

IMPROVING THE ACCOUNTABILITY IN PRIs: KEY STRATEGIES AND ACTIONS

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Abstract

The term 'Accountability' refers to the obligation of Panchayati Raj Institutions (PRIs) to answer to their constituents for their decisions and actions. It includes Financial Accountability, focusing on Financial Management, and Social Accountability, focusing on Service Delivery and responsiveness to citizens' needs. Promoting accountability enhances transparency in Panchayat governance. This paper examines the accountability components in PRIs and discusses measures taken by the Central Finance Commission, Comptroller & Auditor General (C&AG) of India, and the Ministry of Panchayati Raj (MoPR) in the last two decades to enhance accountability in Panchayats. Key strategies and actions introduced by these authorities include the Model Accounting System, Vibrant Gram Sabha, Participatory Planning, Social Audit, Panchayat Citizen Charter, e-GramSWARAJ, and AuditOnline. The policymakers and stakeholders need to collaborate in implementing these reforms to ensure PRIs are accountable to the citizens they serve and provide effective good governance at grassroots level.

Keywords: Financial Accountability, Social Accountability, Panchayat Development Plan, Budget Transparency, Social Audit, Panchayat Citizen Charter, Grievance Redressal.

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Accountability in PRIs

The PRIs being the third-tier representative local governments are the basic institutions of decentralisation. For delivering public services, the Panchayats spend large sums of money, which are mostly received from taxes and grants-in-aid. The elected bodies and the officials who hold the offices of Panchayats have the discretion to use these public funds and are answerable to the people for the outcomes of their actions and decisions. These elected bodies are regarded as trustees by the public, and nothing inspires confidence in the proper functioning of these institutions more than prompt and accurate accounting. Article 243J of the Constitution of India says, '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.' 'Accounting' is a systematic process of recording, measuring, summarising and communicating financial information. The monthly and annual accounts of Panchayats provide information on the resources available, the means employed to finance those resources, and the results achieved through their use. The 14th Finance Commission opined that, *"Proper accounts are the starting point for financial accountability and the non-maintenance of accounts means compromised accountability."* Better accountability in Panchayats can be achieved only when the information dissemination systems are well established and made functional. The basic principles of accountability dictate that citizens should have access to the following information periodically:

- a. Whether the Panchayat is handling funds in accordance with the provisions of the Act and Rules.
- b. Whether the programmes/schemes are achieving the objectives economically, efficiently and effectively.
- c. Whether the resources available at the disposal of Panchayat have been utilised for the intended purposes.

- d. How the Panchayat is focusing on service delivery, including the quality and accessibility of public services?
- e. How the Panchayat is acting upon the citizen feedback, reports of Statutory Audit /Social Audits and the Gram Sabha resolutions?
- f. How frequently does the Panchayat share information with citizens about the implementation of GPDP, Execution of Annual Budget and the Beneficiary data of the welfare schemes?

Thus, the accountability of Panchayats towards citizens is fulfilled through (a) Financial Accountability and (b) Social Accountability.

Financial Accountability

'Financial Accountability' is the system by which the Panchayats are held to account for the use of public funds. The most important factor in securing financial accountability is the preparation of Annual Accounts in time and getting it audited. The statutory audit provides an assurance that the resources have been used judiciously for the purpose for which they were allocated, and also in accordance with the budget and compliance with the respective State Panchayati Raj Acts and rules framed thereunder. The tools of financial accountability include Panchayat Accounting, Budgeting, Financial Audits, Financial Reporting, and Compliance with Financial Regulation.

Initiatives of the 11th Finance Commission: The 11th Finance Commission felt that a sound and robust "Accounting and Audit System" is necessary in PRIs. Therefore, it made the following recommendations that set in motion a series of actions to improve the accountability in Panchayats:

1. The Comptroller & Auditor General of India (C&AG) to prescribe formats for the preparation of budgets and keeping of accounts by Panchayats.

