

Chapter I: Introduction

1.1 73rd Constitutional Amendment Act

Institutions of rural local self-government in the country were given a constitutional status through 73rd Constitutional Amendment Act, 1992. The Constitutional Amendment Act incorporated Part IX 'The Panchayats' and Eleventh Schedule of the Constitution. The Eleventh Schedule of the Constitution enumerated 29 functions for devolution to Panchayati Raj Institutions (PRIs) as given in **Table 1.1** below:

Table 1.1: Functions listed in the Eleventh Schedule of the Constitution

Sl. No.	Functions
1	Agriculture, including agricultural extension.
2	Land improvement, implementation of land reforms, land consolidation and soil conservation.
3	Minor irrigation, water management and watershed development.
4	Animal husbandry, dairying and poultry.
5	Fisheries.
6	Social forestry and farm forestry.
7	Minor forest produce.
8	Small scale industries, including food processing industries.
9	Khadi, village and cottage industries.
10	Rural housing.
11	Drinking water.
12	Fuel and fodder.
13	Roads, culverts, bridges, ferries, waterways and other means of communication.
14	Rural electrification, including distribution of electricity.
15	Non-conventional energy sources.
16	Poverty alleviation programme.
17	Education, including primary and secondary schools.
18	Technical training and vocational education.
19	Adult and non-formal education.
20	Libraries.
21	Cultural activities.
22	Markets and fairs.
23	Health and sanitation, including hospitals, primary health centres and dispensaries.
24	Family welfare.
25	Women and child development.
26	Social welfare, including welfare of the handicapped and mentally retarded.

Sl. No.	Functions
27	Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
28	Public distribution system.
29	Maintenance of community assets.

(Source: Eleventh Schedule of Constitution of India)

The responsibility for implementation of the Constitutional Amendment Act, via enactments and other measures for transfer of powers, functions and resources was vested with the states.

1.2 Rural profile of Goa

Goa, with an area of 3,702 sq. km. has 334 villages and habitations, organized into 12 blocks constituting two districts (North Goa and South Goa). According to Census 2011, the rural population of Goa was 5.52 lakh. Out of 334 villages, 14 were considered as part of urban agglomerations in the census.

1.3 Panchayati Raj Institutions of Goa

Article 243B of the Constitution provided for the constitution of three types of panchayats at village, intermediate and district levels, while making the constitution of intermediate panchayats optional in states with a population of less than 20 lakh.

In the State of Goa a single tier panchayat system consisting of Village Panchayats (VPs) had been constituted under the ‘Goa Daman & Diu Village Panchayat Regulations, 1962’ passed by the Parliament before Goa attained statehood. Consequent to the 73rd Constitutional Amendment Act, a two-tier PRI system comprising Village Panchayats (VPs) and Zilla Panchayats (ZPs) was established as per the Goa Panchayat Raj Act, 1994 (GPRA) passed by the State Legislature. As the population of Goa was less than 20 lakh as per the 1991 census, intermediate panchayats were not constituted. The categorization of PRIs is shown in **Table 1.2** below:

Table 1.2: Different types of PRIs in the State

Panchayati Raj Institution	Legislation	Total Number	
Zilla Panchayat	The Goa Panchayat Raj Act, 1994	02	
Village Panchayat	The Goa Panchayat Raj Act, 1994	191	36 in “A” category
			48 in “B” category
			96 in “C” category
			11 in “D” category

(Source: Information provided by Directorate of Panchayat)

There are two ZPs (North Goa Zilla Panchayat and South Goa Zilla Panchayat) and 191 VPs in Goa. The VPs are classified into four categories based on the population¹.

¹ VPs with more than 8,000 population are categorized as ‘A’, those with more than 5,000 and less than 8,000 as ‘B’, those with more than 2,000 and less than 5,000 as ‘C’ and those with population of less than 2,000 but more than 1,500 are categorized as ‘D’.

Though the minimum population for classification as 'D' category VP was 1,500 as per the GPRA, six VPs that had a population of less than 1,500 were constituted in the State. Geographical location, scarce population and sparse location of houses were cited as reasons by the Department for constitution of these VPs.

1.4 Organizational structure of Panchayati Raj Institutions

The organizational set up of PRIs in Goa is depicted in **Chart 1.1** and **Chart 1.2** below:

