

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO.711
ANSWERED ON 07.02.2019

Utilisation of Funds by Panchayats

†711. SHRI SANJAY KAKA PATIL:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government proposes to make any provisions with regard to action to be taken against such Gram Panchayats which are not utilising the funds provided to them under the 14th Finance Commission;
- (b) if so, the details thereof;
- (c) whether any time limit is prescribed to utilise the said funds and if so, the details thereof; and
- (d) the details of action to be taken against the Gram Panchayat failing to utilise the said funds within the prescribed time frame?

ANSWER

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

(a)& (b) There is no such proposal. However, detailed guidelines have been issued by Ministry of Finance (MoF) dated 8.10.2015 for implementation of the Fourteenth Finance Commission (FFC) grant. The guidelines provide that expenditures are to be incurred by Gram Panchayats (GPs) for delivering basic services within the functions devolved to them under the State laws after proper plans are prepared by GPs. The guidelines also enjoin upon States to constitute a High Level Monitoring Committee (HLMC) headed by the Chief Secretary for monitoring and concurrent evaluation of local bodies and to ensure that funds are utilized for the purpose recommended by the FFC. Ministry of Panchayati Raj (MoPR) has constituted a Coordination Committee headed by Secretary, Panchayati Raj to inter-alia 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 as per the MoF Guidelines. To facilitate better monitoring of release/ capturing sector-wise expenditure made by GPs from FFC grants, MoPR has developed an online system (MIS) <https://ffconline.gov.in>.

Release and transfer of the grant is subject to audit by the Comptroller and Auditor General of India (C&AG). Further, States are also encouraged to adopt PRIASoft, an accounting software application developed by the Ministry, to facilitate tracking fund flow and monitoring expenditures by the Gram Panchayats under FFC grants.

(c) No.

(d) Does not arise in view of (c) above.
