



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Annual Technical Inspection Report
on
Local Bodies
for the period ended March 2022**



Government of Jharkhand

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on
Local Bodies
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TABLE OF CONTENTS

	Reference to	
	Paragraph	Page
Preface	-	v
Overview	-	vii
PART-A		
CHAPTER-I		
AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF PANCHAYATI RAJ INSTITUTIONS		
Introduction	1.1	1
Organisational setup of PRIs	1.2	2
Functioning of PRIs	1.3	2
Formation of various Committees	1.4	4
Audit Arrangement	1.5	5
Response to Audit Observations	1.6	9
Social Audit	1.7	10
Submission of Utilisation Certificates	1.8	10
Financial Reporting Issues	1.9	10
Abstract Contingencies (AC)/Detailed Contingencies (DC) Bills	1.10	16
CHAPTER-II		
COMPLIANCE AUDIT		
PANCHAYATI RAJ DEPARTMENT		
Detailed Compliance Audit on 'Utilisation of Fourteenth Finance Commission grants by Panchayati Raj Institutions (PRIs)	2.1	17
Detailed Compliance Audit on 'Construction/Repair/Alteration/Furnishing of Panchayat Bhawans'	2.2	47
PART-B		
CHAPTER-III		
AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF URBAN LOCAL BODIES		
Introduction	3.1	61
Audit Scope	3.2	61
Organisational setup of ULBs	3.3	62
Functioning of ULBs	3.4	64
Formation of various committees	3.5	67
Audit Arrangement	3.6	69
Response to Audit observations	3.7	70
Ombudsman	3.8	70
Submission of Utilisation Certificates	3.9	71
Internal Audit and Internal Control System of ULBs	3.10	72
Financial Reporting Issues	3.11	72
Recommendations of State Finance Commission	3.12	75
Short receipt of Fourteenth Finance Commission grants	3.13	76
Abstract Contingent (AC)/Detailed Contingent (DC) Bills	3.14	77

APPENDICES

Appendix	Description	Reference to	
		Paragraph	Page
1.1	Statement showing powers and functions of PRIs	1.3.1	79
1.2	Statement showing functions of authorities of PRIs	1.3.1	80
1.3	Details of functions devolved by the Governments' Departments to PRIs	1.3.3	81
1.4	Statement showing sanctioned strength vis-à-vis men in position in test-checked Zila Parishads	1.3.4	84
1.5	Statement showing the details of powers and functions of Standing Committees of ZP, PS and GP	1.4	85
1.6	Delay in issue of Inspection Reports (IRs)	1.5.1.1	87
1.7	Statement of outstanding Utilisation Certificates	1.8	89
1.8	Failure to maintain basic records	1.9.3	90
2.1.1	List of GPs selected for Audit Scrutiny	2.1.4	93
2.1.2	Status of implementation of FFC Recommendations	2.1.7	94
2.1.3	Release of excess and short amount of Basic Grants to GPs of the Lohardaga district	2.1.9.1	98
2.1.4	Amount of interest to be paid to GPs for delayed transfer of grants by the State Government	2.1.9.4	99
2.1.5	Grants transferred to ULBs after creation of new ULBs or merger into existing ULBs	2.1.9.5	101
2.1.6	Expenditure incurred for O & M and Capital expenditure, in excess of the prescribed limit	2.1.9.6	103
2.1.7	Expenditure incurred on inadmissible articles/commodities/items	2.1.9.6	104
2.1.8	Expenditure incurred on purchase of articles without the constitution of a purchase committee	2.1.9.6 (ii)	107
2.1.9	Delay in transfer of the FFC Grants to GPs and submission of UCs, to GoI by the State Government	2.1.10	110
2.1.10	Delays in according to administrative approval (from the dates of according of technical sanction)	2.1.13.2 (i)	111
2.1.11	Payment of advances exceeding ₹ 15,000 to <i>Labhuk Samitis</i>	2.1.13.2 (ii)	112
2.1.12	Royalty deducted from the bills of <i>Labhuk Samitis</i> but not credited into Government Account	2.1.13.2 (iii)	113

Appendix	Description	Reference to	
		Paragraph	Page
2.1.13	The name of schemes executed after split of work	2.1.13.2 (iv)	115
2.1.14	Execution of schemes other than schemes intended for provision of basic services	2.1.13.2 (v)	116
2.1.15	Amounts paid to <i>Labhuk Samitis</i> without authentication of thumb impressions of labourers in Muster Rolls	2.1.13.2 (vi)	118
2.1.16 (a)	Purchase of construction material without Cash Memo	2.1.13.2 (vi)	119
2.1.16 (b)	Purchase of construction material without GST numbers being shown in the bills	2.1.13.2 (vi)	120
2.1.16 (c)	Purchase of materials without any dates having been mentioned on the related invoices	2.1.13.2 (vi)	121
2.1.16 (d)	Material purchased before selection of <i>Labhuk Samiti</i>	2.1.13.2 (vi)	122
2.1.17	Labour cess not deducted from bills of <i>Labhuk Samitis</i> for execution of schemes	2.1.13.3 (i)	123
2.1.18	Amount of labour cess deducted from the bills of <i>Labhuk Samitis</i> , for execution of schemes, but not deposited in the Welfare Board	2.1.13.3 (ii)	125
2.1.19	Less amount of labour cess deducted from the bills of <i>Labhuk Samitis</i>	2.1.13.3 (iii)	126
2.1.20	Statutory deductions utilised for execution of schemes	2.1.13.4	127
2.1.21	Installation of excess LED lights in GPs	2.1.14	128
2.2.1	Escalation of costs in the construction of <i>Panchayat Bhawans</i>	2.2.6.2	131
2.2.2	Escalation of cost in construction of <i>Panchayat Bhawans</i> , due to delay in invitation of tender by ZP Giridih	2.2.6.2	134
2.2.3	PBs handed over to GPs, prior to their completion	2.2.7.1	135
3.1	ULBs in Jharkhand	3.1	136
3.2	List of selected Urban Local Bodies (ULBs)	3.2	138
3.3	Sanctioned strength and Men-in-position of the 20-test checked ULBs (as on 31 March 2022)	3.4.5	139
3.4	Functions of various committees of ULBs	3.5	140
3.5	Statement showing wide variation in budget estimates in the test-checked ULBs	3.11.4	142

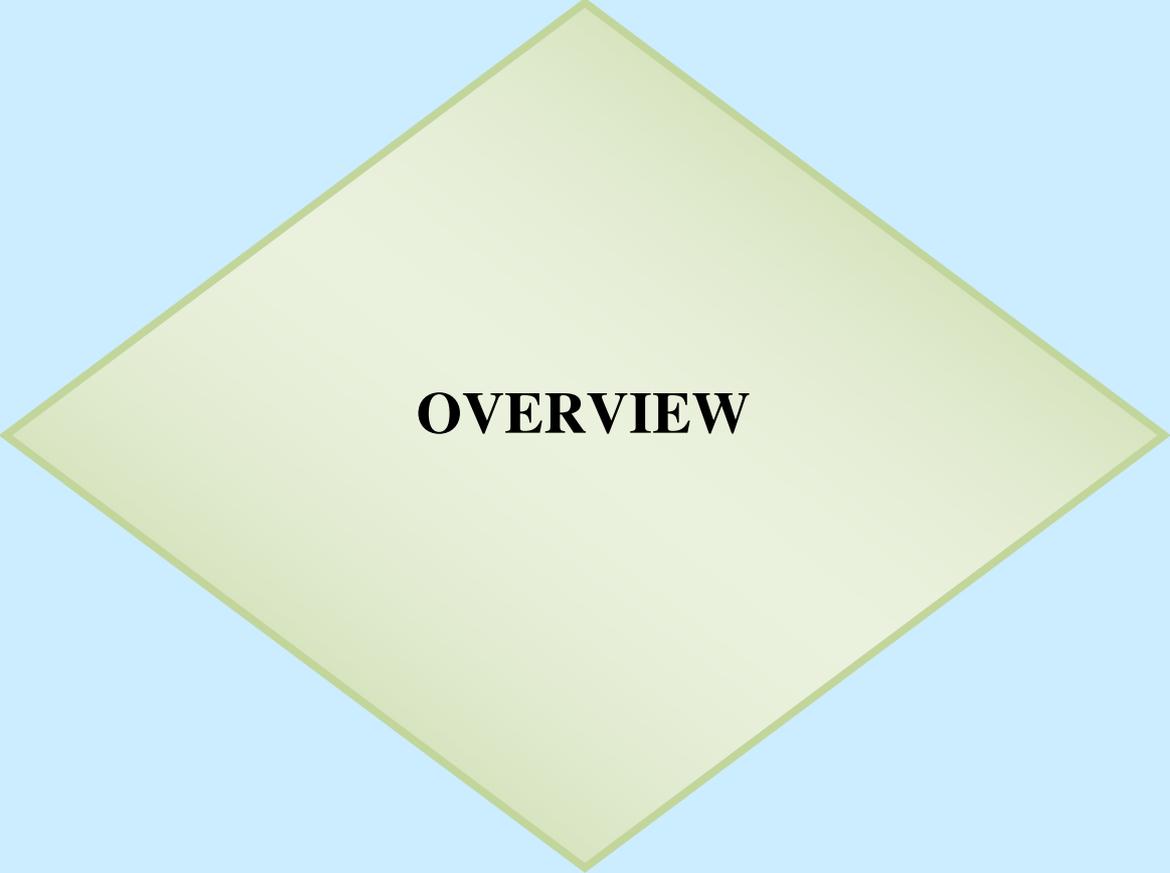
PREFACE

This report has been prepared for submission to the Governor in accordance with Technical Guidance and Supervision (TGS) over the audit of Local Bodies entrusted by the State Government under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The Report contains significant results of the audit of the Panchayati Raj Institutions and Urban Local Bodies in the State including the departments concerned.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2017-2022 as well as those which came to notice in earlier years, but could not be reported in the previous Reports, instances relating to the period subsequent to 2017-22 have also been included, wherever necessary.

The audit has been conducted in conformity with Audit Standards issued by the Comptroller and Auditor General of India.



OVERVIEW

OVERVIEW

This Report contains three chapters. The first and third chapters contain an overview of the functioning, accountability mechanism and financial reporting issues of the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), respectively. The second chapter contains observations of two Detailed Compliance Audits (i) 'Utilisation of Fourteenth Finance Commission grants by Panchayati Raj Institutions (PRIs)' and (ii) 'Construction/Repair/Alteration/Furnishing of *Panchayat Bhawans*'. The audit findings included in the Detailed Compliance Audits in this report have a total money value of ₹ 99.48 crore.

Audit samples have been drawn by statistical sampling as well as risk based judgemental sampling. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. A summary of main audit findings is presented in this overview.

1. An Overview of the functioning, accountability mechanism and financial reporting issues of Panchayati Raj Institutions

There are 4,638 units of PRIs in Jharkhand which includes 24 *Zila Parishads* (ZPs), 263 *Panchayat Samitis* (PSs) and 4,351 *Gram Panchayats* (GPs). During 2017-22, audit of 229 LBs units has been conducted and their IRs have been issued containing 2,352 paragraphs amounting to ₹838.04 crore. The outstanding IRs/paragraphs had been piling up for want of insufficient responses. The Department had not taken adequate steps for settlement of outstanding audit observations.

The Director of Local Fund Audit (DLFA) was the Primary Auditor of LBs, and had conducted the audit of PRIs under Technical Guidance and Supervision (TGS) of the Comptroller and Auditor General of India (CAG). During 2017-22, the DLFA, covered 403 out of 538 planned PRIs units in audit. Against these, only 123 IRs containing 810 paragraphs were issued to audited units and the remaining 280 IRs were yet to be issued as of July 2022.

The Social Audit Unit under the Jharkhand State Livelihood Promotion Society (JSLPS) of the Rural Development Department, GoJ, had conducted the Social Audit of 14th FC schemes in 1,499 out of 1,500 planned GPs of the State during FY 2017-18, though, social audit was neither planned nor conducted in the subsequent years i.e. 2018-19 to 2021-22.

Basic records such as Grant/Loan Register, Asset Register and Stock Register were not maintained by the test checked ZPs. Failure to maintain important registers weakened local self-government control over finances/assets of *Panchayats*. PRIs were largely dependent on Grants and Loans from Government as their own resources were not sufficient to meet their expenditure needs. The State Government has also not framed any rule for imposition of taxes by the Panchayats, though provisioned for the same in the Jharkhand Panchayati Raj Act, 2001.

(Paragraph 1.1 to 1.10)

2. Detailed Compliance Audit- PRIs

2.1 Utilisation of Fourteenth Finance Commission grants by Panchayati Raj Institutions (PRIs)

The Audit on “Utilisation of Fourteenth Finance Commission grants by Panchayati Raj Institutions” was conducted for the financial years 2015-16 to 2021-22, during June 2022 to October 2022, by test check of the records of six ZPs, 21 PSs and 63 GPs. Major Findings are:

Out of the 19 recommendations, made by the FFC, in regard to issues relating to PRIs, to be implemented by States, only four recommendations had been fully implemented by the Government of Jharkhand. The test-checked GPs used to execute the schemes from the list of schemes prepared in the *Gram Sabhas* as they had not prepared Annual Plans from the financial year 2015-16 to 2018-19. However, the test-checked GPs had started preparing Gram Panchayat Development Plans (GPDs) from the year 2019 without obtaining the recommendations of the Standing Committees and without baseline surveys having been conducted.

The State Government had not been able to utilise ₹ 258.22 crore of FFC grants (as of January 2022). There were delays of 21 days to 183 days, in the submission of Utilisation Certificates (UCs), in regard to release of grants to GPs, by the State, to GoI. This has resulted in delays in the release of subsequent instalments of grants, by the GoI. Further, there were delays of 10 to 210 days, in transfer of grants to GPs, creating a liability of ₹ 53.04 crore for the State, in the form of interest payable to GPs.

The State Government could not receive the Performance Grant of ₹ 486.09 crore of FFC due to non-framing of rules and regulations by the State Government for imposition and collection of revenue from Own Source.

There was irregular payment of ₹ 72.87 lakh, from the Basic Grant (BG) for execution of 72 schemes not related to basic services by 12 GPs out of the 63 test-checked GPs. Further, 23 test-checked GPs had irregularly utilised/spent ₹ 48.39 lakh, in the execution of various schemes from amounts that should have been statutorily deducted to works (Royalty, Labour cess and Sales tax).

There were shortages, ranging between 18 and 25 *per cent*, of Junior Engineers (JEs) and Accountant-cum-Data Entry Operators (ADEOs), respectively at the test-checked GPs.

(Paragraph 2.1)

2.2 ‘Construction/ Repair/ Alteration/ Furnishing of Panchayat Bhawans’

The Audit of “Construction/Repair/Alteration/Furnishing of *Panchayat Bhawans*” covering the period 2017-18 to 2021-22 was conducted between June 2022 to October 2022 through test check of records of the Panchayati Raj Department and six ZPs.

To enable the GPs to discharge their Administrative, Social and Economic functions, an appropriate infrastructure was necessary at the GP level. Accordingly, the State Government planned, in the year 2002, to construct

Panchayat Bhawans (PBs) in every GP, wherein the elected members, Panchayat Secretaries and other officials could carry out their work.

Major audit findings of the Compliance Audit are:

The Zila Parishad (ZP), West Singhbhum, diverted ₹ 7.08 crore of Backward Region Grant Funds, for construction of 19 new PBs, despite instructions from the State Government forbidding their utilisation for new construction works.

The Zila Parishad (ZP) West Singhbhum did not utilise ₹ 4.17 crore for construction of PBs and this amount remained blocked in its accounts.

Twenty PBs, in five test-checked ZPs, were handed over to GPs in an incomplete shape six to 362 days before their scheduled dates of completion, without necessary infrastructure.

Nine PBs, in two test-checked ZPs (Bokaro and Ranchi), were handed over to GPs, with delays ranging between 213 days and 760 days after they had been completed.

(Paragraph 2.2)

3. An Overview of the functioning, accountability mechanism and financial reporting issues of Urban Local Bodies

In Jharkhand, there are 50 ULBs *viz.* nine Municipal Corporations (M. Corps), 21 Municipal Councils (MCs), 19 *Nagar Panchayats* (NPs) and one Notified Area Committee (NAC). During 2017-22, audit of 40 ULBs units has been conducted and their IRs have been issued containing 431 paragraphs with money value amounting to ₹ 2,090.90 crore. However, all the paragraphs were outstanding for settlement.

Under Technical Guidance and Supervision (TGS), the Director of Local Fund Audit (DLFA), had planned only 18 ULBs units for audit (14 in 2020-21 and 4 in 2021-22), but covered only 12 units in audit during 2017-22.

Utilisation Certificates worth ₹ 7,592.10 crore were pending with the ULBs as of March 2022. Besides, the Detailed Contingencies bills of ₹ 39.48 crore (99 *per cent*) remained outstanding as of March 2022.

The ULBs were financially dependent on Grants and Loans from the Government as their own resources were not sufficient to meet their expenditure needs.

Recommendations of the Thirteenth Finance Commission that the collection efficiency for property tax should reach at least 85 *per cent* for all ULBs, could not be achieved and the percentage of collection of property tax ranged between 46 (2019-20) and 63 (2021-22).

There was short receipt of the Fourteenth Finance Commission (FFC) grants of ₹ 243.36 crore with respect to Basic Grant (BG) and ₹ 245.09 crore with respect to Performance Grant (PG) (Total ₹ 488.45 crore) against the allocation for the period 2015-16 to 2019-20.

(Paragraph 3.1 to 3.14)



PART - A
PANCHAYATI RAJ INSTITUTIONS

CHAPTER – I

**An Overview of the Functioning,
Accountability Mechanism and
Financial Reporting issues of
Panchayati Raj Institutions**

CHAPTER-I

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF PANCHAYATI RAJ INSTITUTIONS

An Overview of the functioning of Panchayati Raj Institutions (PRIs) in the State

1.1 Introduction

The Seventy-third Constitutional Amendment, enacted in 1992, envisaged constitutional status to *Panchayati Raj* Institutions (PRIs) and established a system of uniform structure, regular elections, regular flow of funds through Finance Commissions, *etc.* As a follow-up, the States were required to entrust these bodies with such powers, functions and responsibilities so as to enable these institutions to function as institutions of self-government. In particular, the PRIs were required to prepare plans and implement schemes for economic development and social justice, including those enumerated in the Eleventh Schedule of the Constitution.

Consequently, the State Government enacted the Jharkhand *Panchayat Raj* (JPR) Act, 2001, to establish a three-tier PRI system in the State and framed the Jharkhand *Panchayat Raj* (Budget and Accounts) Rules, 2010, to ensure smooth functioning of PRIs.

There are 4,638 units of PRIs in Jharkhand. They include 24 *Zila Parishads* (ZPs), 263 *Panchayat Samitis* (PSs) and 4,351 *Gram Panchayats* (GPs). The *Zila Parishads* are at the district level, *Panchayat Samitis* at the intermediate level and *Gram Panchayats* at the village level. As per Census 2011, the population growth in Jharkhand, in the last decade, was 22.4 *per cent*, against the national average of 17.7 *per cent*. The percentage of urban and rural population, of the total population of the State, was 24 and 76, respectively. The decadal growth rates, for the rural and urban population, were 19.6 and 32.4 *per cent*, respectively. The comparative demographics and a developmental picture of the State, are given in **Table 1.1**.

Table 1.1: Basic information of the State (Jharkhand)

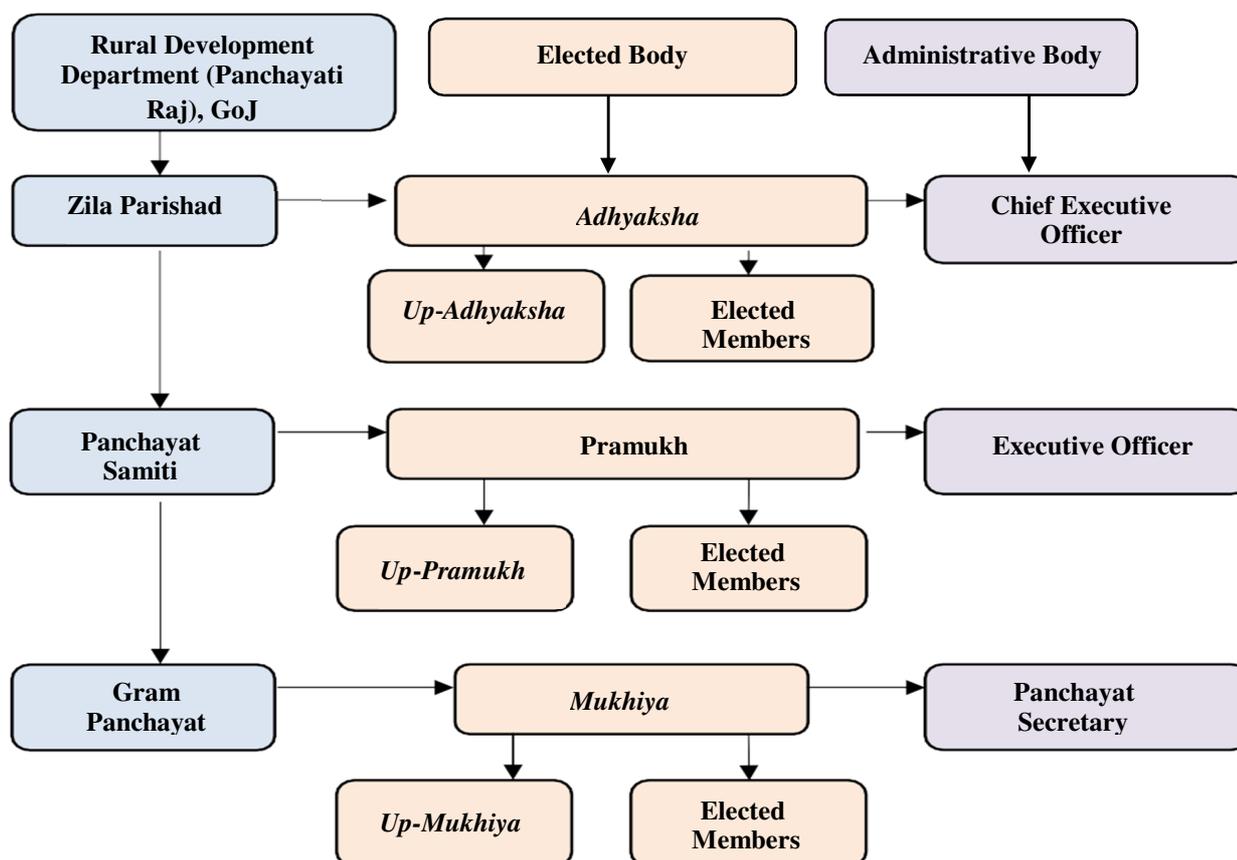
Particulars	Units	Value
Rural Population	In lakhs	250.37
Urban Population	In lakhs	79.33
Population density	Person/Sq. Km.	414
Rural Sex Ratio	Per thousand	961
Urban Sex Ratio	Per thousand	910
Rural Literacy rate	% (2011)	61.11
Urban Literacy rate	% (2011)	82.26
Zila Parishad/ District Panchayat	Number	24
Panchayat Samiti/ Block Panchayat	Number	263
Gram Panchayat/ Village Panchayat	Number	4,351

1.2 Organisational set up of PRIs

The PRIs are under the administrative control of the Rural Development Department (RDD), *Panchayati Raj* (PR), Government of Jharkhand (GoJ) headed by a Secretary. The Deputy Development Commissioner-cum-Chief Executive Officer (CEO) and the Block Development Officer-cum-Executive Officer (EO) are the executive heads of the ZP and the PS, respectively. The Panchayat Secretary is in-charge of the office of the GP. The Jharkhand Panchayati Raj Act (JPR Act), 2001, and Rules/byelaws made thereunder, provide for elected bodies, in addition to the Executive/Administrative bodies, to deliver the mandate and manage the administration of the PRIs. Under the set-up of the elected bodies, the ZP is headed by its *Adhyaksha*, PS by its *Pramukh* and GP by its *Mukhiya*. The third elections of the PRIs were held in the months of May-June 2022.

The Organisational structure of PRIs is depicted in **Chart-1.1**.

**Chart-1.1 Organisational Structure
Rural Development Department (Panchayati Raj), GoJ**



(Source: JPR Act, 2001)

1.3 Functioning of PRIs

1.3.1 Power and Functions of PRIs

Article 243G and 243H of the Constitution of India stipulate that the State Government may endow the PRIs with the following powers, authority and responsibilities:

- Preparation of plans for economic development and social justice;
- Implementation of schemes for economic development and social justice as may be entrusted to them in relation to the matters listed in the Eleventh Schedule; and
- Powers to impose taxes and constitute funds for crediting all moneys of the *panchayats*.

With these objectives, the powers and functions of the GPs, PSs and ZPs, have been defined by the State Government, under Sections 75, 76, 77 and 79 to 83 of the JPR Act, 2001. A summary of these powers and functions of the PRIs is given in *Appendix-1.1*. The functions of the authorities of the PRIs are given in *Appendix-1.2*.

1.3.2 Powers of the State Government

The JPR Act, 2001, entrusts the State Government with the following powers to enable it to monitor proper functioning of the PRIs. A summary of the powers and roles of the State Government, in regard to PRIs, is given in **Table 1.2**.

Table 1.2: Powers of the State Government

Authority	Powers of the State Government
Section 131 of the JPR Act, 2001	Power to frame rules: The State Government may, by notification in Official Gazette, make rules to carry out functions as specified in JPR Act, 2001, subject to approval by the State Legislature.
Sections 100 and 135 of the JPR Act, 2001	Power of Government to make model regulations and Inspections: The State Government may make model regulations and bye-laws for PRIs for the purposes of JPR Act, 2001 and has the power of Inspection of working of <i>panchayats</i> .
Section 123 of the JPR Act, 2001	District Planning Committee: The State Government shall constitute, in every district, a District Planning Committee, to consolidate the plans prepared by the <i>Panchayats</i> and the Municipalities in the district and to prepare a Draft Development Plan for the district as a whole.
Section 114 of the JPR Act, 2001	Finance Commission for Panchayats: The State Government shall constitute, in every five years, a Finance Commission, to review the financial position of PRIs, and to make recommendations for devolution of funds and measures to improve the financial position of PRIs.
Sections 93 and 95 of the JPR Act, 2001	Taxation: The PRIs may impose taxes on holdings, professions and levy tolls, fees and rates, subject to the maximum rates notified by the State Government.
Section 163 of the JPR Act, 2001	Removal of difficulties: If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order, publish in the official Gazette, as the occasion may require, do anything which appears to it as necessary to remove the difficulty.

