

OVERVIEW

This report includes three chapters. Chapter I deal with an overview of the Panchayati Raj Institutions containing the introduction, organizational set-up, financial position of PRIs, functioning of PRIs, maintenance of accounts, internal audit, non-clearance of audit paras of ATIR and Inspection Reports and Comments on Accounts. Chapter II deals with a review on Utilisation of Twelfth Finance Commission grants by local bodies (Panchayati Raj Institutions) and Chapter III deals with audit findings on the financial transactions of the PRIs

I An Overview of the Panchayati Raj Institutions

Government of Orissa has not adopted the new formats of Accounts recommended by CAG for GPs (July 2009). Though it is accepted and adopted (April 2004) in respect of Panchayat Samities, majority of PSs in the state are not preparing their Annual Accounts in the new formats.

(Paragraph 1.5)

In violation of the GP Act and PS Act of the State, the 40 GPs and 15 PSs, despite an expenditure of ₹4.17 crore and ₹86.10 crore respectively during 2008-2009 had not prepared budget estimates for the financial year for approval. Funds were released on Annual Action plan submitted by PRIs resulting in absence of budgetary control in the GPs and PSs.

(Paragraph 1.6)

Lack of appropriate planning and delays in execution of schemes / programmes by the 213 PRIs led to non utilization of the funds to the tune of ₹488.31 crore at the end of March 2009 and non achievement of the objectives of the schemes.

(Paragraph 1.13.1)

Retention of ₹43.16 lakh pertaining to various schemes / programmes closed since long and not surrendering the same to funding authority resulted in blockage of funds.

(Paragraph 1.13.2)

Funds to the tune of ₹36.14 lakh released in March 2008 for implementation of RLTA projects to BDO, Ghatagaon was irregularly parked in the Personal Ledger Account as of June 2009 rendering blockage of funds

(Paragraph 1.13.3)

II Performance Audit on Utilisation of Twelfth Finance Commission grants by local bodies (Panchayati Raj Institutions)

Parking of TFC grants to the tune of ₹57.48 crore meant for maintenance of accounts and creation of database thereof resulted in non-creation of required database of GPs for use by general public

(Paragraph 2.2.3)

III Transaction Audit findings

Audit of financial transactions, subjected to test-check in various Gram Panchayats, Panchayat Samities, and Zilla Parishads showed instances of misappropriations, fraud, shortages, idling of funds, non-achievement of objectives due to non-completion of projects etc. The major objections are enumerated below:

Non completion of 1947 nos. of Special IAY houses resulted in infructuous expenditure.

(Paragraph 3.1.1)

Idling of food grains of 26977.46 quintals for more than one to seven years procured under SGRY and NFFWP defeated the objectives of the schemes to provide food security to the beneficiaries.

(Paragraph 3.2)

In violation of guidelines delayed payment of wages to labourers under NREGS- ₹56.20 lakh.

(Paragraph 3.3)

Procurement of materials exclusively for FDR works from quarry at 90 Kms away from PS headquarters instead from nearest quarry at 30 kms away resulted in excess expenditure of ₹20.23 lakh on transportation.

(Paragraph 3.4)

Stock of rice was found short in the godowns of five GPs under Dampara PS to the tune of 568 quintals costing ₹7.16 lakh resulted in misappropriation of the food grains.

(Paragraph 3.5)

Non allotment of 65 shopping units to the beneficiaries even after four to six years of its completion resulted in an unfruitful expenditure of ₹27.31 lakh besides continued loss of probable rent.

(Paragraph 3.6)

Government sustained loss to the tune of ₹6.06 lakh as a result of misappropriations of cash by way of less handing over of cash to successors, non realisation of received cheques and by fictitious deposit of cash in Bank Account

(Paragraph 3.7)

In violation of the agreement, rent for shopping units allotted to 38 beneficiaries in Kuakhia GP and 10 in Dharmagarh PS were not realized since last 36-48 months resulting loss of revenue of ₹4.18 lakh

(Paragraph 3.9)

Procurement of materials like cement, bitumen, MS Grill, Angles and other building materials worth ₹9.29 lakh without immediate requirement resulted in idling of materials for years together.

(Paragraph 3.10)

In disregard to GOO instructions and PSAP Rules 2002, the advances extended to the tune of ₹45.54 crore to officials remained unrecouped and unadjusted.

(Paragraph 3.11)

In violation of the scheme guidelines sixty PRIs diverted funds to the tune of ₹37.00 crore meant for the implementation of schemes to another schemes or purposes .

(Paragraph 3.12)

Lack of proper planning and monitoring led to non completion of various works under different schemes in 20 PSs and four GPs from 2008-09 onwards resulting in unfruitful expenditure of ₹6.47 crore.

(Paragraph 3.13)

In disregard to Government of Orissa Rules and Orders, an amount of ₹213.45 realised by 30 PSs towards Royalty, VAT and Income Tax from work bills was not remitted to Government Accounts.

(Paragraph 3.15)

In violation of Rules, the royalty worth ₹8.36 lakh remained unrealized resulting loss of revenue to Government.

(Paragraph 3.16)

In violation of GOI instructions, the procurement of the materials worth ₹0.87 lakh listed in inadmissible work under MPLAD scheme rendered expenditure unauthorized and inadmissible.

(Paragraph 3.17)