
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 (PRIs) 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 contains 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 Panchayat and Rural Development (P&RD) Department had no consolidated information on opening balance, total receipts, total expenditure and closing balance in respect of the PRIs.

(Paragraph 1.14)

2. Accounting procedures

4 Gram Panchayats (GPs) spent Rs. 1.07 crore during 2004-05 without preparing their annual accounts, while 49 GPs did not prepare their budget and spent Rs. 11.21 crore during the year unauthorisedly without budgeting.

(Paragraph 2.1 and 2.2.1)

15 Panchayat Samitis (PSs) unauthorisedly spent Rs. 27.10 crore, Rs. 26.28 crore and Rs. 14.38 crore during 2002-03, 2003-04 and 2004-05 respectively without preparing their budget. Similarly, Purulia Zilla Parishad (ZP) spent Rs. 64.57 crore during 2004-05 without preparing any budget estimate.

(Paragraph 2.2.2 and 2.2.3)

Difference of Rs. 53.74 lakh in 87 GPs at the end of 2004-05, Rs. 4.05 crore in 47 PSs at the end of 2003-04, Rs. 2.85 crore in 25 PSs at the end of 2004-05 and Rs. 45.66 crore in five ZPs at the end of 2004-05 between Cash Book and Pass Book remained unreconciled. This discrepancy was on account of the monthly reconciliation of balances in Cash Book and Pass Book not being conducted by these PRIs as prescribed in the Accounts Rules. The lapse was fraught with the risk of misappropriation of funds going undetected.

(Paragraph 2.6)

In 3059 GPs, unrealised amount of Rs. 48.34 crore constituted 73 *per cent* of the total demand for taxes, duties, rates, fees and tolls at the end of 2004-05.

(Paragraph 2.7)

3. Implementation of schemes

In 1573 Gram Panchayats, while Rs. 37.67 crore was spent during 2004-05 towards assistance under Indira Awas Yojana (IAY) for construction/up-gradation of huts, none of the beneficiaries were from the BPL list.

(Paragraph 3.1.2)

In 1328 Gram Panchayats, 68,245 sanitary latrines and in 1592 Gram Panchayats, 78,766 smokeless chullahs were not constructed although the full amount of assistance under IAY was given to the beneficiaries during 2004-05. Consequently, Rs. 4.09 crore for sanitary latrine and Rs. 0.79 crore for smokeless chullah were not deducted from the assistance given to the beneficiaries as per the programme guidelines.

(Paragraph 3.1.5)

In 11 Panchayat Samitis, Rs. 84.85 lakh during 2002-03 to 2004-05 were spent towards execution of works under Sampoorna Grameen Rozgar Yojana (SGRY) by engaging contractors in violation of the guidelines of the scheme. The PRIs could have used these funds to generate employment of 82,113 mandays.

(Paragraph 3.2.6)

Sagar and Kakdwip PSs incurred irregular expenditure of Rs. 41.99 lakh out of SGRY funds during 2004-05 on temporary structures for Gangasagar Mela (a religious congregation), which was beyond the purview of the programme guidelines.

(Paragraph 3.2.7)

Two ZPs and six PSs spent Rs. 1.91 crore during 2002-03 to 2004-05 out of SGRY funds on purchase of bitumen and construction of bituminous road in violation of programme guidelines.

(Paragraph 3.2.15)

Eight Zilla Parishads and six Panchayat Samitis and Siliguri Mahakuma Parishad incurred loss of Rs. 4.98 crore during 2001-02 to 2005-06 due to non-disposal of used gunny bagas received with SGRY foodgrains.

(Paragraph 3.2.17)

4. Execution of works and procurement of supplies

Bankura ZP paid Rs. 15.67 lakh twice on the same account (i.e. loading, unloading and stacking charges for PCC poles) during 2001-02 to 2004-05, thereby allowing an undue benefit to the contractors.

(Paragraph 4.1.1)

Due to improper planning and non-identification of clear sources of funds before starting construction of a central bus terminus cum market complex by Dhaniakhali PS in June 2002, expenditure of Rs. 1.50 crore incurred on it up to March 2006 turned idle (October 2006) for want of further funds against the total estimate of Rs. 2.50 crore.

(Paragraph 4.2.1)

Expenditure of Rs. 11.45 lakh incurred on purchase of bitumen and cement during 2002-03 and 2003-04 by Itahar PS remained doubtful as no basic records in support the purchase were available.

(Paragraph 4.2.2)

Bankura - II PS paid Rs. 8.10 lakh to contractors for re-excavation of tanks towards items which proved fictitious and not technically feasible.

(Paragraph 4.2.4)

Use of costly stone dust in lieu of sand prescribed in Rural Road Manual escalated the cost of road works taken up by Malda ZP by Rs. 1 crore, putting an extra burden on the exchequer.

(Paragraph 4.3.1)

Malda and Paschim Medinipur ZPs allowed unauthorised rate preference to contractors in construction/renovation of road, building and bridge, thereby making an extra payment of Rs. 95.29 lakh.

(Paragraph 4.3.3)

Dakshin Dinajpur ZP irregularly allowed a higher rate in execution of earth work to a contractor, which resulted in excess payment of Rs. 51.03 lakh on a road work.

(Paragraph 4.4.1)

After partial execution of a road work at a cost of Rs. 31.56 lakh, Malda ZP kept the work suspended in May 2003 and formally closed it in July 2005 due to unspecified reasons, thereby rendering Rs. 31.56 lakh spent on the work infructuous.

(Paragraph 4.4.2)

5. Other issues

Advances of Rs. 86.49 lakh given for execution of works accumulated since 1984-85 but remaining unadjusted, turned irrecoverable, as Khejuri-II PS did not maintain proper records for them.

(Paragraph 5.1.1)

Advances of Rs. 47.50 lakh given by Murshidabad Zilla Parishad remained irrecoverable as the details like identification of recipients and purpose of advance etc. were not available due to improper maintenance of advance register.

(Paragraph 5.1.2)

Bardhaman ZP invested Rs. 64.90 lakh in an ultra heat treated milk project scheduled to be commissioned in May 2004, without making any agreement with the other two parties involved in the project. The plant was not commissioned and the investment made by diverting funds from specific purpose grants turned infructuous.

(Paragraph 5.2.1)

Murshidabad ZP spent Rs. 32 lakh in August 1997 for purchasing shares of a private company which was to set up a food processing unit, without obtaining the viability report for the project. As the project did not take off (December 2005), the investment proved ultimately infructuous.

(Paragraph 5.2.2)

Murshidabad ZP failed to spend government grants of Rs. 65.35 lakh under 57 heads meant for various development schemes even after a lapse of 20 to 25 years. Loss of interest on this account due to blockage of funds amounted to Rs. 85.93 lakh.

(Paragraph 5.2.5)