

## **CHAPTER - 6**

### **Conclusions and Recommendations**

#### **6.1 Budgeting and financial control**

- Substantial funds were spent by the PRIs without preparation, approval and adoption of budget according to the provisions of the Budget Rules which rendered the expenditure incurred by them unauthorised. In a large number of cases, expenditure was incurred in excess of budget provision without preparing any supplementary and revised estimates. 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 mechanism in the PRIs needs to be strengthened.

(Paragraphs 2.2 and 2.3)

- As some of the PRIs did not reconcile their balances as per cash book and pass book every month, crores of rupees were found to have remained unreconciled at the end of the year. This is also fraught with the risk of misappropriation of funds going undetected. Strict compliance with the statutory provision of monthly reconciliation should, therefore, be ensured.

(Paragraph 2.6)

#### **6.2 Implementation of schemes**

- Wrong selection of beneficiaries, loss of Central share due to under-utilisation of scheme funds, irregular engagement of contractors where the scheme did not

permit it, undue payment to contractors and wasteful and unauthorised expenditure came in the way of delivering the intended benefits to the target population. Remedial measures need to be taken in order to prevent recurrence of the above and ensure the effective implementation of the schemes.

(Paragraphs 3.1.2, 3.1.6, 3.2.6, 3.2.8, 3.2.11, 3.2.12, 3.2.13, 3.2.14, 3.2.15, 3.2.16 and 3.2.18)

### **6.3 Execution of works and procurement of supplies**

- Technical inconsistency in execution of works noticed in many cases was suggestive of misappropriation of funds. Disciplinary action needs to be taken in such cases after conducting investigations.

(Paragraphs 4.2.4, 4.3.4 and 4.4.1)

- Erroneous estimates, undue favour to contractors and incurring expenditure which was technically avoidable were some of the major factors resulting in extra expenditure in many cases. Measures should be taken to take corrective steps in this regard.

(Paragraphs 4.3.1, 4.3.2, 4.3.3, 4.3.6, 4.4.3, 4.4.4 and 4.4.5)

### **6.4 Internal Control**

- Sizeable amounts advanced by the PRIs 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 a regular basis. Laxity on the part of the PRIs in respect of timely monitoring and adjustment of advances should be viewed seriously and proper maintenance of records and adjustment of all the advances should be ensured.

(Paragraphs 5.1.1, 5.1.2 and 5.4.2)

- A large amount of funds transferred to PRI for specific purposes were found to have remained unutilised for years together. The need to institute an adequate internal control and monitoring mechanism should be urgently addressed by the P&RDD.

(Paragraph 5.2.5)

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