

# Chapter-1

## An Overview of the Panchayat Raj Institutions

### 1.1 PRIs in West Bengal

A three-tier Panchayat system was envisaged in the West Bengal Panchayat Act 1973, which came into force in June 1978 when the first general election for the Zilla Parishads (ZPs), Panchayat Samitis (PSs) and Gram Panchayats (GPs) was held. Since then the general election for the panchayats has continued to be held every five years and the last election (i.e. the seventh in the series) was held in May 2008.

### 1.2 Area and population covered

The Act extends to the whole of West Bengal in areas other than Municipalities / Municipal Corporations / Cantonment areas. Thus, 70 per cent of the total area (88,752 sq. km.) of the State inhabited by 5.77 crore people (72 per cent of the total population of 8.02 crore as per 2001 census), came under the purview of the Act.

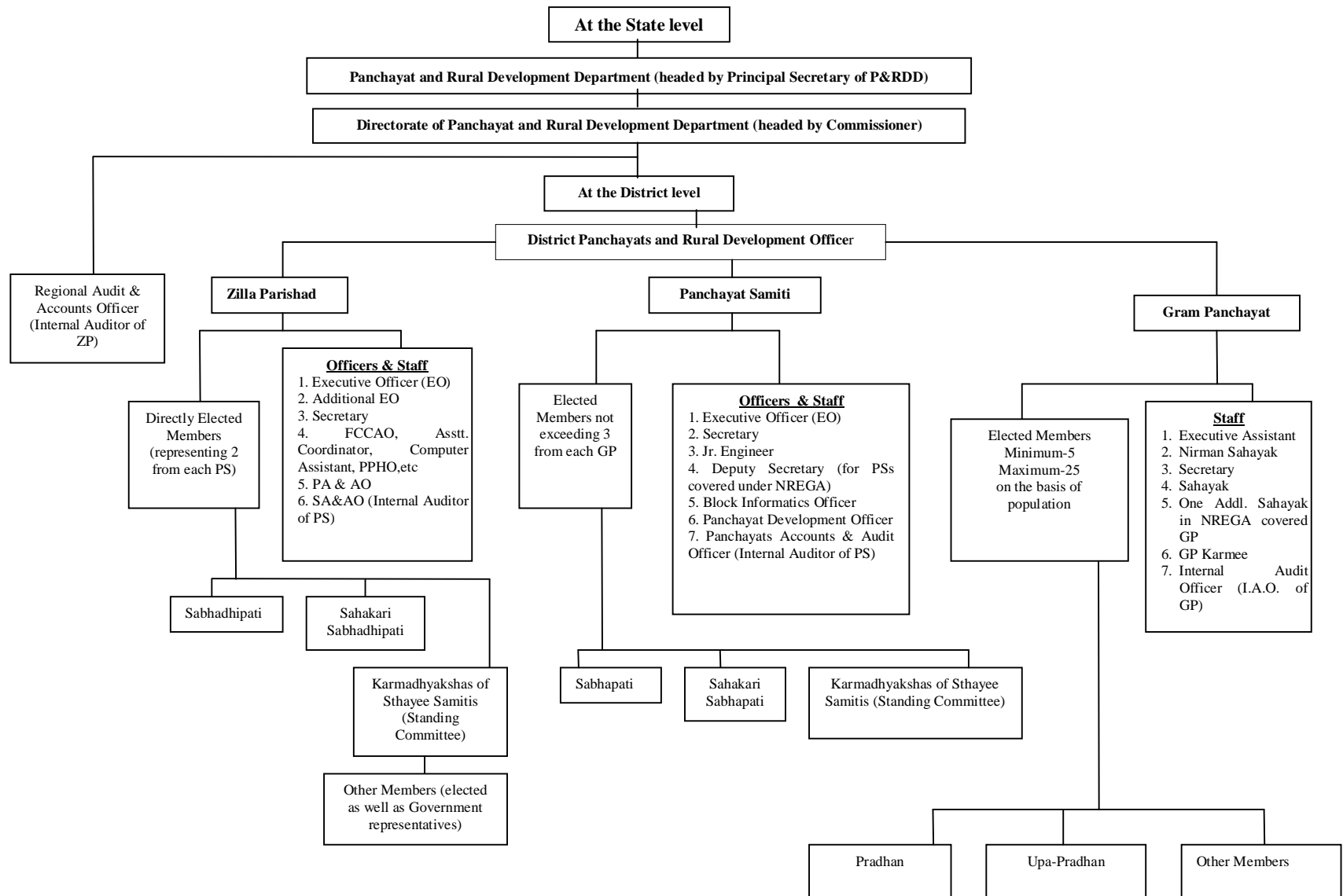
### 1.3 Organisational structure of the PRIs

**There are 17 ZPs, one Mahakuma Parishad (MP) with all the powers and authority of the ZP, for Siliguri Sub-Division, 341 PSs and 3,354 GPs in the State.** At state level the Panchayat and Rural Development Department (P&RDD) headed by a Principal Secretary exercises administrative control over the PRIs. The Directorate of P&RD, in the Department, supervises institutional and statutory administration of PRIs. The Directorate is headed by the Commissioner. At the District level, control and co-ordination is exercised by the District Panchayats & Rural Development Officer (DPRDO), who is responsible for supporting and guiding the Panchayat Raj Institutions for their smooth functioning. He is assisted by a team of officers consisting of one Deputy DPRDO, one Panchayat Development Officer (PDO), one Panchayat Accounts and Audit Officer (PA&AO) and other assistants.