1.3.3 Devolution of functions

The Eleventh Schedule of the Constitution contains 29 subjects in respect of PRIs. The State Government was required to devolve functions, functionaries and funds to PRIs for these 29 subjects to enable these institutions to function as institutions of self-government. Resolutions were issued by the 14 Departments

of GoJ in respect of 22 subjects for the devolution of Functions, Fund and Functionaries (3Fs) between October 2012 and August 2017.

It was observed that only functions in respect of 6 subjects had been fully devolved to PRIs. However, either funds or functionaries were not devolved for 16 functions (as detailed in **Appendix- 1.3**) (March 2022). In respect of 7 functions, no Government Resolution or Orders had been issued for devolution of 3Fs even after a lapse of more than 20 years since the enactment of the JPR Act, 2001 (10 May 2001). Thus, only partial devolution of 3Fs had been done in respect of 16 subjects.

1.3.4 Shortage of Manpower

The position of sanctioned strength and persons-in-position of PRIs, as provided by the 12 test-checked ZPs¹, is detailed in **Appendix-1.4** and the abstract thereof is given in **Table 1.3**.

Table 1.3: Sanctioned strength vis-à-vis persons-in-position, in the test-checked PRIs as on 31.03.2022

Number of districts	Sanctioned strength	Persons-in-position	Vacancy	Shortage of Manpower (<i>per cent</i>)
12 (out of 12, 04 districts have not provided this information)	1,202	497	705	59

(Source: Information provided by the test-checked PRIs)

It is evident from **Table 1.3** that there was an acute shortage of manpower *i.e.* 59 *per cent*, at the Zila Parishad level. This had a bearing on the implementation of schemes as detailed in **Chapter II** of this report.

1.4 Formation of various Committees

Members of the GP may constitute seven Standing Committees for discharge of its functions and duties, such as preparation and review of budget estimates, approval of annual accounts, physical verification of stock (as per the JPR Act, 2001), preparation of situation analysis report for selection of schemes (as per Panchayati Raj Department Notification-September 2020) *etc.* Such committees are required to be under the general control of the GP and to exercise such powers as may be conferred on them by the GP. The Secretary of the GP is to act as the *ex-officio* Secretary of the Standing Committee.

Similarly, members of every PS and ZP are required to constitute eight Standing Committees for discharge of its functions and duties, as in the case of GPs. The Chief Executive Officer (CEO)/ Executive Officer (EO) is to be the *ex-officio* Secretary of all the committees of the ZP/PS, as the case may be. The modalities for constitution of standing committees and their functions, are detailed in **Appendix-1.5**.

Moreover, ZP and PS may constitute one or more than one committee for such matters which do not come within the business ambit of the prescribed committees.

¹ Bokaro, Chatra, Dumka, East Singhbhum, Giridih, Hazaribagh, Pakur, Ramgarh, Ranchi, Sahebganj, Simdega and West Singhbhum. These ZPs were selected out 24 ZPs, on the basis of Probability Proportional to Size (PPS) sampling method.

During scrutiny of records of the test-checked PRIs (ZPs, PSs and GPs), it was noticed that these standing committees (07 for GPs and 08 for ZPs/PSs) had been constituted. However, it was not ascertainable in audit whether these standing committees were functional or not, as no records were provided to Audit, in regard to discharge of their functions and duties.

1.4.1 District Planning Committee

In pursuance of Article 243 ZD of the Constitution of India and Section 123 of the JPR Act, 2001, the State Government issued a gazette notification² in August 2011, prescribing the modalities for constitution of a District Planning Committee (DPC), in every district of the State.

The DPC is primarily responsible for consolidation of plans of all PRIs and Urban Local Bodies (ULBs) of a district. The objective of the DPC is to arrive at an integrated, participatory and coordinated plan for development of a district.

It was noticed that, although the provision in Article 243 ZD of the Constitution mandated that not less than four-fifth of the total members of DPC should be elected from the elected members of ZP and the municipal bodies, the JPR Act, 2001, provides only for selection of three-fourth of the members from among the elected members.

Thus, the provision of the JPR Act, 2001, regarding representation of elected member in the DPC, was in contravention of the Constitutional provisions. As a result, provision for adequate representation of the elected members, in the constitution of the DPC, was not ensured.

Further, during the test-check of 12 districts, it was observed that DPCs had been constituted in 7 districts, no DPC was constituted in two districts and the remaining three districts did not provide any information. The Gram Panchayats, Panchayat Samitis and Zila Parishads had been preparing the development plans at their own levels but the same were not being forwarded to higher authorities, *i.e.* Panchayat Samitis, Zila Parishads and DPCs, respectively, for consolidation and onward transmission. Hence, District Development Plans were not prepared by the DPCs, in nine out of 12 test-checked districts and the remaining three did not provide any information on this aspect.

1.5 Audit Arrangement

1.5.1 Audit by Primary Auditor (DLFA)

Director, Local Fund Audit (DLFA), after being appointed as a primary auditor of accounts of LBs in November 2014, by the State Government, has been conducting audit of the PRIs, under the Technical Guidance and Supervision (TGS) of the Comptroller and Auditor General of India (CAG). The TGS arrangement is under Section 20(1) of the C&AG (DPC) Act, 1971.

As per Section 4 of the Jharkhand Local Fund Audit (Amendment) Act, 2012, an Annual Technical Inspection Report (ATIR) is to be prepared by the C&AG, based on the TGS and test-check of accounts of Local Bodies and is to be

² *Jharkhand Panchayat Raj (District Planning Committee, Constitution and procedures, powers and executions) Rules, 2011*

submitted to the Governor, who shall cause the same to be laid before the State Legislature.

Upon scrutiny of information/records provided by DLFA, it was found that it had planned audit of 538 units (2.3 per cent), during the last five financial years from 2017-18 to 2021-22. The year-wise planned units ranged between 0 and 306 (4,638 units being the audit universe of PRIs in the state). Of these, 403 units were audited by DLFA, against which only 123 Inspection Reports (IRs), containing 810 paragraphs, were issued to the audited units. IRs in respect of 280 audited units were not issued till July 2022. Reasons for the same were not found on records. The year-wise break-up of units audited and IRs issued, is given in **Table 1.4**.

Table 1.4: year-wise break-up of units audited and IRs issued

Period	Total units in Jharkhand	No. of units planned	Percent age of planned units	No of units audited	No. of IRs issued till 1 August 2022	No. of paragraphs raised in issued IRs	No. of IRs pending for issue
2017-18	4,638 (ZP-24, PS-263 and GP- 4,351)	29	0.6	29	23	251	6
2018-19	4,638	133	2.9	133	97	522	36
2019-20	4,638	0	0	0	0	0	0
2020-21	4,638	70	1.5	60	2	24	58
2021-22	4,638	306	6.6	181	1	13	180
Total		538	2.3	403	123	810	280

(Source: Report returns provided by the DLFA)

Thus, DLFA failed to conduct the audit of 135 planned units as well as issue 280 IRs as of July 2022. This showed that DLFA as Primary Auditor of LBs lagged in timely fulfillment of his/her duties.

1.5.1.1 Delay in issue of IRs

During scrutiny of records as provided by the DLFA, it was observed that 403 units were audited during the period from 2017-18 to 2021-22, out of which only 123 IRs containing 810 paragraphs had been issued, with delays ranging between 5 days and 1,766 days, as detailed in **Appendix-1.6**.

The reason for delayed issue of IRs was shortage of required manpower in DLFA as discussed in para 1.5.4.1.

Thus, delay in issue of IRs defeated the objective of audit.

1.5.1.2 Audit Para tracking

Scrutiny of records of the DLFA revealed that, only 02 out of 810 (issued) audit paragraphs were settled by DLFA, during the financial years 2017-18 to 2021-22. Details of the same are given in **Table 1.5**.

Table 1.5: Status of settlement of paras by DLFA

No. of outstanding paragraphs (Opening Balance)	Paragraphs added in the financial year	Paras complied and dropped in the financial year	Number of outstanding paragraphs (closing balance)
1	2	3	4 (1+2+3)
0	251 (2017-18)	0	251
251	522 (2018-19)	02	771
771	0 (2019-20)	0	771
771	24 (2020-21)	0	795
795	13 (2021-22)	0	808
Total Paragraph	810	02	

(Sources: Report and returns provided by DLFA)

Hence, the above table depicted a poor picture of compliance of outstanding audit paragraphs. Rigorous efforts needs to be made by DLFA for early settlement of outstanding paragraphs with the audited entities.

1.5.2 Compliance Audit, Financial Audit and Performance Audit

Scrutiny of records of DLFA revealed that it had taken up audit from the compliance aspect of LB units. Performance audit of schemes/programmes and financial audit or certification of accounts of the LBs were not conducted during the period from 2017-18 to 2021-22. Further, it was observed that the Panchayati Raj Department had engaged empanelled Chartered Accountants for audit/certification of accounts of 14th /15th FC grants.

1.5.3 Audit by the Comptroller and Auditor General of India

Details of the number of Inspection Reports of PRIs, issued by the AG (Audit), Jharkhand are given in **Table 1.6**.

Table 1.6: Details of IRs issued by the O/o AG (Audit), Jharkhand

Financial Year	No. of IRs issued	No. of paras contained in IRs	Money Value (₹ in crore)
2017-18	58	331	136.82
2018-19	0	0	0
2019-20	15	163	198.92
2020-21	64	667	194.56
2021-22	92	1,191	307.74
Total	229	2,352	838.04

Further, in the FY 2021-22, 2 ZPs, 4 PSs and 28 GPs were audited under the District Centric Audits (DCAs) for the Deoghar and Palamu districts and the reports thereof (District Centric Audit Reports) were sent (April 2022) to the Panchayati Raj Department and the concerned ZPs, but the action taken on these reports was yet to be received (November 2022).

1.5.4 Arrangements regarding Technical Guidance and Support (TGS)

Under Regulation 120 of the Regulations on Audit and Accounts, 2020, read with State Government Notification dated March 2012, the functions of technical guidance and support, to the primary auditor of LBs, in the state of Jharkhand, have been entrusted to the Comptroller and Auditor General of India, under Section 20(1) of the DPC Act, for the purpose of strengthening the Public

Finance Management and Accountability in LBs. The salient features of TGS are as follows:

(i) The Local Fund Auditor will prepare, by the end of March every year, an annual audit plan for audit of Panchayati Raj institutions and Urban Local Bodies in the next financial year and forward it to the Accountant General (Audit) of the State.

(ii) The audit methodology and procedures for audit of Panchayati Raj institutions and Urban Local Bodies by the Local Fund Auditor will be as per various Acts and statutes enacted by the State Government and guidelines prescribed by the Comptroller and Auditor General.

(iii) Copies of inspection reports, in respect of selected Local Bodies, shall be forwarded by the Local Fund Auditor to the Accountant General (Audit), for advice on system improvements. Accountant General (Audit) shall review the same, with a view to making suggestions for improvement of existing systems being followed by the Local Fund Audit Department. The Accountant General (Audit) will also monitor the quality of the inspection reports issued by the Local Fund Auditor by scrutinizing such inspection reports.

(iv) The Local Fund Auditor will furnish returns in such a format as may be prescribed by the Comptroller and Auditor General, for advice and monitoring.

(v) The Accountant General (Audit) would conduct test-check of some of Panchayati Raj institutions and Urban Local Bodies, in order to provide technical guidance. The report of the test-check would be sent to the Local Fund Auditor for pursuance of action to be taken by the Panchayati Raj institutions and Urban Local Bodies. The Local Fund Auditor will pursue the compliance of such paragraphs in the inspection reports of the Accountant General (Audit), in the manner similar to that of the reports of DLFA.

(vi) Irrespective of the money value of the objections, any serious irregularities, such as system deficiencies, serious violation of rules and fraud noticed by the Local Fund Auditor, will be intimated to the Accountant General (Audit).

(vii) The Local Fund Auditor shall develop, in consultation with Accountant General (Audit), a system of internal control in his organization.

(viii) The Accountant General (Audit) shall also undertake training and capacity building of the local fund audit staff.

1.5.4.1 Shortage of Manpower in DLFA, Audit conducted by DLFA and TGS guidance provided thereon

For LB audit by DLFA, the State Government created 22 posts³ (March 2013) and appointed DLFA (November 2014) to perform the duties of the primary auditor under the TGS arrangement. However, it was observed from the DLFA's records that no cadre post of auditor was sanctioned for LB audit. It had borrowed 12 Auditors for field audit from the Planning-cum-Finance Department, GoJ. DLFA had only two members as staff (since August 2018),

³ Director-1, Joint Director (ULB)-1, Joint Director (PRI)-1, Section Officer-2, Private Secretary-1, Assistant-4, Personal Assistant-2, Computer Operator-3, Upper Division Clerk- 1, Lower Division Clerk-1, Driver-3, Peon-2

i.e. one Director and one Assistant Section Officer, while the remaining 20 posts (91 per cent) were lying vacant as of July 2022.

Due to shortage of manpower in DLFA, the audit of LBs, as mandated, was not being conducted, as only 2.3 per cent and 1.7 per cent of these units were planned and audited, respectively, against the audit universe of the PRIs (4,638 units each year) in the State, during the financial years 2017-18 to 2021-22.

Further, under TGS, DLFA forwarded 39 IRs to AG (Audit), Jharkhand, till March 2022 in the last five years. All IRs were vetted by the AG Office and returned with Technical Guidance to DLFA.

1.5.4.2 Training and capacity development

For strengthening the capacity building of the officials of DLFA, the office of AG (Audit), Jharkhand, conducted training during the years 2017-18 and 2021-22 on the topics of MS-Excel, Goods and Services Tax (GST), preparation of annual audit plans and the preparation of inspection reports, audit of Panchayat Samiti and Zila Parishad in which 17 members of the DLFA had participated.

1.6 Response to Audit Observations

AG (Audit), Jharkhand, conducts periodical inspection of PRI units by test-check of transactions and verifies the maintenance of important accounts and other records, as per the prescribed rules and procedures. These inspections are followed by the issue of IRs. When important irregularities, detected during inspection, are not settled during the audit period, they are included in the IRs and issued to the head of the office inspected, and a copy of the same is sent to the next higher authorities.

The CEOs of the ZPs, EOs of the PSs and the *Mukhiyas* of GPs, were required to respond to the observations contained in the IRs and send a compliance report to AG (Audit) within four weeks. Further, according to the TGS arrangement, the DLFA was to pursue settlement/action taken on the audit observations raised by the AG (Audit), in a manner similar to his own reports/audit observations.

A review of 229 IRs, containing 2,352 paragraphs, issued by AG (Audit) Jharkhand, revealed that the PRI units had not sent any reply for outstanding IRs/paragraphs, during the period from FY 2017-18 to FY 2021-22. Further, the replies of 2,312 out of 2,352 outstanding paragraphs are still awaited as of December 2024.

This showed the lack of efforts by the CEOs of the ZPs, EOs of the PSs, the *Mukhiyas* of GPs and the DLFA in furnishing of compliance to the outstanding paragraphs.

Accountability Mechanism

1.7 Social Audit

Social audit involves verification of the implementation of programmes/schemes and delivery of results by the community, with the active involvement of the primary stakeholders. Social Audit is widely accepted as an important mechanism to address corruption and strengthen accountability in Government service delivery. Government of Jharkhand (GoJ) Notification No.1010 (March 2017) and Notification No. 1551 (September 2020) envisage that, Social Audit of schemes executed under 14th and 15th FC shall be conducted every year.

During scrutiny of information provided by the Jharkhand State Livelihood Promotion Society (JSLPS), a Social Audit Unit, it was observed that Social Audit of 1,499 out of 1,500 planned GPs was conducted, for schemes under 14th FC in the State, during the FY 2017-18. However, no social audits had been planned or conducted during the financial years 2018-19 to 2021-22.

Further, the Department had fixed an audit fee, amounting to ₹12,997 per GP, for conduct of social audit by the JSLPS. However, 327 out of 1,499 GPs had not paid their fees to JSLPS, till date.

1.8 Submission of Utilisation Certificates

As per the Jharkhand Financial Rules, in case of an annual or a non-recurring conditional grant, the Departmental officer on whose signature or counter-signature Grant-in-aid bill is drawn, shall furnish Utilisation Certificates (UCs), to AG, within one year from the date of sanction of the grant.

Information received (August 2022) from the Office of the AG (Accounts & Entitlement), Jharkhand, revealed that, against grants amounting to ₹2,608.29 crore, paid during the FYs 2017-18 to 2021-22, under the Major Heads 2515 (Other Rural Development Programme) and 6515 (Loans for other Rural Development Programmes), UCs amounting to ₹28.96 crore had been received in the Office of the AG (Accounts & Entitlement), as of June 2022. Details of the same are given in *Appendix-1.7*.

Failure to submit UCs of ₹2,579.34 crore, for such a long period, indicate weak internal control and is fraught with the risk of misutilisation of funds.

1.9 Financial Reporting Issues

1.9.1 Fund Flow to PRIs

1.9.1.1 Sources and custody of funds in PRIs

There are three main sources of funds for PRIs, *viz.* (i) grants released by the Central and State Governments for developmental works and office expenses like salary grant for staff, contingent grant *etc.* (ii) loans by the State Government for salary expenses and (iii) own revenues in respect of ZPs, such as rent receipts from Shops, *Dak* Bungalows, Inspection Bungalows *etc.*

Own revenues (other than interest earned on funds), in respect of PSs and GPs, have not yet been generated. Thus, the Department did not have any

information on own revenue receipts of the PRIs. The fund flow arrangements for major schemes are given in **Table 1.7**.

Table 1.7: Fund flow arrangements in major schemes

Sl. No.	Scheme	Fund flow arrangements
1.	Fourteenth Finance Commission (14 th FC) Grants	Grants shall be released in two installments, in June and October every year, which must be transferred to the GPs within 15 days of receipt from the Central Government. The GoJ released funds to the GPs through Real Time Gross Settlement (RTGS), on the basis of population and area, during FYs 2015-16 to 2019-20. From FY 2020-21 to FY 2021-22, only interest amounts from bank were received and credited to the bank account.
2.	Fifteenth Finance Commission (15 th FC) Grants	Grants shall be released in two installments under Tied and Basic Untied Grant every year, respectively, which must be transferred to the PRIs within 10 working days of receipt from the Central Government. The GoJ released funds to the PRIs through Real Time Gross Settlement (RTGS), on the basis of population and area, during FYs 2020-21 to 2021-22.
3.	Aadiwasi Vikas Samiti/Gram Vikas Samiti	Grants were released to the Zila Parishads during the FYs 2018-19 and 2019-20, under the State Plan. Schemes of local importance, up to ₹ 5 lakh, having completion period under one year, were to be implemented through the <i>Aadiwasi Vikas Samiti/Gram Vikas Samiti</i> . The State Government releases allotment to the DDC, who further releases the fund in the bank account of the <i>Aadiwasi Vikas Samiti/Gram Vikas Samiti</i> .

1.9.1.2 Financial position of PRIs

The position of financial assistance, given by the Central and State Government, to all PRIs, and the expenditure incurred there from, with respect to different schemes, during FYs 2017-18 to 2021-22, is given in **Table 1.8**.

Table 1.8: Receipt and expenditure of PRIs

(₹ in thousand)

Financial Year	Head	Original	Supplementary	Total	Actual Expenditure	Savings	Percentage of Expenditure against total receipts	Percentage of Savings against total receipts
2017-18	Revenue	1,64,72,199	15,46,480	1,80,18,679	1,57,49,469	22,69,210	87	13
	Capital	60,000	0	60,000	35,134	24,866	59	41
	Total	1,65,32,199	15,46,480	1,80,78,679	1,57,84,603	22,94,076	87	13
2018-19	Revenue	1,65,91,949	8,47,364	1,74,39,313	87,28,750	87,10,563	50	50
	Capital	60,000	0	60,000	23,930	36,070	40	60
	Total	1,66,51,949	8,47,364	1,74,99,313	87,52,680	87,46,633	50	50
2019-20	Revenue	1,97,80,949	87,58,890	2,85,39,839	2,48,21,104	37,18,735	87	13
	Capital	60,000	0	60,000	0	60,000	0	100
	Total	1,98,40,949	87,58,890	2,85,99,839	2,48,21,104	37,78,735	87	13
2020-21	Revenue	1,87,86,762	21,11,602	2,08,98,364	1,85,27,465	23,70,899	89	11
	Capital	60,000	0	60,000	47,402	12,598	79	21
	Total	1,88,46,762	21,11,602	2,09,58,364	1,85,74,867	23,83,497	89	11
2021-22	Revenue	2,61,72,099	4,62,605	2,66,34,704	80,36,371	1,85,98,333	30	70
	Capital	60,000	0	60,000	24,587	35,413	41	59
	Total	2,62,32,099	4,62,605	2,66,94,704	80,60,958	1,86,33,746	30	70

(Source: Appropriation Accounts, AG (A&E) office, Jharkhand of Grant no. 56)

From **Table-1.8**, it is evident that expenditure against total receipts, under revenue and capital heads, ranged between 30 and 89 *per cent* and 0 and 79 *per cent* respectively, during the FYs 2017-18 to 2021-22. Further, the savings against total revenue receipts, ranged between 11 and 70 *per cent*, while savings under the capital head, ranged between 21 and 100 *per cent*. This showed sub-optimal utilisation of the available funds during the FYs 2017-18 to 2021-22.

1.9.1.3 Financial profile of selected PRIs

The details of receipts and expenditure, of the test-checked PRIs, during the financial years 2017-18 to 2021-22, are shown in **Table-1.9**.

Table 1.9: Receipts and expenditure of the test-checked PRIs

(₹ in crore)

Financial Year	Tier of PRIs	OB	Receipts				Total Receipts	Percentage of own sources to GIA	Total expenditure	CB	% of interest to the OB	% of expenditure to total Receipt	% increase/Decrease of Revenue
			Grants in Aid (GIA)	Interest	Loan	Own sources							
1	2	3	4	5	6	7	8=(3+4+5+6+7)	9=(7/4)*100	10	11=(8-10)	12	13=((10/8)*100)	14
2017-18	ZP	198.99	117.8	3.39	0.11	7.66	327.95	6.50	84.77	243.19	1.7	25.85	0
	PS	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0	0.00	0
	GP	6.99	11.55	0.22	0	0	18.76	0.00	9.85	8.92	3.15	52.51	0
2018-19	ZP	243.19	59.04	1.88	0.12	8.72	312.95	14.77	97.63	215.33	0.77	31.20	13.84
	PS	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0	0.00	0
	GP	8.97	7.18	0.2	0	0	16.35	0.00	10.98	5.37	2.23	67.16	0
2019-20	ZP	219.43	56.76	2.11	0	6.12	284.42	10.78	103.97	180.45	0.96	36.56	-29.82
	PS	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0	0.00	0
	GP	5.35	22.09	0.26	0	0	27.7	0.00	20.26	7.45	4.86	73.14	0
2020-21	ZP	180.45	429.51	3.15	0.14	94.91	708.16	22.10	377.56	330.59	1.75	53.32	1,450.82
	PS	0.00	16.23	0.15	0.00	0.00	16.38	0.00	1.59	14.78	0	9.71	0
	GP	7.52	7.8	0.2	0	0	15.52	0.00	6.82	8.7	2.66	43.94	0
2021-22	ZP	330.59	112.25	4.89	0.16	18.68	466.57	16.64	218.17	248.4	1.48	46.76	-80.32
	PS	14.78	16.14	0.47	0	0	31.39	0.00	21.48	9.91	3.18	68.43	0
	GP	8.79	7.6	0.21	0	0	16.6	0.00	11.09	5.51	2.39	66.81	0

(Source: Test-checked PRI units)

From **Table-1.9**, it is evident that the PRIs were mostly dependent upon the Grants-in-Aid provided by the Finance Commissions and the GoJ. Only ZPs had their own sources of revenue (OSR) which ranged between 6.50 *per cent* and 22.10 *per cent* of the total receipts during 2017-18 to 2021-22. The receipts of OSR showed wide fluctuations in the range between (-) 80.32 *per cent* and 1450.82 *per cent* during the same period.

Further, it was also noticed that funds could be utilized only between 9.71 *per cent* and 73.14 *per cent* in the test-checked PRIs. This was reflected in heavy closing balances in the Cash Book at the end of each year. The idling/blockade of funds was violative of intent for which they were originally allotted for. These parked funds were earning merely bank interests ranging between 0.77 *per cent* and 4.86 *per cent* without productive usage. The funds should be utilized for the purposes to which they were allotted.

1.9.1.4 Levy of Taxes

Section 93 of the JPR Act, 2001, empowers the ZPs/PSs/GPs to impose and collect tax on the occupant of a holding, tax on business, trades, professions and employments, water rate etc. under their jurisdiction for augmentation of their own revenue. Further, the Act *ibid* advocates that State Government may make rules to regulate imposition, assessment and collection of the taxes. However, even after a lapse of more than 20 years, the State Government had not framed any rules for imposition of taxes by the Panchayats, due to which PRIs were not imposing and collecting taxes. As such, the PRIs are dependent solely on grants and loans from the State Government, for delivery of services.

1.9.2 Recommendations of the State Finance Commission

The 73rd Constitutional Amendment provides for appointment of a Finance Commission, by the State Government, to review the financial position of the Panchayats. The following are its recommendations:

- (i) Sharing the pattern of net proceeds of taxes, duties, tolls and fees, leviable by the State, between the State and the Panchayats
- (ii) Assignment of taxes, duties, tolls and fees to the Panchayats; and
- (iii) Grants-in-aid to the Panchayats

The report of the Commission, together with a memorandum of action thereon, is to be laid before the State Legislature.

