CHAPTER - VIII

Control - Supervision

The discussion on state supervision and control involves two distinct patterns based on (1) theory of contrasting state and local government (II) theory of partnership involving a high degree of co-ordination and co-operation between the two levels of government. While the former pattern conceives the government-local-government relationship from the antithetic angle of local autonomy versus state powers, the later considers it as a form of partnership and co-operation aiming to secure the best possible and most efficient service for the people.(1) In practice, the pattern varies according to the stage of development of the nation and its local bodies.

Three different sets of values have been attached in reviewing the state-local relationship : (a) democratic, (b) administrative (c) a mix of the two. Accordingly, three approaches have emerged : (a) local government- centred approach, (b) service- centered approach, (c) a combination of the two.(2)

(a) The local government-centred approach emphasises the democratic character of the local bodies. The local bodies have freedom in the management of a scheme and service. The government control is minimum and is directed towards securing effective discharge of its responsibilities for government policy and financial management.

(b) Service centred approach places emphasis on the services of the local bodies. They are considered as agencies of the government for providing necessary public services. The government policies towards local authorities are designed and implemented in a manner that result in extensive government control over local authorities without a corresponding concern for advancing responsible local government and enhancing its democratic values.

(c) The third approach emerges out of the combination of above two approaches, focussing the democratic and the service aspects of the local bodies. It views the government and local bodies as partners in the attainment of common objective, namely public welfare, and evolve a working relationship by co-operation and co-ordination. In short, the objective is to strike a balance between (a) 'decentralization' and (b) 'efficiency and economy'.(3)

The concepts of autonomy and control constitute a continuum. Beginning of control is the end of autonomy. If the government tenders the local government services in the form of technical advice and assistance they occupy the middle ground between autonomy and control. If, however, advice and technical assistance become permanent features, it assumes the form of guidance tilting in favour of control. Local autonomy is synonymous with the freedom of a locality for self determination or local democracy. No local body enjoys unbridled freedom of action. In fact, government intervention stems out of the need for protecting larger interest. The government

is normally guided by the consideration of ensuring efficiency and control. It is under an obligations to secure uniformity of standards in all parts of the country. From the pivotal position of the government because of its superiority in regard to finance and technical know how it can also provide leadership and guidance to the local government. Four distinct roles of the government may be envisaged in the context of state local relationship ; (1) Promotive, (II) Preventive (III) Punitive and (IV) Reformative.

In the Promotive role, the relationship between the two sets of government could be compared with that of parent-child. The Government as a senior partner promotes the local interest by helping the local government grow and meet the new challenges successfully. In the Preventive role the government as the custodian of public interest tries to prevent conflict between the local activities and the national objectives and basic values of the country. The government may institute formal machinery to forestall and forewarn pitfalls. The Punitive role is the most negative role in the government-local bodies relationship. In it the local bodies are viewed as the offender and the government may choose to penalise the local government at the earliest opportunity. The Reformative effort may come both from the government or local bodies depending on the degree of autonomy enjoyed by local bodies. In this role, matters affecting their relationship, structure and functioning of the local bodies are decided through negotiations and consultations with the local bodies.

The government's role with regard to supervision control is manifested through different forms of control. They are generally categorised as institutional, administrative, technical and financial.(5)

Institutional control relates to all those statutory provisions which empower some specific agency to regulate the formation, area and jurisdiction, membership, structure and composition and thus, determine the vital component of an institution.

Administrative control and supervision refers to these powers and measures which enable the controlling agency to check and regulate the day-to-day policies and administration of local bodies.

Technical control refers to the regulation and supervision of the various plans, programmes and projects formulated and implemented by the panchayati raj institutions within their statutory functional jurisdiction. The technical agencies of the government exercise supervision and control over the panchayati raj institutions.

Financial control relates to regulation of the finances, budget accounts and audits of the panchayati raj institutions. The panchayati raj statute contained a number of provisionsregulating the financial aspect of the panchayati raj institutions and it is one of the most effective instruments of control.

The techniques adopted to exercise these controls by the state government may be divided into non-coercive and coercive.

