



OVERVIEW

The Report contains two chapters. The first chapter contains observations of Audit on the accounts and finances of the Zilla Panchayats and Taluk Panchayats and the other chapter contains four performance audit reviews and 13 paragraphs based on the audit of financial transactions of the Panchayat Raj Institutions. A synopsis of the findings contained in the performance reviews and paragraphs is presented in this overview.

1. AN OVERVIEW OF THE ACCOUNTS AND FINANCES OF ZILLA PANCHAYATS AND TALUK PANCHAYATS

During 2003-06, the allocation to Panchayat Raj Institutions formed 13 to 16 per cent of the total budget of the State.

(Paragraph 1.3.1)

Many Zilla Panchayats did not comply with the standard procedure for maintenance of accounts and there were discrepancies in adoption of opening balance leading to incorrect exhibition.

(Paragraph 1.4.2)

Despite the stipulation in the Karnataka Panchayat Raj Act and repeated comments in previous Reports of the Comptroller and Auditor General of India, delays persisted in forwarding the annual accounts of the Zilla Panchayats to the Principal Accountant General for audit.

(Paragraph 1.4.4)

The creation and maintenance of database on finances and accounts of Panchayat Raj Institutions, as stipulated under Eleventh Finance Commission was discontinued from the year 2002-03 onwards.

(Paragraph 1.6)

Drawing and Disbursing Officers of 15 Zilla Panchayats failed to submit the detailed accounts for Rs.4.71 crore drawn on Abstract Contingent bills.

(Paragraph 1.8.5)

433 cases of misappropriation/defalcation involving Rs.21.40 crore were pending at various stages in 25 Zilla Panchayats.

(Paragraph 1.10)

2. Implementation of Rural Employment Guarantee Scheme

As an important step towards realisation of the right to work and to enhance the livelihood security on a sustained basis by developing the economic and social infrastructure in rural areas, the Government of India enacted (September 2005) the National Rural Employment Guarantee Act, 2005. Correspondingly, the State Government formulated the Karnataka Rural Employment Guarantee Scheme. The objective of the scheme was to give effect to the legal guarantee of work by providing atleast 100 days of guaranteed employment to every household whose adult members volunteer to do unskilled manual labour. The implementation of the scheme suffered due to laxity of the State Government in preparatory procedures, non-distribution of job cards and non-provision of envisaged employment to the registered households, delay in payment of wages to labourers, etc. Basic documents such as Employment Register were not maintained in many of the Taluk Panchayats test-checked.

The State Government delayed notifying the scheme guaranteeing employment and constitution of the State Employment Guarantee Council. The District Perspective Plan for five years, Shelf of Projects and Labour Budgets for the year 2006-07 were not prepared in the test-checked Zilla Panchayats, as required.

(Paragraph 2.1.6)

The release of State share of funds was not uniform. Similarly, the release of funds for the implementation of the scheme was not commensurate with the job cards issued and projected expenditure on wages.

(Paragraph 2.1.7.2)

As of December 2007, the failure of District Programme Coordinator, Zilla Panchayat, Gulbarga to furnish the utilisation certificates resulted in non-release of funds by both Central and State Governments for the implementation of the scheme during 2007-08.

(Paragraph 2.1.7.3)

In the absence of Employment Registers in many of the Taluk Panchayats, it could not be vouchsafed in audit that employment was provided to the beneficiaries to the extent reported in the progress reports.

(Paragraphs 2.1.8.1 and 2.1.8.2)

There were instances of execution of inadmissible works, delay in payment of wages amounting to Rs.4.51 crore, non-adherence to list of priority works, excess expenditure on materials (Rs.1.45 crore) than admissible, irregular utilisation of machinery in execution leading to denial of employment (1.57 lakh mandays) to rural labourers, etc.

(Paragraphs 2.1.8.3 to 2.1.8.9)

The Programme Officers at the Taluk Panchayats did not maintain basic records which led to incorrect reporting of funds utilisation/ achievements. Monitoring mechanism was ineffective/ inadequate.

