the Central Government, State Government and the beneficiaries respectively. The main objective of the Scheme was to provide shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas. According to the guidelines for preparation of Detailed Project Report (DPR) under the Scheme, the title of land required for the housing project was to be clear and unencumbered.

During test check of records (January 2013) of Gwalior Municipal Corporation (GMC), we observed that Government of India accorded (December 2006) sanction for construction of 448 dwelling units for the Economic Weaker Section (EWS) of the society under IHSDP at an estimated cost of ₹ 8.16 crore. For this purpose, the Collector Gwalior provided 0.805 hectare of land at Samadiya Colony (Gwalior) to the GMC in February 2008. In November 2009, GMC Gwalior entered into an agreement with a firm<sup>6</sup> for construction of EWS dwelling units. However, the land allotted for the work was found to be disputed, since a private person claimed his ownership on the land (February 2010). On the request of the GMC, the Collector allotted (February 2011) the plot no. 644, 731 and 526 at Gudi in exchange of the disputed land.

The GMC started (February 2011) the preliminary works (excavation, plinth work, footing foundation, etc.) of the project at plot no. 526. However, the Forest Department Gwalior stopped the work in July 2011 on the ground that the allotted land was under the jurisdiction of Reserve Forest area. The GMC intimated the position (September 2011) to the Collector.

Meanwhile, the firm submitted (July 2011) their bill for payment in respect of work executed on plot no 526. GMC made payment of ₹ 25.55 lakh to the firm in November 2011. As per information furnished (July 2014) by the GMC the housing project was shifted to the plot number 731 at Gudi, considering the delay in settling the land dispute at plot number 526.

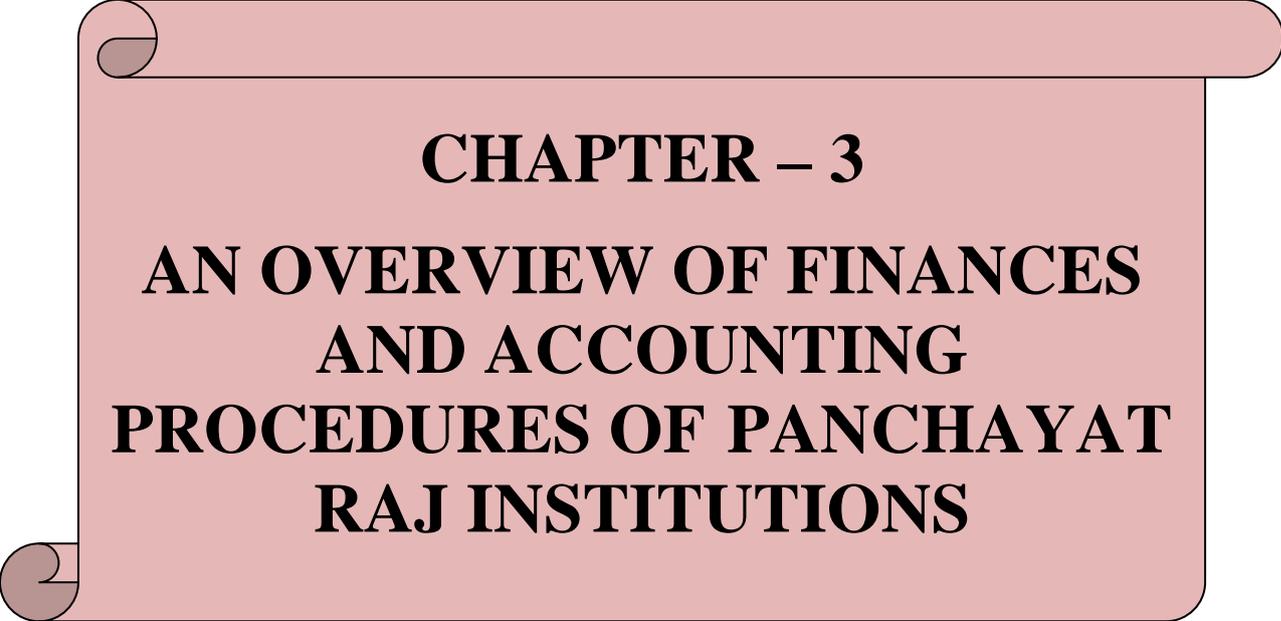
Thus, the expenditure of ₹ 25.55 lakh incurred on construction work of EWS houses without ensuring clear title of the land proved unfruitful.

On this being pointed out (January 2013), the Commissioner, GMC stated (April and June 2014) that the construction was made on the land allotted by the Collector and they did not have knowledge about existence of forest land. Had the Forest Department raised the objection before execution of the work, the expenditure could have been avoided.

The reply of Commissioner is not tenable as the confirmation of land title to be clear and unencumbered before preparation of DPR was the responsibility of the Corporation.

<sup>6</sup> M/s Pragmatic Infrastructure Ltd.

The matter was reported to the Government (March 2014); their reply has not been received (February 2015).



**CHAPTER – 3**

**AN OVERVIEW OF FINANCES  
AND ACCOUNTING  
PROCEDURES OF PANCHAYAT  
RAJ INSTITUTIONS**



## **PART - II**

### **PANCHYAT RAJ INSTITUTIONS**

#### **CHAPTER – 3 AN OVERVIEW OF FINANCES AND ACCOUNTING PROCEDURES OF PANCHYAT RAJ INSTITUTIONS**

##### **3.1 Introduction**

To promote greater autonomy at grass root level and to involve people in identification and implementation of development programmes involving Gram Sabhas, the Constitution (73<sup>rd</sup> Amendment) Act, 1992 was promulgated. According to the provisions of Article 243G of the Constitution, the Legislature of a State may, by law, endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provision for devolution of powers and responsibility upon panchayat at the appropriate level, subject to such conditions as may be specified therein with respect to:

- (a) preparation of plans for economic development and social justice; and
- (b) implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule<sup>1</sup>.

Similarly, according to the provisions of Article 243H of the Constitution, the Legislature of a State may:

- (a) authorise a panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;
- (b) assign to a panchayat such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits;
- (c) provide for making such grants-in-aid to the panchayats from the Consolidated Fund of the State; and
- (d) provide for the constitution of such funds for crediting all moneys received respectively by or on behalf of the panchayats and also for withdrawal of such money therefrom as may be specified in the Law.

Consequently, the following three-tier system of Panchayat Raj Institutions (PRIs) has been established in Madhya Pradesh.

- Zila Panchayat (ZP) at district level
- Janpad Panchayat (JP) at block level and
- Gram Panchayat (GP) at village level.

At present, there are 50 ZPs, 313 JPs and 23,006 GPs in the State (March 2014).

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<sup>1</sup> Article 243 G and H of the Constitution (Seventy- third Amendment) Act, 1992.

The basic demographic information relating to the State of Madhya Pradesh vis-a-vis National average is given below:

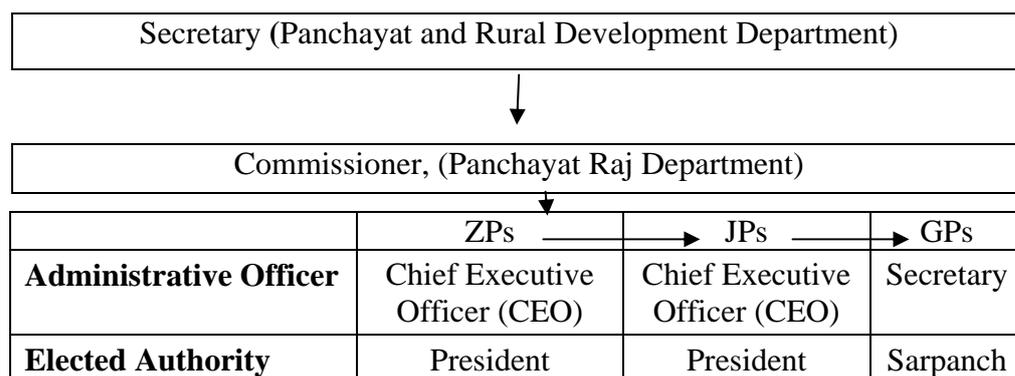
Particulars	Unit	Madhya Pradesh	All India average
Population	crore	7.26	121.02
Share in country's population	per cent	6	-
Rural population	crore	5	83
Share of rural population	per cent	72	69
Literacy rate*	per cent	71	74
Sex ratio (females per thousand males)*	ratio	930/1000	940/1000

(Source: \*Census report 2011)

### 3.2 Administrative arrangement

As per Chapter 3 of the *Panchayat Raj Evam Gram Swaraj Adhiniyam*, 1993, all the PRIs are distinct legal authorities to discharge the functions devolved under the provisions of Acts and Rules subject to monitoring powers vested in State authorities. The organisational structure of governance at State, district, block and village levels is given below:

#### Organisational Chart of Panchayat Raj Institutions



### 3.3 Role and responsibilities of three tiers of PRIs

PRIs	Responsibilities
ZP	To co-ordinate, evaluate and monitor activities and guide Janpad Panchayats and Gram Panchayats
JP	To implement, execute, supervise, monitor and manage works, scheme programmes and projects, transferred by the State Government to Panchayats through Gram Panchayats or through executing agencies.
GP	To ensure execution of the schemes, works/projects entrusted to the gram panchayats by any law and those assigned to it by the Central and State Governments or Zila Panchayat or Janpad Panchayat.

**Standing committees of Zila Panchayat and Janpad Panchayat**

- a. General Administration Committee
- b. Agriculture Committee
- c. Education Committee
- d. Communication and Works Committee
- e. Cooperation and Industries Committee

**Standing committees of Gram Panchayat**

- a. General Administration Committee
- b. Construction and Development Committee
- c. Education, health and social welfare Committee

**3.4 Implementation of Audit Plan**

Out of 23,369 PRIs (50 ZPs, 313 JPs and 23,006 GPs), Directorate of Panchayat Raj and Rojgar Guarantee Parishad, Audit covered 397 PRIs (34 ZPs, 105 JPs, and 258 GPs), Directorate of Panchayat Raj and Directorate of the Rojgar Guarantee Parishad during the year 2013-14. The observations arising out of the audit of these units are discussed below:

**3.5 Accounting arrangement**

**3.5.1 Maintenance of Accounts in formats prescribed by the C&AG**

C&AG of India and Ministry of Panchayat Raj (GoI) developed an accounting framework and codification pattern consistent with the Model Panchayat Accounting System (MPAS), which was to be introduced from 1 April 2010. Government of Madhya Pradesh (GoMP) adopted MPAS (Receipt and payment accounts, Consolidation abstract register, Reconciliation statement, Statement of receivable and payable, Register of movable property, Register of immovable property, Inventory register, Demand and collection register etc.) with effect from August 2010.

We observed that the accounts of all 397 PRIs test checked (34 ZPs, 105 JPs, and 258 GPs), were not maintained in the formats prescribed in MPAS. All three tiers of PRIs were maintaining their accounts according to existing Accounting Rule of MP *Panchayat Raj Evam Gram Swaraj Adhiniyam*, 1993.

On this being pointed out (August 2014), Joint Director (Finance) Panchayat Raj Directorate (PRDD) stated that orders have been issued to adopt Model Accounting Process in all three-tier of PRIs. Trainings have been organised at Directorate level, but due to various difficulties, MPAS could not be started.

**3.5.2 Annual Budget of PRIs**

As per provisions of Section 73 of MP *Panchayat Raj Evam Gram Swaraj Adhiniyam*, 1993, every Panchayat shall prepare Annual Budget. The time schedule for presentation of budget was also prescribed.

We observed that out of 397 PRIs (34 ZPs, 105 JPs, and 258 GPs) and Directorate of PRI covered in audit, 41 PRIs did not prepare Annual Budget. 330 PRIs neither produced the relevant records nor provided the information. However, two GPs (Niwari and Golani in ZP Sagar) prepared their Budget on

time and 24 PRIs prepared the Budget with delays up to 354 days, as shown below:

**Table – 3.1 : Status of preparation of Annual Budget**

Panchayat institutions	No. of test checked PRIs	Scheduled time for budget preparation	No. of PRIs that didn't prepare budget	No. of PRIs prepared budgets with delays
ZP	34	20 January	2	7 (07 to 354 days)
JP	105	30 January	10	16 (09 to 252 days)
GP	258	21 February	29	01 ( by 51 days)

It is evident from above that the norms for preparation of Annual Budget were not adhered to by the PRIs.

### **3.6 Audit arrangement**

As per recommendations of the Eleventh Finance Commission, audit of PRIs by DLFA has been brought (November 2001) under the Technical Guidance and Supervision (TG&S) of the Comptroller & Auditor General (C&AG) of India. Accordingly, Inspection Reports of Accountant General (G&SSA) were sent to Director Local Fund Audit (DLFA) for providing technical guidance.

Para 10.121 of the recommendations of Thirteenth Finance Commission envisages that State Government must put in place an audit system for all local bodies (all tiers of PRIs). The C&AG must be allowed to give TG&S for all local bodies in the State at every tier and his Annual Technical Inspection Report (ATIR) as well as the Annual Report of DLFA must be placed before the State Legislature. Section 129 of the MP *Panchayat Raj Avam Gram Swaraj Adhiniyam*, 1993 was amended in July 2011. Accordingly, the Annual Audit report of DLFA on Panchayats along with the Annual Technical Inspection Report (ATIR) of the C&AG of India shall be submitted to the Governor, who shall cause the reports to be placed in Legislative Assembly.

The Annual Technical Inspection Report of C&AG along with Audit report of DLFA for 2012-13 was, however, not placed before the State Legislature.

The Commissioner, PRDD stated (August 2014) that ATIR of the C&AG of India along with Audit report of DLFA would be laid in Assembly.

#### ● **Technical Guidance and Support provided by IA&AD**

Section 152 of Regulations on Audit and Accounts, 2007 envisages the following arrangements regarding technical guidance and support to PRIs:

- Local Fund Auditor would prepare annual audit plan for audit of PRIs and forward it to the Accountant General (Audit) of the State.
- The audit methodology and procedure for audit of PRIs by the Local Fund Auditor would be as per various Acts and Statutes of the State and guidelines prescribed by the C&AG.
- Copies of inspection reports would be forwarded to the Accountant General (Audit) for advice on system improvement.

The Annual Audit Plan for 2013-14 was prepared by DLFA, which was forwarded to the Accountant General (Audit). The Local Fund Auditor

followed the methodology and procedure as suggested by the AG (Audit) from time to time. Inspection reports were forwarded to the AG (Audit) for vetting.

In May 2014, a meeting was held between Director, Local Fund Audit and Principal Accountant General (Audit), Madhya Pradesh and it was agreed upon that the above provisions of section 152 of Regulations on Audit and Accounts 2007 would be complied with.

### 3.7 Sources of revenue

There are mainly two sources of revenue for the PRIs i.e. Government grants and own tax revenues, which contain:

- grant assigned under the Thirteen Finance Commission<sup>2</sup> of India; and
- devolution of four *per cent* of divisible tax revenue of previous year of the State Government as per the recommendations of Third State Finance Commission.

The Third State Finance Commission (SFC) recommended (accepted by State Government in February 2010) that four *per cent* of divisible fund<sup>3</sup> of the State Government should be devolved to PRIs. During the year 2013-14, the devolution of SFC grants by the Finance Department to PRIs is shown below:

Table - 3.2: Devolution of funds to PRIs

(₹ in crore)

Year	Divisible fund of State Government	Funds to be devolved	Funds actually devolved
2013-14	23940	957.60	809.63

(Source: Information provided by Finance Department)

Thus, there was short devolution of ₹ 147.98 crore by the State Government during the year 2013-14.