The non-coercive techniques are indirect and less rigorous, for example, giving directions, calling for information and reports review of local action conditional grants-in-aid, whereas the latter is negative and are more drastic, such as annulment of local decisions, prior approval of local actions, action in default suspension and removal of elected members and dissolution and supersession of the council. These techniques, if exercised frequently has adverse effect undermining the confidence of people in the system of local government.(6)

In India, panchayati raj bodies are a direct projection of state government and the relationship between the two is based on the statutes created by its legislature. Those acts contain a number of mandatory as well as permissive clauses. The permissive clauses of the statutes enable the state government to frame details of procedure for implementing the mandatory provisions of the act. The purpose of government control and supervision is mainly to ensure fulfillment of policies, programmes, targets and to develop an atmosphere of mutual trust and confidence between the elected and permanent personnel in the panchayati raj institutions. However, the control-supervision of elected bodies has remained 'a highly delicate and even a ticklish task.'(7)

Different committees appointed from time to time recommended for the need to supervise the panchayati raj institutions while retaining a certain degree of control by the government like suspension of resolution, removal of office bearers and members, supersession and dissolution of these bodies. They felt that a close

supervision and control of these bodies was necessary to ensure their effective functioning and acquire the necessary strength and stability.

Various studies have shown that the pattern of control exercised by the government was comprehensive. The colonial system of control has been conserved and extended. The whole system is based on the mistrust of the representatives. They are to be watched and checked in detail and their decisions could be annulled, members discharged etc. The different forms of supervision and control as practised by state governments can be classified under two categories : (I) decentralization by mistrust, (8) and (II) as a form of safeguard against inefficiency and abuse. Distrust and paternalistic attitude defeat the very purpose of democracy, but unfortunately it is in evidence in India while control geared to the objectives of efficiency and service is relatively underdeveloped (9).

After reviewing the general pattern of supervision and control over panchayati raj institution, in the following section, an attempt would be made to examine it in the context of Sikkim's block panchayat, highlighting the forms and techniques prescribed in the Act and as exercised by state government.

Sections 17-19 and 21 of the 1965 Act dealt with the control and supervision of block panchayats. Section 17 provided "The Chief Secretary, Secretary Panchayat and such other officers as may be empowered by the Government in this behalf shall have general

power of inspection, supervision and control over the performance of the administrative duties of a block panchayat. According to Section 13 'the District Officer may by order, in writing on his own initiative or on information received, suspend or prohibit the execution of any resolution of any block panchayat or of any order or notice issued by it, or its president or cancel such order notice or resolution and may prohibit the doing of any act which is about to be done in pursuance of under cover of this Act, order, notice or resolution, is manifestly perverse or ultra-vires or execution of such order, notice act or resolution is likely to cause obstruction, injury or annoyance to the public or danger to human, life, health or safety or is likely to lead to a riot or an affray or is otherwise against the public interest". Section 19 provides "if the government is of opinion that a block panchayat persistently makes default in the performance of the duties imposed upon it by or under this Act and any other Regulation or Act or abuses its power, they may after giving sufficient opportunity to show cause to contrary by and order in writing specifying the reason for so doing dissolve or supersede for such time not exceeding one year the panchayt concerned." Section 21 bestowed upon the government the power to frame rules : "(1) with reference to all matters expressly or by implication, required or allowed by this Act to be prescribed; (2) prescribing how to decide disputes relating to election under the Act and the procedure to be followed and powers to be exercised by such authorities in making enquires into such disputes, (3) regulating the establishment of the block panchayat; (4) regulating the preparation of electoral rolls

and the election of members of block panchayat and office bearers of the block panchayat; (5) prescribing Financial Rules; (6) any other matter relevant to the Act."

Thus under the provisions of the act the state government wields extensive power with regard to the supervision and control of the block panchayat. In the following section an analysis and operational aspect of these provisions have been presented. For this purpose the different patternsof supervision and control, (institutional, administrative, technical and financial) and the techniques adopted would be studied.

