



O V E R V I E W

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

1. An overview of the accounts and finances of Zilla Panchayats

In spite of the stipulation in the Karnataka Panchayat Raj Act and this being pointed out by Audit, delays persisted in forwarding the annual accounts to the Principal Accountant General for audit and the delay ranged from two to more than twelve months.

(Paragraph 1.5)

During 2002-05, 'Non-Plan' expenditure was more than the 'Plan' expenditure.

(Paragraph 1.6.3)

Prescribed internal controls were rendered ineffective as reconciliation of expenditure between Controlling Officers and Zilla Panchayats was in arrears. Cases of misappropriations involving Rs.30.40 crore were pending settlement.

(Paragraphs 1.8.4 and 1.11)

In 15 Zilla Panchayats, detailed accounts for Rs.5.56 crore drawn on Abstract Contingent bills were not submitted by the Drawing and Disbursing Officers.

(Paragraph 1.9)

2. Swachha Grama Yojana

The scheme was launched without relevant data regarding the number of households in the villages and the selection of villages was improper which adversely affected the implementation of the scheme.

(Paragraphs 2.1.6.1 and 2.1.6.2)

Delay in release of funds to the Karnataka Land Army Corporation for repayment of loan resulted in additional liability of Rs.2.77 crore towards interest. There were instances of diversion of funds amounting to Rs.7.44 crore.

(Paragraphs 2.1.7.2 and 2.1.7.3)

Physical achievement of works varied from 2 to 78 per cent in the test-checked Zilla Panchayats, whereas in Zilla Panchayat, Bangalore (Rural) no work had been completed even after five years of commencement of the scheme.

(Paragraph 2.1.8.1)

The roads laid at a cost of Rs.6.87 crore in 209 villages did not conform to the specifications prescribed. The compost yards/manure pits were not shifted to outskirts of the villages, as required and there was shortfall in construction of toilets.

(Paragraphs 2.1.8.3 to 2.1.8.5)

Contrary to the guidelines, lead and lift charges aggregating Rs.42.29 lakh were paid even though locally available materials were used. No provisions were made for the maintenance of completed works in villages.

(Paragraphs 2.1.10 and 2.1.11)

3. Programme implementation, material and human resource management in selected Zilla Panchayats

Annual District Development Plans were prepared in a routine manner as Taluk Panchayats and Grama Panchayats did not forward their plan proposals for incorporation in the Annual District Development Plans. District Planning Committees were either not constituted or did not meet, as envisaged. There was shortfall in collection of funds towards District Planning Committee Fund.

(Paragraph 2.2.4.1)

In the implementation of Sampurna Grameena Rozgar Yojana during 2000-06, there were instances of denial of 18.66 lakh mandays of employment to rural poor, irregular diversion of foodgrains (Rs.1.81 crore) and execution of inadmissible works (Rs.10.10 lakh), etc.

(Paragraph 2.2.5.2)

Under Swarnajayanti Gram Swarozgar Yojana, there was irregular expenditure of Rs.33.51 lakh and subsidy of Rs.10.64 lakh was released in excess of admissible amount.

(Paragraph 2.2.5.3)

Under Chief Minister Rural Road Development Programme, the Zilla Panchayats, Mandya and Raichur transferred amount aggregating Rs.4.41 crore to Nirmithi Kendra and Karnataka Land Army Corporation, just to avoid lapse of grants and there was an inadmissible expenditure of Rs.32.71 lakh in Zilla Panchayat, Raichur.

(Paragraph 2.2.5.5)

Failure to adhere to the time schedule for completion of school sanitation project in Maddur taluk resulted in Zilla Panchayat, Mandya losing assistance amounting to Rs.1.04 crore from UNICEF during 2001-03 and in additional burden of Rs.1.52 crore to State exchequer.

(Paragraph 2.2.5.8)

Panchayat Raj Engineering Division, Raichur, executed water supply works costing Rs.1.45 crore without any approved action plans. Test-check disclosed payment of Rs.26.07 lakh on tampered vouchers, against which execution of works was doubtful.