### 3.8 Receipts and expenditure of PRIs

Funds (share of tax revenue of the State and grants for implementation of schemes) allocated to PRIs by the State Government through State Budget during last five years were as follows:

Table - 3.3: Statement showing receipt and expenditure of PRIs

Year	Grants in aid			Actual expenditure			Unspent funds (4-7)	Percentage of unspent fund
	Revenue	Capital	Total	Revenue	Capital	Total		
2009-10	4942.02	7.02	4949.04	4038.20	5.01	4043.21	905.83	18
2010-11	6585.74	231.40	6817.14	5678.75	198.65	5877.40	939.74	14
2011-12	7670.04	241.08	7911.12	6697.87	365.29	7063.16	847.96	11
2012-13	8948.74	345.78	9294.52	8385.85	345.30	8731.15	563.37	6
2013-14	10752.72	213.70	10966.42	9151.26	91.10	9242.36	1724.06	16
<b>Total</b>	<b>38899.26</b>	<b>1038.98</b>	<b>39938.24</b>	<b>33951.93</b>	<b>1005.35</b>	<b>34957.28</b>	<b>4980.96</b>	

(Source: Appropriation Accounts Grant No. 15, 52, 62 and 74)

<sup>2</sup> The details of receipt and utilisation of grants given to PRIs as per recommendation of ThFC have been discussed in Para 3.16.2

<sup>3</sup> Divisible Fund: Total tax revenue of previous year minus ten *per cent* of expenditure for collection of taxes and deduction of assigned revenue to PRIs and ULBs.

### 3.9 Transfer of Funds, Functions and Functionaries

According to 73<sup>rd</sup> Constitutional amendment Act, funds, 29 functions, (enshrined in Eleventh schedule of the Constitution) and functionaries were to be devolved to PRIs by the State Government through Gazette Notification.

On being enquired in audit, the Commissioner, PRDD, stated that the State Government did not devolve funds, functions and functionaries to PRIs as of August 2014.

### 3.10 Non-preparation of bank reconciliation statement

As per Rules 25 and 26 of Madhya Pradesh, Panchayat Accounts Rules 1999, reconciliation of any difference between the balances of cash book and bank accounts was required to be conducted every month.

During test check of records 397 PRIs, we found that 131 PRIs did not prepare bank reconciliation resulted in 124 PRIs<sup>4</sup> cash book balance was less by ₹ 94.43 crore than bank balance and in 41 PRIs<sup>5</sup> cash book balance was more by ₹ 17.96 crore than bank balance as on 31 March 2013 as shown in (Appendix-3.1). However, 56 PRIs<sup>6</sup> prepared bank reconciliation statement and 202 PRIs did not furnish the information to Audit.

Non-reconciliation of differences is fraught with the risk of misuse of funds.

### 3.11 Non-adjustment of temporary advances

Rule 52 of the MP Zila Panchyat (Accounts) Rules, 1999 and Rule 49 of MP Janpad Panchyat (Accounts) Rules, 1999 stipulates that it would be the responsibility of the person who took advance, to submit the details of expenditure immediately after the completion of purpose for which the advance was taken. Failing this, the total amount of advance would be recovered from the salary of next month or emoluments payable to the person.

During test check of records of 397 PRIs, we found that temporary advances of ₹ 2.78 crore provided by 41 PRIs to individuals and agencies since 1994-95, remained outstanding as on 31 March 2013. Details are given in Appendix-3.2. In 358 PRIs, no temporary advance was outstanding.

The CEOs and Secretary (GPs) of the concerned PRIs stated (2013-14) that the recovery of advances would be made.

### 3.12 Status of outstanding Inspection Report Paragraphs

We observed that 399 Inspection Reports (IRs) were sent to DLFA for technical support as per TGS arrangements. DLFA was to follow up compliance with the audit observations. However, 23,667 paragraphs of 4,152 IRs including 3,712 paragraphs of 502 IRs issued during 2013-14 were pending for settlement at the end March 2014.

<sup>4</sup> ZPs-15, JPs-59 and GPs-50

<sup>5</sup> ZPs-08, JPs-26 and GPs-07

<sup>6</sup> JPs-01 and GPs-55

**Table- 3.4: Status of outstanding IRs and Paragraphs**

Sl. No.	Year	Opening/Addition of the year		Clearance		Closing Balance	
		No of IRs	No of Paras	No of IRs	No of Paras	No of IRs	No of Paras
1	Up to 2009-10	2029	10824	35	336	1994	10488
2	2010-11	278	1611	5	159	273	1452
3	2011-12	813	4824	6	357	807	4467
4	2012-13	576	3674	0	126	576	3548
5	2013-14	502	3786	0	74	502	3712
	<b>Total</b>	<b>4198</b>	<b>24719</b>	<b>46</b>	<b>1052</b>	<b>4152</b>	<b>23667</b>

(Source: Monthly Arrear Reports)

### 3.13 Release and utilisation of Thirteenth Finance Commission Grants

Allocation of ThFC grant among various Panchayat Raj Institutions (PRIs) was based on the share of rural population in 2001 census (4.44 crore) i.e. 74 per cent of total population (6.03 crore) of the State. The State Government may allocate a portion of general basic grant and performance related grant to Special Areas<sup>7</sup> in addition to grants provided in such areas.

The Central grant received by the State Government and released by the PRDD to the PRIs during the year 2013-14 are as under:

(₹ in crore)

Types of grants	Recommended by ThFC	Amount received by PRDD and released to PRIs
General Basic Grant (GBG)	615.10	629.26
Special Area Basic Grant (SABG)	22.56	24.24
General Performance Grant (GPG)	420.30	388.08 <sup>8</sup>
Special Area Performance Grant (SAPG)	22.56	Nil
<b>Total</b>	<b>1080.52</b>	<b>1041.58</b>

(Source: Information provided by the Finance Department)

#### 3.13.1 Delay in release of ThFC grant to implementing agencies

Para 4.2 of ThFC guidelines issued by GoI stated that grants must be transferred within the stipulated period i.e. within five days of receipt of funds from Central Government, in case of States with easily accessible banking infrastructure and within ten days in case of States with not so easily accessible banking infrastructure. In case of any delay, the State Government is to release the installment with interest, at the bank rate of RBI and was applicable from the second installment of 2010-11 onwards.

We observed that during the year 2013-14, ThFC grants were transferred to PRIs by PRDD with delays ranging between five and 120 days entailing in extra financial burden of ₹ 6.82 crore<sup>9</sup> on the State Government towards

<sup>7</sup> In Madhya Pradesh 20 Zila Panchayats (ZPs) 90 Janpad Panchayats (JPs) and 5221 Gram Panchayats (GPs) out of 50 ZPs 313 JPs and 23006 GPs are listed as Special Areas

<sup>8</sup> ₹ 173.23 crore received pertained to forfeited grant of previous year.

<sup>9</sup> Interest was calculated at rate 8.5 per cent per annum for delays after 10 days of receipt from Central Grant

interest (**Appendix-3.3**). State Government, however, sanctioned ₹ 184.31 lakh<sup>10</sup> as interest during the year, of which only ₹ 36.26 lakh was released to PRDD.

On this being pointed out (September 2014), Commissioner PRDD stated that due to delay in approval by higher authorities, release of GPG to the PRIs was delayed. The State Government sanctioned interest of ₹ 7.41 crore on account of delay in release of ThFC funds, and ₹ 36.26 lakh was provided to PRDD on 30 July 2013.

The reply was not in order, because GoMP sanctioned only ₹ 184.31 lakh as interest and released ₹ 36.26 lakh to PRDD, against total interest burden of ₹ 6.82 crore.

### **3.13.2 Submission of utilisation certificate to GoI**

As per paras 10 and 11 of Work Plan issued (August 2010) by PRDD, each GP would submit utilisation certificates (UCs) for the grants received as well as a Monthly Progress Report (MPR) to Janpad Panchayats (JPs). The consolidated UCs of GPs would be submitted by JPs to ZPs and the consolidated UCs of all JPs would be submitted to PRDD by ZPs by 15th of each month.

Further, para 6.3 (ii) of ThFC guidelines issued by GoI stipulated that from the second installment of 2010-11 onwards, the PRDD was required to send utilisation certificates (UCs) for the previous installments to Finance Department of the State Government and the Finance Department was to send the UCs to the GoI.

We observed that the PRDD submitted the UCs from the entire amount of grants for the year 2013-14 to the Finance Department, which in turn forwarded the same to the GoI. On an audit enquiry, the Commissioner, PRDD also stated that the funds released to ZPs/JPs/GPs under ThFC for 2013-14 were treated as expenditure and UCs were submitted to Finance Department accordingly.

During test check of records of the PRIs, we observed that five ZPs<sup>11</sup>, 12 JPs<sup>12</sup> and ten GPs<sup>13</sup> did not submit the UCs to the higher authorities. Though the CEO, ZP Narsinhpur stated that the UCs were sent to the PRDD, copies of the same could not be produced to Audit. Thus, the State Government submitted inflated UCs to GoI.

<sup>10</sup> State Government sanctioned ₹ 122.78 lakh on 26.03.2011, ₹ 25.27 lakh on 08.01.13 and ₹ 36.26 lakh on 15.07.2013.

<sup>11</sup> Burhanpur, Chhatarpur, Hoshangabad, Jhabua and Mandasaur

<sup>12</sup> Babai, Bankhedhi, Burhanpur, Chhwarpatha, Gotegaon, Kesla, Lanji, Mabai, Mohgaon, Nogaon, Pipriya and Vijayaraghwarh,

<sup>13</sup> Adgaon, Bagaspur, Bilhara, Janabad, Khamla, Nimbola, Sagoria, Sarsodoli, Sirsod and Turakgurada,

### 3.13.3 Diversion of ThFC grant to a State scheme

Under the State Scheme 'Mukhyamantri Gramin Hat Bazar Yojna' (MMGHBY), basic facilities for consumers and businessmen were to be created in the existing Hats, which was to be financed out of 'Stamp Duty' and 'Gaun Khanij Upkar'.

We observed that PRDD issued instructions (April 2013) to the ZPs for construction of infrastructure facilities in 2000 existing Hats at a cost of ₹ 960 crore. Accordingly, PRDD sanctioned (February-March 2014) ₹ 11.51 crore to the ZPs, Sagar, Vidisha, Raisen and Dewas from the account of the MMGHBY, with the condition that the amount would be adjusted from GPG of ThFC when available.

We further observed that in August 2014, PRDD transferred ₹ 11.51 crore from the account of ThFC to the account of MMGHBY. Since the MMGHBY expenditure was to be incurred from the MMGHBY account, the adjustment of the expenditure from ThFC account was irregular.

The Commissioner PRDD stated (November 2014) that no GPG fund was diverted to MMGHBY. An amount of ₹ 11.51 crore was provided as advance for development work by the order of GoMP and the amount would be adjusted from GPG later.

Reply was not in order. Since the funds sanctioned were for MMGHBY works, for which fund provision was already made, utilising the ThFC grants for the works was irregular.

### 3.13.4 Disproportionate distribution of GPG among ZPs and JPs

Para 9.1 of ThFC guidelines stipulates that every State shall constitute a High Level Monitoring Committee (HLMC) headed by the Chief Secretary of the State and General Performance Grant is to be released in consultation with the HLMC. This Committee was to meet at least twice in a year.

Further, as per para 3 of Work Plan issued by GoMP (August 2010) general basic grant (GBG) and special area performance grant (SAPG) were to be distributed among PRIs on the basis<sup>14</sup> of population, area and SC/ST population of concerned PRIs. Accordingly, the basic grant was distributed on the basis of population and area.

For distribution of performance related grant, the Finance Department suggested PRDD to adopt the formula for distribution of basic grant prescribed in Working Plan. However, the PRDD decided (September 2012) to distribute grants to each ZP and JP at the rate of ₹ 1.00 crore and ₹ 0.25 crore respectively for the year 2013-14. As per this formula, ₹ 129 crore was to be distributed in a year among the 50 ZPs and 313 JPs under the ZPs.

During the year 2013-14, the PRDD distributed ₹ 394.97 crore as GPG to 50 ZPs and 313 JPs. Thus, in addition to the due amount of ₹ 129 crore, an amount of ₹ 265.97 crore was distributed to the ZPs and JPs, for which the PRDD neither adopted its own formula prescribed in September 2012 nor

<sup>14</sup> Basis for weightage would be 65 per cent for population, 25 per cent for area and 10 per cent of SC/ST population. For special area performance grant the basis would be on 70 per cent population and 30 per cent area.

followed the formula for distribution of basic grant, as suggested by the FD. This led to disproportionate distribution of GPG among the ZPs and JPs.

We also observed that ZP, Sagar having 11 JPs received GPG of ₹ 41.23 crore during the year 2013-14. However, the ZP Chindwada (11 JPs) and ZP Dhar (13 JPs) received only ₹ 11.05 crore and ₹ 11.15 crore respectively. Similarly, the ZPs Vidisha and Raisen having seven JPs received GPG of ₹ 11.69 crore and ₹ 11.38 crore respectively. However, seven other ZPs<sup>15</sup> having equal number of JPs received GPG between ₹ 5.35 crore and ₹ 8.45 crore. Details of distribution of GPG are given in **Appendix-3.4**.

The Commissioner PRDD stated (November 2014) that performance grant of ThFC was distributed among various tiers of PRIs in consultation with the Finance Department (FD), GoMP. Balance funds were distributed as per the order of Government. GPG was released to all the three tiers of PRIs without consultation of HLMC.

The reply is not acceptable since suggestions of Finance Department to adopt formula prescribed for basic grant was not adopted by the PRDD. Since no Government order on methodology/criteria for distribution of ₹ 265.97 crore was available on records.