A) Institutional control:

The ultimate authority for exercising this control is government i.e. the executive wing of the state government. The main purpose of institutional control is to ensure that the panchayati raj institutions do not violate and vitiate the spirit and letter of the law that has created them. It also serves a positive purpose in so far as a comprehensive web of control is weaved into the panchayati raj legislation to ensure that institutional performance of panchayati raj system conforms to certain norms and standards of operation and maintain the minimum vitality and viability required for the continued survival of any institutional structure which is subjected to constant wear and tear internal as well as external stresses and strains. (10)

The media of institutional control include the power of state government to determine the area and jurisdiction, strength, composition and mode of election, functional schedule, strength, salary and service condition of panchayati raj staff, inter-institutional disputes and conflicts, record, paper and properties of panchayati raj institutions.

The block panchayat being an off-spring of the 1956 Act enacted by the state legislature, its territorial jurisdiction was subject to the change, modification by the state government and its agencies. Under section 3 of the Act, the state government reserved the right to declare any area to be a block subha area. This vested comprehensive powers in the state government to delimit and demarcate the area of the panchayats. At the inception, the state government determined the area and jurisdiction of different block panchayat, and inspite of repeated demand by a number of block panchayats under study for demarcating and delimiting the area, no positive step had been taken towards this direction* Regarding the strength, composition of the block panchayat the degree of control was minimum as the act had clearly laid down their size and composition. However, the act vested with the government the power to determine mode of election [(21.2 (IV)] and make rules prescribing how to decide disputes relating to election and the procedure to be

* This was reported to the researcher by respondents in different panchayats during the field investigation, and by the panchayat officials during informal interview with them.

followed and powers to be exercised by such authorities in making enquiries into such disputes (21.2 II). But this power of state government had hardly been exercised. No election disputes were reported since its inception. A few of the disputes* which were raised by individual members regarding their position were petty and settled amicably by the district officials.

The functional sphere of block panchayat had been specified in the act. The list provided, inter-alia the power of district officer to introduce new areas of functions for full utilization of man power resources for rural areas and other such matter (Sec. 1/I.P.). On the operational side, this provision has had far reaching implication. As a result of this provision the block panchayat wanted to undertake only those schemes which the district officials wanted them to do. This had virtually reduced them to an agent of government and eroded their initiative and involvement in the work. Despite the long list of functions prescribed for the panchayats, quite often, the district officer had directed the panchayat to undertake or cancell certain schemes.

Another media of institutional control, the power of state government to determine strength and salary and service of

* For example, the case of Kantok - Dikling block panchayat one elected member who aspired to become president of the block panchayat but was not elected to the post, stayed away from the swearing-in-ceremony of the members and office-bearers, on the ground that the election of president was not conducted in the proper manner. However, when he was officially asked to explain his stand regarding the 'proper manner of election' - he denied having alleged such thing and insisted on being excused for his absence during the ceremony stating his ignorance of the date of ceremony as he had gone to Gangtok at that time.

panchayat personnel was not applicable in case of Sikkim, as the block panchayat did not have any official attached to it. So was the control over inter-institutional disputes. The non-hierarchical panchayat institutions never gave scope for horizontal conflict while the vertical institutional conflicts were rare and ~~xxxxxxx~~ too minor to draw government's attention. It was found that the disputes related mainly to the location of development schemes, to the question of 'who gets what'. Generally, these disputes were settled by the district officials on the basis of technical and administrative necessity and feasibility.

Control over papers, records and properties:

Government exercises this control to enable the government to keep a watch on the internal affairs of the panchayati raj institutions. The main device for this type of control are (a) power of the government and its functionaries to call for any record or documents including authenticated copies of minutes etc.; (2) power of the government appointed as well as statutorily specified officials to enter and inspect the office and other official premises and properties; (c) power to authorise specific categories of officials to attend meetings and participate in deliberations and (d) power to call for statement and periodical reports on prescribed proforma including and annual administration report.(10)

The 1966 Act had stipulated [redacted] state government's power for (1) entry and inspection and (II) to call for periodical reports and statements. The Act empowered the government officials like the Chief Secretary, Secretary Panchayat Department or other officer as may be empowered by government to inspect the record document and work progress. Besides, the block panchayat should send copies of the proceedings of all meetings of the block panchayat to the district officer or call for the periodical report and statements from the panchayats. However, these had been undertaken by both the block panchayats and district officers in a routine manner and rarely as a device of control. Generally the devices of institutional control is adopted for maintaining administrative technical and financial control and supervision over the panchayati raj institution. The 1966 Act did not leave much scope for the exercise of institutional control, and the government seldom took initiative in establishing this control except in the sphere of functions.

