

## OVERVIEW

This Report includes three Chapters. Chapters I present an overview of the accounts and finances of the Panchayati Raj Institutions (PRIs). Chapter-II comprises of mobilization of revenue resources while Chapter-III contain 18 transaction audit paragraphs.

A synopsis of important findings contained in this Report is presented in this overview.

### 1 An Overview of Accounts and Finances

- 'Own revenue' of Gram Panchayats (GPs) was only around 2 *per cent* of their total receipts during 2007-08 and as such they were dependent on grants and loans from the Central and State Governments. **(Paragraph 1.3)**
- Although the State Government accepted (April 2004) the formats of annual accounts prescribed by the Comptroller and Auditor General of India (C&AG) for Panchayat Samities (PSs), majority of PSs in the State were not maintaining the accounts in the prescribed formats. The formats prescribed by CAG for Zilla Panchayats and Gram Panchayats were not accepted. **(Paragraph 1.5)**
- Out of grants of Rs 432.90 crore received by test checked PRIs during 2007-08, only Rs 232.11crore (53.6 *per cent*) could be utilised by the PRIs.

**(Paragraph 1.12.1)**

### 2. Performance Review on Mobilisation of Resources

Mobilisation of Resources by Panchayati Raj Institutions revealed that though the State Finance Commission recommended (September 2004) assignment of taxation powers to the PRIs in 17 areas, the recommendation is yet to be implemented. Out of 643 revenue earning assets constructed under SGRY, 306 could not be allotted till March 2009. There was also unproductive expenditure of Rs 1.08 crore on incomplete units. None of the test checked GPs (except GP Rajpur) levied user charges on water supply and sanitation resulting in extra burden on the already financially constrained GPs.

**(Paragraph 2.9& 2.10)**

### **3. Audit of Transactions**

- Two Panchayat Samities and 14 Gram Panchayats did not observe the codal provisions which resulted in misappropriation of cash of Rs 8.50 lakh.  
**(Paragraph 3.1)**
- In four Panchayat Samities physical verification of stock account of rice under NFFWP and SGRY revealed shortage of 4330.79 quintals amounting to Rs. 59.34 lakh.  
**(Paragraph 3.4)**
- Deviation from the plans and non-fixation of screw gear shutter and Head regulator in the Water Harvesting Structure (WHS), Check dams and Minor Irrigation Projects(MIPs) by 11 PRIs resulted in unfruitful expenditure of Rs 60.15 lakh.  
**(Paragraph 3.8)**
- As at 31st March 2008 advances of Rs 35.26 crore were lying outstanding and unadjusted against the employees of 51 Panchayat Samitis. **(Paragraph 3.10)**
- In five Panchayat Samities 128 projects under SGRY/NFFWP/MPLAD/WODC on which expenditure of Rs 2.11 crore was incurred during 2002-03 to 2005-06 remained incomplete rendering the expenditure unfruitful. **(Paragraph 3.13)**
- In 11 Panchayat Samities, expenditure of Rs 2.72 crore incurred on construction of 2682 houses under IAY scheme became unfruitful due to non completion of these houses for periods ranging from three to eight years. **(Paragraph 3.14)**
- In 14 Panchayat Samities, 663 shopping units constructed during 2003-07 at a cost of Rs 2.25 crore out of SGRY, SGSY and MPLAD funds remained unallotted to the beneficiaries resulting in idling of funds. **(Paragraph 3.16)**