

OVERVIEW

This report includes three chapters. Chapter I deals with an overview of the Panchayati Raj Department containing the organizational set-up, accounting and auditing arrangements of PRIs and audit coverage including seven paragraphs on the comments on accounts. Chapter II comprises 21 paragraphs containing the audit findings on the financial transactions of the PRIs. Chapter III deals with the Devolution of funds, functions and functionaries to the PRIs including conclusions and recommendations. A summary of audit findings is given as under: -

Statutory audit of PRIs by the DLFA is not being done regularly and effectively. No separate committee of legislation has been constituted to examine audit reports of Local Bodies.

(Paragraph 1.7)

Inadmissible expenditure of Rs.5.65 crore under TFC grants towards construction of CC roads

(Paragraph 1.11.1)

Irregular utilisation of TFC grants of Rs.3.98 crore for payment of remuneration to the computer programmers and RWSS staff.

(Paragraph 1.11.2)

An amount of Rs.292.25 crore constituting 47.15 *per cent* of the total funds available with PRIs remain unutilized (Rs.292.25 crore).

(Paragraph 1.13.1)

Non-reconciliation of cash book and Bank balances and deficiencies in maintenance of cash book in PRIs.

(Paragraph 1.13.2 & 1.13.6)

Non-preparation of Budget Estimates, Annual Accounts and Database on finances in prescribed formats.

(Paragraph 1.13.7)

Scheme funds of Rs.4.19 crore were diverted for other purposes.

(Paragraph 2.3)

- Misappropriation of Rs.1,35,548/- by the staff of the PRIs
(Paragraph 2.4)
- Misappropriation of stock valued at Rs.60.09 lakh in PSs
(Paragraph 2.5)
- Misappropriation of food grains costing Rs.23.07 lakh in PRIs
(Paragraph 2.6)
- Undue benefit to the VLLs Rs.1.80 crore due to excess issue of food grains leading to misutilisation.
(Paragraph 2.8)
- Non-payment/Excess payment of royalty to Government.
(Paragraph 2.11 & 2.12)
- Wasteful expenditure of Rs.22.81 lakh on construction of bridge due to scarcity of funds.
(Paragraph 2.13)
- Excess expenditure on material component of Rs.1.09 crore resulted in depriving the beneficiaries of wages under NREGS
(Paragraph 2.15)
- Works involving Rs.13.54 crore remained incomplete for more than five years leading to unfruitful expenditure.
(Paragraph 2.16)
- Shopping units constructed with an expenditure of Rs 4.55 crore are lying vacant.
(Paragraph 2.17)
- Irregular utilization of Rs.47.39 lakh for transportation charges of food grains.
(Paragraph 2.18)
- Non-utilisation of food grains worth Rs.1.17 crore resulting deterioration in quality and loss
(Paragraph 2.20)

Only 21 out of 29 subjects listed in eleventh schedule were transferred to PRIs.
(Paragraph 3.5.2)

Non-Merger of DRDA with Zilla Parishad.
(Paragraph 3.5.2)

Assets not transferred to GPs
(Paragraph 3.5.4)