In pursuance of Article 243 I of the constitution, the State Government had constituted four State Finance Commissions (SFCs), to assess the financial status and to determine the principles on the basis of which adequate financial resources would be ensured to Local Bodies, as shown in **Table 1.10**:

Table 1.10: Constitution of State Finance Commissions

State Finance Commission	Date of constitution	Date of submission of report
First SFC	January 2004	April 2009
Second SFC	December 2009	Not submitted
Third SFC	April 2015	Not Submitted
Fourth SFC	July 2019	Not yet Submitted

The first SFC had submitted its report in April 2009, which contained recommendations relating to the Urban Local Bodies only. The second and third SFCs did not submit their reports and their tenures ended in January 2014 and January 2019, respectively. The tenure of the fourth SFC is up to January 2024, but the posts of Chairman and its members had been lying vacant since July 2019 (as on July 2022), as per the information provided by the Finance Department, GoJ. Thus, its recommendations were still awaited (July 2022). As the Finance Commission report, with regard to PRIs, was not submitted by the SFC, the sharing pattern of net proceeds of taxes, duties, tolls and fees leviable by the State, between the state and the Panchayats, and the assignment of taxes, duties, tolls and fees to the Panchayats, was not undertaken, which reflected poorly on own revenue collections by the PSs and GPs.

1.9.3 Maintenance of Records/Register

The Jharkhand *Panchayat Raj* (Budget and Accounts) Rules, 2010, prescribe the maintenance of various records, registers and accounts, for transparency and accountability. A test-check of management of records in the PRIs (ZPs, PSs and GPs), of the test-checked districts, revealed that, important records/registers were not being maintained, as depicted in *Appendix-1.8*. The numbers of such PRIs have been given in **Table 1.11**.

Table 1.11: Failure to maintain basic records

Sl. No.	Records/ Registers not maintained	Number of test-checked PRIs (Out of 12 ZPs, 24 PSs and 48 GPs)
1	Long term 5-year Schemes and Annual Scheme Register	ZPs (04), PSs (08), GPs (27)
2	Income Expenditure Register	ZPs (03), PSs (12), GPs (27)
3	Balance Sheet	ZPs (03), PSs (15), GPs (31)
4	Budget Register	ZPs (04), PSs (13), GPs (28)
5	Grant Register	ZPs (03), PSs (12), GPs (30)
6	Asset Register	ZPs (NIL), PSs (11), GPs (27)
7	Stock Register	ZPs (NIL), PSs (06), GPs (04)
8	Advance Register	ZPs (03), PSs (12), GPs (03)
9	Voucher Register	ZPs (03), PSs (11), GPs (26)

(Source: Information provided by the test-checked PRIs)

It is evident from **Table 1.11** that important records/registers were not being maintained by the PRIs.

1.9.4 Annual Accounts

The Jharkhand *Panchayat Raj* (Budget and Accounts) Rules, 2010, prescribe the preparation of Annual Accounts/Reports of PRIs, by the CEO/EO⁴ and their submission by 30 May every year, to the General Administrative Committee of the PRIs, for approval. The same is to be approved and accepted by the General Assembly of each tier of PRIs on or before 15 June every year. The Annual Accounts/Reports, after approval by each tier of PRIs, are to be sent to the Divisional Commissioner, the Director (Panchayati Raj) and Panchayati Raj Department, by 30 June or earlier every year.

Scrutiny of records of the test-checked districts revealed that Annual Accounts (receipts and payment accounts only) of ZPs, PSs and GPs had been prepared, by the PRIs units for funds received from the 14th Finance Commission till FY 2019-20 and audited by the Chartered Accountant firms engaged by the Department. Annual accounts, for the FYs 2020-21 to 2021-22, for ZPs, PSs and GPs, had not been prepared. Thus, the provision prescribed as *ibid*, had not been followed by the PRIs, during FYs 2017-18 to 2021-22.

1.9.5 Preparation of Budget

Budgeting and the budgetary process entail preparation and examination of annual budget estimates and the subsequent control over expenditure, to ensure that it is kept within the authorized grants or appropriations. With this objective, each PRI was to prepare an annual budget, as prescribed by Rule 3(2) of Jharkhand *Panchayat Raj* (Budget and Accounts) Rules, 2010. The budget

⁴ Executive Officer (EO) for PS and GP and Chief Executive Officer (CEO) for ZP. The Block Development Officer is the EO for the functions of the PRIs.

preparation was an integral part for assessing the overall resource envelope of PRI units and subsequent plan execution by PRI units under their budget allocation. It was, however, noticed that the test-checked ZPs, PSs and GPs, had not prepared their budgets for the FYs 2017-18 to 2021-22. In the absence of budgets, the expenditure made by the PRIs was in contravention to the provisions of the Jharkhand *Panchayat Raj* (Budget and Accounts) Rules, 2010. Further, due to failure in preparation of the budget, the performance of the PRIs *vis-à-vis* their annual plans could not be evaluated.

1.9.6 Creation of Panchayat Raj Fund

Section 94 of JPR Act, 2001, provides for creation of a *Panchayat Raj* Fund in every district, in which the receipts of Cess levied under Section 93 of the JPR Act, 2001, additional stamp fees⁵ or such other taxes under the *Panchayat*, as specified by the State Government, are to be deposited, after making deduction there from, of such collection charges, as may, from time to time, be determined by the State Government.

The consolidated amount, available in the *Panchayat Raj* Fund, is to be distributed among the three-tier *Panchayats* in such a manner and in such a proportion, as may be ascertained by the State Government.

Audit noticed that the *Panchayat Raj* Fund had not been created in any of the test-checked PRIs (as of March 2022).

1.9.7 Appointment of Chief Accounts Officer

Section 90 of the JPR Act, 2001, provides for appointment of a Chief Accounts Officer (CAO) in every ZP, who is required to advise the ZP on matters of financial policy and preparation of annual accounts and budget.

The State Government had not appointed CAO in the ZPs of the State, for giving advice regarding the financial policies of the ZPs (as of March 2022).

1.9.8 Adoption of Accounting formats and uploading of data on web portal

Data relating to PRIs was migrated from *PRIASoft* Portal to the *eGramSwaraj* Portal which was launched in April 2020. The Framework of the Model Accounting System (MAS) of PRIs, issued jointly by the C&AG and Ministry of Panchayati Raj (MoPR) in August 2012, recommends eight formats for proper maintenance of Accounts of PRIs, which are as below:

Format-I: Monthly/Annual Receipts and Payment Accounts; Format-II: Consolidated Abstract Register; Format-III: Reconciliation Statement with Bank and Treasury; Format-IV: Statement of Receivable and Payable; Format-V: Register of Immovable of Property; Format-VI: Register of Movable property; Format-VII: Inventory Register; and Format-VIII: Register of Demand, Collection and Balance.

5 Stamp fees should firstly to be deposited in the consolidated fund of the state and the State Government may, at the commencement of every financial year, if such provision is made by appropriation bill passed in this behalf by the Legislative Assembly, withdraw from the consolidated fund of the State such an amount as will be equal to the receipts made (realised) by the State Government in the preceding year.

The maintenance of these Registers was expected to eventually help in shifting over to the Accrual System of Accounting.

Scrutiny of entries in the *eGramSwaraj* portal revealed that:

- I. Out of eight MAS formats, only five were exhibited in Web portal. The three MAS Formats (Statement of Receivable and Payable (Format IV), Register of Immovable of Property (Format V), Register of Movable property (Format VI) were not displayed.
- II. Out of the above five formats, Formats I & II had not been maintained by the ZPs and PSs, during FYs 2017-18 to 2019-20.
- III. Formats VII & VIII had not been maintained by PRIs.
- IV. Only data of the finance commission grants were uploaded in the portal during 2017-18 to 2021-22.

In addition to the above formats, data in regard to entity-wise accounting Report (Object Head wise expenditure Report) was to be maintained, in which the data of GST, Labour Cess and Royalty deducted, was to be uploaded. Scrutiny of entries of data revealed that deductions had not been uploaded.

It was evident from the above statement that the utilisation of *eGramSwaraj* portal was sub-optimal as three formats of MAS were not displayed in the web portal and data had been partially uploaded in the remaining five formats.

1.10 Abstract Contingencies (AC)/ Detailed Contingencies (DC) Bills

As per Rules 184 to 191 of the Jharkhand Treasury Code, Contingent Charges requiring countersignature after payment are drawn on “abstract bills” which do not contain details of charges and are presented to the Treasury without any supporting vouchers. The monthly detailed bill, in the case of countersigned contingent charges, is to be submitted to the controlling officer, or, if there is no controlling officer, to the Accountant General (AG), with all sub-vouchers.

Information of AC/DC bills received (May 2022) from AG (Accounts and Entitlement) Jharkhand, revealed that, as on April 2022, DC bills in respect of three AC bills (Head-2515), for an amount of ₹7.05 crore, were pending for adjustment against RDD (PR), for the FYs 2017-18, 2019-20 and 2021-22 and there had been no drawals in AC bills, in the financial years 2018-19 and 2020-21.



CHAPTER - II
COMPLIANCE AUDIT

CHAPTER-II COMPLIANCE AUDIT

PANCHAYATI RAJ DEPARTMENT

2.1 Detailed Compliance Audit on 'Utilisation of Fourteenth Finance Commission grants by Panchayati Raj Institutions (PRIs)'

2.1.1 Introduction

Finance Commissions (FCs) are set up every five years, under the provisions of Article 280 of the Constitution of India, to make recommendations regarding the distribution of net proceeds of taxes between the Centre and the States and their allocation among the States. The Commission also makes recommendations in regard to the principles on which Grants-in-Aid (GIA) are to be provided to the States, in addition to the measures needed to augment the Consolidated Funds of States, to supplement the financial resources of their Local Bodies (LBs).

The Fourteenth Finance Commission (FFC) was constituted in January 2013, to make recommendations on specified aspects of the Centre-State fiscal relations, for the award period 2015-20 and it had submitted its report on 15 December 2014. The FFC had recommended assured transfer of funds to LBs, for delivery of basic services⁶, as improvements in the quality of basic services provided are essential to encourage people to pay for these services. The FFC, in total, made 23 recommendations regarding PRIs, which were accepted (24 February 2015) by the Government of India (GoI).

In light of the recommendations of the FFC, grants were made available to Gram Panchayat (GPs), which were directly responsible for the delivery of basic services. The FFC assessed the grant for each State, for each year, and recommended that the grants be in two parts, *i.e.*, Basic Grants (BGs) and Performance Grants (PGs). The recommended ratio of BG to PG was 90:10 (with respect to GPs). The recommended grants were assigned to the GPs, without any share for other levels of PRIs, as the GPs were playing an indispensable role in the delivery of basic services at the ground level.

2.1.2 Audit Objectives

The objectives of this Audit were to ascertain whether:

- There had been efficient and effective implementation of the accepted recommendations of the FFC, by the Government of Jharkhand (GoJ)
- Adequate planning had been done for utilisation of the FFC grants in an economic, efficient, and effective manner
- The grants had been utilised effectively for creation of the desired infrastructure

⁶ *Water supply, Sanitation including septic management, Sewage and solid waste management, Storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street-lighting, burial and cremation grounds; and any other basic services, within the functions assigned to them under the relevant legislations.*

- An adequate and effective monitoring mechanism and internal control system were in place.

2.1.3 Audit Criteria

The main sources of audit criteria were the following:

- Report of the FFC and guidelines of the FFC, regarding release and utilisation of grants to GPs
- Grant sanctioning letters, Circulars, Government Orders, directives etc., issued by the GoI and the GoJ, for implementation of FFC recommendations
- Jharkhand Panchayati Raj Act, 2001
- Jharkhand Panchayat Raj (Budget and Accounts) Rules, 2010 and 2017
- Jharkhand Treasury Codes, 2011; and
- Jharkhand Financial Rules.

2.1.4 Audit Scope and methodology

The Detailed Compliance Audit (DCA) was conducted for the financial years 2015-16 to 2021-22, during June 2022 to October 2022, by test-check of the records of selected units (*Appendix-2.1.1*). The units sampled in the DCA were selected by using the Probability Proportional to Size (PPS) sampling method, by which, six out of 24 Zila Parishads (ZPs) *i.e.*, 25 *per cent* of the total ZPs were selected. Under these six selected ZPs, 21 out of 76 PSs (28 *per cent*) and 63 out of 580 GPs (11 *per cent*, under the selected PSs), were selected for audit scrutiny. Besides, the records of the Panchayati Raj (PR) Department and District Panchayat Raj Offices (DPROs) were also checked, to assess their performance in regard to monitoring; facilitating implementation of the FFC recommendations; capacity building at the GP levels and submission of Utilisation Certificates (UCs) of grants, to the State Government.

In addition, joint physical verification of 15 works of Sahibganj district, selected after scrutiny of scheme files, was conducted, with the officials of GPs, and photographic evidence was also taken, in the presence of the departmental officials.

An entry conference was held with the Secretary of the PR Department, GoJ, on 10 June 2022, wherein the audit objectives, criteria, scope and methodology, were explained. The Draft Report was sent to the State Government, for obtaining its comments/replies on the audit findings contained in the report.

The Exit conference was held on 15 May 2023, with the Principal Secretary of the PR Department, GoJ. The Principal Secretary of the PR Department accepted all audit observations and assured that corrective measures would be undertaken. The para-wise replies have been submitted by the PR Department, GoJ and have suitably been incorporated in the Report.

2.1.5 Organisational Set-up

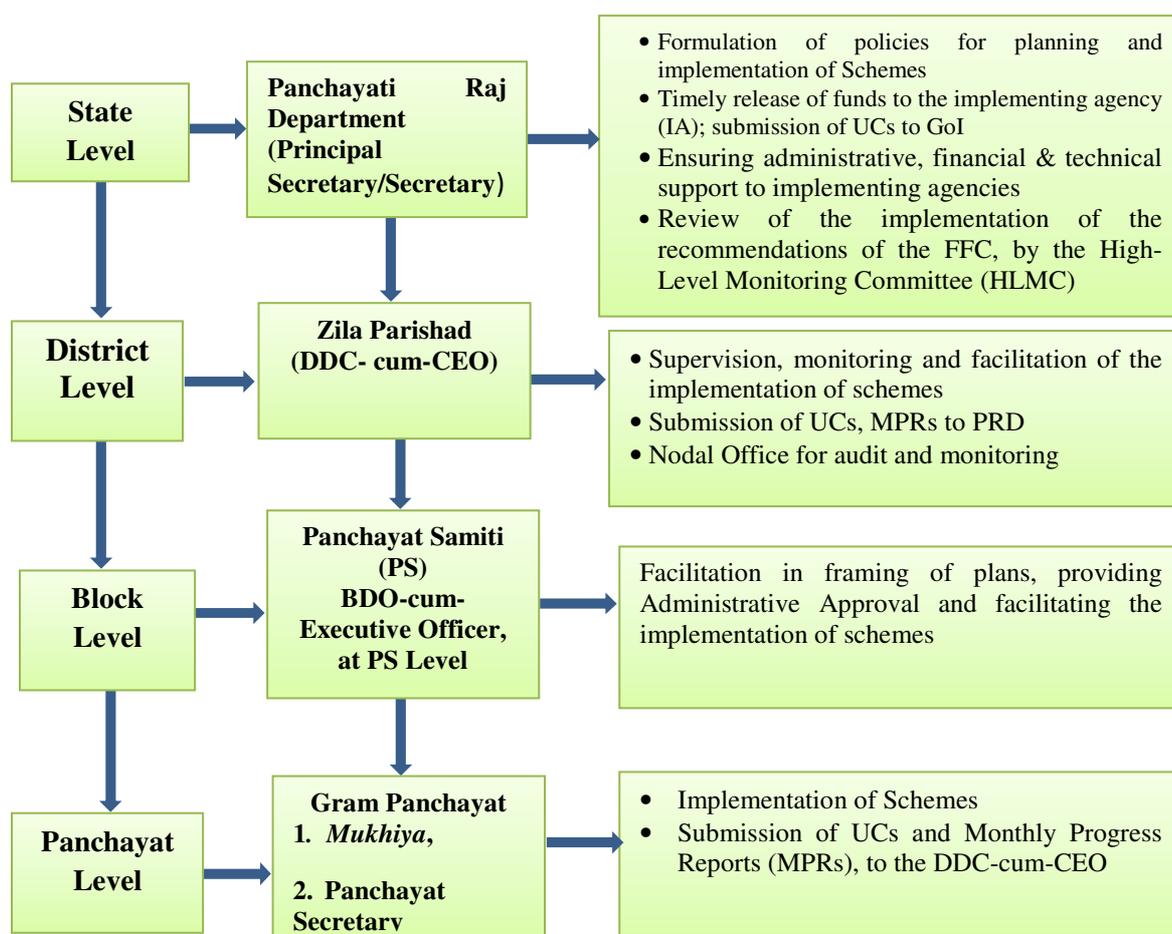
At the State level, the PR Department is headed by the Principal Secretary/Secretary, who co-ordinates and monitors the functioning of PRIs and is responsible for the implementation of the FFC recommendations, by GPs. The GPs are headed by *Mukhiyas*, who are elected representatives of the GP. The Deputy Development Commissioner (DDC)-cum-Chief Executive Officer (CEO), at the district level, and the Block Development Officer (BDO)-cum-Executive Officer, at the Panchayat Samiti (PS) level, are the executive heads of the ZP and the PS respectively, while the Panchayat Secretary is in-charge of the office of the GP.

2.1.6 Roles and responsibilities of stakeholders

The roles and responsibilities of various stakeholders, who are responsible for implementation of FFC recommendations and utilisation of funds thereunder, are shown in **Chart 2.1.1**.

Chart 2.1.1:

Roles and responsibilities of stakeholders (PRIs)



(Source: Operational Guidelines of GoJ for FFC)

Audit findings**2.1.7 Status of implementation of recommendations of the FFC**

The FFC had made 23 recommendations on various issues relating to PRIs. For the implementation of these recommendations, GoI issued (October 2015) operational guidelines for the States.

Out of 19 recommendations, only four recommendations were implemented by GoJ

Out of the 23 FFC recommendations relating to PRIs, 16 were to be implemented by the States, four by GoI, and the remaining three were to be implemented by both the States and GoI. From scrutiny of files of the PR Department relating to the FFC, records of the implementing and monitoring units and the facts and figures obtained from them, Audit observed that only four out of 19 recommendations related to States were implemented fully by GoJ. A summary of the status of implementation of the FFC recommendations is given in **Table 2.1.1**.

Table 2.1.1
Summary of Status of implementation of FFC recommendations

Sl. No.	Recommendations	Status of Implementation
1.	The grants were to be spent only on the basic services, within the functions assigned to LBs.	Implemented
2.	The books of accounts of LBs were to be maintained head-wise, viz. own taxes and non-taxes, grants from the State, FC and any other agency etc.	Implemented
3.	PRI grants were to be given only to GPs. The grants were to be disbursed using the latest SFC formula for distribution of resources.	The State Finance Commission had not submitted its second and third term reports. Not implemented
4.	In case the SFC formula was not available, then the share of each GP was to be distributed using the 2011 population, with a weight of 90 per cent, and area, with a weight of 10 per cent.	Implemented
5.	The Performance Grant (PG) was provided for addressing the issue of: (i) making available reliable data on the receipt and expenditure of LBs, through audited accounts and (ii) improvement in own revenues.	Accounts of GPs were audited by Chartered Accountants being engaged by the PR Department, GoJ. But GPs had no revenue from their own sources. Not implemented
6.	To be eligible for PG, the panchayats were to submit audited annual accounts, not earlier than two preceding years, and also to show an increase in their own revenues over the preceding year, as reflected in the audited accounts.	The GPs had submitted the audited annual accounts. These annual accounts were being audited by the Chartered Accountants firms, engaged by the PRD, GoJ. However, it did not show an increase in their own revenue over the preceding year, as GPs did not generate revenue from their own sources. Not implemented

Sl. No.	Recommendations	Status of Implementation
7.	The detailed procedure for disbursement of PG to GPs based on revenue improvement, was to be notified by the State Government, by March 2016.	The State Government notified but did not empower the GPs, to levy taxes, fees etc. Not implemented
8.	Some of the income from royalties was to be shared with the LBs, in whose jurisdiction mining was done.	GoJ did not make regulations and did not share income from royalties, with LBs. Not implemented
9.	States were to prepare a framework of rules, for levy of betterment tax.	GoJ did not frame rules for levy of betterment tax. Not implemented
10.	Stern action was to be ensured if irregularities in the application of funds were noticed or pointed out.	Annual Technical Inspection Reports (ATIR)/C&AG's report on LBs, for the financial years 2012-13 to 2015-16, have been taken up for discussion in the Public Accounts Committee (PAC) of Jharkhand Legislative Assembly in March 2024. Not implemented.

(Source: FFC report, records of PR Department and test-checked GPs)

Details of all the 23 14th FC recommendations regarding PRIs and action taken thereon, are given in **Appendix-2.1.2** of the report. The implications of non-implementation of the 14th FC recommendations have been discussed in the succeeding paragraphs.

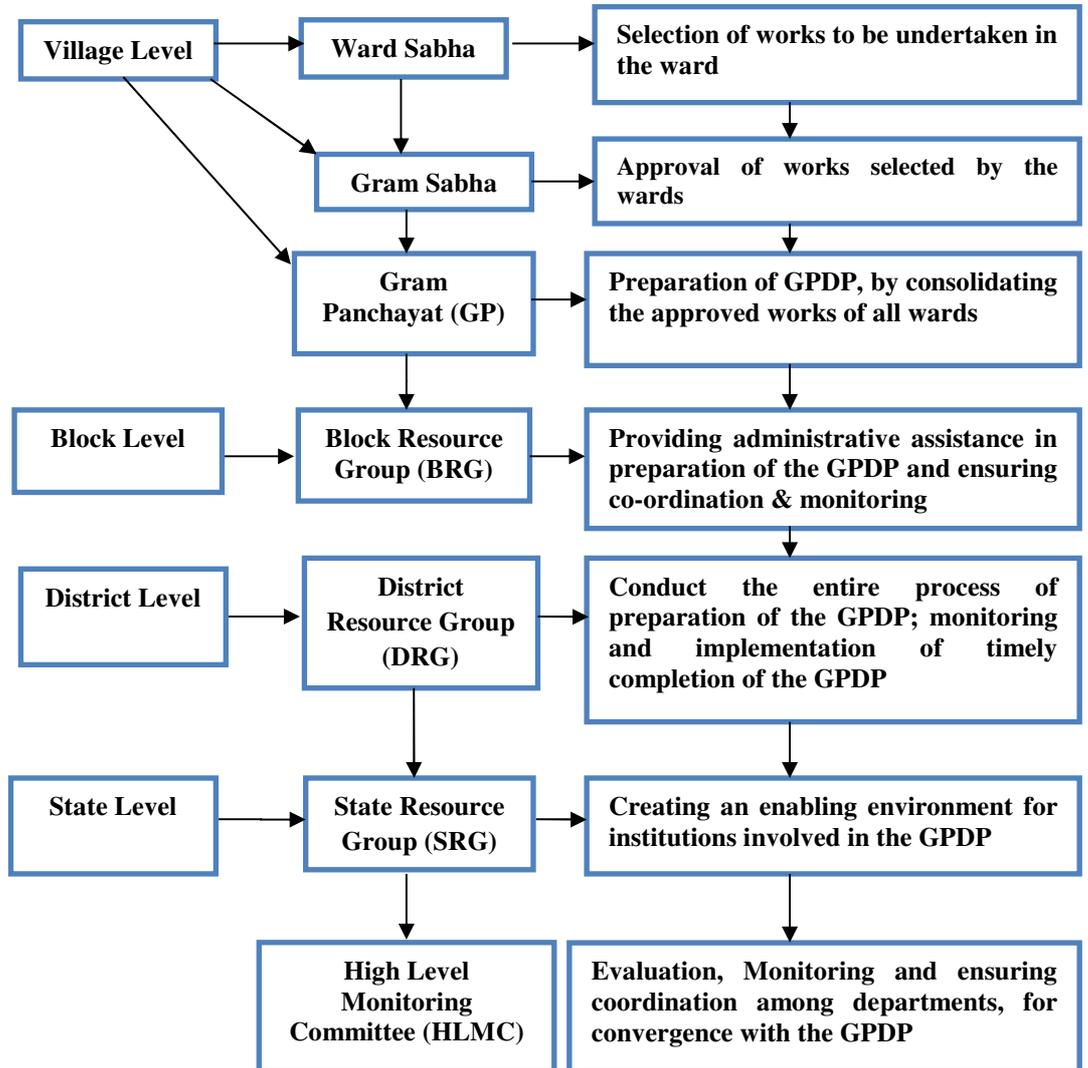
2.1.8 Planning

2.1.8.1 Procedure of planning in GP

The 14th FC grants to GPs were for planning and delivery of basic services, efficiently and effectively, within the functions assigned to them, under the relevant legislation. All expenditure in this regard, was to be incurred by panchayats only after making proper plans, as per the applicable rules⁷ and regulations. The process of preparation and approval of plans in PRIs is shown in **Chart 2.1.2**.

⁷ Acts and Rules framed by the PRD, GoJ, applicable to PRIs, viz. Jharkhand Panchayati Raj Act, 2001 and Jharkhand Panchayat Raj (Budget and Accounts) Rules, 2010 and 2017 etc.

Chart 2.1.2
System of approval of plans for the 14th FC in GPs



(Source: PRD, GoJ)

2.1.8.2 Gram Panchayat Development Plan (GPDP)

As per the FFC recommendations, GPs were to formulate proper plans for the utilisation of grants. For this purpose, the State Government issued directions (March 2017) whereby GPs, were to prepare Gram Panchayat Development Plans (GPDPs) by consolidating the approved works of all the wards under them.

Further, as per Section 10 (2) of the Jharkhand Panchayati Raj Act, 2001, the GPs were to prepare Annual Plans (APs) for the next financial year, and place the same in the annual meetings of the *Gram Sabhas*, three months before the commencement of the next financial year.