2. States to create major and minor heads in the State budget for transfer of funds to Panchayats.
3. The C&AG should be entrusted with the responsibility of exercising Technical Control and Supervision (TGS) over the proper maintenance of Accounts and Audit of Panchayats.
4. A database on the finances of Panchayats to be developed at the District, State and Union Government levels which could be easily accessible online.

Accounting Framework of Panchayats: In pursuance of the 11th Finance Commission recommendations, the C&AG, in 2002, prescribed a single-entry cash-based accounting system for PRIs and standardised 16 formats for the preparation of budget and accounts by PRIs. The Accounts have to be kept in two parts - Part-I to record transactions of all receipts and expenditures relating to the Panchayat Fund and Part-II to record transactions relating to Provident Funds, Loans, Deposits and Advances, etc. The C&AG also prescribed a list of Codes for Functions, Programmes & Activities for proper classification and recording of transactions. A five-tier classification and codification of financial transactions was devised in such a manner as to make the budget and accounts of PRI amenable to computerisation. These codes are to be used while preparing the budget and accounts relating to the functions and programmes assigned to PRIs. This system of accounting recommended by C&AG was named 'New Accounting System for PRIs.' The theoretical framework of the accounting system developed for Panchayats by the C&AG laid a strong foundation for the timely preparation and maintenance of accounts and their audit to improve accountability.

Model Accounting System of Panchayats: For further simplification of the New Accounting System of Panchayats, the MoPR, in the year 2008, constituted a 'Technical Committee on Budget and Accounting Standards for PRIs.' This technical committee recommended a simplified

'Model Accounting System' (MAS) for Panchayats. The MAS was developed through a consultative process involving representatives of C&AG, MoPR, Planning Commission, Controller General of Accounts (CGA), National Informatics Centre, and the State PR&RD department, etc. The MAS was approved by the MoPR in January 2009 and it came into effect on 1st April 2010 across the country. The MAS is a common accounting structure for all three tiers of PRIs for capturing funds flow under numerous heads of accounts. Under MAS, the financial transactions are classified in four tiers in place of five tiers recommended under the New Accounting system. Similarly, only eight accounting formats are prescribed in place of 16. Based on these formats, the State Government, in consultation with the State Accountants General, has to formulate budgeting /Accounting rules and manuals for keeping budget/accounts for PRIs. The accounting practices and its chart of accounts prescribed under MAS are almost similar to the accounting practices followed by the States.

Accounting Standards for Local Bodies: To improve the financial reporting quality of the local bodies, the Institute of Chartered Accountants of India (ICAI) issued 'Accounting Standards for Local Bodies (ASLBs).' These ASLBs are in conformity with the Model Accounting System. The ASLBs set out criteria for recognition, measurement, presentation and disclosure requirements of the transactions and events of the local bodies. The Technical Committee on Budget and Accounting Standards for Local Bodies constituted by MoPR considered these ASLBs and recommended to State Governments for its implementation. By following the Accounting standards, the most relevant information gets reported and disclosed to the stakeholders in a transparent and meaningful way.

e-Governance Initiatives of MoPR: Accounting is a very important task, requiring a high degree of accuracy and security. The use of Information and Communication Technology (ICTs) plays a very important role in the easy maintenance and management of accounts. To improve

accountability in PRIs, the MoPR has been adopting a multi-pronged strategy, and one of the major strategies of MoPR is to harness the potential of ICT tools in Panchayat accounting. With the objective of institutionalising e-Governance in Panchayats, the MoPR in 2007 undertook the “e-Panchayat” Mission Mode Project (e-Panchayat MMP). Under this project, Panchayat Enterprise Suite (PES) was deployed with 11 Core Common Applications. One of the applications was “Panchayat Raj Accounting Software (PRIA Soft)” which captures the 4-tier revised classification and generates all the reports in the formats prescribed under MAS. The e-Panchayat ensures transparency and accountability in the functioning of PRIs through the disclosure of information, improving internal processes and management of Panchayat finances, for efficient service delivery to the common man.

