

# CHAPTER-5

## Other Issues

**Scrutiny in Audit revealed several issues including imprudent investment resulting in financial loss, diversion of scheme funds, blocking up of loan, non-utilisation of scheme funds and accumulation of salary grants etc.**

### 5.1 LOSSES/OVERPAYMENT

#### BHANGAR-II PANCHAYAT SAMITI

##### *5.1.1 Loss of revenue of Rs. 7.98 lakh due to non-realisation of license fee*

State Government approved bye-laws for Bhangar-II Panchayat Samiti (PS) which stipulate that a person storing or trading in kerosene within the area under the jurisdiction of PS should take a license from the Samiti on payment of annual license fee of Rs. 250. The annual rate of license fee was enhanced to Rs. 500 from March 2005 onwards. Scrutiny of records revealed that although there were 168 kerosene dealers within the jurisdiction, no annual license fee was collected from them in the financial years from 1988-89 to 2005-06. PS admitted (August 2006) its failure to implement the particular provision of bye-laws for collection of fees from kerosene dealers.

Thus, PS suffered a loss of revenue amounting to Rs. 7.98 lakh\* for non collection of the license fee in the financial years from 1988-89 to 2005-06.

#### CHAPRA PANCHAYAT SAMITI

##### *5.1.2 Non-recovery of Rs. 5.65 lakh towards lease money*

According to the lease notice for ferry ghats of the Chapra Panchayat Samiti (PS), the lessee of ferry ghat was to deposit highest bid money immediately following the auction process. Records revealed that the PS allowed leasing out of the ferryghats on part payment basis which resulted in non-receipt of revenue of Rs. 5.65 lakh in respect of five ferryghats during 2002-03 and 2003-04.

* 168xRs. 250.00x17(upto 2004-05): Rs. 7,14,000.00	
168xRs. 500.00	: Rs. 84,000.00
<b>Total</b>	<b>:Rs 7,98,000.00</b>

The PS stated (January 2008) that the outstanding revenue pertaining to 2002-03 and 2003-04 could not be realised despite repeated reminders.

Thus, a loss of revenue of Rs. 5.65 lakh could have been avoided if the bid money was collected immediately after completion of bid as per provision of lease notice.

## **5.2 IDLE INVESTMENT/BLOCKAGE /DIVERSION/MISUTILISATION OF FUNDS**

### **PASCHIM MEDINIPUR ZILLA PARISHAD**

#### ***5.2.1 Diversion of Rural Infrastructure Development Fund of Rs. 1.78 crore***

The schemes under Rural Infrastructure Development Fund (RIDF) are meant for development of infrastructure in rural areas with due technical and financial approval of State Government and National Bank of Agricultural and Rural Development (NABARD). Government provided fund to the Zilla Parishad by drawing loan from NABARD for execution of the schemes under each separate heads (i.e. RIDF I, RIDF II, RIDF III and so on) and specifying the name of each development work. The release orders also specifically contain the condition that the fund should be utilised by the ZP for the purpose for which it is allotted.

Paschim Medinipur ZP had a total saving of Rs. 2 crore after completion of schemes under RIDF II, III and V. ZP decided (January 2006) to utilize the saving for repair works of the culverts and roads as constructed under RIDF. A review of the Cash Book revealed that the ZP, instead of refunding the unutilized fund of Rs. 2 crore to the State Government, diverted a total sum of Rs. 1.78 crore between December 2005 and September 2006 towards repair work of roads and culverts.

Government had taken loan from RIDF for specific infrastructural development works in rural areas. ZP utilised the balance of loan fund towards repairing works instead of development works which defeated the very purpose of raising loan by the Government. ZP did not also apprise the Government about the aforesaid diversion of Rs. 1.78 crore out of RIDF.

ZP stated (February 2008) that they were forced to utilise the unspent RIDF fund for repair works due to paucity of own fund and non-availability of fund from other sources.