### 3.13.5 Fulfillment of conditions by State Government under ThFC

The State was eligible to draw its allocation of GPG, if it complies with certain conditions prescribed in ThFC guidelines. The status of compliance with the conditions by the State is as under:

Conditions	Action taken by the State Government
Panchayats, having elected body were eligible to receive GPG.	All PRIs at all the three tiers had elected body in Madhya Pradesh
Release of grants will be subject to submission utilisation certificate for previous instalment drawn.	Utilisation Certificates were submitted by PRDD on time, but on the basis of funds released to PRIs and not on the basis of actual expenditure
Adoption of an accounting system for maintenance of accounts by PRIs consistent with the Model Panchayat Accounting System (MPAS) for all Panchayats.	The State Government agreed to adopt Model Panchayat Accounting System in August 2010. But, the accounts maintained by three tiers of PRIs were not in accordance with the MPAS.
To put in place an audit system for all tiers of PRIs. The Annual Technical Inspection Report of the C&AG as well as the Annual Report of the Director of Local Fund Audit must be placed before the State legislature	According to the MP Panchayat Raj Avam Gram Swaraj Adhiniyam 1993, amended in July 2011 the Annual Audit report of DLFA on Panchayats along with the ATIR of the C&AG of India shall be submitted to the Governor, for laying in Legislative Assembly. However, no report has been placed in State Legislature so far.
To put in place a system of independent local body ombudsmen who will look into complaints of	The MP Lokayukt evam Up-Lokayukt Adhiniyam, 1981 was in force and all functionaries of Local Bodies are covered

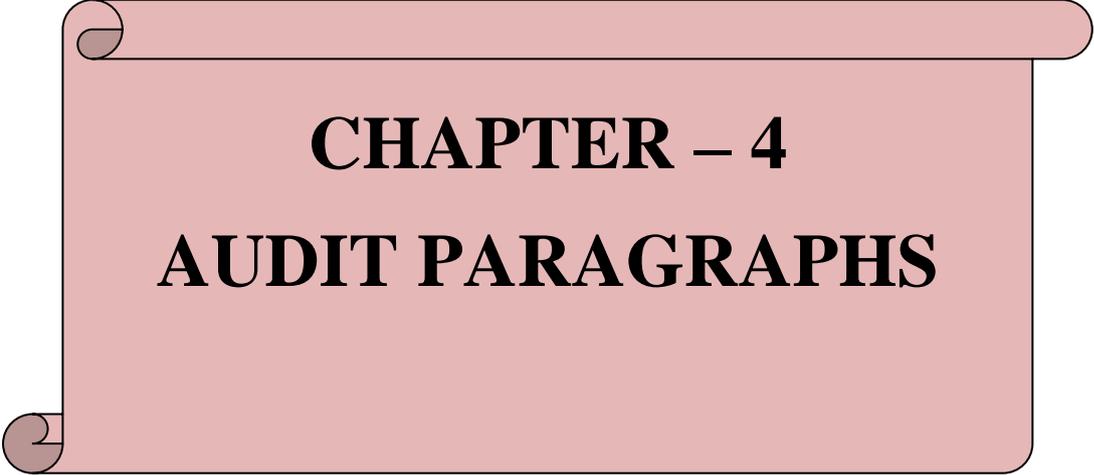
<sup>15</sup> Badwani, Dindori, Damoh, Hoshangabad, Jabalpur, Khandwa and Morena,

corruption and mal-administration against the functionaries of local bodies.	under the Jurisdiction of this Act.
To put in place a system of transfer of funds through e-banking in all tiers of PRIs.	All ThFC grants were transferred through e-banking by PRDD.
To constitute State Finance Commission (SFC) as per Article 243 I(2) of the Constitution.	Already constituted and currently 3rd SFC is functioning.
All local bodies must be fully enabled to levy property tax for all types of residential and commercial properties and any hindrance in this regard must be removed	Section 77 of Madhya Pradesh Panchayat Raj Adhiniyam 1993 vested power to GPs to levy property tax.

### 3.14 Conclusions

- Devolution of funds, functions, and functionaries to the PRIs, as envisaged in the Constitution (73<sup>rd</sup> Amendment) Act, was not done in the State. The accounts maintained by the PRIs were not in the format prescribed in Model Panchayat Accounting System.
- There was short devaluation of grants to PRIs amounting to ₹ 147.98 crore. There were differences between the cash book balances and bank balances of PRIs due to non-reconciliation, which is fraught with the risk of misuse of funds.
- There were significant delays in transfer of ThFC grants to the PRIs, which resulted in extra financial burden amounting to ₹ 6.82 crore on State Government towards interest for the delays.
- The State Government submitted utilisation certificate to GoI based on funds released to the PRIs and not on the basis of actual utilisation of funds.
- Distribution of General performance grants among Zilla Panchayats and Janpad Panchayats was disproportionate, because the Department neither followed its own formula nor adopted the formula prescribed in the Working Plan despite suggested by Finance Department.





**CHAPTER – 4**  
**AUDIT PARAGRAPHS**



## CHAPTER – 4

### AUDIT PARAGRAPHS

#### 4.1 RECEIPTS OF PANCHAYATS

##### 4.1.1 Introduction

Section 243-G of the Constitution (73<sup>rd</sup> Amendment) Act, 1992 envisages that the Legislature of a State may endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self government. Section 243-H envisages that the Legislature of a State may authorise a Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits.

Government of Madhya Pradesh (GoMP) made Madhya Pradesh Gram Panchayat Obligatory Taxes and Fees (Conditions and Exceptions), Rules 1996 under the Madhya Pradesh *Panchayat Raj Adhiniyam*, 1993, for levy of obligatory and optional taxes by Gram Panchayats.

The Thirteenth Finance Commission (ThFC) also recommended that the Local bodies must be fully enabled to levy property tax (including tax for all types of residential and commercial properties) and any hindrance in this regard must be removed. Third State Finance Commission also recommended for infrastructure grant-in-aid to all Gram Panchayats (GPs) which impose and collect taxes.

##### 4.1.2 Audit objectives and coverage

The audit was conducted to examine whether:

- Obligatory and optional taxes and fees were levied and collected by GPs;
- the prescribed procedure for imposing taxes, fees etc. was followed; and
- monitoring was done at Janpad Panchayat (JPs), Zila Panchayat (ZPs) and State levels.

Audit examination of the above was conducted (August to October 2014) in Dhar and Indore Districts of the State by test-check of records of the ZPs, eight JPs<sup>1</sup> (out of 17) and 80 GPs (out of 1096) covering the period 2010-14. Records of Panchayat Raj Directorate were also examined to assess monitoring mechanism at State level. List of test-checked GPs is given in **Appendix 4.1**.

##### Audit findings

##### 4.1.3 Imposition of obligatory taxes

Sub-Section (1) of Section 77 and section 77(A) of the Madhya Pradesh *Panchayat Raj Adhiniyam*, 1993 (the Act) envisage imposition of various obligatory taxes by Gram Panchayats such as property tax, professional tax, light tax, tax on private latrines and registration fees for selling of cattle in market. We observed the following:

<sup>1</sup> Badnawar, Depalpur, Dharampuri, Gandhwani, Indore, Manawar, Mhow and Nisarapur

#### 4.1.3.1 Imposition of Property Tax

As per schedule I-A under Section 77-A (1) of Act, property tax should be imposed on the lands or buildings or both the capital value of which including the value of the land is more than ₹ 6000, other than those owned by the Central and State Government, PRIs and the religious and educational institutions.

We observed that out of 80 test checked GPs, only 43 GPs (54 per cent) imposed property tax during the period 2010-14. Year-wise details of tax imposed and recovered in these GPs are shown below:

**Table – 4.1 : Property tax imposed and collected by GPs**

(₹ in lakh)			
Year	Tax imposed	Tax collected	Percentage of collection
2010-11	68.74	39.79	58
2011-12	79.94	58.11	73
2012-13	93.47	74.73	80
2013-14	142.41	64.10	45
<b>Total</b>	<b>384.56</b>	<b>236.73</b>	<b>62</b>

(Source: Information furnished by GPs.)

We also observed that out of these 43 GPs, three GPs (Joshiguradia, Memdi and Semla) did not recover any amount of imposed property tax during the period 2010-11 to 2013-14. The Gram Panchayat-wise details of tax imposed and recovered are shown in **Appendix 4.2**.

Further, increase in the number of houses and extension of houses in an area is a normal phenomenon. In view of this, survey should be conducted by GPs to ascertain actual value of property so as to increase the tax revenue.

We observed that the survey of houses/properties for valuation of the same was not conducted by any of the selected GPs. In GP Sandla (Dhar District) property tax was recovered at a fixed rate of ₹ 30 per annum instead of calculating the tax based on value of the property.

On this pointed out, the Secretaries of 23 GPs<sup>2</sup> stated that the proposal would be submitted before Gram Sabha in future. Secretaries of six GPs<sup>3</sup> stated that most of families come below poverty line, hence the taxation was not possible. Three GPs<sup>4</sup> stated that the area of GP was declared to be submerged in the water of Sardar Sarovar Dam, hence the taxation in GP was discontinued. GP Bedwalya stated that no resolution for taxation was passed by Gram Sabha and four<sup>5</sup> GPs did not furnish any reply.

Regarding non-conduct of survey, the Secretaries of GPs stated that in future the survey would be conducted. Secretary of GP Sandla stated that the proposal for revision of rate of tax would be submitted before Gram Sabha.

<sup>2</sup> Ajantad, Anupurabhadara, Bhagwanya, Bilda, Dhawarda, Dholana, Dotrya, Dhudi, Ekalwara, Gulati, Gawlipipalia, Hasalpur, Jatjpura, Jhegda, Kalwani, Keshwi, Mad, Mehgaon, Pipriman, Pipli, Satumari, Shahpurikakarda, Tonki

<sup>3</sup> Bhagyapur, Chirakhan, Gungidevi, Jawda, Kodda and Lingwa

<sup>4</sup> Chikhalda, Khaparkhand and Kothda

<sup>5</sup> Balwara, Beganda, Deshwalya and Khandlai

#### 4.1.3.2 Levy of Light Tax

As per schedule I-A under section 77-A (3), a Light tax should be imposed, if the light arrangements have been made by the Gram Sabha.

We observed that 27 tests checked GPs were providing street light facility. Of them, only 16 GPs<sup>6</sup> (59 per cent) imposed Light tax. Year-wise details of Light tax levied and realised by the GPs during 2010-11 to 2013-14 are as below:

**Table –4.2 : Light tax imposed and collected during 2010-14**

(₹ in lakh)			
Year	Tax imposed	Tax collected	Percentage of collection
2010-11	5.91	1.02	17
2011-12	6.27	0.90	13
2012-13	7.96	1.21	15
2013-14	9.01	2.07	23
<b>Total</b>	<b>29.15</b>	<b>5.20</b>	<b>18</b>

(Source: Information furnished by GPs)

The above table shows that the recovery rate of tax was much low.

On this being pointed out, the 11 GPs<sup>7</sup> who did not impose light tax stated that the proposal would be submitted before Gram Sabha.

#### 4.1.3.3 Levy of Professional Tax

As per schedule I-A under section 77-A (4), a tax on person, exercising any profession or carrying on any trade or calling within the limits of Gram Sabha area should be imposed.

We observed that only five test checked GPs (6 per cent) imposed Professional Tax. The details of tax imposed and collected in five GPs during 2010-14 were as under:

**Table –4.3: Details of professional tax imposed and collected**

(₹ in lakh)				
Sl.No.	Name of GP	Amount of tax imposed	Amount of tax collected	Percentage of collection
1	Gawlipalasia	1.87	1.12	59
2	Bichholimardana	8.85	5.75	65
3	Kampel	0.06	0.03	53
4	Singhasa	1.47	1.09	74
5	Gandhwani	1.13	0.29	25

(Source: Information furnished by GPs concerned)

#### 4.1.3.4 Levy of Registration fees for cattle sold in market

As per schedule I- Sub section (1) under Section 77, fees on registration of cattle sold in any market or any place belonging to or under the control of the Gram Panchayat, should be imposed.

<sup>6</sup> Ambachandan, Bakhatpura, Bichholimardana, Gandhwani, Gawlipalasia, Joshiguradia, Kampel, Kodaria, Multhan, Nanded, Narlay, Nisarpur, Rangwasa, Sandla, Singhana and Susari

<sup>7</sup> Ahirkhedi, Chhotabangarda, Chohankhedi, Datoda, Gujarkheda, Hasalpur, Mad, Memdi, Nawdapanth, Sindodi and Singhasa.

We observed that only two tests checked GPs (Gandhwani and Sundrel) collected the registration fees of ₹ 2.08 crore during 2010-14, as shown below:

**Table –4.4: Statement of tax collected by GPs**

(₹ in lakh)

Year	GP Gandhwani	GP Sundrel
2010-11	0.11	44.58
2011-12	0.06	49.50
2012-13	0.07	54.72
2013-14	0.14	59.66
<b>Total</b>	<b>0.38</b>	<b>208.46</b>

(Source: Information furnished by GPs)

On this being pointed out, the Secretaries of GPs stated that the proposal would be submitted before Gram Sabha.

Thus, the provisions of the Act for imposing obligatory taxes were not complied with, since 37 GPs ( 46 per cent) out of 80 test checked GPs did not impose and collect any of the obligatory taxes (**Appendix 4.3**).

#### **4.1.4 Prescribed procedure for imposing taxes not observed**

According to Rule 3 of MP Gram Panchayat Obligatory Taxes and Fees (Conditions and Exceptions) Rules 1996, a GP shall impose tax or fee only after passing a resolution regarding the rate at which the tax or fee is to be imposed. The GP shall then notify the proposal by beat or drum in the GP. Any inhabitant of the village objecting to the rate of tax or fee proposed by GP may send his objection or suggestion in writing on or before the date specified in the notice. Where a GP finally decides the rate of tax or fee, a notice stating the tax or fee imposed and thereof shall be published by the GP by affixing a copy thereof in the office of the GP.

We observed that out of 43 GPs which imposed property taxes or other taxes during the period 2010-11 to 2013-14, only five<sup>8</sup> GPs submitted the records of resolution passed by Gram Sabha for imposing tax. Other 38 GPs (**Appendix 4.4**) could not submit any records to show that the prescribed procedure for imposing taxes was observed.

On this being pointed out, the Secretaries of 38 GPs admitted that the records regarding imposition of taxes in GPs were not available.

#### **4.1.5 Imposition of Optional taxes and fees**

Sub-Section (2) of Section 77 of the Madhya Pradesh Panchayat Raj Act, 1993 envisages that the following Optional taxes can be imposed in Gram Panchayats.

- Water rate where GPs have made arrangements for regular supply of water.
- Fees for drainage where system of drainage has been introduced by the GP.
- Fees payable by the owners of the vehicles other than motor vehicles.

<sup>8</sup> Ahirkhedi, Bheelbadoli, Chhotabangarda, Gandhwani and Ghursal

- Fees for any licence or permission granted by JP under the Act or for use and occupation of land or their properties vested in or maintained by the JP.
- Fees for the use of sarai, dharamshalas, rest-houses, slaughter-houses and camping-grounds.
- Tax on persons carrying out the profession of purchaser, agent, commission agent under Madhya Pradesh *Krishi Upaj Mandi Adhiniyam*, 1972 in the area of Gram-Sabha excluding the area of public utility etc.

We observed that only 39 test checked GPs (50 *per cent*) imposed water charges during the period 2010-11 to 2013-14. Out of ₹ 125.44 lakh imposed during the period ₹ 60.71 lakh were recovered. GP-wise details are given in **Appendix 4.5**.

The Secretaries of the remaining 43 test checked GPs stated that no proposal for imposing optional taxes was under consideration.

#### **4.1.6 Incentives Scheme for taxation in Gram Panchayats**

For utilisation of grant-in-aid received on recommendation of the ThFC, GoMP prepared an Action plan for the period 2010-15. Para 3.2 of the Action plan envisages that five *per cent* of ThFC grant will be distributed as incentive for encouraging own taxation in GPs, which would be effective from 2011-12. Para 4.82 of recommendations of Third State Finance Commission also envisages that the incentive grant may be sanctioned for those GPs which impose taxes and recover it *cent per cent*. The information regarding imposition and collection of taxes in GPs shall be collected by the Directorate through ZPs.

Out of 80 tests checked GPs, the PRDD released ₹ 88.32 lakh during 2012-13 as incentive grant to 58 GPs (**Appendix 4.6**) for their performance in imposition and collection of taxes during the year 2011-12.

We observed that out of 58 GPs, 16 GPs<sup>9</sup> did not impose and collect any of the obligatory taxes or fees. Out of 43 GPs which imposed taxes, 33 GPs (**Appendix 4.7**) did not collect 100 *per cent* amount of tax imposed during 2011-12.

Thus, the incentive grants of ₹ 70.12 lakh were released to 49 GPs (16+33) though the GPs could not realise 100 *per cent* tax imposed.

Thus, Government paid incentives to the GPs not eligible for the grant, in deviation from the provision of the Scheme.