b) Administrative control:

The objective of administrative control is to prevent the implementation of certain policies and decisions if they run counter to the basic goals and purposes of the institution concerned. The common techniques for this control are (1) supersession or dissolution (2) cancellation or suspension of resolutions (3) removal of office bearers and members (4) enforcement of no confidence motions (5) issuance of general directives (6) prescription of forms,

formalities and procedural norms (7) compulsive performance of duties in case of persistent default and (8) inspections and enquiries.(11)

Supersession and Dissolution:

The 1965 Act under section 19 provided 'If the government is of opinion that a block panchayat persistently makes default in the performance of duties imposed upon it by or under this Act or any other Regulation or Act or abuses its power they may, after giving sufficient opportunity to show cause to contrary by an order in writing specifying the reason for so doing, dissolve or supersede for such time not exceeding one year the panchayat concerned.' This provision, however, had hardly been exercised. Not a single panchayat had been dissolved or superseded. The officials conceded that they would not want to disable any block panchayat except in cases of defalcation and misuse of power which fortunately, seemed to be rare. Dissolution and supersession have two reasons - incompetence of performing duties or abuse of power. Though the officials interviewed admitted of alleged incompetence of block panchayat to perform duties no step had been taken to energise these bodies. The apathy of the officials for not taking appropriate actions speaks ineffective administrative supervision. The Sikkim Panchayat Act stipulated that the district officer may, on his own initiative or on information received

(a) suspend or prohibit the execution of any resolution of any block panchayat, or any order or notice issued by

it or its president; or

(b) cancell such order, notice or resolution and may prohibit the doing of any act which is about to be done in pursuance as under the cover of this Act; if for reasons recorded by the said officer,

(1) such act, order notice or resolution is manifestly perverse or ultra vires; or

(2) execution of such order, notice act or resolution is likely to cause obstruction, injury or annoyance to the public or danger to human life, health or safety or is likely to lead to a riot or an affray or is otherwise against the public interest.

From the above, it is abundantly clear that the district officer is competent to cancell or suspend resolution and prohibit the execution of any act by the block panchayat, which is perverse or ultra vires, and also determine the various situations like annoyance to public and danger to human life, health etc.

However, no resolution had so far been cancelled or suspended. This was chiefly due to the nature of decisions taken by the block panchayat rather than the government's commitment to the path of least-interference in panchayat's working; the decisions of panchayat mainly related to the adjudication of quarrels and location of developmental schemes.

Removal of office bearers and members:

The main purpose of providing for the removal of members and office bearer, from the panchayat raj institution is to enable the controlling authority to take adequate disciplinary action against an individual who refuses to abide by the laws and rules governing the panchayati raj system. The power of removal is thus, different from the power of dissolution in so far as it is directed against a single individual while the later is meant to be used against the institution itself.

The 1965 Act did not have any provision for the removal of office bearersor members. Thus cases of removal of office bearer or member were very rare. During the field investigation no case of removal of office bearers or members was reported, though a case of Yangthan block panchayat reached almost to a point of removing a member. The secretary of Yangthang block panchayat otherwise an active man was allegedly misappropriating the panchayat fund and using his official position to further his personal interest especially in terms of granting contracts for implementation of developmental schemes to his family members. The 1965 Act under section 10 (f) disqualified a member if he held any contract under the panchayat of which he was a member. It however, did not include his family members. The case of Yangthan was that the contracts were granted to his sons and relatives which,though statutorily not wrong, was done disregarding the claims of other persons, for his personal gain.

In this case the district officials acted on the basis of popular representation made to him. The official enquiry conducted by the District Panchayat Officer himself established the charge. Instead of removing the secretary, however, a warning was issued to him after he was given a chance to explain his deeds. In the case of Kartok - Dikling block panchayat the secretary was accused of defalcation, and the members had made a number of representation to the district office for his removal, no action had been taken.