e-GramSWARAJ: To further strengthen e-Governance in Panchayats, MoPR launched e-GramSWARAJ (eGS), a user-friendly web-based portal, by amalgamating the functionalities of all the applications under PES. The e-GramSWARAJ aims to bring in better transparency in the decentralised planning, progress reporting and work-based accounting. The eGS helps in better financial management of PRIs by bringing transparency to the maintenance of accounts. Once the receipts and expenditure entries are captured in the system through voucher entries, the software has the functionality to generate all the reports in the formats prescribed under MAS. The Ministry has also integrated eGS with the Public Financial Management System (PFMS) to make real-time payments to vendors/service providers. About 95 per cent of Panchayats have adopted eGS, thus graduating towards symbols of modernity and technology.

Database on Finances of Panchayats: By and large, all the State Finance Commissions, in their reports, expressed concern over the virtual absence of necessary financial databases at the Panchayat level. The Central Finance Commissions are repeatedly pointing out that they are not being provided with financial data of

Panchayats and as a result, it was difficult to assess the resource gap at the local level. The 11th Finance Commission made the Director of State Audit responsible for maintaining the database of local bodies in the formats prescribed by C&AG. However, the fact remains that the aggregate information on the finances of Panchayats is neither available with the State Audit Department nor with the PR&RD department. There exists no mechanism for the compilation of audited financial data of Panchayats at a centralised place. The database on the finances of the PRIs needs to be developed at the District and State level on a priority basis. Either the Director, PR&RD department or the Director of State Audit needs to be nominated as the central agency and made responsible for the consolidation and maintenance of database of Panchayat finances.

Observations of C&AG on Financial Accountability of Panchayats:

Under Section 20 (1) of the CAG Act 1971, the Principal Accountant General of the respective State conducts the Annual Technical Inspections of PRIs. These inspection reports are available in the public domain (<https://cag.gov.in/en/audit-report>). In these reports, C&AG has highlighted several observations with regard to the planning, accounting and budgeting of PRIs. Some of the key observations & recommendations are as follows.

- a. **Local Planning:** Panchayats need to formulate a well-defined participatory plan for local development. The plan and the budget document should reflect the actual needs and priorities of the local community.
- b. **Panchayat Budget:** The budget documents prepared by Panchayats should be of the highest quality. The Panchayat budget should be comprehensive and transparent, and may reflect important details such as revenue projections and expenditure estimates
- c. **Compliance with accounting standards:** Panchayats have to strictly comply with the accounting standards prescribed. This will avoid discrepancies in the financial statements

and help to assess the financial position of the Panchayat.

- d. **Financial Management:** The Panchayats need to manage their finances effectively by proper maintenance of books of accounts, submission of utilisation certificates, observance of procurement procedures, reconciliation of accounts, and disclosure of information related to receipts and expenditures.
- e. **Internal controls:** This includes adequate segregation of duties, proper documentation, and implementation of monitoring mechanism. Proper internal controls prevent and detect financial irregularities and avoid misuse of Panchayat funds.

Panchayat Budget

The Panchayat Budget is an annual financial statement of income and expenditure. The budget proposal of Panchayat consists of estimated receipts and payments for the next financial year. The Budget is prepared by adopting the classification prescribed in the Receipts and Payment Account. The budget estimates prepared by the Panchayat are submitted to the general body of the PRI or the Gram Sabha as the case may be, for scrutiny and approval. The budget meeting is presided over by the chairperson of the PRI concerned, to decide on the money to be spent on different activities, the type of activities, the expected expenditure and outcome, the beneficiaries etc. After discussion and debate, the budget estimates are finally approved. The budget document of Panchayats comprises Non- Plan and Plan expenditures. The approved GPDP is incorporated under the Plan expenditure in the annual budget. The budget is an instrument of financial control and a tool for achieving the accountability objective. Without preparation and approval of the budget, a Panchayat cannot spend money on its various heads of expenditure.