Further, as envisaged in the guidelines issued by Commissioner (July 2012), every GP should submit utilisation certificates (UCs) to the Directorate within three months of incentive grant received.

We observed that none of the 58 test checked GPs (**Appendix-4.6**), which received incentive grant during 2012-13 furnished the UCs to the Directorate.

<sup>9</sup> Bedwalya, Chhikhaldia, Deshwalya, Dholana, Dotrya, Hasalpur, Jawda, Khandali, Khaparkhand, Kodda, Kothda, Lingwa, Mad, Mehgaon, Pipli, and Tonki.

The ZPs and JPs also did not make efforts for collection of UCs from the GPs, except the JP Indore.

The Secretaries of GPs stated that the UCs would be furnished. The CEO, ZPs and JPs stated that the UCs would be collected from GPs and would be furnished to the Directorate.

#### 4.1.7 Provision of penalty

Section 82 of Madhya Pradesh *Panchayat Raj Act*, 1993 envisages that when a person failing in making a payment of any tax, fee, rate or any other amount due, shall in addition to the amount of arrears, be liable, by way of penalty, to pay a sum of ₹ 500 or ten times the amount due, whichever was higher.

We observed that out of 43 GPs which imposed taxes, collection of taxes of in 21 GPs<sup>10</sup> was 27 per cent in 2010-11, 26 per cent in 2011-12, 29 per cent in 2012-13 and 27 per cent in 2013-13 of the amount imposed during these years. Despite poor progress of collection of taxes, no penalty was imposed by any of these GPs. Non-levy of penalty also delayed the recovery of taxes.

On this being pointed out, the Secretaries of GP stated that the proposal for penalty would be submitted before Gram Sabha in future.

#### 4.1.8 Maintenance of records

According to the Rule 15 of Gram Panchayat Optional Taxes and Fees (Conditions and Exceptions) Rule, 1996, a register shall be maintained showing demand and collection of taxes, fees and rates. Separate register or separate set of pages shall be set apart for different kinds of taxes, fees or rates imposed. The register shall be signed by the Sarpanch and Secretary at the end of every month. Also, monthly and annual statement of receipts and disbursement, receipt book and minutes of meetings of GPs and Gram Sabha were required to be maintained.

We observed that out of 43 GPs which imposed taxes, 33 GPs (**Appendix 4.8**) did not maintain the register. In absence of the register, actual demand for taxes raised by GPs could not be verified in audit. Besides, subsidiary records like statement of receipts and disbursement were not maintained by GPs.

Thus, maintenance of accounts for receipts of panchayats was not according to Rule, failing which the actual amount of taxes imposed and collected could not be ascertained in audit.

On this being pointed out, the Secretaries of GPs stated that the records would be maintained in future.

#### 4.1.9 Monitoring the imposition and collection of taxes in GPs

According to the Sections 51 and 52 of Madhya Pradesh *Panchayat Raj Evam Gram Swaraj Act*, the ZP and JP shall be responsible for co-ordination, evaluation, and monitoring of activities and guiding the GPs. Instructions issued by Commissioner, PR (July 2012) stipulated that the Chief Executive

<sup>10</sup> Ambachandan, Bakhatgarh, Bakhatpura, Bheelbadoli, Chohankhedi, Datoda, Gandhwani, Joshiguradia, Kampel, Khalbuzurga, Kodaria, Memndi, Multhan, Nandra, Narlay, Nisarpur, Phoolan, Rangwasa, Ratanpura, Singhana and Semlya.

Officer, ZP/JP would be responsible for monitoring of incentive grant-in-aid for taxation.

Commissioner, Panchayat Raj also issued direction (August 2010) that all ZPs must include the issue of taxation in the agenda of meetings organised with elected members of ZPs and JPs so that they can be motivated for imposing and collecting taxes in their GPs.

During audit of selected ZPs and JPs we observed the following:

- No meeting was organised at ZP and JP levels with the elected members of ZPs, JPs and GPs regarding taxation. Thus, there was no planning at ZP and JP levels for encouraging imposition and collection of tax in GPs.
- Utilisation of funds collected through taxation and incentive grant received in GPs was also not monitored by JPs and ZPs.
- There was no record to suggest that any effective step was taken at State level for encouraging taxation in GPs except introducing an incentive grant scheme. No report was prescribed for monitoring the progress of imposition and collection of taxation.

On this being pointed out, CEO/ZP, Indore stated that the CEO/JP is responsible for monitoring. CEO/ZP, Dhar stated that the instructions were issued in this regard from time to time.

The CEOs of JPs, Indore, Depalpur and Mhow stated that instructions were issued to GPs. CEO/JPs Dharampuri and Nisarpur did not reply. CEO/JPs Manawar, Gandhwani and Badnawar stated that no instruction was issued to GPs regarding taxation. The Reply of CEO/JP, Indore was not in order as the instructions issued were only for obtaining information of taxes imposed and collected for onward submission to the Commissioner.

Thus, no effective monitoring was done at any level.

#### **4.1.10 Conclusion**

- Forty six *per cent* Gram Panchayats (GPs) did not levy and collect any of the obligatory taxes. Property tax and Light tax were levied by 54 *per cent* GPs and 59 *per cent* GPs respectively. Professional tax was levied only by six *per cent* GPs. There was no record to suggest that the taxes were imposed based on the resolution taken in Gram Sabha.
- The Gram Panchayats did not levy and collect the optional taxes and fees, except for water rate collected by 50 *per cent* GPs.
- Government paid incentives to the GPs, without ascertaining their performance in collection of taxes. Recovery of taxes levied by the GPs was slow mainly because of penalty was not imposed.

## **4.2 Loss of interest due to keeping of Scheme funds in the form of demand draft**

**Due to injudicious decision of Madhya Pradesh State Employment Guarantee Council, MGNREGS funds of ₹ 29.51 crore remained out of bank account for four months resulting in loss of interest of ₹ 39.35 lakh to the Scheme Fund and inflated UC submitted to GoI ₹ 29.51 crore.**

As per order (March 2007) of the Ministry of Rural Development (NREGA Division), Government of India (GoI), expenditure on activities like IEC, training, planning, MIS supervision and social audit should be met out of administrative expenses under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). Further, operational guidelines of MGNREGS 2008 envisage that a separate bank account shall be opened for the funds under the Scheme at State, district and block levels.

The Commissioner, Madhya Pradesh State Employment Guarantee Council (the Council)<sup>11</sup> proposed (February 2012) to install 200 Solar Energy Plants (SEPs) in 200 Janpad Panchayats (JPs) for uninterrupted power supply. Accordingly, Managing Director Madhya Pradesh State Energy Development Corporation (the Corporation) Bhopal prepared a project report at an estimated cost of ₹ 54 crore and sent the financial proposal to the Principal Secretary, Panchayat and Rural Development Department (PRDD). According to the proposal ₹ 27 crore (50 per cent) was to be provided from administrative expense head under the MGNREGS and the balance was to be managed from grants (Central: ₹ 16.20 crore; State: ₹ 10.80 crore). The proposal was approved (March 2012) by PRDD.

During test check of records (July 2013) of the State Council, we observed that in order to meet the cost of the SEPs, the Commissioner, Council directed (March 2012) the Chief Executive Officers (CEOs) of 50 Zila Panchayats (ZPs) to prepare demand drafts (DDs) towards cost of the plants allotted to each districts aggregating to ₹ 30 crore, out of Administrative expenses head of MGNREGS funds. The DDs were to be prepared in favour of the Corporation and forward the same to the Council within 31 March 2012. Accordingly, 49 ZPs (except Dewas) prepared DDs amounting to ₹ 29.51 crore and forwarded the same to the Council within the stipulated date (**Appendix-4.9**). The council however, kept the DDs with them.

Further, we observed that the Council postponed (July 2012) the installation of SEPs on the ground that the feeder separation work in the Energy Department was under progress which would provide 24 hour electricity supply in the State. The Council returned the DDs to the respective ZPs in July 2012.

<sup>11</sup> MPSEGC is a State level nodal agency under Panchayati Raj Institution responsible for implementing of Mahatma Gandhi National Rural Employment Guarantee Scheme.

Thus, MGNREGS funds amounting to ₹ 29.51 crore remained out of the Scheme account for four months up to July 2012, which resulted in loss of interest of ₹ 39.35 lakh<sup>12</sup>.

Further, on an audit enquiry about submission of Utilisation Certificate (UC) to Government of India (GoI) relating to Administrative expenses for the year 2011-12, the Council stated (13 February 2015) that the UC for ₹ 207.89 crore under Administrative expenses for 2011-12 was sent to GoI which included ₹ 29.51 crore. Subsequently (December 2012), the UC for the same amount was sent along with audit report of Chartered Accountant without deducting ₹ 29.51 crore which was not actually spent. Thus, the Council head withdrawn ₹ 29.51 crore unnecessarily and the UC sent to GoI was inflated to that extent.

The Commissioner stated (November 2013 and September 2014) that there was a *bona fide* intention to utilise savings under the head “Administrative Expenses”.

The reply of the Commissioner was not acceptable as the decision of the Council to draw funds out of Administrative expenses head of MGNREGS without immediate disbursement/utilisation resulted in loss of interest to the Scheme. Besides, utilisation of funds from Administrative expenses head for setting up of SEP was not in accordance with the Scheme guidelines.

The matter was reported to Government (September 2013); their reply has not been received (March 2015).

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<sup>12</sup> Interest on ₹ 29.51 crore for four months, at 4 per cent due on savings bank account.

### 4.3 Diversion of MGNREGS funds

#### **Gram Panchyats under Shivpuri Janpad Panchayat utilised MGNREGS funds of ₹ 23.68 lakh for purposes beyond the scope of the Scheme.**

The National Rural Employment Act, 2005 (NREGA) guarantees at least 100 days of wage employment in a financial year to every rural household and creation of durable assets. Para 6.1.1 of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) guidelines stipulates that the works related to water conservation, afforestation, tree plantation, irrigation, land development, rural roads are permissible under the Scheme. Further, Paras 8.5.5 and 8.5.6 stipulate that MGNREGS funds at GP level can not be used for other purposes. The GPs will be authorised to spend the money released to them on the works that have been sanctioned to them for execution. Any diversion will be treated as a defalcation and recovery proceeding will be immediately initiated.

During scrutiny (December 2013) of annual accounts of MGNREGS of Gram Panchayats (GPs) of Janpad Panchyat (JP) Shivpuri for the year 2011-12, we observed (December 2013) that ₹ 1.49 crore was available with 32 GPs for execution of works such as rural road, water conservation/harvesting, land development etc. under MGNREGS. Of these, funds amounting to ₹ 23.68 lakh<sup>13</sup> (16 per cent of total available fund) were utilised by the GPs on advertisement, honorarium, stationery and payment of advances to the Sarpanchs/Secretaries, which was contrary to the Scheme guidelines. (Appendix-4.10).

On this being pointed out, Secretaries of the GPs stated (December 2013) that expenses on advertisement was incurred as per order of CEO, JP Shivpuri, while honorarium was distributed by the order of the MP State Employment Guarantee Council. No reply was given in respect of expenditure incurred on stationery and advances given to Secretary/Sarpanch. The CEO JP, Shivpuri stated (December 2013) that funds were provided to GPs for works execution, but the same were utilised on other heads by the GPs at their own level.

The matter was reported (July 2014) to the Council<sup>14</sup>. The Council confirmed (February 2015) the facts in respect of 30 GPs<sup>15</sup> and stated that comment would be made after receipt of information from remaining two GPs.

The reply of JP is not tenable since the JP, directed (November 2010) the GPs to make payment for advertisement.

<sup>13</sup> Expenditure on social activities (wall writing) ₹ 6.01 lakh, expenditure on salary (honorarium to the Secretary of GP) ₹ 1.14 lakh, expenditure on stationery, ₹ 0.63 lakh and advance to Sarpanch of GP ₹ 15.90 lakh.

<sup>14</sup> MPSEGC is a State level nodal agency under Panchayati Raj Institutions, responsible for implementing the MGNREGS

<sup>15</sup> Bara, Bhangarh, Bilupura, Dabiya, Dadol, Dongar, Gadiharod, Kajuri, Kalothra, Kankar, Kaprana, Kari ahmedpur, KaraiKaurau, Kersena, Khayabdakalan, Kodavada, Kota, Kunwarpura, Kushiya, Lalgah, Majhera, Mohangarh, Mudairi, Rayshree, Sakalpur, SatanbadaKalan, SatanbadaKhurd, Sikrabada, Sund, Tongra,

Thus, expenditure of ₹ 23.68 lakh incurred by 32 GPs was in contravention to the provisions of Scheme Guidelines, which adversely affected employment generation as well as creation of durable assets.

The matter was reported to Government (July 2014); their reply has not been received (March 2015).

Date: 20 MAY 2015  
Place : Gwalior



(Chandrabhan)  
Deputy Accountant General  
(Social Sector-I), Madhya Pradesh

Countersigned

Date: 20 MAY 2015  
Place : Gwalior



(Saurabh K. Mallick)  
Accountant General  
(General and Social Sector Audit)  
Madhya Pradesh





**APPENDIX**



**Appendix 1.1**  
**List of ULBs audited**  
*Reference: Paragraph - 1.3 (page 2 )*

Sl. No.	Name of Unit
1	Commissioner, Urban Administration and Development Department
2	Municipal Corporation, Singroli
3	Municipal Corporation, Jabalpur
4	Municipal Corporation, Indore
5	Municipal Corporation, Katni
6	Municipal Corporation, Bhopal
7	Municipal Corporation, Sagar
8	Municipal Corporation, Burhanpur
9	Municipal Corporation, Satna
10	Municipal Council, Shajapur
11	Municipal Council, Parasia, Chhindwada
12	Municipal Council, Amarwada, Chhindwada
13	Municipal Council, Malajkhand
14	Municipal Council, Balaghat
15	Municipal Council, Dhanpuri, Shahdol
16	Municipal Council, Rehli, Sagar
17	Municipal Council, Piparia, Hoshangabad
18	Municipal Council, Baraseoni, Balaghat
19	Municipal Council, Umaria
20	Municipal Council, Ambah, Morena
21	Municipal Council, Jhabua
22	Municipal Council, Chhatarpur
23	Municipal Council, Sheopur
24	Municipal Council, Sabalgarh, Morena
25	Municipal Council, Kareli, Narsinghpur
26	Municipal Council, Nainpur, Mandla
27	Municipal Council, Mandla,
28	Municipal Council, Naugaon, Chhatarpur
29	Municipal Council, Tikamgarh
30	Municipal Council, Kolar, Bhopal
31	Nagar Parishad, Akodia, Shajapur
32	Nagar Parishad, Hatpipalya, Dewas
33	Nagar Parishad, Loharda, Dewas

