



सत्यमेव जयते

**ANNUAL TECHNICAL INSPECTION REPORT ON  
PANCHAYATI RAJ INSTITUTIONS AND URBAN LOCAL BODIES  
FOR THE YEAR ENDED 31 MARCH 2015**



**GOVERNMENT OF UTTARAKHAND**

**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT)  
UTTARAKHAND, DEHRADUN**

**Annual Technical Inspection Report on  
Panchayati Raj Institutions and Urban Local Bodies**

**for the year ended 31 March 2015**

**Office of the Accountant General (Audit),  
Uttarakhand, Dehradun**



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## **PREFACE**

This Report for the year ended March 2015 has been prepared for submission to the Government of Uttarakhand in terms of technical guidance and support to audit of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) under Section 20(1)/14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

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

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

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





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# **EXECUTIVE SUMMARY**

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## Executive Summary

This Report is in two parts and consists of four chapters. Chapter-1 and Chapter-3 contain profile of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) and the comments on financial reporting. Chapter-2 and Chapter-4 contain findings emerging from transaction audits of Panchayati Raj Institutions and Urban Local Bodies. A synopsis of audit findings is given in this overview.

### Profile of Panchayati Raj Institutions

There are 13 Zila Panchayats (ZPs), 95 Kshetra Panchayats (KPs) and 7,969 Gram Panchayats (GPs) in the State. Audit observed several deficiencies in the working of the Panchayati Raj Institutions (PRIs) such as non-preparation of cash book in prescribed format, non-maintenance of register of advances, non-maintenance of asset register, non-preparation of annual accounts, non-preparation of annual plan, non-preparation of budget, partial implementation of PRIA Soft software application, non-devolution of subjects and lack of internal audit.

(Chapter-1)

### Results of Audit of Panchayati Raj Institutions

- 211 works costing ₹ 9.64 crore were executed by Kshetra Panchayat, Dharchula without ensuring compliance with scheme guidelines.  
*(Paragraph 2.1)*
- Selection of site by Zila Panchayat, Chamoli without conducting mandatory soil tests resulted in wasteful expenditure of ₹ 10.49 lakh, on construction of a building.  
*(Paragraph 2.2)*
- 451 works costing ₹ 3.93 crore remained incomplete in Zila Panchayat, Almora due to non-fulfillment of the conditions for release of the second installment.  
*(Paragraph 2.3)*
- Expenditure of ₹ 5.50 lakh by Zila Panchayat, Pithoragarh upon construction of a *Baaratghar* was rendered idle due to dispute on construction site.  
*(Paragraph 2.4)*
- Improper execution of lease agreement resulted in loss of ₹ 62.40 lakh to the Zila Panchayat, Nainital.  
*(Paragraph 2.5)*
- 166 cases of miscellaneous advances worth ₹ 71.86 lakh, given by nine Kshetra Panchayats during 2010-11 to 2013-14, remained unsettled.  
*(Paragraph 2.7)*

- Irregular payment of ₹ 49.22 lakh was made by Zila Panchayat, Champawat and Zila Panchayat, Pithoragarh towards wages of contractual/ daily wage staff from the State Finance Commission funds.

*(Paragraph 2.9)*

**(Chapter-2)**

### **Profile of Urban Local Bodies**

There are six Nagar Nigams (NNs), 39 Nagar Palika Parishads (NPPs) and 46 Nagar Panchayats (NPs) in the State. Overall control of the ULBs rests with Pr. Secretary (Urban Development) to the Government of Uttarakhand through Director, Urban Development Department. Audit observed several deficiencies in the working of the Urban Local Bodies (ULBs) such as unspent balances at the end of financial year, non-preparation of annual development plan, etc.

**(Chapter-3)**

### **Results of Audit of Urban Local Bodies**

- Deficiencies in Planning, Execution and Monitoring levels on the construction of the office building of Nagar Nigam, Haldwani resulted in time and cost overrun.

*(Paragraph 4.1)*

- Government of India funds totaling ₹ 7.25 crore remained idle for more than six years as construction of residences for slum dwellers in Dehradun could not be taken up due to land disputes and non-finalisation of bidding procedure.

*(Paragraph 4.2)*

- Nagar Nigam, Haldwani and Nagar Nigam, Rudrapur failed to realize *Tehbazari* of ₹ 2.03 crore and property tax of ₹ 1.11 crore respectively.

*(Paragraph 4.3)*

- Expenditure of ₹ 7.82 lakh by Nagar Palika Parishad, Srinagar on construction of a museum was rendered unfruitful and funds to the tune of ₹ 11.42 lakh remained blocked as the site was proposed for another purpose.

*(Paragraph 4.5)*

- Nagar Nigam, Dehradun failed to recover penalty of ₹ 7.12 lakh from the vendor despite delays in depositing contractual amount.

*(Paragraph 4.6)*

- Seven Urban Local Bodies have failed to ensure compliance with provisions of Solid Waste Management.

*(Paragraph 4.7)*

**(Chapter-4)**

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**CHAPTER-1**  
**PROFILE OF PANCHAYATI RAJ INSTITUTIONS (PRIs)**

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## CHAPTER - 1: PROFILE OF PANCHAYATI RAJ INSTITUTIONS

### 1.1 Introduction

The 73<sup>rd</sup> Constitutional Amendment accorded constitutional status to a three-tier system of Panchayati Raj Institutions (PRIs) and established a uniform structure with regular elections, and provided for regular flow of funds through the Finance Commissions. As a follow-up, the State was required to entrust PRIs with such powers, functions and responsibilities so as to enable them to function as institutions of local self-government. In particular, PRIs were required to prepare plans and implement schemes for economic development and social justice, particularly on functions included in the XI<sup>th</sup> Schedule of the Constitution.

The State of Uttarakhand was carved out of the erstwhile State of Uttar Pradesh on 9<sup>th</sup> November 2000. The status of PRIs is set out in the U.P. Kshetra Panchayat & Zila Panchayat Act, 1961, and the U.P. Panchayat Raj Act, 1947 which have been adopted by Uttarakhand through the coming into force of the Uttarakhand Amendment Act, 2002. The provisions of the UP Acts, as amended for Uttarakhand are, therefore, applicable to PRIs in the State.

### 1.2 Maintenance of Accounts

#### 1.2.1 Introduction of new budget and accounting formats for PRIs

The XI<sup>th</sup> Finance Commission (EFC) recommended that the Comptroller and Auditor General of India (CAG) should be entrusted with the responsibility of exercising control and supervision over the proper maintenance of accounts of all the PRIs. Accordingly, a set of budget and accounting formats (16 in number) was devised and issued in 2005 to be implemented in all States replacing the old formats then prevalent.

The Government of Uttarakhand (GoU) issued orders (2005) adopting all the 16 budget and the accounting formats prescribed by the CAG for use by the PRIs with effect from 1<sup>st</sup> April 2005. The formats were further revised and limited to eight (simplified accounting formats) and forwarded to the Director, Panchayati Raj, Uttarakhand on 30<sup>th</sup> November 2009 for adoption. These are yet to be implemented.

PRIA Soft, an accounting software for use by PRIs, developed by the NIC and the Ministry of Rural Development, Government of India, was introduced in Uttarakhand in October 2011. The Director, Panchayati Raj, Uttarakhand has reported that two packages PRIA Soft and Plan Plus<sup>1</sup>, are being implemented in all the three tiers of PRIs in the State.

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<sup>1</sup> Aim of Plan Plus is decentralization of planning and to simplify the sector-wise schemes at district level and to link the district schemes with other schemes with transparency.



### **1.3 Entrustment of Audit (Audit Arrangements)**

In Uttarakhand, audit of Local Bodies is being conducted by the Audit Directorate, Uttarakhand. The State Government has entrusted (March 2013) to the CAG of India, the responsibility for providing Technical Guidance and Support (TGS) under Section 20 (1) of The Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. External audit of PRIs and Urban Local Bodies (ULBs) is already being carried out under Section 14 of the DPC Act, 1971. The State Government has also accepted in its letter No. 427/VA. Nid (13<sup>th</sup> FC)/2013 dated 19.03.2013, the parameters of TGS as laid down by the CAG of India. The Annual Technical Inspection Report (ATIR) on the audit of local bodies (both PRIs & ULBs) conducted during the preceding year is sent by the Accountant General (Audit) to the State Government to be laid before the State Legislature.

#### **1.3.1 Technical Guidance and Support (TGS) provided by the CAG**

Under Regulation 152 of the Regulations on Audit and Accounts, 2007 read with the State Government letter No. 427/VA. Nid (13<sup>th</sup> FC)/2013 dated 19.03.2013, the CAG may provide suitable Technical Guidance and Support to the primary auditor of PRIs viz. the Director of Audit<sup>2</sup>, Government of Uttarakhand (GoU) for the purpose of strengthening Public Finance Management and Accountability in the PRIs. Important functions of the primary auditor in observance of the above requirements are detailed below:

- The Director of Audit shall prepare an annual audit plan for the next financial year by the end of March every year;
- The audit methodology and procedure for the audit of PRIs by the Director of Audit shall be as per statutes enacted by the State Government and guidelines prescribed by the CAG of India;
- Copies of Inspection Reports (IRs) shall also be forwarded by Director of Audit to the AG (Audit) for advice on system improvement;
- Director of Audit shall furnish returns in such format as may be prescribed by the CAG for advice and monitoring;
- AG (Audit) would conduct test check of some units in order to provide technical guidance. The report of the test check would be sent to the Director of Audit;
- Irrespective of the money value, any serious irregularities shall be intimated to the AG (Audit);
- Director of Audit shall develop a system of internal control in his organization in consultation with the AG (Audit); and
- AG (Audit) shall also undertake training and capacity building of the staff of the Director of Audit.

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<sup>2</sup> Director of Audit, Uttarakhand has replaced the Director Local Fund Audit as per Audit Act, 2012.

In the year 2014-15, the focus of operationalising TGS was upon capacity building of the primary auditor. The Office of the Accountant General (Audit), Uttarakhand organised a three days<sup>3</sup> training programme at the Doon University, Dehradun covering areas such as Works Audit, Revenue Audit and Performance Audit. Necessary guidance regarding preparation of Audit Plan was also provided during the year in course of two meetings<sup>4</sup> at the Directorate.

## 1.4 Organizational Structure of Panchayati Raj Institutions in Uttarakhand

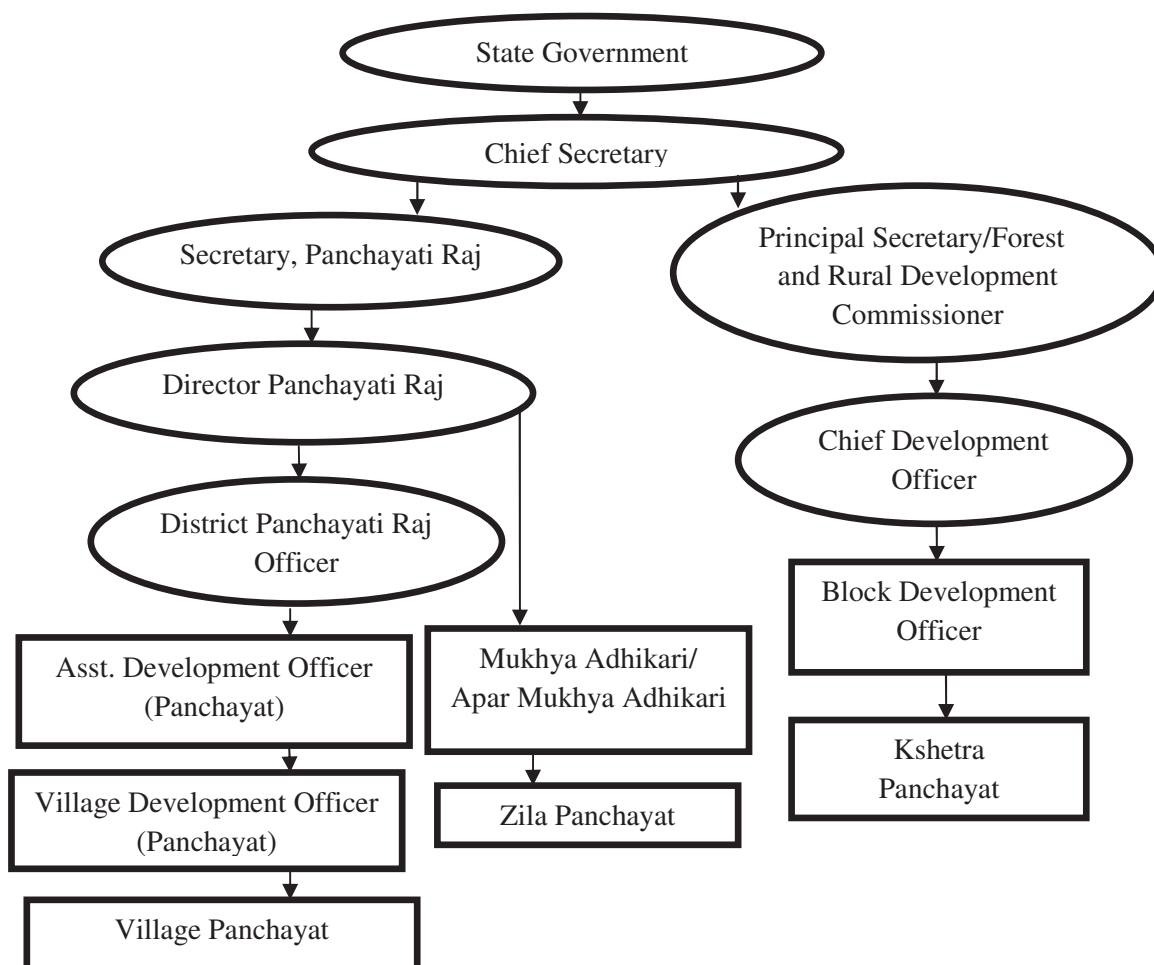
### 1.4.1 Panchayati Raj Institutions

There are 13 Zila Panchayats, 95 Kshetra Panchayats and 7,969 Gram Panchayats in Uttarakhand (*Appendix-1.1*).

Three tier administrative hierarchy of Panchayati Raj Department, Uttarakhand is depicted in chart-1 below:

**Chart-1: (i) Executive Level**

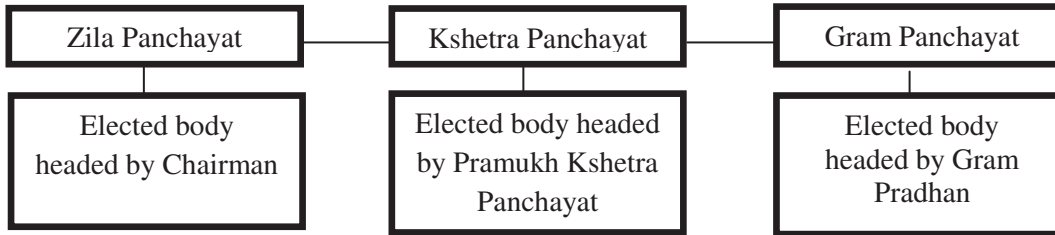
Three tier administrative hierarchy of Panchayati Raj Department, Uttarakhand is depicted below:



3 27<sup>th</sup> to 29<sup>th</sup> August 2014.

4 11<sup>th</sup> August 2014 and 9<sup>th</sup> January 2015.

(ii) Elected level



**1.5 Standing Committees**

**1.5.1 Committees in PRIs**

In Uttarakhand, six committees have been constituted in each tier of PRIs under Section 64 of UP Kshetra Panchayat and Zila Panchayat Adhiniyam, 1961 and Government Order No. 4430/33-1-99-SPR/99 dated 29.07.1999 which was adopted by the Government of Uttarakhand through the Uttarakhand Panchayati Raj Amendment Act, 2002. The various committees and their responsibilities are given in **table 1.1** below:

**Table-1.1  
Role of Standing Committees**

| Level of PRIs         | Standing Committee Headed by                      | Name of the Standing Committees    | Roles and responsibilities of the Standing Committee  |
|-----------------------|---|------------------------------------|---|
| For all tiers of PRIs | Elected head and Executive head of the Panchayats | Planning and Development Committee | Preparation of plan of panchayat; Implementation of programme relating to Agriculture, Animal Husbandry and Poverty Alleviation                       |
|                       |   | Education Committee                | Implementation of programmes relating to Primary, Higher and Informal Education and Literacy  |
|                       |   | Works Committee                    | Ensure quality and effective control over maintenance of all temporary and permanent works  |
|                       |   | Health and Welfare Committee       | Implementation of programme relating to Medical, Health and Family Welfare  |
|                       |   | Administrative Committee           | All subject matters relating to officials under the control of the Panchayat; and All matters relating to PDS shops in Panchayats                     |
|                       |   | Water Management Committee         | Operation of tube wells and works relating to their maintenance; Operation of drinking water projects and schemes being implemented in the Panchayats |

The standing committees at each level are expected to meet once a month. Information provided by the PRI Directorate, Dehradun regarding holding of meetings of the above

committees during 2014-15 showed that meetings were not being held on a regular basis. Only 69 *per cent* of the prescribed number of meetings was held in ZPs, 33 *per cent* meetings were held in KPs. The PRI Directorate stated that the less number of meetings was due to lack of quorum (*Appendix-1.2*). Implementation of the programmes of the various sectors at district, block and village levels was thus deprived of inputs and supervision by local representatives, thereby undermining participatory development and administration of schemes.

