
Overview

This report contains five chapters, excluding the last chapter on conclusions and recommendations. The opening chapter contains an overview of the Panchayat Raj Institutions in the State. Chapter 2 brings into focus the deficiency in accounting procedures. Chapter 3 consists of audit observations on implementation of schemes, while Chapter 4 concentrates on audit findings in execution of works and procurement of supplies. Other issues are grouped together in Chapter 5.

1. An overview of the Panchayat Raj Institutions

The amount actually released for implementation of schemes was much higher than the amount provided in the budget by the State Government. In the absence of any information on expenditure against the funds received, it was not clear whether the release of such funds were based on the absorption capacity of the implementing agencies.

(Paragraph 1.8)

The Panchayat and Rural Development Department could not furnish any information on total funds received as well as expenditure incurred by the PRIs during the period from 2001-02 to 2003-04 from various sources.

(Paragraph 1.8)

2. Accounting procedures

20 Gram Panchayats (GPs) spent Rs. 2.77 crore during 2003-04 without preparing their annual accounts, while 82 GPs did not prepare their budget and spent Rs. 15.09 crore during the year unauthorisedly without any budget allocation. Similarly, 15 Panchayat Samitis unauthorisedly spent Rs. 41.89 crore and Rs. 47.61 crore during 2002-03 and 2003-04 respectively without preparing their budget and consequently without any budget allocation.

(Paragraph 2.1 and 2.2)

Difference of Rs. 63.32 lakh in 96 GPs, Rs. 6.53 crore in 43 PSs and Rs. 43.58 crore in five ZPs (at the end of 2003-04) between Cash Book and Pass Book remained unreconciled. This happened due to non-conducting of monthly reconciliation of

balances in Cash Book and Pass Book by these PRIs. The lapse was fraught with the risk of misappropriation of funds going undetected.

(Paragraph 2.6)

In 2956 GPs, unrealised amount (Rs. 38.11 crore) constituted 74 per cent of the total demand for taxes, duties, rates, fees and tolls as at the end of the year 2003-04.

(Paragraph 2.7)

3. Implementation of Schemes

In 1348 Gram Panchayats, while Rs. 25.62 crore was spent during 2003-04 towards assistance under Indira Awas Yojana (IAY) for construction/upgradation of huts, none of the beneficiaries was from the BPL list.

(Paragraph 3.2)

In 611 Gram Panchayats, 14,668 sanitary latrines and in 866 Gram Panchayats, 22,006 smokeless chullahs were not constructed although the full amount of assistance was given to the beneficiaries during 2003-2004. Consequently, Rs. 88 lakh for sanitary latrine and Rs. 22 lakh for smokeless chullah to be deducted from the assistance given to the beneficiaries as prescribed under the programme were also not recovered.

(Paragraph 3.5)

In 19 Panchayat Samitis, Rs. 2.58 crore was spent towards execution of works under Sampoorna Gramin Rozgar Yojana (SGRY) by engaging contractors during 2002-03 and 2003-04. With these funds, the Samitis could have ensured employment generation of 2,49,677 mandays for the rural people under SGRY.

(Paragraph 3.11)

4. Execution of works and procurement of supplies

Due to defective planning, budgeting, implementation and monitoring mechanism, expenditure of Rs. 38.86 lakh incurred by Garbeta-I Panchayat Samiti on construction of an auditorium turned unproductive.

(Paragraph 4.1)

Improper planning and commencing execution of work of construction of Vidyasagar bus terminus by Ghatal Panchayat Samiti at Birsingha without ascertaining regular flow of funds resulted in unproductive expenditure of Rs. 32.21 lakh.

(Paragraph 4.2)

Nayagram Panchayat Samiti incurred infructuous and irregular expenditure of Rs. 49.09 lakh out of SGRY funds on two wooden bridges, washed away by river within the year of their constructions i.e., 2002-03 and 2003-04 respectively, while SGRY programme guidelines did not permit any such expenditure on bridges.

(Paragraph 4.7)

Due to erratic planning and non-identification of clear sources of funds before starting construction of a bridge by Chanchal-II Panchayat Samiti in January 2001 to be completed within nine months remained incomplete even in August 2005, turning the investment of Rs. 39.49 lakh unproductive.

(Paragraph 4.12.2)

Due to inadequate planning, monitoring and internal controls, resulting in a serious anomaly in tender estimate, a road work costing Rs. 36.78 lakh, executed by Birbhum Zilla Parishad remained abandoned since May 2003.

(Paragraph 4.13)

Uttar Dinajpur ZP and Maldah ZP spent Rs. 1.47 crore, including cost of material, on 37 works under SGRY on engagement of contractors during 2002-04 in violation of programme guidelines. With the funds, the ZPs could have ensured employment generation of 1,42,547 mandays for the rural people under SGRY.

(Paragraph 4.14)

Unauthorised use of costlier material by Uttar Dinajpur Zilla Parishad in road works led to avoidable expenditure of Rs. 2.09 crore.

(Paragraph 4.16)

Maldah ZP selected 281 beneficiaries not belonging to BPL category violating the provisions of 'Pradhan Mantri Gramodaya Yojana Gramin Awaas' guidelines resulting in Rs. 56.20 lakh having been spent for non-BPL category, frustrating the objective of the programme.

(Paragraph 4.18)

By recovering the value of bitumen supplied to contractor at a lower rate than the procurement rate, avoidable loss of Rs. 60 lakh was incurred by Hooghly ZP on road works.

(Paragraph 4.20)

There was an unexplained shortage of bitumen worth Rs. 77.21 lakh in the stock of West Medinipur Zilla Parishad as at the end of March 2003, which was indicative of poor inventory management.

(Paragraph 4.27)

5. Other issues

Bardhaman Zilla Parishad could not spend Government grants of Rs. 2.85 crore under 54 heads meant for various development schemes since 1987-88.

(Paragraph 5.7)

West Medinipur Zilla Parishad and Nadia Zilla Parishad advanced Rs. 90.63 lakh to different persons for various purposes, the earliest advances pertaining to 1979 and 1998 respectively. The prescribed time limit of thirty days for adjustment was allowed to cross in all these cases. Similarly, Birbhum Zilla Parishad advanced Rs. 2 crore and since 2002-03 the amount was allowed to remain unadjusted.

(Paragraph 5.10.1)

Dakshin Dinajpur Zilla Parishad diverted during 2002-04 funds of Rs. 1.60 crore meant for SGRY, Eleventh Finance Commission works, RIDF-VII and irrigation and flood control works to other works not related to the purposes for which the funds were sanctioned.

(Paragraph 5.11)

Loss of Rs. 60.06 lakh was incurred by Dakshin Dinajpur Zilla Parishad, Uttar Dinajpur Zilla Parishad and Birbhum Zilla Parishad due to non-recovery of the market value of old gunny bags, as prescribed in the programme guidelines, from the dealers of food grains engaged under SGRY during 2002-04.

(Paragraph 5.13)

Maldah Zilla Parishad lost Rs. 1.77 crore of Central share during 2003-04 under IAY due to late submission of proposals and excess carry over of funds in consequence of low rate of utilisation of earlier releases. Similarly, East Medinipur Zilla Parishad lost Rs. 75.89 lakh of Central share under SGRY allotted for 2002-04 as it was not able to spend the whole amount available for the financial year 2002-03. Thus, the rural people were deprived of the benefit of the two programmes meant for providing housing and wage employment.

(Paragraph 5.21)