



**REPORT OF
THE EXAMINER OF LOCAL ACCOUNTS, BIHAR**

**FOR THE YEAR ENDED
31 MARCH 2011**



**PANCHAYAT RAJ INSTITUTIONS
GOVERNMENT OF BIHAR**

TABLE OF CONTENTS

Particulars	Paragraph	Page No.
Preface		v
Overview		vii
CHAPTER-I: Introduction-PRIs in the State of Bihar		
Background	1.1	1
State Profile	1.2	1
Organisational Structure of PRIs	1.3	2
Powers and Roles of State Government in relation to PRIs	1.4	3
State Finance Commission	1.5	4
Devolution of Functions, Functionaries and Funds (3Fs) to PRIs	1.6	5
Non-Levy of Taxes	1.7	6
Audit Arrangement	1.8	6
Audit Coverage	1.9	7
Status of Recovery by Surcharge Proceedings	1.10	7
Impact of Audit	1.11	8
CHAPTER-II: Financial Management and Reporting		
Fund Flow Arrangement	2.1	9
Finance of PRIs	2.2	9
Revenue Management	2.3	10
Non-Realisation of Revenue ₹ 6.29 Crore	2.3.1	10
Irregularities in Credit of Revenue Receipts	2.3.2	10
Direct Appropriation of ₹ 6.02 Lakh	2.3.2.1	10
Non/Short Credit of Revenue to the tune of ₹ 74,000/-	2.3.2.2	11
Un-authorized Occupation/Use of ZP Assets	2.3.3	11
Recommendations	2.4	12
CHAPTER-III: Internal Control Mechanism		
Monitoring	3.1	13
Non-Start of Work despite Advance Payment of ₹ 18.36 Lakh	3.1.1	13
Non-Adjustment of Advances ₹ 104.14 Crore	3.1.2	14
External Audit	3.2	14
Recommendations	3.3	15

CHAPTER-IV: Execution of Schemes		
National Rural Employment Guarantee Scheme/BREGS	4.1	16
Unfruitful Expenditure due to Closure of Schemes Midway ₹ 43.05 Lakh	4.1.1	16
Wasteful Expenditure due to Wrong Selection of Schemes ₹15.29 Lakh	4.1.2	17
Use of Labour Displacing Machine	4.1.3	17
Backward Region Grant Fund	4.2	18
Payment on Doubtful Vouchers	4.2.1	18
Muster Rolls	4.3	18
Irregular Payments	4.3.1	18
Payment on Fake Muster Rolls ₹ 1.59 Lakh	4.3.2	19
Engagement of Labourers after Completion of Work	4.3.3	20
Execution of Ineligible Works against Twelfth Finance Commission (TFC) Guidelines ₹ 47.55 Lakh	4.4	20
Recommendations	4.5	21
CHAPTER-V: Miscellaneous Irregularities		
Irregular Purchase of Car by Raising Loan in ZP Samastipur	5.1	22
Non-Deposit of Provident Fund Amount	5.2	22
Expenditure on Idle Staff in ZP Patna ₹ 42.30 Lakh	5.3	23

List of Appendices

Appendices	Particulars	Page Number
Appendix -I	Details of Functions Devolved by 20 Departments to PRIs	27
Appendix -II	Details of Surcharge Notice Issued during 2010-11	28
Appendix -III	Non-Realisation of Revenue	29
Appendix -IV	Advances Paid but Works not Started	30
Appendix -V	Un-adjusted Advances as on 31/03/2010	31
Appendix -VI	Closure of Schemes Midway (MNREGS)	32
Appendix -VII	Statement Showing Details of Muster Rolls with Same Name	33
Appendix -VIII	Expenditure of 12 th FC Grant towards Repair/Renovation of Block Office <i>etc.</i>	35
Appendix -IX	Glossary of Abbreviations	37