## 1.6 Institutional Arrangements for Implementation of Schemes

The PRIs have technical and non-technical staff which is functioning with an overall shortage of 20 *per cent* whereas shortage in the cadre of Block Development Officers/Assistant Block Development Officers was 30 *per cent*. The cadre of Village Development Officers, who are the main functionaries at the village level, is deficient by 17 *per cent*. Besides, there are gaps in auxiliary staff such as accountants and assistants (*Appendix-1.3*). The shortage of manpower at critical levels affects adversely the supervision and monitoring of implementation at ground level. Record keeping at all tiers of PRIs also suffers.

## 1.7 Financial Profile

### 1.7.1 Fund flow to Panchayati Raj Institutions

The resource base of PRIs consists of own revenues, assigned and shared revenues, State Finance Commission (SFC) grants, Central Finance Commission (CFC) grants, State Government grants and Central Government grants for maintenance and development purposes, and implementation of schemes. The fund-wise sources and their custody at each tier are given in *table 1.2 (a)* below:

**Table-1.2 (a)**  
**Fund flow arrangements in major centrally sponsored flagship schemes**

| Sl. No. | Scheme  | Fund flow Arrangements   |
|---------|---|--|
| 1.      | Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) | GoI and State Government transfer their respective shares of MGNREGA funds in a bank account, called State Employment Guarantee Fund (SEGF). Commissioner, State Rural Employment Guarantee Fund is the custodian of SEGF and authorizes onward transfer of funds to ZPs, KPs and GPs.   |
| 2.      | Sarva Shiksha Abhiyan (SSA)   | GoI and State Government transfer their respective shares to the State Implementing Society (SIS) which in turn disburses the funds through the State Project Director, SSA to the District Project Officer (DPO), Block Resource Coordinator, Cluster Resource Coordinator, and Village Education Committee of Gram Panchayats. |
| 3.      | National Rural Health Mission (NRHM)                                | Government of India releases the funds to the State Government. The State Government transfers the same through the State Health Mission to District and Block levels.   |
| 4.      | Backward Region Grant Fund (BRGF)                                   | GoI transfers the funds to the State Government. State Government routes the funds through the DMs to the DPROs of the selected districts for onward distribution to ZPs, KPs and GPs.   |

Source: PRIs Directorate, Dehradun

The resources of the PRIs for the period from 2010-11 to 2014-15 are detailed in *table 1.2 (b)* below:

**Table-1.2 (b)**  
**Resources: Trends and Composition/Time series data on resources of PRIs**

(₹ in crore)

| Resources                                 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---------|---------|---------|---------|---------|
| Own Revenue                               | 18.53   | 16.89   | 18.37   | 17.13   | 18.04   |
| State Grants                              | 29.00   | 28.50   | 8.99    | 8.01    | 7.89    |
| Transfers from Central Government         | 0       | 0.67    | 2.91    | 2.52    | 0.90    |
| Transfers from Central Finance Commission | 54.36   | 70.67   | 69.35   | 90.40   | 98.81   |
| Devolution from State Finance Commission  | 197.16  | 89.71   | 170.53  | 162.45  | 191.92  |
| Transfer from CSS*                        | -       | -       | -       | -       | -       |

Source: PRIs Directorate, Dehradun

The application of resources for the period from 2010-11 to 2014-15 are detailed in *table 1.2 (c)* below:

**Table-1.2 (c)**  
**Application of Resources: Trends and Composition**  
**Application of resources in PRIs**

(₹ in crore)

| Type of Expenditure           | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|-------------------------------|---------|---------|---------|---------|---------|
| Revenue Expenditure           | 20.59   | 24.62   | 26.32   | 24.94   | 26.35   |
| Expenditure from CFC          | 54.36   | 70.67   | 69.35   | 90.40   | 98.35   |
| Expenditure from SFC          | 197.16  | 89.71   | 170.53  | 162.45  | 187.98  |
| Expenditure from State Grants | 29.00   | 28.50   | 8.99    | 8.01    | 7.89    |
| Expenditure on CSS*           | -       | -       | -       | -       | -       |

Source: PRIs Directorate, Dehradun

\* The above figures were to be provided by the Department of Rural Development and Panchayati Raj Department, Uttarakhand on the basis of grants disbursed to PRIs. Last row of above two tables have been kept blank as figures provided by these two departments did not match with the figures (for the year 2010-14) provided last year and with the State Finance Report. There is no centralized data base in either of the Departments which prevented audit from reconciling the figures

The expenditure under major centrally sponsored schemes is detailed in *table 1.2 (d)* below:

**Table-1.2 (d)**  
**Application of Resources: Trends and Composition**  
**Application of resources in PRIs**

(₹ in crore)

| Name of Scheme | Year    | Opening Balance | Fund allotted during the year including other Receipt | Total fund available | Expenditure | Unspent Fund |
|----------------|---------|-----------------|---|----------------------|-------------|--------------|
| MGNREGA        | 2013-14 | 13.57           | 378.90  | 392.47               | 384.20      | 8.27         |
|                | 2014-15 | 8.27            | 324.52  | 332.79               | 327.70      | 5.09         |
| IAY            | 2013-14 | 13.01           | 80.65   | 93.66                | 40.99       | 52.67        |
|                | 2014-15 | 52.67           | 66.45   | 119.12               | 76.72       | 42.40        |
| IWDP           | 2013-14 | 1.54            | 5.34  | 6.88                 | 5.26        | 1.62         |
|                | 2014-15 | 1.62            | 0   | 1.62                 | 1.35        | 0.27         |
| SGSY/NRLM      | 2013-14 | 3.87            | 3.77  | 7.64                 | 3.00        | 4.64         |
|                | 2014-15 | 14.03           | 2.51  | 16.54                | 4.68        | 11.86        |

Source: Rural Development Department, Pauri

As evident from *table 1.2 (d)*, the unspent balances at the end of respective years under different schemes were quite high. The scheme SGSY was closed in the year 2013-14 and balance amount of the scheme was transferred to a new scheme *viz.* the National Rural Livelihood Mission (NRLM).

## **1.8 Accountability Framework (Internal Control System)**

### **1.8.1 Authority and responsibility of State Government on PRIs**

The Constitution of India empowers States to legislate on supervision and monitoring of functioning of the Panchayats. In exercise of relevant Acts and Rules, the State Government exercises its powers in relation to PRIs as detailed in *Appendix-1.4*. The Uttarakhand Panchayat Act entrusts the State Government with powers such as calling for any record, register, plan, estimate, information, *etc.*, from the PRIs; inspecting any office or any record or any document of the PRIs; inspect the works and development schemes implemented by PRIs; and taking action for default by a Panchayat President/Secretary.

## **1.9 Audit Mandate of Primary Auditor (Director of Audit)**

The Uttarakhand Audit Act, 2012 made provision for, and to regulate, audit of all Government machinery, Public Corporations, Government Companies, Institutions, Statutory Authorities, PRIs, Municipalities, Urban Local Bodies, and Governmental Committees in the State of Uttarakhand.

## **1.10 Accounting System**

Article 243 J of the Constitution of India stipulates that States would make provisions with respect to maintenance of accounts by PRIs. In the cases of Zila Panchayats and Kshetra Panchayats, budget preparation rules were prescribed in Section 110 & 115 of U.P. Kshetra Panchayat and Zila Panchayat Adhiniyam, 1961 respectively as modified by the GoU through the Panchayati Raj Amendment Act, 2002. The accounting procedure is prescribed in paragraphs 397 to 400 D of the Financial Hand Book, Volume V, Part-1.

Rule 178 (Chapter X) of U.P. Panchayat Rules, 1947 as modified by the GoU, prescribes the manner of maintenance of cash book, registers and records by the Gram Panchayats.

### **1.10.1 Basis and Periodicity of Accounting**

The books of account of PRIs are maintained on cash basis and single entry system of accounting. Receipts and expenditure are accounted for as and when money is received or paid. No part of accounting is done on accrual basis. The accounting period of all PRIs is the financial year, *i.e.* from April of the current year to March of the succeeding year.

### **1.10.2 Internal Control System**

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

of such compliance is, thus, one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the PRIs and the State Government in meeting their basic responsibilities, including strategic planning, decision making and accountability of the stakeholders.

### **1.11 Audit Coverage**

Audit of accounts of 547 units (ZPs: 13; KPs: 44 and GPs: 490) was conducted by the Office of the Accountant General (Audit), Uttarakhand, Dehradun during 2014-15 under Section 14 of the DPC Act, 1971.

#### **1.11.1 Audit of accounts by Primary Auditor (PA)**

The status of audit of accounts of PRIs conducted by the Director of Audit, Uttarakhand during 2011-15 is detailed in *table 1.3* below:

**Table-1.3  
Status of Audit of accounts of PRIs**

| PRIs              | 2011-12         |                    | 2012-13         |                  | 2013-14         |                 | 2014-15         |                 |
|-------------------|-----------------|--------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|
|                   | Auditable Units | Units Audited      | Auditable Units | Units Audited    | Auditable Units | Units Audited   | Auditable Units | Units Audited   |
| Zila Panchayat    | 13              | Nil                | 13              | Nil              | 13              | 4               | 13              | 05              |
| Kshetra Panchayat | 95              | Nil                | 95              | Nil              | 95              | 13              | 95              | 25              |
| Gram Panchayat    | 7,358           | 1,065              | 7,358           | 715              | 7,358           | 104             | 7,705           | 190             |
| <b>Total</b>      | <b>7,466</b>    | <b>1,065 (14%)</b> | <b>7,466</b>    | <b>715 (10%)</b> | <b>7,466</b>    | <b>121 (2%)</b> | <b>7,813</b>    | <b>220 (3%)</b> |

*Source: Reports of the Audit Directorate, Uttarakhand*

It may be seen from above that the coverage of the audit was inadequate ranging from just two *per cent* to 14 *per cent* during the years from 2011-12 to 2014-15. Overall, there was a declining trend from 14 to two *per cent* of audited units. Audit of GPs declined from 14 to one *per cent*. Review of staff position of Directorate of Audit showed that the organization was functioning with an overall 87 *per cent* shortage of personnel (*Appendix-1.5*) whereas shortage in the cadre of Audit Officers was 80 *per cent* and that of Assistant Audit Officers, 66 *per cent*, which adversely affected the mandated functions of the organization. During 2014-15, as TGS parameters were still being firmed up, there were no inputs by the O/o AG (Audit) on audit planning powers of PA. Further no IRs were forwarded to the O/o AG (Audit) by the PA.

Important audit findings relating to financial reporting are discussed below:

#### **1.11.2 Non-preparation of Cash Book in prescribed format**

During test-check of 547 PRIs (ZPs: 13; KPs: 44 and GPs: 490), it was observed that the cash books were not being maintained in the format prescribed by the Comptroller and Auditor General of India. Cash book being maintained/ used by the State PRIs did not have classification codes of subjects mentioned in the XI<sup>th</sup> Schedule of the Constitution. In 'Receipts and Payments' side of the cash book, sub columns like trifurcation into cash,

PLA and bank were absent. As a result, the very objective of the preparation of Cash Book in the prescribed format was being defeated.

### ***1.11.3 Non-maintenance of register of advances***

As per the PRIs Manual, GPs granted various advances to the members and officials for execution of works/ supplies. In 478 out of 490 test checked GPs, it was observed that the advance registers for accounting of advances and watching recovery/ adjustment thereof were not being maintained. As a result, recovery/ adjustment of such advances could not be ascertained. Further, the possibility of treating the very release of money as final expenditure cannot be ruled out in such cases.

### ***1.11.4 Non-maintenance of asset register***

Rule 136 of the UP Panchayati Raj Act, 1947 (as applicable in Uttarakhand) is related to the maintenance of asset register and records by the GPs. Register of immovable property/asset register is required to be maintained in Form 13 by the GP. Scrutiny of records of 490 test checked GPs revealed that the said register was not being maintained in 302 GPs. Due to non-maintenance of asset register, existence of assets created under various schemes could not be ascertained.

### ***1.11.5 Non-preparation of annual accounts***

The GoU accepted the accounting formats prescribed by the CAG for use by the PRIs. However, the monthly and annual accounts, in the prescribed formats, were not being prepared in all the 490 test checked GPs.

### ***1.11.6 Non-preparation of annual plan***

As per Section 15-A of the U.P Panchayat Act, 1947 (as applicable in Uttarakhand), every Gram Panchayat shall prepare every year, a development plan<sup>5</sup> for the panchayat area and submit it to the concerned Kshetra Panchayat. During the scrutiny of records, it was ascertained that 49 out of 490 test checked GPs had not prepared the required annual plan. Due to this, the purpose of micro level planning was being affected.

### ***1.11.7 Non-preparation of budget***

Budget is the most important tool for financing, planning and ensuring accountability and control over performance. Section III of UP Zila Panchayat/Kshetra Panchayat (Budget and Account Rules, 1965) provides that the budget proposals containing detailed estimates of income and expenditure expected during the ensuing year were to be prepared by the respective ZP, KP and GP. However, nine out of 44 test-checked KPs did not prepare their budget for the year 2013-14.

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5 Components of development plan are:

- (a) Identifying the needs,
- (b) Prioritising the needs and
- (c) Identifying the resources for plan implementation.



Similarly, it was observed that out of 490 test checked GPs, 480 GPs did not adhere to the above provisions.

#### ***1.11.8 Partial implementation of PRIA Soft***

A new simplified accounting framework, namely the 'Model Accounting System for Panchayats' (MAS) was developed in 2009 after a detailed exercise involving the C&AG, Ministry of Panchayati Raj (MoPR), Ministry of Finance and Planning Commission with the full participation of the States. Uttarakhand adopted the MAS in October 2011. The Director, Panchayati Raj, Uttarakhand has reported that PRIA Soft and Plan Plus are being implemented in all the three tiers of PRIs. However, during the scrutiny of record of 490 test checked GPs, it was seen that PRIA Soft was only partially in use.

#### ***1.11.9 Non-devolution of subjects***

As per the constitutional provisions, 29 functions (subjects), mentioned in the XI<sup>th</sup> Schedule of the Constitution have to be transferred to Panchayats. The GoU, through executive orders, has transferred only 14 functions (subjects) of 11 departments to all the tiers of Panchayats in 2004-05. Remaining 15 functions are still with the State Government (*Appendix-1.6*). These functions are being discharged by the respective departments. During test-check, it was found that neither the functions nor the functionaries pertaining to these subjects have been transferred to Panchayats at the grass-root level so far. Consequently, the devolution of functions to PRIs has not been effected at ground/ operational level.

#### ***1.11.10 Lack of internal audit***

Internal Audit is an important instrument to examine and evaluate the level of compliance with rules and procedures as envisaged in the relevant Acts as well as in the Financial/Accounting Rules so as to provide independent assurance to the Management on the adequacy of the risk management and internal control framework in the Local Bodies. It was found that Internal Audit, which has to be conducted in every quarter by the planning and development committee in GPs, was not conducted in 469 out of 490 test checked GPs during 2014-15.

### **1.12 Response to Audit Observations**

Results of audit of the accounts of PRIs, conducted by the Office of the Accountant General (Audit), Uttarakhand, were communicated to the respective units in the form of Inspection Reports (IRs) with a copy to the State Government. PRI authorities were required to comply with the observations contained in the Inspection Reports (IRs), rectify the defects and omissions pointed out, and report their compliance to audit within one month from the date of issue of the IRs.