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**BARDHAMAN ZILLA PARISHAD**
**5.2.2 Blocking up of loan of Rs. 93.29 lakh**

The Credit-cum-Subsidy Scheme for rural housing to facilitate construction of houses for economically weaker sections was a part credit (80 *per cent*) and part subsidy (20 *per cent*) based scheme. In terms of the scheme, Housing Urban Development Corporation (HUDCO) would provide loan component with interest payable quarterly by the State Government. Center and State Government would share subsidy amount on 75:25 basis. The ZP, which was the implementing and nodal agency of the scheme, and the PS were to open the bank account for keeping the loan and subsidy amounts separately.

Bardhaman ZP received a loan of Rs. 210.51 lakh from HUDCO and subsidy of Rs. 52.58 lakh (Central and State) in January 2002 and September 2002 through State Government. The ZP sub-allotted Rs. 210.32 lakh (loan) and Rs. 52.53 lakh (subsidy) to 13 PSs between January 2002 and September 2002 and retained Rs. 0.19 lakh (loan) and Rs. 0.05 lakh (subsidy). The PSs refunded loan amount of Rs. 93.10 lakh and subsidy amount of Rs. 23.70 lakh to the ZP in August 2005 after a lapse of 35 months due to non-response from beneficiaries. ZP allotted (between September 2005 and February 2006) the subsidy balance of Rs. 23.75 lakh<sup>◇</sup> to GPs for housing under IAY.

Blocking up of loan amount of Rs. 93.29 lakh<sup>∅</sup> for such a long period not only frustrated the objective of the scheme but also burdened the Government exchequer with unnecessary interest due to lack of monitoring and supervision by the ZP.

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**DOMKAL PANCHAYAT SAMITI**
**5.2.3 Unproductive investment of Rs. 27 lakh out of the Tenth Finance Commission Grants**

Domkal Panchayat Samiti (PS) under the district of Murshidabad undertook (May 2001) the construction of a market complex comprising 20 stalls each on ground and first floor of the complex with an estimated cost of Rs. 28.54 lakh out of the Tenth Finance Commission Grants. The work was designed to be completed within four months from the

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<sup>◇</sup> Rs. 23.70 lakh (refunded by PSs) *plus* Rs. 0.05 lakh (retained by the ZP)

<sup>∅</sup> Rs. 93.10 lakh (refunded by PSs) *plus* Rs. 0.19 lakh (retained by the ZP)

date of issue of work order i.e. July 2001. PS, however, prepared (April 2002) a revised estimate of Rs. 35.78 lakh for the work as the original estimate had been prepared without site selection.

Audit scrutiny revealed that the complex was constructed (May 2003) at an expenditure of Rs. 27 lakh. None of the stalls was leased out as of November 2006 as infrastructure facilities like approach road to the market complex was not constructed and electrical and water connection were not provided. PS admitted (December 2006) the position and stated that the project could not be leased out due to absence of infrastructural facilities and possibility of marketing facilities.

Thus, the investment of Rs. 27 lakh out of the 10<sup>th</sup> Finance Commission grants remained unproductive due to improper planning and absence of other necessary infrastructural facilities.

#### MURARAI-I PANCHAYAT SAMITI

##### *5.2.4 Unproductive expenditure of Rs. 24.69 lakh and loss of revenue of Rs. 4.21 lakh*

Mururai-I Panchayat Samiti (PS) undertook (January 2003) construction of a market complex having 27 stalls at Natun Bazar and completed (January 2005) the construction at Rs. 24.69 lakh out of Swarnjayanti Gram Swarozgar Yojana (SGSY). The PS fixed (December 2004) security deposit of Rs. 20,000 and yearly rent of Rs. 4,800 for each stall. But the stalls remained unallocated since their completion despite demand survey having been conducted as informed by PS. PS stated (April 2008) that although several attempts had been made and discussed the matter in Artha Sthayee Samiti to allocate the stalls but no decision regarding allotment of stalls could be arrived at.

