

OVERVIEW

The report consists five chapters containing status of Panchayat Raj Institutions (PRIs) accounting and audit arrangements, budgetary control system etc. in chapter I, schemes of Sampuran Gramin Rojgar Yojana and short comings in its implementation in chapter II, reviews on construction of Gram panchayat Buildings and construction of primary School building in chapter III, physical progress of different works undertaken by PRIs in chapter IV, and diversion of road cess grant and heavy advances remaining outstanding in all the three tiers of PRIs in chapter V. A synopsis of audit findings contained in paragraph is presented in this overview.

1. Status of PRIs and accounting procedures

The State Government intimated (October 2003) regarding delegation of functions of 20 department to the PRIs but transfer of functionaries and fund of these department to PRIs did not materialise so far.

Paragraph 1.2

The State Finance Commission recommended for imposition of taxes and fees to be imposed by the Zila Parishad, Panchayat Samiti and Garm Panchayat in order to augment their internal sources of revenue but this remained unimposed so far as the State Government did not take steps to issue notification in this regard.

Paragraph 1.3 and 1.11.10

The State Government enacted Bihar Panchayat Raj Act, 1993 and after wards Bihar Panchayat Raj Act, 2006 but did not frame Accounts Rules so far to carry out purposes of the above Act. The budget and accounts formats prepared by the Comptroller and Auditor General of India was accepted by the State Government but the PRIs have not started operationalising their accounts in the above formats nor created database on finances despite recommendation of the Eleventh Finance Commission.

Paragraph 1.7

The PRIs are not maintaining Annual Accounts/Receipt and Payment Account not maintaining important account records and registers as a result their transactions are remaining unascertainable.

Paragraph 1.8 and 1.11.12

Budgetary control are not being exercised as the Panchayat Samities and Gram Panchayats did not prepare Budget Estimates and two Zila Parishads also did not prepare this. Expenditure incurred without budget provision was thus highly irregular.

Paragraph 1.11.1 and 1.11.2

In Sheohar Zila Praishad collection money was not deposited regularly. Out of collection of Rs. 9 lakh, Rs. 8 lakh was misappropriated by the Assistant cum Accountant against which Rs. 5 lakh was recovered and Rs. 3 lakh not yet recovered. The irregularity was rendered possible due to non exercising checks over collection accounts by the required authorities.

Paragraph 1.11.13

2. Sampurna Gramin Rojgar Yojana

It is mandatory under Sampuran Gramin Rojgar Yojana Scheme that each panchayat Samiti and Gram Panchayat should prepare Annual Action Plan before the beginning of the financial Year but this was not prepared by any Panchayat Samiti and Gram Panchayat.

Paragraph 2.2

Against SGRY grant, 22.5 percent of the fund was to be utilised on the schemes of personnel benefit for SC/ST Communities but five Zila Parishads diverted Rs. 5.87 crore for execution of general schemes instead of executing schemes for SC/ST.

Paragraph 2.5

140 SGRY works estimating Rs. 3.13 crore were undertaken for execution by three Zila Parishads (Kishanganj 12 works, Auragabad 123 works, and Madhepura 5 works) but despite incurring expenditure of Rs. 1.28 crore (Rs. 0.33+0.78+0.17 crore respectively) works were left abandoned which resulted in fruitless expenditure of Rs. 1.28 crore.

Paragraph 2.7

Four Zila Parishads (Banka, Madhepura, Araria and Sheohar) received 1.34 lakh quintals of food grain under SGRY schemes against which 0.83 lakh quintals were issued to executing agents and 0.51 lakh quintals valuing Rs. 3.19 crore remained with P.D.S dealers for which no account was kept by Zila Parishads.

Paragraph 2.12

3. Special Central Assistance and Prime Minister Gramodya Yojana

Under Special Central assistance the State Government released Rs. 10 crore in 2002-03 for constructions of 286 Gram Panchayat Buildings which was to be utilised by February 2003. The work was to be executed by Gram Panchayat. Out of test check of records of 13 ZPs/DRDAs where Rs. 4.79 crore was released for construction of 137 Gram Panchayats building it was noticed that ZPs/DRDAs released merely 39 percent fund by March 2003 to the Gram Panchayat. Even at the end of March 2006 four ZPs were retaining 24.50 lakh in their fund. Timely utilisation of fund was thus not ensured which resulted in shortfall in target achievement.

