

PREFACE

This Report has been prepared for submission to the Government of Orissa in accordance with the terms and conditions of the Technical Guidance and Supervision (TGS) over the maintenance of accounts and audit of Panchayati Raj Institutions (PRIs) by the Comptroller & Auditor General (C&AG) of India.

Based on the recommendations of the Eleventh Finance Commission, the State Government entrusted audit of 20 *per cent* of Gram Panchayats (September 2003) and Panchayat Samitis (May 2004) to the C&AG of India under section 20(1) of the CAG's (DPC) Act 1971. The State Government also entrusted the Technical Guidance and Supervision of the audit conducted by the Examiner, Local Fund Audit (LFA) to the CAG.

This Report is based on the audit of Gram Panchayats (GPs) conducted under Section 20(1) and Panchayat Samitis (PSs) & Zilla Parishads (ZPs) under Section 14 of the C&AG's (DPC) Act 1971.

This Report contains three chapters. Chapter I contains an overview of the PRIs in Orissa and comments on accounts. Chapter II deals with a mini review on the mobilization of revenue resources of PRIs. Chapter III deals with the audit observations on transactions of PRIs.

The cases mentioned in the Report are among those, which came to notice during the course of test audit of accounts conducted during the year 2008-09 as well those which had come to notice in earlier years but could not be dealt with in the previous Reports.