The details of IRs and the outstanding paragraphs are given in *table 1.4* below:

**Table-1.4**  
**Year-wise position of Inspection Reports and paras in PRIs**

| Sl. No.      | Year of issue | No. of Inspection Reports (PRIs) | No. of outstanding paras (PRIs) | No. of paras settled during the year | Total outstanding paras at the end of the financial year |
|--------------|---------------|----------------------------------|---------------------------------|--------------------------------------|--|
| 1.           | Upto 2010-11  | 363                              | 984                             | Nil                                  | 984  |
| 2.           | 2011-12       | 35                               | 200                             | Nil                                  | 200  |
| 3.           | 2012-13       | 30                               | 220                             | Nil                                  | 220  |
| 4.           | 2013-14       | 279                              | 679                             | Nil                                  | 679  |
| 5.           | 2014-15       | 468                              | 1,580                           | Nil                                  | 1,580  |
| <b>Total</b> |               | <b>1,175</b>                     | <b>3,663</b>                    | <b>Nil</b>                           | <b>3,663</b>   |

*Source: As per available records*

A review of the IRs is pending due to non-receipt of replies from the auditee units test-checked up to 2014-15. The matter has been intimated at the Government level and also raised during the meeting with Director of Audit.

The matter related to Chapter - I was referred to the Government (June 2016); reply was awaited (August 2016).



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**CHAPTER-2**  
**RESULTS OF AUDIT OF PANCHAYATI RAJ INSTITUTIONS (PRIs)**

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## CHAPTER-2 : RESULTS OF AUDIT OF PANCHAYATI RAJ INSTITUTIONS

Out of 95 Kshetra Panchayats (KPs) and 13 Zila Panchayats (ZPs) in the State, 44 KPs and 13 ZPs (*Appendix-2.1*) were audited by the office of the Accountant General (Audit) Uttarakhand during 2014-15. These PRIs were mainly funded from grants from the Central Government/Central Finance Commission (CFC), the State Finance Commission (SFC) and from own sources also in case of the Zila Panchayats. Besides, centrally sponsored schemes viz. (i) Border Area Development Programme (BADP), (ii) Rashtriya Sam Vikas Yojana (RSVY), (iii) Scheduled Castes Sub-Plan (SCSP) and (iv) MLA Local Area Development Scheme (MLALADS) were also implemented in the Panchayats.

### 2.1 Border Area Development Programme (BADP)

#### Non-compliance of guidelines

BADP aims at meeting the special development needs of the people living in the remote and inaccessible areas situated near the international border. It is a 100 per cent centrally funded programme. The guiding principles of the BADP are that:

- BADP funds should be used for meeting the critical gaps and immediate needs of the border population;
- A baseline survey shall be carried out in border villages in order to assess the gaps in basic physical and social infrastructure; and
- State Government should develop an inventory of assets created under the BADP in border villages/hamlets for analytical purposes.

Scrutiny of records (November 2014) of the border KP Dharchula revealed that 211 works<sup>1</sup> were executed against which ₹ 9.64 crore were released between the period from 2009-10 to 2013-14. Before execution of these works, no surveys were carried out and no inventories of the assets created were subsequently maintained. In the absence of the survey and maintenance of the records of assets created, audit was unable to determine whether any overlapping of works undertaken under BADP and other schemes had taken place in the test-checked KP.

On this being pointed out, Block Development Officer (BDO) of KP Dharchula assured (November 2014) that the provisions of the guidelines would be followed in future.

### 2.2 Rashtriya Sam Vikas Yojana (RSVY)

#### Wasteful Expenditure

Administrative approval (February 2009) was accorded at a cost of ₹ 50 lakh for construction of an auditorium and a laboratory in the Government Girls' Inter College (GGIC), Gopeshwar under the RSVY.

<sup>1</sup> 2009-10: 20 works with ₹ 57.11 lakh; 2010-11: 30 works with ₹ 87.48 lakh; 2011-12: 35 works with ₹ 2.74 crore; 2012-13: 65 works with ₹ 3.30 crore and 2013-14: 61 works with ₹ 2.16 crore.

Scrutiny of records (September 2014) of ZP, Chamoli showed that soil testing was not done before start (February 2009) of the work. The ongoing construction works, costing ₹ 10.49 lakh, were damaged (September 2009) in a rainfall. Subsequent land investigation report (August 2010) of the Central Building Research Institute (CBRI), Roorkee found the site unsuitable for construction. Later on, a hall and a class room was constructed (August 2014) at a cost of ₹ 33.79 lakh by changing the work site in the same campus. However, the earlier construction worth ₹ 10.49 lakh was wasted as the work had been taken up without first conducting the mandatory soil test.

On this being pointed out, the Apar Mukhya Adhikari (AMA), ZP Chamoli (September 2014) accepted that the required soil testing was not done at the site but stated that the work was started in view of the report of a committee headed by the Executive Engineer/PWD, Gopeshwar.

The reply is not acceptable as undertaking the work without carrying out mandatory soil testing had resulted in the wasteful expenditure of ₹ 10.49 lakh.

### **2.3 MLA Local Area Development Scheme (MLALADS)**

#### **Non-completion of works**

District Development Officer (DDO) Almora released funds for works to be executed under MLALADS which were to be completed within 90 days of its start. The second instalment of the work is released after submission of the site photographs, expenditure statement of the first instalment, technical sanction of the work and copy of measurement book to the District Development Officer.

Scrutiny of records (January 2015) of ZP Almora revealed the position of incomplete works, as detailed in *table 2.1* below:

**Table-2.1**  
**Details of incomplete work of ZP Almora**

(₹ in lakh)

| Sl. No.      | Financial Year | Incomplete works | Sanctioned cost of the estimate | Released 1 <sup>st</sup> installment | Amount Spent  | Amount Remaining |
|--------------|----------------|------------------|---------------------------------|--------------------------------------|---------------|------------------|
| 1.           | 2009-10        | 13               | 10.45                           | 7.86                                 | 6.49          | 1.37             |
| 2.           | 2010-11        | 44               | 37.40                           | 28.10                                | 24.10         | 4.00             |
| 3.           | 2011-12        | 40               | 24.15                           | 18.16                                | 13.67         | 4.49             |
| 4.           | 2012-13        | 122              | 105.55                          | 79.59                                | 34.17         | 45.42            |
| 5.           | 2013-14        | 232              | 215.50                          | 170.50                               | 73.67         | 96.83            |
| <b>Total</b> |                | <b>451</b>       | <b>393.05</b>                   | <b>304.21</b>                        | <b>152.10</b> | <b>152.11</b>    |

*Source: Information provided by the ZP, Almora.*

As is evident from the table, the ZP could utilize only ₹ 1.52 crore out of ₹ 3.04 crore available with it. At the same time, ₹ 88.84 lakh of the second installment were withheld due to non-fulfillment of the conditions for release of the second installment. This led to 451 works worth ₹ 3.93 crore remaining incomplete in the district.

On this being pointed out, the AMA, ZP Almora assured (January 2015) that action would be taken to complete the formalities and thereafter completion of the works would be ensured after release of the withheld second instalment.

## 2.4 Scheduled Castes Sub-Plan (SCSP)

### Idle Expenditure

Under the scheme of Scheduled Castes Sub Plan (SCSP), a *Baarat Ghar* was to be constructed in gram *Petkhola* in Gram Panchayat *Kachna* of Pithoragarh. The work was to be completed by June 2009. District Social Welfare Officer, Pithoragarh released the first and second instalments of ₹ 4.76 lakh each (November 2008 and April 2010) to the Zila Panchayat (ZP) for the purpose.

Scrutiny of records (December 2014) of the ZP revealed that bids were invited (June 2008) even before obtaining the technical sanction in July 2008. An amount of ₹ 5.50 lakh was paid to the contractor but the work could not be completed by the due date. Consequently notices were issued (November 2011 and September 2014) to the contractor for expediting the work. However, the work remained incomplete till the date of audit (December 2014). Thus, such a long delay in completion of work made the expenditure already incurred idle and might lead to possibility of cost overrun as well. Deterioration of work already done cannot also be ruled out.

On this being pointed out, the AMA replied (December 2014) that the work was delayed due to a land dispute. The reply is not acceptable as it was the responsibility of the ZP to ensure encumbrance free site before award or start of work.

### 2.5 Loss of Lease Rent

Rule 10 of the Uttar Pradesh Zila Panchayat and Kshetra Panchayat (Movable and Immovable Property) Rules, 1965 (as applicable in Uttarakhand) provides that in case of a lease of more than 10 years and up to 30 years, Commissioner's approval shall be taken.

Zila Panchayat (ZP), Nainital signed (August 1994) a lease agreement for 30 years for the Dak Bungalows at Jhutia and Bohrakot, and an adjacent open land of area 14.5 *Nali*<sup>2</sup> at a lease premium of ₹ 1.20 lakh and an annual rent of ₹ 2,000 per year. As per provisions of the agreement, lease amount was to be increased by 25 per cent after completion of five years.

Scrutiny of records (August 2014) of the ZP Nainital revealed that no prior approval of the Commissioner was taken for giving the said property on lease. Fixing of the premium and lease rent was also not transparent as no base or survey for fixing the same was found on records. Also, non-revision of the rent, according to the provisions of the agreement, led to a loss of ₹ 62.40 lakh from the year 2000 to 2013.

On this being pointed out, Apar Mukhya Adhikari (AMA), ZP accepted (August 2014) the audit observation and said that a committee was being constituted by the Board to initiate action in this regard.

### 2.6 Non-realisation of Revenue

Article-239 (2) (c) (b) of Zila Panchayat Act, 1961 provides that in order to increase own sources of revenue, taxes should be imposed on *haat bazaar*, *Rickshaw*, Horse cart and on cattle fair. In case of non-realisation, there was also a provision for imposing a penalty.

<sup>2</sup> One *Nali* = 2,160 square feet of the area.



Scrutiny of records of ZP Nainital (August 2014) revealed that recovery of taxes amounting to ₹ 4.78 lakh<sup>3</sup> was pending since 2009-10. The ZP also failed to impose any penalty on the defaulting tax payers.

On this being pointed out, AMA of the ZP replied (August 2014) that notices had been issued to the defaulters to deposit pending taxes at the earliest.

### **2.7 Unsettled Miscellaneous Advances**

Rule No. 10.2.22 of Central Public Works Account Code provides that recoveries of the Advances to contractors should not be postponed until the whole of the work entrusted, is completed.

Scrutiny of records (Year 2014-15) of nine Kshetra Panchayats<sup>4</sup> (KPs) showed that advances given against the work orders issued under various schemes were not adjusted within the prescribed time limit. It was further seen that ₹ 71.86 lakh<sup>5</sup> were given as advance, in 166 cases, from 2010-11 to 2013-14 (*Appendix-2.2*), but the related adjustments were pending.

On this being pointed out, the BDOs of said KPs, while accepting the audit observation, stated that the adjustment would be made at the earliest and notices would be issued for this purpose.

### **2.8 Non-imposition of Circumstances and Property tax**

Secretary, Uttarakhand Government instructed (January 2006) Zila Panchayats to impose the Circumstances and Property Tax (CP Tax) under the provisions of the Uttar Pradesh Zila Parishad (Circumstance and Property Tax Imposition, Assessment and Recovery) Rules, 1994 (as adopted in Uttarakhand).

Scrutiny of records (Year 2014-15) of six Zila Panchayats (ZPs)<sup>6</sup> revealed that by-laws for imposition of the CP Tax had been prepared in Almora and Bageshwar and were under finalisation, while in Champawat, the by-laws had been sent to the Commissioner for approval. In other three ZPs, CP Tax had been imposed and a sum of ₹ 1.78 crore<sup>7</sup> (up to March 2014) was pending for realisation.

On this being pointed out, the AMA of ZPs assured that the needful would be done.

### **2.9 Irregular Payments**

Government of Uttarakhand issued orders (May 2008) to restrict appointments of contractual, daily wages, work charged and ad-hoc staff. Further, State Finance Commission's (SFC) guidelines provide that no funds were to be spent on payments to the contractual/ daily wages/ ad-hoc staff.

Scrutiny of records (December 2014) of Champawat and Pithoragarh *Zila Panchayats* showed that these ZP had incurred, from 2011-12 to 2013-14, an expenditure of ₹ 49.22 lakh on the wages of 30 contractual staff/ daily wages staff (*Appendix-2.3*)

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3 Haddi Charsha- 2009-10: ₹ 0.03 lakh. Haat Bazar- 2010-11: ₹ 1.29 lakh; 2011-12: ₹ 1.73 lakh; 2012-13: ₹ 0.81 lakh and 2013- 14: ₹ 0.92 lakh.

4 Kshetra Panchayat: (i) Agastyamuni (ii) Dev Prayag (iii) Dwarikhal (iv) Kirti Nagar (v) Pratap Nagar (vi) Tharali (vii) Thauldhar (viii) Vikas Nagar (ix) Yamkeshwar.

5 State Finance Commission: ₹ 22.45 lakh, Kshetra Panchayata Vikas Nidhi: ₹ 4.75 lakh, Backward Region Grant Funds: ₹ 1.00 lakh, MLALADS: ₹ 36.76 lakh, XIII Finance Commission: ₹ 4.55 lakh and MPLADS: ₹ 2.35 lakh.

6 Zila Panchayat: (i) Almora (ii) Bageshwar (iii) Champawat (iv) Dehradun (v) Rudraprayag and (vi) Tehri.

7 Dehradun: ₹0.94 crore; Rudraprayag: ₹ 0.18 crore; New Tehri: ₹ 0.66 crore = ₹ 1.78 crore.

from the funds allocated by the State Finance Commissions contrary to the above-mentioned instructions.

On this being pointed out, the AMAs of the ZPs accepted (December 2014) the audit observation and assured that this would not be repeated in future.

### **2.10 Non/irregular Deduction of Royalty**

As per Section-2 of the notification issued (October 2009) by the Industries Department, Government of Uttarakhand (GoU), royalty has to be deducted from the contractors' bills as per specified rates for material extracted for construction from river beds or other places. This royalty was to be deposited in the concerned head of accounts (0853-Mines and Minerals). The rate of royalty was further revised in January 2013.

Scrutiny of records (Year 2014-15) of four Zila Panchayats (ZP) and five Kshetra Panchayats (KP)<sup>8</sup> showed that the concerned ZPs and KPs deducted royalty at previous rates of ₹ 45 per cum instead of the revised rates of ₹ 90 per cum in 966 and 64 construction works respectively. This resulted in loss of revenue to the tune of ₹ 26.85 lakh (*Appendix-2.4*).

On this being pointed out, the concerned AMAs and BDOs assured that the recoveries will be made from the contractors.

### **2.11 Loss of Revenue**

A commercial hall of *Zila Panchayat* (ZP), Pithoragarh was let out (January 2004) on rent, without getting more competitive higher rates, on the application of a single individual at the monthly rent of ₹ 7,690, and an agreement was signed under the following conditions:

- i) Para 3: Rent was to be deposited by the 10<sup>th</sup> of the succeeding month and, in case of non-deposit, a penal interest of 14 *per cent* was to be charged.
- ii) Para 4: 25 *per cent* enhancement was to be made in rent rates every five years.
- iii) Para 5: No addition or alteration was to be done without consent of the ZP and will not rent out the property to another person.

Scrutiny of records (December 2014) of the ZP showed that the rent was fixed without any reasonable analysis or obtaining requisite rent certificate from the District Magistrate. After one year of allotment, in contravention of the agreement (February 2005), the ZP allotted the commercial hall in the name of another person on the request of the allottee without entering into a fresh agreement with the new allottee. The rent was also revised (September 2007) downward by the Board from ₹ 7,690 to ₹ 5,000 with no further enhancements in the rates in subsequent years. The rent amounting to ₹ 1.93 lakh was not deposited by the allottee upto June 2014.

Thus, improper allotment and re-allotment, and non-revision of the rates of rent resulted in financial loss to the ZP to the tune of ₹ 1.93 lakh.

On this being pointed out, the AMA of ZP accepted the facts (December 2014) and replied that provision of obtaining requisite rent certificate would be followed in

<sup>8</sup> ZPs: (i) Dehradun (ii) Haridwar (iii) Rudraprayag (iv) Tehri Garhwal; KPs: (i) Agastyamuni (ii) Bhilangana (iii) Jakhnidhar (iv) Pratap Nagar and (v) Tharali.

revision of the rates. Audit recommends that competitive bidding is warranted for ensuring transparency in the letting process.

### **2.12 Loss due to improper allotment process**

For allotment of the godowns, enquiries were invited (June 2010) by the AMA of ZP, Bageshwar. The premium for 10 godowns at Katyur Bazaar was ₹ one lakh each and for two godowns at office premises, the same was ₹ 0.50 lakh. The premium was non-refundable and not to be adjusted in the rent which was ₹ eight per square feet and proposed to be revised by 15 per cent after three years.