(Paragraph 2.2.5.10)

There were large number of vacant posts in Health and Family Welfare Department of Zilla Panchayats affecting the implementation of various health programmes.

(Paragraph 2.2.7.1)

4. Implementation of Swajaldhara Programme

The State Government did not enter into a Memorandum of Understanding with the Ministry of Rural Development, Government of India or prepare a Vision Statement. As a result, the Panchayat Raj Institutions lost additional funds in the form of incentives (envisaged under the Memorandum of Understandings) and the programme was implemented in the State without any spelt out vision.

(Paragraph 2.3.7)

Delay in submission of proposals to Government of India resulted in non-receipt of funds in time. Consequently, 25 per cent of the works taken up during 2002-04 in test-checked Zilla Panchayats remained incomplete rendering the expenditure of Rupees two crore unfruitful.

(Paragraphs 2.3.8 and 2.3.9)

There was shortfall in collection of community contribution aggregating Rs.82.38 lakh in respect of 86 water supply works.

(Paragraph 2.3.10)

Quality control/monitoring mechanism was not adequate. Details of inspections conducted were not available with Zilla Panchayats and, excepting in Udupi, Core Group was not constituted in any of the Zilla Panchayats.

(Paragraph 2.3.14)

5. Audit Paragraphs

During 2003-05, 21 and 13 per cent of the works entrusted to the Karnataka Land Army Corporation and Nirmithi Kendra respectively remained incomplete rendering an expenditure of about Rs.9.07 crore unfruitful. Further, Rs.1.98 crore remained blocked as works did not commence.

(Paragraph 2.4)

There was abnormal delay (ranging from one to more than three years) in settlement of 61 cases of misappropriation involving an amount of Rs.1.72 crore and finalisation of inquiry reports in respect of 56 cases involving Rs.1.43 crore.

(Paragraph 2.5)

More than 89 per cent of the work of sinking of borewells was entrusted to private agencies in nine mechanical sub-divisions as 13 out of the 28 rigs transferred to these divisions remained idle for want of repairs and non-compatibility during 2002-05. Stock valued at Rs.88.36 lakh remained surplus/obsolete in these divisions.

(Paragraph 2.6)

Gross subversion of prescribed internal controls, involving officials at various levels of Panchayat Raj Engineering Division/Zilla Panchayat/District Treasury, Haveri, facilitated fraudulent drawal of funds aggregating Rs.96.41 lakh by preferring fictitious travelling allowance/contingent bills.

(Paragraph 2.7)

Zilla Panchayat/Zilla Panchayat Engineering Division, Koppal failed to call for tenders while taking up a work involving substantial funds and later abandoned it. Delay in entrustment of work subsequently to another agency and lack of efforts to complete the project for supply of water to Bannikoppa and other villages rendered the expenditure of Rs.11.48 crore unfruitful. Further, apart from a cost escalation of about 785 per cent, the needy rural poor were also denied safe drinking water.

(Paragraph 2.8)

Failure of the Executive Engineer, Panchayat Raj Engineering Division, Gadag to ensure availability of water and power supply before commencement resulted in water supply work to Bidarahalli and seven other villages in Mundargi taluk remaining incomplete besides rendering the investment of Rs.5.69 crore unfruitful.

(Paragraph 2.9)

Improper decision of the Zilla Panchayat, Chamarajanagar to construct a meeting hall by irregularly diverting the funds from development schemes rendered the expenditure of Rs.19.98 lakh unfruitful, besides locking up of Rs.33 lakh with the construction agency.

(Paragraph 2.11)

Adoption of defective design by Chief Engineer, Panchayat Raj Engineering Department and failure of Executive Engineer, Panchayat Raj Engineering Division, Ramnagaram in arranging timely payment of bills for construction of a hospital building at Sathanur in Kanakapura taluk resulted in execution of additional items and stoppage of work by the contractor and rendered the expenditure of Rs.96.17 lakh unfruitful.

(Paragraph 2.15)
