

OVERVIEW

This Report includes two chapters. Chapter I deals with an overview of the Panchayati Raj Institutions containing the organizational set-up, accounting and audit arrangements, sources and flow of funds to Panchayati Raj Institutions (PRIs) and audit coverage including comments on accounts maintained by the PRIs and a long para on “Release and use of TFC grants”. Chapter II comprises 11 paragraphs dealing with the result of audit findings on the financial transactions of the PRIs followed by conclusions and recommendations. A summary of audit findings is given as under:

- Irregular expenditure on Indira Awas Yojana (IAY) houses out of NREGA fund Rs. 7.14 crore. **(Paragraph 2.1)**
- Unauthorized expenditure out of National Rural Employment Guarantee Act (NREGA) fund for construction of ponds on private individual land Rs. 4.93 crore. **(Paragraph 2.2)**
- Ratio of wage cost to material cost not maintained. **(Paragraph 2.3)**
- NREGA fund diverted for payment of subsidy for construction of IAY type houses Rs.1.35 crore. **(Paragraph 2.4)**
- Sampoorna Gramin Rojgar Yojna (SGRY) fund diverted for construction of Steel bridges and building Rs. 71.32 lakh. **(Paragraph 2.5)**
- Irregular expenditure on payment of power bill Rs.28.57 lakh. **(Paragraph 2.6)**
- Inadmissible expenditure made out of NREGA fund for payment to contractor. **(Paragraph 2.7)**
- Preparation of monthly progress report of works not based on actuals. **(Paragraph 2.8)**
- Non-production of records. **(Paragraph 2.9)**
- Advance lying outstanding from 2003-04 to 2007-08 Rs. 2.05 crore. **(Paragraph 2.10)**
- Sale proceeds of Amrapalli Plant recovered at the instance of audit Rs.11.46 lakh. **(Paragraph 2.11)**