Audit observed in the test-checked GPs that during FYs 2015-16 to 2018-19, GPs used to prepare and place only a list of schemes for a financial year in the *Gram Sabhas*, after getting the funds/grants and execute them accordingly, in lieu of the APs. On commencement of the FFC period in FY 2015-16, the PR

Department asked (June 2015) the Deputy Commissioners (DCs) of all districts to provide the Annual Action Plans⁸ (AAPs) of the GPs, for the financial year 2015-16, along with the Audit Report of 2014-15, for the purpose of release of FFC grants to GPs. However, the AAPs of GPs were not submitted to the PR Department and there was no evidence, available on records, in support of efforts having been made by the DCs to ensure submission of the AAPs by the GPs.

Further, the State Government passed a resolution in March 2017 for preparation of the GPDPs. For this purpose, the Standing Committees⁹ (SC) of the GPs were expected to consolidate, provide and prioritise area-wise activities for the GPs. The purpose of the GPDPs was to provide basic infrastructural facilities to the GPs, after collection of information and data (which were to be collected through baseline surveys).

While the test-checked GPs had been preparing GPDPs from the year 2019 onwards, these GPDPs were being prepared without the recommendations of the Standing Committee and without baseline surveys having been conducted. Prior to the year 2019, as mentioned earlier the test-checked GPs used to prepare and place a list of schemes, to be executed in the FY, in the *Gram Sabhas* and execute them accordingly, in lieu of the preparation of Annual Plans and five-year long term-plans.

Audit noticed that, even though GoI had issued (October 2015) guidelines for the implementation of the recommendations of the FFC, the State Government issued (April 2017) operational guidelines for utilisation of the FFC grant at GP level with a delay of 18 months. Further, it was noticed that, although the test-checked GPs had constituted all seven Standing Committees for the formulation and implementation of GPDPs, these Committees were not functional.

⁸ *Operational Guidelines issued by the State Government for the implementation of recommendations of 14th FC explained that the AAP of the GP should contain the availability of the resources envelope, identification of schemes by the Gram Sabha on the situational analysis survey of the GP's areas, earmarking of probable solutions for various activities of GP's areas by the different Standing Committees, identification of sector-wise activities by the Standing Committees, determination of priorities in scheme selection and earmarking of funds against them etc.*

⁹ **General Administrative Committee-** To prepare the budget after getting the information of the resource envelopes and produce the same to the GP, after getting the signature of the Panchayat Secretary and Mukhiya.

Construction and Development Committee- To prepare the layout for construction and development in GP areas.

Committee for Health, Education and Environment- Inspection of schools, certification of attendance of teachers, Inspection of Integrated Child Development Schemes. Aanganwadi, Adult education, Family planning, Vaccination and Incentives for health schemes.

Committee for Women, Children and Social Welfare- Preparation of welfare schemes for the handicapped, socially backward classes, Sanitation, Women and Child development, Social welfare and development of SC, ST, **Below Poverty Line (BPL)** and backward classes.

Committee for Agriculture, Co-operation, Public Estate and Industry- Agriculture, Pisciculture, Sports and Games, Public Estates and Industry related functions.

Communication and Infrastructure Committee- Communication and infrastructure related activities.

Committee of Village Security- Village Security related activities.

In reply, the PR Department stated (September 2024) that from 2019 onwards, the selected schemes of GDPs were being uploaded on e-Gram Swaraj portal. It was further stated that instructions were issued to GPs to ensure the formation and functioning of SCs as per provisions of the Jharkhand Panchayats (Term of Office and Procedure for Conduct of Business of Standing Committee) Rules, 2011. GPs would again be instructed to adhere to the Rules *ibid*.

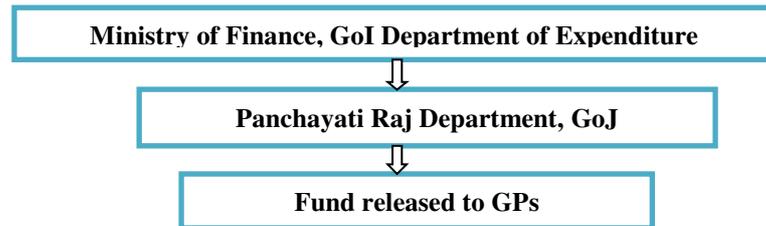
The reply of the PR Department was not acceptable because despite the Rules being in existence since 2011, the mandated functioning of SCs suffered due to lack of monitoring by the PR Department. This led to SCs of GPs being non-functional even after 13 years of implementation of the Rules.

Recommendation 1: Proper planning should be done for utilisation of the FFC grants for the intended purposes.

2.1.9 Financial Management

The fund flow system of FFC grants to GPs is depicted in **Chart 2.1.3**.

Chart 2.1.3: Fund flow of FFC



(Source: Grant sanctioning and allotment letters of PRIs)

2.1.9.1 Release and utilisation of FFC grants

FFC had recommended Grants-in-Aid (GIA) to duly constituted GPs in two parts, viz., (i) Basic Grant¹⁰ (BG) and (ii) Performance Grant¹¹ (PG).

It had further recommended two eligibility conditions¹² for GPs to become eligible for a PG.

FFC had assessed the grant for each State for each year and recommended the BG and PG, to support and strengthen the delivery of basic services. The ratio of division of grants, between BG to PG was 90:10, in respect of GPs.

FFC recommended that GIA be released as constituting an assistance of ₹ 488 per capita per annum, at an aggregate level.

¹⁰ **Basic grants:** provided to GPs for supporting and strengthening the delivery of basic services.

¹¹ **Performance grants:** designed to serve the purpose of ensuring reliable audited accounts, along with data of receipt and expenditure and improvement of own revenue.

¹² The GPs were required to submit audited annual accounts that relates to a year, not earlier than two years preceding the year in which the GPs sought to claim the PG. They were also required to show an increase in their own revenues over the preceding year, as reflected in the audited accounts.

According to the census 2011, the rural population of Jharkhand was 2,50,55,073. Therefore, ₹ 6,113.44 crore¹³ was to be released by the GoI, under FFC for the period 2015-20. GoI however fixed the entitlement of ₹ 6,046.73 crore (₹ 5,442.07 crore as BG and ₹ 604.66 crore as PG) for the Rural Local Bodies (GPs).

The details of entitled GIA, as fixed by GoI and received by GPs, during the financial years 2015-16 to 2019-20, are given in **Table 2.1.2**.

Table 2.1.2
Grants entitled and released

(₹ in crore)

Financial Year	Basic Grant			Performance Grant		
	Entitlement fixed by GoI	Released by GoI to GoJ	Released by GoJ to GPs	Entitlement fixed by GoI	Released by GoI to GoJ	Released by GoJ to GPs
2015-16	652.83	652.83	652.83	NA	NA	NA
2016-17	903.96	903.96	903.96	118.57	118.57	118.57
2017-18	1,044.45	1,044.45	1,044.45	134.18	0	0
2018-19	1,208.24	1,208.24	604.11	152.38	0	0
2019-20	1,632.59	1,632.59	2,236.72	199.53	0	0
Total	5,442.07	5,442.07	5,442.07	604.66	118.57	118.57

(Source: Records of PR Department, GoJ)

State did not utilise ₹ 258.22 crore of FFC grants till January 2022

The GPs of the State did not utilise ₹ 258.22 crore of FFC grants (as of January 2022). Though GoI permitted (June 2022) the utilisation of the balance amount till 31 March 2023, the State Government had instructed (June 2022) GPs to utilise the balance amount of grants till October 2022. However, the GPs could not utilise the grants for intended purpose till March 2023.

The PR Department replied (September 2024) that since no instruction were issued by GoI for the refund of unspent balance lying with GPs, the said funds were being utilised for the execution of schemes in GPs.

Also, FFC grants amounting to ₹ 79.72 lakh, were shown to have been utilised towards honorarium for JEs and ADEOs instead of being utilised for the provision of basic services. It was also seen that grants amounting to ₹ 40.62 lakh and ₹ 39.10 lakh, had remained undisbursed in 11 of the test-checked PSs¹⁴ and three of the test-checked DPROs (Bokaro, Giridih and Sahibganj) till January 2022.

In reply, the PR Department accepted the audit observation and stated that (September 2024) the DPROs of the concerned districts would be instructed to take appropriate action.

It was also seen that, the PR Department had released short BG of ₹ 3.84 lakh to eight GPs (in four PSs) and excess BG of ₹ 1.46 lakh to 19 GPs (in four PSs) of Lohardga district, against their entitlement (**Appendix-2.1.3**).

¹³ ₹ 488 x 2,50,55,073 x 5 years = ₹ 61,13,43,78,120

¹⁴ Bokaro-Chandankyari- ₹ 1.44 lakh, East Singhbhum- Golmuri- ₹ 9.08 lakh, Giridih-Jamua- ₹ 3.01 lakh, Hazaribag- Barkattha- ₹ 2.79 lakh, Chouparan- ₹ 1.32 lakh, Ranchi-Burmu- ₹ 10.81 lakh, Kanke- ₹ 0.68 lakh, Namkum- ₹ 0.07 lakh, Ratu- ₹ 9.31 lakh, Tamar- ₹ 0.98 lakh, Sahibganj- Rajmahal- ₹ 1.13 lakh

The PR Department accepted the fact and assured (September 2024) that funds would be allocated as per eligibility criteria prescribed in the guidelines.

2.1.9.2 Loss of Performance Grant

To be eligible for receiving a Performance Grant (PG), the GPs had to submit audited annual accounts that related to a year not earlier than two years preceding the year in which the concerned GPs sought to claim the PG. Also, the audited accounts were required to reflect an increase in 'own revenues', over the preceding year. Further, Section 95 of the Jharkhand Panchayati Raj Act, 2001, states that the State Government may make rules for regulation of imposition, assessment, collection and distribution of the shares of the taxes on occupant of a holding, professions, trades, callings and employments, fees on registration of vehicles, fees for providing sanitary arrangement of such place of pilgrimage, *haats* and *mela*, water tax, lighting fees, conservancy tax, etc.

Audit noticed that the accounts of GPs were being audited every year by the Chartered Accountant employed by the PR Department. However, no rules and regulations had been prescribed by the State Government for imposition, assessment, and collection of taxes. Hence, the GPs could not impose any type of taxes, fees etc. to collect revenues under their own sources. The audited accounts of the GPs did not reflect any increasing trend in Own Sources of Revenue (OSRs).

The Co-ordination Committee¹⁵, in its fourth meeting, recommended (March 2017) release of PG of ₹ 118.57 crore to the GoJ for the financial year 2016-17, as the State had notified¹⁶ the eligibility and distribution criteria in accordance with the FFC recommendations. GoJ had, however, not fulfilled the required criteria for release of PG and therefore ₹ 486.09 crore of PG was not released to GoJ.

Therefore, out of the total entitled PG of ₹ 604.66 crore, for the duration of the award period 2016-20, the State Government received an amount of ₹ 118.57 crore (19.61 *per cent* of the entitled amount for FY 2016-17) and lost the entitled PG of ₹ 486.09 crore (80.39 *per cent* of entitled amount), due to non-fulfilment of criteria for receipt of its PG entitlement.

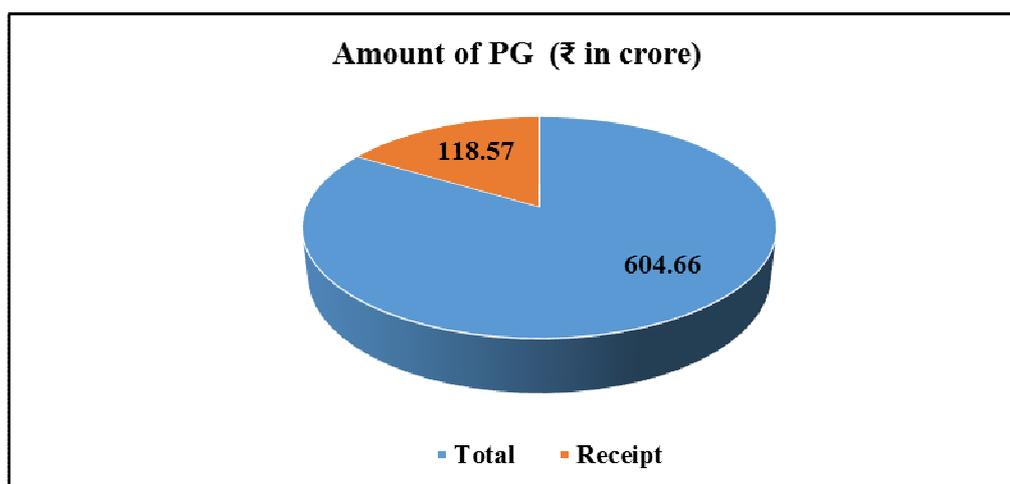
Thus, GoJ got only 19.61 *per cent* of its total entitled amount of PG, as shown in **Chart 2.1.4**:

¹⁵ Providing guidance and support to State Governments and LBs, on implementation of the recommendations of the FFC.

¹⁶ Letter No 02 Ga Yo-05/2015/238 dated 20 January 2017.

The State Government lost ₹ 486.09 crore of PG due to non-collection of OSR

Chart 2.1.4



In reply, the PR Department accepted the fact and stated (September 2024) that the release of PGs to GPs under 14th FC was dependent upon fulfilling the criteria of “increase in OSRs” from the previous year. However, the GPs were unable to fulfil this criterion as they had not been empowered by the State Government to increase OSRs by imposition of tax levy and their collection. Therefore, GoI did not allocate the entire amount of PGs to the State Government.

The PR Department further replied that the State Government was actively considering giving powers to PRIs to impose and collect taxes for OSRs.

2.1.9.3 Irregular disbursement of Performance Grant to GPs

As per the conditions laid down by the FFC for release of PG for the financial year 2016-17, the GP accounts of FY 2014-15 should have been audited and the audit report of the financial year 2014-15 should have reflected an increase in OSR over FY 2013-14.

Further, on the directions (September 2016) of GoI, the GoJ notified (January 2017) that 90 *per cent* of PG would be disbursed to GPs after meeting the criteria of submission of audited accounts that related to a year not earlier than two years preceding the year in which the GPs sought to claim the PG. Further, 10 *per cent* would be released if the GPs showed an increase in their own revenues over the preceding year, as reflected in the audited accounts.

The Co-ordination Committee, in its fourth meeting, recommended (March 2017) release of PG of ₹ 118.57 crore to the GoJ, for the financial year 2016-17, as the State had notified¹⁷ the eligibility and distribution criteria, in accordance with FFC recommendations.

Audit noticed that the PG of ₹ 118.57 crore, received (31 March 2017) for the financial year 2016-17 had been disbursed to GPs. The PR Department released ₹ 106.71 crore to 4,384 GPs of 24 districts, *i.e.* 90 *per cent* of PG on the basis of submission of audit reports and ₹ 11.86 crore (₹ 118.57 crore -

¹⁷ Letter No 02 Ga Yo-05/2015/238 dated 20 January 2017

₹ 106.71 crore) to 116 GPs of 11 districts¹⁸, *i.e.* 10 per cent of PG, on the basis of the availability of OSRs, as depicted in their audit reports of the FY 2015-16, despite the fact that, none of these 116 audited accounts of the GPs, had shown an increase of OSR from the previous year.

Thus, the PR Department had irregularly released ₹ 11.86 crore to 116 GPs, without adhering to the conditions of release of PG.

In reply, the PR Department accepted (September 2024) the audit observation and stated that the issue was noted for future guidance.

2.1.9.4 Non-payment of interest

As per the FFC recommendations, the State was to release grants to LBs within 15 days of the said grants having been credited to their account by GoI, failing which the State would be liable to pay penal interest to LBs, at the RBI bank rate, from its own funds.

Audit scrutiny revealed that the PR Department had transferred funds to GPs with delays ranging from 11 to 210 days from the stipulated time limit, but had issued certificate to MoPR, regarding transfer of funds to GPs within 15 days.

This resulted in creation of an interest liability of ₹ 53.04 crore (*Appendix-2.1.4*). However, out of ₹ 53.04 crore, the PR department had paid only ₹ 9.61 crore to the GPs, and ₹ 43.43 crore of the interest amount was yet to be transferred to the GPs.

The PR Department replied (September 2024) that the interest amount on the delayed release of grants to GPs would be assessed as per guidelines and funds would accordingly be allocated for payment.

2.1.9.5 Transfer of Basic Grant to newly constituted Urban Local Bodies from the Gram Panchayats

The High-Level Monitoring Committee (HLMC) decided in its meeting (30 November 2017), that GIA released during the financial years 2015-16 and 2016-17, should be deposited back to the PR Department by those GPs which had either been merged with the existing ULBs or had been constituted as new ULBs.

Audit noticed that 47 GPs had either been merged with the existing ULBs or had been created as new ULBs *i.e.* included in urban areas, during a two and a half year period, from January 2016 to September 2018. It was also noticed that the PR Department had released (January 2017 to August 2019) GIA of ₹ 20.86 crore (*Appendix-2.1.5*) to these GPs, even though they had been notified as ULBs.

However, despite this decision of the HLMC, no action had been taken by the PR Department for the collection of GIA and grants amounting to ₹ 20.86 crore, lying with the newly created ULBs.

¹⁸ Dumka-15, Deoghar-4, East Singhbhum-10, Giridih-10, Godda-3, Khunti-5, Koderma-9, Lohardaga-9, Saraikela-Kharsawan-20, Simdega-11 and West Singhbhum-20

In reply, the PR Department stated (September 2024) that the issue would be taken up with the Ministry of Panchayati Raj, GoI for guidance and action would be taken accordingly.

2.1.9.6 Irregularities in expenditure on Operation and Maintenance and Capital expenditure

The FFC Guidelines prescribed that 10 *per cent* of the total amount of BG should be spent for Operation and Maintenance (O & M) and Capital expenditure. However, these amounts could not be utilised for expenditure on activities already being funded from other schemes, felicitations/cultural functions/decorations/inauguration, honorarium, TA/DA of elected representatives and salaries/honorarium of existing employees-permanent and contract, expenditure on doles/awards, entertainment, purchase of air conditioner and purchase of vehicles.

Audit noticed in nine test-checked GPs that the amount spent on O & M and Capital expenditure was in excess of the prescribed limit, as mentioned above. The test-checked GPs had spent ₹ 1.53 crore (**Appendix-2.1.6**) on O & M and Capital expenditure, against the grant of ₹ 10.21 crore, received during the financial years 2015-22, which was 15 *per cent* of the total BG, *i.e.* expenditure of ₹ 0.51 crore was incurred in excess of the prescribed limit by five *per cent*.

Further, ₹ 17.99 lakh was spent on items/ activities such as Independence Day celebrations, Republic Day celebrations, purchase of projector, *Yog Diwas* celebrations, purchase of fuel, visit of Chief Minister, painting work during *Vidhan Sabha* elections, for the period 2015-22, in 35 test-checked GPs (**Appendix-2.1.7**).

Since the FFC guidelines prohibited the use of grants for the purpose of felicitation/ cultural events, the expenditure incurred on such activities was not in consonance with the provision *ibid*.

i) The PR Department directed (January 2017) that Block Development Officers (BDOs) would pay honorarium to JEs and ADEOs, who would be deployed for carrying out works in GPs, specifically in regard to FFC grants. The BDOs would maintain separate accounts where the concerned GPs would deposit their shares of honorarium. However, the PR Department revised its direction (July 2018) and authorised the District Panchayat Raj Officers (DPROs) for maintenance of the said account and disbursement of honorarium therefrom, from August 2018 onwards. Test-check of records of the sampled PSs and DPROs revealed that the honorarium was being utilised for purposes other than schemes under FFC grants, as discussed below:

a) Two GPs¹⁹ of East Singhbhum and one PS, Chas, in the Bokaro district, had paid ₹ 3.73 lakh²⁰ to computer operators, despite the fact that they had not been engaged for FFC related works.

¹⁹ Dholabera and Kendua

²⁰ East Singhbhum- ₹ 0.69 lakh and Chas- ₹ 3.04 lakh

b) Seven PSs of four districts²¹ had spent ₹ 13.18 lakh on inadmissible items, such as purchase of articles, fuels, organising cultural functions *etc.*

c) DPRO, Sahibganj had paid honorarium, amounting to ₹ 3.36 lakh, twice to five JEs, from August 2018 to December 2018. Further, ₹ 10,500 were paid twice to an ADEO for the month of April 2019. Further, DPRO, Sahibganj had withdrawn an amount of ₹ 2.32 lakh from the account, which was not spent for payment of honorarium.

The PR Department accepted the fact and stated (September 2024) that GPs would be instructed to ensure compliance to the orders contained in the guidelines and instructions of the State and Central Government to avoid such recurrences in Future.

ii) Purchase of articles

The PR Department instructed the DCs (March 2017) of all districts and DDC-cum-CEOs of the ZPs to constitute a purchase committee, for the purpose of ensuring uniformity in prices of all items of general nature to be purchased by GPs from FFC grants.

However, Audit noticed, in 45 test-checked GPs that articles costing ₹ 5.20 crore (**Appendix-2.1.8**), had been procured without constitution of any purchase committee. They had purchased articles on the basis of quotations received from any three agencies.

Thus, the non-formation of purchase committee was violation of PR Departments' instructions. Besides in the absence of the said committee, audit also could not gain assurance on the process followed to ensure uniformity of prices.

No reply to audit observations was furnished by the PR Department.

2.1.10 Submission of Utilisation Certificates (UCs)

As per the 14th FC guidelines issued by GoI, FFC grants were to be released²² in two instalments each year, in June and October. According to the FFC recommendations, release of second and subsequent instalments of the Basic and Performance Grants was subject to submission of Utilisation Certificates (UCs) of the previous instalments, in the prescribed format (certificate regarding release of grants to GPs).

Further, the FFC grants were to be transferred to the GPs within 15 days of their receipt from the GoI. If grants were not transferred within the stipulated time, the State Government had to pay interest at bank rate of Reserve Bank of India for the number of days delayed.

The State Government had submitted UCs to GoI, against full amounts of grants transferred to GPs, during the period 2015-20. GoI released its first

²¹ Bokaro- PS Chas- ₹ 96,000, Chandankyari- ₹ 5,11,936, East Singhbhum- PS Golmuri- ₹ 26,544, Hazaribag-PS Chauparan- ₹ 55,400, and Ranchi- PS Tamar- ₹ 2,62,192, PS Namkum- ₹ 2,97,993 and Kaanke- ₹ 68,325

²² Clauses 16 and 19 (i) of FFC guidelines issued vide No. 13(32) FFC/FCD/2015-16, Government of India, Ministry of Finance, Department of Expenditure (Finance Commission Division).

instalment (July 2015) with a delay of 29 days from the actual date of release, for the financial year 2015-16. However, the State Government submitted UCs for the subsequent instalment of the released amount, to GoI, with delays ranging between 21 days to 183 days.

Scrutiny of treasury register maintained by the PR Department revealed that the funds were released by the State Government, to the GPs with delays ranging from 10 to 210 days (**Appendix-2.1.9**) from the stipulated timeline. Further, in the UCs submitted for grants released to the GPs, the dates of allotment were shown as the dates of transfer of grants, while there were gaps between the dates of allotment and the dates of release. Besides, as per the UCs submitted to GoI, the entire amount of grants was shown as having been transferred to GPs within the prescribed time period, even though cases of delays in transfer of grants had been noticed as discussed in **paragraph 2.1.9.4**.

Further, none of the test-checked GPs had submitted UCs to the DDC-cum-CEO of ZPs, as required under the instructions (March 2017) of the PR Department.

A summary of the delay in submission of UCs, as on March 2022, is given in **Table 2.1.3**.

Table-2.1.3: Financial Year-wise delay in submission of UCs by GoJ

FY	No. of Instalments	Due Month of release of grants	Grants released by GoI (₹ in crore)	Date of receiving grants by GoJ	Delay in receiving grant from GoI	Due date of submission of UCs to GoI as deduced from column no. 3*	Date of Submission of UCs by GoJ	Delay in submission of UCs by GoJ
1	2	3	4	5	6	7	8	9
2015-16	First	June 2015	326.41	29.07.2015	29 days	30.09.2015	31.03.2016	183 days
	Second	October 2015	326.41	31.03.2016	150 days	31.05.2016	21.06.2016	21 days
2016-17	First	June 2016	451.98	04.07.2016	4 days	30.09.2016	11.11.2016	42 days
	Second	October 2016	451.98	11.01.2017	101 days	31.05.2017	11.05.2017	-
2017-18	First	June 2017	522.23	19.06.2017	Nil	30.09.2017	7.11.2017	38 days
	Second	October 2017	522.23	21.12.2017	42 days	31.05.2018	16.03.2018	-
2018-19	First	June 2018	604.12	13.06.2018	Nil	30.09.2018	31.12.2018	92 days
	Second	October 2018	604.12	26.04.2019	176 days	31.05.2019	02.07.2019	32 days
2019-20	First	June 2019	816.30	30.07.2019	30 days	30.09.2019	NA	NA
	Second	October 2019	816.30	25.10.2019	Nil	31.05.2020	NA	NA

(Source: Records of PR Department, GoJ)

*Due dates ascertained as per the next instalment due (30 September in the same year and 31 May in the following year)

From **Table 2.1.3**, it is clear that, due to delayed submission of UCs by the State Government, there were consequent delays on the part of GoI, in the release of subsequent grants, depriving the PRIs of the stipulated funds.

The PR Department accepted (September 2024) the audit observations and assured to submit the UCs in prescribed time.

Recommendation 2: Timely submission of UCs and compliance to the eligibility conditions for FFC grants entitlement may be ensured.

2.1.11 Mobilisation of revenue from own sources of LBs

FFC had recommended that the LBs should prioritise the enhancement of their OSR. However, the PR Department did not frame any regulations for the collection of taxes by GPs, thereby depriving them of opportunities for the generation of own revenue.

The HLMC, GoJ, instructed (February 2017) PR Department to constitute a committee to examine the procedure for implementation of laws/rules to impose taxes, fees, *etc.* by the GPs, for generation of their OSRs. Further, HLMC decided, in its meeting (20 December 2017), that the PR Department would formulate a proposal for imposition of taxes/fees, *etc.* by the Panchayats and obtain approval from the State Finance Commission (SFC).

