

OVERVIEW

OVERVIEW

This report contains two 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 Transaction Audit Paragraphs.

1. An overview of Panchayat Raj Institutions

Despite the provision for collection of taxes under Section 39(1) and 40(1) of Sikkim Panchayat Act, 1993, the GPs had neither initiated any steps to identify the areas for levying taxes nor collected any revenue except for 28 GPs.

(Paragraph 1.6.1)

In the absence of sound basis for transfer of funds to the PRIs by the departments, the PRIs could not formulate any plan with certainty. Thus, the planning at the PRI level was on ad-hoc basis.

(Paragraph 1.8)

Although the State Government was to delineate the role and responsibilities of the each tier of PRIs by transferring 29 subjects for devolution of all the functions listed in the XIth schedule of the Constitution, the same was not implemented completely and only 15 subjects were transferred to PRIs.

(Paragraph 1.9.1)

Scrutiny of records of 59 GPs revealed that basic records and registers were not maintained properly as required under Sikkim Gram Panchayat (Financial) 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. Requirement of 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. Transaction Audit Paragraphs

District Planning Committee (East) irregularly incurred an expenditure of ₹ 36.48 lakh on distribution of poly pipe/tank and chaff-cutter to individual beneficiaries instead of undertaking community benefit activities envisaged in Backward Region Grant Fund guidelines for gap filling in local infrastructure relating to rural electrification, drinking water supply, etc.

(Paragraph 2.1)

Inaction on the part of Zilla Panchayat (East) for not initiating adequate steps to negotiate with the lowest tenderer led to extra expenditure of ₹ 19.04 lakh. Inadequate action to ensure completion of Community Centre within the stipulated date of completion led to non-accrual of intended benefits besides blocking of Government fund of ₹ 70.81 lakh.

(Paragraph 2.2)

Even after spending ₹ 47.08 lakh of TFC grants towards LAN connectivity, the project was not operationalised as of September 2012 and the intended benefit of providing LAN connectivity to the panchayats in Sikkim were not achieved.

(Paragraph 2.3)

Execution of 'Rural Water Supply Scheme at Meynam Cultural Heritage Centre' at Yangyang by Rural Management & Development Department instead of ZP (South) led to an additional expenditure of ₹ 37.06 lakh towards higher tender premium cost (₹ 30.76 lakh) and unwarranted payment towards cost of sockets (₹ 6.30 lakh).

(Paragraph 2.4)