Thus, the entire expenditure of Rs. 24.69 lakh remained unproductive for 39 months<sup>∅</sup> and PS suffered a loss of revenue of Rs 4.21 lakh\*.

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<sup>∅</sup> February 2005 to April 2008.

\* Rs. 400 per stall x 27 stalls x 39 months = **Rs. 4.21 lakh.**

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**JALANGI PANCHAYAT SAMITI**
**5.2.5 Refund of Border Area Development Programme funds (Rs. 13.54 lakh)**

Jalangi Panchayat Samiti (PS) received Rs. 15 lakh from Murshidabad Zilla Parishad under Border Area Development Programme (BADP) for construction of earthen ring well in the arsenic affected area in March 1997. The PS could utilise only Rs. 1.46 lakh for construction of ring wells on experimental basis but that failed to give any satisfactory result. As a result, scheme of construction of earthwell declared unsuccessful and the fund of Rs. 13.54 lakh was refunded (after lapse of 116 months) in December 2006 to District Magistrate, Murshidabad.

The PS stated (April 2008) that due to unsatisfactory result of the scheme, it was declared unsuccessful.

Thus, the funds were refunded after being kept idle for 116 months depriving the rural people in getting the benefit of arsenic free drinking water.

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**BHANGAR-I PANCHAYAT SAMITI**
**5.2.6 Blocking up of fund of Rs. 13.50 lakh due to non-execution of Low Tension Line extension work**

Bhangar-I Panchayat Samiti (PS) received (May 2001) grant of Rs. 14.05 lakh under Swarnajayanti Gram Swarajgar Yojana (SGSY) from South 24 Parganas Zilla Parishad for extension of Low Tension Line to 17 Mouzas of 5 GPs. PS deposited Rs. 13.50 lakh (February 2003) as quotation money with West Bengal State Electricity Board(WBSEB). Scrutiny of the records revealed that WBSEB did not take up the extension work as of April 2008. PS did not take any meaningful follow up action since February 2003 and only requested (February 2008) WBSEB to inform the current status of the work.

Thus, a fund of Rs. 13.50 lakh was blocked and electrification of 17 Mouzas could not be carried out in spite of getting a grant of Rs. 14.05 lakh in May 2001 due to inaction on the part of PS.

**GHATAL PANCHAYAT SAMITI**

**5.2.7 Non-allotment of stalls in market complexes resulted in blocking up of fund of Rs. 9.54 lakh and loss of revenue of Rs. 7.17 lakh**

Ghatal Panchayat Samiti (PS) built 35 stalls in its two market complexes at Mansuka (25 stalls at a total cost of Rs. 11.58 lakh in January 2003) and Monoharpur (10 stalls at a total cost of Rs. 10.64 lakh in June 2005). Seventeen stalls (i.e. 9 of Mansuka and 8 of Monoharpur) only were allotted in August 2005 and 18 stalls were left unallotted as of June 2006. PS stated (April 2008) that the stalls could not be allotted due to lack of demand.

Thus non-allotment of stalls caused blocking up of fund of Rs. 9.54 lakhs<sup>o</sup> and also loss of revenue of Rs. 7.17 lakh<sup>♦</sup> (Rs. 5.92 lakh for Mansuka Market Complex and Rs. 1.25 lakh for Monoharpur Market Complex) due to lack of demand. This was indicative of fact that PS undertook the work before conducting proper demand survey of the market complexes.