Scrutiny of records (February 2015) revealed that the process for allotment of 10 shops at Katyur Bazaar was stopped (June 2010) without recording any specific reasons. The godowns were, however, allotted (October 2010) to a particular person without calling the tenders on a total premium of ₹ one lakh only against the ZP's previous proposal of ₹ one lakh premium on each shop. This resulted in direct loss of ₹ nine lakh to the ZP.

On this being pointed out, the AMA of ZP replied (February 2015) that the matter would be taken up in the Board meeting and a decision would be taken accordingly.

### **2.13 Improper maintenance of the Assets**

Permanent assets *viz* land, building, machines, *etc.* should be maintained in proper manner and their physical verification should be done according to existing rules. In this regard, the Commissioner, Rural Development and Panchayati Raj, Uttarakhand, Pauri had expressed concerns and directed to maintain proper and updated records in both the districts and at the Headquarters.

Scrutiny of records (Year 2014-15) of the Kshetra Panchayats (KP) Kapkot and Zila Panchayat, Dehradun showed that the permanent assets *viz.* land and buildings were not being maintained properly.

On this being pointed out, it was replied to by the concerned officers that action would be taken for proper upkeep of the assets, and the asset register would also be updated as per rule.

The matter related to Chapter - II was referred to the Government (June 2016); reply was awaited (August 2016).

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**CHAPTER-3**  
**PROFILE OF URBAN LOCAL BODIES (ULBs)**

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## CHAPTER-3: PROFILE OF URBAN LOCAL BODIES

### 3.1 Introduction

The 74<sup>th</sup> Constitutional Amendment gave constitutional status to the Urban Local Bodies (ULBs), thereby establishing a uniform structure, regular elections and regular flow of funds through the Central Finance Commission (CFC) and the State Finance Commission (SFC). As a follow-up, the States were required to entrust ULBs with such powers, functions and responsibilities so as to enable them to function as institutions of local self government. In particular, ULBs were required to prepare plans and implement schemes for economic development and social justice. Their jurisdiction also included functions contained in the XII<sup>th</sup> Schedule of the Constitution.

The status of ULBs is set out in the U.P. Nagar Nigam Adhiniyam, 1959, and the U.P. Municipal Act, 1916 as adopted by the Government of Uttarakhand in 2002.

### 3.2 Maintenance of Accounts

#### 3.2.1 Introduction of new budget and accounting formats for ULBs

National Municipal Accounting Manual (NMAM) was developed by the Ministry of Urban Development, Government of India under the guidance of the CAG of India in November 2004. On the basis of this manual, the Uttarakhand Government had prepared in December 2011, its own Uttarakhand Municipal Accounting Manual (UMAM) for all the tiers of Urban Local Bodies in the State. The State Government has also issued directions to all ULBs in the State to adopt the double entry accounting system for maintaining their accounts.

### 3.3 Audit Mandate

The State Government has entrusted (March 2013) to the Comptroller and Auditor General of India (CAG), the responsibility for providing Technical Guidance and Support (TGS) under Section 20 (1) of the CAG's DPC Act, 1971. External audit of PRIs and ULBs is already being carried out under Section 14 of the DPC Act, 1971. The results of audit, i.e. the Audit Inspection Report of ULBs, are sent to the Director, Urban Development Department. Annual Technical Inspection Report (ATIR), on the audit of Local Bodies (LBs) conducted during preceding year, is sent by the Accountant General (Audit) to the State Government for necessary remedial action. As per the Finance Department, the ATIR for each year is to be laid in the State's Legislative Assembly.

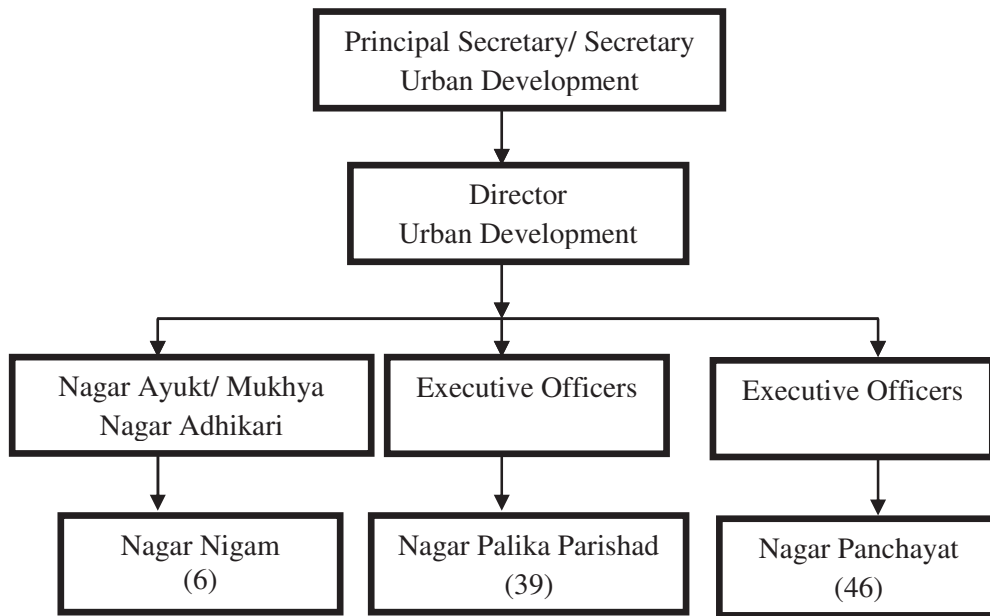
### 3.4 Organizational Structure of Urban Local Bodies

#### 3.4.1 Urban Local Bodies

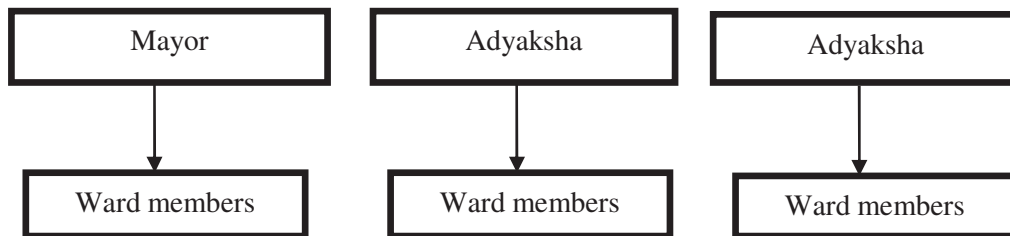
There are six Nagar Nigams, 39 Nagar Palika Parishads and 46 Nagar Panchayats in the State (*Appendix-3.1*). The overall control of the ULBs rests with the Principal Secretary/Secretary (ULB) to the Government of Uttarakhand through the Director, Urban Development Directorate. The organizational set-up of ULBs in Uttarakhand is as under:

**Chart-3.1**

**(i) Executive Level**



**(ii) Elected Level**



The term of an elected head in an ULB is five years from the date of first meeting after the elections. The elections in Urban Local Bodies were last held on 28<sup>th</sup> April 2013.

**3.5 Standing Committees of Local Bodies**

**3.5.1 Committees in ULBs**

In a Nagar Nigam, Standing Committees have to be constituted under Section 95 of the UP Nagar Nigam Adhiniyam, 1959 for undertaking various activities provided in its mandate. In Nagar Palika Parishad and Nagar Panchayats, Standing Committees have to be constituted under Section 104 to 110 of the U.P. Nagar Palika Adhiniyam, 1916, which is also applicable in Uttarakhand. As pointed out in the previous year's ATIR, no committees have been constituted this year as well in any Urban Local Body in the State.

**3.6 Institutional Arrangements for Implementation of Schemes**

Human Resources in ULBs are categorized into two parts, viz. centralized services and non-centralized services. The centralized cadre services are the State Services whereas the

non-centralized cadre is specific to the municipal bodies. In non-centralized cadre, the Urban Local Body appoints and controls the cadre. The Sanctioned Strength and Men in Position in ULBs in both streams is detailed in *table 3.1* below:

**Table-3.1**  
**Manpower position in ULBs**

| Sl.No. | Type of service | Sanctioned posts | Men in position | Vacant posts<br>(percentage of shortage) |
|--------|-----------------|------------------|-----------------|--|
| 1.     | Centralised     | 784              | 182             | 602(77)                                  |
| 2.     | Non-Centralised | 5,121            | 3,902           | 1,219(24)                                |

*Source: Urban Development Directorate, Uttarakhand*

The Urban Local Bodies are functioning with an overall personnel shortage of 31 per cent. Shortage in the cadre of centralized Cadre was 77 per cent. In the case of non-centralized Cadre, there was a shortage of 24 per cent, which adversely affected the execution of the mandated functions of the ULBs in the State.

### 3.7 Training Arrangements

The Department had not prepared any training calendar. However, training were imparted to the officials and elected members of the ULBs at Administrative Training Institute (ATI), Nainital and at other organisations on various subjects such as “Issues in Municipal Solid Waste Management through people’s participation”, “Affordable Housing for urban poor”, and “Right to Service Act”. The Department informed that a capacity building project of ₹ 44.14 crore sanctioned earlier (6<sup>th</sup> July 2014) by the Government of India has now been aligned with the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) project.

### 3.8 Financial profile of Local Bodies

#### 3.8.1 Fund flow to ULBs

The resource base of ULBs consists of own revenues, assigned and shared revenues, State Finance Commission (SFC) grants, Central Finance Commission (CFC) grants, State Government grants and Central Government grants for maintenance and development purposes. The fund-wise sources and their custody at each tier are given in *table 3.2 (a)* below:

**Table-3.2 (a)**

#### Fund flow arrangement in major Centrally sponsored flagship schemes in ULBs

| Sl. No. | Scheme                                      | Fund flow Arrangements  |
|---------|---|---|
| 1.      | <i>JnNURM</i>                               | GoI (Ministry of Urban Development and Ministry of Poverty Alleviation and Housing) transfers the funds to the State Government, which in turn, through Directorate Urban Development, disburses it to the Implementing Agency of selected ULBs.  |
| 2.      | <i>Swarana Jayanti Shahri Rojgar Yojana</i> | GoI (Ministry of Urban Development and Ministry of Poverty Alleviation and Housing) transfers the funds to the State Government, which in turn, through Directorate Urban Development disburses it to the Implementing Agency of selected ULBs. This scheme is now known as National Urban Livelihood Mission (NULM). |



| Sl. No. | Scheme                | Fund flow Arrangements  |
|---------|-----------------------|---|
| 3.      | Rajiv Aawas Yojna     | GoI (Ministry of Poverty Alleviation and Housing) transfers the funds to the State Government, which in turn, through Directorate Urban Development, disburses it to the Implementing Agency of selected ULBs |
| 4.      | Swachh Bharat Mission | GoI (Ministry of Poverty Alleviation and Housing) transfers the funds to the State Government, which in turn, through Directorate Urban Development, disburses it to the Implementing Agency of selected ULBs |

Source: Urban Development Directorate, Uttarakhand

### 3.8.2 Resources of ULBs: Trends and Composition

The resources of the ULBs for the period from 2010-11 to 2014-15 are detailed in table 3.2 (b) below:

**Table-3.2 (b)**  
Time series data on resources of ULBs

| Resources of ULBs                                    | 2010-11       | 2011-12       | 2012-13       | 2013-14       | 2014-15       |
|--|---------------|---------------|---------------|---------------|---------------|
| Own Revenue  | 41.52         | 44.17         | 47.83         | 61.87         | 67.56         |
| CFC transfers (Finance Commission devolutions)       | 11.10         | 11.34         | 12.61         | 12.62         | 29.12         |
| SFC transfers (State Finance Commission devolutions) | 127.32        | 133.07        | 254.60        | 253.03        | 254.04        |
| GoI grants for CSS                                   | 73.32         | 94.54         | 149.61        | 68.66         | 54.28         |
| State Govt. grants for State schemes                 | 1.98          | 3.91          | 3.46          | 6.70          | 26.03         |
| <b>Total</b>   | <b>255.24</b> | <b>287.03</b> | <b>468.11</b> | <b>402.88</b> | <b>431.03</b> |

Source: Urban Development Directorate, Uttarakhand

### 3.8.3 Application of Resources: Trends and Composition

The application of resources for the period from 2010-11 to 2014-15 are detailed in table 3.2 (c) below:

**Table-3.2 (c)**  
Application of resources in ULBs

| Application of Resources  | 2010-11       | 2011-12       | 2012-13       | 2013-14       | 2014-15       |
|---|---------------|---------------|---------------|---------------|---------------|
| Expenditure from own resource   | 40.10         | 42.79         | 45.37         | 48.64         | 63.91         |
| Expenditure from CFC transfers (Finance Commission devolutions)       | 9.76          | 10.83         | 10.96         | 7.67          | 23.73         |
| Expenditure from SFC transfers (State Finance Commission devolutions) | 125.69        | 129.76        | 247.51        | 248.62        | 250.41        |
| Expenditure on CSS  | 32.52         | 52.98         | 59.65         | 19.88         | 9.29          |
| State Govt. grants for State schemes                                  | 1.98          | 0.11          | Nil           | Nil           | 11.26         |
| <b>Total</b>  | <b>210.05</b> | <b>236.47</b> | <b>363.49</b> | <b>324.81</b> | <b>358.60</b> |

Source: Directorate of Urban Development, Uttarakhand Dehradun

Overall, there was significant non-utilisation of resources ranging from 17 per cent to 22 per cent during 2010-15.

### 3.9 Devolution of functions and functionaries to Local Bodies

In the follow-up to the 74<sup>th</sup> Constitutional (Amendment) Act, 1992, the State Legislature has enacted laws for devolving 13 functions out of 18<sup>1</sup> functions enshrined in the XII<sup>th</sup> Schedule of the Constitution to the ULBs leaving out five<sup>2</sup> functions. One function, other than the 18 functions mentioned above, namely 'Parking Places for Vehicles', was also devolved. Devolution of the remaining five functions was in process.

### 3.10 Accountability Framework (Internal Control System)

Internal control mechanism is an integral function of an organization which helps it to govern its activities effectively, economically and efficiently in achieving its objectives. It is intended to provide reasonable assurance of proper enforcement of Acts, Rules and By-laws. Various internal control measures in financial and operational activities were built into the departmental rules and manuals and their strict adherence could minimize the risk of errors and irregularities to a great extent.

### 3.11 Accounting System in Local Bodies

#### 3.11.1 Statutory requirements and accounting arrangements

Article 243-Z of the Constitution of India mandates that the States would make provisions with respect to maintenance of accounts in ULBs. The provisions relating to maintenance of accounts, therefore, emanate from the governing statutes or rules framed there under.

#### 3.11.2 Basis and periodicity of accounting

ULBs in Uttarakhand are required to maintain their accounts according to the double entry system as per State's Gazette Notification No. 1608/IV(2)-UD-11-284(Sa)/04 dated 13.12.2011 and provisions of the Uttarakhand Municipal Accounting Manual.

The accounts are to be maintained as per the financial year. The Directorate had informed that 26 out of 91 ULBs were maintaining their accounts in Double Entry System during the year 2014-15.

### 3.12 Financial Reporting

Financial Reporting in the Local Bodies is a key element for ensuring accountability. Matters relating to drawal of funds, form of bills, incurring of expenditure and

- 1 (i) Urban Planning including town planning, (ii) Regulation of land use and construction of buildings, (iii) Planning for economic and social development, (iv) Roads and bridges, (v) Water supply for domestic, industrial and commercial purposes, (vi) Public health, sanitation conservancy and solid waste management, (vii) Fire services, (viii) Urban forestry, protection of environment and promotion of ecological aspects, (ix) Safeguarding the interests of weaker section of society including the handicapped and mentally retarded, (x) Slum improvement and up-gradation, (xi) Urban poverty alleviation, (xii) Provision for urban amenities and facilities such as parks, gardens and play grounds, (xiii) Promotion of cultural, educational and aesthetic aspects, (xiv) Burials and burial grounds, cremations, cremation grounds and electric crematorium, (xv) Cattle ponds and prevention of cruelty to animals, (xvi) Vital statistics including registration of births and deaths, (xvii) Public amenities including street light, parking lots, bus stops and public convenience, (xviii) Regulation of slaughter houses and tanneries.
- 2 (i) Urban Planning including town planning, (ii) Regulation of land use and construction of buildings, (iii) Roads and bridges, (iv) Fire services, (v) Promotion of cultural, educational and aesthetic aspects.

maintenance of primary financial records are governed by the provisions prescribed by the State Government.