The Act envisages the functioning of the ZPs and PSs through 10 functional Standing Committees called *Sthayee Samitis*<sup>1</sup> having elected representatives and officials concerned as members. Each of the *Sthayee Samitis* of the ZPs/PSs is headed by a *Karmadhyaksha* (also an elected representative). No such *Sthayee Samiti* has, however, been provided for the GPs which shall function through one or more group of members (popularly called as *Upa-Samitis*) with a convener for each, nominated from the group concerned, as envisaged in the Act.

The organisational set up of the Panchayat Raj System in West Bengal is as follows:

- 
- <sup>1</sup> (i) *Artha, Sanstha, Unnayan O Parikalpana* (Finance, Establishment, Development and Planning).  
(ii) *Janasasthya O Paribesh* (Public Health and Environment).  
(iii) *Purta Karya O Paribahan* (Public Works and Transport).  
(iv) *Krishi Sech O Samabaya* (Agriculture, Irrigation and Co-operative).  
(v) *Shiksha, Sanskriti, Tathya O Krira* (Education, Culture, Information and Sports).  
(vi) *Sishu O Nari Unnayan, Janakalayan O Tran* (Children and Women's Development, Social Welfare and Relief).  
(vii) *Bon O Bhumi Sanskar* (Forest and Land Reforms).  
(viii) *Matsya O Prani Sampad Bikash* (Fishery and Animal Resource Development).  
(ix) *Khadya O Sarbaraha* (Food and Supplies).  
(x) *Khudra Shilpa, Bidyut O Achiracharit Shakti* (Small Industries, Power and Non-conventional Energy Sources).
-



#### **1.4 Powers and functions**

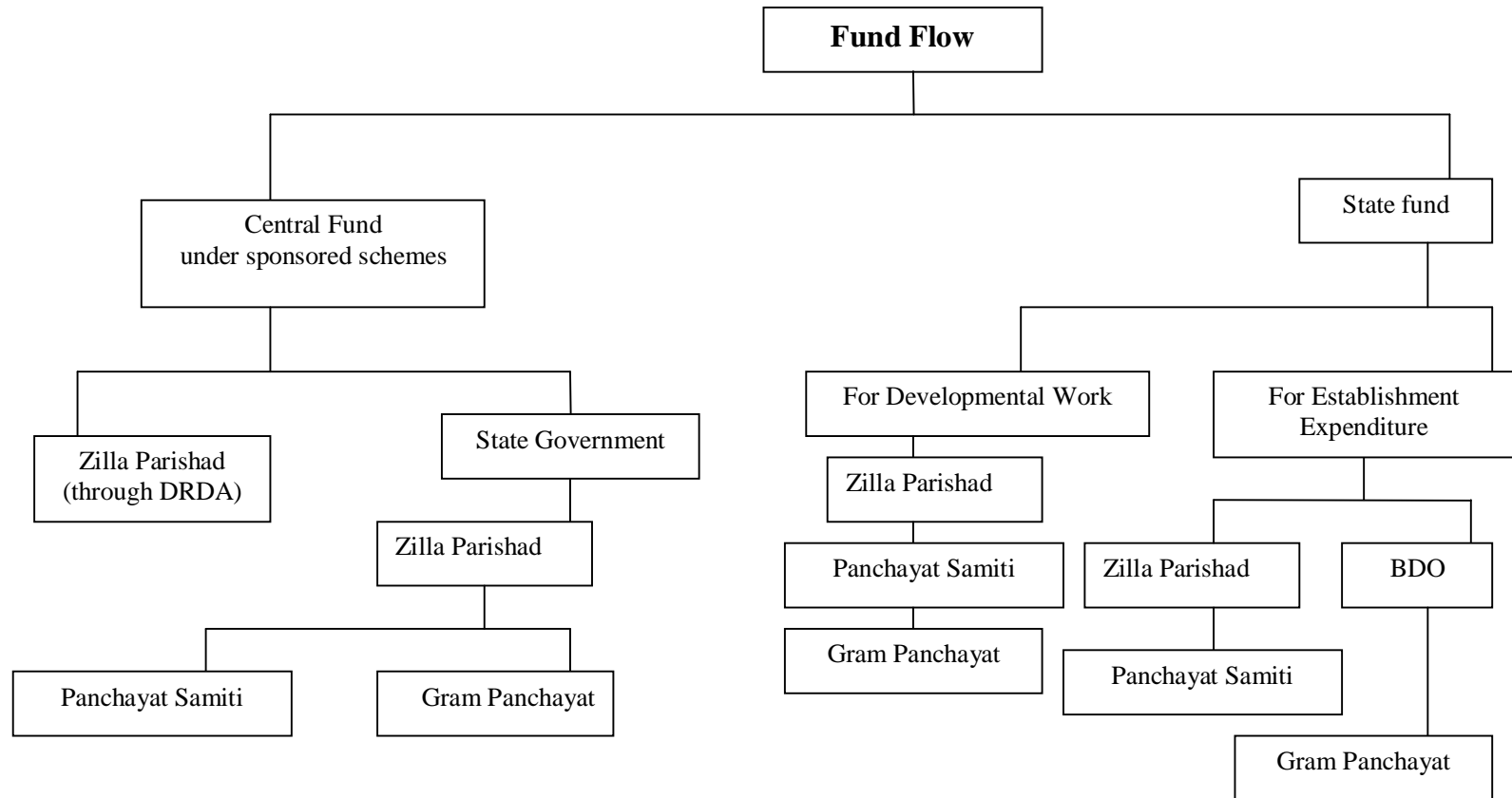
The Act vests a PRI with the following powers and functions:

- Preparation of development plan/annual action plan,
- Implementation of schemes for economic development and social justice as may be drawn up by or entrusted to it in pursuance of 11<sup>th</sup> Schedule of the Constitution,
- Management or maintenance of any work of public utility and
- Collection of revenue for utilisation of such funds for developmental work.

#### **1.5 Flow of funds**

The ZPs and PSs deposit state funds in the Treasury in Deposit Account (head “8448-Local Fund Deposit Account, 109-Panchayat Bodies”) that is operated as non-interest bearing bank account and Centrally sponsored scheme funds are deposited in Savings Account according to guidelines for the respective schemes. The GPs keep funds in Savings Bank Account at the nearest Post Office or a Scheduled Bank or a Co-operative Bank.

A fund- flow statement as per general procedure is given below:



## 1.6 Creation of Database and Maintenance of Accounts

Based on the recommendations of the 11<sup>th</sup> Finance Commission, the formats for preparation of budget & accounts and database on finances of PRIs were prescribed by C&AG in 2002 for exercising proper control and securing better accountability. These formats were further simplified in 2007 for easy adoption at grass root level. The Technical Committee on Budget and Accounting Standards for PRIs co-chaired by Secretary, Ministry of Panchayati Raj (MOPR), Government of India (GOI) and Deputy Comptroller and Auditor General (LB) approved the Simplified formats of accounts for PRIs in January 2009. The Secretary, MOPR requested (October 2009) the Chief Secretaries of all States and Union Territories to operationalise the format with effect from April 2010. The State Government had intimated (May 2010) that they had already adopted cash based Double Entry System of Accounting in all tier of PRIs. The PRIs classify all receipts and expenditures broadly under plan and non-plan. The system of accounting has no similarity to list of codes for functions, programmes and activities prescribed by C&AG based on the recommendation of the 11<sup>th</sup> Finance Commission. As a result, sector wise allotment and expenditure therefrom can not be identified from PRI accounts. However, the department stated that they were working on adoption of list of codes for functions, programmes and activities indicated in "Model Accounting System for Panchayats" prescribed by the C&AG.

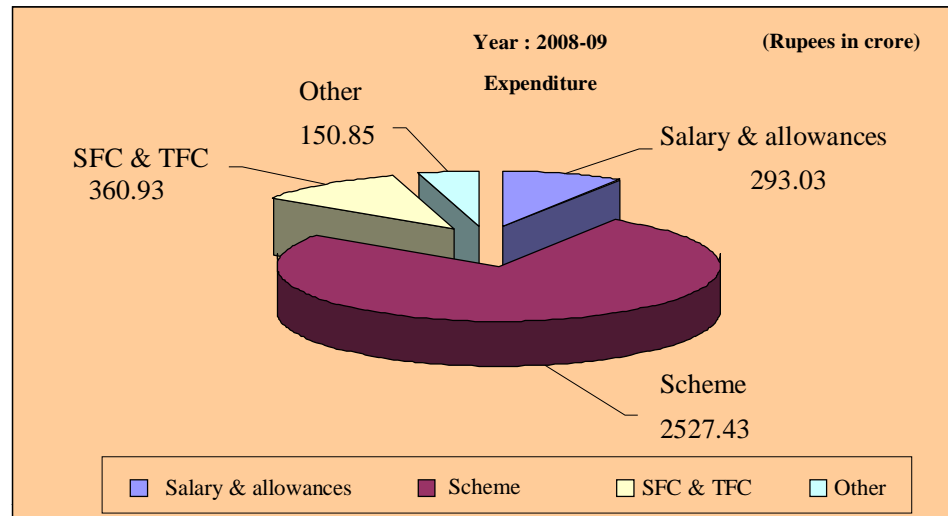
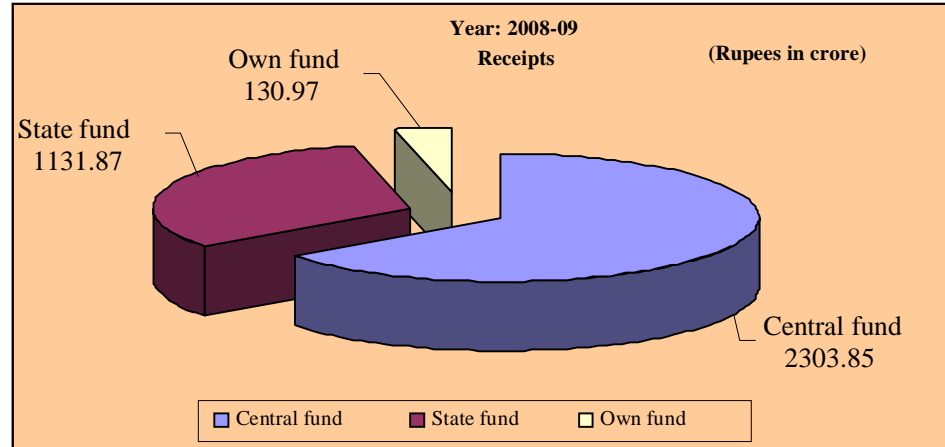
The P&RDD developed and introduced (April and June 2003) two software packages, namely Integrated Fund Monitoring and Accounting System (IFMAS) and Gram Panchayat Management System (GPMS) for maintenance of accounts and database for ZP/PS and GP respectively. The status of implementation of the software packages as of March 2009 is as follows:

Item	ZPs/MP	PSs	GPs
Installation	18	311	1,978
Working	18	215	939

(Source : Annual Administrative Report 2008-09 of the P&RDD)

## 1.7 PRI: Resources and Applications

The revenue receipts of PRIs comprise receipts from own sources, assigned revenue, grants and contributions. Receipts and expenditure of PRIs during 2008-09 are shown in pie-charts as below:



### 1.7.1 State Budget allocation vis-à-vis actual release made

The allocation of funds in State Budget for PRIs includes salary & allowances, schematic fund, other grants including State Finance Commission (SFC) grants and excludes grants directly released to PRIs by GOI for poverty alleviation schemes. The details of state budget allocation, actual release and shortfall in release are detailed below:

(Rupees in crore)

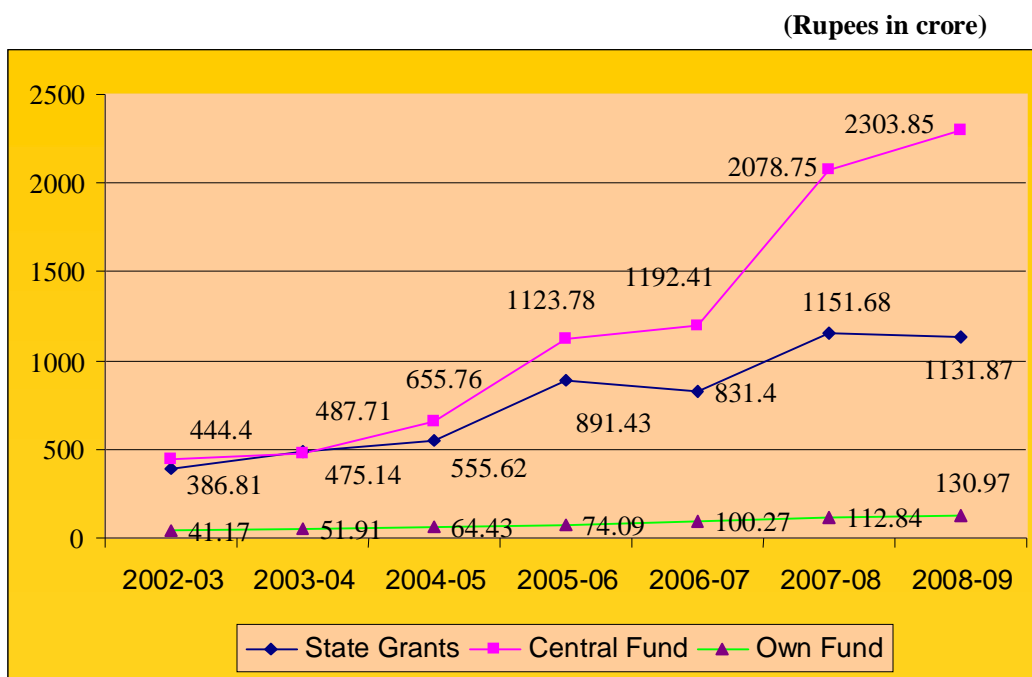
Year	State Budget Allocation			Actual Released	Short release	% shortfall	Utilization	
	Plan	Non-plan	Total				Plan	Non-plan
2005-06	678.88	325.50	1,004.38	1,066.22	-	-	403.40	204.56
2006-07	770.81	501.84	1,272.65	1,233.95	38.70	3	445.48	342.12
2007-08	1,562.58	601.35	2,163.93	1,880.77	283.16	13	619.81	360.91
2008-09	1,478.00	570.07	2,048.07	1,830.89	217.18	11	1,126.04	561.85
<b>Total</b>	<b>4,490.27</b>	<b>1,998.76</b>	<b>6,489.03</b>	<b>6,011.83</b>	<b>539.04</b>	<b>8</b>	<b>2,594.73</b>	<b>1,469.44</b>

Thus, it would be seen from the above that (i) there was a short release of ₹ 539.04 crore to PRIs from the State Budget allocation provided by the P&RDD during 2006-09 and shortfall was eight *per cent* of its budget allocation, ranging from three to 13 *per cent* and (ii) utilisation was 68 *per cent* of actual released out of state budget allocation.