These two incidents proved that though there was no statutory provision for the removal of office bearers and members, in extreme cases, where the misuse of powers, misconduct and defalcation were proved, the district panchayat officer with the concurrence of state government exercises the power to remove, or replace or issue warnings to such erring members. But as has been seen, this provision had been used sparingly and judiciously.

Inspection:

Another important device of administrative control is inspection. Inspection is a common media of all four forms of control i.e. institutional, administrative, technical and financial. For a clear understanding inspection may be classified into Regular and Casual inspections. Regular inspections are done in fixed schedule and are comprehensive, whereas casual inspections are undertaken when the district officials think it necessary and without prior notice.

Section 17 of the 1985 Act provided that the Chief Secretary, Secretary Panchayat and such other officer as might be empowered by the government in this behalf would have general power of inspections, supervision and control over the performance of the administrative duties of a block panchayat. In practice, however, district panchayat officer, panchayat inspector or supervisor were responsible for undertaking periodic inspection of the panchayat. The nature of the inspection by the district panchayat officer was of casual type. The district panchayat officer would visit different areas, whenever he felt necessary. The purposes of these visits if summed up were mainly (a) to inspect the general working of the block panchayat; (b) to ascertain the claim of the panchayat for developmental schemes; (c) to defuse any deadlock arising out of a conflict between block sabha and block panchayat or among the members of block panchayat; or (d) to conduct an enquiry regarding the allegation made against any member or block panchayat.* The district officer during such inspections met the president of the block panchayat and other members, examined-their working, demanded its recorded resolutions, and rendered advices whenever necessary. Respondents agreed that these visits had proved fruitful as this gave them a chance to ventilate their grievances to the higher authority and learn new things from them. The panchayat inspector or supervisor visited the area once a year. It was more of a nature of regular inspection and was undertaken mainly to enquire into different complaints and check their expenditure. The visit

* Based on inerviews with the District Panchayat Officers, Panchayat Inspectors and Supervisors. Formal specification regarding the purposes of inspection was not available.

of the district panchayat officer ranged between thrice and once annually depending on the situation and proximity of the area. The number of inspections of the district panchayat officer and inspector or supervision to the block panchayats under study, as provided by respondent were as follows:-

Table - 35

Frequency of inspection by the district officers/inspectors/supervisors.

District	Thrice	Twice	Once	Not at all	Total
North	-	1 (11.11)	6 (66.66)	2 (22.22)	= 9 (100.0)
South	2 (6.66)	12 (40.0)	10 (33.33)	6 (20.0)	= 30 (100.0)
East	-	1 (3.12)	17 (53.12)	14 (43.75)	= 32 (100.0)
West	1 (3.70)	1 (3.70)	15 (55.55)	10 (37.03)	= 27 (100.0)
Total	3 (3.06)	15 (15.30)	48 (48.97)	32 (32.65)	= 98 (100.0)

From the above table it is evident that in majority of panchayats inspection was done once annually except in the South district where 40% of the respondents maintained that their panchayats were visited at least twice annually; 42.75% of the

respondents in the East district complained that their panchayats were never visited by the officers and 37.03% of the respondents in the West district had the same complaint to make. Main reasons for this failure on the part of the officers could be (1) accessibility of the panchayats and (II) character of the officer concerned. It was found that most of the panchayat in remote areas complained of rare supervision and inspection from the officials. Consequently, the efficiency of these panchayats suffered; the members grouping in the darkness for lack of guidance. Besides, the officers motivated towards rural development and with the rural background were found to be doing meritorious work by providing guidance to the members. These visits were highly acclaimed by the members. To the question 'do you think that these inspection would enable you to communicate your problems to the government' the responses recorded in different districts were as follows:-

Table - 36

Inspections as a means of communicating problem to the government.

District	Yes	No	Total
North	6 (66.66)	3 (33.33)	= 9 (100.0)
South	28 (93.33)	2 (6.66)	= 30 (100.0)
East	20 (62.5)	12 (37.5)	= 32 (100.0)
West	24 (7.40)	3 (11.11)	= 27 (100.0)
Total	78 (79.59)	20 (20.40)	98 (100.0)

However 20 respondents were skeptic about these inspections. They considered these inspections as routine matter and the promises of inspectors/supervisors to communicate their problems to the higher authority as useless. Inspection by the District Officer was preferred. The District Officer being in charge of development activities in the district was in a better position to give them a clear picture and quite often accepted or rejected the demands straight away. From administrative point of view inspection is prescribed as a means of control; but the block panchayats viewed it as a process of ventillating their grievance and a tool for guidance.