### 3.12.1 Audit of accounts of local bodies by primary auditor

The status of audit of accounts of ULBs conducted by the Director of Audit, Uttarakhand (erstwhile DLFA<sup>3</sup>) during 2012-13 to 2014-15 is detailed in **table 3.3** below:

**Table-3.3**  
Status of audit of accounts of ULBs

| Local Body            | 2012-13         |                 | 2013-14         |                 | 2014-15         |                |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
|                       | Auditable units | Units audited   | Auditable units | Units audited   | Auditable units | Units audited  |
| Nagar Nigam           | 04              | 01              | 04              | 01              | 04              | 01             |
| Nagar Palika Parishad | 32              | 18              | 32              | 10              | 32              | 12             |
| Nagar Panchayat       | 30              | 08              | 30              | 07              | 30              | 25             |
| <b>Total</b>          | <b>66</b>       | <b>27 (41%)</b> | <b>66</b>       | <b>18 (27%)</b> | <b>66</b>       | <b>38(58%)</b> |

Source: Directorate of Audit, Uttarakhand

As is evident from the above table, audit coverage is inadequate (27 to 58 per cent). The low coverage of the Urban Local Bodies was attributed to shortage of staff in the Directorate of Audit, Uttarakhand. As TGS parameters were not firmed up in 2014-15, no IRs were received in this office under TGS.

### 3.13 Audit Coverage

Audit of accounts of 11 units (five NN, three NPPs and three NPs) was conducted by the Accountant General (Audit), Uttarakhand during 2014-15 under Section 14 of the DPC Act, 1971 (**Appendix-3.2**). Important audit findings relating to financial reporting are discussed in the following paragraphs:

#### 3.13.1 Internal Audit

Internal audit of Nagar Nigam is required to be conducted by the Chief Municipal Audit Officer under Section 142 of the UP Nagar Nigam Adhiniyam, 1959. The internal audit of Nagar Palika Parishads and Nagar Panchayat is required to be conducted under Section 95(e) of UP Municipal Act, 1916 as applicable in Uttarakhand.

Test-check of the records of Nagar Nigam Haldwani had not ensured an internal audit as prescribed under the extant rules.

#### 3.13.2 Unspent balances

The position of test-checked NN,<sup>4</sup> NPPs<sup>5</sup> and NPs<sup>6</sup> with respect to funding from the Twelfth and Thirteenth Finance Commissions (TFC/ThFC), State Finance Commission (SFC), revenues realized from own and other resources, the expenditure incurred there against, and the savings during the period 2011-14, is detailed in **table 3.4** below:

3 Director of the Local Fund Audit.

4 1. Dehradun, 2. Haldwani, 3. Haridwar, 4. Roorkee and 5. Rudrapur.

5 1. New Tehri, 2. Rishikesh, and 3. Srinagar.

6 1. Kaladhoongi, 2. Mahuakhera Ganj and 3. Sultanpur Patti.

**Table-3.4**  
**Year-wise details of Receipts and Expenditure**

*(₹ in crore)*

| Year         | Opening Balance | Receipt under TFC /ThFC | Receipt under SFC | Receipt under own resources | Other receipts and interest (various schemes) | Total funds available | Expenditure (per cent to total fund available) | Savings (per cent to total fund available) |
|--------------|-----------------|-------------------------|-------------------|-----------------------------|---|-----------------------|--|--|
| 2011-12      | 46.33           | 12.48                   | 54.60             | 11.96                       | 40.23   | 165.60                | 104.27(63)                                     | 61.33(37)                                  |
| 2012-13      | 61.33           | 1.68                    | 95.73             | 9.87                        | 34.45   | 203.06                | 142.06 (70)                                    | 61.00 (30)                                 |
| 2013-14      | 61.00           | 13.84                   | 85.86             | 12.03                       | 38.26   | 210.99                | 141.50 (67)                                    | 69.49 (33)                                 |
| <b>Total</b> |                 | <b>28.00</b>            | <b>236.19</b>     | <b>33.86</b>                | <b>112.94</b>                                 |                       | <b>387.83</b>                                  |  |

*Source: Information furnished by NNs/NPPs /NPs*

As is evident from the above table, the prime contributor to the receipts of the NNs/NPPs/NPs was grants received under the recommendations of TFC/SFC followed by income generated through their own resources. It was noticed that in framing of the budget of each NN/NPP/NP, maintenance of minimum closing balances were not specified as envisaged in Section 101 of the UP Municipalities Act, 1916. Moreover, it was also noticed that the NN/NPPs/NPs could not match the pace of expenditure with the flow of funds during 2011-14. The percentage of expenditure as against the available funds ranged between 63 to 70 *per cent* in test-checked NNs/NPPs/NPs. Consequently, a huge amount was lying unspent at the end of each financial year which is indicative of poor planning and implementation on part of NNs/NPPs/NPs in achieving intended objectives within the prescribed time frame.

### **3.13.3 Non-preparation of Annual Development Plan (ADP)**

Section 127 (A) & (B) of the UP Nagar Palika Act, 1916 envisages preparation of Annual Development Plan (ADP) by ULBs, which should be submitted to the District Planning Committee (DPC) for integration with the overall District Development Plans (DDPs). The preparation of ADPs by NNs, NPPs/NPs and their consolidation along with the District Plans is crucial to ensure incorporation of local needs and provisioning of basic amenities in the developmental process.

It was noticed that no initiative was taken by the Executive Officers (EOs) of the all test checked NNs, NPPs and NPs to prepare an ADP. As a result, the objective of consolidating plans with the District Plans was defeated.

### **3.13.4 Response to Audit Observations**

Results of Audit of the accounts of ULBs, conducted by the Office of the Accountant General (Audit), Uttarakhand, were communicated to the respective units in the form of Inspection Reports (IRs) with a copy to the State Government. ULB authorities were required to comply with the observations contained in the Inspection Reports (IRs), rectify the defects and omissions pointed out, and report their compliance to audit within one month from the date of issue of the IRs.

The details of IRs and the outstanding paragraphs are given in *table 3.5* below:

**Table-3.5**  
**Year-wise position of Inspection Reports and paras in ULBs**

| Sl. No.      | Year of issue | No. of Inspection Reports (ULBs) | No. of outstanding paras (ULBs) | No. of paras settled during the year | Total outstanding paras at the end of the financial year |
|--------------|---------------|----------------------------------|---------------------------------|--------------------------------------|--|
| 1.           | Upto 2010-11  | 12                               | 129                             | Nil                                  | 129  |
| 2.           | 2011-12       | 02                               | 17                              | Nil                                  | 17   |
| 3.           | 2012-13       | 05                               | 34                              | Nil                                  | 34   |
| 4.           | 2013-14       | 15                               | 83                              | Nil                                  | 83   |
| 5.           | 2014-15       | 11                               | 88                              | Nil                                  | 88   |
| <b>Total</b> |               | <b>45</b>                        | <b>351</b>                      | <b>Nil</b>                           | <b>351</b>   |

*Source: As per available records*

A review of the IRs is pending due to non-receipt of replies from any of the auditee units test checked upto 2014-15. The matter has been intimated at the Government level and also raised during the Audit Committee meetings.

The matter related to Chapter - III was referred to the Government (June 2016); reply was awaited (August 2016).

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**CHAPTER-4**  
**RESULTS OF AUDIT OF URBAN LOCAL BODIES (ULBs)**

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## CHAPTER - 4 : RESULTS OF AUDIT OF URBAN LOCAL BODIES

Out of six Nagar Nigams (NNs), 39 Nagar Palika Parishads (NPPs) and 46 Nagar Panchayats (NPs) in the State, five NNs, three NPPs and three NPs were audited<sup>1</sup> during 2014-15. These Urban Local Bodies (ULBs) were mainly funded by grants from the Central Government/Central Finance Commission (CFC) and the State Finance Commission (SFC) besides from their own sources of revenue. There were two main centrally sponsored schemes, viz. (i) Infrastructure Development Fund (IDF), and (ii) Urban Infrastructure and Governance (Solid Waste Management) under Jawaharlal Nehru National Urban Renewal Mission (JnNURM) which were being implemented within the municipal areas in Uttarakhand during the audit period.

Audit observations, as a result of the test-check, are described in the following paragraphs.

### 4.1 Infrastructure Development Fund

#### Time and Cost overrun

Under Infrastructure Development Fund (IDF), the Government of Uttarakhand accorded (February 2006) administrative and financial sanction of ₹ 2.73 crore to an estimate submitted by the NN Haldwani for construction of an office building and a shopping complex. A revised estimate (January 2009) of ₹ 5.39 crore without the provision for shopping complex was forwarded to the Government which did not approve the proposal. Meanwhile, tender for construction of the building was finalised (January 2009) and an agreement was signed to complete the construction by August 2010. The contractor started the work (February 2009) but, in absence of approved map of the building, the work was stopped. The work was started again (April 2010) after the map was approved. Again, a revised estimate of ₹ 5.61 crore was sent (August 2011) to the Government which was approved for ₹ 4.07 crore (March 2012) and ₹ 4.03 crore were released (up to March 2013) to the NN against the sanction.

Audit observed following discrepancies in different phases of construction of the building:

#### Planning:

- i. Rule 382 of the Financial Handbook Vol. VI provides that excess expenditure over estimates was to be regularised with prior permission of the Finance Department. This was not followed as the estimate was revised and tenders for the civil work were called for (January 2009) and finalised without Government's approval to the revised estimates.
- ii. Construction work was allotted to an individual contractor contrary to the government instructions that construction works costing ₹ 2.00 crore or more were

<sup>1</sup> NN: (i) Dehradun (ii) Haldwani (iii) Haridwar, (iv) Rudrapur and (v) Roorkee; NPPs: (i) New Tehri (ii) Rishikesh (iii) Srinagar ; NPs (i) Kaladhungi (ii) Mahuakhera Ganj (iii) Sultanpur Patti.



to be awarded to Public Works Department, Irrigation Department or Uttarakhand Peyjal Nigam by inviting tenders and getting competitive rates.

**Execution:**

- iii. According to Rule 36 of the Uttarakhand Procurement Rules 2008, five *per cent* of the construction cost was to be deposited as performance guarantee and another five *per cent* as security deposit. However, audit found that the contractor had deposited a bank guarantee of ₹ 19.33 lakh which was effective only for one year and, after its lapse, the same was not renewed. Hence, the provision related to both performance guarantee and security deposit, was violated. The NN authorities did not take any corrective action.
- iv. Rule 48 (2) of Uttarakhand Procurement Rules, 2008 provides that only interest bearing advances should be given against the bank guarantee or other form of security deposits. However, audit found that an amount of ₹ 58 lakh was given (March 2010) to the contractor as mobilisation advance. The advance was adjusted in two instalments<sup>2</sup> and no interest was charged.
- v. Scrutiny of records also showed that extra works of electrification and sewerage system of the building, costing ₹ 32.71 lakh and ₹ 7.91 lakh respectively, were allotted to the same contractor without inviting tenders. Audit found that the electrification work was executed for ₹ 57.56 lakh resulting in an excess expenditure of ₹ 24.85 lakh in anticipation of the Government approval for the same.
- vi. Government has approved the revised estimate of ₹ 4.07 crore in which ₹ 3.41 crore were for the civil work. The executed civil work costed ₹ 4.43 crore against which an amount of ₹ 3.83 crore was paid to the contractor. This has created a liability of ₹ 1.02 crore upon the NN against the sanctioned cost of the civil work. The work was not fully completed up to August 2015.

**Monitoring level:**

- vii. Nagar Nigam did not engage any technically expert agency for the third party supervision of the ongoing work which resulted in several technical defects in the construction *viz.* fittings of G.I. pipes was done in R.C.C. slab which was technically not accepted, finishing at the joints of R.C.C. columns and beams in the parking area were not made properly; and thickness of granite flooring in the first and second floor corridors was not as per specifications, *etc.*

On this being pointed out, the Mukhya Nagar Adhikari (MNA), NN Haldwani stated (December 2014) that the bond of the contractor was not final and an enquiry had been set up in the matter. It was also informed that the matter has been reported to the Government.

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<sup>2</sup> 27<sup>th</sup> March 2010: ₹ 25.00 lakh, 18<sup>th</sup> September 2010: ₹ 33.00 lakh.

## 4.2 Basic Services to the Urban Poor (BSUP)

### Non-utilisation of funds

Under the sub-mission 'BSUP' of JnNURM, the Government of India (GoI) had approved estimates amounting to ₹ 29 crore and released a sum of ₹ 7.25 crore (₹ 2.05 crore and ₹ 0.93 crore in March 2009, ₹ 0.10 crore in October 2010 and ₹ 4.17 crore in March 2011) to the NN, Dehradun for construction of residences and other related infrastructure facilities for slum dwellers (Chakshah slum area:160 residences, Brahma Puri slum area phase II:421 residences and Khala Basti slum area: 80 residences).

Scrutiny of records (December 2014) of NN, Dehradun showed that no works were started even after four to six years of release of the funds due to land disputes and non-finalisation of the bidding procedure. The released funds were lying unutilised in the accounts of the NN, Dehradun thus depriving slum dwellers of the intended benefits of the scheme.

On this being pointed out (December 2014) the MNA, NN Dehradun stated (December 2014) that the work could not be started as no bids were received for the work in case of two slums (Chakshah slum area and Khala Basti slum area) while there was a land dispute in the third slum, which was pending with the Government.

The reply is not acceptable as the NN had failed to sort out the matter though a period of four to six years had elapsed.

## 4.3 Short/non-realisation of Revenue

Own revenue collection in the form of taxes and non-taxes is necessary for the local bodies under the provisions made in the Uttar Pradesh Nagar Nigam Act, 1959 and the UP Municipality Act, 1916 (as applicable in Uttarakhand). Successive Central Finance Commissions have also emphasised upon increasing own receipts of the local bodies.

Scrutiny of records (Year 2014-15) of three Nagar Nigams<sup>3</sup> and Nagar Palika Parishad, New Tehri showed that provisions related to imposition and collection of own revenue were not being implemented effectively by these entities. The details are given below:-

- (a) NN Haldwani was collecting *tehbazari*<sup>4</sup> of just ₹ 77.84 lakh which was just 28 per cent of its total revenue earning capability of ₹ 2.80 crore keeping in view the number (2,231)<sup>5</sup> of vendors operating in the area. This resulted in short collection of *tehbazari* to the tune of ₹ 2.03 crore as detailed in **table 4.1** below:

<sup>3</sup> NNs: Haldwani, Rudrapur and Roorkee.

<sup>4</sup> *Tehbazari* means taxes on selling products on pavements and roads, hawkers move from one place to another on wheel driven carts.

<sup>5</sup> Nagar Kshetra: Thela- 819, Phad- 66, Sitting at ground- 216; Shani Bazar kshetra: Thela- 721, Phad- 164, Sitting at ground- 245(Total- 2,231).

**Table-4.1**  
**Year-wise details of short collection of *tehbazari***

| Sl. No.      | Year    | Amount to be collected<br>(No. of vendors*Rate in Rupees*No. of days) | Actual collection<br>(₹ in lakh) | Loss<br>(₹ in lakh) |
|--------------|---------|---|----------------------------------|---------------------|
| 1.           | 2011-12 | 2231*3*365=₹24.43 lakh  | 10.90                            | 13.53               |
| 2.           | 2012-13 | 2231*3*300=₹20.08 lakh<br>2231*25*58=₹32.35 lakh                      | 12.17                            | 40.26               |
| 3.           | 2013-14 | 2231*25*365=₹203.58 lakh  | 54.77                            | 148.81              |
| <b>Total</b> |         | <b>₹ 280.44 lakh</b>  | <b>77.84</b>                     | <b>202.60</b>       |

Source: Records of NN Haldwani.

(b) Property tax is a major source of own receipts of the ULBs. It is supposed to be properly imposed and collected. Audit found that NN Udham Singh Nagar could not realize property tax from the hotels resulting in an arrear of ₹ 1.11crore (**Appendix-4.1**). It was also noticed that NN, Roorkee was not imposing any property tax on the commercial buildings and hotels since its creation (March 2013).

On this being pointed out, the NN, Haldwani and Udham Singh Nagar accepted (December 2014 and August 2014 respectively) the audit observation and stated that notices were being sent for recovery. The NN, Roorkee stated that its jurisdiction area has not been revised and NPP, New Tehri stated that assessment process was in progress. Audit recommends that recovery of outstanding dues needs to be expedited.

#### **4.4 Short Imposition of Penalty**

Government of India (GoI) under a scheme of Bureau of Energy Efficiency (BEE) sanctioned and released (January 2009) an amount of ₹ 64.83 lakh to the Uttarakhand Renewable Energy Development Agency (UREDA) for supply and installation of 160 LED lights in the Nagar Nigam (NN), Dehradun.