<sup>o</sup> Rs. 11.58 lakhx16/25 stalls = Rs. 7.41 lakh  
Rs. 10.64 lakhx2/10 stalls = Rs. 2.13 lakh

**Total = Rs. 9.54 lakh**

Complex	Lease Rent	Monthly Rent	No. of stalls un-allotted	Items	Revenue Loss (in Rupees)
"A" Block	@Rs.25000 per stall	@Rs.100 per stall	6	Lease Rent	1,50,000
				Monthly Rent From Sept'05 to June'06	6,000
"B" Block	@Rs.50000 per stall	@Rs.250 per stall	2	Lease Rent	1,00,000
				Monthly Rent From Sept'05 to June'06	5,000
"B" Block	@Rs.40000 per stall	@Rs.200 per stall	2	Lease Rent	80,000
				Monthly Rent From Sept'05 to June'06	4,000
"B" Block	@Rs.35000 per stall	@Rs.150per stall	1	Lease Rent	35,000
				Monthly Rent From Sept'05 to June'06	1,500
"C" Block	@Rs.40000 per stall	@Rs.200 per stall	5	Lease Rent	2,00,000
				Monthly Rent From Sept'05 to June'06	10,000
<b>Total</b>			<b>16</b>		<b>5,91,500</b>

**Monoharpur Market Complex**

Lease Rent	Monthly Rent	No. of stalls un-allotted	Items	Revenue Loss (in Rupees)
@ Rs. 60000 per stalls	@ Rs. 275 per stalls	2	Lease Rent	1,20,000
			Monthly Rent from Sept'05 to June'06	5,500
<b>Total</b>				<b>1,25,500</b>

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**JOYNAGAR-II PANCHAYAT SAMITI**


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**5.2.8 Idle investment of Rs. 8.97 lakh for construction of two markets**

With a view to generating own income, Joynagar II Panchayat Samiti (PS) took up construction of two markets one at Dhakir Mukh out of the Tenth Finance Commission Grant at an estimated cost of Rs. 6.47 lakh in March 2002 and another at Ghatiharania out of Backward Classes Welfare Grant (Rs 4.50 lakh) at an estimated cost of Rs. 4.51 lakh in December 2000 without any demand survey. However, target date of completion for the proposed construction works was not fixed and the PS had not identified the source of funds. The work at Dhakir Mukh was discontinued in October 2003 after construction of 80 *per cent* of the work at Rs. 5.34 lakh due to diversion of Rs. 1.08 lakh towards renovation of the building of the PS (Rs. 0.78 lakh) and towards a contingency head (Rs. 0.30 lakh). The work at Ghatiharania was left incomplete from February 2004 after spending Rs. 3.63 lakh. The PS replied (September 2006) that they did not have any plan for completion of residual work of the market at Dhakir Mukh but had prepared an estimate of Rs. 2.21 lakh for completion of the remaining work of Ghatiharania market which was, however, pending for want of adequate fund.

Thus, PS failed to complete the construction of two markets from which it could have generated own revenues<sup>✓</sup> but it turned out to be an idle expenditure of Rs. 8.97 lakh<sup>×</sup> due to improper planning and commencing execution of work without ensuring the source of funds required for the purpose.

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<sup>✓</sup> Expected revenue from 18 stalls: Premium: Rs. 2.50 lakh; Monthly rent: Rs. 3,200 per month.

<sup>×</sup>

Name of Market complex	Expenditure incurred (Rs. in lakh)
Dhakir Mukh	5.34
Ghatiharania	3.63
<b>Total</b>	<b>8.97</b>

**BINPUR-II PANCHAYAT SAMITI**

***5.2.9 Unproductive investment of Rs. 9.71 lakh on bus stand***

Paschim Medinipur Zilla Parishad (ZP) allotted funds of Rs. 10 lakh to Binpur-II Panchayat Samiti (PS) in November 2001 for the construction of a bus stand. The PS decided to build the bus stand in November 2002. An estimate of Rs. 8.50 lakh was duly vetted by the Executive Engineer, Medinipur ZP in November 2002, however, the PS did not prepare any detailed Project Report before commencement of work. The work was awarded in December 2002 to a contractor. The work started at Silda in December 2002. The work was finally completed in September 2003 after incurring an expenditure of Rs. 9.47 lakh. A well was also dug departmentally at the site in December 2004 at a cost of Rs. 0.24 lakh. Scrutiny of records revealed that the bus stand remained unused as of September 2006. In reply, the PS stated that the bus stand was constructed on a lonely site and bus owners as well as passengers were not willing to use the bus stand. Thus, on account of faulty planning the total investment of Rs. 9.71 lakh remained unproductive.

