
CHAPTER-I

AN OVERVIEW

OF THE FUNCTIONING, ACCOUNTABILITY

MECHANISM AND FINANCIAL REPORTING ISSUES

OF PANCHAYATI RAJ INSTITUTIONS

CHAPTER-I

An Overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Panchayati Raj Institutions

1.1 Introduction

The 73rd amendment to the Constitution of India has accorded constitutional status to Panchayati Raj Institutions (PRIs) and established a system of uniform structure, regular election and regular flow of funds through the Finance Commission. As a follow-up, the State Governments were required to contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to certain conditions specified therein. Twenty-nine functions enlisted in 11th schedule of Constitution of India and functionaries entrust the PRIs with powers, functions and responsibilities to enable them to function as institutions of local self-government.

Accordingly, the Government of Maharashtra amended (1994) the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961 (MZP&PS Act) and the Maharashtra Village Panchayats Act, 1958 (MVP Act).

1.1.1 State Profile

As per the census of 2011, out of the total population of 11.24 crore in the State, 6.16 crore (55 *per cent*) was in rural areas. The demographic and developmental status of the State as per the census of 2011 is given in **Table 1.1.1**.

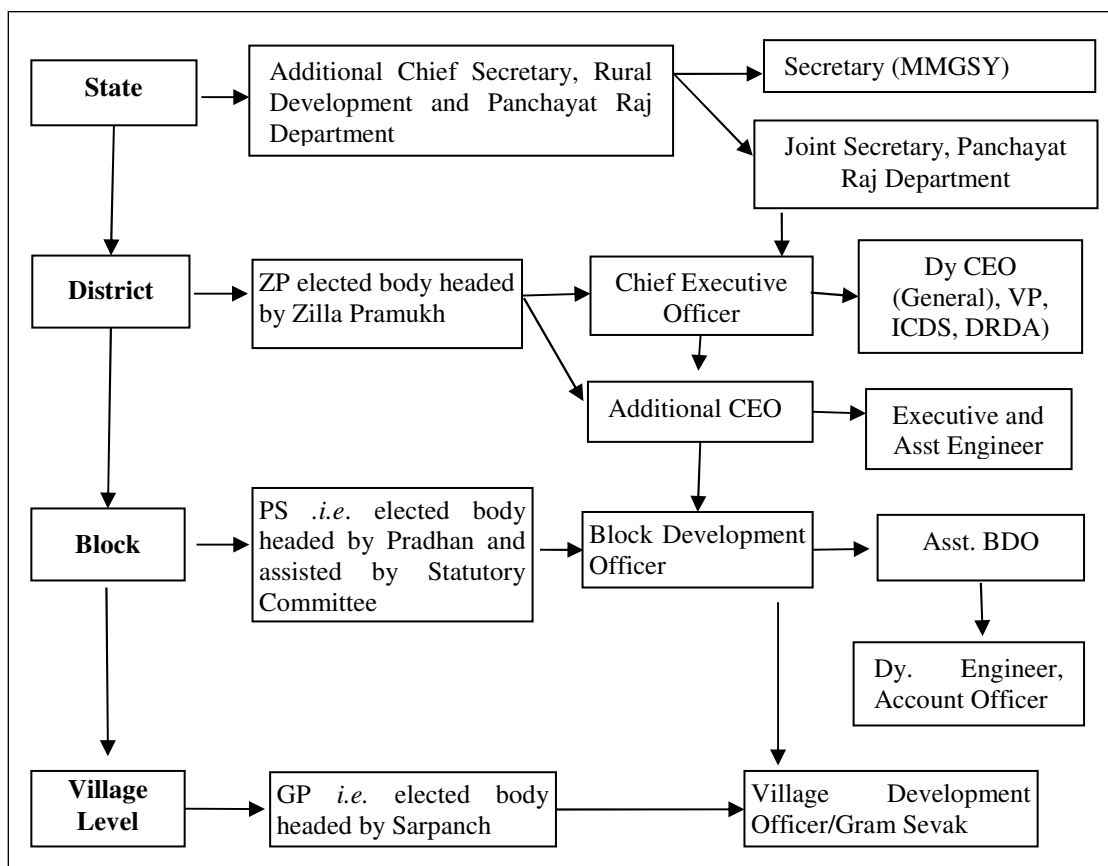
Table 1.1.1: Important statistics of the State