NN, Dehradun invited tenders for supply and installation of lights and awarded the work to a firm. An agreement was signed (July 2009) for execution of the work, the conditions of which were:

- The work shall be completed within three months from the date of award of the work order/date of start whichever is earlier.
- If the firm fails to deliver the material/equipment within the stipulated delivery period of the purchase order/contract, the same is liable to be rejected and if accepted, the contractor shall be liable to pay as penalty, a sum of one *per cent* of the cost of undelivered/supplied/incomplete equipment work per week but not exceeding maximum limit of 10 *per cent* of the cost of complete unit of undelivered equipment/work so delayed or part thereof.
- Supplied materials were to be kept under Annual Maintenance Contract (AMC) for two years free of cost and for next three years on payment basis.

Scrutiny of records (December 2014) revealed that the contractor completed (July 2010) the work with a delay of nine months for which the NN, Dehradun had imposed a penalty on the firm at the rate of five *per cent* against the provision of

10 per cent which resulted in loss of ₹ 3.75 lakh<sup>6</sup>. Also, the firm, in contravention of the agreement, did not maintain the LED lights despite several reminders issued to it. The purpose of installing such lights was also not being achieved as many LEDs had stopped working right after their installation. The NN Dehradun also failed to forfeit the performance bank guarantee.

On this being pointed out, the MNA, NN Dehradun accepted the matter of short-imposition of penalty and non-fulfilment of AMC terms by the firm. Audit recommends that all provisions of the agreement be followed and necessary corrective action taken in the matter.

#### 4.5 Unfruitful Expenditure and Blocking of Funds

Government of Uttarakhand accorded (October 2008) administrative and financial sanction of ₹ 19.24 lakh to an estimate submitted by the Nagar Palika Parishad (NPP), Srinagar for construction of a museum in *Shahid Smriti* Park. All the funds were released (November 2008) to the Executive Officer (EO) of the NPP.

Scrutiny of records (November 2014) revealed that after spending an amount of ₹ 7.82 lakh on the work, the same was stopped (December 2010) as construction of a Helidrome<sup>7</sup> was proposed by the Principal Secretary, Tourism, Government of Uttarakhand at the same construction site. This resulted in unfruitful expenditure of ₹ 7.82 lakh. Rest of the amount totalling ₹ 11.42 lakh was lying unutilised till the date of audit (November 2014).

The NPP, Srinagar accepted the facts and replied (November 2014) that action would be taken according to Government instructions.

#### 4.6 Non-recovery of Penalty on Advertisement Tax

Sections 305 and 306 of the UP Municipal Corporation Act, 1959 (as adopted in Uttarakhand) provide that in case of non-invitation of tender, the contract of advertisement tax may be further renewed at an enhanced rate of 10 per cent to the same contractor.

Scrutiny of records (December 2014) of the NN, Dehradun showed that bids for advertisement tax for the year 2013-14 were not invited and the contract was awarded to a firm<sup>8</sup> which had also been awarded the contract for the previous year 2012-13. The contract for the year 2013-14 was awarded in two phases i.e. one from April 2013 to September 2013 and then for the period from October 2013 to March 2014 at the cost of ₹ 1.18 crore. As per provisions of the contract, 50 per cent contract value was to be deposited in the accounts of NN within 15 days of the start of the contract period. Further, Clause Nine of the bid notice provided that delay in the deposit of money would attract a penal interest of 18 per cent. It was observed that the contractor had deposited some amount with much delay (₹ 26.31 lakh and

<sup>6</sup> Total payment to the firm ₹ 75.08 lakh. 10per cent of penalty  $75.08 \times 10/100 = ₹ 7.51$  lakh, deducted amount as penalty ₹ 3.76 lakh. Loss to the NN, Dehradun = ₹ 7.51 lakh - ₹ 3.76 lakh = ₹ 3.75 lakh.

<sup>7</sup> A small airport for Helicopters.

<sup>8</sup> M/s Media 24\*7, W-71 Anupam Garden, Neb Sarai Road, Sainik Farm, Saidullaza, New Delhi.

₹ 78.92 lakh in the months of February and March 2014 respectively) but no penalty was recovered from the firm as detailed in *table 4.2* below:

**Table-4.2**  
**Delay in depositing contractual amount *vis-a-vis* penalty to be recovered**

| Sl.No.        | Amount to be deposited on date | Amount deposited on date | Delay in deposition | Penalty (₹ in Lakh)                                  |
|---------------|--------------------------------|--------------------------|---------------------|--|
| 1.            | 31.10.2013                     | 20.02.2014               | 111 days            | ₹ 26.31 lakh * 18 per cent / 365 * 111 = ₹ 1.44 lakh |
| 2.            | 31.10.2013                     | 27.03.2014               | 146 days            | ₹ 78.92 lakh * 18 per cent / 365 * 146 = ₹ 5.68 lakh |
| <b>Total:</b> |                                |                          |                     | <b>₹ 7.12 lakh</b>                                   |

Source: Records of NN Dehradun

In all, penalty of ₹ 7.12 lakh was not recovered from the contractor.

On this being pointed out, the NN, Dehradun replied (December 2014) that action was being taken to recover the amount of penalty from the contractor.

#### **4.7 Non-adherence to the Provisions of Solid Waste Management**

Rule 4(1) of Municipal Solid Wastes (Management and Handling) Rules, 2000 provides that every municipal authority shall, within the territorial area of the municipality, be responsible for the implementation of the provisions of these rules, and for any infrastructure development for collection, storage, segregation, processing and disposal of municipal solid wastes.

Further as per Rule 4(2), the municipal authority or an operator of a facility shall make an application in Form-1, for grant of authorisation for setting up of waste processing and disposal facility including landfills from the State Pollution Control Board (SPCB) or the Committee.

Scrutiny of records (Year 2014-15) of seven NN/NPP/NPs<sup>9</sup> revealed that none of the entities were following the provisions laid down in the Solid Waste Management (SWM) Rules. Audit further observed the following:

- None of the entities had taken authorisation from the SPCB for setting up of waste processing and disposal facilities.
- NPP Srinagar and NP Mahuakhera Ganj had neither provided for nor arranged the land for developing landfills though ₹ 58.23 lakh<sup>10</sup> provisioned for the purpose was lying unspent for three years.
- None of the entities were collecting waste door to door in any of the wards and no segregation was in practice. The collected garbage was being dumped in an open area. The NN, Haldwani had spent ₹ 26.76 lakh in installing six underground bins. The garbage of the nearby colonies was being dumped in these bins without segregating it into bio-degradable and non bio-degradable waste.
- None of the entities was processing the collected solid waste.

<sup>9</sup> Nagar Nigams: Dehradun, Haldwani, Roorkee and Rudrapur; Nagar Palika Parishad: New Tehri and Sri Nagar; Nagar Panchayat: Mahuakhera Ganj.

<sup>10</sup> NPP Sri Nagar: ₹ 40.67 lakh from August 2013 and NP Mahuakhera Ganj: ₹ 17.56 lakh from March 2013.

On this being pointed out, MNAs of NN and EOs of NPP/NPs accepted the facts and replied that arrangement of land is in progress for further processing of the collected waste. Lack of action in this regard has led to environmental degradation in the affected urban areas, affecting quality of life in these areas and also increasing possibility of outbreak of diseases.


The matter related to Chapter- IV was referred to the Government (June 2016); reply was awaited (August 2016).



(Vidya Bhushan Relan)  
Deputy Accountant General  
(Local Bodies)

Date:  
Place: Dehradun

Countersigned



(Saurabh Narain)  
Accountant General (Audit)  
Uttarakhand

Date:  
Place: Dehradun



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# **APPENDICES**

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**Appendix-1.1**  
(Reference: Paragraph No. 1.4.1; Page No. 3)  
**District-wise number of Panchayats in Uttarakhand**

| Name of District  | Numbers of <i>Kshetra Panchayats</i> | Numbers of <i>Gram Panchayats</i> |
|-------------------|--------------------------------------|-----------------------------------|
| 01. Uttarkashi    | 6                                    | 504                               |
| 02. Chamoli       | 9                                    | 615                               |
| 03. Rudraprayag   | 3                                    | 339                               |
| 04. Tehri Garhwal | 9                                    | 1,038                             |
| 05. Dehradun      | 6                                    | 460                               |
| 06. Pauri Garhwal | 15                                   | 1,214                             |
| 07. Pithoragarh   | 8                                    | 690                               |
| 08. Champawat     | 4                                    | 313                               |
| 09. Almora        | 11                                   | 1,164                             |
| 10. Bageshwar     | 3                                    | 416                               |
| 11. Nainital      | 8                                    | 513                               |
| 12. U.S. Nagar    | 7                                    | 391                               |
| 13. Haridwar      | 6                                    | 312                               |
| <b>Total</b>      | <b>95</b>                            | <b>7,969</b>                      |

Source: Letter No. 339/P-2/Lekha/vividh/2016-17 dated 18.05.2016.

**Appendix-1.2**  
(Reference: Paragraph No. 1.5.1; Page No. 5)  
**Details of Meetings of Standing Committees in PRIs**

| Name of the Standing Committee       | No. of meetings required as per rule during 2014-15 |           | No. of meetings held during the year 2014-15 |           | Reason of shortage in conducting meetings, if any |
|--------------------------------------|---|-----------|--|-----------|---|
|                                      | ZPs   | KPs       | ZPs  | KPs       |   |
| 01. Planning & Development Committee | 12  | 12        | 8  | 4         | Due to lack of prescribed quorum.                 |
| 02. Education Committee              | 12  | 12        | 9  | 4         |   |
| 03. Works Committee                  | 12  | 12        | 9  | 4         |   |
| 04. Health & Welfare Committee       | 12  | 12        | 9  | 4         |   |
| 05. Administrative Committee         | 12  | 12        | 8  | 4         |   |
| 06. Water Management Committee       | 12  | 12        | 7  | 4         |   |
| <b>Total</b>                         | <b>72</b>   | <b>72</b> | <b>50</b>                                    | <b>24</b> |   |

*Note: Above figures have been taken on an average basis in 13 ZPs and 95 KPs.*

*Source: Letter No. 339/P-2/Lekha/vividh/2016-17 dated 18.05.2016.*

**Appendix- 1.3**  
(Reference: Paragraph No. 1.6; Page No. 5)  
**Manpower Position in PRIs**

| Sl. No. | Name of posts                  | Zila Panchayats |                 | Kshetra Panchayats              |                 | Gram Panchayats          |                 |
|---------|--------------------------------|-----------------|-----------------|---------------------------------|-----------------|--------------------------|-----------------|
|         |                                | Sanctioned post | Men in position | Sanctioned post                 | Men in position | Sanctioned post          | Men in position |
| 1.      | Apar Mukhya Adhikari           | 13              | 11              | Posts do not exist in KP and GP |                 |                          |                 |
| 2.      | Karya Adhikari                 | 13              | 04              |                                 |                 |                          |                 |
| 3.      | Engineers                      | 13              | 07              |                                 |                 |                          |                 |
| 4.      | Tax Officer                    | 13              | 02              |                                 |                 |                          |                 |
| 5.      | Jr. Engineers                  | 45              | 27              |                                 |                 |                          |                 |
| 6.      | Sr. Accountants                | 13              | 12              |                                 |                 |                          |                 |
| 7.      | Sr. Clerks/Clerks              | 166             | 115             |                                 |                 |                          |                 |
| 8.      | Assistant Accountant           | 10              | 09              | 70                              | 09              | Posts do not exist in GP |                 |
| 9.      | Block Development Officers     |                 |                 | 95*                             | 56              |                          |                 |
| 10.     | Asstt. Development Officer (P) |                 |                 | 95                              | 77              |                          |                 |
| 11.     | Gram Panchayat Vikas Adhikari  |                 |                 | -                               | -               | 1,175                    | 979             |
| 12.     | Gram Vikas Adhikari            |                 |                 | 950                             | 808             | Posts do not exist in GP |                 |
| 13.     | Accountant                     |                 |                 | 280                             | 256             |                          |                 |
| 14.     | Chief Assistant                |                 |                 | 79                              | 69              |                          |                 |
| 15.     | Senior Assistant               |                 |                 | 132                             | 111             |                          |                 |
| 16.     | Junior Assistant               |                 |                 | 141                             | 158             |                          |                 |
| 17.     | Driver                         |                 |                 | 135                             | 79              |                          |                 |
| 18.     | Group D                        |                 |                 | 332                             | 245             |                          |                 |
| 19.     | Sweeper/Chowkidar              |                 |                 | 90                              | 59              |                          |                 |

Source: Rural Development Department, Pauri and Panchayati Raj Institutions Directorate, Dehradun.

\*Block Development Officers and officials of Kshetra Panchayat are regular employees of the Rural Development, Department of the State Government.

**Appendix-1.4**

(Reference: Paragraph No. 1.8.1; Page No. 7)

**Authority and Responsibility of State Govt. with regard to PRIs**

| <b>Provision</b>                          | <b>Authority</b>                           | <b>Powers exercised by Government</b>   |
|---|--|---|
| Budget of Gram Panchayat                  | Section 41 of 1947 UP Panchayati Raj Act.  | Every Gram Panchayat shall within such period and in such manner as may be prescribed, prepare a statement of the estimated receipts and expenditure of the Gram Panchayat for the financial year commencing on the first day of April next following which shall be passed by the Gram Panchayat by a simple majority of the members present and voting at a meeting of the Gram Panchayat.  |
| Audit of Gram Panchayats                  | Section 40 of 1947 UP Panchayati Raj Act.  | The accounts of every Gram Panchayat and Nyaya Panchayat shall be audited every year in such manner, and on payment of such fee as may be prescribed.   |
| External Control                          | Section 95 of 1947 UP Panchayati Raj Act.  | By an order in writing, call for and inspect a book or document in the possession or under the control of a Gram Panchayat or a Joint committee or a Nyaya Panchayat.<br>Institute any enquiry in respect of any matter relating to a Gram Sabha, Gram Panchayat or Nyaya Panchayat.<br>If at any time it appears to the State Government that the Gram Sabha or it by or under this or any other enactment, the State Government may by order in writing fix a period for the performance of the duty. |
| Powers of State Government to make rules. | Section 110 of 1947 UP Panchayati Raj Act. | Power to frame rules. Government may, by notification in Gazette, make rules to carry out all or any purpose of State Act.  |

**Appendix-1.5**  
(Reference: Paragraph No. 1.11.1; Page No. 8)  
**Manpower Arrangement in Directorate of Audit**

| Sl. No       | Name of Post                              | Sanctioned Strength                 |                 |                   |                  |
|--------------|---|-------------------------------------|-----------------|-------------------|------------------|
|              |   | Cooperative and Local Funds section |                 | Director of Audit |                  |
|              |   | Sanctioned                          | Men-in-position | Sanctioned        | Men-in- position |
| 1.           | Director                                  | -                                   | -               | 01                | 01               |
| 2.           | Additional Director                       | 02                                  | -               | 01                | -                |
| 3.           | Joint Director                            | 04                                  | 01              | 02                | -                |
| 4.           | Deputy Director                           | 04                                  | 02              | 04                | -                |
| 5.           | Assistant Director/ Audit Officer Grade I | 09                                  | 04              | -                 | -                |
| 6.           | District Audit Officer                    | 25                                  | 10              | 25                | -                |
| 7.           | Assistant Audit Officer                   | 49                                  | 42              | 75                | -                |
| 8.           | Senior Auditor Grade I                    | 13                                  | -               | 02                | -                |
| 9.           | Senior Auditor                            | 303                                 | 15              | -                 | -                |
| 10.          | Auditor                                   | 75                                  | 01              | -                 | -                |
| <b>TOTAL</b> |   | <b>484</b>                          | <b>75</b>       | <b>110</b>        | <b>01</b>        |

Source: Directorate of Audit, Uttarakhand.

