

## **PREFACE**

This Report has been prepared for submission to the Government of Orissa in accordance with the terms and conditions of the Technical Guidance and Support (TGS) over the audit of Panchayati Raj Institutions (PRIs) by the Comptroller & Auditor General (C&AG) of India as envisaged by Eleventh Finance Commission. Though the State Government has agreed in principle to the non negotiable parameters of TGS, yet the same has not yet been implemented in the State except for Training component and sharing audit of 20 per cent of Gram Panchayats (GPs) with Local Fund Audit (LFA) Wing.

This Report is based on the audit of GPs as per entrustment under Section 20(1) of the C&AG's (DPC) Act 1971 and not under TGS. Similarly, Panchayat Samitis (PSs) & Zilla Parishads (ZPs) under Section 14 of the C&AG's (DPC) Act 1971.

This Report contains three chapters. Chapter I contains an overview of the PRIs in Orissa and comments on accounts. Chapter II deals with Utilisation of Twelfth Finance Commission grants by local bodies (Panchayati Raj Institutions). Chapter III deals with the audit observations on transactions of PRIs.

The cases mentioned in the Report are among those, which came to notice in the course of audit of transactions/inspection of accounts relating to periods 2008-09 and earlier years.