Panchayat Sector Line Item in the State Budget: Budgets of the State are presented and approved by the Legislature in the form of demand for grants.

Each demand lists functional allocations under four -digit Major Heads. The 11th Finance Commission had recommended that the budget assistance given to PRIs has to be booked in the State budget under the following three-digit Minor Heads below the respective four-digit functional Major Heads.

- a. Minor head 196–Assistance to Zilla Parishads/ District level Panchayats
- b. Minor head 197–Assistance to Intermediate Panchayats
- c. Minor head 198–Assistance to Gram Panchayats

Accordingly, the State Governments are required to depict the allocations under the above designated minor heads for various programmes of PRIs as “Assistance to PRIs” through a line item in the Budget Estimates. The aggregate sums under each of the above Minor Heads under all the demand heads give a summary of resources transferred to PRIs from state funds.

Linkage between Plan and Budget: As an institution of local self-government, the Panchayats are responsible for the overall development of the villages, deliver the basic services and cater to the specific needs of poor and marginalised groups. It is mandatory for all three-tier Panchayats to prepare a Panchayat Development Plan (PDP) for the next financial year before the preparation of the annual budget. The PDP outlines the development goals and projects, while the budget outlines the financial resources allocated to implement those plans. The development objectives can only be achieved through proper planning and budgeting, and efficient use of allocated resources. The proper linkages between the plan and budget ensure efficient and effective use of financial resources for sustainable development. The Panchayats need to review the PDP and budget from time to time to assess the progress, address any emerging needs, and act upon the feedback. This iterative process helps in adjusting the plan and budget as required to meet the evolving local priorities. The Panchayat budget should reflect the programmes and

activities incorporated in GPDP which enable the Panchayat to localise the Sustainable Development Goals (SDGs) and promote accountability in service delivery.

Mandate of Panchayat Audit:

As required under Article 243(J) of the Constitution, the States have made specific provisions in the respective State Panchayati Raj Acts for the maintenance of accounts and their audit. The Primary Auditor of Gram Panchayats is the Director of State Audit or similar authority appointed by the State Government. The Primary Auditor is the Statutory Auditor who provides assurance to the stakeholders on the veracity and reliability of accounts through the Financial Audit of PRIs. In addition to the primary audit, the external audit of PRIs is done by CAG under Sections 14, 19(3), 20(1) of CAG (DPC) Act 1971. The audit is a critical instrument to enforce accountability in PRIs.

Recommendations of the 15th Finance Commission: The 15th Finance Commission recommended that the online availability of Panchayat Accounts for the previous year and Audited Accounts of the year before previous will be the entry-level condition to avail of the 15th Finance Commission grants. In the first and second years of the award period (2021-22 and 2022-23), at least 25 per cent of the PRIs should have both their provisional accounts for the previous year and audited accounts for the year before online in the public domain. From the third year (2023-24) onwards, only those PRIs will receive the total grants if their provisional accounts of the previous year and audited accounts for the year before are available online. For the online availability of Panchayat Accounts and the Audited Reports of PRIs, States have to ensure that all the PRIs are on-boarded e-GramSWARAJ and AuditOnline Portal and concerned staff are thoroughly trained in the use of these portals.

Audit Systems of Panchayats: The audit process involves verification of the financial statements and other records of Panchayats to ensure that they are

accurate and comply with applicable laws and regulations. The Audit primarily focuses on verifying and certifying the propriety of transactions undertaken by the Panchayats. The audit of financial statements establishes whether they represent a 'true and fair' view of the affairs of the Panchayat. The Audit also identifies the other irregularities in the implementation of development schemes, which are documented as Audit Reports. The Audit Reports are then communicated to the Panchayats concerned and they are expected to take corrective actions to address the issues raised by the auditors. The Audit observations are important as they help to improve the accountability and transparency of Panchayats and ensure that public funds are used for their intended purposes.