Indicator	Data
Population (in crore)	11.24
Population density (per square km)	365
Gender ratio - female: male	929:1000
Rural population (in crore)	6.16
Literacy- Rural (in <i>per cent</i>)	77.09
Total number of PRIs	28,217
(i) Number of District Panchayats (Zilla Parishads)	34
(ii) Number of Block Panchayats (Panchayat Samitis)	351
(iii) Number of Village Panchayats (Gram Panchayats)	27,832
Source: Economic Survey of Maharashtra 2021-22	

1.2 Organisational Setup of PRIs

The PRIs comprise three tiers system *viz.*, Zilla Parishads (ZPs) at the district level, Panchayat Samitis (PSs) at the block level and Gram Panchayats (GPs) at the village level. The organisational setup of PRIs in Maharashtra is depicted in **Chart 1**:

Chart 1: Organisational setup of PRI



The Rural Development and Panchayat Raj Department, Government of Maharashtra (RDD), is the nodal department for PRIs at the State level. The Chief Executive Officer (CEO) in the ZP, the Block Development Officer (BDO) in the PS and the Village Development Officer (VDO)/ Gram Sevak in the GP, report functionally to the respective elected bodies and administratively to their next superior authority in the hierarchy of the State Government.

There were 27,832 GPs for 43,665 villages in Maharashtra as of March 2022. The VDO/ Gram Sevak, a village level functionary, functions as Secretary to the GP and is also responsible for maintenance of accounts and records at the GP level.

As against 27,832 GPs in the State, the sanctioned strength of VDOs/ Gram Sevaks was 22,793 (82 *per cent*) only as of March 2021¹. The persons-in-position was 20,546 (90 *per cent*) with a shortage of 2,247 (10 *per cent*) VDOs/ Gram Sevaks as of March 2021¹.

1.3 Functioning of PRIs

1.3.1 There are 36 districts in the State of Maharashtra, out of which two districts *viz.*, Mumbai City and Mumbai Suburban do not have rural areas. The balance 34 districts are having ZPs at the district headquarters. These ZPs have their own Departments for Education, Public Works, Health, Minor Irrigation, Rural Water Supply, Social Welfare, Animal Husbandry, Agriculture, Women and Child Welfare, Finance, General Administration, Village Panchayat, *etc.*

¹ Information received from the Rural Development and Panchayat Raj Department, Government of Maharashtra, in October 2022

1.3.2 The ZPs are required to prepare a budget for the planned development of the districts and utilisation of the resources. The Government of India (GoI) schemes funded through the District Rural Development Agency (DRDA) and the State Government schemes are also implemented by the ZPs. The ZPs *inter alia* are empowered to impose Water Tax, Pilgrim Tax and Special Tax on land and buildings.

1.3.3 The intermediate tier of PRIs at the block level in Maharashtra is called the PS. There were 351 PSs in the State. The PSs do not have enough own source of revenue and are fully dependent on the grants received from ZPs. The PSs undertake developmental works at the block level.

1.3.4 The MVP Act, 1958 provides for the constitution of Gram Sabha, a body consisting of persons registered in the electoral rolls of the villages within the GP area. The GPs are empowered to levy tax on buildings, betterment charges, pilgrim tax, taxes on fairs/festivals/entertainment, taxes on bicycles, vehicles drawn by animals, shops and hotels, *etc.*

1.3.5 Gram Sabhas are required to meet periodically. They select beneficiaries for the Central/ State Government schemes, prepare and approve development plans and projects to be implemented by the GPs and grant permission for incurring expenditure by GPs on developmental schemes. They also convey their views on the proposals for acquisition of land by GPs.

1.3.6 The broad accountability structure in PRIs is shown in **Table 1.1.2**.

Table 1.1.2: Accountability structure in PRIs

PRIs	Functions assigned
Chief Executive Officer, ZP	1. Drawal and disbursal of district fund 2. Preparation of annual budget and accounts 3. Supervision and control of officers of ZP and execution of all financial and official activities of the ZP 4. Accord and enter into any contracts and agreements
Chief Accounts and Finance Officer, ZP	1. Compilation of the accounts of ZP 2. Providing financial advice
Heads of departments in ZPs	1. According technical sanctions to the works and implement development schemes 2. Supervising the work of Class II officers
Block Development Officer, PS	1. Drawal and disbursal of funds 2. Execution and monitoring of schemes and maintenance of accounts and records
Gram Sevak, GP	1. Secretarial function as Secretary to the Gram Sabha 2. Execution and monitoring of schemes and maintenance of accounts and records
Source: The MZP&PS Act, 1961 and The MVP Act, 1958	

1.3.7 Of the 29 functions referred to in the XI Schedule of the Constitution of India to be devolved to PRIs, 15 functions² were transferred to the PRIs. The remaining 14 functions which *inter-alia* covered Agriculture, Fisheries, Social Forestry and Education were pending for transfer to PRIs (November 2022).