**5.3 VIOLATION OF CONTRACTUAL OBLIGATIONS/UNDUE FAVOUR TO CONTRACTORS/AVOIDABLE EXPENDITURE**

**JALPAIGURI ZILLA PARISHAD**

***5.3.1 Avoidable expenditure of Rs. 0.47 crore and Government grant of Rs. 0.12 crore lying idle for 7 years***

Jalpaiguri Zilla Parishad (ZP) received (February 1998) a total loan of Rs. 3.44 crore in two instalments (Rs. 1.38 crore in March 1998 and Rs. 2.06 crore in June 1998) from West Bengal Infrastructure Development Finance Corporation Limited (WBIDFC) for construction of a bridge on Siltorsa river at Silbarighat in the district of Jalpaiguri.

The loan was to be repaid in full within 5 years from the date of drawal, including the grace period of two years. The interest @ 15 per cent per annum was payable on quarterly basis. Interest on overdue interest was also required to be paid. ZP paid



(between July and October 1998) interest of Rs. 0.10 crore from its own fund. The State Government provided (February 2000) Rs. 4.48 crore to the ZP for repayment to WBIDFC of the entire loan (Rs. 3.44 crore) and interest (Rs. 1.04 crore) upto December 1999. Though ZP received the grant in February 2000, ZP paid Rs. 4.26 crore (principal Rs. 3.44 crore and interest Rs. 0.82 crore) to WBIDFC in June 2000 as detailed below:

(Rupees in crore)

Amount payable by ZP upto December 1999				Grant received in February 2000			Grant lying with ZP after adjusting its payment of interest of Rs. 0.10 crore
Principal	Interest	Total	Remarks	Principal	Interest	Total	
3.44	0.82*	4.26	* excluding Rs. 0.10 crore paid previously by ZP from its fund.	3.44	1.04	4.48	0.12 crore (i.e. Rs. 0.22 crore minus Rs. 0.10 crore)

The ZP failed to pay interest upto the quarter ended December 1999 within March 2000 inspite of getting fund from the Government in February 2000 and was thus liable to pay interest for the quarter ended March 2000. The interest for the quarter ended March 2000 and interest accrued thereupon upto June 2006 stood at Rs. 0.47 crore which was paid (October 2006) by the ZP to WBIDFC out of the further fund of Rs. 0.47 crore received from the Government (July 2006).

Had the ZP repaid the loan alongwith the interest within March 2000, further payment of Rs. 0.47 crore for payment of interest accrued there upon upto June 2006 could be avoided. On the other hand, Government grant of Rs. 0.12 crore was lying with ZP as idle for 7 years since February 2000.

**DEBRA PANCHAYAT SAMITI, DANTAN-I PANCHAYAT SAMITI,  
GOPIBALLAVPUR-I PANCHAYAT SAMITI AND  
SOUTH 24 PARGANAS ZILLA PARISHAD**

**5.3.2 Avoidable expenditure of Rs. 44.85 lakh for engagement of excess Sahayikas in Shishu Shiksha Kendras (SSKs)**

With a view to imparting primary education to children between the ages of five to nine years who have not got primary education, Government of West Bengal introduced Shishu Shiksha Karmasuchi (SSK) in the year 1999. A Sahayika is required to be engaged to teach the children in the SSK. The engagement of Sahayika in SSK

would depend on the number of learners. According to guidelines, the 3<sup>rd</sup> and 4<sup>th</sup> Sahayikas can be engaged only when the number of learners exceeds 80 and 120 respectively.

Audit scrutiny revealed that one Zilla Parishad (ZP) and three Panchayat Samitis (PSs) incurred an expenditure of Rs. 44.85 lakh in excess of requirement in different SSKs towards payment of honorarium to 361 surplus Sahayikas\*.

