

## OVERVIEW

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

### **1 An overview of the accounts and finances of Zilla Panchayats and Taluk Panchayats**

*Allocation to Panchayat Raj Institutions by the State Government during 2005-08 varied from 15 to 17 per cent of the total budget of the State.*

**(Paragraph 1.3.1)**

*Despite being pointed out in earlier Audit Reports, delays persisted in forwarding annual accounts of Zilla Panchayats and Taluk Panchayats to Principal Accountant General for audit.*

**(Paragraphs 1.4.1 and 1.4.3)**

*There was steady increase in the total receipt and expenditure of Zilla Panchayats and Taluk Panchayats during 2005-08.*

**(Paragraph 1.5.1)**

*Compared with 2005-06 and 2006-07, there was sharp decline in capital expenditure during 2007-08.*

**(Paragraph 1.5.1)**

*There were delays in release of Twelfth Finance Commission grants to Panchayat Raj Institutions*

**(Paragraph 1.6.1)**

### **2 Implementation of developmental programmes and human resource management in selected departments of Zilla Panchayat, Mysore**

*Under the jurisdictional control of Zilla Panchayat, Mysore, various centrally sponsored, central plan and state/district sector developmental programmes were implemented. A review on implementation of developmental programmes and human resource management in selected departments of Zilla Panchayat, Mysore during 2004-09 revealed, inter alia, that there were instances of financial irregularities, non-achievement of intended objectives of*

*developmental programmes coupled with unfruitful outlay, avoidable cost, wasteful expenditure etc.*

*The functioning of the District Planning Committee during 2004-09 was ineffective and the Annual District Development Plans prepared were not in conformity with the Karnataka Panchayat Raj Act.*

**(Paragraph 2.1.5.1)**

*Chief Executive Officer, Zilla Panchayat, Mysore operated multiple master bank accounts in contravention of instructions issued by Government of India.*

**(Paragraph 2.1.6.2)**

*Scheme funds of Rs.2.13 crore remained unutilised depriving the beneficiaries of the intended objectives.*

**(Paragraph 2.1.6.3)**

*Pre-matric girl students were denied better hostel facilities due to operation of residential school in the hostel premises.*

**(Paragraph 2.1.7.1)**

*Laxity in implementation of Drought Prone Area Programme was noticed. None of the watershed projects taken up under Batches VI to X were completed. Moreover, preliminary activities such as survey, planning, formation of SHGs were not attempted in any of the batches.*

**(Paragraph 2.1.9.1)**

*Execution of drain works under Suvarna Gramodaya Yojana contrary to guidelines resulted in avoidable cost of Rs.71.53 lakh.*

**(Paragraph 2.1.10.1)**

*Roof top rain water harvesting structures in rural schools were not utilised for the intended purpose under Suvarnajala Scheme leading to wasteful expenditure of Rs.22.58 lakh.*

**(Paragraph 2.1.10.2)**

*Due to inadequate provision of funds, six building works taken up during 2005-08 remained incomplete resulting in unfruitful outlay of Rs.80.59 lakh.*

**(Paragraph 2.1.11.1 and 2.1.11.2)**

*Essential posts forming integral part of service delivery system in the test-checked departments were vacant.*

**(Paragraph 2.1.13)**

### 3 Swarnajayanthi Gram Swarozgar Yojana

*The Panchayat Raj Institutions under the overall supervision of Rural Development and Panchayat Raj Department, Government of Karnataka, with the active participation of village level self help groups and individual swarozgaris are implementing the self employment scheme of Swarnajayanthi Gram Swarozgar Yojana. A review on the implementation of the Scheme inter-alia revealed non-preparation of perspective plan, inadequate coverage of Scheduled Caste/Scheduled Tribe and disabled beneficiaries, denial of infrastructure, execution of ineligible works, non-imparting of training to beneficiaries, ineffective monitoring mechanism, inadequate evaluation and absence of impact assessment etc.*

*Perspective plan indicating the key activities, method of selection of eligible beneficiaries was not drawn up under the Scheme.*

**(Paragraph 2.2.6.1)**

*Non-utilisation of grant in time resulted in loss of assistance of Rs.1.99 crore.*

**(Paragraph 2.2.7.3)**

*Scheduled Caste/Scheduled Tribe and disabled beneficiaries were not adequately covered.*

**(Paragraph 2.2.8.1)**

*There were instances of advance release of subsidy (Rs.5 lakh), non-utilization and consequent return of subsidy (Rs.32 lakh).*

**(Paragraphs 2.2.8.3 and 2.2.8.4)**

*Ineligible works costing Rs.19 lakh were executed under infrastructure grant.*

**(Paragraph 2.2.8.6)**

*There was blocking up of infrastructure grants (Rs.75 lakh) and unfruitful expenditure (Rs.22 lakh) on infrastructure created.*

**(Paragraphs 2.2.8.8 and 2.2.8.9)**

*Infrastructure for training costing Rs.31 lakh was created without assessing requirements.*

**(Paragraph 2.2.8.10)**

*There was no effective monitoring mechanism and adequate evaluation. Impact assessment of the Scheme was also not done.*

**(Paragraphs 2.2.9.1 and 2.2.9.2)**

#### **4 Audit Paragraphs**

*Failure to acquire land for a water supply scheme to Gotegali and nine other villages by the Executive Engineer, Panchayat Raj Engineering Division, Karwar before commencement of work resulted in unfruitful expenditure of Rs.7.13 crore besides cost escalation and denying safe drinking water facility to the population of these villages.*

**(Paragraph 2.3)**

*Failure of internal control mechanism at Primary Health Centre, Kadugondanahalli, Bangalore (Urban) district led to fraudulent medical reimbursement of Rs. 84.17 lakh.*

**(Paragraph 2.4)**

*Failure of the Chief Executive Officer, Zilla Panchayat, Bagalkot to incorporate condition in Memorandum of Understanding on continuance of the special project on vermiculture in the event of any change in management of Non-Governmental Organisation resulted in unfruitful outlay of Rs.71.45 lakh.*

**(Paragraph 2.5)**

*Defective preparation of action plans and failure to prioritise and monitor execution of works by Executive Officer, Taluk Panchayat, Gubbi resulted in unfruitful expenditure of Rs.35.50 lakh besides creating liability of Rs.95.27 lakh and denial of drinking water facility to the rural population of Gubbi taluk for more than two years.*

**(Paragraph 2.6)**

*Irregular re-fixation of pay by Chief Executive Officer, Zilla Panchayat, Chickmagalur resulted in undue payment of salary arrears for Balawadi teachers/Aayahs of erstwhile Taluk Development Board/District Rural Development Society amounting to Rs.21.87 lakh.*

**(Paragraph 2.9)**

*Scholarship amount of Rs.17.45 lakh was fraudulently drawn on self cheques allegedly under forged signature of the Taluk Social Welfare Officer, Kolar*

**(Paragraph 2.10)**

\*\*\*\*\*