There are other methods of administrative controls, viz., issuance of general directive, prescription of forms, formalities and procedural norms, compulsive performance of duties in case of persistent default. Provisions for these devices were not to be found in the Act, nor were these powers exercised by the state government. Hence no discussion has been taken up on them.

c) Financial control:

Of the four forms of control, financial control have been considered the most effective one. It extends over both income and expenditure of panchayati raj institutions and its pattern is provided in the statutes itself, which includes both mandatory and permissive clauses. Besides the traditional media of control like budgeting, accounting and auditing, at present, emergence of grants-in-aid as a necessary part of local self

government has brought with it a number of financial strings. The general techniques of this control are (1) Regulations in regard to income from various sources including taxes ; (2) Regulations concerning Banking arrangements for panchayati raj funds including control over deposits and withdrawals; (3) prescription of budgetary principles and procedures; (4) Determination of the modes and procedures for maintenance of accounts and audit.(12)

Under the 1965 Act, the state government derived the power of financial control and supervision over the block panchayats chiefly under mandatory clauses. The provisions for financial control and supervision though not an extensive one was significant insofar as it could make the block panchayat inactive, or swing as per its tune. In the following section an attempt would be made to study the nature of financial control-supervision over block panchayat by evaluating the different techniques adopted by the state government.

(1) Regulation of Income :

Sections 13 and 14 of 1965 Act dealt with the regulation of income of block panchayat by the government, While Section 13 made 'satisfactory discharge of function to be determined by government' a precondition for the creation of panchayat fund, Section 14 dealt with the sources of finance. The panchayat fund consisted of the entire local rate (house tax) (Sec. 14a); a share to be determined by the government out of a share representing 10%

of the land revenue which would be specifically allowed for this purpose (14b); a matching grant by the government for an original scheme for which public contributions had been collected (14c); sanitation and water cess (14d). An analysis of above provisions showed that finance of block panchayat were scanty and virtually attached to the apron-string of government purse. The phrase 'on satisfactory discharge of its duties and functions' empowered the government to determine the flow of panchayat fund according to its performance. During the initial period the district officials used to issue warnings to the erring panchayats with a view to reforming them. However, in the later stages when granting of panchayat fund became a routine matter, this provision lost its efficacy. For example, the panchayat funds were withheld in cases of Kartok - Dikling, Pakyong - Rsalumthang (for 1979-'82) in the East district, Gumpa - Gurpisay, Gagong - Satam (1980-'82) in the South district, Phodong - Tumlong in the North district, Zoom, Yoksom, Singling (1979-'82) in the West district, mainly on the ground of improper account maintenance and utilising more than sanctioned amount. This provision, however, proved to be counter productive and instead of reforming them, they became indolent in the absence of fund.

The tax revenue of panchayat consisted of water and sanitation cess at a rate prescribed by the government. But this source remained untapped. The entire income of panchayat consisted of a share of house tax and land revenue, the percentage

of share to be determined by the government. At present, the government gave the entire collection of house tax, collected @ of Re. 1/- per house and 10% of the land revenue to the block panchayats.

The idea of a matching grant was to encourage the popular participation and popular involvement in their developmental work. Initially the government used to give matching grant for any original scheme for which public contributions were collected. But with the establishment of Panchayat and Rural Works Department, all the developmental programmes were undertaken by this department with its resources. Hence, no panchayat was given matching grant later on.

From the above study, it could be deduced that the provisions relating to sources of finance reduced the local autonomy to a mockery. State government had been given wide powers to regulate the finance of panchayats. The usual bureaucratic red-tapism vitiate the creation of panchayat fund* and little wonder that most of the panchayats were found limping due to paucity of fund, and functioning as an agent of government.