ZP and PSs admitted the fact (between November 2006 and February 2007).

**NALHATI-I PANCHAYAT SAMITI**

**5.3.3 Unauthorised remission of Rs. 16.33 lakh towards lease money of toll bar**

According to the terms and condition for setting up imposition of toll bar on the road of Nalhati to Chillimpur under Nalhati-I Panchayat Samiti (PS) in the district of Birbhum, the lessee of toll bar had to deposit one month's lease amount in advance to the Samiti and, if he failed to do so, he should be barred from collecting toll from the vehicles for the subsequent month. The terms and condition did not have any provision for giving remission to the lessee.

Records revealed that the PS leased out the road to two lessees between September 2004 and November 2006 but lessees did not deposit the lease amount of Rs. 16.33 lakh<sup>Σ</sup> out of total demand of Rs. 57.96 lakh.

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(Rs. in lakh)

Name of ZP/PS	Year	No. of SSK	No. of Sahayikas	Range (no. of excess sahayikas)	Expenditure
South 24 Parganas ZP	2005-06	132	144	1-2	17.28
Debra PS	2004-05	32	37	1-2	8.90
	2005-06	34	38	1-2	
Dantan-I PS	2004-05	71	35	1-2	4.20
	2005-06	71	77	1-2	9.24
Gopiballavpur-I PS	2004-05	28	30	1-2	5.23
	2005-06	28		1-2	
<b>Total</b>			<b>361</b>		<b>44.85</b>

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Name of the lessee	Lease Period	Total demand	Amount deposited	Balance amount
Sri Zamir	01.09.04 to 30.11.05	@ Rs. 1.76 lakh for 15 months	Rs. 26.40 lakh	Rs. 22.77 lakh Rs. 3.63 lakh
Sri T.K.Dutta	01.12.05 to 30.11.06	@ Rs. 2.63 lakh for 12 months	Rs. 31.56 lakh	Rs. 18.86 lakh Rs. 12.70 lakh
<b>Total</b>				<b>Rs. 16.33 lakh</b>

The PS admitted (December 2007) the fact but stated that the outstanding amounts were on account of remission granted by Sabhapati and Karmadhakshya of the PS. Thus, the PS violated the provisions of Accounts and Financial Rules<sup>√</sup> which stipulates that only Artha Sthayee Samiti can decide upon the remission of advance which is to be subsequently ratified by the general body of Zilla Parishad or Panchayat Samit, as the case may be.

The remission of Rs. 16.33 lakh, therefore, was unauthorised.

## **5.4 EXCESS PAYMENT/WASTEFUL EXPENDITURE/INFRUCTUOUS EXPENDITURE**

### **MURSHIDABAD ZILLA PARISHAD**

#### ***5.4.1 Non-energisation of 3284 poles valuing Rs. 41.26 lakh***

Murshidabad Zilla Parishad (ZP) undertook (2000-01 to 2003-04) the work of rural electrification under the aegis of West Bengal Rural Energy Development Corporation (WBREDC). ZP identified 840 mouzas for electrification under this programme. Scrutiny in audit revealed that 59 out of 840 mouzas were yet to be energised as of February 2007, wherein 3284 poles were erected at the cost of Rs. 41.26 lakh<sup>φ</sup> between March 2001 and August 2004.

In reply, the ZP stated (February 2007) that the energisation of pending cases could not be completed as no interested consumer was available for electrification and most inhabitants of those mouzas were very poor and fall in the category of Below Poverty Line (BPL). ZP also added that there was no provision for giving the connection to BPL category on privilege basis.

Thus, 3284 poles valued Rs. 41.26 lakh could not be energised as of February 2007 and the object of the scheme was frustrated due to improper planning and identification of mouzas.

