

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:1242

ANSWERED ON:30.11.2012

CORRUPTION IN PRIs

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Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether the Union Government has taken note of rampant corruption prevalent in Panchayati Raj Institutions (PRIs) and not keeping of proper accounts in some States including Gujarat and Madhya Pradesh, leading to financial mismanagement;

(b) if so, the details thereof indicating number of cases of irregularities/financial mismanagement reported in the programmes implemented through PRIs, particularly in Backward Region Grant Fund (BRGF) Programme during each of the last three years and the current year, State-wise;

(c) the action taken/proposed to be taken by the Government thereon; (d) whether some of the States are also not conducting regular audit of programmes implemented through PRIs; (e) if so, the details thereof; and

(f) the remedial measures taken by the Union Government in this regard to make the PRIs free of corruption?

Answer

MINISTER OF PANCHAYATI RAJ (SHRI V. KISHORE CHANDRA DEO)

(a) to (c) & (f): Since, "Panchayat" is a State subject, complaints against Panchayats about corruption, or any financial mismanagement etc. in the utilization of funds are forwarded to the concerned State Government for taking necessary action. A list of such cases is at Annex-I.

(d) to (e): Para 4.8 of the BRGF Guidelines provide that regular physical and financial audit of the works under the scheme is required to be carried out at the end of each financial year, in each district. The audit is to be done either by Local Fund Auditors or by Chartered Accountants (CA) listed in the panel of the State Government or AGs of the State. The audit report together with action taken on the Auditor's observations is required to be submitted to the Ministry of Panchayati Raj along with the proposal for release of second installment of funds.