

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ

LOK SABHA
UNSTARRED QUESTION NO. 3741
ANSWERED ON 09.08.2018

Inflated Bills

†3741. SHRI RAM TAHAL CHOUDHARY:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether bills of expenditure of Gram Panchayat and development work are being inflated to double in Jharkhand particularly in Ranchi district, if so, the details thereof;
- (b) whether payment of such inflated bills are being made thereby misusing the allocated budget of Panchayati Raj in the country;
- (c) if so, the details thereof and the reaction of the Government thereto; and
- (d) the details of procedure and rules for effective control in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF PANCHAYATI RAJ
(SHRI PARSHOTTAM RUPALA)

(a) to (c) : Article 243J of the Constitution of India, provides that “The Legislature of a State may, by law, make provisions with respect to the maintenance of accounts by the Panchayats and the auditing of such accounts”. In this context, State Governments are bestowed the powers to make provisions with respect to maintenance of accounts by Panchayats and the auditing of such accounts.

As informed by the Government of Jharkhand, no such complaints have been received about any Panchayat in the State including those in the Ranchi District. Further, the Audit Report of Fourteenth Finance Commission (FFC) grants till the year 2016-17 for Ranchi has been received and audit team has also not brought any such matter of inflated bill into light.

It is for the State Governments to ensure proper utilization of allocated budget by Panchayat including scrutiny of bills before payment. In this context, any complaint received in the Ministry is duly dealt with the help of State Government.

(d) : Ministry of Finance (MoF) guidelines dated 8.10.2015 enjoin upon States to constitute a High Level Monitoring Committee (HLMC) headed by Chief Secretary for monitoring and concurrent evaluation of local bodies and to ensure that funds are utilized for the purpose recommended by the FFC. Under these guidelines, Ministry of Panchayati Raj (MoPR) has constituted a Coordination Committee under the Secretary, Panchayati Raj *inter alia* to guide

and support States and local bodies in the implementation of FFC recommendations, monitor progress of expenditure of grants by local bodies and suggest remedial measures.

Further, to facilitate better monitoring of the releases / sector-wise expenditure made by Gram Panchayats, from FFC grants, the Ministry has developed an online system (MIS) (www.ffconline.gov.in). States have been asked to upload data on the dashboard on regular basis. Moreover, the submission of audited account that relates to year not earlier than two years preceding the year in which Gram Panchayat claims the performance grants, is a mandatory condition for the grant under FFC. FFC grants is also subject to audit by State Government and the Comptroller and Auditor General of India (C&AG).
