

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
RAJYA SABHA
UNSTARRED QUESTION NO. 404
ANSWERED ON 06.12.2023

“NON-RELEASE OF FUNDS TO RURAL LOCAL BODIES”

404 Shri G.V.L. Narasimha Rao:

Will the Minister of *PANCHAYATI RAJ* be pleased to state:

- (a) the details of funds allocated and released under 14th Finance Commission and 15th Finance Commission for Rural Local Bodies in Andhra Pradesh, year-wise;
- (b) the reasons for not releasing funds in some years, year-wise;
- (c) whether Government has received any complaints for non-release or misuse of funds by rural local bodies;
- (d) whether Government has recently undertaken a field enquiry based on complaints received for misuse of Panchayat funds, the details thereof;
- (e) the details of findings of the field inspection or enquiry undertaken and its recommendations; and
- (f) the details of actions taken so far, if any, or actions proposed?

ANSWER

THE MINISTER OF STATE FOR PANCHAYATI RAJ

(SHRI KAPIL MORESHWAR PATIL)

- (a) & (b) Details of allocations and release of funds under 14th Finance Commission and 15th Finance Commission for Rural Local Bodies in Andhra Pradesh, year-wise and reasons for non release of full amount of allocation of funds in some year in the Annexure.
- (c) Yes, Sir.
- (d) Yes, Sir. An enquiry was conducted in five randomly selected panchayats of Andhra Pradesh namely Varagani, Edupugallu, Pedayadara, Butteyagudem and Bhogapuram.
- (e) & (f) Findings of the central team and the advice to the State Government is as follows:

- Diversion of Central Finance Commission funds for any other purpose except for the basic services is against norms and urgent restoration of diverted funds with penal interest be done.
- Panchayats do not have proper electric meters and State Government may ensure installation of smart meters in Gram Panchayats.
- Record management and book keeping practices in the Panchayats were found in a poor condition and the State has been advised to depute Panchayat Secretaries and Sarpanches urgently for training to SIRDs in this regard.
- The State has been advised to complete the constitutional formalities of the previous State Finance Commission.
- The administrative control of Gram Sachivalayam formed by the State Government of Andhra Pradesh in each panchayat may be assigned to the panchayat.

Annexure

The details of funds allocated and released under 14th Finance Commission and 15th Finance Commission for Rural Local Bodies in Andhra Pradesh, year-wise					
(Rs. in crore)					
Sl. No.	Year	Allocation	Release	Reasons for non release of full amount of allocation of funds in some year	Central Finance Commission
1	2015-16	934.34	928.41	Elections were not held in all Gram Panchayats. Hence, release was made on pro-rata basis.	14th Finance Commission
2	2016-17	1463.45	1454.05		
3	2017-18	1686.85	1675.88		
4	2018-19	1947.32	1729.23	Elections were not held in all Gram Panchayats. Moreover, MoF did not release performance grant to all States.	
5	2019-20	2622.13	2336.56		
6	2020-21	2625.00	2625.00	N.A.	15th Finance Commission
7	2021-22	1939.00	1917.85	Elections were not held in all Gram Panchayats. Hence, release was made on pro-rata basis.	
8	2022-23	2010.00	988.35	For the first tranche of 15th Finance Commission funds for 2022-23, release was made on pro rata basis for duly elected Gram Panchayats. Further recommendations are pending for want of a reply from the State Government regarding the diversion of part of its first instalment of FY 2022-23, which was not in accordance with the guidelines of the 15th Finance Commission.	
9	2023-24	2031.00	-		
10	2024-25	2152.00	-		
11	2025-26	2099.00	-		