² (i) Minor irrigation, water management and watershed development, (ii) Animal husbandry, dairy and poultry, (iii) Rural housing, (iv) Drinking water, (v) Roads, culverts, bridges, ferries, waterways and other means of communication, (vi) Non-conventional energy sources, (vii) Poverty alleviation programme, (viii) Adult and non-formal education, (ix) Libraries, (x) Cultural activities, (xi) Health and sanitation including hospitals, primary health centres and dispensaries, (xii) Women and child development, (xiii) Social welfare, including welfare of the handicapped and mentally retarded, (xiv) Public distribution system and (xv) Family welfare

Though all the 15 functions were discharged by the PRIs, they did not have full jurisdiction in respect of these functions; they functioned as implementing agencies in ten functions; they have dual role in two functions; they have overlapping jurisdiction with State Government departments and parastatals in three functions. The PRIs have limited role in discharging their functions and it was not consistent with the spirit of devolution.

1.3.8 The PRIs were allocated ₹ 29,417.83 crore (12.25 *per cent*) for the year 2021-22 out of the State Government's total revenue receipts of ₹ 2,40,233.83 crore. The share of Union taxes/duties was ₹ 54,318.06 crore, Grant-in-aid by GoI was ₹ 38,759.68 crore and compensation in lieu of GST was ₹ 17,834.22 crore.

1.4 Formation of various Committees

Article 243 ZD of the Constitution of India envisages formation of District Planning Committee (DPC) at district level in every State. The ZP&PS Act, 1961 provides for formation of various committees *viz.*, Standing Committee, Finance Committee, Works Committee, Agriculture Committee, Social Welfare Committee, Education Committee, Health Committee, Animal Husbandry and Dairy Committee, Water Management and Sanitation Committee, *etc.*, in every ZP under Sections 78-80.

The DPC at the district level was duly constituted in 22³ ZPs and information regarding constitution of DPC in the remaining 12⁴ ZPs was not furnished. Other committees were duly constituted in 26 ZPs and no information was furnished by the remaining eight⁵ ZPs (September 2022).

1.5 Audit arrangements

1.5.1 Audit by the primary auditor

The Director, Local Fund Accounts Audit (DLFAA), under the administrative control of Finance Department, Government of Maharashtra is the statutory auditor for all the PRIs in the State. DLFAA conducts audit of each department in ZPs apart from audit of PSs and GPs.

On completion of audit, DLFAA prepares audit report in the format as stipulated in Bombay Local Fund Audit Act, 1930 (BLFA) and issues to the audited unit. DLFAA also prepares annually, an Audit Review Report (ARR) containing important audit observations issued during the year to the PRIs. The ARR is placed in the State Legislature through RDD.

In respect of compliance audit, DLFAA completed audit of all the 34 ZPs and 351 PSs during the year 2021-22. Similarly, out of 57,152 GPs (including backlog of audit of GPs of previous years), DLFAA had completed the audit of 44,398 GPs during 2021-22.

³ Akola, Amravati, Aurangabad, Beed, Buldhana, Chandrapur, Dhule, Jalgaon, Latur, Nagpur, Nanded, Nandurbar, Nashik, Osmanabad, Parbhani, Pune, Raigad, Ratnagiri, Satara, Sindhudurg, Solapur and Thane

⁴ Ahmednagar, Bhandara, Gadchiroli, Gondia, Hingoli, Jalna, Kolhapur, Palghar, Sangli, Wardha, Washim and Yavatmal

⁵ Ahmednagar, Bhandara, Gondia, Hingoli, Jalna, Kolhapur, Washim and Yavatmal

As per BLFA, DLFAA was required to issue the Audit Report to the auditee unit within three months from the last date of audit. Out of 760 Audit Reports of ZPs and PSs issued by DLFAA during the year 2021-22 (July 2021 to June 2022), 669 (88 *per cent*) audit reports were issued within the stipulated time. Similarly, out of 19,686 audit reports of GPs issued during the year 2021-22 in 29 districts⁶ 16,605 (84 *per cent*) audit reports were issued within time.

