

CHAPTER-6

Conclusions and Recommendations

6.1 Budgeting and financial control

- The GPs, PSs and ZPs did not maintain the records and books prescribed in the accounting rules. This had not only resulted in loss of audit trail but came in the way of having a true and fair picture of the affairs in the PRIs.

(Paragraph 2.8)

- Maintenance of all the prescribed records and books by each and every PRI needs to be ensured by strengthening the internal controls and monitoring.

(Paragraph 2.8)

- Some of the GPs and PSs spent crores of rupees without preparation, approval and adoption of budget according to the provisions of the Budget Rules which rendered the expenditure incurred by them unauthorised. The trend should be discouraged by enforcing strict compliance of rules by the PRIs. Also, some penal measures for such irregularities may be adopted. The budgetary control mechanisms in the PRIs need to be strengthened.

(Paragraph 2.2)

6.2 Implementation of schemes

- Under wage employment and housing programmes, curtailment of Central shares due to slow utilisation or non-utilisation of funds was noticed. This resulted in deprival of the scheme benefits to the targeted beneficiaries. The absorption capacity of the PRIs at all levels needs to be augmented.

(Paragraph 5.21)

- It was also noticed that contractors were engaged in works taken up under wage employment programme by the Panchayat Samitis and Zilla Parishads in contravention of programme guidelines. This had deprived the rural poor of the wage employment benefit

as envisaged in the programme. The Panchayat Samitis and Zilla Parishads need to be prevented from incurring such unauthorised and irregular expenditure, by proper monitoring and control at the PS executive level as well as the P&RD department.

(Paragraphs 3.11 and 4.14)

6.3 Execution of works and procurement of supplies

- In a large number of cases, especially by the Panchayat Samitis, construction of market complex or community hall or other works was taken up without any specific target date of completion, without identifying source of funds and even without detailed estimates. This was in violation of accounting and finance rules. As a result, completion of the work was delayed for an unlimited period and funds remained blocked. The necessary compliance with the provisions of the relevant rules should be effectively monitored.

(Paragraphs 4.1, 4.3, 4.4, 4.5, 4.9, 4.11 and 4.25)

- In many cases, procurement of materials were not found to be need based and assessing the requirement before making the purchase was not done at all. This resulted in unnecessary locking up of funds in idle materials. Steps should be taken to do away with such unnecessary purchases made by the PRIs, by ensuring the procurement procedures.

(Paragraph 4.22)

6.4 Unadjusted advances

- Crores of rupees advanced by the ZPs were found to have been lying unadjusted beyond the prescribed period of adjustment. Advance registers did not contain the required details and adjustments were not monitored on regular basis. Laxity on the part of the ZPs in respect of timely monitoring and adjustment of advances should be viewed seriously and proper maintenance of records and adjustment for all the advances should be ensured.

(Paragraph 5.10)

6.5 Internal Audit

- To provide continuous monitoring and oversight to enable efficient programme management in PRIs, the internal audit needs to be strengthened further.

(Paragraph 2.10)

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