Sl. No.	Name of Unit
34	Nagar Parishad, Mandleshwar, Khargone
35	Nagar Parishad, Badkuhi,
36	Nagar Parishad, Lodhikeda, Chhindwada
37	Nagar Parishad, Bhainsdehi, Betul
38	Nagar Parishad, Athner, Betul
39	Nagar Parishad, Kumbhraj, Guna
40	Nagar Parishad, Rajgarh, shajapur
41	Nagar Parishad, Pachor, shajapur
42	Nagar Parishad, Khand, Shahdol
43	Nagar Parishad, Shahganj, Sehor
44	Nagar Parishad, Rehti, Sehor
45	Nagar Parishad, Bareli, Raisen
46	Nagar Parishad, Piploda,
47	Nagar Parishad, Karnawad, Dewas
48	Nagar Parishad, Mandav, Dhar
49	Nagar Parishad, Rajgarh, Dhar
50	Nagar Parishad, Barigarh, Chhatarpur
51	Nagar Parishad, Tal, Ratlam
52	Nagar Parishad, Phuph, Bhind
53	Nagar Parishad, Badagaon, Shajapur
54	Nagar Parishad, Shahpur, Sagar
55	Nagar Parishad, Hindoriya, Damoh
56	Nagar Parishad, Kailaras, Morena
57	Nagar Parishad, Bahmnimanjar, Mandla
58	Nagar Parishad, Petlawad, Jhabua
59	Nagar Parishad, Suvasara, Mandsaur
60	Nagar Parishad, Jaithari, Anuppur
61	Nagar Parishad, Jeronkhalsa, Tikamgarh
62	Nagar Parishad, Shahpura, Burhanpur
63	Nagar Parishad, Mundi, Khandwa
64	Nagar Parishad, Gotegon, Narsinghpur
65	Nagar Parishad, Tendukheda, Narsinghpur
66	Nagar Parishad, Barghat, Seoni
67	Nagar Parishad, Anjad, Badwani
68	Nagar Parishad, Palsud, Badwani
69	Nagar Parishad, Dhuwar, Chhatarpur

## Appendix - 1.2

### Devolution of Functions by State Government to Urban Local Bodies

*Reference: Paragraph – 1.8 (page 5)*

Sl. No.	Name of functions
1.	Urban Planning including Town Planning
2.	Regulation of land-use and construction of buildings
3.	Planning for economic and social development
4.	Roads and bridges
5.	Water supply for domestic, industrial and commercial purposes
6.	Public health, sanitation conservancy and solid waste management
7.	Fire services
8.	Urban forestry, protection of the environment and promotion of ecological aspects
9.	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded
10.	Slum improvement and up-gradation
11.	Urban poverty alleviation
12.	Provision of Urban amenities and facilities such as parks, gardens, playgrounds
13.	Promotion of cultural, educational and aesthetic aspects
14.	Burials and burial grounds; cremations, cremation grounds and electric crematoriums
15.	Cattle pounds, prevention of cruelty to animals
16.	Vital Statistics including registration of birth and deaths
17.	Public amenities including street lighting, parking lots, bus stops and public conveniences
18.	Regulation of slaughter houses and tanneries

## Appendix-1.3

## Non preparation of Bank Reconciliation

Reference: Paragraph 1.10 (page 5)

(₹ in lakh)

Sl. No.	Name of Unit	Balance as per cash book as on 31.3.13	Balance as per pass book as on 31.3.13	Difference
1	2	3	4	5
1	Municipal Corporation, Burhanpur	305.93	347.60	41.67
2	Municipal Corporation, Indore	9.35	15.07	5.72
		16311.51	1643.42	-14668.09
3	Municipal Corporation, Katni	350.66	354.63	3.97
		10.40	8.80	-1.60
4	Municipal Corporation, Satna	1912.70	2085.03	172.33
5	Municipal Corporation, Singroli	458.50	477.42	18.92
		1467.10	1305.40	-161.70
6	Municipal Council, Amarwada, Chhindwada	247.86	290.88	43.02
7	Municipal Council, Piparia, Hoshangabad	282.67	358.88	76.21
		55.94	46.98	-8.96
8	Municipal Council, Baraseoni, Balaghat	88.03	88.28	0.25
		291.48	282.56	-8.92
9	Municipal Council, Ambah, Morena	46.93	52.30	5.37
10	Municipal Council, Jhabua	573.02	594.91	21.89
11	Municipal Council, Sabalgarh, Morena	371.25	412.55	41.30
12	Municipal Council, Kareli, Narsinghpur	497.20	517.22	20.02
13	Municipal Council, Nainpur, Mandla	182.61	194.27	11.66
14	Municipal Council, Mandla,	788.30	821.54	33.23
15	Municipal Council, Naugaon, Chhatarpur	911.22	944.49	33.27
16	Municipal Council, Kolar, Bhopal	615.16	648.95	33.79
17	Nagar Parishad, Akodia, Shajapur	31.18	36.49	5.31
18	Nagar Parishad, Hatpipalya, Dewas	5.94	21.25	15.31
19	Nagar Parishad, Loharda, Dewas	3.85	3.91	0.06
20	Nagar Parishad, Badkuhi, Chhindwada	129.54	137.31	7.77
21	Nagar Parishad, Bhaisdehi, Betul	254.93	289.17	34.24
22	Nagar Parishad, Athner, Betul	366.23	400.87	34.64
23	Nagar Parishad, Rajgarh, Byabra	81.21	84.16	3.94
24	Nagar Parishad, Khand, Shahdol	4.25	5.79	1.54
		112.63	99.7	-12.93
25	Nagar Parishad, Shahganj, Sehor	164.46	24.1	140.36

1	2	3	4	5
26	Nagar Parishad, Piploda, Ratlam	75.22	85.72	10.50
		8.13	7.32	-0.81
27	Nagar Parishad, Karnawad, Dewas	3.54	6.52	2.98
28	Nagar Parishad, Mandav, Dhar	334.89	400.47	65.58
29	Nagar Parishad, Rajgarh, Dhar	356.24	373.59	17.35
30	Nagar Parishad, Jeronkhalsa, Tikamgarh	92.34	97.60	5.26
31	Nagar Parishad, Shahpura, Burhanpur	450.07	482.18	32.11
32	Nagar Parishad, Gotegon, Narsinghpur	333.00	358.63	25.64
33	Nagar Parishad, Tendukheda, Narsinghpur	496.24	497.19	0.95
		13.54	12.25	-1.29
34	Nagar Parishad, Barghat, Seoni	38.40	46.36	7.97
		134.64	126.37	-8.17
35	Nagar Parishad, Mandleshwar, Khargone	162.02	134.46	-23.56
36	Nagar Parishad, Lodhikeda, Chhindwada	27.02	18.96	-8.06
37	Nagar Parishad, Rehti, Sehor	89.09	21.52	-67.57
			<b>Plus Difference</b>	974.13
			<b>say 9.74 crore</b>	
			<b>Minus Difference</b>	-14971.66
			<b>Say 149.72 crore</b>	

## Appendix-1.4 (A)

## Statement showing non-collection of Tax Revenue (Property tax, composite tax, education cess, city development cess, market fee, show tax)

Reference: Paragraph 1.11 (page 6)

(₹ in lakh)

Sl No.	Name of Unit	Arrears of previous years	Demand raised during 2012-13	Total	Total tax collected as of March 2012-13	Amount of unrealised tax (as on 31.03.2013)
<b>Municipal Corporations</b>						
1	Sagar	229.39	173.31	402.70	146.03	256.67
2	Bhopal	3105.25	5019.09	8124.34	5881.04	2243.30
3	Jabalpur	9008.15	3269.58	12277.73	4410.84	7866.89
4	Satna	836.58	470.29	1306.87	735.54	571.33
5	Indore	50465.66	17874.70	68340.36	13173.71	55166.65
6	Singroli	637.03	747.67	1384.7	806.66	578.04
					<b>Total</b>	<b>66682.88</b>
<b>Municipal Council</b>						
7	Dongar parasia, Chhindwada	14.10	27.16	41.26	26.71	14.55
8	Shujalpur, Shajapur	90.59	28.67	119.26	55.33	63.93
9	Loharda, Dewas	5.10	2.36	7.46	3.08	4.38
10	Hatpipalya Dewas	20.98	3.80	24.78	2.23	22.55
11	Pachor, Rajgarh	52.74	18.34	71.09	31.27	39.82
12	Mandeshwar, Khargone	13.04	10.29	23.33	9.79	13.54
13	Dhanpuri, Shahdol	Data not available		197.00	60.92	136.08
14	Khand, Shahdol	8.05	2.59	10.64	1.78	8.86
15	Pipariya, Hoshangabad	58.46	32.38	90.84	31.85	58.99
16	Balaghat	115.98	84.11	200.09	129.23	70.86
17	Malajkhand, Balaghat	62.25	398.23	460.47	105.97	354.50
18	Waraseoni, Balaghat	39.39	29.92	69.31	25.79	43.52
19	Ambah, Morena	49.71	16.14	65.85	10.08	55.77
20	Gotegao, Narsinghpur	19.21	46.98	66.19	52.62	13.57
21	Nainpur, Mandla	21.82	16.05	37.87	18.35	19.52
22	Kareli, Narsinghpur	120.31	43.2	163.51	48.37	115.14
23	Amarwada Chinndwada	16.70	20.95	37.65	27.34	10.31
24	Jhabua	35.48	46.42	81.90	50.92	30.98
25	Tikamgarh	306.95	82.09	389.04	82.54	306.5
26	Sheopur	58.59	28.21	86.8	34.31	52.49
27	Shabalgah, Morena	91.68	79.00	170.68	119.00	51.67
28	Mandla	77.79	47.55	125.34	47.98	77.36
					<b>Total</b>	<b>1564.89</b>

<b>Nagar Parishad</b>						
29	Badkuhi, Chhindwada	6.00	9.80	15.80	5.25	10.55
30	Akodiya, Shajapur	12.53	8.8	21.33	10.81	10.52
31	Piploda, Ratlam	6.73	3.40	10.13	3.51	6.62
32	Palsud, Badwani	5.15	8.86	14.01	10.45	3.56
33	Tal Ratlam	13.95	12.68	26.63	17.11	9.52
34	Pachor	52.74	18.35	71.09	31.26	39.83
35	Shahpur, Bhuranpur	0	3.46	3.46	0	3.46
36	Badagoan, Shajapur	6.14	2.13	8.27	3.99	4.28
37	Tendukhera, Narsinghpur	37.76	14.69	52.45	13.15	39.3
38	Rajgarh, Dhar	39.86	11.76	51.62	43.34	8.28
39	Shaganj, sehere	0.16	2.21	2.37	0.92	1.45
40	Barely, Raisen	27.11	7.83	34.94	15.23	19.71
41	Shahpur, Sagar	3.23	3.50	6.73	0	6.73
42	Hindoria, Damoh	30.03	58.18	88.21	14.36	73.85
43	Kailarash, Morena	0	14.27	14.27	2.84	11.43
44	Anjar, Badawani	26.35	22.73	49.08	21.62	27.46
45	Lodhikheda, Chindwara	1.53	5.41	6.94	6.67	0.27
					<b>Total</b>	<b>276.82</b>
	<b>Total</b>				<b>Grand Total</b>	<b>68524.59</b>

**Appendix-1.4 (B)**

**Statement showing details of non-collection of rent and premium as on  
31.03.2013**

*Reference: Paragraph 1.11 (page 6)*

(₹ in lakh)

Sl. No.	Name of Unit	Outstanding premium of allotted shops	Outstanding rent of allotted shops	Total (as on 31.03.2013)
<b>Municipal Corporation</b>				
1	Sagar	43.92	22.78	66.70
2	Bhopal		38.37	38.37
3	Satna		50.83	50.83
			<b>Total</b>	<b>155.90</b>
<b>Municipal Council</b>				
4	Rajgarh	16.32	4.87	21.19
5	Pachor, Rajgarh		7.17	7.17
6	Pipariya, Hoshangabad	10.15	22.92	33.07
7	Balaghat		35.04	35.04
8	Waraseoni, Balaghat		4.34	4.34
9	Naugav, Chhatarpur	15.00	3.51	18.51
10	Sheopur	22.92	--	22.92
11	Tikamgarh	81.35	34.52	115.87
			<b>Total</b>	<b>258.11</b>
<b>Nagar Parishad</b>				
12	Akodiya, Shajapur	2.33	2.03	4.36
13	Rajgarh (Dhar)	5.79	0.72	6.51
14	Subahsara, Mandsor	16.88	0.70	17.58
			<b>Total</b>	<b>28.45</b>
			<b>Grand Total</b>	<b>442.46</b>

## Appendix-1.5

## Statement showing details of non-tax revenue (water charges) not realised

Reference: Paragraph 1.11 (page 6)

(₹ in lakh)

Sl. No.	Name of ULB	Arrears of previous years	Demand raised during 2012-13	Total	Total tax collected (as of March 2013)	Amount of uncollected tax as on 31 March 2013
<b>Municipal Corporation</b>						
1	Bhopal	259.56	489.26	748.82	546.98	201.84
2	Satna	584.99	170.89	755.88	91.70	664.18
3	Katni	290.69	140.00	430.69	125.66	305.03
4	Indore	12562.65	3026.80	15589.45	2093.85	13495.60
5	Singroli	6.82	5.68	12.50	4.91	7.59
					<b>Total</b>	<b>14674.24</b>
<b>Municipal Council</b>						
6	Dongar parasia, Chhindwada	8.09	9.12	17.21	10.14	7.07
7	Shujalpur, Shajapur	55.28	25.94	81.22	29.03	52.19
8	Loharda, Dewas	2.40	2.33	4.73	2.98	1.75
9	Hatpipalya, Dewas	7.00	3.00	10.00	0.79	9.21
10	Pachor, Rajgarh	37.91	10.62	48.53	9.32	39.21
11	Mandeshwar, Khargone	3.09	12.26	15.35	11.33	4.02
12	Dhanpuri, Shahdol	Data not available		34.83	11.57	23.26
13	Pipariya, Hoshangabad	54.48	18.46	72.94	25.22	47.72
14	Balaghat	77.66	49.50	127.16	44.08	83.08
15	Malajkhand, Balaghat	0.20	5.14	5.34	4.94	0.40
16	Waraseoni, Balaghat	2.46	13.54	16.00	12.14	3.86
17	Ambah, Morena	48.34	19.07	67.41	12.78	54.63
18	Gotegao, Narsinghpur	28.21	7.41	35.62	7.27	28.35
19	Nainpur, Mandla	4.00	12.00	16.00	10.71	5.29
20	Kareli, Narsinghpur	18.98	12.23	31.21	12.82	18.39
21	Amarwada, Chhindwada	0.00	10.02	10.02	10.02	0.00
22	Tikamgarh	150.26	56.59	206.85	35.91	170.94
23	Sheopur	146.61	38.84	185.45	21.15	164.30
24	Shabalgarh, Morena	35.15	31.18	66.33	24.53	41.80
25	Mandla	15.76	40.00	55.76	35.17	20.59
					<b>Total</b>	<b>776.06</b>

<b>Nagar Parishad</b>						
26	Akodiya, Shajapur	6.90	3.11	10.01	5.79	4.22
27	Piploda, Ratlam	0.20	3.28	3.48	3.31	0.17
28	Palsud, Badwani	1.40	3.60	5.00	2.81	2.19
29	Tal Ratlam	7.75	5.80	13.55	9.45	4.10
30	Pachor	37.91	10.61	48.52	9.34	39.18
31	Shahpur, Bhuranpur	0.00	3.27	3.27	0.00	3.27
32	Tendukhera, Narsinghpur	6.57	5.39	11.96	6.94	5.02
33	Rajgarh, Dhar	23.16	4.35	27.51	23.82	3.69
34	Rehati, Sehora	6.91	2.76	9.67	2.98	6.69
35	Shaganj, sehore	3.03	2.50	5.53	3.08	2.45
36	Anjar, Badawani	25.41	27.27	52.68	23.80	28.88
37	Subasara, Mandisor	12.96	5.58	18.54	7.16	11.38
38	Lodhikheda, Chindwara	0.48	7.28	7.76	6.56	1.20
					<b>Total</b>	<b>112.44</b>
<b>Grand Total</b>						<b>15562.74</b>