Paragraph 3.1.5

DDC/DM were required to obtain financial and physical report monthly from the Gram Panchayats/ Panchayat Samities and render this to the department by fifth of each month.

This report was not being obtained regularly by the ZPs/DRDAs so not sent to the department. Due to this, actual position of completion of works and expenditure incurred there against was not available. Test check of records of 13 ZPs/DRDAs revealed that against construction of 137 Gram Panchayat buildings only 66 buildings were completed upto March 2006, work was in-progress in 20 buildings and work not started due to land dispute in four Gram Panchayats. Position of remaining 47 works remained unascertainable as the ZPs/DRDAs did not obtain this from the GPs.

Paragraph 3.1.7

Overall position of works at State level furnished by Panchayat Raj Department (October 2006) disclosed that against construction of 286 Gram Panchayat Buildings 224 buildings were completed, work in progress in 41 buildings and construction work not started of 21 buildings due to land dispute. Lack of supervision and monitoring over works attributed to the shortfall in target achievement.

Paragraph 3.1.9 and 3.1.10

Under Prime Minister Gramadya Yojana the Education Department released grant in March 2001 Rs.

12.29 crore to be utilised upto September 2002 and in 2002-03 Rs. 24.17 crore to be utilised upto September 2003 to DDC/DM for construction of 601 primary School Buildings (Rs. 24.08 crore) and for providing toilet and water facilities in 2979 Middle/Primary Schools (Rs. 12.38 crore). The Department furnished (December 2006) position of completion of 304 primary school buildings (Rs. 12.42 crore) and toilet and water supply facilities provided in 977 schools (Rs. 5.38 crore). Thus against total grant of Rs. 36.46 crore released utilization of fund was merely of Rs. 17.80 crore resulting in non-completion of 297 Primary school buildings and providing toilet and water facilities in 2002 schools.

Paragraph 3.2.9

Scrutiny of records of 13 ZPs and 2 DRDAs revealed that during 2002-04 Rs. 16.72 crore was released to them for constructing 275 Primary Schools buildings (Rs. 11.02 crore) and providing toilet and water facilities in 1369 schools (Rs. 5.70 crore). The ZPs/DRDAs released Rs. 16.39 crore to the executing agencies upto March 2006 and retained Rs. 0.33 crore in their fund. Against construction of 275 Primary School buildings only 73 school buildings were constructed, work in progress in 32 schools and work not started in 2 school due to land dispute. Position of remaining 168 schools buildings was not available with ZPs/DRDAs. Against providing toilet and water facilities in 1369 schools the work was completed in 180 schools and work in progress in 72 schools. Position of remaining 1117 schools were not available on records of ZPs/DRDAs. Due to lack of supervision, monitoring and evaluation over works by required authorities heavy shortfall persisted in target achievement.

Paragraph 3.2.8

4. Execution of works by Panchayat Raj Institutions

During 2002-05 8 ZPs, 69 PS and 200GPs undertook execution of 32942 works of Tenth and Eleventh Finance Commission, SGRY and other grants against which only 18540 works were completed and 14402 works remained incomplete. The shortfall persisted of 46 percent which denoted lack of proper monitoring and supervision by the required authorities.

Praragraph 4.1

5. Audit Paragraphs

Rs. 0.72 crore received by 4 ZPs (Madhepura, Banka, Araria and Sheohar) from the state Government on account of road cess meant for repair and development of roads was unauthorisedly diverted towards establishment expenditure.

Paragraph 5.1

Advances used to be paid to the executing agencies by ZPs, PS and GPs for execution of works. Though Rule 90 of Bihar Panchayat Samities and Zila Parishads (Budget and Accounts) Rule 1964 provided that second and subsequent advances should not be paid in one work without immediate adjustment/recovery of the first or earlier advances the PRIs violated this rule and went on releasing further advances even without receipt of account bills and vouchers. As a result of this the unadjusted advances went on mounting. Records of PRIs showed that advances paid between 2002-05 amounting to Rs. 59.40 crore (Rs. 36.46 crore in 8 ZPs, Rs. 19.02 crore in 69 PS and 3.92 crore in 200 GPs) remained outstanding for adjustment/recovery. This was a case of serious financial irregularity committed by the authorities of PRIs.

Paragraph 5.4 to 5.6