Auditing Standards & Certification Audit: As recommended by the 11th Finance Commission, the C&AG prescribed 'Auditing Standards' for PRIs in 2002. The auditing standards covered the nature, extent, scope, and audit methodology, including the form and the contents of the audit reports. For facilitating Financial Audit, the CAG, in 2021, has issued revised 'Guidelines for Certification Audit of PRIs' in consultation with the MoPR and the Local Fund Audit Departments. These Guidelines bring clarity to the Financial/Certification Audit process and reporting requirements. These Guidelines present sequential stages in the entire audit exercise and the detailed checks and processes to be carried out at each step of the Audit. The primary Auditors have to follow these guidelines and give an 'Auditor's Opinion' as to whether the account properly presents the receipts as well as the payments. This would improve the quality of audits being undertaken by the State Audit Department and bring greater accountability to Panchayats.

AuditOnline Portal for facilitating Financial Audit: In order to ensure that the audited accounts of Panchayat are available online, as recommended by the 15th Finance Commission, the MoPR, with the assistance of NIC, has developed a web-based application 'AuditOnline.' The AuditOnline application facilitates financial

audit of Panchayats accounts, keeps the audit records besides serves as a good financial audit tool to improve transparency and accountability in Panchayats.

Follow-up Action on Audit Reports: The Audit brings to the notice of Panchayat the cases of irregular expenditure, loss of public money, short collection of taxes, erroneous assessment of taxes, etc. On receipt of the audit report, the Panchayat concerned has to place the same before the General Body or Gram Sabha as the case may be for discussion. The Panchayat should take speedy follow-up action to recover excess payments, rectify the irregularities pointed out in the audit and prepare final replies to audit paras; otherwise, delay in this regard may prove difficult in tracing out the old records. As per the report dated 08th March 2023 furnished by the Director State Audit of Telangana, a total number of 6.69 lakh Audit Objections involving Rs 2006.50 crore are pending as of 1st March 2023 in respect of PRIs in Telangana pertaining to the period from 2014-15 to 2020-21.

Placement of Reports before the Legislature: In most of the States, the Audit Reports on the Accounts of Panchayats published by C&AG are placed before the respective Legislatures of the States concerned. But, in other States, these are submitted to the Finance Department or the PR & RD department. As per the report of the Director State Audit of Telangana, the consolidated report of PRIs has been placed before the State Legislature up to the year 2016-17. This document is available in the public domain <https://www.dsa.telangana.gov.in>. In a few States, the Audit Reports are taken up by the Public Accounts Committee (PAC) for discussion, while in West Bengal & Karnataka, there are specified Committees of the Legislature to discuss these reports.

Surcharge and Disallowance: The Director of State Audit, under the relevant State Audit Act or State PR Act, is empowered to exercise quasi-judicial functions to disallow any item of expenditure incurred against law, and "surcharge"

the same on the person incurring or authorising the incurring of such expenditure. Within the prescribed number of days from the date of service of the Surcharge Certificate, the surchargee has to pay the amount to the Panchayat concerned or can file an appeal before the Government or make an application to the Principal Civil Court to set aside such disallowance. Considering all the circumstances, the appellant authority can waive the amount or else the amount has to be invariably recovered. Generally, the surcharge will not be made after four years from the date on which the expenditure in question was incurred. As per the report dated 08th March 2023 furnished by the Director State Audit of Telangana, a total number of 176 Surcharge Certificates involving Rs 129.18 lakh are pending recovery in respect of Gram Panchayats in the State, as of 1st March 2023.

Social Accountability

Social accountability in Panchayats refers to the responsibility of Panchayats to be accountable and responsive to the needs and expectations of the people they serve. It involves the active participation of citizens in the decision-making and monitoring of Panchayats' activities to ensure that they are providing quality services and acting in the best interests of the community. The concept of 'Social Accountability' gained prominence because of increased awareness among citizens about their rights and powers. The tools of Social Accountability include Gram Sabha, Budget Transparency, Social Audit, Right to Public Service Legislation, Panchayat Citizen Charters and Right to Information and Grievance redressal, etc.