As of June 2022, 1,767 audit objections related to misappropriations, frauds, embezzlements involving money value of ₹ 100.93 crore were outstanding in ZPs/PSs for audits completed upto the year 2021-22. Similarly, in GPs, 37,706 audit objections involving money value of ₹ 594.92 crore were outstanding as of June 2022.

The ARR is discussed by Panchayat Raj Committee constituted by State Legislature. The Panchayat Raj Committee has discussed ARR up to the year 2016-17. The ARR of PRIs for the year 2018-19 was submitted (August 2021) by DLFAA to RDD and the same was presented to State Legislature in March 2022. The ARR for year 2019-20 was yet to be prepared and presented to the State Legislature (September 2022).

1.5.2 Audit by the Comptroller and Auditor General of India

Audit of PRIs is conducted under Section 14 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Technical Guidance and Support (TGS) is also provided by Comptroller and Auditor General of India (C&AG) to DLFAA.

The audit observations on financial irregularities and defects in initial accounts/records noticed during local audits but not settled on the spot are communicated to the heads of PRIs and departmental authorities through Inspection Reports. Audit observations outstanding over six months are also brought to the notice of State Government for action.

The important audit observations arising out of audit of PRIs are processed for inclusion in the Local Bodies Audit Report of C&AG which is placed before the State Legislature under Article 151(2) of the Constitution of India.

1.6 Technical Guidance and Support by C&AG

Para 10.67 of the 13th FC (December 2009) recommended that the C&AG should be entrusted with the responsibility of Technical Guidance and Supervision (TGS) over maintenance of accounts and audit of the PRIs and the Urban Local Bodies. Accordingly, Finance Department vide GR of March 2011, entrusted TGS to C&AG. The GR *inter-alia* provided for training of officers and employees of DLFAA by C&AG, besides commenting on the audit report of DLFAA.

As a part of the technical guidance and support responsibility entrusted with C&AG, the officials of Accountant General in the State provide training to the officials of DLFAA on double entry accounting system, maintenance of accounts in Model Accounting System, audit checks, e-Governance in Local Bodies, introduction to Performance Audit *etc.*

⁶ No data furnished by five ZPs: Akola, Amravati, Buldhana, Washim and Yavatmal

1.7 Response to audit observations

1.7.1 Outstanding Inspection Reports of PRIs audited by Accountant General

As of December 2022, a total of 2,549 Inspection Reports (9,102 paragraphs) of PRIs audited by Accountant General were outstanding as shown in the **Table 1.1.3**.

Table 1.1.3: Status of outstanding inspection reports and paragraphs

Year	Inspection Reports	Paragraphs
Upto 2017-18	2,045	6,092
2018-19	257	862
2019-20	143	1,212
2020-21	14	141
2021-22	90	795
Total	2,549	9,102

1.7.2 Audit paragraphs included in Audit Reports/Annual Technical Inspection Report but pending discussion by Public Accounts Committee

As of December 2022, 35 out of 60 paragraphs included in the Audit Reports from 2005-06 to 2015-16; and 3 paras included in the Annual Technical Inspection Report (ATIR) for the period 2016-17 to 2018-19 were pending discussion by Public Accounts Committee (PAC) as shown in the **Table 1.1.4**.

Table 1.1.4: Status of audit paragraphs pending for discussion by PAC

Year of Report	Number of audit paragraphs in the Report	Number of audit paragraphs discussed by PAC	Number of audit paragraphs pending for discussion by PAC
Up to 2015-16	60	25	35
2016-17	01	00	01
2017-18	01	00	01
2018-19	01	00	01
Total	63	25	38
Audit material of Local Bodies for the period 2019-21 included in the Compliance Audit Report of C&AG for the year ended March 2021			

Accountability Mechanism and Financial reporting issues

Accountability Mechanism

1.8 Social Audit

Social audit is a continuous and ongoing process which includes verification of quantity and quality of works at different stages of implementation to ensure transparency and public accountability in the implementation of projects, laws and policies and its results by the community with active involvement of primary stakeholders. The process also combines people's participation and monitoring with the requirements of the audit discipline. As per Section 15(5)(d) of the National Rural Employment Guarantee Act, 2005 (NREGA), Social Audit of all works in the jurisdiction of GPs is to be carried out by the Gram Sabha and prompt action has to be taken on the objections raised during Social Audit.

The Planning Department established (September 2013) Social Audit Unit (SAU) in Maharashtra. The SAU is headed by the Director who is assisted by one Joint Director and three State Coordinators. Further, as per the guidelines of Ministry of Rural Development, the State Government had established (January 2018) the Maharashtra State Society for Social Audit and Transparency (MS-SSAT) under Society's Registration Act, 1860.