## Appendix-1.6

## Details of unadjusted temporary advances

Reference: Paragraph 1.12 (page 6)

(₹ in lakh)

Sl. No.	Name of the unit	Purpose of advance	Unadjusted amount as on 31.03.2013
<b>Municipal Corporation</b>			
1	Burhanpur	Contingency	33.33
2	Sagar	Official	136.23
3	Bhopal	Official	20.30
4	Satna	Official	86.37
5	Indore	Official	118.90
6	Jabalpur	Official	192.67
7	Katni	Official	55.83
8	Singoli	Official	13.41
		<b>Total</b>	<b>657.04</b>
<b>Municipal Council</b>			
9	Hatpipalya, Dewas	Official	0.60
10	Dhanpuri, Shahdol	Official	2.81
11	Balaghat	Official	1.57
12	Malajkhand, Balaghat	Official	1.57
13	Sabalgarh, Morena	Official	6.95
14	Sheopur	Official	21.71
15	Tikamgarh	Official	2.05
16	Kolar, bhopal	Official	0.54
17	Dongerparasias Chhindwada	Official	0.49
		<b>Total</b>	<b>38.29</b>
<b>Nagar Parishad</b>			
18	Akodiya, Shajapur	Official	1.71
19	Rajgarh (Dhar)	Official	0.35
20	Tal, Ratlam	Official	1.64
21	Badagao, Shajapur	Official	43.40
22	Jeronkhalsa, Tikamgarh	Official	0.14
23	Subasara, Mandsaur	Official	0.20
24	Phuph, Bhind	Official	0.08
25	Barghat, Seoni	Official	0.71
26	Loharda, Dewas	Official	0.10
27	Piploda, Ratlam	Official	0.99
28	Badkuhi, Chhindwada	Official	0.43
		<b>Total</b>	<b>49.75</b>
		<b>Grand Total</b>	<b>745.08</b>

## Appendix-3.1

## Non-preparation of Bank Reconciliation Statements in PRIs

Reference: Paragraph 3.10 (page 34)

(₹ in lakh)

Sl. No.	Name of Units	Balance as per cash book as on 31.03.2013	Balance as per Pass book as on 31.03.2013	Difference
1.	2.	3.	4.	5.
1	Zila Panchayat Burhanpur	149.86	173.25	23.39
		738.05	660.84	-77.21
2	Zila Panchayat Datia	1202.56	1646.89	444.33
		16.49	11.61	-4.88
3	Zila Panchayat Katni	1097.73	1394.23	296.50
		1234.15	497.25	-736.90
4	Zila Panchayat Khargone	1408.81	1551.94	143.13
		151.83	151.71	-0.12
5	Zila Panchayat Mandla	76.67	124.23	47.56
		382.24	379.85	-2.39
6	Zila Panchayat Morena	600.23	765.96	165.73
		29.40	18.12	-11.28
7	Zila Panchayat Narsinghpur	177.88	189.47	11.59
8	Zila Panchayat Ratlam	540.36	592.47	52.11
9	Zila Panchayat Sagar (TSC)	500.49	509.13	8.64
10	Zila Panchayat Satna	4631.65	5206.6	574.95
		308.38	282.97	-25.41
11	Zila Panchayat Sehore			126.27
12	Zila Panchayat Seoni	1135.90	1149.39	13.49
13	Zila Panchayat Shahdol	5492.92	7549.33	2056.41
14	Zila Panchayat Sheopur	85.52	395.72	310.20
15	Zila Panchayat Singroli	2561.62	2831.88	270.26
		1007.25	930.34	-76.91
16	Janpad Panchayat Alirajpur	153.34	71.07	-82.27
17	Janpad Panchayat Babaichichali, Narsinghpur	103.01	139.71	36.70
		36.88	35.55	-1.33
18	Janpad Panchayat Badwara Katni	119.95	267.78	147.83
19	Janpad Panchayat Bagh, Dhar	193.54	474.44	280.90
20	Janpad Panchayat Baihar, Balaghat	142.36	213.51	71.15
21	Janpad Panchayat Bairasia, Bhopal	275.95	300.68	24.73
		41.00	33.43	-7.57
22	Janpad Panchayat Bajna, Ratlam	22.7	56.61	33.91
23	Janpad Panchayat Bamori, Guna	192.07	237.10	45.03
		182.38	145.99	-36.39
24	Janpad Panchayat Banda, Sagar	1.94	8.10	6.16
25	Janpad Panchayat Bankhedi, Hoshangabad	246.83	302.21	55.38

1.	2.	3.	4.	5.
26	Janpad Panchayat Beora, Rajgarh	266.1	318.63	52.53
27	Janpad Panchayat Bhagwanpura, Khargone	200.03	238.25	38.21
		130.42	120.29	-10.13
28	Janpad Panchayat Bhainsdehil, Betul	245.73	355.32	109.59
29	Janpad Panchayat Bhimpur, Betul	151.66	403.24	251.58
30	Janpad Panchayat Birsa, Balaghat	236.41	294.30	57.89
31	Janpad Panchayat Dahi, Dhar	233.94	345.35	111.41
		105.77	90.81	-14.96
32	Janpad Panchayat Deori, Sagar	268.00	326.63	58.63
		42.32	26.77	-15.55
33	Janpad Panchayat Depalpur Indore	237.05	274.70	37.65
34	Janpad Panchayat Devsar, Singrauli	53.18	139.21	86.03
		340.31	209.01	-131.30
35	Janpad Panchayat Dhimarkheda, Katni	138.59	357.75	219.16
		3.51	1.53	-1.98
36	Janpad Panchayat Garoth, Mandsaur	85.62	159.6	73.98
37	Janpad Panchayat Gaurihar Chhatarpur	374.96	451.28	76.32
38	Janpad Panchayat Ghughari, Mandla	0.67	0.66	-0.01
39	Janpad Panchayat Gogawan, Khargone	16.36	39.59	23.23
40	Janpad Panchayat Gunnor, Panna	162.02	314.25	152.23
41	Janpad Panchayat Gyaraspur Vidisha	101.03	150.73	49.70
42	Janpad Panchayat Jabalpur	24.81	43.18	18.37
43	Janpad Panchayat Jhabua	1132.32	1375.07	242.75
44	Janpad Panchayat Jhiranya, Khargone	140.17	178.36	38.18
		5.19	5.06	-0.14
45	Janpad Panchayat Junnardev, Chhindwada	656.42	909.06	252.64
46	Janpad Panchayat Kannod, Dewas	383.69	441.18	57.49
		53.00	44.50	-8.50
47	Janpad Panchayat Karkeli, Umariya	736.8	774.71	37.91
		153.95	147.20	-6.75
48	Janpad Panchayat Kesli, Sagar	192.09	237.48	45.38
		38.56	30.34	-8.22
49	Janpad Panchayat Khargone	252.71	296.43	43.72
		22.11	3.54	-18.57
50	Janpad Panchayat Khurai, Sagar	267.70	278.82	11.12
51	Janpad Panchayat Kusmi, Sidhi	185.89	344.68	158.79
52	Janpad Panchayat Lakhnadon, Seoni	119.03	206.49	87.46
53	Janpad Panchayat Mandsaur	183.61	194.04	10.43
		287.54	229.00	-58.54
54	Janpad Panchayat Meghnagar, Jhabua	304.6	323.67	19.07
55	Janpad Panchayat Mohkheda, Chhindwada	409.61	434.78	25.17
56	Janpad Panchayat Nalkheda, Shajapur	112.18	143.15	30.97
57	Janpad Panchayat Niwadi, Tikamgarh	165.92	198.74	32.82
58	Janpad Panchayat Panagar, Jabalpur	157.89	190.04	32.15
59	Janpad Panchayat Panna, Panna	234.93	296.87	61.94

<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>	<b>5.</b>
60	Janpad Panchayat Patharia, Damoh	187.15	208.38	21.23
61	Janpad Panchayat Pawai, Panna	521.62	553.08	31.46
62	Janpad Panchayat Punasa, Khandwa	139.05	279.27	140.22
		2.44	1.23	-1.21
63	Janpad Panchayat Radhogarh, Guna	323.40	378.39	54.99
64	Janpad Panchayat Rajnagar Chhatarpur	134.09	118.47	-15.62
65	Janpad Panchayat Rama, Jhabua	27.26	33.51	6.25
		159.55	148.58	-10.96
66	Janpad Panchayat Ramnagar, Satna	183.32	123.32	-60.00
67	Janpad Panchayat Samnapur, Dindori	173.48	175.09	1.61
		142.16	82.46	-59.70
68	Janpad Panchayat Segao, Khargone	117.79	158.08	40.29
69	Janpad Panchayat Sehora, Jabalpur	75.77	86.22	10.45
70	Janpad Panchayat Sehore, Sehore	67.14	75.47	8.33
71	Janpad Panchayat Shajapur	304.58	449.42	144.84
72	Janpad Panchayat Shivpuri	507.62	329.84	-177.78
73	Janpad Panchayat Sihawal, Sidhi	595.03	795.59	200.56
74	Janpad Panchayat Sironj Vidisha	135.91	333.87	197.96
		55.77	22.70	-33.07
75	Janpad Panchayat Susner, Shajapur	147.73	192.19	44.46
76	Janpad Panchayat Tonk Khurd, Dewas	218.90	249.97	31.07
		7.41	6.51	-0.90
77	Janpad Panchayat Ujjain	93.67	109.34	15.67
		16.72	14.20	-2.52
78	Janpad Panchayat Vidisha	374.92	762.65	387.73
79	Janpad Panchayat Vijaypur, Sheopur	59.95	173.58	113.63
		182.06	90.42	-91.64
80	Gram Panchayat Ahirgawan, Pushprajgarh, Anuppur	8.10	9.34	1.24
81	Gram Panchayat Bamanidi, Neemuch	1.28	5.52	4.24
		5.06	1.24	-3.82
82	Gram Panchayat Bansatarkheda, Damoh	2.12	2.67	0.55
83	Gram Panchayat Budra, Sehora, Jabalpur	0.00	0.93	0.93
84	Gram Panchayat Chadua, Junnardev, Chhindwada	3.13	3.15	0.02
85	Gram Panchayat Channodi, Budar, Shahdol	0.04	0.31	0.27
86	Gram Panchayat Chhinda, Parasia, Chhindwada	4.60	4.71	0.12
87	Gram Panchayat Chinodi, Budhar, shahdol	16.64	16.92	0.27
88	Gram Panchayat Denko, Ghughari, Mandla	0.37	4.33	3.96
89	Gram Panchayat Devala, Bhikangao, Khargone	0.00	9.99	9.99
90	Gram Panchayat Deyka, Bajna, Ratlam	3.28	8.02	4.74
		1.35	1.34	-0.01
91	Gram Panchayat Ganora, Khategao, Dewas	0.57	1.45	0.88

1.	2.	3.	4.	5.
92	Gram Panchayat Gawhan, Alirajpur	0.01	0.77	0.76
93	Gram Panchayat Ghurwada, Kevlari, Seoni	1.94	8.71	6.77
94	Gram Panchayat Godana, Moman Badodia, Shajapur	5.52	6.18	0.66
95	Gram Panchayat Harduakhurd, Damoh	3.44	11.89	8.45
96	Gram Panchayat Harthal, Bajna, Ratlam	0.02	0.03	0.01
97	Gram Panchayat Imaliyalanji, Damoh	0.49	1.63	1.14
98	Gram Panchayat Jamunia, Garoth, Mandsaur			0.00127
99	Gram Panchayat Jhola, Kevlari, Seoni	8.8	8.97	0.17
100	Gram Panchayat Jhonkar, Shajapur	0.00	15.78	15.78
101	Gram Panchayat Jiri, Dhimarkheda, Katni	4.84	11.9	7.06
102	Gram Panchayat Jugrai, Lakhanadon, Seoni	0.66	8.37	7.71
103	Gram Panchayat Kachnara flag, Mandsaur	1.87	1.90	0.03
104	Gram Panchayat Kaithaha, Ramnagar, Satna	0.46	1.54	1.09
105	Gram Panchayat Kamla, Nainpur, Mandla	1.71	3.06	1.35
		4.32	3.30	-1.02
106	Gram Panchayat Kanjipura, Khategao, Dewas	1.10	1.65	0.55
107	Gram Panchayat Kanpur, Alirajpur	5.49	5.42	-0.07
108	Gram Panchayat Kanwar, Kannod, Dewas	0.07	0.94	0.87
109	Gram Panchayat Khairmandal, Junnardev, Chhindwada	0.00	2.59	2.59
110	Gram Panchayat Khami, Kevlari, Seoni	0.03	8.13	8.10
111	Gram Panchayat Kursipar, Lakhanadon, Seoni	2.76	5.05	2.29
112	Gram Panchayat Lalpur, Dhimarkheda, Katni	0.77	2.05	1.28
113	Gram Panchayat Likkhi, Khargone	0.10	4.00	3.90
114	Gram Panchayat Madi, Lakhanadon, Seoni	1.94	19.43	17.49
115	Gram Panchayat Maina, Susner, Shajapur	2.51	3.82	1.31
116	Gram Panchayat Manjhgawan, Badwah, Katni	2.30	3.35	1.05
		0.79	0.76	-0.03
117	Gram Panchayat Mawawan, Badwara, Katni	6.54	6.68	0.14
		0.57	0.04	-0.53
118	Gram Panchayat Mudraghat, Sironj, Vidisha	4.30	4.82	0.52
119	Gram Panchayat Murtihai, Ramnagar, Satna	10.25	10.67	0.42
120	Gram Panchayat Nipaniakarju, Momanbadodia, Shajapur	5.36	15.51	10.15
121	Gram Panchayat Palatwada, Parasia, Chhindwada	4.06	4.12	0.06
122	Gram Panchayat Pipalyamankar, Khategao, Dewas	0.05	0.06	0.02
123	Gram Panchayat Piploda, Shajapur	4.23	4.33	0.10
124	Gram Panchayat Pirnalwas, Depalpur, Indore	6.11	6.26	0.15
125	Gram Panchayat Rupond, Badwara, Katni	9.68	10.73	1.05
126	Gram Panchayat Sajod, Janpad Panchayat Shajapur	2.03	2.00	-0.03
127	Gram Panchayat Salari, Agar, Shajapur			0.16

<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>	<b>5.</b>
128	Gram Panchayat Salasbai, Moman Badodia, Shajapur	10.78	15.39	4.62
129	Gram Panchayat Sarekhakalan, Kevlari, Seoni	0.29	1.28	0.99
130	Gram Panchayat Sonchidi, Agar, Shajapur	0.31	4.24	3.93
131	Gram Panchayat Umaria khalsa, Ujjain	1.00	2.04	1.04
				<b>9442.59</b>
				<b>Say 94.43 crore</b>
				<b>-1796.22</b>
				<b>Say 17.96 crore</b>