**Appendix-1.6**  
 (Reference: Paragraph No. 1.11.9; Page No. 10)  
**Devolution of Subjects in XI Schedule of Constitution**

| Subject devolved  | Subjects yet to be devolved   |
|---|---|
| 1. Drinking Water<br>2. Rural Housing<br>3. Poverty Alleviation Programme<br>4. Education including primary and secondary schools<br>5. Adult and non formal education<br>6. Libraries<br>7. Cultural Activities<br>8. Family Welfare<br>9. Health and sanitation, including hospitals, primary health centres and dispensaries<br>10. Women and Child Development<br>11. Social Welfare including welfare of the handicapped and mentally retarded<br>12. Public Distribution system<br>13. Minor Irrigation, water management and watershed development<br>14. Agriculture, including agricultural extension. | 1. Land improvement, implementation of land reforms, land consolidation and soil conservation<br>2. Animal husbandry, dairying and poultry<br>3. Fisheries<br>4. Social forestry and farm forestry<br>5. Minor forest produce<br>6. Small scale industries, including food processing industries<br>7. <i>Khadi</i> , village and cottage industries<br>8. Fuel and fodder<br>9. Roads, culverts, bridges, ferries, waterways and other means of communication<br>10. Rural electrification, including distribution of electricity<br>11. Non-conventional energy sources<br>12. Technical training and vocational education<br>13. Markets and fairs<br>14. Welfare of the weaker sections, and in particular, of the Scheduled castes and the Scheduled Tribes<br>15. Maintenance of community assets |

## Appendix-2.1

(Reference: Introduction of Chapter- 2; Page No.13)

## List of Audited units of PRIs

| Sl. No.                   | Name of Audited Units |
|---------------------------|-----------------------|
| <b>Zila Panchayats</b>    |                       |
| 1                         | Almora                |
| 2                         | Bageshwar             |
| 3                         | Chamoli               |
| 4                         | Champawat             |
| 5                         | Dehradun              |
| 6                         | Haridwar              |
| 7                         | Nainital              |
| 8                         | New Tehri             |
| 9                         | Pauri                 |
| 10                        | Pithoragarh           |
| 11                        | Rudraprayag           |
| 12                        | Udham Singh Nagar     |
| 13                        | Uttarkashi            |
| <b>Kshetra Panchayats</b> |                       |
| 1                         | Agastyamuni           |
| 2                         | Baajpur               |
| 3                         | Bharisiyachena        |
| 4                         | Bhilangana            |
| 5                         | Bhimtal               |
| 6                         | Champaawat            |
| 7                         | Devprayag             |
| 8                         | Dewaal                |
| 9                         | Dharchula             |
| 10                        | Dhauladevi            |
| 11                        | Dhauladhar            |
| 12                        | Doiwala               |
| 13                        | Dugadda               |
| 14                        | Dwarikhal             |
| 15                        | Garud                 |
| 16                        | Haldwani              |
| 17                        | Hawaalbaag            |
| 18                        | Jakhnidhaar           |
| 19                        | Jakholi               |
| 20                        | Kalsi                 |
| 21                        | Kapkot                |
| 22                        | Kashipur              |
| 23                        | Khanpur               |
| 24                        | Khatima               |
| 25                        | Khirsu                |
| 26                        | Kirtinagar            |
| 27                        | Kot                   |
| 28                        | Kotabag               |
| 29                        | Lamgada               |
| 30                        | Lohaghat              |
| 31                        | Mori                  |
| 32                        | Narsan                |
| 33                        | Naugaon               |



|                       |             |
|-----------------------|-------------|
| <b>34</b>             | Paati       |
| <b>35</b>             | Pauri       |
| <b>36</b>             | Pratapnagar |
| <b>37</b>             | Purola      |
| <b>38</b>             | Ramgarh     |
| <b>39</b>             | Sahaspur    |
| <b>40</b>             | Syaldeh     |
| <b>41</b>             | Thalisain   |
| <b>42</b>             | Tharali     |
| <b>43</b>             | Vikasnagar  |
| <b>44</b>             | Yamkeshwar  |
| <b>Total 57 Units</b> |             |

**Appendix-2.2**  
(Reference: Paragraph No.2.7; Page No.16)  
**Miscellaneous Advance for Construction Work**

| Sl. No. | Name of Unit | Name of the concerned person to whom advance was given | Year    | Amount (in ₹) |
|---------|--------------|--|---------|---------------|
| 1       | Agastyamuni  | V.P.S.Rawat  | 2011-12 | 88,304        |
| 2       |              | Prakash Chand Bhetwal                                  | 2011-12 | 74,960        |
| 3       |              | Manwar Singh   | 2011-12 | 30,000        |
| 4       |              | Suresh Sah   | 2011-12 | 87,980        |
| 5       |              | Shiv Prasad Thapliyal                                  | 2011-12 | 69,670        |
| 6       |              | Suresh Sah   | 2011-12 | 60,000        |
| 7       |              | Suresh Sah   | 2011-12 | 60,000        |
| 8       |              | Shashi Purohit   | 2011-12 | 45,000        |
| 9       |              | Shashi Purohit   | 2011-12 | 36,000        |
| 10      |              | Suresh Sah   | 2011-12 | 90,000        |
| 11      | Devprayag    | Suresh Ramola  | 2011-12 | 2,10,000      |
| 12      |              | Shiv Prasad yadav                                      | 2011-12 | 70,000        |
| 13      |              | Shiv Prasad yadav                                      | 2011-12 | 70,000        |
| 14      |              | Madan Mohan Bhatt                                      | 2011-12 | 1,00,000      |
| 15      |              | Suresh Ramola  | 2011-12 | 40,000        |
| 16      |              | R.S.Rangad   | 2011-12 | 50,000        |
| 17      |              | R.S.Rangad   | 2011-12 | 50,000        |
| 18      |              | Rishipal Lingwal                                       | 2011-12 | 1,40,000      |
| 19      |              | R.S.Rangad   | 2011-12 | 70,000        |
| 20      |              | Jayendra Singh Rana                                    | 2011-12 | 10,000        |
| 21      |              | Prakash Chandra  | 2011-12 | 50,000        |
| 22      |              | U.S.Bhandari   | 2011-12 | 1,10,000      |
| 23      |              | Vijay Prakash Bhatt                                    | 2011-12 | 60,000        |
| 24      |              | Suresh Ramola  | 2011-12 | 60,000        |
| 25      |              | K.S.Rawat  | 2011-12 | 50,000        |
| 26      |              | R.S.Rangad   | 2011-12 | 60,000        |
| 27      |              | Shiv Prasad Yadav                                      | 2011-12 | 40,000        |
| 28      |              | Shiv Prasad Yadav                                      | 2011-12 | 40,000        |
| 29      |              | Arvind Goswami   | 2011-12 | 50,000        |
| 30      |              | Vijay Prakash Bhatt                                    | 2011-12 | 40,000        |
| 31      |              | U.S.Bhandari   | 2011-12 | 30,000        |
| 32      |              | U.S.Bhandari   | 2011-12 | 40,000        |
| 33      | Dwarikhal    | Pati Lal   | 2011-12 | 15,000        |
| 34      |              | Sohan Lal Joshi  | 2011-12 | 25,000        |
| 35      |              | Sohan Lal Joshi  | 2011-12 | 25,000        |
| 36      |              | L.P.Naithani   | 2011-12 | 25,000        |
| 37      |              | Jaykrit Singh  | 2011-12 | 25,000        |
| 38      |              | Pati Lal   | 2011-12 | 25,000        |
| 39      |              | Veerbhan Singh   | 2011-12 | 20,000        |
| 40      |              | D.P.Mamgaai  | 2011-12 | 30,000        |
| 41      |              | Veerbhan Singh   | 2011-12 | 30,000        |
| 42      |              | Chandrashekhar   | 2012-13 | 15,000        |
| 43      |              | Pati Lal   | 2011-12 | 15,000        |
| 44      |              | Veerbhan Singh   | 2011-12 | 20,000        |
| 45      |              | L.P.Naithani   | 2011-12 | 30,000        |
| 46      |              | Veerbhan Singh   | 2011-12 | 40,000        |

|    |                      |                          |         |        |
|----|----------------------|--------------------------|---------|--------|
| 47 |                      | Sohan Lal Joshi          | 2011-12 | 30,000 |
| 48 |                      | Sohan Lal Sharma         | 2011-12 | 20,000 |
| 49 |                      | Veebhan Singh            | 2011-12 | 30,000 |
| 50 |                      | Veebhan Singh            | 2011-12 | 10,000 |
| 51 |                      | Omprakash                | 2011-12 | 30,000 |
| 52 |                      | Sohan Lal Sharma         | 2011-12 | 25,000 |
| 53 |                      | Jaykrit Singh            | 2013-14 | 35,000 |
| 54 |                      | Pati Lal                 | 2011-12 | 35,000 |
| 55 |                      | Lalita Prasad Sundariyal | 2011-12 | 15,000 |
| 56 |                      | Jaykrit Singh            | 2011-12 | 35,000 |
| 57 |                      | Jaykrit Singh            | 2012-13 | 30,000 |
| 58 |                      | Veebhan Singh            | 2011-12 | 20,000 |
| 59 |                      | Sohan Lal                | 2012-13 | 30,000 |
| 60 |                      | Pati Lal                 | 2011-12 | 20,000 |
| 61 |                      | Omprakash                | 2011-12 | 25,000 |
| 62 |                      | V.K.Bharti               | 2011-12 | 20,000 |
| 63 |                      | Veebhan Singh            | 2011-12 | 15,000 |
| 64 | Kirtinagar           | Gaje Singh Kandaari      | 2011-12 | 30,000 |
| 65 |                      | Gaje Singh Kandaari      | 2011-12 | 35,000 |
| 66 |                      | Rajendra Singh Aswal     | 2011-12 | 25,000 |
| 67 |                      | Shyam Lal Khantwal       | 2011-12 | 30,000 |
| 68 |                      | Gaje Singh Kandaari      | 2011-12 | 40,000 |
| 69 |                      | Gaje Singh Kandaari      | 2011-12 | 30,000 |
| 70 |                      | Shyam Lal Khantwal       | 2011-12 | 35,000 |
| 71 |                      | Gaje Singh Kandaari      | 2011-12 | 30,000 |
| 72 |                      | Rajendra Singh Aswal     | 2011-12 | 30,000 |
| 73 |                      | Shyam Lal Khantwal       | 2011-12 | 35,000 |
| 74 |                      | D.S.Rangad               | 2011-12 | 40,000 |
| 75 |                      | Gaje Singh Kandaari      | 2011-12 | 35,000 |
| 76 |                      | Ramesh Chand Arya        | 2011-12 | 25,000 |
| 77 | Pratapnagar          | Omprakash Sah            | 2011-12 | 25,000 |
| 78 |                      | Chandrakant Panyuli      | 2011-12 | 40,000 |
| 79 |                      | Rajendra Prasad          | 2011-12 | 30,000 |
| 80 |                      | Jaswant Singh Panwar     | 2011-12 | 40,000 |
| 81 |                      | Devi Prasad Panyuli      | 2011-12 | 40,000 |
| 82 |                      | Rajendra Prasad Gairola  | 2012-13 | 30,000 |
| 83 |                      | Devi Prasad Panyuli      | 2011-12 | 30,000 |
| 84 |                      | Jitendra Sahay           | 2011-12 | 70,000 |
| 85 |                      | Jaswant Singh Panwar     | 2010-11 | 40,000 |
| 86 |                      | Mukesh Joshi             | 2010-11 | 25,000 |
| 87 |                      | Omprakash Sah            | 2010-11 | 35,000 |
| 88 |                      | Omprakash Sah            | 2010-11 | 37,000 |
| 89 |                      | Omprakash Sah            | 2010-11 | 60,000 |
| 90 | Jaswant Singh Panwar | 2010-11                  | 43,000  |        |
| 91 | Tharali              | P.C.Joshi                | 2012-13 | 50,000 |
| 92 |                      | P.C.Joshi                | 2011-12 | 50,000 |
| 93 |                      | S.S.Negi                 | 2012-13 | 40,000 |
| 94 |                      | Prakash Joshi            | 2012-13 | 40,000 |
| 95 |                      | P.C.Joshi                | 2012-13 | 35,000 |
| 96 |                      | P.C.Joshi                | 2012-13 | 50,000 |
| 97 |                      | P.C.Joshi                | 2012-13 | 35,000 |
| 98 |                      | Prakash Joshi            | 2012-13 | 50,000 |
| 99 |                      | Prakash Joshi            | 2012-13 | 50,000 |

|     |                         |                     |                         |          |        |
|-----|-------------------------|---------------------|-------------------------|----------|--------|
| 100 |                         | P.C.Joshi           | 2012-13                 | 70,000   |        |
| 101 |                         | P.S.Rawat           | 2013-14                 | 40,000   |        |
| 102 |                         | P.S.Rawat           | 2011-12                 | 35,000   |        |
| 103 |                         | S.S.Negi            | 2011-12                 | 30,000   |        |
| 104 | Thauldhaar              | J.S.Rawat           | 2011-12                 | 50,000   |        |
| 105 |                         | J.S.Rawat           | 2011-12                 | 39,800   |        |
| 106 |                         | Shiv Prasad         | 2011-12                 | 25,000   |        |
| 107 |                         | D.P.Chamoli         | 2013-14                 | 40,000   |        |
| 108 |                         | J.S.Rawat           | 2013-14                 | 20,000   |        |
| 109 |                         | Rajendra Rana       | 2013-14                 | 40,000   |        |
| 110 |                         | Dinesh Khatri       | 2013-14                 | 20,000   |        |
| 111 |                         | Sunil Tariyal       | 2013-14                 | 20,000   |        |
| 112 |                         | Dinesh Dangwal      | 2013-14                 | 35,000   |        |
| 113 |                         | Dinesh Dangwal      | 2013-14                 | 20,000   |        |
| 114 |                         | J.S.Rawat           | 2013-14                 | 20,000   |        |
| 115 |                         | Chatur Lal Sah      | 2013-14                 | 20,000   |        |
| 116 |                         | Lokesh Arya         | 2011-12                 | 40,000   |        |
| 117 |                         | Umed Singh          | 2010-11                 | 20,000   |        |
| 118 |                         | Lokesh Arya         | 2012-13                 | 50,000   |        |
| 119 |                         | R.S.Rana            | 2013-14                 | 60,000   |        |
| 120 |                         | Vikasnagar          | Jashodhar Prasad Dobhal | 2011-12  | 45,000 |
| 121 |                         |                     | Chaman Singh Rathaur    | 2011-12  | 75,000 |
| 122 |                         |                     | Rajendra Singh Chauhan  | 2011-12  | 21,000 |
| 123 | Sheeshpal Singh Rathaur |                     | 2011-12                 | 75,000   |        |
| 124 | Sheeshpal Singh Rathaur |                     | 2011-12                 | 45,000   |        |
| 125 | Chaman Singh Rathaur    |                     | 2011-12                 | 27,000   |        |
| 126 | Asgar Ali               |                     | 2011-12                 | 27,000   |        |
| 127 | Vijay Singh Rawat       |                     | 2011-12                 | 62,000   |        |
| 128 | Asgar Ali               |                     | 2011-12                 | 26,000   |        |
| 129 | Rajendra Singh Chauhan  |                     | 2011-12                 | 30,000   |        |
| 130 | Rajendra Singh Chauhan  |                     | 2011-12                 | 30,000   |        |
| 131 | Rajendra Singh Chauhan  |                     | 2011-12                 | 28,000   |        |
| 132 | Asgar Ali               |                     | 2011-12                 | 75,000   |        |
| 133 | Rajendra Singh Chauhan  |                     | 2011-12                 | 38,000   |        |
| 134 | Vijay Singh Rawat       |                     | 2011-12                 | 35,000   |        |
| 135 | Jashodhar Prasad Dobhal |                     | 2011-12                 | 1,70,000 |        |
| 136 | Yamkeshwar              | Vineet Kumar        | 2011-12                 | 50,000   |        |
| 137 |                         | Dheeraj Singh       | 2011-12                 | 20,000   |        |
| 138 |                         | Kuldeep Saini       | 2011-12                 | 50,000   |        |
| 139 |                         | Ajay Bij            | 2012-13                 | 30,000   |        |
| 140 |                         | Sanjeev Kumar Verma | 2012-13                 | 50,000   |        |
| 141 |                         | Ajay Bijalwaan      | 2011-12                 | 30,000   |        |
| 142 |                         | Jagdish Pal         | 2011-12                 | 25,000   |        |
| 143 |                         | D.S.Bisht           | 2011-12                 | 60,000   |        |
| 144 |                         | A.P.Vaishnav        | 2011-12                 | 25,000   |        |
| 145 |                         | Ajay Bijalwaan      | 2011-12                 | 60,000   |        |
| 146 |                         | Sanjeev Kumar Verma | 2011-12                 | 1,50,000 |        |
| 147 |                         | Ajay Bijalwaan      | 2012-13                 | 40,000   |        |
| 148 |                         | Jagdish Pal         | 2011-12                 | 25,000   |        |
| 149 |                         | Sudhir Kumar        | 2011-12                 | 40,000   |        |
| 150 |                         | Jagdish Pal         | 2011-12                 | 50,000   |        |
| 151 |                         | Jagdish Pal         | 2011-12                 | 80,000   |        |
| 152 |                         | Kuldeep Saini       | 2011-12                 | 50,000   |        |

|              |  |                      |         |                  |
|--------------|--|----------------------|---------|------------------|
| <b>153</b>   |  | Rijwan Ahmad         | 2011-12 | 50,000           |
| <b>154</b>   |  | Ashish Bahuguna      | 2011-12 | 75,000           |
| <b>155</b>   |  | Ajay Bijalwaan       | 2011-12 | 40,000           |
| <b>156</b>   |  | D.S.Bisht            | 2012-13 | 30,000           |
| <b>157</b>   |  | Sukhveer Singh Rawat | 2011-12 | 25,000           |
| <b>158</b>   |  | Rijwan Ahmad         | 2011-12 | 1,30,000         |
| <b>159</b>   |  | D.S.Bisht            | 2011-12 | 40,000           |
| <b>160</b>   |  | Dheeraj Singh        | 2011-12 | 35,000           |
| <b>161</b>   |  | Dheeraj Singh        | 2011-12 | 35,000           |
| <b>162</b>   |  | Sukhveer Singh Rawat | 2011-12 | 35,000           |
| <b>163</b>   |  | Sanjeev Kumar Verma  | 2011-12 | 35,000           |
| <b>164</b>   |  | Sanjeev Kumar Verma  | 2011-12 | 35,000           |
| <b>165</b>   |  | Sanjeev Kumar Verma  | 2011-12 | 35,000           |
| <b>166</b>   |  | Sanjeev Kumar Verma  | 2011-12 | 35,000           |
| <b>Total</b> |  |                      |         | <b>71,85,714</b> |