The Social Audit of Mahatma Gandhi National Rural Employment Guarantee Scheme is carried out with the help of Block and Village Resource Persons hired by SAU. The Social Audit Report of village is discussed in the Gram Sabha and submitted to the District Programme Coordinator (District Collector) for necessary action. The District Programme Coordinator is required to submit Action Taken Report (ATR) to SAU within one month of holding of Gram Sabha.

As per information submitted (July 2022) by SAU, social audit of 6,120 GPs was planned during 2021-22, of which audit of only 5,366 GPs could be completed. The shortfall in audit was attributed to the ban on holding Gram Sabha and public hearing due to the Covid-19 situation in Maharashtra as well as non-availability of enough funds. Provisional Social Audit Reports including 39,303⁷ actionable issues were submitted to District Programme Coordinator. However, as the Social Audit Reports were not finalized in the Gram Sabha, the action by the District Programme Coordinator on these points is pending.

The SAU should ensure that action is taken on findings expeditiously so that the utility of social audit as a tool to ensure accountability, is not undermined by lack of action on audit findings.

1.9 Internal Audit and Internal Control System in PRIs

An effective internal control system and strict adherence to statutes, codes and manuals minimises the risk of errors and irregularities and also helps to protect resources against loss due to waste, abuse and mismanagement.

The internal controls in PRIs were inadequate in view of non-reconciliation of cashbook with passbook, daily/monthly closing of cashbooks not done, non-maintenance of separate cashbooks for various schemes, regular attestation of daily entries by Drawing and Disbursing Officers (DDOs) not done, non-maintenance of accounts in the online portal, delay in preparation of annual accounts as discussed in paragraphs 1.11.4 and 1.11.5.

1.10 Submission of Utilisation Certificates

The Bombay Financial Rules, 1959 stipulates that utilisation certificates (UCs) for grants provided for specific purposes should be obtained by the departmental officers from the grantee institutions and after verification, the UCs should be forwarded to the concerned accounting offices *i.e.* Accountant General (Accounts and Entitlements), Maharashtra within 12 months from the date of their sanction unless specified otherwise.

As of June 2022, 966 UCs for grants amounting to ₹ 3,029.19 crore released till March 2021 by RDD were pending submission from the field offices. Out of the 966 pending UCs, 490 UCs amounting to ₹ 2,012.26 crore (66.43 *per cent*) were

⁷ Financial misappropriation: 452, Financial deviation: 6,735, Process violation: 27,999, Grievances: 4,117

pending between one to two years, 315 UCs amounting to ₹ 699.76 crore (23.10 *per cent*) were pending for the period between three and five years and 161 UCs amounting to ₹ 317.17 crore (10.47 *per cent*) were pending for more than five years.