The PR Department had, accordingly, constituted²³ a three-member team to examine the procedure for implementation of rules/acts/regulations/instructions, *etc.*, for the collection and augmentation of OSR in PRIs.

The three-member team had submitted (July 2017) the following suggestions to the PR Department, for increase in OSR:

- a) Preparation of rules for increase in OSR, under the provisions of the JPR Act, 2001 and functions devolved to PRIs.
- b) The State Government to fix the range of holding charges/fees²⁴ required to be imposed, according to the type of houses.
- c) Making provision for action to be taken in case of non-recovery of taxes, fees *etc.*
- d) Making arrangement of human resources, for collection of taxes, fees, *etc.*

However, even after the lapse of five years since submission of its recommendations, by the Committee, the State Government had not formulated such rules/regulations.

Further, one of recommendations of FFC had stated that some of the income from royalties should be shared with the LBs in whose jurisdiction mining was being done. However, the State Government had not made any rules and regulations for the sharing of royalty. In two test-checked districts (Giridih: ₹ 217.34 crore and Bokaro: ₹ 7.40 crore), these amounts were collected as royalties during the financial years 2015-16 to 2019-20, but due to non-formulation of any rules and regulations by the State Government, no royalties were shared with the LBs concerned, impacting the generation of their OSR.

²³ Office Order No. 114 dated 21/4/2017, Office Order No. 175 dated 23/6/2017 and Office Order No. 183 dated 6/7/2017.

²⁴ 'Holding tax' or 'property tax' is an annual charge which is required to be paid to the Local Bodies (Panchayat, municipality or municipal corporations). The money earned by levying the holding tax is used for maintenance and upkeep of the basic infrastructure and other key facilities in the area, including the sewage system, lighting, parks, *etc.*

The PR Department accepted (September 2024) the fact and stated that no royalties were shared because the State Government had not formulated any rules and regulations for levy and collection of taxes. It was further assured that the State Government was considering empowering the PRIs for such purpose.

2.1.12 Physical and financial progress of works undertaken under FFC grants

The physical and financial progress of the works undertaken by the test-checked GPs, out of FFC grants, is shown in **Table 2.1.4**.

Table 2.1.4: Physical and Financial progress of works executed under FFC Grant

(₹ in crore)

Financial Year	Financial Progress					Physical Progress		
	Opening Balance	Fund received ²⁵	Total fund available	Expenditure	Closing Balance	Schemes taken up	Schemes completed	Percentage of completion
1	2	3	4 (2+3)	5	6(4-5)	7	8	9
2015-16	Nil	4.33	4.33	0.41	3.92	84	76	90
2016-17	3.92	16.52	20.44	11.85	8.59	951	920	97
2017-18	8.59	16.93	25.52	13.29	12.23	861	816	95
2018-19	12.23	9.92	22.15	15.79	6.36	874	837	96
2019-20	6.36	32.12	38.48	26.44	12.04	1,223	1,148	94
2020-21	12.04	0.21	12.25	9.95	2.30	26	26	100
2021-22	2.30	0.05	2.35	1.38	0.97	21	21	100
Total		80.08		79.11		4,040	3,884	96

(Source: Records of test-checked GPs)

From **Table 2.1.4**, it is evident that the 63 test checked GPs had utilised 99 per cent of the available funds, to complete 3,884 schemes, out of total 4,040 schemes taken up in seven years, i.e. during the years 2015-22. Irregularities observed in the execution of schemes undertaken, are detailed in the succeeding paragraph.

2.1.13 Irregularities in the execution of schemes/works

2.1.13.1 Delays in issue of instructions to GPs regarding execution of schemes/works

GoI issued (8 October 2015) guidelines for implementation of the recommendations of the FFC and it was instructed that the GPs would spend the grants on basic services such as Water supply, Sanitation including septic management, Sewage and solid waste management, Storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street-lighting, burial and cremation grounds etc.

Audit noticed that GoI had released first instalment of basic grants on 29 July 2015, but the PR Department released the funds to GPs after five months, i.e. on 12 January 2016. Also, the State Government had issued instructions regarding the utilisation of FFC grants on 23 December 2016, i.e.

²⁵ Includes GIA and Interest

after more than 14 months since issue of instructions by GoI. Due to delay in the issue of instructions and release of grants/funds to GPs, only seven out of 63 GPs were able to take up 84 schemes, out of the total FFC grants of ₹ 4.33 crore, released to these 63 test-checked GPs, during the financial year 2015-16.

In reply, the PR Department stated (September 2024) that after consultations and assessment of GoI's guidelines, the PR Department had issued the guidelines in accordance with the powers delegated to GPs for implementation of the schemes.

2.1.13.2 Non-adherence to Department orders

The State Government issued guidelines in December 2016, for execution of schemes from FFC grants. However, the test-checked GPs did not adhere to these instructions, as discussed below:

(i) Delay in Administrative approval

As per the guidelines for FFC grants issued by the PR Department, budgets were to be prepared according to the availability of funds and schemes, the estimated costs of which were 1.25 times of the funds available after deduction of the committed liabilities. Administrative approval on the scheme was to be granted within seven days after the grant of technical sanction.

However, Audit noticed that in 18 out of the 63 test-checked GPs, administrative approval in 175 schemes such as construction of PCC road, drain, paver blocks, footpath, guard wall, installation of handpump, etc. had been granted with delays ranging between one and 395 days from the grant of technical sanction (*Appendix-2.1.10*) with no reasons for the delay having been found available on records. It was also noticed in 32 test-checked GPs, that the dates of accordance of administrative approval had not been mentioned in 71 schemes.

The PR Department accepted (September 2024) the fact and stated that the execution of schemes was delayed due to shortage of manpower in GPs. It was further stated that the functioning of the GPs had improved after the appointment of Panchayat Secretaries in the year 2023.

(ii) Advance for execution of schemes

As per the operational guidelines (March 2017) of PRD for execution of schemes/works under FFC grants, the works undertaken by GPs were to be executed either through the *Labhuk Samitis*²⁶, for works up to ₹ 2.50 lakh, or through a tender process, with works of having estimated costs of more than ₹ 2.50 lakh.

As per the operational guidelines for execution of works out of FFC grants, the first advance of ₹ 15,000, or fifty *per cent* of the estimated cost of a work, whichever is less, should be granted to the *Labhuk Samitis* for execution of the scheme.

²⁶ *Labhuk Samiti*- Selected in the meeting of Gram Sabha where the scheme is proposed to be implemented. In addition to the Adhyaksha and Sachiw, three more members are to be selected in the meeting of Gram Sabha, for the *Labhuk Samiti*. The Adhyaksha of the *Labhuk Samiti* is responsible for the execution of scheme.

Further, payments should be made after recording the measurement of works in the Measurement Book (MB) and after approval of the *Karyakrini Samiti*²⁷.

However, despite the instructions contained in the operational guidelines, 34, out of the 63 test-checked GPs, granted first advance in excess of ₹ 15,000, to *Labhuk Samiti*, for execution of 616 schemes (**Appendix-2.1.11**).

The PR Department accepted (September 2024) the audit observations and stated that the GPs had, sometimes, granted more advances to the *Labhuk Samitis* to meet the funds requirements. It was further stated that the State Government would take an appropriate decision on the matter.

The reply is not acceptable because the ceiling on advances to the *Labhuk Samitis* was prescribed by the PR Department itself.

(iii) Non-deposit of royalty

The Operational Guidelines of the FFC prescribe that the Panchayat Secretary would deduct royalty from the bills of *Labhuk Samitis* and credit these amounts in treasuries, with the help of the BDO-cum-EO of the Panchayat Samiti.

However, Audit noticed that 57 test-checked GPs had deducted royalty of ₹ 91.59 lakh (**Appendix-2.1.12**), for execution of 1,547 schemes, from the bills of *Labhuk Samitis*, but the amount had not been credited to the government account.

The PR Department replied (September 2024) that the procedure and heads of account for depositing royalty had not been prescribed at the departmental level. However, the PR Department had issued instructions to GPs to maintain separate cash books and bank accounts of the royalty amount.

Further, it was noticed that three of the test-checked GPs (Chilga, Kurhobindo and Pandeydih) of Jamua PS, in ZP, Giridih had irregularly paid (March 2019) ₹ 5.46 lakh towards Royalty²⁸ and ₹ 0.34 lakh towards GST/Sales tax,²⁹ to a private agency (M/s Baidyanathdhaam Enterprises) for deposit in the Government Account, which was against the guidelines *ibid*.

Further, the deposit receipts of royalty and GST/Sales tax by the private agency could not be verified from the record of GPs.

In reply, the PR Department stated (September 2024) that reasons for non-deposition of royalty would be enquired from three GPs (Chilga, Kurhobindo and Pandeydih) of Giridih district.

(iv) Splitting of works to avoid obtaining sanction of higher authorities

The PR Department, vide Resolution (March 2017), prescribed a limit of ₹ 5 lakh, for accord of administrative approval for works by GPs. Also, works with estimated costs ranging between ₹ 5 lakh to ₹ 10 lakh, were to be sanctioned by the BDO-cum-EO of the Panchayat Samiti.

²⁷ *Karyakarini Samiti comprises of Mukhiya of GP and its elected members. The Karyakarini Samiti is headed by the Mukhiya of the GP. The Karyakarini Samiti approves the plans, received from the various villages, in the meeting of Karyakarini Samiti of GP.*

²⁸ Chilga- ₹ 3,83,402, Kurhobindo- ₹ 90,495 and Pandeydih- ₹ 72,082

²⁹ Chilga- Sales tax: ₹ 15,054 and Kurhobindo- GST: ₹ 18,660

In violation of this provision, six works, costing ₹ 65.88 lakh, were split into 19 works, to reduce their per unit estimated costs below the limit of ₹ 5 lakh (*Appendix-2.1.13*) and thereby avoid the need to acquire sanction from higher authorities. Details of the same are given in **Table 2.1.5**.

Table 2.1.5
Summary of number of works split

Sl. No.	District	Gram Panchayat	Scheme	Total estimated cost of the schemes (A)	Total number of split schemes (B)
1	Bokaro	Bhojudih west	Construction of Footpath from the house of Guhiram Rajak to the house of Pran Karmakar in Gaurigram	6,94,800	2
			Construction of Footpath from the house of Anand Rajwaar to Shiv Mandir Chitlahi in Gudali Bhatta	6,13,400	2
2	Giridih	Chandauri	Construction of drain besides the road from Chandauri Ambedkar Chowk to Bridge	5,83,800	3
3	Sahibganj	West Narayanpur	Repair of Panchayat Bhawan	5,52,100	2
4	Hazaribag	Bhelwara	Construction of a boundary wall at Panchayat Bhawan	7,87,300	3
5	Ranchi	Kaanke West	Laying of Paver Blocks in Community Health Centre	33,57,000	7
Total				65,88,400	19

(Source: Records of the test-checked GPs)

Thus, in five GPs out of the 63 test-checked GPs, schemes had been split into smaller amounts in violation of the operational guidelines to avoid obtaining approval from higher authorities.

The PR Department stated (September 2024) that appropriate action would be taken after getting responses from the concerned GPs.

(v) Expenditure on schemes other than schemes intended to provide basic services

The FFC recommended that BG should be spent to support and strengthen the delivery of basic services, including water supply; sanitation including septic management; sewage and solid waste management; storm water drainage; maintenance of community assets; maintenance of roads, footpaths, streetlights, burial and cremation grounds; and any other basic services, within the functions assigned to them under relevant legislations.

However, scrutiny of records revealed that 12 GPs, had spent ₹ 72.87 lakh (*Appendix-2.1.14*) on execution of 72 schemes, during the financial years 2015-16 to 2021-22, against the recommendations of the FFC. These included schemes executed on private land, as well as schemes for installation of gyms in schools; purchase of sports material; construction of boundary walls and gates in religious places; construction of boundary of Circle Officer's residence; construction of footpath in the campus of Bank of India *etc.*, which constituted misutilisation of FFC grants.

12 test-checked GPs spent ₹ 72.87 lakh on execution of 72 schemes, against the FFC recommendations

The PR Department assured (September 2024) to take appropriate action after getting responses from the concerned GPs.

(vi) Irregularities in Muster Rolls/Vouchers

Section 248 (a) of the Jharkhand Treasury Code, 2011, provides that the wages of labourers engaged departmentally shall be drawn on muster roll, showing the names of the labourers, number of days they had worked and the amounts of payment due to each labourer.

Audit observed that in 11 works in three test-checked GPs (Giridih and Sahibganj districts), Muster Rolls were not being maintained for works, and wages, amounting to ₹ 1.81 lakh were shown as having been paid on the basis of hand receipts/plain paper. Muster rolls and purchase bills of construction material had not been authenticated by JEs, in all the 63 test-checked GPs.

In 38 test checked GPs, ₹ 49.16 lakh (**Appendix-2.1.15**), had been paid as wages, in the execution of 155 schemes, during the financial years 2015-16 to 2021-22, to 3,270 labourers, whose thumb impressions³⁰ were not found to have been authenticated by the JEs and *Labhuk Samitis*, in the Muster Rolls. The Muster Rolls so maintained had various deficiencies, such as dates or periods of engagement of labourers not being available, names of labourers not having been entered, overwriting (in dates, name of labourers, amount, etc.), payment of wages to labourers engaged prior to grant of administrative approval and issue of work order etc., in violation of the rules *ibid*.

Further, in eight test-checked GPs, vouchers amounting to ₹ 19.65 lakh³¹ (**Appendix-2.1.16**), prepared in support of material purchased/consumed or labour engaged, showed discrepancies, such as non-recording of the dates of materials purchased (₹ 8.49 lakh), materials purchased without Cash Memos (₹ 6.56 lakh), bills of purchase (₹ 3.94 lakh) without Good and Service Tax (GST) numbers, supply of material prior to the selection of the *Labhuk Samiti* (₹ 0.66 lakh) and mismatches between records, including between MBs and Muster Rolls.

The PR Department stated (September 2024) that appropriate action would be taken after getting responses from the concerned GPs.

2.1.13.3 Non/less deduction of labour cess and deposit thereof

Section 3 (i) of the Building and Other Construction Workers' Welfare Cess Act, 1996 prescribes that labour cess, ranging between one and two *per cent*, shall be imposed by the employer on the construction cost. The amount of collected cess should be deposited to the Welfare Board³².

Further, Rule 12 of the Building and Other Construction Workers' Welfare Cess Rules, 1998, provides for imposition of penalty in case of non-deposition of cess to the Labour Welfare Board.

³⁰ Rule 260 of the Jharkhand Treasury Code prescribes that payment should be attested by a known person when the payee's acknowledgment is given by a mark, seal or thumb impression.

³¹ ₹ 6.56 lakh+ ₹ 3.94 lakh+ ₹ 8.49 lakh+ ₹ 0.66 lakh = ₹ 19.65 lakh

³² Section 5 of the 'Building and other Construction Workers' Welfare Cess Rules, 1998

- i) Scrutiny of records revealed that Labour Cess, amounting to ₹ 19.38 lakh (**Appendix-2.1.17**), pertaining to 1,230 schemes in 54 test-checked GPs, had not been deducted and therefore excess amount of ₹ 19.38 lakh was paid to *Labhuk Samitis*.
- ii) Further, Labour Cess of ₹ 10.98 lakh (**Appendix-2.1.18**), pertaining to 458 schemes of 28 test-checked GPs, had been deducted from the bills of *Labhuk Samitis* but not credited in the account of the Welfare Board. Thus, the GPs, created a liability of ₹ 10.98 lakh as a penalty for non-credit of deducted amount in the account of Welfare Board.
- iii) Further, 24 test-checked GPs had deducted less amount of Labour Cess, amounting to ₹ 0.43 lakh (**Appendix-2.1.19**), from the bills of the *Labhuk Samitis*, engaged in execution of schemes, under the FFC grants.

The PR Department assured (September 2024) to take appropriate action after having responses from the concerned GPs.

Recommendation 3: GoJ should ensure correct deduction and deposit of Labour Cess to Labour Welfare Board, so that the Board can fulfil its objectives.

2.1.13.4 Irregular utilisation of statutory deductions for execution of various schemes

Statutory deductions such as royalty, labour cess and sales tax³³ should be made upon the completion of the execution of schemes and credited in the appropriate government accounts.

Scrutiny of records of schemes in 23 test-checked GPs revealed that a total amount of ₹ 48.39 lakh (**Appendix- 2.1.20**) had been deducted, till March 2022 (towards Royalty: ₹ 41.01 lakh³⁴, Labour cess: ₹ 4.94 lakh³⁵ and Sales tax: ₹ 2.44 lakh³⁶), from the bills of the *Labhuk Samitis*, for execution of schemes, during the financial years 2016-17 to 2020-21. However, the deducted amounts had not been deposited in the appropriate government accounts by the test-checked GPs. Against the liability to deposit ₹ 48.39 lakh into the appropriate government accounts as statutory deductions, these GPs had a balance of ₹ 11 lakh in their bank accounts, as of 31 March 2022.

The PR Department stated (September 2024) that appropriate action would be taken after getting responses from the concerned GPs.

2.1.14 Creation of Liability on installation of LED lights

As per the State Government's resolution (March 2019), in regard to installation of LED lights, M/s Energy Efficiency Services Limited (EESL), Ranchi, had been nominated to install and maintain LED lights in the GP areas. An Escrow Account was to be opened, and an agreement was to be executed, between EESL and DPRO. Payment was to be made, by the DPRO, after collecting funds from the GPs where LED lights had been installed.

³³ Sales tax deducted upto June 2017

³⁴ ₹ 8,03,220+₹ 11,45,290+₹ 8,35,735+₹ 12,60,227+₹ 56,844= ₹ 41,01,316

³⁵ ₹ 41,989+₹ 1,12,449+₹ 1,12,230+₹ 2,27,111=₹ 4,93,779

³⁶ ₹ 91,983+₹ 49,252+₹ 40,074+₹ 59,815+₹ 2,463= ₹ 2,43,587

In six test-checked districts, GPs had forwarded their requirement of LED lights (to be installed in the GP areas), to the concerned DPROs, after seeking an approval from the *Karyakarini Samitis* of GPs. The DPROs had, in turn, furnished these requirements to EESL, for the purpose of installation. EESL had, accordingly, installed 1,22,785 LED lights, in the GPs of these six test-checked districts, at the cost of ₹ 25.59 crore (against the installations made upto April 2021) and ₹ 6.01 crore against maintenance of LED lights (till December 2021), as shown in **Table 2.1.6**.

Table 2.1.6
Liability for payment in regard to LED lights

(₹ in crore)					
District	Agreement date	No. of LED lights installed	Cost of installation	Cost of maintenance	Total amount
Bokaro	11/6/2019	26,815	5.59	1.23	6.82
East Singhbhum	24/5/2019	27,053	5.64	1.27	6.91
Giridih	4/6/2019	2,997	0.62	0.12	0.74
Hazaribag	27/5/2019	19,176	4.00	0.58	4.58
Ranchi	1/6/2019	36,943	7.70	2.66	10.36
Sahibganj	30/5/2019	9,801	2.04	0.15	2.19
Total		1,22,785	25.59	6.01	31.60

(Source: Records of test-checked DPROs)

Out of the six test checked DPROs, only three DPROs³⁷ had collected ₹ 12.49 crore from the GPs, out of which two DPROs³⁸ made payment of ₹ 8.59 crore to EESL as of August 2024. Further, in case of the other three test-checked DPROs (Bokaro, Giridih and Sahibganj), no payments had been made by the GPs concerned. Thus, a total amount of ₹ 23.01 crore (₹ 31.60 crore *minus* ₹ 8.59 crore) was yet to be paid by the six test-checked DPROs to EESL, Ranchi.

In reply, the PR Department stated (September 2024) that instructions were given to clear the dues of EESL, Ranchi. Again, a reminder was being issued in this regard.

The reply was not acceptable because despite directions being issued (September 2021) in this regard to DPROs concerned, the dues of EESL, Ranchi had not been cleared till August 2024.

Further, the PR Department had instructed (March 2019) that a maximum of 200 LED lights were to be installed, in every GP. However, the *Karyakarini Samiti* recommended more LED lights than prescribed, in resolution of the PR Department. Thus, on the recommendations of the *Karyakarini Samiti*, EESL had installed 11,318 (**Appendix-2.1.21**) excess LED lights, in 142 GPs without approval of PR Department, and claimed an additional amount of ₹ 2.36 crore, as shown in **Table 2.1.7**.

³⁷ East Singhbhum- ₹ 4.58 crore, Hazaribag- ₹ 82.58 lakh and Ranchi- ₹ 7.08 crore

³⁸ East Singhbhum- ₹ 3.39 crore and Ranchi- ₹ 5.20 crore

Table 2.1.7
Amount claimed for installation of excess LED lights

Sl. No.	DPRO	Total number of GPs	Excess number of lights installed	Cost per unit LED light (in ₹)	Total excess cost incurred (in ₹)
1	Bokaro	49	3,163	2,084.95	65,94,697
2	East Singhbhum	14	865	2,084.95	18,03,482
3	Giridih	2	47	2,084.95	97,993
4	Hazaribag	33	2,800	2,084.95	58,37,860
5	Ranchi	28	1,286	2,084.95	26,81,246
6	Sahibganj	16	3,157	2,084.95	65,82,187
Total		142	11,318		2,35,97,465

(Source: Records of test-checked DPROs)

Therefore, EESL had installed more lights than the number that had to be installed, as per the instructions of the PR Department. This had led to avoidable expenditure, to the extent of ₹ 2.36 crore.

In reply, the PR Department stated (September 2024) that appropriate action would be taken on installation of excess LED lights after getting responses from the concerned GPs.

2.1.15 Findings of Joint Physical Verification

Joint physical verification (JPV) of 15 works, executed by the test-checked GPs of Sahibganj district, under FFC grants, during the period 2015-20, was conducted by Audit, with the officials of the Local Bodies checked. Some of the irregularities noticed during the JPV are as under:

(i) Schemes executed in private houses

Section 75 (A) (11) of the Jharkhand Panchayati Raj Act, 2001, provides for construction, repair and maintenance of public wells, ponds and hand - pumps for drinking water, washing clothes and bathing. Therefore, the scheme should be executed for the benefit of community.

However, a scheme of borewell, at the estimated cost of ₹ 1,49,500, was executed in the premises of a private person (**Photograph 1**) by GP, Shrikund, in Barharwa PS. Therefore, the GP had acted against *ibid* provision by extending benefit to a private person.

The PR Department accepted the audit observation and replied (September 2024) that execution of the scheme on villager's land/ in house was not as per rules. Appropriate action would be taken after getting responses from the *Mukhiya* and Panchayat Secretary of the concerned GP.



Photograph no. 1: Borewell installed in premises of a private person in GP Srikund in PS Barharwa (photograph taken on 22 September 2022)

Similarly, a handpump was irregularly installed, at a cost of ₹ 25,460, in the premises of a private house (**Photograph 2**), by the GP Srikund, in Barharwa PS.

In reply, the PR Department stated (September 2024) that appropriate action would be taken after having responses from the *Mukhiya* and Panchayat Secretary of the concerned GP.



Photograph No. 2: Handpump Installed in the premises of a private person in GP Srikund, (PS Barharwa). (photograph taken on 22 September 2022)

(ii) Repair of non-functional drain

GP, Harihara, planned to repair a drain to make it functional, at the cost of ₹ 1,05,100. It was, however, noticed (**Photograph 3**) in physical verification, that the drain was non-functional despite spending the entire amount.

In reply, the PR Department stated (September 2024) that appropriate action would be taken after getting responses from the *Mukhiya* and Panchayat Secretary of the concerned GP.



Photograph no. 3: Non-Functional drain in GP Harihara in Barharwa, PS (photograph taken on 22 September 2022)

(iii) Infertuous expenditure on construction of Water Tank

A Mini Solar Water Supply System was planned to be installed in the *Utkramit* Middle School, Kaswa, at a cost of ₹ 2,49,700. However, it was observed (**Photograph 4**) that, only a structure that was part of a water tank, had been constructed, at a cost of ₹ 1,07,500, which was not in use.



Photograph no. 4: Non-Functional water tank in GP Keswa (PS Rajmahal). (photograph taken on 22 September 2022)

(iv) Non-functional/bad conditions of LED lights

M/s Energy Efficiency Services Limited (EESL), Ranchi was hired (March 2019) by PR Department to install and maintain LED lights in the GP areas. Accordingly, EESL had installed 1,22,785 LED lights in the GPs of the sampled districts up to April 2021.