(Paragraphs 2.1.8.12 and 2.1.9)

3. Accelerated rural water supply programme

With the objective of providing 40 litres per capita per day of safe drinking water to all the rural habitations and ensuring sustainability of the systems and sources and also to supplement the efforts of the State Government taken up under Minimum Needs Programme, the Government of India reoriented the Accelerated Rural Water Supply Programme with a mission approach. The implementation of the programme suffered as a consolidated annual action plan was not prepared at the State level and the action plans prepared by the Zilla Panchayats were not based on critical data regarding status of habitations, schemes in operation, etc.

During 2002-07, annual action plans were not prepared at the State level and annual action plans prepared by the Zilla Panchayats were defective. The Zilla Panchayats failed to analyse the reasons for slip back of habitations. SC/ST habitations were not prioritised.

(Paragraph 2.2.6)

In the test-checked Zilla Panchayats, though the utilisation of available funds was to the extent of 98 per cent, there were instances of irregular utilisation of funds (Rs.3.62 crore) for other activities, inadmissible expenditure (Rs.66.93 lakh) and lapsing of grants (Rs.8.84 crore).

(Paragraphs 2.2.7.1 to 2.2.7.4)

Although 28024 works were executed in the State incurring an expenditure of Rs.650.02 crore, the programme was implemented without basic data such as the details of water supply schemes in operation during the years 2002-06.

(Paragraph 2.2.8.1)

The norms of Accelerated Rural Water Supply Programme were flouted in 13 Taluk Panchayats and 879 schemes were executed in excess of the admissibility.

(Paragraph 2.2.8.2)

Sachethana and Suvarnajal water supply schemes failed to achieve the objectives inspite of huge expenditure incurred on them as the quality of water supplied to habitations/schools was not potable or was not tested before supply.

(Paragraphs 2.2.8.4 and 2.2.8.5)

In the absence of proper data regarding the number of schemes/source in operation and those requiring maintenance, only eight per cent of the available funds was utilised towards operation and maintenance of the schemes in the State while in the test-checked districts, the expenditure was only six per cent of the funds released as against the stipulated 15 per cent.

(Paragraph 2.2.9)

4. Implementation of Akshara Dasoha (Mid-day Meal) Scheme

To improve enrolment and attendance, preventing drop-outs and improve the nutrition/learning level of children in schools, the Government of India launched the National Programme of Nutritional support to Primary Education in August 1995 as a centrally sponsored scheme. Integrating the centrally sponsored scheme the State Government launched (June 2002) the

Akshara Dasoha (Mid-day Meal) Scheme in seven districts of the State. The scheme was extended to the entire State in July 2003.

The funds under the scheme were not fully utilised by Zilla Panchayat. No instructions had been issued regarding the utilisation of interest of Rs.4.44 crore earned on scheme funds.

(Paragraphs 2.3.6.1 and 2.3.6.2)

The foodgrains lifted was 73 per cent of allocation and utilisation was 96 per cent of quantity lifted.

(Paragraph 2.3.7)

There was reduction in enrolment in schools covered under the scheme. There was no system to measure the relationship between Mid-day Meal scheme and its impact on enrolment, attendance, retention, dropout and learning level.

(Paragraph 2.3.8.2)

Supply of nutrients was not as per schedule adversely affecting the intention of scheme. There was no proper system to assess the status of health of children.

(Paragraphs 2.3.9.1 and 2.3.9.2)

Twenty eight percent of the sanctioned kitchen-cum-storesheds were yet to be constructed. Forty three per cent of kitchens in Zilla Panchayat, Bijapur were in dilapidated condition. An investment of Rs.97.81 lakh on appliances remained idle.

(Paragraphs 2.3.11.1 and 2.3.11.2)

5. Implementation of works, material and human resource management in selected Zilla Panchayats

During 2002-07, the functioning of the District Planning Committee in the test-checked Zilla Panchayats was ineffective as Annual District Development Plans were either not forwarded to Government or were unrealistic. There was a shortfall in collection of funds towards the District Planning Committee Fund.