**Appendix 3.2**  
**Details of un- adjustment temporary advance**

*Reference: Paragraph 3.11 (page 34)*

		(₹ in lakh)
Sl. No.	Name of unit	Amount
1.	2.	3.
1	Zila Panchayat, Bhind	5.64
2	Zila Panchayat, Chhindwada	2.23
3	Zila Panchayat, Damoh	18.48
4	Zila Panchayat, Dhar	0.90
5	Zila Panchayat, Dindori	8.82
6	Zila Panchayat, Harda	0.47
7	Zila Panchayat, Jabalpur	1.21
8	Zila Panchayat, Panna	0.90
9	Zila Panchayat, Sagar	0.63
10	Zila Panchayat, Satna	3.83
11	Zila Panchayat, Seoni	1.91
12	Zila Panchayat, Shahdol	0.93
13	Zila Panchayat, Shajapur	36.21
14	Zila Panchayat, Shivpuri	0.30
15	Zila Panchayat, Sidhi	2.97
16	Zila Panchayat, Tikamgarh	1.73
17	Janpad Panchayat, Bhagwanpura, Khargone	15.77
18	Janpad Panchayat, Bhikangaon, Khargone	0.50
19	Janpad Panchayat, Bhimpur, Betul	8.27
20	Janpad Panchayat, Budhar, Shahdol	1.03
21	Janpad Panchayat, Chhigaonmakhan, Khandwa	6.88
22	Janpad Panchayat, Dahi, Dhar	13.24
23	Janpad Panchayat, Gunor, Panna	24.40
24	Janpad Panchayat, Harrai, Chhindwada	2.02
25	Janpad Panchayat, Hatta, Damoh	0.4
26	Janpad Panchayat, Jhiranya, Khargone	18.31
27	Janpad Panchayat, Kailaras, Morena	0.48
28	Janpad Panchayat, Kannod, Dewas	1.36
29	Janpad Panchayat, Karkeli, Umaria	0.77
30	Janpad Panchayat, Mandsaur	0.35
31	Janpad Panchayat, Meghnagar, Jhabua	15.87
32	Janpad Panchayat, Momanbadodia, Shajapur	1.83
33	Janpad Panchayat, Niwadi, Tikamgarh	1.90
34	Janpad Panchayat, Pawai, Panna	4.66
35	Janpad Panchayat, Rama, Jhabua	9.95
36	Janpad Panchayat, Sohagpur, Shahdol	1.52

<i>1.</i>	<i>2.</i>	<i>3.</i>
37	Janpad Panchayat, Susner, Shajapur	0.36
38	Janpad Panchayat, Thikari, Badwani	55.55
39	Janpad Panchayat, Vidisha	2.75
40	Gram Panchayat, Damejar, Kailaras	0.22
41	Gram Panchayat, Tijarpur, Pichhhor	2.81
	<b>Total</b>	<b>278.36</b>
		<b>Say 2.78 crore</b>

## Appendix 3.3

Statement showing financial burden of interest to the State Government for delays in release of ThFC grant to PRIs

**A : Drawal and distribution of Performance Grant***Reference: Paragraph - 3.13.1 (page 35)*

(₹ in lakh)

Year	Grants received from GoI			Grants Drawn by PRDD		Grants transferred to PRIs		Total days of delay	Actual delay beyond the stipulated period of 10 days	Interest at 8.5% per annum
	Instalment	Date	Amount	Date	Amount	Date	Amount			
<i>1.</i>	<i>2.</i>	<i>3.</i>	<i>4.</i>	<i>5.</i>	<i>6.</i>	<i>7.</i>	<i>8.</i>	<i>9.</i>	<i>10.</i>	<i>11.</i>
2013-14	Previous year grant	31.3.14	17322.84	7.4.14	18807.61	11.4.14	1042.83	No delay		
	-do-	31.3.14	3948.71	7.4.14	1794.41	11.4.14	108.40	-do-		
	1st	31.3.14	21484.77	7.4.14	2000.00	9.6.14	2000.00	63	53	24.68
						23.6.14	163.07	77	67	2.54
						23.7.14	15.00	107	97	0.33
						24.7.14	16400.00	108	98	374.27
						26.7.14	310.00	110	100	7.21
						28.7.14	10000.00	113	103	239.86
						31.7.14	10350.00	116	106	10.94
						14.8.14	1779.93	130	120	5.94
	<b>Total</b>		<b>42756.32</b>		<b>42169.23</b>		<b>42169.23</b>			<b>665.77</b>

**Drawl and distribution of Basic Grant**

(₹ in lakh)

Year	Received Amount by GoI			Drawl by PRDD		Distributed to IAs		Total days of Delay released	Actual delay except 10 days	Total amount of interest @8.5% per annum
	Instalment	Date	Amount	Date	Amount	Date	Amount			
<i>1.</i>	<i>2.</i>	<i>3.</i>	<i>4.</i>	<i>5.</i>	<i>6.</i>	<i>7.</i>	<i>8.</i>	<i>9.</i>	<i>10.</i>	<i>11.</i>
2013-14	1st	30.08.13	32144.05	4.9.13	32144.05	5.9.13	30536.8475	No delay		
		30.08.13	1325.00	3.9.13	1128.00	7.9.13	1607.2025	No delay		
	2nd	21.2.14	30782.26	1.3.14	30782.26	5.9.13	1128.00	No delay		
		21.2.14	1522.00	1.3.14	1295.71	3.3.14	28931.65	No delay		
						15.4.14	141.00	15	05	0.16
						16.4.14	378.00	16	06	0.52
						25.4.14	357.00	25	15	1.24
						6.5.14	215.00	36	16	1.30
						8.5.14	131.00	38	28	0.85
						26.5.14	92.00	56	46	0.98
						5.6.14	193.00	66	56	2.51
						16.6.14	62.00	77	67	0.96
						28.6.14	184.00	89	79	3.38
						10.7.14	121.00	101	91	2.56
						17.7.14	32.00	108	98	0.73
						28.7.14	29.32	119	109	0.74
	<b>Total</b>		<b>65773.31</b>		<b>65350.02</b>		<b>65350.02</b>			<b>15.93</b>
<b>Grant Total (665.77+15.93)= ₹ 681.7 lakh i.e. ₹ 6.82 Crore</b>										

## Appendix 3.4

## Disproportionate distribution of GPG among ZPs and JPs during the year 2013-14

Reference: Paragraph : 3.13.4 (page 37)

(₹ in crore)

Sl. No	Name of ZPs	Nos of JPs in ZPs	GPG to be distributed among ZPs and JPs as per PRDD formula, ₹ 1.00 crore and ₹ 0.25 crore	Grant actually released to ZPs/JPs by PRDD	Additional funds provided without adopting the formula
1	2	3	4	5	6
1	Mandla	9	3.25	7.05	3.80
2	Betul	10	3.50	11.90	8.40
3	Balaghat	10	3.50	13.00	9.50
4	Dhar	13	4.25	11.15	6.90
5	Dindori	7	2.75	5.35	2.60
6	Ratlam	6	2.50	4.30	1.80
7	Chhindwara	11	3.75	11.05	7.30
8	Alirajpur	6	2.50	4.80	2.30
9	Seoni	8	3.00	7.60	4.60
10	Khargone	9	3.25	8.95	5.70
11	Badwani	7	2.75	6.55	3.80
12	Khandwa	7	2.75	6.75	4.00
13	Shivpuri	8	3.00	8.10	5.10
14	Rewa	9	3.25	10.25	7.00
15	Chhatarpur	8	3.00	9.00	6.00
16	Jabalpur	7	2.75	7.45	4.70
17	Morena	7	2.75	7.75	5.00
18	Rajgarh	6	2.50	7.50	5.00
19	Shahdol	5	2.25	5.35	3.10
20	Shajapur	8	3.00	10.40	7.40
21	Satna	8	3.00	9.50	6.50
22	Damoh	7	2.75	8.35	5.60
23	Hoshangabad	7	2.75	8.45	5.70
24	Bhind	6	2.50	7.20	4.70
25	Sidhi	5	2.25	5.95	3.70
26	Tikamgarh	6	2.75	7.10	4.35
27	Anuppur	4	2.00	4.70	2.70
28	Mandsaur	5	2.25	6.15	3.90
29	Narsinhpur	6	2.75	7.10	4.35
30	Ashoknagar	4	2.00	5.00	3.00
31	Guna	5	2.25	6.35	4.10
32	Umaria	3	1.75	3.75	2.00
33	Harda	3	1.75	3.85	2.10
34	Jhabua	6	2.75	5.60	2.85

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
35	Bhopal	2	1.50	2.80	1.30
36	Nimach	3	1.75	5.00	3.25
37	Panna	5	2.25	7.15	4.90
38	Singroli	3	1.75	4.65	2.90
39	Seopur	3	1.75	3.75	2.00
40	Indore	4	2.00	7.70	5.70
41	Burhanpur	2	1.50	3.20	1.70
42	Datia	3	1.75	4.45	2.70
43	Ujjain	6	2.50	9.70	7.20
44	Gwalior	4	2.00	8.40	6.40
45	Raisen	7	2.75	11.38	8.63
46	Katni	6	2.50	6.10	3.60
47	Sehore	5	2.25	6.45	4.20
48	Dewas	6	2.50	8.02	5.52
49	Vidisha	7	2.75	11.69	8.94
50	Sagar	11	3.75	41.23	37.48
<b>Total</b>		<b>313</b>	<b>129.00</b>	<b>394.97</b>	<b>265.97</b>

## Appendix-4.1

## List of Gram Panchayats test checked in audit

Reference: Paragraph 4.1.2 (page 41)

Sl. No.	Name of Janpad Panchayats	Name of Gram Panchayats
1.	2.	3.
1	Badnawar	Dholana
2		Bakhatgarh
3		Sandla
4		Jawda
5		Bakhatpura
6		Multhan
7		Ratanpura
8		Semlya
9		Chirakhan
10		Dotrya
11	Depalpur	Birgoda
12		Bheelbadoli
13		Ravad
14		Nandra
15		Ahirkhedi
16		Phoolan
17		Jalalpura
18		Chandankhedi
19		Vanyakhedi
20		Khimlavda
21	Dharampuri	Dhudhi
22		AnupuraBahadara
23		Balwara
24		Beganda
25		Bagwanya
26		Shahpurakakarda
27		Khalbuzurga
28		Mehgaon
29		Gujri
30		Sundrel
31	Gandhwani	Pipli
32		Gursal
33		Gandhwani
34		Keshwi
35		Dhawarda
36		Bilda
37		Ajantad
38		Gungidevi
39		Satumari
40		Jhegda

1.	2.	3.
41	Indore	Chhotabangarda
42		Bicholi mardana
43		Narlay
44		Nawdapanth
45		Chohankhedi
46		Sindoda
47		Kampel
48		Ahirkhedi
49		Rangwasa
50		Singhasa
51	Manawar	Khandlai
52		Singhana
53		Tonki
54		Gulati
55		Pipriman
56		Ekalwara
57		Jatpura
58		Gawalipaliya
59		Kalwani
60		Bhagyapur
61	Mhow	Joshiguradia
62		Mad
63		Hasalpur
64		Kodharia
65		Nanded
66		Ambachandan
67		Gawalipalasia
68		Gujarkhdeda
69		datoda
70		Memndi
71	Nisarpur	Lingwa
72		Kodda
73		Nisarpur
74		Lohari
75		Deshwalya
76		Bedwalya
77		Kothda
78		Chhikhaldia
79		Susari
80		Thaparkhand

**Appendix 4.2**  
**List of Gram Panchayats which imposed Property Tax**  
*Reference: Paragraph 4.1.3.1 (page 42)*

(in ₹)

Sl. No.	Janpads	Gram Panchayats	2010-11			2011-12			2012-13			2013-14		
			Imposed	Collected	Per cent age									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Depalpur	Birgoda	0	0	0	20000	5000	25	190400	105000	55	105400	105400	100
2		Bheelbadoli	35000	0	0	71000	0	0	106500	56000	53	86000	0	0
3		Ravad	0	0	0	18000	15000	83	159000	100500	63	174000	101290	58
4		Nandra	0	0	0	29990	1500	5	58480	51000	87	37417	0	0
5		Ahirkhedi	0	0	0	18536	0	0	53281	51000	96	20817	0	0
6		Phoolan	12930	12930	100	12930	3800	29	22060	11500	52	23490	0	0
7		Jalalpura	6000	0	0	12000	6000	50	71000	52500	74	71000	71000	100
8		Chandankhedi	0	0	0	12000	2000	17	70000	52000	74	78000	51638	66
9		Vanyakhedi	0	0	0	0	0	0	50000	30000	60	0	0	0
10		Khimlavda	0	0	0	0	0	0	21000	5500	26	0	0	0
11	Mhow	Joshiguradia	118000	0	0	118000	0	0	118000	0	0	118000	0	0
12		Kodharia	814982	438145	54	836882	244254	29	866834	215936	25	872528	272205	31
13		Nanded	11960	0	0	11960	15916	133	11960	7306	61	11960	3090	26
14		Ambachandan	10742	1255	12	10742	2000	19	10742	7056	66	10742	4625	43
15		Gawalipalasia	480081	190422	40	578595	328446	57	590149	495387	84	574762	223946	39
16		Gujarkhdeda	34000	12000	35	44000	29000	66	52000	33000	63	66000	39000	39
17		datoda	210000	0	0	210000	80000	38	210000	110000	52	210000	80000	38
18		Memndi	17500	0	0	18800	0	0	20200	0	0	22500	0	0

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
19	Indore	Chhotabangarda	3500000	2543310	73	3500000	3493129	100	3500000	3608927	103	3500000	2338274	67
20		Bicholi mardana	406775	286000	70	1228700	9400000	765	1689613	1560000	92	6828250	2140000	31
21		Narlay	126400	26400	21	126400	10582	8	95000	7550	8	11000	9690	88
22		Nawdapanth	214000	121722	57	120000	43500	36	216000	122901	57	230000	133888	58
23		Chohankhedi	53000	370	1	62000	419	1	70000	5420	8	78000	9310	12
24		Sindoda	15000	4500	30	70900	67734	96	39000	20600	53	55000	33300	61
25		Kampel	40000	11564	29	42530	11975	28	42670	4934	12	45240	34767	77
26		Ahirkhedi	27500	27500	100	48860	48860	100	225167	225167	100	226970	226970	100
27		Rangwasa	215528		0	215528	158424	74	323292	137313	42	323292	121620	38
28		Singhasa	121332	121332	100	138000	137428	100	147000	146540	100	165000	115589	70
29	Nisarapur	Nisarapur	15000	3027	20	26973	2809	10	39164	5530	14	48634	17763	37
30		Lohari	6442	6442	100	5724	5724	100	4260	4260	100	5366	5366	0
31		Susari	7000	6135	88	6500	6480	100	8000	7320	92	10000	7550	76
32		Singhana	27870	1437	5	28618	1848	6	17050	625	4	23080	1952	8
33	Gandhwani	Gursal	8000	8000	100	18070	18070	100	5000	5000	100	22000	22000	100
34		Gandhwani	45580	11332	25	50152	8665	17	85458	19696	23	96630	23505	24
35	Dharamपुरi	Khalbuzurga	28400	15345	54	28400	12342	43	28400	11221	40	28400	13339	47
36		Gujri	20000	10190	51	20000	12100	61	20000	17949	90	20000	13034	65
37		Sundrel	120500	106158	88	140000	129600	93	170000	161350	95	180000	175350	97
38	Badnawar	Bakhatgarh	0	0	0	19360	346	2	19360	3145	16	19360	537	3
39		Sandla	6900	5800	84	6900	6000	87	6900	5400	78	13000	11800	90
40		Bakhatpura	6363	0	0	6363	1308	21	6363	6501	102	6363	1614	25
41		Multhan	2200	0	0	2900	912	31	3500	1852	53	2500	792	32
42		Ratanpura	86200	7850	9	85768	0	0	93186	0	0	100604	0	0
43		Semlya	65000	0	0	45000	0	0	45000	0	0	45000	0	0