## Appendix-2.3

(Reference: Paragraph No. 2.9; Page No.16)

## List of Contractual Staff in the ZPs

| Sl. No.                           | Name of the employee<br>(Shri/Ms.) | Post              | Amount paid from April 2012<br>to March 2014 (₹ in lakh) |
|-----------------------------------|------------------------------------|-------------------|--|
| <b>Zila Panchayat Pithoragarh</b> |                                    |                   |  |
| 1                                 | Dinesh Chandra Bhatt               | Junior Engineer   | 3.36   |
| 2                                 | Avijeet Chand                      | Junior Engineer   | 3.36   |
| 3                                 | Kamla Oli                          | Computer Operator | 1.92   |
| 4                                 | Geeta Singh                        | Peon              | 1.44   |
| 5                                 | Lalit Jyala                        | Guard             | 1.44   |
| <b>Total (A)</b>                  |                                    |                   | <b>11.52</b>   |
| <b>Zila Panchayat Champawat</b>   |                                    |                   |  |
| Sl. No.                           | Name of the employee<br>(Shri/Ms.) | Post              | Amount paid from April 2011<br>to March 2014 (₹ in lakh) |
| 1                                 | Krishnanand Joshi                  | Chowkidar         | 1.74   |
| 2                                 | Keshav Datt Bhatt                  | Chowkidar         | 1.65   |
| 3                                 | Kishan Singh Bohra                 | Chowkidar         | 0.83   |
| 4                                 | Mahesh Singh Mahrana               | Chowkidar         | 2.00   |
| 5                                 | Narendra Singh Bisht               | Junior Assistant  | 2.80   |
| 6                                 | Ramesh Chandra Chaubey             | Junior Assistant  | 2.80   |
| 7                                 | Hitesh Joshi                       | Junior Assistant  | 2.80   |
| 8                                 | Rajesh Joshi                       | Junior Assistant  | 2.80   |
| 9                                 | Jaman Singh                        | Chowkidar         | 0.83   |
| 10                                | Subhash Chandra                    | Peon              | 2.17   |
| 11                                | Mohan Chandra Bisht                | Peon              | 2.16   |
| 12                                | Nand Kishore                       | Senior Engineer   | 3.83   |
| 13                                | Prashant Verma                     | Senior Engineer   | 1.82   |
| 14                                | Jagdeesh Singh                     | Peon              | 1.70   |
| 15                                | Tulsi Prasad Bhatt                 | Tax Assistant     | 1.85   |
| 16                                | Pushkar Dutt Joshi                 | Gardener          | 0.87   |
| 17                                | Nirmal Mahar                       | Account Assistant | 1.57   |
| 18                                | Kheem Ram                          | Chowkidar         | 0.90   |
| 19                                | Nikil Kumar/Satish Kumar           | Swachchhak        | 0.27   |
| 20                                | Ashok Kumar                        | Swachchhak        | 0.03   |
| 21                                | Vishal                             | Swachchhak        | 0.03   |
| 22                                | Satish Kumar/Manoj Kumar           | Swachchhak        | 0.27   |
| 23                                | Manoj Kumar/Nitin Kumar            | Swachchhak        | 0.32   |
| 24                                | Himanshu Tiwari                    | Junior Assistant  | 1.07   |
| 25                                | Narayan Dutt                       | Gardener          | 0.59   |
| <b>Total (B)</b>                  |                                    |                   | <b>37.70</b>   |
| <b>Grand Total (A+B)</b>          |                                    |                   | <b>49.22</b>   |

**Appendix-2.4**

(Reference: Paragraph No. 2.10; Page No.17)

**Non/irregular deduction of Royalty**

| Sl. No.            | Name of Unit              | No. of executed works | Amount of royalty to be deducted | Amount deducted  | Difference       |
|--------------------|---------------------------|-----------------------|----------------------------------|------------------|------------------|
| <b>A.</b>          | <b>Zila Panchayats</b>    |                       |                                  |                  |                  |
| 1                  | Dehradun                  | 457                   | 18,46,316                        | 9,23,158         | 9,23,158         |
|                    |                           | 403                   | 5,18,996                         | 2,59,498         | 2,59,498         |
| 2                  | Haridwar                  | 4                     | 77,633                           | -                | 77,633           |
| 3                  | New Tehri                 | 28                    | 1,49,590                         | 74,795           | 74,795           |
| 4                  | Rudraprayag               | 74                    | 7,49,182                         | 3,74,591         | 3,74,591         |
|                    |                           | -                     | 13,57,920                        | 6,78,960         | 6,78,960         |
| <b>Total</b>       |                           | <b>966</b>            | <b>46,99,637</b>                 | <b>23,11,002</b> | <b>23,88,635</b> |
| <b>B.</b>          | <b>Kshetra Panchayats</b> |                       |                                  |                  |                  |
| 1                  | Agastyamuni               | 9                     | 28,106                           | 14,053           | 14,053           |
| 2                  | Bhilangana                | 10                    | 1,08,950                         | -                | 1,08,950         |
| 3                  | Jakhnidhar                | 6                     | 34,170                           | -                | 34,170           |
| 4                  | Pratapnagar               | 26                    | 2,15,608                         | 1,09,380         | 1,06,228         |
| 5                  | Tharali                   | 13                    | 65,718                           | 32,859           | 32,859           |
| <b>Total</b>       |                           | <b>64</b>             | <b>4,52,552</b>                  | <b>1,56,292</b>  | <b>2,96,260</b>  |
| <b>Grand Total</b> |                           | <b>1,030</b>          | <b>51,52,189</b>                 | <b>24,67,294</b> | <b>26,84,895</b> |

**Appendix-3.1**  
(Reference: Paragraph No. 3.4.1; Page No.19)  
**District-wise number of ULBs in Uttarakhand**

| Sl. No. | Name of district | Name of Urban Local Bodies   |
|---------|------------------|--|
| 01.     | Dehradun         | 1. Nagar Nigam, Dehradun 2.Nagar Palika Parishad, Vikas Nagar 3. Nagar Palika Parishad, Mussoorie 4. Nagar Palika Parishad, Rishikesh 5. Nagar Panchayat, Harbertpur 6. Nagar Palika Parishad, Doiwala 7. Nagar Panchayat, Selaqui   |
| 02.     | Haridwar         | 1. Nagar Nigam, Haridwar 2.Nagar Nigam, Roorkee 3.Nagar Palika Parishad, Manglaur 4. Nagar Panchayat, Jhabrera 5. Nagar Panchayat, Luxar 6. Nagar Panchayat, Landhaura 7. Nagar Panchayat, Bhagwanpur 8. Nagar Palika Parishad, Shivalik Nagar 9. Nagar Panchayat, Piran Kaliyar   |
| 03.     | Uttarkashi       | 1. Nagar Palika Parishad, Uttarkashi 2. Nagar Palika Parishad, Barkot 3. Nagar Panchayat, Gangotri 4. Nagar Panchayat, Purola 5. Nagar Panchayat, Chinyalisaur 6. Nagar Panchayat, Naugaon   |
| 04.     | Chamoli          | 1.Nagar Palika Parishad, Chamoli (Gopeshwar) 2.Nagar Palika Parishad, Joshimath 3.Nagar Panchayat, Badrinath 4.Nagar Panchayat, Nand Prayag 5. Nagar Palika Parishad, Gauchar 6. Nagar Palika Parishad, Karan Prayag 7.Nagar Panchayat, Pokhari 8. Nagar Panchayat, Gairsain 9. Nagar Panchayat, Tharali   |
| 05.     | New Tehri        | 1. Nagar Palika Parishad, New Tehri 2. Nagar Palika Parishad, Narendra Nagar 3. Nagar Panchayat, Chamba 4. Nagar Panchayat, Kirti Nagar 5. Nagar Panchayat, Devprayag 6. Nagar Palika Parishad, Munikireti 7. Nagar Panchayat, Ghansali 8. Nagar Panchayat, Gaja 9. Nagar Panchayat, Lambgaon  |
| 06.     | Rudraprayag      | 1. Nagar Palika Parishad, Rudraprayag 2. Nagar Panchayat, Kedar Nath 3. Nagar Panchayat, Agastyamuni 4. Nagar Panchayat, Ukhimath  |
| 07.     | Pauri            | 1. Nagar Palika Parishad, Pauri 2.Nagar Palika Parishad, Srinagar 3.Nagar Palika Parishad, Dugadda 4.Nagar Palika Parishad, Kotdwar 5. Nagar Panchayat, Swargashram Jaunk 6. Nagar Panchayat Satpuli   |
| 08.     | Pithoragarh      | 1. Nagar Palika Parishad, Pithoragarh 2. Nagar Palika Parishad, Dharchula 3. Nagar Panchayat, Didihat 4. Nagar Panchayat, Gangolihat 5. Nagar Panchayat Berinag 6. Nagar Panchayat Munsyari  |
| 09.     | Champawat        | 1.Nagar PalikaParishad, Tanakpur 2. Nagar PalikaParishad, Champawat 3. Nagar Panchayat, Lohaghat 4. Nagar Panchayat Banbasa  |
| 10.     | Almora           | 1. Nagar PalikaParishad, Almora 2. Nagar Panchayat, Dwarahat 3. Nagar PalikaParishad, Ranikhet-Chiniyanaula 4. Nagar Panchayat, Chaukhotiya 5. Nagar Panchayat, Bhikiyasain  |
| 11.     | Bageshwar        | 1.Nagar PalikaParishad, Bageshwar 2. Nagar PalikaParishad, Kapkot  |
| 12.     | Nainital         | 1.Nagar Nigam, Haldwani 2.Nagar PalikaParishad, Nainital 3. Nagar PalikaParishad, Ramnagar 4.Nagar Palika Parishad, Bhawali 5. Nagar Panchayat, Kaladhungi 6. Nagar Panchayat, Lalkuan 7. Nagar Panchayat, Bhimtal 8. Nagar Palika Parishad, Bindukhatta   |
| 13.     | Udhamsingh Nagar | 1.Nagar Nigam, Kashipur 2.Nagar Nigam, Rudrapur 3.Nagar PalikaParishad, Gadarpur 4.Nagar PalikaParishad, Jaspur 5.Nagar PalikaParishad, Bazpur 6.Nagar PalikaParishad, Kichha 7.Nagar PalikaParishad, Sitarganj 8.Nagar PalikaParishad, Khatima 9. Nagar Panchayat, Mahuwadabra 10. Nagar PalikaParishad, Mahwakhedaganj 11.Nagar Panchayat, Sultanpur Patti 12.Nagar Panchayat, Kelakhera 13.Nagar Panchayat, Dineshpur 14.Nagar Panchayat, Shaktigarh 15. Nagar Panchayat, Nanakmatta 16. Nagar Panchayat, Gularbhoj |

|                            |           |
|----------------------------|-----------|
| 1. Nagar Nigams:           | 06        |
| 2. Nagar Palika Parishads: | 39        |
| 3. Nagar Panchayats:       | 46        |
| <b>Total ULBs:</b>         | <b>91</b> |



**Appendix-3.2**

*(Reference: Paragraph No. 3.13; Page No.24)*

**Number of ULBs audited during the Financial Year 2014-15**

| <b>Name of the NN</b> | <b>Name of the NPP</b> | <b>Name of the NP</b> |
|-----------------------|------------------------|-----------------------|
| 1. Dehradun           | 1. New Tehri           | 1. Kaladhoongi        |
| 2. Haldwani           | 2. Rishikesh           | 2. Mahuakheraganj     |
| 3. Haridwar           | 3. Srinagar            | 3. Sultanpur Patti    |
| 4. Roorkee            |                        |                       |
| 5. Rudrapur           |                        |                       |

**Appendix-4.1**  
(Reference: Paragraph No.4.3 (b); Page No.30)  
**Outstanding Property Tax on Hotels**

| Sl. No.      | Name of Hotel             | Outstanding Amount (in ₹) |
|--------------|---------------------------|---------------------------|
| 1            | Hotel Pragati             | 1,04,125                  |
| 2            | Hotel Swiss Castle        | 1,77,000                  |
| 3            | Hotel Sweet Home          | 3,10,500                  |
| 4            | Hotel Natraj              | 1,04,125                  |
| 5            | Hotel Punjab Majesty      | 1,04,060                  |
| 6            | Hotel Vrindavan           | 1,95,585                  |
| 7            | Hotel Rajmahal            | 1,63,875                  |
| 8            | Hotel Nagpal              | 1,06,640                  |
| 9            | Hotel City Heart          | 1,78,825                  |
| 10           | K. K. Hotel               | 1,88,110                  |
| 11           | Hotel Krishna             | 3,62,270                  |
| 12           | Hotel Kaushalya Residency | 3,01,870                  |
| 13           | Hotel Vimal               | 75,275                    |
| 14           | Hotel Mid-town            | 1,64,370                  |
| 15           | Hotel Ambar               | 6,46,470                  |
| 16           | Hotel Silver Point        | 89,915                    |
| 17           | Hotel Aroma               | 3,77,700                  |
| 18           | Hotel Kanchan Tara        | 7,15,145                  |
| 19           | Hotel Era                 | 2,58,620                  |
| 20           | Hotel Neelkanth           | 1,58,915                  |
| 21           | Hotel Suvidha             | 1,18,720                  |
| 22           | Hotel Gurunanak           | 9,58,920                  |
| 23           | Hotel Crown Plaza         | 1,55,960                  |
| 24           | Hotel Madhuban            | 1,18,215                  |
| 25           | Hotel Comfort Home        | 2,79,375                  |
| 26           | Hotel Tourist Empire      | 81,000                    |
| 27           | Hotel Golden view         | 97,025                    |
| 28           | Hotel Krish               | 7,19,325                  |
| 29           | Hotel Sarthi              | 2,93,750                  |
| 30           | Hotel Rivera              | 3,98,440                  |
| 31           | Hotel Rajshree            | 3,44,565                  |
| 32           | Blue Berry                | 1,10,925                  |
| 33           | Hotel Sagar               | 1,21,850                  |
| 34           | Hotel Mani Palace         | 46,270                    |
| 35           | Hotel 24 carat            | 1,89,000                  |
| 36           | Royal Hotel               | 94,215                    |
| 37           | Hotel Siddha Palace       | 3,47,250                  |
| 38           | Ambike Restaurant         | 1,00,405                  |
| 39           | Hotel Punjabi Handi       | 82,685                    |
| 40           | Hotel Mansarovar          | 76,400                    |
| 41           | New Prince Hotel          | 44,120                    |
| 42           | Hotel G.C.S.              | 2,24,160                  |
| 43           | Hotel Radhey              | 79,445                    |
| 44           | Hotel Corbett Inn         | 6,67,740                  |
| 45           | Hotel Dolphin             | 2,08,350                  |
| 46           | Hotel Aman                | 1,16,155                  |
| 47           | Hotel Suryalok            | 2,07,795                  |
| <b>Total</b> |                           | <b>1,10,65,455</b>        |

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