

OVERVIEW

This report contains three Chapters. Chapter I has two sections, Section 'A' gives an overview of the Panchayat Raj Institution in the State and Section 'B' contains audit comments on Financial Reporting. Chapter II contains Performance Audit on Integrated Wasteland Development Programme and Chapter III contains Audit Paragraphs.

1. An overview of Panchayat Raj Institutions

Despite the provision for collection of taxes, the GPs had neither initiated any steps to identify the areas for levying taxes nor collected any revenue except for two GPs (Melli-dara and Lunchok Kamrang).

(Paragraph 1.6.1)

Absence of sound basis for transfer of funds to the PRIs by the departments constrained the PRIs to formulate any plan with certainty. Thus, the planning at the PRI level was on ad-hoc basis.

(Paragraph 1.8)

Although the State Government delineate the role and responsibilities of the each tier of PRIs by transferring 29 subjects for devolution of all the functions listed in the 11th schedule of the Constitution to the PRIs, the same was not implemented completely and only 13 subjects were transferred to PRIs.

(Paragraph 1.9)

Scrutiny of records in 46 GPs revealed that basic records and registers were not maintained properly as required under Sikkim Panchayat Rules, 2004.

(Paragraph 1.13)

Despite provision under Sikkim Panchayat Act, 1993, none of the PRIs had maintained assets registers to indicate the assets possessed by the GPs/ZPs, cost of assets, maintenance cost, etc. Annual Physical Verification of assets as required under the Financial Rules were also not carried out in any of the GPs/ZPs.

(Paragraph 1.14.4)

2. Integrated Waste Land Development Programme

The ZPs released programme fund of ₹10.66 crore belatedly to Programme Implementing Agency and Watershed Committees. The delay ranged between one and 44 months.

(Paragraph 2.2.2)

The Project Implementing Agencies (PIAs) and Watershed Committees (WCs) incurred an excess expenditure of ₹46.75 lakh towards administrative, training and on community organization. PIAs incurred an expenditure of ₹5.07 crore on treatment of 21,123 hectare land in excess of prescribed cost norms.

(Paragraph 2.2.3 & 2.2.4)

Selection of projects with preponderance to private land led to faulty selection of projects and irregular expenditure of ₹1.50 crore on its execution in excess of prescribed limit.

(Paragraph 2.3.2)

Against the target of 32,244 hectare only 21,123 hectare area (65.5 per cent) could be treated up to March 2011, despite incurring an expenditure of ₹17.74 crore.

(Paragraph 2.4.1)

SHGs were ineffective and non functional. Monthly meetings and transaction of business was never ensured by the SHGs. Loan of ₹6.40 lakh released to 64 SHGs was not recovered.

(Paragraph 2.4.3)

People's contribution as envisaged in the guidelines was not realised.

(Paragraph 2.4.5)

The size of eight (out of 10) watershed projects was inflated leading to inflated project cost by ₹9.34 crore.

(Paragraph 2.4.8)

3. Audit Paras

Unscientific approach of Rural Management & Development Department in survey and investigation and non-preparation of design as per site condition resulted in washing away of newly constructed bridge leading to loss of Government property to the tune of ₹22.50 lakh.

(Paragraph 3.1)

Improper selection of beneficiaries and inclusion of cows of low lactation resulted in non attainment of targeted production of milk and loss of public money of ₹34.56 lakh in execution of project by two ZPs (North and East).

(Paragraph 3.2)

Approach road to Horticulture Centre by diverting BRG Fund of ₹52.06 lakh was taken up on emergency basis for International florishow. The approach road was completed belatedly. As a result, the entire cost of construction was of no use during the festival.

(Paragraph 3.3)

An expenditure of ₹12.77 lakh was incurred towards imparting training to 66 beneficiaries in cutting and tailoring and bamboo crafting in three GPs. Due to faulty selection of beneficiaries none of the beneficiary trained had taken up the trade in which they were trained to earn their livelihood, resulting in wasteful expenditure of ₹12.77 lakh.

(Paragraph 3.4)

Fund (₹2.84 crore) meant for developmental works at GP level was utilized for repair and maintenance of water supply work due to non release of O&M funds despite provision in the ARWSP guidelines to utilize 10 per cent of the scheme funds for repair and maintenance of the existing projects.

(Paragraph 3.5)

ZP, East utilized ₹65 lakh from Community Development Fund to meet establishment cost by keeping the community developmental works proposed to be executed through this fund pending, resulting in diversion of fund from intended purposes.

(Paragraph 3.6)