

OVERVIEW

This report contains five Chapters. Chapter I has two sections, Section 'A' gives an overview of the Panchayat Raj Institutions in the State and Section 'B' contains audit comments on Financial Reporting. Chapter II contains Performance Audit on "Implementation of Rural Drinking Water Programmes". Chapter III and V contain Transaction Audit Paragraphs. Chapter IV has two sections, Section 'A' gives an overview of the Urban Local Bodies in the State and Section 'B' contains Financial Reporting.

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, 126 out of 176 GPs had neither initiated any steps to identify the areas for levying taxes nor collected any revenue.

(Paragraph 1.6.1)

In the absence of a 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 an ad-hoc basis.

(Paragraph 1.8)

Although the State Government was to delineate the role and responsibilities of each tier of the 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 the PRIs.

(Paragraph 1.9.1)

Scrutiny of records of 83 GPs revealed that many basic records and registers were not maintained properly as required under the Sikkim Gram Panchayat (Financial) Rules, 2004.

(Paragraph 1.13)

Despite provision under Sikkim Panchayat Act, 1993, none of the PRIs had maintained asset 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 was also not carried out in any of the GPs/ZPs.

(Paragraph 1.14.3)

2. Performance Audit on Rural Drinking Water Programmes

Out of total 2,498 habitations (Fully Covered-1,608 and Partially Covered-890), the State upgraded 262 PC to FC through execution of 608 projects out of 1,668 sanctioned projects.

(Paragraph- 2.8 and 2.12)

Comprehensive planning for rural water supply was not ensured by formulating State Specific Policy Framework, Annual Comprehensive Water Security Action Plan and Village Water Security Plan.

(Paragraph- 2.10)

There was short release of funds of ₹ 65.82 crore by GOI and belated release of funds of ₹ 27.30 crore to implementing agencies by the State Government. This short and belated release of funds affected programme implementation.

(Paragraph- 2.11.2 and 2.11.3)

The VWSC incurred an additional avoidable expenditure of ₹ 10.25 lakh towards construction of sedimentation tank.

(Paragraph- 2.12)

Absence of adequate and timely maintenance of existing water supply projects led to damage of existing pipelines, tanks, and drying up of water sources resulting in 'slip back' of habitations from 'Fully Covered' to 'Partially Covered'.

(Paragraph- 2.13)

Quality control of water was not accorded due importance as the target for testing by the water testing laboratories was not fixed, field testing kits were not kept in functional condition, water samples were found 'unfit' for human consumption in many cases etc.

(Paragraph- 2.15)

Monitoring of executing agencies was inadequate in absence of establishment of Special monitoring cell and quality assurance team was not constituted to ensure proper quality of work. Neglect of Information Education and Communication (IEC) activities, as a result of which consumers were not well aware about management of water supply systems leading to drying up of sources, en-route tapping, etc.

(Paragraph- 2.16)

3. Transaction Audit Paragraphs of PRIs

The additional guest house at Tashiding constructed at a cost of ₹ 76.72 lakh from Special Central Assistance to Tribal Sub Plan was neither utilised for the intended purpose of accommodating tourists nor did it help in promoting tribal welfare.

(Paragraph 3.1)

Due to selection of beneficiaries without reference to their keenness in the trade, absence of follow-up and monitoring by the ZP / line department, ₹ 37.64 lakh incurred towards the distribution of piglet and poultry failed to achieve the intended objectives of the programme of enhancing cattle production in the District.

(Paragraph 3.2)

The Backward Region Grant Funds of ₹ 25.75 lakh was unauthorisedly diverted towards construction of co-operative society building in violation of BRGF guidelines.

(Paragraph 3.3)

The GPs and the RMDD failed in ensuring maintenance of accounts in the prescribed new accounting format by the PAAs for which they were primarily appointed, leading to unfruitful expenditure of ₹ 2.99 crore.

(Paragraph 3.4)

4. Section “A”- An overview of the Urban Local Bodies

The revenue income showed an increasing trend except in the case of two Nagar Panchayats in the last three years.

(Paragraph 4.4.4)

All the 18 functions listed in the XIIth Schedule of the Constitution were to be transferred by the State Government to the ULBs, of which only three functions (viz. solid waste management, SJSRY and parking lots) were implemented by ULBs as of March 2013.

(Paragraph 4.6)

4. Section “B”- Financial Reporting

The Sikkim Urban Local Bodies Accounting Manual based on the National Municipal Accounting Manual (NMAM) was yet to be approved by the Government.

(Paragraph 4.9.2)

The ULBs were required to prepare their budgets. However, none of the four ULBs test checked had prepared budget till 2012-13 and expenditure was incurred without preparation and approval of the budget.

(Paragraph 4.9.3)

5. Transaction Audit Paragraphs of ULBs

The Gangtok Municipal Corporation unauthorisedly diverted ₹ 35.98 lakh from SJSRY towards administrative charges in contravention of the scheme guidelines and terms of the sanction.

(Paragraph-5.1)