Gram Sabha: The Gram Sabha is the fulcrum of the Panchayati Raj and village development. People use the forum of the Gram Sabha to discuss and make need-based plans for the village. MoPR has issued detailed guidelines for making the Gram Sabha vibrant. An annual calendar needs to be drawn up for all the Gram Panchayats for the Gram Sabha meetings. This would facilitate prior information about the nature of deliberations that

would take place in the meetings. The Constitution of India has called for the planning and implementation of development programmes under the overarching mandate, supervision and monitoring of the Gram Sabha. The Gram Panchayats should mobilise the people including women, SC & ST, etc., to attend the Gram Sabha and participate in decision-making.

Budget Transparency: Budget transparency refers to the extent and ease with which citizens can access information about the budget and provide feedback on Panchayat revenues and expenditures, and also on the quality and adequacy of services and infrastructure provided. This feedback results in more efficient use of resources. Budget transparency and oversight prevent the Panchayat officials from incurring expenditure on the items not included in the approved budget. The Panchayats should take action on the following lines to promote budget transparency:

- a. Improve budget literacy of elected representatives to analyse budgets
- b. Display budgetary information on office notice boards/GP portal
- c. Disseminate simplified budget information in the local language
- d. Conduct budget awareness programmes for stakeholders
- e. Seek citizen's feedback on budget-related information
- f. Provide opportunities for budget-related discussions in the Panchayat meetings

Social Audit: Social Audit is a process that involves obtaining information by the citizens on budget allotments and payments made on welfare programmes. Section 17 of the MGNREGA mandates that regular social audits be conducted in the Gram Sabhas at least once every six months. The MoPR has also issued detailed guidelines on Social Audit of 15th Finance Commission Grants. Social audits involve a participatory approach, with community members and civil society

organisations providing feedback on the functioning of the PRIs and implementation of welfare programmes. Most States have institutionalised the social audit by establishing an independent and autonomous body under the name 'Society for Social Audit, Accountability and Transparency (SSAAT)', which is responsible for facilitating the conduct of social audit. Social audit 'action taken reports' shall be time-bound and placed in the public domain. With a view to establishing synergies between Social and Government audits, the 'Manual of Instructions for Audit of PRIs' issued by C&AG specifically advised the statutory auditors to take into account the findings of social audits while conducting the annual financial audits. The social audit process culminates with the organisation of public hearings where the findings are discussed and discrepancies are exposed in the presence of officials and beneficiaries. The social audit report provides valuable insights into the effectiveness of PRI programmes and the extent to which they meet the needs of the community.

Right to Public Services Legislation: The Right to Public Service legislation is an important legislation that aims to improve the quality and efficiency of public service delivery to citizens. So far, about 21 States have passed such legislations known as the 'Right to Public Services (RTPS) Act', which provides for the establishment of a public service delivery system that is efficient, transparent, and accountable. It mandates that all government agencies provide citizens with specified public services within a specified time frame, failing which, they are liable to pay penalties to the citizen. By ensuring timely and efficient delivery of public services, the Act aims to improve the accountability of public entities.

Panchayat Citizen Charter: The Gram Panchayats implement many development programmes and provide basic public services to the citizens. All public services are paid for by individual citizens, either directly or indirectly through taxes. Therefore, the question arises on how to make Gram Panchayat appreciate the

needs of the citizens and improve the quality of public services. The answer lies in the 'Citizen's Charter.' A Citizen Charter is a document that represents the rights of the citizen and the obligations of the Panchayat. The citizens have the right to expect a particular quality of service that is responsive to their needs and the Panchayats are obliged to provide required services efficiently at a reasonable cost. Thus, the Citizen Charter is a practical proposition in terms of involving and motivating the elected representatives, Panchayat officials and the citizens to work out and adopt a more responsive Panchayat set-up with increased transparency and efficient service delivery as per citizens' needs. The Panchayat Citizens' Charter preserves the trust between the Citizen and the Panchayats and help in making the citizens aware of their rights as well as making the Panchayat accountable to the people.

