

OVERVIEW

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This report contains five Chapters. Chapter I contains an overview of functioning, accountability mechanism and financial reporting issues of Panchayati Raj Institutions in the State, Chapter II contains Performance Audit on Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Sikkim and Chapter III contains Compliance Audit Paragraphs related to PRIs. Chapter IV contains an overview of the functioning, accountability mechanism and financial reporting issues of Urban Local Bodies in the State and Chapter V contains Compliance Audit Paragraphs related to ULBs.

1. An overview of Panchayati Raj Institutions

The State Government transferred only 15 subjects to the PRIs as against 29 subjects as of March 2017.

(Paragraph-1.3.2)

District Planning Committee and Block Administrative Centres were not discharging their responsibilities adequately to provide support to PRIs in formulation of plan and strengthening the control mechanism for proper execution of schemes.

(Paragraph-1.4.1 & 1.11.3)

Social Audit although institutionalised and made functional in the State, inadequate follow-up mechanism led to redressal of only 13 per cent of issue raised and 12 per cent of recovery pointed out during 2016-17.

(Paragraph- 1.8)

While the GPs had not initiated adequate steps to collect tax revenue as mandated, the State Government had also not released full fund as stipulated by the fourth State Finance Commission causing fund constraint to the PRIs.

(Paragraph-1.12.1)

2. Performance Audit on Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in Sikkim

Rules for operation and maintenance of State Employment Guarantee fund (SEGF) was established belatedly and did not include comprehensive framework to effectively manage the financial resources, mechanism to ensure transparency, efficiency and accountability, leading to absence of robust fund management and closing balances at the year end with the DPCs on the one hand and pending liabilities on the other.

(Paragraph-2.7.1)

Annual work plan and labour budget was not drawn up realistically leading to low sanction by GoI and mismatch between projected person days and actual person days generated during 2012-17. This also led to high average cost per day per person in the State as compared to national average and other North eastern States barring Manipur.

(Paragraph-2.7.2)

The State Government had neither formulated Separate Schedule of Rates (SoR) nor initiated carefully designed Work Time and Motion Studies (WT&MS) as of March 2017 for facilitating preparation of realistic estimates for works.

(Paragraph-2.8.3.1)

The State Level Quality Monitors and Technical Resource Support Committee had not undertaken monitoring of works executed under MGNREGS during 2012-17. The outcome based monitoring was also not initiated by ADCs.

(Paragraph-2.11.1)

3. Compliance Audit Paragraphs of PRIs

Failure of the ZP (South) to initiate the work expeditiously and failure to keep a close supervision on progress of work led to reframing of estimate, reduction of length of Suspension Foot Bridge (SFB) and extra expenditure of ₹ 55.19 lakh on account of higher tender premium (₹10.90 lakh), cost escalation in civil work (₹ 37.20 lakh) and stock material (₹7.09 lakh).

(Paragraph-3.1)

State Government had not taken adequate steps to maintain the status quo with respect to Nirmal Rajya Puraskar conferred during 2010 to the State. Since, the State had already achieved the status of total sanitation, expenditure of ₹ 13.61 crore from various scheme funds (14th FC, SBM) towards construction of individual household latrine was avoidable.

(Paragraph-3.2)

The FSFC Fund of ₹ 32 lakh meant for basic services was irregularly diverted towards purchase of utensils for distribution to various societies.

(Paragraph-3.3)

Improper surveys and investigation of the area before taking up of the Rural Water Supply Project and lack of proper follow-up led to infructuous expenditure of ₹ 24.70 lakh on creating facilities which was abandoned as all the beneficiary households had shifted from the locality due to upcoming airport.

(Paragraph-3.4)

4. An overview of the Urban Local Bodies

Out of 18 functions listed in the XIIth schedule of the Constitution, only 3 functions were partially transferred by the State Government to the ULBs as of March 2017.

(Paragraph-4.3)

The State Government had not set up Property Tax Board as of March 2017 for realisation of property tax.

(Paragraph-4.10)

The revenue collection recorded an increase during 2016-17 over previous year (2015-16) in case of two Municipal Councils (Namchi and Geyzing), two Nagar Panchayats (Rangpo and Mangan) by 63.39, 27.66 and 20.31, 38.80 per cent respectively and decrease in case of Gangtok Municipal Corporation and Singtam Nagar Panchayat by 6.51 and 5.68 per cent respectively.

(Paragraph-4.14.1)

5. Compliance Audit Paragraphs of ULBs

Implementation of challenge fund by GMC was characterised by slow pace of work leading to non-completion of project, loss of ₹ 1.25 crore on second installment from GOI and deprivation of rehabilitation facilities to 51 vendors who could have been provided with vending stalls to earn their livelihood.

(Paragraph-5.1)

The GMC irregularly incurred the BSUP Funds of ₹ 1.19 crore during 2014-16 which did not help in achieving the programme objective as the identification of target area having substantial population of urban poor was not identified and perspective plan was not drawn for integrated development of target area.

(Paragraph-5.2)