

## CHAPTER-II

### IMPLEMENTATION OF SCHEMES IN PANCHAYATI RAJ INSTITUTIONS

#### 2.1 Twelfth Finance Commission (TFC) Awards

TFC Awards are to be utilised for repairing /rejuvenation as well as for meeting the Operation & Maintenance cost of water supply and sanitation assets taken over by the PRIs and on maintenance of accounts and creation of database. Further, as envisaged in paragraphs 6.1 and 6.4 of the guidelines for utilization of TFC grants issued by the Ministry of Finance, GoI, the State Government is mandatorily required to transfer the grants released by the GoI to PRIs within 15 days of the same being credited to the State Government accounts. In case of delayed transfer of fund to PRIs, interest at the rate equal to the RBI rate is chargeable. State Government released 3 installments of TFC grants during 2009-10 with a delay ranging from 14 to 75 days for which interest at RBI rate was released by the State Government to the PRIs.

Irregularities noticed during test check of PRIs in implementation of TFC Awards are highlighted in subsequent paragraphs.

#### 2.2 Diversion of Funds

Funds released under TFC were to be utilized on drinking water facilities, sanitation and maintenance of accounts and creation of database. Despite clear guidelines, 2 GPs utilized ₹ 1.3 lakh on construction of crematorium and improvement of public ground defeating the purpose of the scheme. Diversion of TFC grants noticed during test check of PRIs is shown in **Table 2.1** below:

**Table 2.1: Diversion of TFC grants**

Sl. No.	Name of PRI	Amount (₹)	Date of diversion	Purpose of diversions
1	Wabagai GP	50,000	28.03.2009	Construction of Crematorium at Wabgai Tera Urak
2	Leishangthem GP	80,000	01.10.2009	Improvement of Public Ground at Leishangthem Khong Manung Makha Leikham Mapa
Total		1,30,000		

This is indicative of lack of internal control mechanism in these Gram Panchayats.

### **2.3 Non-accountal of TFC grants**

In 21 GPs out of 25 GPs test-checked, no entries of the TFC grants released on 23.02.2009 (total amount of the release was ₹ 46.89 lakh) were made in the Cash Books of GPs under Community Development Block, Imphal East-II. The amount was also not reflected in the Bank Pass Books of all the test-checked 25 GPs. The reasons for non-accountal of the TFC grants were not intimated to audit.

The matter was reported to Government (September 2011). The reply is awaited (March 2012).

### **2.4 Conclusion**

Non-adherence of guidelines in utilization of TFC grants resulted in diversion of funds and expenditure on inadmissible items.

TFC grants amounting to ₹ 46.89 lakh received by GPs was not entered in the Cash Book of GPs and also not reflected in the Bank Pass Book.