

## **CHAPTER-II**

### **Compliance Audit Paragraphs Rural Local Bodies**



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### COMPLIANCE AUDIT PARAGRAPHS RURAL LOCAL BODIES

#### 2.1 Schemes implemented by the Village Councils

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and schemes under the State Finance Commission grants are being implemented by the Village Councils. The MGNREGS funds are routed through the Block Development Officers (BDOs) whereas the State Finance Commission grants are routed through the District Local Administration Officers (DLAOs). Besides, the Village Councils also collect Animal Tax from the villagers. The proceeds of the Animal Tax are shared in the ratio 50:50 between the Village Councils and the State Government.

The accounts of the 32 VCs for the year 2016-17 were test audited (November - December 2017) in three selected Rural Development Blocks<sup>1</sup> out of the 812 Village Councils (VCs) in the State. Irregularities in maintenance of accounts and records were noticed in 27 out of 32 test checked Village Councils as discussed below (details in **Appendix-2.1**):

- Details of disbursement/ Actual Payee Receipts in support of disbursement of wages under MGNREGS in seven<sup>2</sup> VCs under Reiek RD Block, Mamit District amounting to ₹ 106.50 lakh were not furnished to audit for verification.
- Out of release of ₹ 106.50 lakh for disbursement of wages in eight test checked VCs under Reiek RD Block, Mamit District, payment of ₹ 28.67 lakh in 5<sup>3</sup> VCs were not recorded in the Cash Books.
- Details of Animal Tax collection by 10<sup>4</sup> VCs were not furnished.
- In 11<sup>5</sup> cases, Bank Pass Books were either not updated or not furnished for audit check, while 4<sup>6</sup> VCs did not update their Cash Books.

Thus, due to non-maintenance of registers/ records, the risk of misappropriation of fund could not be ruled out.

1 Reiek RD Block : 8 VCs, Tlangnuam RD Block : 13 VCs and Lawngtlai RD Block : 11 VCs

2 (i) Khawrihnim, (ii) Ailawng, (iii) Kanghmun, (iv) Reiek, (v) 'W' Lungdar, (vi) Hreichuk and (vii) Lungphun

3 (i) Khawrihnim, (ii) Kanghmun, (iii) 'W' Lungdar, (iv) Hreichuk and (v) Lungphun

4 **Tlangnuam RD Block eight VCs**, (i) Samtlang, (ii) Dintar Sairang, (iii) Muthi, (iv) Lengpui, (v) Lungleng I, (vi) N. Lungleng, (vii) Sihphir Venghlun and (viii) Sairang

**Lawngtlai RD Block two VCs**: (i) L-III (Salem) and (ii) Vengpui

5 (i) Dintar Sairang, (ii) Lungleng I, (iii) College Veng, (iv) L-III (Salem), (v) Bazar Veng, (vi) Vengpui, (vii) Thingkah, (viii) Chawnhnu, (ix) Electric Veng, (x) Council Veng and (xi) Vengpui-II

6 (i) Lungleng I, (ii) Nausel, (iii) College Veng and (iv) Vengpui

## **2.2 Recommendation**

For better control and proper utilisation of fund, it is recommended that the district/ block level officers should ensure that the Village Councils maintain relevant registers, accounting records and update them regularly to ensure transparency in the accounting.