

## OVERVIEW

The Report contains five chapters. The first chapter brings out status of PRIs in the State of Bihar. The second chapter contains observation on Financial Management and Reporting. The third chapter discusses Internal Control Mechanism in PRIs. Chapter four contains observation of audit on execution of schemes. And the fifth Chapter contains miscellaneous irregularities. A synopsis of the findings contained in the Annual Report is presented in this overview.

### 1 Introduction to PRIs in the State of Bihar

- The actual transfer of functions, functionaries and funds to PRIs is yet to be effected by the Bihar Government for strengthening the PRIs to effectively discharge their 29 functions listed in XI schedule of article 243 G of the constitution.

**(Paragraph-1.6)**

- The PRIs have not augmented their own tax-revenue despite provisions regarding taxation in the Bihar Panchayat Raj Act, 2006 and recommendations of successive State Finance Commissions because the State Government has not yet notified maximum rate of taxes, fees and tolls *etc.*, to be imposed by them.

**(Paragraph-1.7)**

### 2 Financial Management and Reporting

- The 16 Zila Parishads failed to realise ₹ 6.29 crore revenue from own sources *viz.*, rent of shops, Dak Bungalow (DB)/Inspection Bungalow (IB), settlement of ponds, *ghats*, ferries, road side lands & trees, bullock cart registration fee *etc.*

**(Paragraph-2.3.1)**

- In Zila Parishad, Begusarai, Purnea and Munger Inspection Bungalows were under unauthorised occupation of different officials since long. But no rent was being realised by these ZPs. Rupees 47.94 lakh was outstanding for rent charges against these ZPs assets as on 31/03/2010.

**(Paragraph-2.3.3)**

### **3 Internal Control Mechanism**

- In a large number of projects undertaken by the PRIs advances of ₹ 18.36 lakh were made to the executing agents but neither the projects were started nor the advances were recovered.

**(Paragraph-3.1.1)**

- Advances of ₹ 104.14 crore were lying un-adjusted.

**(Paragraph-3.1.2)**

### **4 Execution of Schemes**

- Test check of records in one ZP, six PSs and one GP disclosed that 35 works taken-up during 2006-07 to 2009-10 under MNREGS/BREGS were closed midway resulting in fruitless expenditure of ₹ 43.05 lakh.

**(Paragraph-4.1.1)**

- Fifteen PRIs incurred an expenditure of ₹ 47.55 lakh out of TFC Grants during the period from 2006-07 to 2009-10 on execution of works like repair/renovation of Zila Parishads/Block Offices *etc.*, not contemplated in the TFC guidelines.

**(Paragraph-4.4)**

### **5 Miscellaneous Irregularities**

- Expenditure on idle medical staff in ZP Patna amounted to ₹ 42.30 lakh.

**(Paragraph-5.3)**