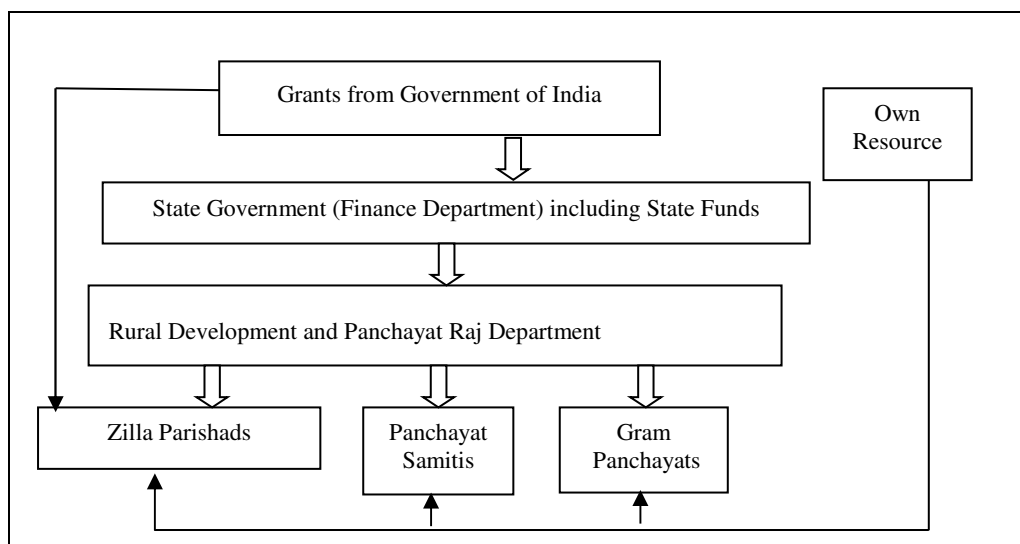
1.11 Financial Reporting Issues

1.11.1 Source of Funds

In addition to their own sources from tax and non-tax revenue *i.e.* fair tax, building tax, fees, rent from land and building, water charges, *etc.*, and capital receipts from sale of land, the PRIs also receive funds from the State Government and GoI in the form of grants-in-aid/ loans for general administration, implementation of developmental schemes/works, creation of infrastructure in rural areas, *etc.* Funds are also provided on the recommendations of the Central/ State Finance Commissions.

The fund flow mechanism is as shown in **Chart 2**.

Chart 2: Source of Funds



The receipts and expenditure of 15⁸ out of 34 ZPs for the period 2017-18 to 2021-22 is shown in **Table 1.1.5**.

⁸ Akola, Amravati (except 2021-22), Aurangabad (except 2021-22), Beed (except 2021-22), Buldhana, Chandrapur, Dhule, Jalgaon (except 2021-22), Latur, Nanded, Nashik, Osmanabad, Ratnagiri, Sangli and Satara

Table 1.1.5: Receipt and expenditure of PRIs during 2017-18 to 2021-22**(₹ in crore)**

Description	2017-18	2018-19	2019-20	2020-21	2021-22
Own revenue	707.61	621.67	637.68	454.36	427.41
Grants received from GoM	16,948.36	17,088.89	20,217.07	19,405.85	14,304.79
13 th FC	7.09	0.02	0.47	0.36	0.11
14 th FC	1,164.99	1,110.26	1,349.99	92.58	4.07
15 th FC	0	0	0	2,144.24	1,180.76
Other Central Govt. Grant	324.47	292.71	265.74	333.47	79.84
Other receipts	251.15	766.31	229.74	403.53	997.42
Total receipts	19,403.67	19,879.86	22,700.69	22,834.39	16,994.40
Percentage of own revenue	3.65	3.13	2.81	2.00	2.52
Total expenditure	17,897.97	18,434.16	21,786.37	21,078.77	15,514.20

Source : Information furnished by Rural Development and Panchayat Raj Department

As seen from **Table 1.1.5** the percentage of own revenue to total receipts showed a declining trend since 2017-18. Fund position of remaining 19 ZPs was not furnished.

1.11.2 Recommendations of the State Finance Commission

Article 243 (I) of the Constitution of India requires that the State Finance Commission (SFC) be appointed at the expiry of every fifth year.

The Fifth SFC for the period 2020-25 constituted in March 2018 and submitted (August 2019) its Report along with the recommendations to Government which was placed (December 2020) in the State Legislature.

Out of 169 recommendations, 91 recommendations (direct financial burden: 16, others: 75) were fully accepted while 30 recommendations (direct financial burden: 13, others: 17) were partially accepted. Action was already taken on 13 recommendations. The remaining 35 recommendations were rejected by the Government.

The action taken by RDD on the accepted recommendations of the Finance Commission was awaited (December 2022).

1.11.3 Utilisation of the Central Finance Commission Grants

The Fourteenth Finance Commission (14th FC) recommended grants of ₹ 15,035.67 crore to the PRIs in the State during 2015-16 to 2019-20. The grant included two components viz., General Basic Grant (GBG)⁹ and General Performance Grant (GPG)¹⁰.

For receiving grants under GPG¹¹, the GPs were required to fulfill conditions stipulated in GR issued (April 2016) by RDD.

⁹ The share of each Gram Panchayat under basic grant was required to be distributed with a weightage in the ratio of 90:10 for population (Census 2011) and area respectively

¹⁰ GBG: ₹ 13,532.11 crore and GPG: ₹ 1,503.56 crore

¹¹ (i) Updated accounts of Gram Panchayats should be kept and should have been audited till the year (two years prior to which performance grant relates), further, it should show income/ expenditure distinctly; and (ii) there must be an increase in revenue from its own sources from previous year

The Fifteenth Finance Commission (15th FC) recommended grants of ₹ 22,713.00 crore¹² to the PRIs in the State during 2020-21 to 2025-26. The grant included two components viz., Basic Grant-untied (BG) and tied grant. For receiving grants under tied grant, the GPs were required to fulfill conditions stipulated in GR issued (July 2021) by Department of Expenditure, Ministry of Finance, GoI.

