

# Overview

This report contains two chapters. The opening chapter contains an overview of the Panchayat Raj Institution in the state and deficiencies in the accounting procedures. Chapter 2 consists of audit observations on implementation of Sampoorna Grameen Rojgar Yojana and miscellaneous irregularities.

## 1. An overview of Panchayat Raj Institution/s

Every year the amount actually released was higher than the previous year. In absence of any information on total expenditure by PRIs out of fund received by them it was not clear whether the release of such funds were based on the absorption capacity of implementing agencies.

**(Paragraph 1.7)**

As per Eleventh Finance Commission guidelines the database for maintenance of accounts were required to be developed by the State Government (as they were primarily responsible for audit) in the format prescribed by C&AG at the District and State level to make it freely available at V-Sat. The administrative Department had neither initiated any step for audit by the State Govt. nor created any data base.

**(Paragraph 1.8).**

Due to non issue of directives from State Government regarding fixation of time schedule for implementation of recommendation of State Finance Commission the Gram Panchayats/Zilla Panchayats could not impose taxes and duties and prepare annual budget.

Even after approximately 5 years of constitution of District Planning Committee under 74<sup>th</sup> Amendment Act 1992 of constitution of India, it neither consolidated the plans prepared by the Panchayat nor prepared Draft Development Plan in all the four districts.

**(Paragraph 1.8)**

Lack of coordination between Rural Management and Development Department and Ministry of Finance, Govt. of India led to delay in release of the 1<sup>st</sup> installment of Twelfth Finance Commission grants (2005-06) by 122 days. Further, due to delay in utilization of the grants released, Government of India did not release the 2<sup>nd</sup> installment of 2005-06 and 1<sup>st</sup> and 2<sup>nd</sup> installments of 2006-07 and 2007-08 amounting to Rs. 6.50 crore, which resulted in non implementation of the envisaged development works thereby depriving the beneficiaries of intended benefits. In addition State Government fund amounting to Rs. 3.90 lakh also remained blocked.

**(Paragraph 1.12).**

## **2. Sampoorna Gramin Rojgar Yojna**

The State Government not only defaulted by delayed release of funds ranging between 30 and 180 days but persistently short released its share aggregating Rs.139.54 lakh.

**(Paragraph 6.2& 6.3)**

Inordinate and avoidable delay in remittance of fund between SRDA and SGRY cell (both Housed in the same Building in Gangtok) ranged between 8 days and 92 days, and that of SGRY Cell to ZPs and GPs ranged between 50 days and 120 days leading to delayed implementation of programme besides loss of interest of Rs. 6.75 lakh.

**(Paragraph 6.3)**

Despite prohibition in the guidelines, SGRY Cell, ZPs & G.Ps diverted Rs.58.46 lakh from scheme fund towards non permissible works, inadmissible payment of transportation charges and payment of transportation charges in excess of limit fixed by Government of India and conversely appended certificate that scheme fund had not been diverted or embezzled while claiming next installment from the Ministry.

**(Paragraph 7.3)**

A sum of Rs.271.95 lakh incurred on execution of non-infrastructure development assets, execution of work with higher specification of materials not commensurate with specific provision was inadmissible as per scheme guideline.

**(Paragraph 7.4 & 7.5)**

Action of the Department to engage private contractor for transportation of food grains instead of Sikkim Nationalized Transport (Transport Department) led not only to violation of guidelines but also involved extra payment of Rs.35.07 lakh owing to higher rate and deprival of 65.682 maydays generation.

Non Preparation of Rural standard SOR resulted in not only inflated cost but also non creation of assets worth Rs.384.35 lakh

**(Paragraph 7.5)**