## Appendix 4.3

## List of Gram Panchayats which did not impose any tax

Reference: Paragraph 4.1.3.4 (page 43)

Sl. No.	Janpad Panchayats	Name of Gram Panchayats
1	Badnawar	Dholana
2		Jawda
3		Chirakhan
4		Dotrya
5	Dharamपुरी	Dhudhi
6		AnupuraBahadara
7		Balwara
8		Beganda
9		Bagwanya
10		Shahpurikakarda
11		Mehgaon
12	Gandhwani	Pipli
13		Keshwi
14		Dhawarda
15		Bilda
16		Ajantad
17		Gungidevi
18		Satumari
19		Jhegda
20	Manawar	Khandlai
21		Tonki
22		Gulati
23		Pipriman
24		Ekalwara
25		Jatpura
26		Gawalipipaliya
27		Kalwani
28		Bhagyapur
29	Mhow	Mad
30		Hasalpur
31	Nisarpur	Lingwa
32		Konada
33		Deshwalya
34		Bedwalya
35		Kothda
36		Chhikhaldia
37		Thaparkhand

### Appendix 4.4

#### List of GPs which did not produce the records for complying the procedure for imposing taxes

Reference: Paragraph 4.1.4 (page 44)

Sl. No.	Janpads	Gram Panchayats	
1	Badnanwar	Bakhatgarh	
2		Sandla	
3		Bakhatpura	
4		Multhan	
5		Ratanpura	
6		Semlya	
7	Depalpur	Birgoda	
8		Ravad	
9		Nandra	
10		Phoolan	
11		Jalalpura	
12		Chandankhedi	
13		Vanyakhedi	
14		Khimlavda	
15	Dharampuri	Khalbuzurga	
16		Gujri	
17		Sundrel	
18	Indore	Bicholi mardana	
19		Narlay	
20		Nawdapanth	
21		Chohankhedi	
22		Sindoda	
23		Kampel	
24		Ahirkhedi	
25		Rangwasa	
26		Singhasa	
27		Manawar	Singhana
28	Mhow	Joshiguradia	
29		Kodharia	
30		Nanded	
31		Ambachandan	
32		Gawalipalasia	
33		Gujarkhdeda	
34		datoda	
35		Memndi	
36		Nisarpur	Nisarpur
37			Lohari
38	Susari		

## Appendix- 4.5

## List of Gram Panchayats who imposed and collected water charges

Reference: Paragraph 4.1.5 (page 44)

(Amount in ₹)

Sl. No.	Name of Janpad Panchayats	Name of GPs	Imposed	Collected	Percentage of collection
1	Badnawar	Dholana	12000	12000	100
2		Bakhatgarh	80000	64000	80
3		Sandla	5000	2000	40
4		Jawda	25000	15480	62
5		Bakhatpura	25000	15480	62
6		Multhan	20000	16000	80
7		Ratanpura	20000	13169	66
8		Semlya	25000	15480	62
9		Dotrya	31200	8170	26
10	Depalpur	Bheelbadoli	16000	16000	100
11	Dharampuri	Khalbuzurga	80000	68391	85
12		Mehgaon	20000	15600	78
13		Gujri	35800	35800	100
14		Sundrel	405000	405000	100
15	Gandhwani	Ghursal	90000	90000	100
16		Gandhwani	7641290	3175003	42
17		Keshvi	1500	0	0
18	Indore	Narlay	60000	1160	2
19		Nawdapanth	121500	500	1
20		Kampel	53650	8101	15
21		Ahirkhedi	80000	79950	100
22		Rangwasa	250000	100000	40
23		Singhasa	50000	38255	77
24	Manawar	Singhana	450000	442000	98
25	Mhow	Joshiguradia	20000	5905	3
26		Mad	120000	50000	42
27		Hasalpur	200000	90000	45
28		Kodaria	800000	520000	65
29		Ambachandan	72000	29000	40
30		Gawalipalasia	200000	115000	58
31		Gujarkhdeda	500000	125000	25
32		datoda	480000	69000	14
33	Nisarpur	Lingwa	8000	8000	100
34		Kodda	18000	18000	100
35		Nisarpur	200000	139710	70
36		Lohari	50000	35000	70
37		Deshwalya	10000	6500	65
38		Kothda	18000	18000	100
39		Susari	250000	204080	82
		<b>Total</b>	<b>125,43,940</b>	<b>60,70,734</b>	

## Appendix 4.6

## List of Gram Panchayats which received Incentive Grant

Reference: Paragraph 4.1.6 (page 45)

(Amount in ₹)

Sl. No.	Janpad Panchayats	Name of GPs	Amount of Incentive Grant
1	2	3	4
1	Badnawar	Dholana	1,54,317
2		Bakhatgarh	1,67,865
3		Sandla	1,69,814
4		Jawda	83,057
5		Bakhatpura	68,150
6		Multhan	2,50,000
7		Ratanpura	79,935
8		Semlya	1,04,922
9		Dotrya	1,31,276
10	Depalpur	Birgoda	1,15,567
11		Bheelbadoli	93,394
12		Ravad	93,910
13		Nandra	73,325
14		Ahirkhedi	72,565
15		Phoolan	1,25,280
16		Chandankhedi	1,06,728
17		Vanyakhedi	85,607
18		Khimlavda	65,154
19	Gandhwani	Pipli	97,327
20		Gursal	1,29,276
21		Gandhwani	2,50,000
22	Dharampuri	Khalbuzurga	2,50,000
23		Mehgaon	1,14,006
24		Gujri	1,93,404
25		Sundrel	2,50,000
26	Indore	Chotabangarda	2,50,000
27		Bicholi mardana	2,05,961
28		Narlay	74,455
29		Nawdapanth	1,22,504
30		Chohankhedi	82,472
31		Sindoda	81,445
32		Kampel	2,49,999
33		Ahirkhedi	2,38,079
34		Rangwasa	2,50,000
35		Singhasa	2,50,000
36	Manawar	Khandlai	1,02,144
37		Singhana	2,50,000
38		Tonki	1,48,455

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
39	Mhow	Joshiguradia	70,324
40		Mad	1,35,917
41		Hasalpur	2,06,320
42		Kodharia	2,50,000
43		Nanded	99,121
44		Ambachandan	1,56,474
45		Gawalipalasia	2,50,000
46		Gujarkhdeda	2,50,000
47		datoda	2,50,000
48		Memndi	1,12,638
49	Nisarpur	Lingwa	89,056
50		Kodda	1,24,913
51		Nisarpur	2,50,000
52		Lohari	1,48,909
53		Deshwalya	1,08,689
54		Bedwalya	83,602
55		Kothda	1,14,142
56		Chhikhalda	1,55,135
57		Susari	2,50,000
58		Thaparkhand	96,282
<b>Total</b>			<b>88,31,915</b>

**Appendix 4.7****List of GPs which did not collect the entire tax***Reference: Paragraph 4.1.6 (page 45)***(Amount in ₹)**

Sl. No.	Janpad	Gram Panchayat	2011-12			Amount of incentive Grant sanctioned
			Imposed	collected	Percentage of collection	
1	Badnawar	Bakhatgarh	19360	346	2	1,67,865
2		Sandla	6900	6000	87	1,69,814
3		Bakhatpura	6363	1308	21	68,150
4		Multhan	2900	912	31	2,50,000
5		Ratanpura	85768	0	0	79,935
6		Semlya	45000	0	0	1,04,922
7	Depalpur	Birgoda	20000	5000	25	1,15,567
8		Bheelbadoli	71000	0	0	93,394
9		Ravad	18000	15000	83	94,910
10		Nandra	29990	1500	5	73,325
11		Ahirkhedi	18536	0	0	72,565
12		Phoolan	12930	3800	29	1,25,280
13		Chandankhedi	12000	2000	17	1,06,728
14		Vanyakhedi	0	0	0	85,607
15		Khimlavda	0	0	0	65,154
16	Dharamपुरi	Khalbuzurga	28400	12342	43	2,50,000
17		Gujri	20000	12100	61	1,93,404
18		Sundrel	140000	129600	93	2,50,000
19	Gandhwani	Gandhwani	50152	8665	17	2,50,000
20	Indore	Narlay	126400	10582	8	74,455
21		Nawdapanth	120000	43500	36	1,22,504
22		Chohankhedi	62000	419	1	82,472
23		Sindoda	70900	67734	96	81,445
24		Kampel	42530	11975	28	2,49,999
25		Rangwasa	215528	158424	74	2,50,000
26	Mhow	Joshiguradia	118000	0	0	70,324
27		Kodharia	836882	244254	29	2,50,000
28		Ambachandan	10742	2000	19	1,56,474
29		Gawalipalasia	578595	328446	57	2,50,000
30		Gujarkhdeda	44000	29000	66	2,50,000
31		datoda	210000	80000	38	2,50,000
32		Memndi	18800	0	0	1,12,638
33	Nisarpur	Nisarpur	26973	2809	10	2,50,000

**Appendix-4.8****List of GPs which did not maintain Tax demand and collection registers***Reference: Paragraph - 4.1.8 (page 46)*

Sl. No	Janpad	Gram Panchayat
1	Badnawar	Bakhatgarh
2		Sandla
3		Bakhatpura
4		Multhan
5		Ratanpura
6		Semlya
7	Depalpur	Birgoda
8		Ravad
9		Nandra
10		Ahirkhedi
11		Phoolan
12		Jalalpura
13		Vanyakhedi
14		Khimlavda
15	Dharampuri	Khalbuzurga
16		Gujri
17		Sundrel
18	Gandhwani	Gursal
19		Gandhwani
20	Mhow	Joshiguradia
21		Nanded
22		Gawalipalasia
23		Gujarkhdeda
24		datoda
25		Memndi
26	Indore	Narlay
27		Nawdapanth
28		Chohankhedi
29		Ahirkhedi
30		Rangwasa
31		Singhasa
32	Nisarpur	Lohari
33		Susari

## Appendix 4.9

## Statement of loss of interest due to keeping of scheme funds in form of demand draft

Reference: Paragraph - 4.2 (page 48)

(₹ in lakh)

Sl. No.	Name of Districts	No. of units assessed at Janapd Panchayats offices	Assessed value MPSEDC	Amount of DD sent to MPSEGC (31.03.2012)	DD returned by MPSEGC on (25.07.2012)
1	2	3	4	5	6
1	Balaghat	9	135.00	135.00	135.00
2	Badwani	6	90.00	90.00	90.00
3	Betul	9	135.00	135.00	135.00
4	Chhatarpur	5	75.00	75.00	75.00
5	Dhar	12	180.00	180.00	180.00
6	Dindori	6	90.00	90.00	90.00
7	Jhabua	5	75.00	75.00	75.00
8	Khandwa	4	60.00	60.00	60.00
9	Khargon	8	120.00	120.00	120.00
10	Mandla	8	120.00	120.00	120.00
11	Satna	5	75.00	71.4	71.4
12	Seoni	5	75.00	75.00	75.00
13	Shahdol	2	30.00	30.00	30.00
14	Sheopur	2	30.00	30.00	30.00
15	Shivpuri	5	75.00	75.00	75.00
16	Sidhi	2	30.00	30.00	30.00
17	Tikamgarh	3	45.00	45.00	45.00
18	Umaria	2	30.00	30.00	30.00
19	Guna	2	30.00	30.00	30.00
20	Rajgarh	3	45.00	45.00	45.00
21	Damoh	4	60.00	60.00	60.00
22	Panna	2	30.00	30.00	30.00
23	Katni	3	45.00	45.00	45.00
24	Rewa	6	90.00	90.00	90.00
25	Ashoknagar	2	30.00	30.00	30.00
26	Datia	2	30.00	30.00	30.00
27	Dewas	3	45.00	-	-
28	Burhanpur	1	15.00	15.00	15.00
29	Harda	2	30.00	30.00	30.00
30	Chhindwara	10	150.00	150.00	150.00
31	Anuppur	3	45.00	45.00	45.00
32	Morena	3	45.00	45.00	45.00
33	Bhind	3	45.00	45.00	45.00
34	Gwalior	3	45.00	45.00	45.00
35	Ratlam	3	45.00	45.00	45.00
36	Shajapur	5	75.00	75.00	75.00
37	Mandsour	2	30.00	30.00	30.00

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
38	Neemuch	2	30.00	30.00	30.00
39	Ujjain	3	45.00	45.00	45.00
40	Indore	2	30.00	30.00	30.00
41	Bhopal	1	15.00	15.00	15.00
42	Sehore	2	30.00	30.00	30.00
43	Raisen	3	45.00	45.00	45.00
44	Vidisha	3	45.00	45.00	45.00
45	Hoshangabad	3	45.00	45.00	45.00
46	Sagar	10	150.00	150.00	150.00
47	Jabalpur	3	45.00	45.00	45.00
48	Narsinghpur	2	30.00	30.00	30.00
49	Alirajpur	5	75.00	75.00	75.00
50	Singrauli	1	15.00	15.00	15.00
	<b>Total</b>	<b>200</b>	<b>30.00 crore</b>	<b>29.51 crore</b>	<b>29.51 crore</b>

**Appendix 4.10****Details of diversion of MNREGS funds by GPs***Reference: Paragraph - 4.3 (page 50)***(Amount in ₹)**

Sl. No.	Gram Panchyats	Fund available*	Expenditure				Total
			Advertisement	Stationery	Honarium	Advances	
1	Bara	307298	32,000	--	--	--	32000
2	Bhangarh	97948	29,000	--	--	--	29000
3	Dadol	610023	-	-	13200	--	13200
4	Bilupura	850000	27562	5010		--	32572
5	Dabiya	1008846	2500	28335	22,000	--	52835
6	Darroni	219960	--	--	--	19,960	19960
7	Dongar	62785	27039	--	--	--	27039
8	Gadiharod	800000	28059	4100	--	--	32159
9	Kankar	337446	--	--	--	236313	236313
10	Kaprana	300000	26542	--	--	--	26542
11	Kariahmedpur	175951	24,528	--	--	--	24528
12	Kajuri	639100	--	27952	--	--	27952
13	Khayabda Kalan	261677	8000	5972	3000	--	16972
14	Kalothra	298105	27100	720	--	--	27820
15	Kersena	328031	26095	--	--	--	26095
16	Kodavada	117372	--	--	4800	--	4800
17	Kota	92924	--	6000	--	--	6000
18	Kunwarpura	409102	30072	6570	--	--	36570
19	Kushiyara	261744	35600	4680	--	--	40280
20	Lalgarh	2199714	6000	8263	--	1199714	1213977
21	Majhera	169096	--	--	7200	--	7200
22	Mohangarh	535000	--	3200	--	--	3200
23	Rayshree	399788	27169	1200	13200	--	41569
24	Sakalpur	99578	27876	--	--	--	27876
25	Satanbada Kalan	896402	30934	--	--	--	30934
26	Satanbada Khurd	200000	27196	--	--	--	27196
27	Sikrabada	1200000	28350	2256	--	--	30606
28	Sirsode	333780	--	--	--	133780	133780
29	Sund	879700	30947	9545	--	--	40492
30	Tongra	400000	32809	--	--	--	32809
31	Karai Kaurau	217137	35862	--	--	--	35862
32	Mudairi	149651	29627	--	--	--	29627
	<b>Total</b>	<b>14858158</b>	<b>600867</b>	<b>113803</b>	<b>63400</b>	<b>1589767</b>	<b>2367765</b>

\* Opening balance and Fund received during the year 2011-12

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