<sup>√</sup> **Rule 29(10) of WB Panchayat (ZP&PS) Accounts & Financial Rules, 2003** states, that, if a lease holder makes a submission for remission of revenue with respect to leasehold on ground of any natural calamity or any other unforeseen event beyond his control, the Artha Sthayee Samiti of the ZP or the PS may either accept the submission wholly or in part or reject it. The decision of the Artha Sthayee Samiti shall not be given effect to before the decision is ratified in pursuance of a specific item of agenda in a meeting of the Zilla Parishad or the Panchayat Samiti as the case may be.

<sup>φ</sup> The total cost of 3284 poles @ Rs. 1256.47= Rs. 1,256.47x 3284 poles=Rs. 41,26,247 or **Rs. 41.26 lakh.**

## **5.5 REGULARITY AND OTHER ISSUES**

### **SILIGURI MAHAKUMA PARISHAD**

#### ***5.5.1 Poor achievement in Total Sanitation Campaign Programme despite expenditure of Rs. 49.36 lakh***

Total Sanitation Campaign Programme (TSC) under Siliguri Mahakuma Parishad (SMP) was launched in August 2004 with the target of providing toilets to 74,223 toilet less families (i.e. 70 per cent of total 1,06,049 families within SMP area) and latrines / sanitary facilities to 1,032 Sishu Sikha Kendras (SSK) / schools within March 2007. SMP achieved (October 2006) 7,063 toilets (10 per cent against target) and 81 latrines / sanitary facilities to SSK / schools (8 per cent against target) at a total cost of Rs. 49.36 lakh (including administrative and other expenditure of Rs. 33.65 lakh) out of available assistance of Rs. 61.35 lakh. The performance under the programme was not satisfactory.

SMP attributed (November 2006) the poor performance to absence of interest among the motivators, PRI members and sanitary marts for augmenting the programme.

### **PASCHIM MEDINIPUR ZILLA PARISHAD**

#### ***5.5.2 Unauthorised expenditure of Rs. 24.84 lakh on account of salary and allowances of unapproved posts of officials in press and medical establishments***

State Government approved (July 2002) the distribution of different categories of posts of erstwhile Medinipur Zilla Parishad between Paschim Medinipur Zilla Parishad and Purba Medinipur Zilla Parishad. The approved distribution of different categories of posts did not contain any post for the press as well as medical establishments of Paschim Medinipur Zilla Parishad.

Audit scrutiny revealed that the ZP continued with unapproved posts of 17 officials (i.e. one press supervisor, three compositors, two machine men in press establishment and five medical officers and six compounders in medical establishment) and spent Rs. 24.84 lakh for their salary and allowances during 2005-06 which was paid from the State salary grant.

ZP confirmed (January 2007) the fact and added that the Government would be moved for sanctioning staff for the medical and press departments of the ZP.

Thus, an expenditure of Rs. 24.84 lakh incurred towards salary and allowances of unapproved officials was unauthorised.

### NADIA ZILLA PARISHAD

#### ***5.5.3 Unauthorised expenditure of Rs. 16.88 lakh under Basic Minimum Services (BMS)***

The funds under Basic Minimum Services (BMS) are earmarked for several identified schemes like safe drinking water, primary health service, primary education, public housing assistance, supplementary nutrition programme, provision of connectivity to all unconnected villages and habitations and streamlining of public distribution system for rural areas etc. The broad objective of the programme is to ensure that people have access to minimum infrastructural facilities with a view to improving the quality of life of all sections of the society.

The scrutiny of records revealed that Nadia Zilla Parishad (ZP) released BMS funds of Rs. 16.88 lakh\* to different agencies for execution of works which were not within the purview of the guidelines. Thus, the amount spent by the ZP was not in keeping with the objectives of the scheme and the expenditure remained unauthorised.

ZP did not furnish any reply (December 2006).

