

CHAPTER-6

Conclusions and Recommendations

6.1 Conclusions

6.1.1 Accounting procedures

- Some PRIs failed to depict the position of their financial affairs due to non preparation of annual accounts which is obligatory under the provisions of rules.
- Expenditure was incurred by the PRIs without preparation, approval and adoption of budget according to the provisions of the Budget Rules, rendering the expenditure unauthorised. Expenditure was also incurred in excess of budget provision without preparing any supplementary and revised estimates.
- In contravention of rules, some of the PRIs directly appropriated their own revenues after collection without depositing the same into the savings bank accounts.
- Some PRIs retained cash in excess of permissible limits.
- Most of the GPs could collect meagre portion of revenues out of their total demand.

6.1.2 Implementation of schemes

- Non preparation of annual action plan, wrong selection of beneficiaries, irregular engagement of contractors, curtailment of Central share for under-utilisation of funds, misappropriation of funds, withdrawal of money by submission of fake and fraudulent bills etc., were the major impediments in delivering the intended benefits to the target population under the Centrally Sponsored Schemes.

6.1.3 Execution of works and procurement of supplies

- Works were undertaken without identifying the source of funds, without stipulating any specific date for completion and even without detailed estimates.
- Infructuous/unfruitful expenditure on incomplete works/projects within the stipulated date resulted in blocking up of Government grants and undesirable delay in providing intended services to the beneficiaries.

6.1.4 Other issues

- Non-realisation of license fee, non-recovery of lease money and unauthorized remission of toll bar resulted in a loss of revenue in some PRIs.

- Unproductive investment resulting in financial loss, blocking up of loan /fund and accumulation of salary grants indicated lack of financial control.

6.1.5 Internal Control

- Crores of rupees remained unreconciled at the end of the year due to non-reconciliation of cash balances by some PRIs.
- True and fair view of the use of resources and assets created by PRIs could not be ascertained due to non-maintenance of vital records and registers.

6.2 Recommendations

6.2.1 Accounting procedures

Accounting procedures should be properly maintained after ensuring:

- strict compliance of rules;
- mobilization of resources by implementation of bye-laws; and
- proper budgetary control mechanism.

6.2.2 Implementation of schemes

Implementation of the schemes should be made:

- according to guidelines of the scheme and provisions of Accounts and Financial Rules;
- by regular monitoring and periodical evaluation of the scheme;
- with due care to the time schedule.

6.2.3 Execution of works and procurement of supplies

Execution of works and procurement of supplies should be made:

- in strict compliance with the extant rules; and
- lapses leading to losses, while executing the schemes or during procurement of supplies, should be identified and responsibility fixed for losses.

6.2.4 Other issues

- Loss of revenue should be minimized by proper realisation of license fee, lease money, toll bar, etc.
- Financial control should be exercised by making prudent investment and proper utilisation of loan/fund.

6.2.5 Internal Control

Internal control and monitoring mechanism should be strengthened by ensuring:


- monthly reconciliation of cash balances;
- maintenance of vital records and registers;
- periodical physical verification of stores; and
- regular internal audit.

Kolkata,
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