(Paragraph 2.4.5)

The test-checked Zilla Panchayats lost assistance amounting to Rs.6.40 crore in respect of implementation of schemes under housing, employment and rural development during 2002-07 due to non-adherence to the conditions stipulated in the respective guidelines.

(Paragraph 2.4.6)

As of March 2007, 17 road works taken up in the test-checked Zilla Panchayats during 2002-07 under NABARD assisted Rural Infrastructure Development Fund remained incomplete rendering the investment of Rs.1.44 crore unfruitful.

(Paragraph 2.4.7)

The water supply schemes to Ramnagar village in Joida taluk taken up way back in the year 2001 by Panchayat Raj Engineering Division, Karwar remained incomplete even as of September 2007 rendering the expenditure of Rs.51.88 lakh incurred on the scheme unfruitful.

(Paragraph 2.4.9)

Construction of sixteen number of pre/post-matric hostel buildings taken up in four test-checked Zilla Panchayats remained incomplete despite investment of Rs.3.21 crore.

(Paragraph 2.4.10(a))

Failure of the District Social Welfare Officer, Tumkur to arrange adequate funds and monitor the progress of construction of Morarji Desai Residential School rendered the investment of Rs.99.50 lakh unfruitful besides cost escalation.

(Paragraph 2.4.10(b))

Surplus/obsolete stock valued at Rs.27.48 lakh were lying idle in four Panchayat Raj Engineering Divisions.

(Paragraph 2.4.11)

Large number of vacant posts in the departments under the jurisdiction of Zilla Panchayats hampered the effective implementation/completion of projects.

(Paragraph 2.4.12)

6. Draft Paragraphs

Failure of the Executive Engineer, Panchayat Raj Engineering Division, Mysore and Assistant Executive Engineer, Panchayat Raj Engineering Sub-division, Nanjangud to properly inspect the work site and prepare a realistic estimate for a hospital building at Tagadur village in Nanjangud taluk resulted in expenditure of Rs.23.02 lakh becoming unfruitful besides denial of improved health care facilities to the rural population.

(Paragraph 2.5)

Failure of the Chief Accounts Officer, Zilla Panchayat and Executive Engineer, Panchayat Raj Engineering Division, Davanagere to arrange funds in time, to obtain permission for drawing water and identify proper land for a water supply scheme to Dagainakatte and Yalodahalli in Channagiri taluk rendered the investment of Rs.70.50 lakh unfruitful.

(Paragraph 2.6)

Failure of Executive Engineers of Panchayat Raj Engineering Divisions in ensuring availability of skilled manpower for maintenance of defluoridation plants resulted in unfruitful expenditure of Rs.5.49 crore.

(Paragraph 2.9)

Failure of the Executive Engineer, Panchayat Raj Engineering Division, Bijapur in preparing a proper estimate and to test the soil condition prior to entrustment of work coupled with failure of Chief Executive Officer, Zilla Panchayat, Bijapur in providing adequate funds for a hospital building at Kalakeri village resulted in expenditure of Rs.28.35 lakh becoming unfruitful.

(Paragraph 2.11)

The injudicious decision of the District Level Committee, Chitradurga to raise seedlings in large numbers without proper assessment of demand resulted in non-distribution of seedlings in full and avoidable extra expenditure of Rs.49.95 lakh on maintenance of seedlings for another year.

(Paragraph 2.14)

Failure of the Executive Engineer, Panchayat Raj Engineering Division, Kolar to prepare a comprehensive estimate for a hostel building at Sundarapalya village and entrustment of work in disregard of the instructions of the Chief Engineer coupled with failure of the District Social Welfare Officer, Kolar in ensuring a proper site for hostel building at Tayalur village rendered the total investment of Rs.33.70 lakh unfruitful.

(Paragraph 2.15)

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