Chart 1.1: Elected bodies in PRIs

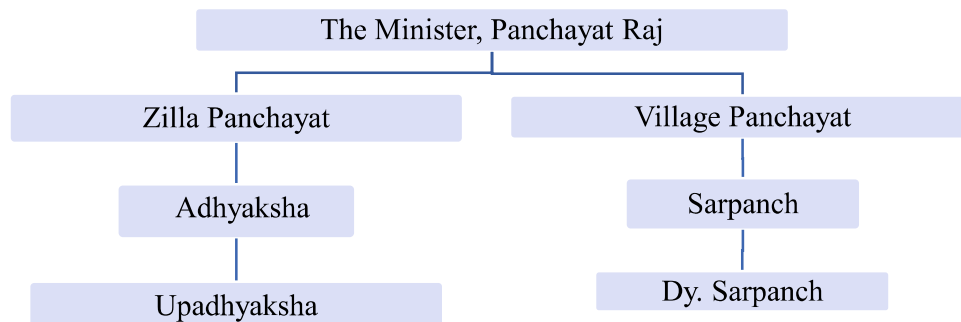
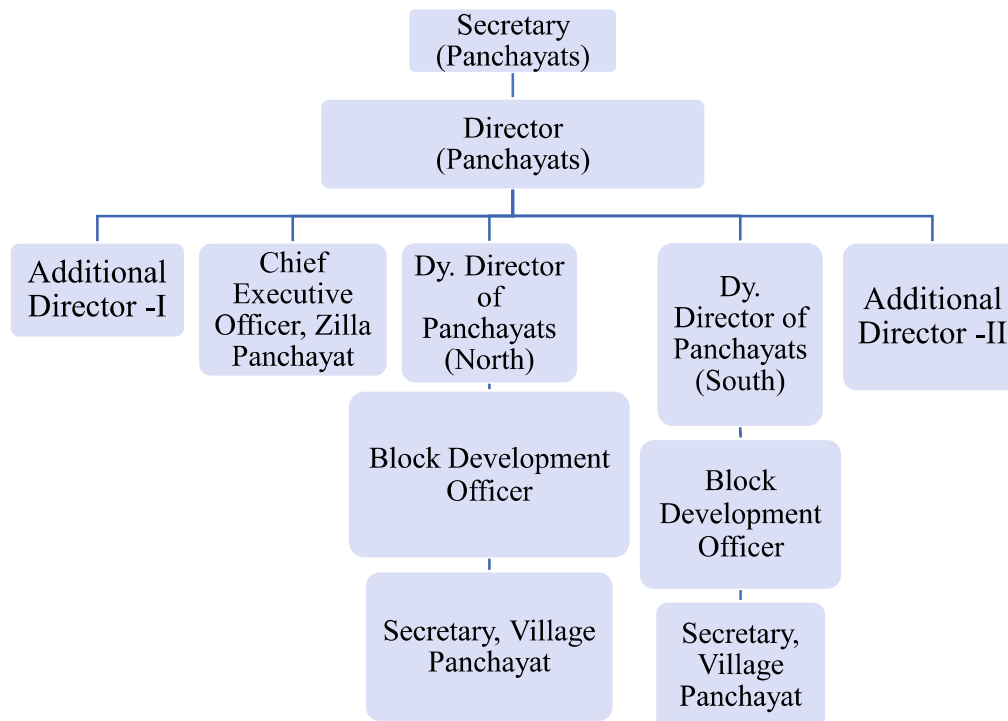


Chart 1.2: Administrative set-up in PRIs



The Secretary (Panchayats) is the administrative head of the Panchayat Department, Government of Goa. The Director of Panchayats (DoP) exercises control and supervision over the PRIs and acts as the appellate authority under the GPRA. *Sarpanchas*, who are elected, head the VPs and are assisted by Village Secretaries

appointed by the Government. *Adhyakshas*, who are elected, head the ZPs while the Chief Executive Officers (CEOs) and Chief Accounts Officers (CAOs) are appointed by the Government.

A separate Department of Rural Development was set up (February 2020) in the State headed by the Secretary, Rural Development to oversee the administration of District Rural Development Agencies (DRDAs)², which were responsible for the implementation of Central and State Government schemes in the rural sector.

1.5 Audit objectives

This performance audit was carried out with a view to ascertain whether:

- Provisions of 73rd Constitutional Amendment Act have been adequately covered in State Legislation.
- PRIs are empowered by the State Government to discharge their functions effectively through the creation of appropriate institutions/mechanisms.
- PRIs have access and powers to raise financial resources commensurate with their functions.
- PRIs have adequate powers to mobilize human resources commensurate with their functions.

1.6 Audit criteria

This performance audit is based on the following sources of criteria:

- 73rd Constitutional Amendment Act, 1992;
- The Goa Panchayat Raj Act, 1994 and Rules made thereunder;
- Central/State Finance Commission Reports;
- Bye-laws of Local Bodies;
- Central Public Works Manual;
- Orders, notifications, circulars, guidelines, *etc.* issued by State/Central Government.

1.7 Scope of audit and methodology

The Performance Audit covered the implementation of the 73rd Constitutional Amendment Act in the State of Goa over a period of five years from 2016-17 to 2020-21.

Audit methodology involved scrutiny of records, discussion with officials and analysis of data with reference to the audit criteria. Test-check of records was carried out at the Directorate of Panchayats (DoP). Stratified random sampling was used to select 16³

² Formed in 1999, the DRDAs earlier functioned under the supervision of Secretary, Rural Department.

³ Casarvornem, Assagao, Reis-Magos, Pilerne-Marra, Taleigao, Chodal Madel, Mulgao, Pissurlem, Wadi-Talaulim, Chinchinim, Colem, Sancordem, Curdi-vaddem, Xeldem, Loliem-Polem, Chicalim

VPs for detailed audit. Both the ZPs were also selected, and necessary information was collected from parastatals⁴.

An Entry Conference was held (June 2021) with the Secretary, Department of Panchayats and the audit objectives, scope and methodology of the audit were discussed. Preliminary observations were issued to the departments/bodies/authorities and discussed at an Exit Conference on 16.06.2022 with the Secretary, Department of Panchayats to obtain their views.

1.8 Acknowledgment

Audit is grateful for the co-operation of the Department of Panchayats, Rural Development Department, Finance Department and all the test-checked ZPs and VPs in providing records, information and clarifications from time to time for the smooth conduct of this audit.

1.9 Structure of the Report

Chapter II	Compliance to provisions of 73 rd Constitution Amendment Act
Chapter III	Composition and organization of PRIs
Chapter IV	Empowerment of PRIs and their functioning
Chapter V	Financial resources of PRIs
Chapter VI	Human resources in PRIs

⁴ Goa State Urban Development Agency (GSUDA), Goa State Infrastructure Development Corporation (GSIDC) and District Rural Development Agency (DRDA)