The details of grants received and utilized by 16¹³ out of 34 ZPs during the period 2019-22 is given in **Table 1.1.6**.

Table 1.1.6: Details of grants received and utilised in 2019-20 to 2021-22

(₹ in crore)

Year	Category of grants	Recommendations of 14 th /15 th FC	Actual grants released by GoI	Grants released by GoM to PRIs	Utilisation of grants by PRIs as per UCs furnished	Balance grants to be utilised
2019-20 (14 th FC)	Basic	4059.55	4059.55	4059.55	Information not furnished	Information not furnished
	Performance	496.15	496.15	496.15		
2020-21 (15 th FC)	Tied and Untied grant	5827.00	5827.00	5827.00		
2021-22 (15 th FC)	Tied and Untied grant	4307.00	3014.90	3014.90		
Total	Basic	14689.70	13397.60	13397.60		

Source: Information as per State Finances Audit Report (SFAR) 2021-22

1.11.4 Maintenance of Records

1.11.4.1 Cashbook

As per Rule 98(2) of Maharashtra Treasury Rules, 1968, all monetary transactions should be entered in the cashbook as soon as they occur and attested by the head of the office in token of check. The cashbook should be closed regularly and completely checked. During audit of PRIs by the Accountant General in 2021-22, cashbooks of six out of 90 (**Appendix 1.1**) test-checked units revealed a number of discrepancies such as daily/monthly closing of cashbooks not done, non-maintenance of separate cashbooks for various schemes, regular attestation of daily entries by Drawing and Disbursing Officers (DDOs) not done, etc.

1.11.4.2 Reconciliation of balances as per cashbook with bank passbook

As per Rule 57 of Maharashtra ZPs and Panchayat Samitis Account Code, 1968, cashbook shall be closed daily and the closing balance as per the cashbook shall be compared with the balances of passbook and reconciled on the last working day of the month. During 2021-22, in 13 out of 90 (**Appendix 1.2**) test-checked units, reconciliation of balances as per cashbook with bank passbook was not done.

1.11.5 Maintenance of Accounts by PRIs

The annual accounts of ZPs are inclusive of accounts of Panchayat Samitis within its jurisdiction. The annual accounts are required to be prepared on or before 10 July of the following financial year to which the accounts relate. The annual accounts approved by the ZPs is certified by DLFAA. The certified annual

¹² BG: ₹ 9085.20 crore and tied grant: ₹ 13,627.80 crore

¹³ Amravati, Beed, Chandrapur, Dhule, Gadchiroli, Latur, Nagpur, Nanded, Nandurbar, Nashik, Osmanabad, Palghar, Parbhani, Raigad, Sangli and Satara

accounts were also required to be placed before the State Legislature.

Each GP prepares independent annual accounts which is required to be submitted to Panchayat Samiti on or before 1st June of next year after certification. The accounts are also placed before Gram Sabha for approval and orders given by Gram Sabha are to be recorded and followed by Sarpanch and Secretary of Gram Panchayat.

1.11.5.1 Arrears in preparation of annual accounts

As of March 2023, the annual accounts of all ZPs for the year 2017-18 were certified and submitted to Government for placing it in the State Legislature. Annual accounts of two ZPs¹⁴ for the year 2018-19, three ZPs¹⁵ for the year 2019-20, eight ZPs¹⁶ for the year 2020-21 and 32 ZPs¹⁷ for the year 2021-22 were yet to be submitted to Government.

As on March 2023, annual accounts of 14,433 GPs of 18¹⁸ districts were approved by Gram Sabha and certified by DLFAA for the period 2016-21.

1.11.5.2 Format of Accounts

RDD, made it compulsory (October 2013) for all ZPs and GPs to maintain their annual accounts in Model Accounting System (MAS) formats I to VIII¹⁹ as prescribed by the Ministry of Panchayati Raj.

The GPs of 16 ZPs²⁰ were maintaining their accounts in MAS formats I to VIII. GPs of Satara ZP maintained accounts only in MAS format I to III, whereas GPs of Thane ZP were maintaining accounts in formats MAS I to IV only. ZP, Buldhana was not maintaining the accounts in MAS formats. Information not furnished by 15 ZPs²¹. (September 2022).