To verify the existence and functional status of LED lights in GPs of the sampled districts, Audit approached (August 2024) 27 GPs for gathering information on conditions of LED lights. It was found that 3,162 (77 per cent) out of 4,116 installed LED lights had not been working since last four months to three years. Further, physical verification of 152 electric poles with installed LED lights revealed that 28 street poles were without LED lights, and only 26 LED lights out of remaining 124 were found to be in good conditions. Non-existence of LED lights on electric pole are exhibited below:

Pictures showing non-existence of LED lights in GPs



Photograph No. 5: LED light was not found in the arm, installed at electric pole at GP Pupunki (Ward no.4), Chas PS, Bokaro. (photograph taken on 24 August 2024)



Photograph No. 6: LED light was not found in the arm, installed at electric pole at GP, Oriya (Hazaribag Sadar PS) in Hazaribagh. (photograph taken on 23 August 2024)



Photograph No. 7: LED light was not found installed in the electric pole at GP, Kutiatu (Namkum PS) Ranchi. (photograph taken on 23 August 2024)



Photograph No. 8: LED light was not found installed in the electric pole at GP Palasbani (Dumariya PS), East Singhbhum. (photograph taken on 23 August 2024)

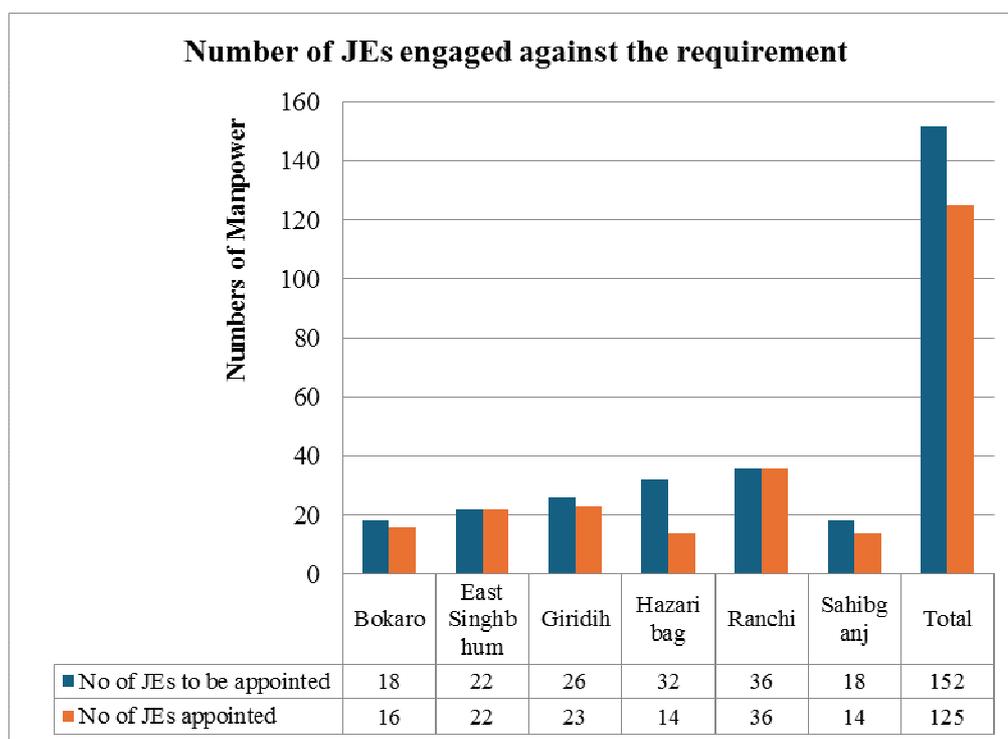
2.1.16 Human resource management

Manpower is a critical asset for any organisation. Without appropriately trained manpower, works/schemes cannot be implemented efficiently.

- **Shortages in the deployment of human resources**

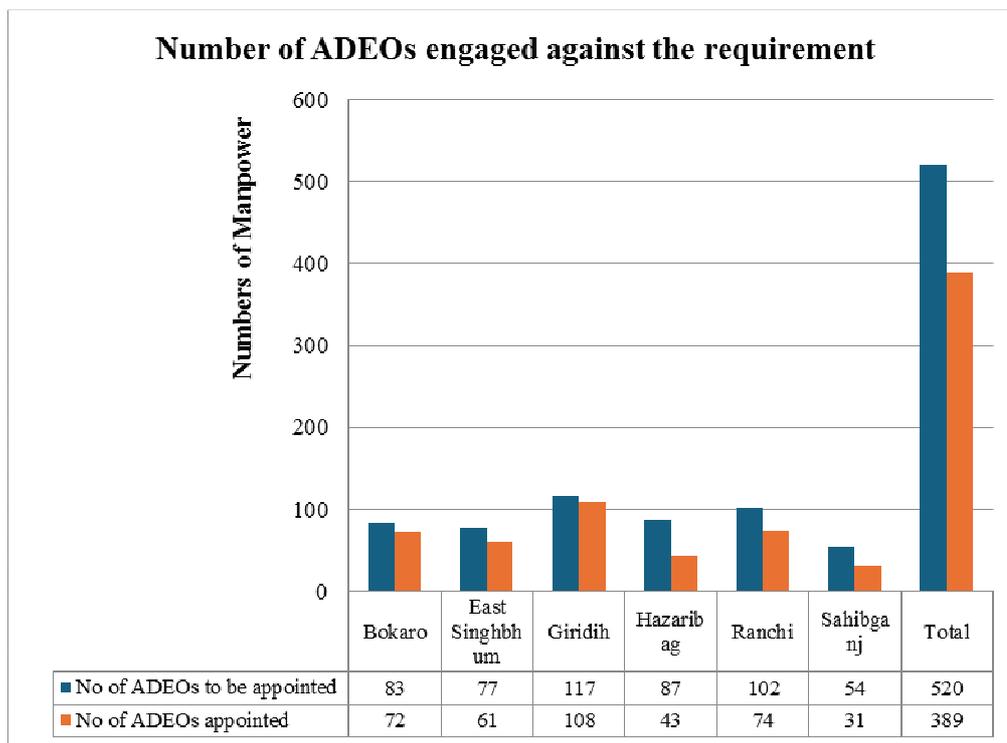
For execution of schemes and uploading of data in the prescribed portals³⁹, the PR Department issued (April 2016) notification for appointment of two JEs in every PS and one Accountant-cum-Data Entry Operators (ADEOs), for every three GPs of the PS, on contractual basis, by the district level selection committee, headed by the DCs of the concerned districts. The honorarium to the JEs and ADEOs, appointed by the DC, was to be paid as O & M and Capital expenditure from the FFC grants (10 per cent of basic grants). However, scrutiny of records revealed that this direction had not been followed and lesser number of JEs and ADEOs had been appointed, for the PSs and GPs, as shown in **Chart 2.1.5** and **Chart 2.1.6**, respectively.

Chart 2.1.5
Number of JEs engaged against the requirements



³⁹ **PRIA Software-** Income and Expenditure of schemes should be uploaded in the software
Plan Plus- The GP shall upload name of the scheme, schedule date of completion, cost of works, beneficiaries of schemes, priority of work, etc.
Action Soft- Upload of physical and financial report of the schemes
National asset Directory- Name of assets, construction cost, place of assets, position of asset.

Chart 2.1.6
Number of ADEOs engaged against the requirements



(Source: GoJ's orders and records of test-checked DPROs)

Chart 2.1.5 and **2.1.6** indicate that, there were shortages of JEs and ADEOs, to the extent of 27 (18 per cent) and 131 (25 per cent), respectively, in comparison to the GoJ's directions.

The PR Department accepted (September 2024) the fact and stated that after assessing the shortage of manpower in GPs, the State Government had appointed Panchayats Secretaries in the year 2023.

2.1.17 Monitoring and Evaluation

Monitoring and evaluation are important prerequisites for the successful execution of any programme. The FFC recommended constitution of a High Level Monitoring Committee (HLMC), headed by the Chief Secretary and including the Finance Secretary and other concerned departmental Secretaries, to monitor and carry out concurrent evaluation of the working of the GPs receiving the grants, to ensure that the funds were utilised for the purposes recommended by the FFC.

2.1.17.1 Monitoring and Supervision

The Guidelines of the FFC, prescribed the constitution of the HLMC at the State level. The committee was to be headed by the Chief Secretary of the State. It was required to monitor and carry out concurrent evaluation of LBs receiving the FFC grants, to ensure that the FFC grants were utilised for the purposes recommended by the FFC.

The State Government constituted the HLMC (April 2016) one year after the implementation of the FFC recommendations by the GoI. Further, GoI instructed (April 2017) the State Government to convene HLMC meetings on

a quarterly basis, *i.e.* 12 meetings should have been held from April 2017 to March 2020. However, only three meetings of the HLMC (20/2/2017, 30/11/2017 and 28/12/2018) were conducted during this period.

Thus, due to non-holding of required number of meetings, the HLMC failed to monitor the proper utilisation of FFC grants, as mentioned in the preceding *paragraph no. 2.1.13.2* of this report.

The PR Department also nominated (August 2016) six personnel, to review and obtain, every month, documents pertaining to the receipts and expenditure of FFC grants, UCs, physical and financial progress reports from the GPs and ensure that the reviewed documents were submitted to the PR Department.

However, no such activities were found to have been carried out, as Audit noticed that: (i) due to the GPs not having utilised released grants completely, ₹ 258.22 crore had remained unutilised in bank, as balances of the GPs' accounts till March 2022 (ii) there had been delays in the submission of UCs and (iii) schemes had remained incomplete, as discussed in the preceding paragraphs.

The PR Department accepted (September 2024) the fact and stated that the prescribed meetings of the HLMC could not be held due to the busy schedule of the Chief Secretary of GoJ.

The reply is not acceptable as the fact remains that GoJ's directions had not been complied with.

2.1.17.2 Social Audit

The State Government directed (April 2017) GPs to conduct social audit for schemes taken up from FFC grants every year. Monitoring of social audit was to be done by a Development Committee (a Standing Committee of the GP).

However, social audit had not been conducted in any of the test-checked GPs. Also, the Panchayat Secretaries of test-checked GPs stated that the Standing Committees were not functional, although they had been constituted.

In reply, the PR Department stated (September 2024) that Social Audit was in progress.

2.1.17.3 Maintenance of Inspection Register and monitoring by District and PS level officers

The State Government instructed (April 2017) GPs to maintain inspection registers, so that all supervising and inspecting officers could note their observations/comments in such registers. The *Labhuk Samitis/Mukhiya*/Panchayat Secretary was to comply with the instructions, for improvements in the quality of works, as per the comments therein, by the concerned inspecting officers.

Also, the State Government fixed (April 2017) the percentages for monitoring and supervision of the schemes being implemented by the GPs. The DC, DDC, Deputy Director, DPRO, Executive Officer of the ZP, District Engineer of the ZP, Assistant Director (at the sub-division level), BDO, Assistant Engineer, Block Panchayat Raj Officer, JE and Panchayat Secretary, had to supervise and monitor schemes executed in their respective areas (which

represents one, three, five, 10, 10, 10, 20, 25, 50, 100, 100 and 100 *per cent*, respectively, of the total executed schemes).

The Panchayat Secretaries of all test-checked GPs stated that, except for the EOs of the Panchayat Samitis, Assistant Engineer, JE and Panchayat Secretary, none of the other officers were visiting the PSs and GPs for inspection of schemes.

Further, none of the test-checked GPs were maintaining inspection registers, due to which the comments of the supervising and inspecting officers could not be recorded.

The PR Department accepted the audit observations and replied (September 2024) that the concerned officials would be instructed to follow the State Government guidelines.

2.2 Detailed Compliance Audit on ‘Construction/Repair/Alteration/ Furnishing of Panchayat Bhawans’

2.2.1 Introduction

The 73rd Constitutional Amendment Act, 1992, envisaged a three-tier Panchayati Raj system, at the village, intermediate and district levels, to ensure a more participative governance structure in the country. The Panchayati Raj Institutions (PRIs) are entrusted with the responsibility of preparing macro plans for economic development, implementing schemes aimed at socio-economic development and exercising powers delegated in respect of 29 subjects, as prescribed in the 11th Schedule of the Constitution of India. The State, in turn, was required to entrust Panchayats with adequate funds, functions and functionaries, to enable them to function as institutions of self-government.

The Government of Jharkhand (GoJ) decided (March 2002) to construct Panchayat Bhawans (PBs) in all GPs, with an objective of using them as Panchayat offices in every GP for carrying out activities related to the functioning of the GPs, such as conduct of Gram Sabha meetings, as well as assemblies and meetings for selection and execution of rural development schemes.

2.2.2 Audit Scope and methodology

A Detailed Compliance Audit of the Construction/Repair/Alteration/ Furnishing of Panchayat Bhawans was conducted, covering the financial years 2017-18 to 2021-22, to see whether: (i) the PBs had been constructed in timely manner, as per the approved targets for construction (ii) the PBs had been utilised for the purposes, for which they had been constructed (iii) funds released for the purpose had been managed efficiently and (iv) monitoring of the project execution had been carried out efficiently.

The Audit Period was between June to October 2022. Audit was carried out through test-check of records of the offices of the Panchayati Raj (PR) Department and six⁴⁰ sampled Zila Parishads (ZPs). Also, a Joint physical inspection, in 35 PBs⁴¹, of five of the test-checked ZPs (except ZP, Ranchi), was conducted, with the staff of the ZPs.

An Entry Conference was held, with the Secretary of the Panchayati Raj Department (Department), on 10 June 2022, to discuss the Audit Objectives, Criteria, Scope and Methodology of the Detailed Compliance Audit.

⁴⁰ **Northern region:** Chatra and Giridih

Central region: Bokaro and Hazaribag

Southern region: Ranchi and West Singhbhum

⁴¹ **Bokaro (7)-** Araju, Bijulia, Ukrid, Chandra, Siyaljori, Alkusha and Taand Balidih, **Chatra (7)-** Yogiyaara, Rampur, Pratappur, Babhne, Gajwa, Pandeyapura and Ichak, **Giridih (4)-** Sapamaran, Siramdih, Dhaepura and Rembo,

Hazaribag (7)- Sakhiya, Oreya, Nagwan, Baheri, Pasai, Masratu and Dhengura and

West Singhbhum (10)- Kolchokra, Kokcho, Jamid, Silfori, Kaseya, Lupungutu, Khapokhra, Hathiya, Narsanda and Kudahaatu

The exit conference was held (15 May 2023), with Principal Secretary, PRD, to discuss the audit findings.

Principal Secretary, PRD, accepted all the audit observations and assured that all necessary corrective measures would be taken. However, para-wise detailed reply was awaited (as of November 2023).

2.2.3 Organisational Set-up of PRIs

At the State level, the PR Department, headed by the Pr. Secretary/Secretary, co-ordinates and monitors the implementation of schemes regarding construction of Panchayat Bhawans in GPs. The GPs are headed by *Mukhiyas*, who are the elected representatives of the GPs. The Deputy Development Commissioner (DDC)-cum-Chief Executive Officer (CEO), at the district level, and the Block Development Officer (BDO)-cum-Executive Officer (EO), at the Block level, are the executive heads of the ZP and the PS, respectively, while the Panchayat Secretary is in-charge of the office of the GP.

2.2.4 Planning

Proper planning is imperative, to achieve the objectives of a programme, in a cost-effective and timely manner. The Government of Jharkhand (GoJ) decided (March 2002) to construct PBs in all the GPs of the State, to facilitate the working of elected bodies and to help them perform their duties efficiently. Accordingly, the Chief Secretary, Jharkhand, issued instructions (August 2002) for the construction of PBs in all 4,350 GPs, to enable the State Government employees, posted at the GP level, to discharge their duties.

Audit noticed that, out of 4,350 PBs, 4,261 PBs had been constructed till December 2021 and 89 PBs were yet to be constructed, even though the PR Department had directed (November 2020) the ZPs to complete the construction of all PBs by the end of the year 2020. Therefore, the target of constructing PBs in all the GPs could not be achieved, even after a lapse of 20 years since the inception of the plan in March 2002.

2.2.5 Financial management

The PR Department, GoJ, initially prepared a model estimate⁴² (March 2003) of ₹ 17.48 lakh, for the construction of each PB. The model estimate was prepared at the Schedule of Rates (SoR) of the year 2016. Thereafter, the Model estimates were revised from time to time, based on the changes in Schedule of Rates.

The test-checked ZPs were working on model estimates in the range⁴³ of ₹ 34.25 lakh to ₹ 44.30 lakh, during the audit period (2017-22).

⁴² The Model estimate of the PBs, was prepared at the prevalent Schedule of Rates. It consisted of two floor buildings, sanitary, electrification work, as well as installation of bore well and water supply.

⁴³ Bokaro- ₹ 34.72 lakh, Chatra- ₹34.25 lakh, Giridih- ₹ 44.30 lakh, Hazaribag- ₹ 34.90 lakh, Ranchi- ₹ 43.44 lakh and West Singhbhum- ₹ 40.98 lakh.

Prior to Financial Year (FY) 2017-18, for construction of PBs in all GPs, funds had been made available to ZPs, under the State fund, *Rastriya Sam Vikas Yojanas* (RSVY), Backward Region Grant Fund (BRGF) and convergence⁴⁴ of the Mahatma Gandhi National Rural Guarantee Scheme (MGNREGS) with BRGF.

From FY 2017-18 onwards, the PR Department, GoJ, had released funds under the State head, for Construction/Repair/Alternative/Furnishing of PBs, in all ZPs.

Audit noticed, during scrutiny of records of the PR Department, that it had not maintained any data regarding aggregate/cumulative allotment and expenditure on construction of 4,350 PBs, since the inception of construction of PBs.

The test-checked ZPs had also not maintained any data in this regard and no separate cashbooks had been maintained for any of the funds under convergence of MGNREGS (RSVY, BRGF, and BNRGS), that had been utilised for the construction/repairs of the PBs. In the absence of such data, the amounts of allotment and expenditure of funds, for construction of PBs, was not ascertainable in audit, from the Department and the test-checked ZPs. However, Audit worked out the expenditure on PBs from the scheme registers, progress reports of the works etc.

It was noticed that the six test-checked ZPs had spent ₹ 20.03 crore for construction of 63 new PBs and ₹ 50.79 crore on the completion of residual works in 312 PBs, during the period 2017-22, as discussed in **paragraph 2.2.6.1** of this report.

The following irregularities, relating to construction of PB buildings, were observed in audit:

i) **Diversion of funds**

According to Rule 11 of the Jharkhand Financial Rules, a controlling officer must not only see that the expenditure is kept within the limits of the authorised appropriation, but also see that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. Further, in this direction, PR Department issued (June 2016) instructions forbidding expenditure from BRGF on new construction works.

Scrutiny of records of ZP, West Singhbhum, revealed that the PR Department had released (September 2016) ₹ 24.73 crore to ZP, West Singhbhum, for construction and completion of residual works in 114 PBs⁴⁵, under the State Plan. However, the ZP had spent ₹ 32.82 crore⁴⁶ (against the total available funds of ₹ 50.90 crore⁴⁷) on construction/repair/extension/residual works of 240 PBs, as of August 2020, including expenditure of ₹ 15.75 crore from unspent balance of BRGF.

⁴⁴ *Bharat Nirmaan Rajiv Gandhi Sewa Kendra (BNRGSK)- cum- Panchayat Sachivalaya*

⁴⁵ *22 new PBs and completion of remaining works of construction in 92 PBs.*

⁴⁶ *Construction of 19 new PBs- ₹ 7.08 crore, Residual works in 56 PBs- ₹ 9.04 crore, Repair of 17 PBs- ₹ 0.75 crore and extension work in 149 PBs- ₹ 15.95 crore.*

⁴⁷ *State plan- ₹ 2,473.41 lakh for 114 PBs plus providing infrastructure in PBs- ₹ 84.80 lakh, BRGF- ₹ 2,531.64 lakh.*

The expenditure of ₹ 15.75 crore from BRGF included construction of 19 new PBs amounting to ₹ 7.08 crore. Thus, ZP had spent ₹ 7.08 crore on construction of 19 new PBs, despite State Government instructions forbidding (June 2016) taking up the construction of new construction works from BRGF.

ii) **Blocking of funds**

Rule 343 (ii) of the Jharkhand Financial Rules states that “unless it is otherwise ordered by Government, every grant made for a specific object, is subject to the implied condition that any portion of the amount which is not ultimately required for expenditure upon that object should be duly surrendered to Government”.

However, scrutiny of records of the test-checked ZP, West Singhbhum, revealed that it had not surrendered its unutilised grants to the State Government and had kept them blocked in accounts, as discussed below:

- ZP, West Singhbhum, sought for (June 2016) an amount of ₹ 24.73 crore⁴⁸, for construction and completion of 114 PBs (22 new PBs and completion of the remaining work of construction of 92 PBs) and the entire amount was released (September 2016) by the State Government. However, for completion of residual works in 92 PBs, the ZP had raised demand of ₹ 93.62 lakh⁴⁹ twice, for completion of residual works in five PBs, and received an excess amount of ₹ 93.62 lakh, from the State Government. Out of the amount of ₹ 187.24 lakh so allotted, for completion of residual works in five PBs, the ZP had utilised ₹ 28 lakhs, for completion of residual works in only three PBs⁵⁰ and the balance amount of ₹ 1.59 crore had remained blocked in its account.

Thus, the ZP had demanded an excess amount, over and above its requirements.

- Further, ZP, West Singhbhum, had sought (June 2016) ₹ 2.26 crore⁵¹ from the State Government, for completion of 14 incomplete PBs, which was released by the State Government, under the State Plan head, in September 2016. The ZP had also demanded (June 2016) the same amount, i.e. ₹ 2.26 crore, under convergence with the BRGF fund head as well, for the same 14 incomplete PBs and the amount had been released to the ZP, in June 2016, by the State Government.

Of the total released amount (₹ 4.52 crore), the ZP took up seven works relating to PBs and had spent only ₹ 65.87 lakh, till August 2020. Audit

⁴⁸ Construction of 22 new PBs- ₹ 8.14 crore, completion of residual works in 92 PBs- ₹ 16.59 crore.

⁴⁹ Harta in Anandpur block- ₹ 10 lakh, Badapasiya in Noamundi- ₹ 30 lakh, Gumuriya in Jagarnathpur block- ₹ 8 lakh, Badakenduwa in Manoharpur block- ₹ 10 lakh and Govindpur in Sonuwa block- ₹ 35.62 lakh.

⁵⁰ Harta in Anandpur block: ₹ 8.36 lakh, Gumuriya in Jagarnathpur block: ₹ 8.26 lakh and Govindpur in Sonuwa block: ₹ 11.38 lakh.

⁵¹ Dopai PB: ₹ 25 lakh, Badaguntia PB: ₹ 15.71 lakh, Chidiya PB: ₹ 4.78 lakh, Gangda PB: ₹ 6.08 lakh, Govindpur PB: ₹ 35.62 lakh, Narsanda PB: ₹ 27.57 lakh, Hathiya PB: ₹ 3.87 lakh, Hatnatodang PB: ₹ 18.74 lakh, Surbuda PB: ₹ 23.01 lakh, Gopinathpur PB: ₹ 25.13 lakh, Anandpur PB: ₹ 7 lakh, Biju PB: ₹ 13 lakh, Bila PB: ₹ 18.50 lakh and Kebra PB: ₹ 2 lakh

noticed that the ZP had not returned the unutilised funds, to the State Government.

Instead, it had expended ₹ 73.07 lakh and ₹ 54.94 lakh, from the same unutilised funds, on construction of two new PBs⁵² and completion of residual works, in seven PBs⁵³, respectively. These PBs had not been sanctioned or authorised, by the State Government.

This showed that: (i) the ZP had raised excess demands for funds, for the construction/repair/completion of residual works of PBs, on at least two separate occasions and (ii) the PR Department had released the funds so demanded by the ZP, without exercising due diligence in examining the actual requirement of funds, prior to release of funds. This had resulted in blocking of funds, amounting to ₹ 4.17 crore⁵⁴, at the ZP's level.

Further, to assess the effect of these blocked funds and their non-utilisation in completion of the PBs in the State, information was sought by Audit (July 2024) from PR Department and ZP West Singhbhum. The DDC-cum-CEO of ZP West Singhbhum replied (25 July 2024) that no expenditure was incurred for the construction/repairing of six incomplete PBs of the ZP after March 2022. Besides, PR Department, GoJ further released (December 2023) an amount of ₹ 27 crore to 16 ZPs for the construction of 90 new PBs (including ₹1.80 crore for six new PBs in West Singhbhum).

This was indicative of the fact that State Government did not exercise due diligence in considering such unspent balances available with the ZPs, prior to release of fresh grants for construction of new PBs.

2.2.6 Construction of Panchayat Bhawan Buildings

2.2.6.1 Non-completion of PBs

Scrutiny of records revealed that, as of March 2022, 89 PBs had not been completed in the State. In case of the six test-checked ZPs, Audit noticed that, out of the 375 PBs required to be completed, 363 PBs had been completed and 12 PBs had remained incomplete, till March 2022, as shown below in **Table 2.2.1**.

⁵² Manoharpur East: ₹ 36.54 lakh in Manoharpur block and Goilkera: ₹ 36.53 lakh in Goilkera block

⁵³ Benisagar: ₹ 14.05 lakh in Majhgaon block, Makranda: ₹ 7.53 lakh in Manoharpur, Chandri: ₹ 5.02 lakh, Silfori: ₹ 2.86 lakh, Gulikera: ₹ 9.87 lakh, Ithihasa: ₹ 10.12 lakh and Kenke: ₹ 5.49 lakh in Chakardharpur block

⁵⁴ ₹ 6.11 crore (₹ 1.59 crore plus ₹ 4.52 crore) less ₹ 1.94 crore (₹ 65.87 lakh plus ₹ 73.07 lakh plus ₹ 54.94 lakh) = ₹ 4.17 crore

Table 2.2.1: Number of incomplete PBs in the test-checked ZPs*(₹ in crore)*

ZP	Construction of new PBs				Completion of construction of incomplete PBs			
	No. of PBs taken up	Estimated cost	Expenditure	No. of incomplete PBs	No. of PBs taken up	Estimated cost	Expenditure	No. of incomplete PBs
Bokaro	11	2.97	2.57	Nil	32	3.27	2.97	1
Chatra	Nil	Nil	Nil	Nil	113	15.68	14.19	2
Giridih	19	7.00	5.87	1	81	13.27	11.45	1
Hazaribag	14	5.02	4.88	Nil	30	5.03	4.71	Nil
Ranchi	NA	NA	NA	Nil	47	8.90	8.43	1
West Singhbhum	19	7.77	6.71	5	56	10.02	9.04	1
Total	63	22.76	20.03	6	312	56.17	50.79	6

(Source: Records of the test-checked units)

Scrutiny of the records at ZPs revealed the following reasons for non-completion of 12 PBs:

- i) Construction of two⁵⁵ new PBs could not be started, due to non-availability of land and one new PB in West Singhbhum (Kamroda PB in Gudri block) could not be started, due to non-participation of bidders.
- ii) Construction of one new PB (Karampada PB) in ZP, West Singhbhum and residual works in one PB (Ratu North) in ZP, Ranchi, were completed only up to 35 to 40 *per cent*, even after a lapse of more than six years. Reasons for the same were not communicated to Audit, though called for.
- iii) Construction of one new PB (Choya PB) in ZP, West Singhbhum and completion of residual works in four⁵⁶ PBs of three test-checked ZPs (Bokaro, Chatra and West Singhbhum), were not completed, due to land disputes.
- iv) For construction of a new PB at Purnidih (Sariya block), the ZP, Giridih, had invited tender seven times but no contractors had participated in the bids. The tender had been finalised (April 2021) in the eighth call, at an estimated cost of ₹ 34.52 lakh and an agreement had been executed (26 May 2021) with a contractor. The work had been allotted (May 2021) at a cost of ₹ 34.45 lakh, with the stipulated completion date being March 2022 or earlier. However, the work was yet to be started by the Contractor (as of August 2022). Reasons for the same were not found available on records.
- v) Construction of the PB at Siramdih, under Dhanwar block (ZP, Giridih), was started (August 2007) by the *Labhuk Samiti*⁵⁷ but the work had been left incomplete, as of March 2022. Although an amount of ₹ 9.26 lakh had been spent on construction, a structure, only up to the roof, had been completed till 2010.

