

**Report of the
Comptroller and Auditor General of
India on
Local Bodies
for the year ended March 2022**

Government of Odisha
Report No. 10 of 2024

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Preface

Preface

This Report for the year ended March 2022 has been prepared for submission to the Governor of Odisha under CAG's DPC Act, 1971.

The Report contains significant results of the audit of the Panchayati Raj Institutions in the State.

The issues observed in the course of test audit for the period 2021-22 as well as those issues, which came to notice in earlier years but could not be dealt with in the previous Reports, have also been included, wherever necessary.

The audit has been conducted in conformity with the auditing standards issued by the Comptroller and Auditor General of India.

Overview

Overview

Panchayati Raj Institutions fall under Panchayati Raj & Drinking Water Department. This Report of the Comptroller and Auditor General of India on Local Bodies includes results of District Centric Audit of PRIs in the form of three Subject Specific Compliance Audits (SSCA) as follows:

- SSCA on ‘Utilisation of funds received by PRIs from Central Finance Commission Grants’
- SSCA on ‘Utilisation of funds received by PRIs from State Finance Commission Grants’
- SSCA on ‘Implementation of the Gopabandhu Gramin Yojana’

An overview of the significant Audit observations is discussed below:

Utilisation of funds received by PRIs from Central Finance Commission Grants

- In none of the 63 test checked GPs, five years perspective plans were prepared, with prioritization for basic civic services, viz. drinking water, sanitation and streetlights.

(Paragraph 2.3)

- Out of 63 test checked GPs, 57 GPs lost Performance Grants of ₹ 3.04 crore due to non-fulfilment of the mandatory eligibility criteria.

(Paragraph 2.4.5)

- During the FYs 2017-22, 24 GPs, of 10 PSs had diverted ₹ 81.96 lakh, from CFC funds, for meeting expenses for other purposes.

(Paragraph 2.4.7)

- In 01 PS and 42 GPs, expenditure amounting to ₹ 2.18 crore were made on works and items not admissible under CFC.

(Paragraph 2.5.1)

- In six GPs, 121 solar streetlights installed at a cost of ₹ 40.90 lakh were non-functional after six months of installation due to lack of maintenance.

(Paragraph 2.5.6.3)

Utilisation of funds received by PRIs from State Finance Commission Grants

- In two PSs and two GPs, outstanding advances, of ₹ 32.04 lakh, disbursed during 2015-20, were pending against various government officials, as of March 2022.

(Paragraph 3.3.1)

- An amount of ₹ 1.33 crore, received towards royalty, labour welfare cess, income tax etc. during the FYs 2017-22, had been retained by nine PSs and 38 GPs, in their bank accounts, without depositing it with the appropriate authorities

(Paragraph 3.3.4)

- Six PSs and one GP had utilised an amount of ₹ 1.09 crore on items not admissible under SFC Grants.

(Paragraph 3.3.5)

- In 12 GPs, assets constructed during FYs 2017-20, at a cost of ₹ 1.05 crore, remained idle resulting in loss of revenue to these GPs.

(Paragraph 3.4.3)

Implementation of the Gopabandhu Gramin Yojana

- In three ZPs, 1,002 projects, with an estimated cost of ₹ 19.64 crore, had been sanctioned by the Collectors, without approval of the DPCs and funds had been released to the PSs.

(Paragraph 4.3.3)

- During the FYs 2017-22, five PSs had diverted an amount of ₹ 2.82 crore, out of GGY funds, for expenses not admissible under GGY, out of which, ₹ 0.40 crore was still pending for recoupment.

(Paragraph 4.4.2)

- An amount of ₹ 80.29 lakh, received towards royalty, labour welfare cess etc. since FY 2017-18, had been retained by eight PSs in their bank accounts, without depositing it with the appropriate authorities.

(Paragraph 4.5.2)

- In 20 PSs, 219 works could not be completed despite utilisation of an amount of ₹ 7.90 crore. Delays in the completion of these works had ranged from 30 to 1,438 days.

(Paragraph 4.5.10)