#### **5.6 Accumulation of Salary Grant of Rs. 15.24 crore**

State Government provided salary grant to Zilla Parishads (ZPs) / Mahkuma Parishad (MP) and Panchayat Samitis (PSs) out of specific budget head for the State for meeting the expenditure on account of Pay and other allowances of PRI bodies. The

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Sl. No.	To whom paid	Purpose	Voucher no./date	Amounts (Rs. in lakh)
1.	Superintendent of Police	Construction of police camp	2360/17.1.06	4.15
2.	Secretary, Krishnanagar Officer's club	Construction of new building	2678/16.2.06	1.48
3.	Executive Engineer, PWD, Kalyani Electrical Division	Installation of lift at Krishnanagar Collectorate building	2861/9.3.06	11.25
<b>Total</b>				<b>16.88</b>

account of 17 ZPs and one MP and 161 PSs for the year 2005-06 were audited in the year 2006-07 but 1 ZP and 9 PSs\* did not furnish their position about the utilization of grants on account of Pay and other Allowances. It was observed that 4 PRIs were running with debit balance of Rs. 169.59 lakh on their salary head while remaining PRI bodies had huge accumulation of fund on the same head, as depicted below:-

(Rupees in lakh)

PRI	Year	Opening balance	Receipt	Total	Expenditure	Closing Balance
ZPs / MP (16 Nos.)	2005-06	916.43	2,235.33	3,151.76	2,131.44	1,020.32
PSs (149 nos.)	2005-06	463.42	288.01	751.43	247.54	503.89
<b>Total</b>						<b>1,524.21</b>

The same idle fund in Local Fund Account was, however, treated as expenditure in the State Government Account at the time of release of fund to PRI Bodies. Test check of records in few PSs# revealed that the reasons for accumulation of salary grant (Rs. 15.24 crore) were due to placement of requirement by PRI Bodies without proper assessment coupled with release of fund by P&RD Department on behalf of the State Government without exercising adequate scrutiny about the number of posts lying vacant etc.

Thus, in the absence of adequate financial management and internal control, Government funds are lying in Local Fund Account without proper utilisation.

\* Zilla Parishad – Jalpaiguri  
Panchayat Samitis - Bagnan – I (Howrah ZP), Domkal (Murshidabad ZP), Hasnabad, Barasat – I, Basirhat - I (North 24 Parganas ZP), Magrahat – II (South 24 Parganas ZP), Salboni, Garbeta – III and Jamboni (Paschim Medinipur ZP).

# Purbasthali-II, Ketugram-II, Ketugram-I, Kanksa, Kalna-I, Kalna-II, Galsi-I, Burdwan-I, Jamuria, Purbasthali-I, Khandaghosh, Durgapur Faridpur of Bardhaman ZP, Nowda, Nabagram, Suti-I, Beldanga-I, Raghunathganj-I, Suti-II, Beldanga-II of Murshidabad ZP, Keshiary, Dantan-I, Binpur-I of Paschim Medinipur ZP, Contai-II of Purba Medinipur ZP, Barrackpore-II of North 24 Parganas ZP.

## 5.7 Action on Inspection Reports

5.7.1 The following table indicates position of Inspection Reports (IRs) and paragraphs pending for settlement, as on 31 March 2007:

Category of PRIs	Accounting years for which IRs are pending for settlement	Number of IRs pending for settlement	Number of paragraphs contained in the IRs awaiting settlement	Money value (Rs. in crore)
Zilla Parishads	1985-87 to 2004-05	94	781	1,195.56
Panchayat Samitis	1976-77 to 2004-05	779	2,369	514.88
Gram Panchayats	2002-03 to 2005-06	13,380	1,48,964	965.61

5.7.2 An Audit Committee comprising the Principal Secretary of the P&RD Department and representatives of the Finance Department and the Examiner of Local Accounts was formed for settlement of the outstanding Inspection Reports. No meeting of the committee was held during 2006-07.

## 5.8 Reply from the Government

All the major findings related to Panchayat Samitis and Zilla Parishads were sent to the Government between November 2007 and December 2007; reply had not been received (February 2008).