⁵⁵ *Meghahatu South and Kiriburu West (Block- Nowamundi under District- West Singhbhum)*

⁵⁶ *Bokaro- Narayanpur, Chatra- Bakchumba and Gorahai and West Singhbhum- Jalasari*

⁵⁷ *Labhuk Samiti comprises of two persons, appointed by the Gram Sabha*

The construction of incomplete works could not be started (as of August 2022), despite the PR Department having instructed (February 2022) the Deputy Commissioner, Giridih, to explain the reasons of non-completion of these PBs.

2.2.6.2 Cost overruns

Cost overruns occur when the actual costs of projects exceed the planned costs of the concerned projects. This happens due to inaccurate estimation in the planning stages, delays, or changes in the scope of work.

Audit noticed, in three test-checked ZPs (Chatra, Giridih and Hazaribag), that construction of 54 PBs had not been completed in time, by the concerned executing agencies (blocks of the test-checked ZPs). Subsequently, the ZPs had taken up construction of these PBs and prepared revised estimates, at the prevalent Schedule of Rates, for completion of residual work in their regard, due to which the construction costs of PBs had been enhanced by ₹ 5.23 crore (*Appendix-2.2.1*).

Further, ZP, Giridih, did not invite any tender after revision of the estimates to ₹ 2.69 crore (January 2014 to October 2014), for completion of the residual works of 14 PBs. However, it again revised the estimates to ₹ 3.06 crore and called for a tender in March 2017, after a lapse of more than two years since the first revision of estimates. Thus, the construction cost of these PBs increased by ₹ 36.53 lakh, due to delay in invitation of tender (*Appendix-2.2.2*).

2.2.6.3 Quality control tests

Bureau of Indian Standards⁵⁸ issued (July 2000) a detailed guideline on ‘Plain and Reinforced Concrete Code of Practice’, wherein the durability requirements of Concrete structures were emphasized. Section 17.1.1 of code of practice *ibid*, stipulates that “Tests should be made on reinforcement and the constituent materials of concrete to ensure the quality assurance standards”.

During audit it was observed that the testing of construction materials used in Panchayat Bhawans, were sent to authorized testing agencies such as Birsa Institute of Technology, Sindri, Jharkhand by four tests checked⁵⁹ ZPs (except Ranchi and West Singhbhum ZPs) and the concerned agencies submitted the testing reports to ZPs. While in case of Ranchi and West Singhbhum ZPs, no tests of construction materials were conducted. Following shortcomings were noticed in both ZPs in quality control of construction materials:

i) ZP, Ranchi, had irregularly allowed the concerned contractor to do the test, prior to allotment of work to him, in construction of three PBs⁶⁰. In case of the fourth PB at Kanke North, (under Kanke block), ZP, Ranchi, had

⁵⁸ *The National standards body of India under Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, GoI.*

⁵⁹ *Bokaro, Chatra, Giridih and Hazaribagh*

⁶⁰ *Tigoi Ambatoli under the Mandar Block, as well as Kundla and Maankidih under the Tamar Block*

irregularly approved the conducting of a Concrete Cube Test after completion of construction of the building against the norms⁶¹ for concrete testing.

ii) In West Singhbhum, new PBs had been constructed in 16 GPs, and residual work had been completed in 56 incomplete PBs, during FYs 2016-17 to 2017-18, without Concrete Cube Tests having been conducted in any of these works.

This indicated that the ZPs had not paid adequate attention towards the quality and durability of the PB buildings.

2.2.7 Handing over of Panchayat Bhawans

2.2.7.1 Handing over of incomplete Panchayat Bhawan

The purpose of construction of PBs was to use them as panchayat offices at the GP level, for conduct of Gram Sabha meetings/assemblies, which were responsible for selection and execution of rural development schemes.

The estimates for construction of PBs contained provisions for electrification, water supply system (bore well), septic tank and sanitary work, in addition to the construction of the PB buildings *per se*.

Scrutiny of the records of ZP, Bokaro, revealed that five PBs, in two blocks⁶², had been handed over to GPs (Kurumba, Narra, Nawadih, Potso and Taranari), without being completed and also without rectification of defects in construction, as was revealed from the joint physical verification, which had been conducted (November 2017) by the DDC-cum-CEO and Executive Officer of ZP, Bokaro, and the Executive Engineer of the Rural Development and Special Division of the Bokaro district.

Further, in five of the test-checked ZPs (except ZP, Hazaribag), 20 PBs (**Appendix-2.2.3**) had been handed over to the concerned GPs, six to 362 days prior to their scheduled dates of completion, in an incomplete shape and without ensuring necessary infrastructure, such as electrification, sanitary fittings and water supply.

These PBs had been handed over to the GPs, without ensuring a proper inspection of the condition of the PB buildings, by the ZP.

In case of two other PBs⁶³, in two of the test-checked ZPs (Ranchi and West Singhbhum), which had been handed over to GPs, the concerned *Mukhiyas* had later complained about the dilapidated condition⁶⁴ of the buildings.

⁶¹ As per the 'Methods of tests for Strength of Concrete' issued by the Bureau of Indian Standards, sample of concrete are taken in a cubical mould and after 24 hours of its setting, it was taken out of the mould and cured in water. After that the specimen are compressed by a compression testing machine to check its durability and strength.

⁶² Nawadih Block (Nawadih, Potso) and Chandrapura (Taranari, Narra and Kurumba)

⁶³ Mankidi PB in Ranchi and Kondwa in West Singhbhum

⁶⁴ Including cracks in the floors, toilets, doors, windows; walls being incomplete; and electric connections and motor works not having been carried out properly by the contractors.

2.2.7.2 Delay in handing over of PBs

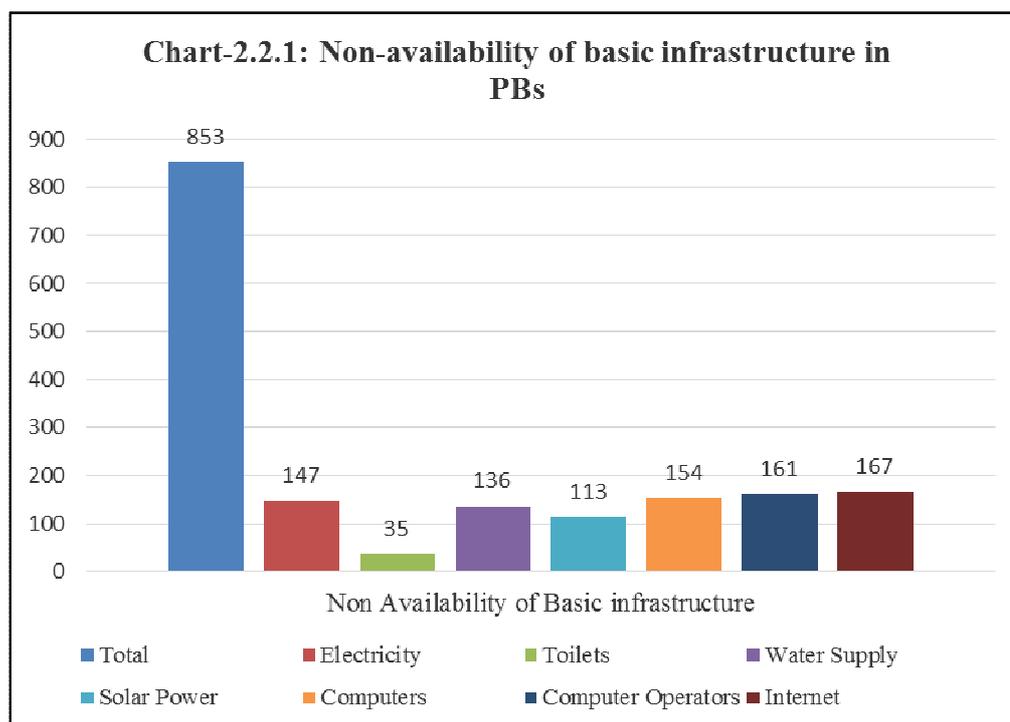
The buildings of the PBs should be handed over to the concerned GPs immediately after construction and verification of the PBs, so that the buildings can be utilised for the stipulated purposes.

However, Audit noticed that nine PBs⁶⁵, in two of the test-checked ZPs (Bokaro and Ranchi), had been handed over to GPs, with delays ranging between 213 days and 760 days, from the scheduled dates of completion of construction of the PBs. However, no reason(s), for the delayed handing over of PBs, to GPs, were found available on records.

2.2.8 Lack of infrastructural facilities in PBs

The State Government released ₹ 6.85 crore (August 2017) for providing various infrastructural facilities, such as water supply, electrification, toilets etc., to only three⁶⁶ of the test-checked ZPs, during the audit period 2017-22. However, out of the said amount of ₹ 6.85 crore, none of the three test-checked ZPs had expended any amounts towards installation of such infrastructural facilities, in the respective PBs.

Based on the information provided by these three districts (Giridih, Ranchi and West Singhbhum), 853 PBs had been constructed till March 2022. Audit, however, noticed deficiencies in the availability of basic infrastructure in these PBs, as shown in **Chart-2.2.1**.



⁶⁵ Bokaro: Araju and Rangamati East and Ranchi: Mandar, Sonahatu, Galau, Pandara, Sataknadu, Kanke North and Gaagi

⁶⁶ Giridih: ₹ 4.78 crore, Ranchi: ₹ 1.21 crore and West Singhbhum: ₹ 0.85 crore

Further, Audit noticed, during joint physical verification of nine PBs⁶⁷, that basic infrastructure, such as water supply, electricity, toilets were not available therein. It was also noticed that, in case of six PBs⁶⁸, the buildings were in a dilapidated condition, due to their non-maintenance, as shown in **Photographs 1 to 4**.



Photograph-1: No toilet facility in Kolchokra PB, Chakradharpur, West Singhbhum



Photograph-2: Unusable toilet facility in Pandeypura PB, Pratapur, Chatra



Photograph-3: Dilapidated condition of PB at Siramdih, Giridih



Photograph-4: Dilapidated condition of PB at Ichak, Chatra

⁶⁷ Bokaro: Arajua PB; Chatra: Pandeypura PB and Dadi PB; Giridih: Sapamaran PB; Hazaribag: Masratu PB, Pasai PB and Dhengura PB; West Singhbhum: Kolchokra PB and Jamid PB

⁶⁸ Bokaro: Bijulia PB; Chatra: Ichak PB; Giridih: Siramdih PB; Hazaribag: Dhengura PB and Nawadih PB; West Singhbhum: Kokcho PB

2.2.9 Irregular use of Panchayat Bhawans

The major purpose of construction of PBs was to utilise them as panchayat offices, at the GP level, for: (i) conduct of Gram Sabha meetings/assemblies, for the selection and execution of rural development schemes and (ii) as citizen access centres, for imparting necessary information to rural people.

However, scrutiny of the scheme files and physical verification of 35 PBs, in the selected ZPs, revealed the irregular use of PBs, as mentioned below:

- i) Three PBs⁶⁹ were occupied unauthorised by the Police Department, Government of Jharkhand
- ii) A PB, under the Bishungarh block, ZP, Hazaribag, was not being used by the GP, as a high-tension wire was passing over the building. Also, a PB at Kolchokra, under the Chakardharpur block in West Singhbhum, was found abandoned, as the building was far away from the main Panchayat area.
- iii) ZP, West Singhbhum, had spent (August 2020) an amount of ₹ 34.67 lakh, in the construction of a PB in Kolchokra, but it was not being utilised as the PB was constructed far away from the villages. Similarly, a multipurpose unit (two rooms), which was also not being used, had been constructed, at an estimated cost of ₹ 16.18 lakh, at the premises of the PB, Kolchokra (though payment had not been made as of December 2022).
- iv) 11 PBs⁷⁰ were found closed/locked, at the time of physical verification.

Photographs 5 to 10, of six PBs, show instances of irregular use of PBs, for purposes other than those for which they had been constructed.



Photograph-5: A branch of the Bank of India being run at PB Silfori, under the Chakardharpur block of West Singhbhum



Photograph-6: Panchayat Sevak office of PB at Hathiya, under the Chakardharpur block of West Singhbhum, being used as a Store Room.

⁶⁹ Katkamdag and Laakhe in Hazaribag and Kokcho in West Singhbhum

⁷⁰ Chatra: Yogiyaara, Ganjua, Babhne, Ooura and Mirpur; Giridih: Rembo and Sapamaran; West Singhbhum: Nimdih, Khaspokhra, Kaseya and Narsanda



Photograph-7: An Outpost being run by the Police department, in PB Kokcho under the Taantnagar block of West Singhbhum



Photograph-8: Teachers, benches, desks and school bags of students, of the school being run in the PB Building at Ukrid, under the Chas block, in Bokaro



Photograph-9: PB at Lupungutu, under Sadar block being utilised as residence, by a retired Panchayat Sewak.



Photograph-10: PB at Lakhe, Hazaribag, occupied for the purpose of running a Police Station

Thus, the PBs were not being utilised for the stipulated purposes, leading to the expenditure incurred on them, being rendered unfruitful.

2.2.10 Constraints in Audit

i) Non-furnishing of data and information

The PR Department and the test-checked ZPs did not provide complete information, such as data, information relating to questionnaires (prepared as a part of the audit scrutiny) etc., which was necessary for assessing the actual status of construction/completion of the incomplete PBs.

ii) Non-production of records

The test-checked ZPs had taken up 63 PBs for new construction and 312 PBs for completion of residual work. As the records of the complete/incomplete PBs were not produced to Audit, model estimates, balance work, reasons for non-completion of PBs, funds required for completion, available balance of funds, action taken by the ZPs and department to resolve various issues,

approval of technical sanctions and administrative approvals etc., could not be scrutinised.

2.2.11 Conclusion

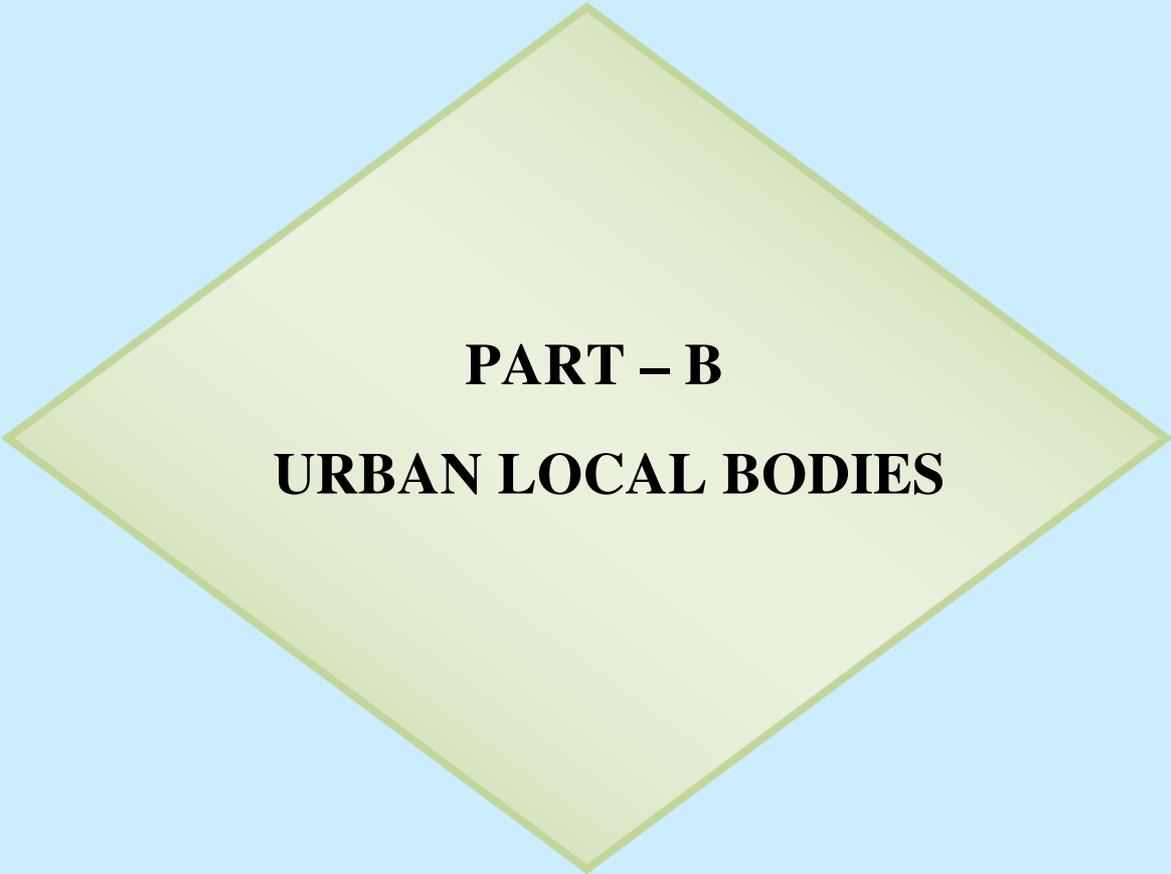
The objective of providing PBs, in all the Gram Panchayats of the State, remained unfulfilled, as, against 4,350 PBs, 89 PBs had still not been taken up for construction, as on March 2022. Moreover, some PBs, though already constructed, had either not been handed over to the GPs, or were not being used for the purposes for which they had been constructed. Resultantly, the aim of using PBs as facilitation centres, for aiding local governance, remained unfulfilled.

2.2.12 Recommendations

Recommendation 1: PBs should be handed over to the concerned GPs, immediately after the completion of their construction, so that the objectives underlying the construction can be achieved, at the earliest.

Recommendation 2: Basic infrastructure should be ensured in all PBs.

Recommendation 3: Due diligence must be ensured by the department at the time of release of fresh grants for the construction of PBs in the State.



PART – B
URBAN LOCAL BODIES

CHAPTER – III

**An Overview of the Functioning,
Accountability Mechanism and
Financial Reporting issues of
Urban Local Bodies**

CHAPTER-III

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF URBAN LOCAL BODIES

An Overview of the functioning of Urban Local Bodies (ULBs) in the State

3.1 Introduction

The Seventy-fourth Constitutional Amendment Act (CAA), 1992, envisaged the creation of local self-governments, for the population residing in the urban areas. The Amendment provided municipalities with constitutional status for governance and empowered Urban Local Bodies (ULBs) to deliver services for economic development and social justice, with respect to 18 functions, listed in the Twelfth Schedule of the Constitution. It aimed to enable municipalities to function as institutions of self-government.

In February 2012, the State Government enacted the Jharkhand Municipal Act (JM Act), 2011 for municipalities. The Jharkhand Municipal Accounts Manual (JMAM) was also approved by the State Government, in October 2012, on the basis of the National Municipal Accounts Manual, which prescribes the procedure of accounting in ULBs.

As per Census 2011, the urban population of Jharkhand was 79 lakh, which constituted 24 *per cent* of the total population (3.30 crore, approximately) of the State. The comparative demographic and developmental picture of the State, is given in **Table 3.1**.

Table 3.1: Important statistics of the State

Particulars	State	Urban
Population size	3,29,88,134	79,33,061
Population size (Male)	1,69,30,315	41,53,829
Population (Female)	1,60,57,819	37,79,232
Scheduled Caste Population	39,85,644	8,32,781
Scheduled Tribe Population	86,45,042	7,76,892
Sex Ratio	948	910
Child Sex Ratio (0-6 years)	948	908
Literacy Rate (Male) (7+ years) (<i>per cent</i>)	76.84	88.44
Literacy Rate (Female) (7+ years) (<i>per cent</i>)	55.4	75.5

(Source: Census 2011)

In Jharkhand, there are 50 ULBs *viz.* nine Municipal Corporations (M. Corps), 21 Municipal Councils (MCs), 19 *Nagar Panchayats* (NPs) and one Notified Area Committee (NAC). Details of the ULBs of the State are given in **Appendix 3.1**.

3.2 Audit Scope

For this Chapter-III, we conducted audit scrutiny of records of 20 selected ULBs (**Appendix 3.2**) and Urban Development & Housing Department for the period from 2017-18 to 2021-22. The selection of 20 ULBs out of 50 ULBs was based on risk assessment parameters like, receipts, expenditure and frequency of audit.

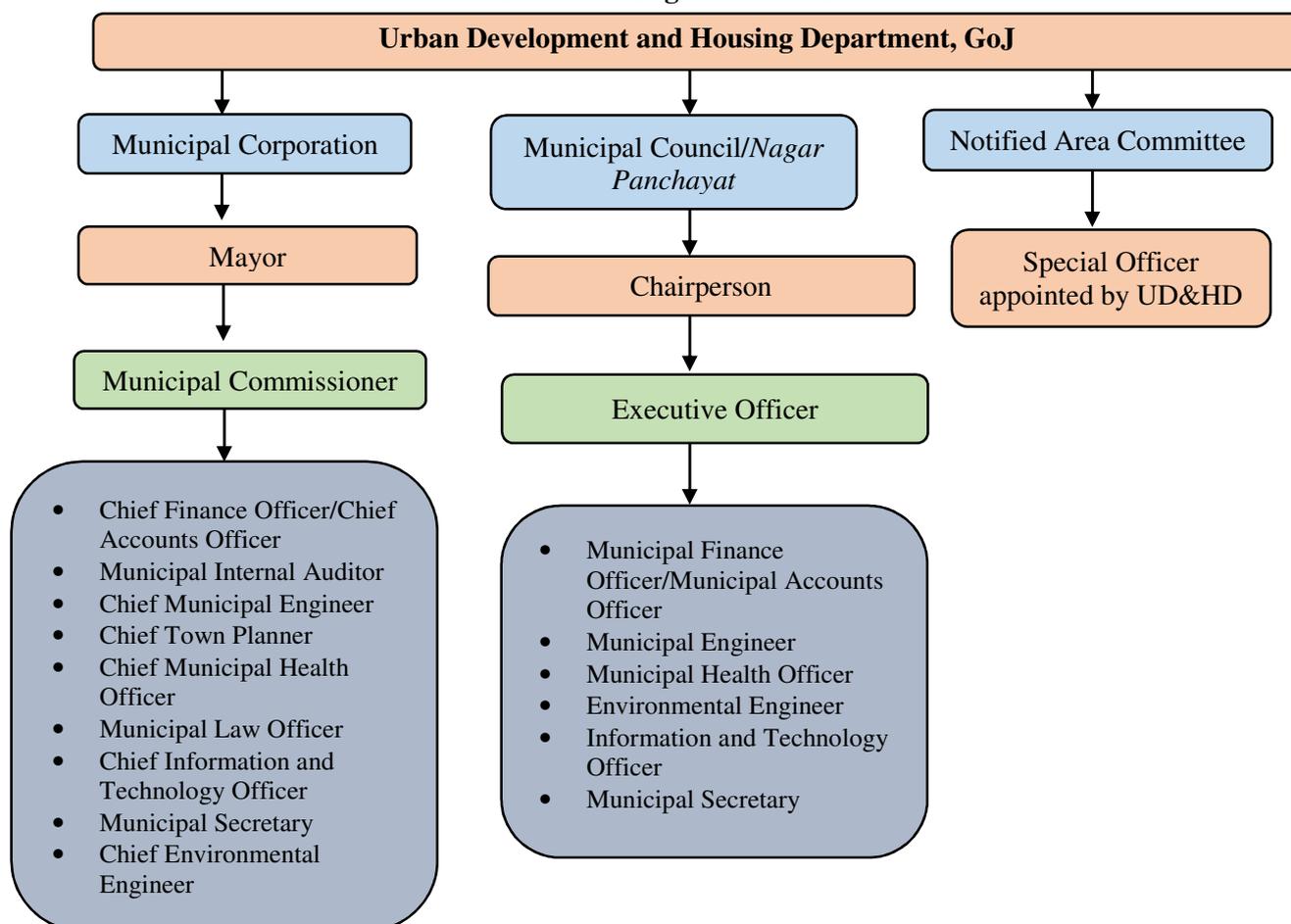
3.3 Organisational setup of ULBs

3.3.1 Organisational Structure

The ULBs are under the administrative control of the Urban Development and Housing Department (UD&HD), Government of Jharkhand (GoJ). The Municipal Commissioners/Executive Officers (EOs), of the Municipal Corporation/Municipal Councils/*Nagar Panchayats*, are appointed by the State Government and they have executive powers for the purposes of carrying out the administration of ULBs, subject to the provisions of the JM Act, 2011 and of any rules made thereunder.

The Mayors/Chairpersons, elected by all the electors in the municipality, preside over the meetings of the Municipal Corporations/Municipal Councils/*Nagar Panchayats*. However, in the Notified Area Committee (NAC), a Special Officer appointed by the Urban Development and Housing Department looks after the working of the NAC. The members of committees/sub-committees of the Municipal Corporations/Municipal Councils/*Nagar Panchayats* are elected from among the elected Councillors. The organisational structure of ULBs is depicted in **Chart 3.1**.

Chart 3.1: Organisational Structure



(Source: JM Act, 2011)

3.3.2 Classification of ULBs

As per JM Act, 2011, the State Government may, after having regard to the population of any local area, the density of population, the percentage of employment in other than agriculture activities in such area, the economic importance of such area etc., by notification, declare any area⁷¹ to be a larger urban area⁷², or a smaller urban area⁷³, or a transitional area⁷⁴. ULBs, categorised on the above-mentioned basis, in the State, as of March 2022, are shown in **Table 3.2**.