The Department was requested (July 2010) to clarify the reasons for shortfall in allocation and utilization but reply had not been received.

### 1.7.2 (a) Sources of revenues of PRIs

Revenue of PRIs mainly consist of grants from the Central and State Governments for implementation of various Central and State schemes (**Appendix-I**). It would be seen that during the period from 2002-03 to 2008-09, the PRIs continued to be overwhelmingly dependent on grants from the Central and State Governments which is detailed below:



It would be evident from the above that (i) during the period 2008-09, the State Government grants to PRIs have increased by 191 *per cent* but the Central grants have increased by 418 *per cent* in comparison to the funds received by PRIs during 2002-03. This flow indicates devolution of huge funds to PRIs for implementation of several schemes as per recommendations of Central Finance Commissions. (ii) Though own source revenue (OSR) collection has increased by 218 *per cent* in comparison to the OSR collected by the PRIs during 2002-03; it constitutes only 4 *per cent* of total revenues of PRIs while Central and State Grants constitute 58 and 38 *per cent* respectively during 2002-03 to 2008-09.



## 1.7.2 (b) Financial position of PRIs

Financial position of the ZPs, PSs and GPs are depicted below:

(Rupees in crore)

Year: 2006-07					
Heads	Receipt				Total Expenditure
	ZPs	PSs	GPs	Total	
<b>(A) Grants:</b>					
(i) Salary and Allowances Grant	25.40	15.22	170.17	210.79	214.89
(ii) Schematic fund	243.15	152.72	945.86	1341.73	1369.39
(iii) Other Grants	129.78	85.49	256.02	471.29	437.84
<b>(A) Total Grants</b>	<b>398.33</b>	<b>253.43</b>	<b>1372.05</b>	<b>2023.81</b>	<b>2022.12</b>
<b>(B) Own Source</b>	28.01	17.61	54.65	<b>100.27</b>	NA
<b>Total (A+B)</b>	<b>426.34</b>	<b>271.04</b>	<b>1426.70</b>	<b>2124.08</b>	NA

Year: 2007-08					
Heads	Receipt				Total Expenditure
	ZPs	PSs	GPs	Total	
<b>(A) Grants:</b>					
(i) Salary and Allowances Grant	29.39	19.75	201.87	251.01	249.56
(ii) Schematic fund	509.23	398.33	1553.25	2460.81	2137.64
(iii) Other Grants	141.37	95.18	282.06	518.61	480.08
<b>(A) Total Grants</b>	<b>679.99</b>	<b>513.26</b>	<b>2037.18</b>	<b>3230.43</b>	<b>2867.28</b>
<b>(B) Own Source</b>	35.73	15.50	61.61	<b>112.84</b>	NA
<b>Total (A+B)</b>	<b>715.72</b>	<b>528.76</b>	<b>2098.79</b>	<b>3343.27</b>	NA

Year:2008-09					
Heads	Receipt				Total Expenditure
	ZPs	PSs	GPs	Total	
<b>(A) Grants:</b>					
(i) Salary and Allowances Grant	31.93	21.66	214.73	268.32	293.04
(ii) Schematic fund	404.02	162.55	2183.49	2750.06	2527.43
(iii) Other Grants	108.94	77.33	231.07	417.34	390.56
<b>(A) Total Grants</b>	<b>544.89</b>	<b>261.54</b>	<b>2629.29</b>	<b>3435.72</b>	<b>3211.03</b>
<b>(B) Own Source</b>	39.51	20.72	70.74	<b>130.97</b>	<b>121.21</b>
<b>Total (A+B)</b>	<b>584.40</b>	<b>282.26</b>	<b>2700.03</b>	<b>3566.69</b>	<b>3332.24</b>

\* The P&RDD did not have any information on institution wise opening balance and expenditure (including own source) during 2006-07 & 2007-08.

It would be evident from the information given above that (i) total receipts and expenditure under schematic grants were increased by 105 and 85 *per cent* respectively in 2008-09 in comparison to 2006-07. (ii) There was an increasing trend of flow of schematic funds to GPs. In 2008-09, it was increased to 131 *per cent* in comparison to funds received by GPs in 2006-07. Further, GPs received 63 to 80 *per cent* of the total schematic allocation for PRIs. (iii) Overall utilisation of grants had decreased to 93 *per cent* in 2008-09 from 99 *per cent* in 2006-07.

### 1.7.3 Fund received from Line Department

Different departments release funds to the Panchayat bodies for carrying out activities devolved by those departments as well as for some of the activities which have not been formally devolved. In respect of devolved activities, fund should be released through earmarked budget window of the department concerned. Scrutiny of records as available from the P&RDD revealed that three Departments namely, (i) Animal Resources Development, (ii) Women & Child Development & Social Welfare and (iii) Public Health Engineering have opened Panchayat head of accounts in their respective departmental budgets. Agriculture, Backward Classes Welfare, Development and Planning, Health and Family Welfare, Public Health Engineering, Relief and Rehabilitation and Other departments released ` 180.73 crore during 2008-09 which was twice the amount of ` 88.72 crore released in 2007-08.

