

OVERVIEW

This Report contains three chapters. The first chapter contains observations of audit on the accounts and finances of the Zila Parishads, Panchayat Samities and Gram Panchayats Chapter I and chapter- III contains paragraphs based on audit of financial transactions of the Panchayati Raj Institutions (PRIs). Chapter-II contains performance review an Asset Management in PRIs. A synopsis of the findings contained in the Report is presented in this overview.

There are 12 Zila Parishads, 76 Panchayat Samities and 3243 Gram Panchayats in the State. The representatives of PRIs are elected after every five years.

(Paragraph-1)

The State Government through its notification (July 1996) entrusted only 26 functions, out of 29 functions listed in the Eleventh Schedule of the Constitution relates to PRIs. The State Government had neither transferred the functionaries nor vested the PRIs with powers to administratively control the functionaries associated in implementation of the devolved functions.

(Paragraph-1.3.1.1 & 1.3.2)

The State Government had constituted (May 2006) the DPCs in all the districts, but these are functional only in two districts (Chamba and Sirmour).

(Paragraph-1.4)

The major source of funds of PRIs during 2005-06 to 2008-09 was State Government (55%) and Central Government (39%) grants. The own revenue and other revenue is meager as compared to central and state grants

(Paragraph-1.5)

The CAG has prescribed standard formats for budget and accounting system, but the Government of Himachal Pradesh has still not adopted these formats.

(Paragraph-1.6)

Comptroller and Auditor General of India conduct audit of PRIs under Technical Guidance and Support (TGS) arrangement as requested by the State Government.

(Paragraph-1.8)

An expenditure of ` 10.14 crore¹ had been incurred between 2006-09 without approval of the estimates which was irregular

(Paragraph-1.10.1)

It was observed that important registers like stock register, immovable property register, works register, muster roll register, etc., were not being maintained.

(Paragraph-1.10.2)

It was noticed that difference of ` 2.43 crore as detailed in between cash books and pass book at the close of the year 2008-09 was not reconciled by 109 PRIs.

(Paragraph-1.10.3)

The delay in release of grants to ZPs, PSs and GPs by the DPOs of the State ranged between 5 and 133 days during 2008-09. No interest was allowed by the State Government to the PRIs for delayed payment of TFC grants.

(Paragraph-1.11.3)

¹ ZPs: ` 3.44 crore and PSs ` 6.70 crore

In 13 PSs, 97 Panchayat Ghars for which ` 2.30 crore were sanctioned between 2005-09 had not been constructed as of January 2010.

(Paragaraph-2.3.3)

Zila Parishad Bhawan Shimla had not been started as of December 2009 despite ` 54 lakh were placed at the disposal of H.P.P.W.D. in June 2008.

(Paragaraph-2.3.4)

Seventy community centers constructed at a cost of ` 0.53 crore between 1998-99 and 2008-09 were being used by the public free of cost and had not augmented the income of PRIs.

(Paragaraph-2.3.5)

The Internal control system relating to assets management available in the PRIs was not effective as annual physical verification was not being done. The assets registers were either not maintained or incomplete.

(Paragaraph-2.6)

PRIs failed to maintain prescribed limit for retention of cash –in-hand.

(Paragaraph-3.1)

Twenty one GPs did not take action to recover the outstanding advances of ` 39.37 lakh.

(Paragaraph-3.2)

Funds amounting to ` 25.56 lakh earmarked for minor irrigation schemes remained un-utilised in PLAs.

(Paragaraph-3.3)

Revenue of ` 9.03 lakh remained un-realised on account of installation/renewal charges of Mobile Towers in 73 PRIs.

(Paragaraph-3.4)

Sixty GPs purchased material costing ` 2.19 crore without inviting quotations/tenders.

(Paragaraph-3.5)

Non investment of surplus funds resulted in loss of ` 6.00 Lakh.

(Paragaraph 3.6)

Loss of Revenue of ` 11.65 lakh due to non-realisation of House Tax by eighty one GPs.

(Paragaraph 3.7)

Twenty three PRIs failed to relies rent of shops amounting to ` lakh.

(Paragaraph 3.8)

Fifty six GPs incurred expenditure of ` 4.24 crore on 738 works without preparation of estimates.

(Paragaraph 3.9)

Expenditure of ` 30.00 lakh on construction of Panchayat Ghar remained unfruitful.

(Paragaraph-3.10)