

Overview

This Audit Report includes six chapters containing one review, two schematic long paras and observations of Audit on accounting procedure and financial management, revenue receipts, establishment, material management, implementation of schemes, as well as observations on the structure and finances of Panchayati Raj Institutions and Urban Local Bodies. Copies of the paragraphs were forwarded to the Government for their replies.

Panchayati Raj Institutions

1. Structure and Finance

The State Government has not devolved all the functions envisaged in the 11th Schedule of the Constitution of India. The formats for database on the finances of PRIs have not been implemented though adopted by the State Government. Neither the prescribed periodicity for constitution of SFCs, as per Constitutional provisions was maintained nor action taken by the State Government on recommendations of the belatedly constituted SFCs. Audit of 28,664 PRI units by Director Local Fund Audit was in arrears from 2005-06.

(Chapter 1)

2. Accounting Procedure and Financial Management

Twenty Town Panchayats incurred excess expenditure of ₹.125.60 crore against allotted grants during 2005-07 in violation of the departmental instructions.

(Paragraph 2.1)

Nineteen Town Panchayats did not surrendered unspent grants of ₹ 41.23 crore to the Government during the period 2005-07.

(Paragraph 2.2)

In 36 Village Panchayats of Districts Rajkot and Bharuch, the budget preparation was unrealistic as against the estimated receipts of ₹ 3.12 crore and ₹ 3.90 crore for the years 2005-06 and 2006-07 respectively actual receipts were only ₹1.25 crore and ₹1.82 crore. Similarly against Estimated expenditure of ₹ 2.87 crore and ₹ 4.02 crore for the years 2005-06 and 2006-07 respectively, in above TPs, the actual expenditure was only ₹1.35 crore and ₹1.63 crore.

(Paragraph 2.6)

Basic records and Registers of Advance, Rents, Demand and Collection, Loans, Works, Deposits, and Assets were either not maintained properly or were not at all maintained at PRIs levels, indicating serious lacuna on the part of controlling officers.

(Paragraph 2.12)

3. Review of Internal control system in DP Sabarkantha

Internal control is an independent objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organization to accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance. The Gujarat Panchayats Act (Act), 1993 and rules framed there under provide directives for internal controls for the Panchayati Raj Institutions (PRIs). The internal controls in Sabarkantha District Panchayat were found to be weak, as rules regarding various control measures were not complied with or were inadequately complied. The system could not ensure economy and effectiveness in operations, efficiency in fund management and led to weak monitoring.

Budget estimates were not prepared realistically leading to big gap between estimates and actual in income and expenditure.

(Paragraph 3.1.6.1)

Unclaimed deposits of ₹ 4.20 Crore, over three financial years, were not treated as lapsed and were not transferred to Panchayat funds.

(Paragraph 3.1.6.2)

Non-monitoring of the funds in implementation of the programmes resulted in accumulation of funds of ₹ 21.84 lakh during 2006-09.

(Paragraph 3.1.6.3)

Lack of monitoring in implementation of works by Irrigation branch resulted in delayed completion of works.

(Paragraph 3.1.7.1)

Though programmes for Inspection of Village Panchayats were framed each year, inspection was not carried out by DDO/Deputy DDOs and TDOs during the period 2006-09.

(Paragraph 3.1.8.1)

Urban Local Bodies

4. Finance and Accounts

The State Government has not devolved all the functions enlisted in the 12th Schedule of the Constitution to the ULBs. State Government adopted the formats for database on the finances of ULBs. However, the same are yet to be operationalised. Neither the prescribed periodicity for constitution of SFCs, as per Constitutional provisions, was maintained nor action taken by the State Government on recommendations of the belatedly constituted SFCs.

(Chapter 4)

5. Transaction audit findings

In Nagarpalika Amreli, 6759 bills amounting to ₹ 20.66 crore were unauthorisedly passed without obtaining signature of the Chief Officer.

(Paragraph 5.1)

Gandhidham Nagarpalika, by non-imposition of the water tax had created corresponding accumulated liability of ₹ 35.94 crore for payment to Gujarat Water Supply and Sewerage Board, Gandhinagar towards charges for supply of the water.

(Paragraph 5.2)

Nine Nagarpalikas, as of 31st March 2009 had not recovered advances amounting to ₹ 3.83 crore paid to the suppliers, contractors and their employees.

(Paragraph 5.6)

Eight Nagarpalikas could recover taxes to the extent of ₹.7.94 crore (46 per cent) against the total demand of ₹.17.10 crore.

(Paragraph 5.7)

Under a Centrally Sponsored Scheme, Integrated Development of Small and Medium Towns Nagarpalika Vapi had short credited its matching component to the extent of ₹16.80 lakh as was required under the provision of this scheme. The availability of land for the projects was not ensured leading to time and cost overrun besides loss of income to Vapi Nagarpalika.

(Paragraph 6.8.1, 6.8.2 and 6.8.3)