Right to Information Act (RTI) 2005: RTI is an Act of the Parliament of India "to provide for setting out the practical regime of right to information for citizens." Under the provisions of the Act, any citizen may request information from a "public authority", including PRIs which is required to reply expeditiously or within thirty days. The basic object of the Right to Information Act is to empower the citizens, promote transparency and accountability in the working of the Government, contain corruption, and make our democracy work for the people in real sense.

Grievance Redressal: Despite the best efforts of the Panchayat, there may be discontent and complaints with regard to the provision of public services. Hence, the functionaries of the Panchayat must be accessible to the citizens to listen to their grievances and make arrangements to address their complaints effectively. If an applicant has a reason to believe that the Panchayat has failed to provide a service enlisted in the charter, he/she may file an appeal before the higher authority within the stipulated time limit for redressal of grievance. The appellate officer may order the designated officer to provide the service within the specified period or may reject the appeal. An aggrieved appellant may prefer a second appeal

against the decision of the appellate officer before the Reviewing Officer. Timely redressal of citizens' grievances not only reduces discontent but also helps Gram Panchayat to improve its functioning.

Conclusion & Recommendations

Accountability is vital for ensuring good governance, and PRIs have a significant role to play in promoting it at the grassroots level. Although there are challenges in enforcing accountability within PRIs, these challenges can be overcome through a collaborative effort from all stakeholders, including elected representatives, Panchayat officials, citizens, and civil society organisations. By implementing a range of strategies and actions initiated by entities such as the Central Finance Commission, Comptroller & Auditor General of India, and the Ministry of Panchayati Raj, PRIs can improve their efficiency in utilising public resources in the best interests of the community. Enhancing accountability in PRIs requires a multi-faceted approach, including strengthening the legal framework, empowering Gram Sabha for citizen participation, conducting regular audits, leveraging technology, establishing an ombudsman institution, implementing grievance redressal mechanisms, and focusing on capacity building.

- a. **Legal Framework:** The legal framework of PRIs needs to be strengthened to provide for greater accountability. This includes defining the roles and responsibilities of PRIs, setting standards for transparency, public participation, and establishing mechanisms for oversight and enforcement.
- b. **Strengthening Gram Sabha:** The Gram Sabha is the primary forum for citizen participation in the functioning of PRIs. People need to be mobilised to attend Gram Sabha and take part in decision-making and oversight for improved accountability. The Gram Sabha should be provided with relevant information from time to time for its empowerment to hold the PRI accountable.

- c. **Regular Audits:** The financial and social audits on the accounts of PRI need to be conducted regularly by independent audit agencies to ensure transparency and financial accountability. The audit findings should be made public, and follow-up action should be taken on the audit findings.
- d. **E-Governance:** The use of information and communication technologies (ICT) promotes transparency and accountability. Initiatives like the e-GramSWARAJ, AuditOnline and GPDP portal taken up by MoPR facilitate online transactions, record-keeping, and monitoring of the Panchayats' functioning.
- e. **Ombudsman:** The institution of the ombudsman is an important instrument for enforcing accountability in PRIs. The Ombudsman inquires into the complaints of corruption and maladministration in PRIs. The Ombudsman has the power to investigate, prosecute, and penalise officials found guilty of corruption or misuse of power. This will help to hold the functionaries accountable.
- f. **Grievance Redressal Mechanism:** An effective grievance redressal mechanism should be put in place in PRIs to allow citizens to file complaints and grievances with regard to the service delivery in PRIs. This mechanism should be transparent, accessible, and responsive to the needs of the citizens.
- g. **Capacity Building & Training:** One of the objectives and coverage of the revamped Rashtriya Gram Swaraj Abhiyan (RGSA) scheme being implemented by MoPR is to enhance the capabilities of Panchayats for improved transparency and accountability in Panchayat governance. There is a need to promote the culture of accountability within PRIs through capacity building and training, and by incentivising good performance.

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