### 1.8 Sectoral Analysis

Receipt and expenditure under important sectors like education, rural housing, poverty alleviation, health & family welfare for the past three years as revealed from the records of the P&RDD are as follows:

Name of sector	2006-07		2007-08		2008-09	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
Poverty alleviation	706.88	841.80	1,190.48	1,177.58	1,104.94	1,016.71
Social Security	265.52	129.42	351.71	323.09	503.78	481.03
Health & Family welfare	3.97	31.04	120.25	46.58	51.59	13.17
Backward area development	-	-	266.35	127.04	183.00	125.20
Development of natural resources	10.95	6.34	1.51	7.68	15.75	1.97
Rural Development	44.44	44.44	73.57	73.31	91.17	90.05
Rural roads	3.96	3.96	5.94	5.94	5.99	5.67
Rural Housing	274.14	280.51	344.24	269.83	702.92	701.97
Education	31.87	31.87	106.59	106.59	90.76	90.76
Other sectors	-	-	0.17	-	0.16	0.91
<b>Total expenditure</b>	<b>1,341.73</b>	<b>1,369.38</b>	<b>2,460.81</b>	<b>2,137.64</b>	<b>2,750.06</b>	<b>2,527.44</b>

It can be seen from the above table that

- PRIs expended most of the schematic funds towards poverty alleviation and rural housing. Expenditure incurred under these two sectors was ranging between 68 and 82 *per cent* of total schematic expenditure during 2006-07 to 2008-09;
- expenditures under education & social security were almost increased three to four times during 2008-09 in comparison to the expenditure during 2006-07; and
- backward area development work has been started during 2007-08 by utilising Backward Region Grant Fund (BRGF).

## 1.9 Working of District Planning Committee

In terms of Article 243-ZD of the Constitution, each State Government shall constitute a District Planning Committee (DPC) at district level to consolidate the development plans formulated by the local bodies based on planning at the grassroots level and prepare a Draft Development Plan (DDP) for the district as a whole.

The State Government determines the number of members of DPC on the basis of the number of constituencies in the district. A district having 40-80 constituencies will have 60 members in the DPC. If it is more than 80, the number of members will be 100.

Eighty *per cent* members of the DPC are elected by and from the elected members of the ZP and municipalities and 20 *per cent* are appointed by the State Government.

The DPC shall consider matters of common interest including spatial planning, sharing of water and other physical and natural resources, integrated development of infrastructure and environmental conservation in respect of panchayats and municipalities in the district and shall prepare a DDP for five years after consolidating plan of panchayats, Urban Local Bodies (ULBs) and other development agencies in the periphery of the district planning area.

The working of nine DPCs for the years from 2003-09 was selected for test check. **Cooch Behar, Nadia and North 24 Parganas districts failed to submit detailed information regarding DPC (as of February 2010) despite repeated reminders (August, November and December 2009).** However, test check of the records of other six districts i.e. Purulia, Malda, Bardhaman, Paschim Medinipur, Darjeeling and Uttar Dinajpur for the period 2003-04 to 2008-09 revealed the following:

### 1.9.1 Functioning of DPC

Section 3 of the West Bengal District Planning Committee Act, 1994 provides that the State Government shall constitute a DPC in every district. The DPC in Malda District has been functioning from the year 1994 while other DPCs in Bardhaman, Paschim Medinipur, Uttar Dinajpur and Purulia districts have been functioning from 1996, 2003, 2004 and 2005 respectively, i.e. after a delay of two to 11 years.

### 1.9.2 Preparation of Draft Development Plan

Purulia District prepared the DDP in the month of March of each year (2003-04 to 2008-09) and it was approved by the DPC in March of each year as mentioned. Uttar Dinajpur District prepared the DDP in the month of February 2009 for the year 2008-09 and September 2009 for the year 2009-10 but the same has not been accepted till November 2009. Bardhaman District prepared DDPs for the years 2005-06, 2007-08 and 2008-09 which were duly accepted

by the DPC but no DDP was prepared for the years 2003-04, 2004-05 and 2006-07. Paschim Medinipur District prepared the DDP for the years 2003-04 to 2008-09 by the end of March for every year. No report was available with the DPC of Malda District regarding preparation of the Plan.

### 1.9.3 Fund sanctioned and released

The DPC of Paschim Medinipur District furnished the details of amount sanctioned and released against Development Plan (DP) as follows:

(Rupees in crore)					
Year	2003-04	2004-05	2005-06	2006-07	2007-08
Total amount sanctioned for DP	785.16	953.81	458.34	1,197.15	2,005.93
Fund released against DP	381.01	506.04	327.59	568.34	1,564.63

The DPC of Purulia and Uttar Dinajpur districts stated that no amount was allocated against DP. Malda and Bardhaman districts could not furnish any information regarding sanction of funds against DP. In Darjeeling District, ` 5.95 lakh was sanctioned during 2007-09 but no funds were released against sanctioned amount.