Provisions regarding Regulations concerning banking arrangements for panchayati raj fund including control over deposits

* In some cases, the panchayat fund were not disbursed on time, and the fund went on accumulating unused, whereas in some other cases, the money were spent by the members on personal works which the officials failed to detect. (Letter of Secretary, Panchayat and Rural Works Department, Memo. No. 2095-2098(8)P. dt. 15.10.74 to the Deputy Development Officers of all four districts.)

and withdrawals, was found to be absent in Sikkim, as the panchayat fund released by the government was kept usually by the concerned panchayat and president or secretary, had the freedom to utilise the money in any way within the prescribed limit of government.

Budget:

One of the effective devices of financial control is budgeting i.e. regulation of the form and time schedule of the formulation and approval of the annual budget estimates of income and expenditure. Section 15 of the 1965 Act provided "A block panchayat which has been provided with a panchayat fund shall, at such time and in such form as may be prescribed prepare and submit a budget showing the probable estimate of receipt, expenditure, the purpose to incur expenditure and may, from time to time, furnish a supplementary estimate providing any modification which it may seem advisable to make in the distribution of the amount to be raised and expended in each financial year, to the District Panchayat Officer." Thus it is the government's discretion to determine the time and form of preparing and submitting the budget. While in other parts of the country, the block panchayat institutions prepare the budget with the guidance from the officials (extension officers, panchayat inspectors), in Sikkim block panchayats were made solely responsible for it, without the guidance of officials.

During the field investigation it was found that budget making was conspicuous by its absence. The main reason for this was that none of the panchayats had tax resources and were completely dependent on the panchayat fund allocated by the government, the quantum of which was meagre. Hence, no block panchayat formulated budget nor plan their expenditure. It was found that whatever amount of money they received was spent on buying stationaries and providing light refreshment to the people participating in the shramdan. The panchayats, instead, maintained a book of expenditure along with the bills of payment made out of the fund, and no panchayat had so far undertaken any significant development programme out of this money. As the panchayhts did not have any independent sources of income besides those given by the government, the panchayats never felt the necessity of preparing a budget which the district officials never objected. Thus regulations of income and expenditure of the block panchayats by the government is found to be absent in Sikkim, merely because of former's lack of fund.

Maintenance of Account and Audit of Panchayati Raj Accounts:

This provision empowers the state government to prescribe procedure for maintaining the accounts of the panchayati raj institution and carry out audit of the accounts. There is only a briff reference to accounts and audit in the 1965 Act. Section 16 provided 'The accounts of the block panchayat shall be audited once a year as prescribed.' No official guidance prescribing

the mode of accounts-maintenance was provided to the panchayat. The block panchayat was authorised to spend its panchayat fund as per its necessity provided it was for panchayat works. The only limitation that was put against these expenditure was that they should get prior permission from District Panchayat Officer for expenses exceeding Rs. 50/- failing which the amount shall be declared as unspent and panchayat members were asked to reimburse it, or the panchayat inspector would not give utilisation certificate to the concerned panchayat qualifying them for next amount of fund.

The statement of expenditure was maintained in the account book along with the voucher bills for the money spent by the secretary on behalf of his block panchayat. As it involved small amount of money the account - keeping was a simple process; a statement of the different heads of expenditure and balance. In case of discrepancy, the audit was there to control it.

One peculiar feature of audit of panchayati raj finances in Sikkim was that unlike in other states, it was not carried out by an independent authority outside the government, but by the panchayat inspector. The panchayat inspector in any time of the year, could check its accounts. His functions were mainly to check the irregularities, to examine if any amount of expenditure exceeding Rs. 50/- was incurred without the prior permission of District Panchayat Officer. Whenever such discrepancy was discovered the panchayat inspector refused to give the utilisation certificate thereby automatically withholding the release of next ins-

talment. Irregularity in account maintenance was another reason for a follow-up action. Out of 98 respondents 40 respondents complained of not receiving the panchayat fund for a couple of years. However, on examination it was found that they belonged to those panchayats whose fund had been suspended temporarily as a follow up action by the district officer. The main reasons for this were (1) spending more than sanctioned amount without the prior permission of District Panchayat Officer (II). Irregularity in account maintenance [redacted]. Fortunately, the percentage of panchayat receiving panchayat fund regularly was higher than those who did not as is evident from the following table -

Table - 37

Number of block panchayats receiving the Panchayat fund.