1.11.5.3 Non-maintenance of annual accounts in e-Gramswaraj

The Ministry of Rural Development, GoI in coordination with National Informatics Centre had created a web portal namely Panchayati Raj Institution Accounting Software *i.e.*, 'PRIASoft' (now renamed as e-Gramswaraj) for online maintenance of accounts of PRIs. PRIs had to enter the accounting information on regular basis in e-Gramswaraj. The overall responsibility for ensuring that the PRIs entered the data in e-Gramswaraj rested with the Chief Executive Officer of ZP.

¹⁴ Beed and Buldhana

¹⁵ Beed, Buldhana and Nandurbar

¹⁶ Amravati, Beed, Buldhana, Dhule, Latur, Nandurbar, Sindhudurg and Washim

¹⁷ Ahmednagar, Akola, Amravati, Beed, Bhandara, Buldhana, Chandrapur, Dhule, Gadchiroli, Gondia, Hingoli, Jalgaon, Jalna, Kolhapur, Latur, Nagpur, Nanded, Nandurbar, Nashik, Osmanabad, Palghar, Parbhani, Pune, Raigad, Sangli, Satara, Sindhudurg, Solapur, Thane, Wardha, Washim and Yavatmal

¹⁸ Ahmednagar, Bhandara, Chandrapur, Gadchiroli, Gondia, Jalgaon, Kolhapur, Nagpur, Palghar, Pune, Raigad, Ratnagiri, Sangli, Satara, Sindhudurg, Solapur, Thane and Wardha

¹⁹ Receipts and Payments (MAS-I), Major Head wise consolidated abstract (MAS-II), Monthly Reconciliation Statement (MAS-III), Receivables & Payables (MAS-IV), Immovable Properties (MAS-V), Movable Properties (MAS-VI), Stock & Inventories (MAS-VII) and Demand, Collection & Balances (MAS-VIII)

²⁰ Amravati, Aurangabad, Beed, Dhule, Gadchiroli, Jalgaon, Latur, Nagpur, Nanded, Nandurbar, Nashik, Osmanabad, Parbhani, Pune, Ratnagiri and Solapur

²¹ Ahmednagar, Akola, Bhandara, Chandrapur, Gondia, Hingoli, Jalna, Kolhapur, Palghar, Raigad, Sangli, Sindhudurg, Wardha, Washim and Yavatmal

As per information furnished by 16 out of 34²² ZPs, the status of maintenance of accounts on e-Gramswaraj is shown in **Table 1.1.7**.

Table 1.1.7: Status of maintenance of accounts on e-Gramswaraj

Period	No. of ZPs	Name of ZPs
2013-14 to 2019-20	6	Satara: up to 2013-14; Nandurbar: up to 2014-15; Ratnagiri: up to 2015-16; Beed: up to 2016-17; Jalgaon up to 2018-19; Thane up to 2019-20
2020-21	3	Latur, Sindhudurg, Solapur
2021-22	7	Akola, Buldhana, Dhule, Nagpur, Nanded, Osmanabad, Sangli
Total	16	
Source: Information furnished by ZPs		

As per information furnished (September 2022) by the DLFAA, out of the total 27,832 GPs, 10,072 (in 12²³ districts) were maintaining the accounts on e-Gramswaraj portal. Information in respect of 17²⁴ districts was not furnished. In case of remaining five²⁵ districts it was stated that most of the GPs were not maintaining accounts in e-Gramswaraj.

1.11.6 Issues related to abstract contingent and detailed contingent bills

As per the Maharashtra Treasury Rules, 1968, the DDOs were required to submit detailed contingent (DC) bills (comprising vouchers in support of final expenditure) drawn against abstract contingent (AC) bills, within 30 days to the office of the Accountant General (Accounts and Entitlements), Maharashtra.

As of December 2022, two DC bills amounting to ₹ 1.82 lakh pertaining to RDD were outstanding for more than three years.

²² Information not furnished by 18 ZPs: Ahmednagar, Amravati, Aurangabad, Bhandara, Chandrapur, Gadchiroli, Gondia, Hingoli, Jalna, Kolhapur, Nashik, Palghar, Parbhani, Pune, Raigad, Wardha, Washim and Yavatmal

²³ Bhandara, Chandrapur, Gadchiroli, Gondia, Jalgaon, Kolhapur, Nagpur, Pune, Sangli, Satara, Solapur and Wardha

²⁴ Ahmednagar, Akola, Amravati, Aurangabad, Beed, Buldhana, Dhule, Hingoli, Jalna, Latur, Nanded, Nandurbar, Nashik, Osmanabad, Parbhani, Washim and Yavatmal

²⁵ Palghar, Raigad, Ratnagiri, Sindhudurg and Thane