### 1.9.4 Achievement

Bardhaman, Darjeeling and Uttar Dinajpur districts did not prepare the statement showing annual execution of plan prepared. No statement of execution was available with the Malda District. Thus, functioning of District Planning Committees in these districts was ineffective. However, Purulia and Paschim Medinipur districts achieved the target of 60 and 85 *per cent* respectively.

### 1.9.5 Monitoring

Monitoring of execution of schemes was done by the concerned departments in Purulia and Darjeeling districts. In Paschim Medinipur District, weekly monitoring meetings at Gram Panchayat, Panchayat Samiti and Sub-Divisional level and Monthly Development meetings are being held at the district level. Remaining three districts failed to furnish any information regarding such monitoring. In absence of the information, it could not be ascertained whether the DPCs were functioning properly.

### 1.10 Twelfth Finance Commission Grants

The Twelfth Finance Commission (TFC) grants for PRIs should be used to improve the service delivery by the Panchayats in respect of water supply and sanitation. Panchayats need to be encouraged to take over water supply assets created under the Swajaldhara programme and maintain them with the help of these grants. The total allocation under TFC was ` 1,271 crore upto 31 March 2010. The State Government further recommended procedure for utilisation of TFC grants towards maintenance of accounts and creation/improvement of

database, water supply and sanitation including solid waste management as 5 (₹ 63.55 crore), 10 (₹ 127.10 crore) and 10 (₹ 127.10 crore) *per cent* respectively. In case of delayed transfer of TFC grants to PRIs beyond the specified period of 15 days, TFC recommended that the State Government shall transfer to PRIs an amount of interest at the rate equal to RBI Bank rate alongwith the delayed transfer of grants. Accordingly, interest transferred to PRIs was ₹ 0.88 crore upto 31 March 2010 for delayed release of 1<sup>st</sup> instalment.

Information regarding utilisation on the two priority sectors, i.e. maintenance of accounts and creation of database, as fixed by State Government was not furnished by the P&RDD. However, information as available in the P&RDD website revealed that total release of fund to the PRIs was ₹ 24,89,594.23 crore and expenditure on maintenance of accounts and creation of database was shown as ₹ 7,142.48 crore and ₹ 5,346.31 crore by the PRIs respectively (July 2010), which do not tally with fund allocation.

Audit of PRIs revealed that 3,214 GPs, 140 PSs and 17 ZPs received ₹ 161.51 crore and spent ₹ 219.60 crore during 2007-08 as detailed below:

(Rupees in crore)					
Tier of PRI	Opening balance	Receipts	Total	Expenditure	Percentage of expenditure
3,214 GPs	77.69	84.14	161.83	133.35	82
17 ZPs	28.64	56.25	84.89	63.14	74
140 PSs	11.21	21.12	32.33	23.11	71
<b>Total</b>	<b>117.54</b>	<b>161.51</b>	<b>279.05</b>	<b>219.60</b>	<b>79</b>

Audit of implementation of 12<sup>th</sup> FC revealed utilisation of grants below the prescribed percentage, non-utilisation of grants towards three priority sectors and works undertaken without Annual Action Plan.

### 1.10.1 Works executed outside Annual Action Plan

The scheme guideline provided that PRIs should prepare an Annual Action Plan (AAP) giving physical and financial target for utilisation of grants. It was observed that five PSs and one ZP incurred ₹ 1.36 crore on works from TFC fund during the year 2005-08 which were not included in AAP of the respective PRIs.

(Rupees in lakh)		
Sl. No.	Name of PRIs	Amount
(1)	Jalpaiguri ZP	37.51
(2)	Arsha PS	19.94
(3)	Bongaon PS	26.51
(4)	Dantan-II PS	13.99
(5)	Jhalda-II PS	17.72
(6)	Karimpur-II PS	20.50
<b>Total</b>		<b>136.17</b>

In reply, Bongaon PS stated that AAP was not prepared due to local problem and Karimpur-II PS stated that AAP accepted by the PS sent to Nadia ZP for formal approval. But the same was not received and expenditure incurred with the advice of the ZP. Remaining PRIs did not furnish any reason.

**Preparation of AAP is crucial to ensure incorporation of local needs and wants in the development process. In absence of such planning desired participation of local people in planning process were not addressed by these PRIs. It was also not ensured whether these PRIs spent ` 1.36 crore on developmental works according to local needs.**

### 1.10.2 Failure to incur expenditure on priority sectors

It was stipulated in the guideline that a minimum of 30 *per cent* of the grant should be utilised towards three priority sectors, i.e., maintenance of accounts, creation/improvement of database and water supply and sanitation. Scrutiny revealed that 565 GPs did not incur the recommended percentage in the priority sectors during 2007-08 (**Appendix-II**). Similarly, three PSs also failed to incur desired percentage of expenditure on priority sectors as detailed below:

(Rupees in lakh)						
Sl. No.	Name of the PS	Year	Total receipts	Expenditure on three priority sectors	Percentage of expenditure	Shortfall in expenditure ( <i>per cent</i> )
(1)	Karimpur-I	2006-08	24.50	1.17	4.77	25.23
(2)	Krishnaganj	do	21.10	1.06	5.02	24.98
(3)	Raghunathpur II	do	21.38	0.45	2.10	27.90

Further, 748 GPs (**Appendix-II**) and six PSs, i.e., Bardhaman-II, Jhalda-I, Debra, Berhampore, Egra-I and Bongaon did not spend any amount towards three priority sectors during 2007-08 and 2005-08 respectively.