District	Regularly	Irregularly	Total
North	2 (66.66)	1 (33.33)	= 3 (100.0)
South	7 (70.0)	3 (30.0)	= 10 (100.0)
East	6 (54.54)	5 (45.45)	= 11 (100.0)
West	4 (44.44)	5 (55.55)	= 9 (100.0)
Total	19 (57.57)	14 (42.42)	33 (100.0)

From the above table it could be seen that financial irregularity was highest in the West district with 66.66% of panchayats not receiving the panchayat fund regularly, followed by the East district (45.66%). However, it must be remembered that this phenomenon of financial irregularity was inextricably linked with regularity of official inspection. The following table shows the number of panchayats not at all inspected during 1979-82 and number of erring panchayats during the same period, out of the total 33 panchayats under study:-

Table - 38

Number of panchayats not inspected between 1979-82 and number of defaulter panchayats between 1979 - 82.

District	No. of Panchayats not visited.	No. of defaulter Panchayats.
North	1	1
South	2	3
East	5	5
West	3	5

The above table establishes the fact that the official inspection and guidance is a necessity for a proper accounting of the block panchayats; the panchayats that were not visited were mostly the defaulters. Baring a few cases of block panchayats whose fund were withheld due to the utilisation of more than stipulated amount without the prior permission of District Panchayat

Officer (Gumpa Gurpisay, Gagong - Satam in South district, Pakeyong - Tsalumthang, Luing in the East district, Samsing - Gelling, Yangthang in the West district), in rest of the panchayats, funds were withheld due to irregularity in account maintenance. A regular inspection accompanied by official guidance in matter of keeping the accounts, constitute positive steps suggested for the purpose.

From the above study it could be inferred that though financial control over block panchayats included only regulation of income and audit of the account, these proved to be effective as with these powers, the government could literally defunct a panchayats and make it an agent of government with little powers of its own.

Technical control:

The objective of securing horizontal and vertical extension of modern techniques and skills at rural level have given the panchayati raj institutions the task of programme formulation and implementation of plans; a number of schemes requiring certain technical standards have been transferred to the panchayati raj institutions along with the technically trained specialist staff. Generally, these staff are placed administratively under Chief Executive Officer or Block Development Officer and technically under their departmental seniors. The pattern of technical control differs from state to state in terms of local level of devolution of functions, the rank, status, and levels of technical functionaries working under the panchayati raj institutions.

Sikkim's block panchayat presents a different picture. Although panchayati raj system was introduced to gear up rural development, the block panchayat had no role in the plan formulation and implementation and as such no technical officer had been placed under it. All the programmes were formulated and implemented by district officials with their own staff independent of block panchayat. The district officials and their field staff were not under block panchayats but acted as an agent of government exercising institutional, administrative and financial control over it. Hence the situation did not leave much skope for the exercise of technical control.

An overview:

A basic feature of the pattern of government supervision and control over block panchayat in Sikkim is that co-ercive techniques are rarely resorted to. This is amply supported by the fact that none of the panchayats have so far been dissolved or superceded and incidents of deterrent actions like prior approval of local action, annulment of local decisions, action in default, suspension and removal of elected members are rare. The emphasis is on the indirect techniques of giving direction, calling for information reports and review of local actions. However, the government exercises complete control over the regulation of panchayats' finance making them completely dependent on the government assistance. As the quantum of government grant is meagre and

erratic, it has adversely affected the working of panchayat reducing these bodies to an agent of government at the local level.

In a nutshell it could be concluded that the control mechanism has not been devised to gear up efficiency of the block panchayat nor does the state government consider the block panchayat as a junior partner in the developmental process. The pattern of control is directed towards ensuring smooth performance of its delegated function without any conscious effort to make these bodies grow. However, the situation calls for a change of attitude on the part of the government. It should consider the local level of government as partner in the attainment of common objective i.e. the public welfare, involving a high degree of co-ordination and co-operation between the two levels of government. "The kind of relationship between central and local government that has to be aimed at, is neither control of local government by central government nor such concurrent powers as would be appropriate for the units of a federation. Rather the optimal relationship would be a partnership of two active and co-operative members but with the central government definitely the senior partner." (13)

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