**Thus, adequate attention was not paid to priority sectors in PRIs especially in the GPs and the basic objective of the scheme was, thus, frustrated.**

### 1.11 State Finance Commission Grants

The recommendations of the Second State Finance Commission (SSFC) of West Bengal covering the period from 2001-06, was constituted in July 2000. The SFC recommended allocation of 12.8 *per cent* and 3.2 *per cent* of State Taxes to rural as well as urban local bodies respectively. A minimum amount of ` 700 crore should be provided in the budget for devolution to PRIs and ULBs as untied entitlement. The State Government decided to allocate 'the maximum amount possible' out of its resources instead of linking up the quantum of the entitlement fund with the State's own tax revenue.

The actual release under SFC is shown below:

(Rupees in crore)			
Year	Tax Revenue of the State Government	Recommended by SFC	Actual released under SFC
2006-07	11,694.77	1,496.93	140.08 (1.2%)
2007-08	13,126.33	1,680.17	204.61 (1.5%)
2008-09	14,419.15	1,845.65	120.40 (0.8%)
<b>Total</b>	<b>39,240.25</b>	<b>5,022.75</b>	<b>465.09</b>

Hence, the PRIs got 1.2, 1.5 and 0.8 *per cent* of the State Tax revenue against the recommended 12.8 *per cent*.

The Third State Finance Commission constituted in February 2006 was required to submit its report by February 2007, but submitted the report to the Government in October 2008. The Commission recommended allocation of ` 800 crore, constituting around 5 *per cent* of the state's own net tax revenue, to PRIs and ULBs in the ratio of 76:24 respectively for the year 2008-09 with the progressive increase of the allocation at the minimum rate of 12 *per cent* per annum on a cumulative basis for the year 2009-10 to 2012-13. The Government accepted the recommendation in July 2009.

### **1.12 Audit arrangement for PRIs**

As per provisions of the West Bengal Panchayat Act, 1973, the State Government is to appoint an Auditor for audit of the accounts of ZPs, PSs and GPs. The Examiner of Local Accounts (ELA), West Bengal has been appointed as Auditor to audit ZPs, PSs and GPs.

### **1.13 Audit Coverage**

Accounts of 17 ZPs, one MP, 151 PSs and 3,214 GPs for the year 2007-08 were audited during 2008-09. Audit of accounts of 134 GPs of Darjeeling District, one GP each in Nadia, Murshidabad and Uttar Dinajpur districts and 3 GPs in Jalpaiguri District could not be taken up during 2008-09 due to seizure of records, political disturbances and non-release of Government grants. The audit findings are discussed in the succeeding Chapters.

### **1.14 Response to Audit Reports**

In terms of Section 191(A) of the West Bengal Panchayat Act, 1973, the report of the ELA on PRIs shall be laid before the State Legislature and in terms of sub-rule 4A of Rule 310 ZG of the Rules of Procedure and Conduct of Business in the West Bengal Legislative Assembly, the matters relating to scrutinising the Report of the ELA on PRIs have been entrusted to the Standing Committee on Panchayats and Rural Development, Land & Land Reforms and Sundarban Development, West Bengal Legislative Assembly. Accordingly, Reports of the ELA on PRIs for the years ending 2004, 2005, 2006 and 2007 were laid before the State Legislature and the Standing Committee had considered all the four Reports as of January 2010. Report for the year ending 2008 was sent to the Department (September 2009) and the said Report has been laid before the State Legislature in March 2010.

### **1.15 Pending Audit Observations of Inspection Reports**

Pradhans of the GPs, Executive Officers of the PSs or ZPs are statutorily required to comply with the observations made by the auditor and thereafter compliance report is required to be sent to the ELA within two months from the date of receipt of the Inspection Reports (IRs).

The following table indicates position of IRs and paragraphs pending for settlement, as on 31 March 2010.

Category of PRIs	Accounting years for which IRs are pending for settlement	No. of IRs pending for settlement	No. of paras contained in the IRs awaiting settlement	(Rupees in crore)
				Money value
ZP	1985-87 to 2008-09	99	812	1,591.24
PS	1976-98 to 2008-09	975	3,968	851.36
GP	2002-03 to 2008-09	8,063	67,384	NA

An Audit Committee comprising the Principal Secretary of the P&RDD, representatives of the Finance Department and the ELA was formed for settlement of the outstanding IRs. 14 meetings were held by the Audit Committee in 2009-10 where 1,337 paras were discussed and 611 paras worth ` 613.10 crore were settled therein.