Table 3.2: Classification of ULBs

Category	Nomenclature		Population	Number of ULBs
Larger Urban Area	Municipal Corporations		1.5 lakh and above	09
Smaller Urban Area	Municipal Councils	Class 'A'	One lakh and above and less than 1.5 lakh	01
		Class 'B'	0.40 lakh and above and less than one lakh	20
Transitional Area	Nagar Panchayats		0.12 lakh and above and less than 0.40 lakh	19
	Notified Area Committee			01
Total				50

(Source: Section 8 of JM Act, 2011 and Annual Report of UD&HD for the financial year 2021-22)

3.3.3 Election and formation of Councils

Article 243 U (3) (a) of the 74th CAA, read with Section 20 of JMA, 2011, stipulates a fixed tenure of five years for Municipalities, from the dates of their first meetings. In case of notification of new ULBs and dissolution of existing ULBs, elections are to be held within six months from the date of such notification or dissolution.

The State Election Commission (SEC) conducted (March and April 2018) elections for Mayors, Deputy Mayors, Chairmen, Vice-chairmen and Councillors and formed councils in 34 ULBs⁷⁵, during the financial years 2017-18 to 2021-22. Elections in eight⁷⁶ ULBs, tenure of which were expiring in June 2020 and in six⁷⁷ newly created (between April 2018 and September 2018) ULBs, were proposed to be conducted in May-June 2020, but were deferred (May 2020), by the SEC, due to the Covid-19 pandemic. In these ULBs, the Municipal Commissioners/Executive Officers were notified (June 2020) as the Administrators, for exercising the powers and functions of the ULBs, under Section 16 (8) of JMA, 2011.

⁷¹ Provided that local area having acquired urban characteristics and importance, such as the availability of market facilities, established industries or potentialities to attract industries or commerce or education, health care or other such infrastructure for economic and industrial growth, may also be considered.

⁷² Larger urban area (Municipal Corporation) having population of one lakh and fifty thousand and above.

⁷³ Smaller urban area (Municipal Council) having population of forty thousand and above and less than one lakh and fifty thousand.

⁷⁴ Transitional area (Nagar Panchayat) having population of twelve thousand and above and less than forty thousand.

⁷⁵ Five Municipal Corporations, 16 Municipal Councils and 13 Nagar Panchayats.

⁷⁶ Three Municipal Corporations (Chas, Deoghar and Dhanbad), three Municipal Councils (Bishrampur, Chakradharpur and Jhumri Telaiya) and two Nagar Panchayats (Koderma and Manjhiaon).

⁷⁷ Bachra, Badki Saraiya, Dhanwar, Gomia, Hariharganj and Mahagama.

Two ULBs, Mango and Jugsalai, were notified (August 2017) as Municipal Corporation and Municipal Council, respectively, but elections could not be held for more than four years, as of March 2022, as the population of backward classes, in these ULBs, which was necessary for identifying the reserved seats, could not be ascertained due to non-framing of rules by the State for their identification.

3.4 Functioning of ULBs

3.4.1 Powers of the State Government

The JM Act, 2011, governing ULBs, entrusts the State Government with powers to enable them to monitor proper functioning of the ULBs. Details of the powers of the State Government, are given in **Table 3.3**.

Table 3.3: Powers of the State Government

Authority	Power exercised by Government
Section 91	Power to call for records The State Government may, at any time, require any municipal authority to produce any record, correspondence, plan or other document; to furnish any return, plan, estimate, statement of account or statistics; to furnish or obtain any report
Section 92	Power to conduct enquiry The State Government may depute any officer to inspect or examine any department, office, service, work or property of the municipality and to report thereon.
Section 94	Power to revoke or suspend resolution The State Government may cancel a resolution or decision taken by the ULBs, if Government is of the opinion that it is not legally passed or in excess of the powers conferred by provisions of the Act or may lead to a financial loss to the municipality.
Section 96	Power to dissolve Government may dissolve the ULB, if the ULB fails to perform or defaults in performance of any of the duties imposed on it.
Section 590	Power to frame rules The State Government may make rules to carry out the purposes of this Act.
Section 614	Removal of difficulties If any difficulty arises in giving effect to the provisions of this Act, the State Government may do, or cause to be done, anything which may be necessary for removing the difficulty.

(Source: JM Act, 2011)

3.4.2 Transfer of functions

The Twelfth Schedule (Article-243W) of the Constitution of India envisages that the State Government may, by law, endow the ULBs with such powers and authority, as may be necessary to enable them to function as institutions of self-government.

Though, all the 18 functions, envisaged in the Twelfth Schedule, were inserted in Section 70 of JM Act, 2011, only one function, i.e. water supply, was transferred to ULBs through departmental resolution (July 2012).

As per information furnished by the UD&HD (Department), 10 functions⁷⁸ were being fully performed by ULBs, six functions⁷⁹ were being partially performed and there was no role of ULBs in the performance of the two remaining functions⁸⁰. Similar trend was observed in the test-checked 20 ULBs.

3.4.3 Transfer of funds

Devolution of funds to ULBs is a prerequisite for effective implementation of the transferred functions. The State Government releases funds directly, for specific functions such as water supply, roads, public health, sanitation, street lighting etc., entrusted to ULBs. In addition, grants viz, National Urban Livelihoods Mission (NULM), *Pradhan Mantri Awaas Yojana* (PMAY), *Namami Gange*, *Swachh Bharat* Mission (SBM), Atal Mission for Rejuvenation and Urban Transformation (AMRUT) etc., are released to the ULBs, for the implementation of State and Centrally Sponsored Schemes.

3.4.4 Exclusive use of fund for particular purpose

The State Government made a provision under Section 105(2) of the JM Act, 2011, for creation of a separate fund called the 'Basic Services to the Urban Poor Fund', in every municipality. For this fund, a minimum of 25 per cent of the municipality's budget, was to be earmarked and credited to the said fund, on a yearly basis. For this purpose, each municipality was required to prepare a separate budget, known as the P-budget⁸¹, along with the municipal budget, every year depicting the details of income and expenditure of fund.

None of the 20 test-checked ULBs had either created the 'Basic Services to the Urban Poor Fund' or prepared the P-budgets.

3.4.5 Transfer of functionaries

As per Section 382 of JM Act, 2011, the State Government shall allot to the municipality such fund and staff as may be necessary, to enable the municipality

⁷⁸ 1. Urban planning, including town planning; 2.Regulation of land use and construction of buildings; 3.Slum improvement and up gradation; 4.Urban poverty alleviation; 5. Provision of urban amenities and facilities; 6.Burial and burial grounds, cremations, and cremation grounds; 7.Cattle pounds and prevention of cruelty to animals; 8.Vital statistics including birth and death registration; 9.Public amenities, including street lighting, parking slots, bus stop and public convenience and 10.Regulation of slaughter houses and tanneries.

⁷⁹ 1. Planning for economic and social development; 2. Roads and bridges; 3.Water supply for domestic, industrial and commercial purposes; 4. Public health, sanitation, conservancy and solid waste management; 5. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded and 6. Promotion of cultural, educational and aesthetic aspects.

⁸⁰ 1. Fire services and 2. Urban forestry, protection of the environment and promotion of ecological aspects.

⁸¹ Each municipality was to prepare a separate budget, along with the municipal budget, every year. This budget was to furnish the details of income and expenditure under fund created in regard to Basic Services to Urban Poor for the purposes of delivery of basic services to the urban poor, including the inhabitants of slum areas.

to implement the schemes as enumerated in the Twelfth Schedule of the Constitution of India.

For the efficient discharge of devolved powers and functions, by local bodies, the availability of qualified and trained personnel at all levels are required, taking into account the functions being performed by the ULBs.

In the light of the recommendations of the first State Finance Commission (SFC), the State Government had passed (May 2010) a resolution for restructuring the staffing pattern in ULBs and created the posts accordingly. The State Government had assessed the requirement of staff for ULBs, on the basis of their population. It had sanctioned (between May 2010 and September 2018) 2,608 posts, under 11 cadres⁸², for 43 ULBs, as shown in **Table 3.4**.

Table 3.4: Post of municipal cadres created (up to March 2022)

Sl. No.	Name of Cadre	For nine Municipal Corporations and Jamshedpur NAC	For 20 Municipal Councils	For 13 Nagar Panchayats	Total
1.	Administration	60	40	13	113
2.	Engineering	268	160	78	506
3.	Public Health	274	320	154	748
4.	Revenue	141	109	39	289
5.	Accounts	85	77	26	188
6.	Horticulture	18	00	00	18
7.	Public Relation	15	00	00	15
8.	Legal	25	20	13	58
9.	Office Management	216	160	52	428
10.	Town Planning	94	78	37	209
11.	Veterinary	36	00	00	36
Total		1,232	964	412	2,608

(Source: Data provided by the Directorate of Municipal Administration)

It can be seen from **Table 3.4** that the posts in the Horticulture, Public Relations and Veterinary cadres, had not been created for Municipal Councils and *Nagar Panchayats*. Further, it was noticed during audit that, posts for the seven⁸³ remaining ULBs (which had been notified between August 2016 and September 2018) had not been created, even after 42 to 67 months of their formation (as of March 2022).

As per information furnished by the 20 test checked ULBs, 76 per cent of the total sanctioned posts (1,308) were vacant (as of March 2022) (as detailed in **Appendix 3.3**).

3.4.6 Jharkhand Urban Infrastructure Development Company Ltd. (JUIDCO Ltd.)

For planning, execution, monitoring and evaluation of the development of basic infrastructure, in the urban areas of Jharkhand, the Jharkhand Urban Infrastructure Development Company Ltd. (JUIDCO Ltd.) had been constituted in July 2013, under the Companies Act, 1956. Principal Secretary, UD&HD,

⁸² Including officers and staff from the Indian Administrative Service, Jharkhand Administrative Service, State cadre, Jharkhand Finance (Audit and Account) Service and Municipal cadre.

⁸³ Bachra, Badki Saraiya, Barharwa, Dhanwar, Domchanch, Hariharganj and Mahagama

Government of Jharkhand is the Chairman-cum-Managing Director of JUIDCO.

The major functions of JUIDCO are as below:

- Strengthening of Urban Infrastructure, viz. roads with Drainage systems, water supply and sewerage
- Efficient Solid Waste Management
- Development of Public Amenities, including public park, greenery in urban areas and conservation of water bodies
- Urban Planning
- Provision of Housing in the urban areas especially for the urban poor

The State Government releases 'plan grants' to JUIDCO Ltd., under the head 'Grants-in-aid to ULBs'. The allotments received by JUIDCO, for schemes of ULBs and expenditure incurred thereon, are however, not routed through the accounts of ULBs. Hence, these allotments and expenditure did not reflect in the annual accounts of the ULBs.

3.5 Formation of various committees

Section 24 of the JM Act, 2011, provides for setting up Standing Committee for each ULB. Each Standing Committee is to consist of: (a) in the case of Municipal Corporation, the Mayor, the Deputy Mayor and the Chairpersons of the Zonal Committees (b) in the case of Municipal Council, the Chairperson, the Vice-Chairperson and five elected Councillors, to be elected by the Council (c) in the case of *Nagar Panchayat*, the Chairperson; the Vice-Chairperson and three elected Councillors, to be elected by the Council. The Mayor/ Chairperson is the Presiding Officer of the Standing Committee and Municipal Commissioner/EO is responsible for implementing the resolutions of the Committee.

The functions of the Standing Committees are as follows:

- i) It may recommend increase, decrease, transfer of the amount of any budget grant or portion thereof under one head to the amount of budget grant under any other head and make an additional budget grant, under any head, during the year.
- ii) It is required to consider the report of the auditor, along with the test-audit report of the CAG of India and take action thereon. It is also responsible for surcharging the amount of any illegal payment, on the person making or authorising it, and the charges against any person responsible for the amount of any deficiency or loss incurred by the negligence or misconduct of such person or any amount which ought to have been, but is not, brought into account by such person, and, in every such case, certifying the amount due from such person.
- iii) It may reduce the amount of holding tax, on the recommendation of the Municipal Commissioner or EO.
- iv) The Municipal Commissioner or the EO, may impose a consolidated tax, at such rate as it deems fit, assessed on the annual value of holdings situated within the municipality, with the previous approval of the Standing Committee.

v) The Standing Committee may approve framing of regulations for markets and slaughterhouses, by the Municipal Commissioner or EO.

vi) The Standing Committee is required to examine the report on services provided at subsidised rates, to be appended by the Municipal Commissioner or the EO, with the budget estimates.

Audit observed that Standing Committees had not been constituted in seven test-checked ULBs⁸⁴ (as of March 2022).

Further, ULBs should also constitute other Committees as enumerated in **Appendix 3.4**, for discharging their functions efficiently, as per the provisions of the JM Act and Jharkhand Municipal Accounts Manual, 2012. However, test-check of the 20 ULBs revealed that the following Committees, as provided in the Act and Manuals had not been constituted by the test-checked ULBs, as shown in **Table 3.5**.

Table 3.5: Committees not constituted in test-checked ULBs

Sl. No.	Name of Committee	Names of ULBs that had not constituted the Committees
1.	Ward Committee	Basukinath, Chakradharpur, Chatra, Dhanbad, Dumka, Garhwa, Hazaribag, Jamtara, Jhumari Telaiya, Jugsalai, Latehar, Mango, Seraikela and Pakur
2.	Ward Sabha	Basukinath, Chakradharpur, Chatra, Chhattarpur Dhanbad, Dumka, Garhwa, Godda, Hazaribag, Jamtara, Jhumari Telaiya, Jugsalai, Koderma, Latehar, Mango, Seraikela, and Pakur
3.	Area Sabha	All 20 test checked ULBs
4.	Procurement Committee	Chakradharpur, Chatra, Chhattarpur Jamtara, Jugsalai, Latehar, Mango, and Seraikela
5.	Bid Opening Committee	Basukinath, Giridih, Medininagar, Garhwa, Hazaribah, Dhanbad, Pakur, Godda, Chakradharpur, Chatra, Chhattarpur Dumka, Jamtara, Jhumari Telaiya, Jugsalai, Koderma, Latehar, Mango and Seraikela
6.	Evaluation Committee	Adityapur, Basukinath, Chakradharpur, Chatra, Chhattarpur Dumka, Garhwa, Godda, Jamtara, Jhumari Telaiya, Jugsalai, Koderma, Latehar, Mango and Seraikela

(Source: Information provided by the test-checked ULBs)

Due to non-constitution of above committees, performance of necessary functions as detailed in **Appendix 3.4** could not be ensured.

⁸⁴ Basukinath, Chhattarpur Jamtara, Jugsalai, Latehar, Mango, Seraikela

3.6 Audit arrangement

3.6.1 Primary Auditor

The Government of Jharkhand enacted (March 2012) the Jharkhand Municipal Act 2011 and made provision for the audit of accounts of Local Bodies by the Director of Local Fund Audit (DLFA) as the Primary Auditor.

As per GoJ's Notification (March 2012), CAG should provide Technical Guidance and Support to the primary Auditor of LBs.

The DLFA has to prepare its Annual Audit Plan (AAP) for the LBs, each financial year, and conduct audit of the LBs selected for audit in that year, with its available manpower. The Inspection Report (IR), issued by the DLFA, is required to be submitted to the Principal Accountant General (Audit), under the TGS arrangements.

The DLFA had prepared Annual Audit plans (AAPs) regularly for the period from 2017-18 to 2021-22. However, these plans did not spell out the detailed risk assessment methodology used for selection of the ULBs.

These AAPs were constrained by acute shortage of manpower in DLFA leading to substantially less coverage than what was planned for under AAPs.

The DLFA planned to audit 18 ULB units (14 in FY 2020-21 and 4 in the FY 2021-22), but could cover only 12 units, during 2017-22. The DLFA also did not submit its Inspection Reports (IRs) to the office of the Principal Accountant General (Audit), Jharkhand during the said period (as of September 2023).

The State Government created 22 posts (March 2013) for the purpose of carrying out primary audit and appointed the DLFA (November 2014). Against these 22 posts, thus created, the DLFA had filled up only 02 posts, i.e. Director and one Assistant Section Officer. The remaining 20 posts were lying vacant (as of March 2022). Further, no cadre post of auditor had been created in the 22 sanctioned posts. To perform the field audit of LBs, the DLFA had to borrow 12 Auditors (2016-17) from the Finance Department.

3.6.2 Audit by the Comptroller and Auditor General of India

The C&AG conducts test-check of the accounts, under the TGS module, as per provisions under sub-section (1) of Section 20 of the CAG's DPC (Duties, Powers and Conditions of Service) Act, 1971. During the financial years 2017-18 to 2021-22, 12 Municipal Corporations, 18 MCs and 2 NPs/NAC, were audited. District Centric Inspection Reports (DCIRs) of ULBs for the Deoghar and Palamu districts, were also prepared and issued to the UD&HD and the ULBs concerned. In addition to Compliance Audit, Performance Audits on "Efficacy of implementation of 74th Constitutional Amendment Act (CAA)", and "Solid Waste Management in ULBs of Jharkhand", for the period ending March 2021 and March 2022, were taken up for CAG's Report on the General Social and Economic Sector (GSES) and as a CAG's Standalone Performance Audit Report, respectively. Similarly, Compliance Audits on "Management of the Sewerage and Drainage system in Ranchi City" and "Rejuvenation & Conservation of the Harmu River", for the period ending March 2021 were taken up for the CAG Report on GSES.

3.7 Response to Audit observations

3.7.1 Status of Inspection Reports (IRs)

PAG (Audit), Jharkhand, conducts periodical inspection of ULBs, by test-check of transactions and verifies the maintenance of important accounts and other records, as per prescribed rules and procedures. Inspections Reports, containing the field audit findings and observations, were followed up by issue of IRs. When important irregularities, detected during audit inspections, are not settled, they are included in the IRs and issued to the head of the office inspected, with a copy of the same also being sent to the UD&HD and Finance Department. Details of outstanding paras, for the financial years 2017-18 to 2021-22, are detailed in **Table 3.6**.

Table 3.6: Outstanding paragraphs for FYs 2017-18 to 2021-22

(₹ in crore)

Year	No. of IRs	No. of Paras in IRs	Money value	No. of Paras settled	Amount of settlement	No. of outstanding Paras	Money value of Outstanding paras
2017-18	21	241	1,186.23	0	0	241	1,186.23
2018-19	11	131	129.26	0	0	131	129.26
2019-20	6	48	768.56	0	0	48	768.56
2020-21	0	0	0	0	0	0	0
2021-22	2	11	6.85	0	0	11	6.85
Total	40	431	2,090.90	0	0	431	2,090.90

(Source: Register of Outstanding Paras maintained in the O/o the AG (Audit) Jharkhand)

It is evident from **Table 3.6** that 431 audit paragraphs, with money value of ₹ 2,090.90 crore, had remained outstanding, as of March 2022.

Non- settlement of large numbers of outstanding paragraphs was indicative of negligible efforts on the part of Municipal authorities, in furnishing compliance to audit observations. This indicated weak internal controls which was fraught with the risk of lack of financial oversight.

Further, Annual Technical Inspection Report (ATIR), for the financial years 2012-13, 2013-14, 2015-16 and the CAG's Audit Report on Local Bodies, for the year 2014-15, had been placed before State Legislature on 26 March 2015, 27 August 2015, 12 August 2017 and 29 July 2016, respectively. The reports had not been referred to the Public Accounts Committee or any other Committee of the State Legislature, for discussion as of March 2022.

Accountability Mechanism and Financial Reporting issues

3.8 Ombudsman

As per Section 63 of the JM Act, 2011 the State Government may appoint one or more persons, to be known as 'Municipal Ombudsman', to carry out the functions entrusted⁸⁵ or the State Government, if it considers necessary, may

⁸⁵ Receive complaints from any person, relating to the provisions of municipal services; consider the complaints and facilitate their settlement or satisfaction by agreement through conciliation and mediation between the municipality and the aggrieved person by passing an award in this behalf and look into complaints of corruption of officials and Mayor, Deputy Mayor, Chairperson or Vice-Chairperson and Councillors.

recommend such deeds to the State Ombudsman. However, in lieu of appointment of a Local Body Ombudsman, UD&HD issued notification in March 2021, declaring that the powers and functions of the Local Body Ombudsman would be vested in State *Lokayukta*⁸⁶.

Thus, due to absence of Local Body Ombudsman in the State, action against complaints received with reference to municipal authorities remained unattended till March 2021. However, with the transfer of functions of 'Municipal Ombudsman' to State *Lok Aayukta* in March 2021, citizen of Urban areas of Jharkhand shall now have a forum to lodge complaints against any deficiencies in municipal services.

3.9 Submission of Utilisation Certificates

As per the Jharkhand Financial Rules, in case of an annual or a non-recurring conditional grant, the Departmental officer, on whose signature or counter-signature the Grants-in-aid bill is drawn, shall furnish the Utilisation Certificate (UC) to the Accountant General, within one year from the date of sanction of the grant.

The position of outstanding Utilisation Certificates, under different heads, as 31 March 2022 is shown in **Table 3.7**.

Table 3.7: Outstanding Utilisation Certificates (as on 31.03.2022)

Financial Year	Detailed Head of Account					
	2215		2217		4217	
	No. of UCs	(₹ in crore)	No. of UCs	(₹ in crore)	No. of UCs	(₹ in crore)
2006-07	41	6.72	96	14.25	32	0.44
2007-08	29	3.53	36	2.44	104	38.41
2008-09	111	15.93	78	4.92	121	89.85
2009-10	159	11.68	177	14.42	191	166.27
2010-11	230	55.44	192	68.28	3	5.00
2011-12	114	79.28	161	33.31	132	183.63
2012-13	61	54.09	535	179.16	2	0.25
2013-14	122	46.42	663	357.65	0	0.00
2014-15	188	171.79	617	662.55	0	0.00
2015-16	172	840.02	0	0.00	0	0.00
2016-17	140	1,312.09	0	0.00	0	0.00
2017-18	92	1,154.58	0	0.00	0	0.00
2018-19	128	984.65	0	0.00	0	0.00
2019-20	59	368.60	0	0.00	0	0.00
2020-21	121	666.45	0	0.00	0	0.00
Total	1,767	5,771.27	2,555	1,336.98	585	483.85

*Note: 2215-Water supply and sanitation; 2217-Urban Development and 4217- Capital outlay on Urban Development

(Source: Information provided by O/o Accountant General (A&E), Jharkhand)

The significant quantum of UCs (₹ 7,592.10 crore) pending for long periods of time (since 2006-07), indicated poor monitoring mechanism for watching over

⁸⁶ A Lokayukta of the state is appointed by the Governor for the period of five years. Jharkhand Lokayukta has complete and exclusive authority for enquiring into allegations or complaints against the State Chief Minister, State Deputy Chief Minister, Minister of the State Government, Mayors of cities, Leader of Opposition and Government officials.

utilisation of funds. This was fraught with the risk of mis-utilisation or non-utilisation of funds for intended purposes.

3.10 Internal Audit and Internal Control System of ULBs

Internal Audit

As per Section 123 of the JM Act, 2011, the State Government or the Municipal Authorities, are required to provide for Internal Audit of the day-to day accounts of ULBs.

Internal Controls

Internal controls provide reasonable assurance to the management that the financial interests and resources of the organisation are safeguarded, and reliable information is available.

Audit observed weaknesses in the internal control mechanism, as evidenced by the non-compliance of the executives of ULBs, with the extant rules, acts, orders etc., as reflected in the succeeding *paragraphs no. 3.11.3 and 3.11.4*.

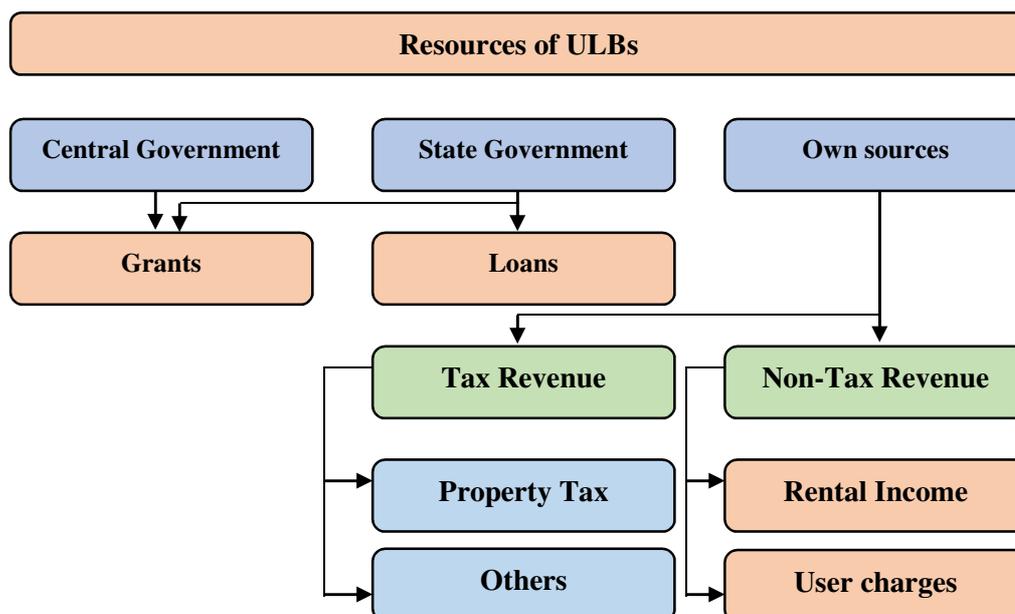
3.11 Financial Reporting Issues

3.11.1 Resources of ULBs

ULBs receive financial assistance from the State Government, under plan and non-plan heads, for payment of salaries (in the shape of grants and loans) and execution of various schemes. ULBs also receive grants from the Central Government, in the light of 14th Finance Commission recommendations, as also for implementation of various Centrally Sponsored Schemes.

ULBs are expected to collect revenue from property tax, water user charges, municipal license fee, advertisement taxes, sanction of building plans, rental income etc. The resources available to ULBs, in this regard, are shown in **Chart 3.2**.

Chart 3.2: Resources of ULBs



(Source: JMA, 2011 and Annual Accounts of ULBs)

3.11.2 Releases to ULBs, as per State Budget allocations

Expenditure against the grants released to ULBs, of Urban Development Division of the UD&HD, Jharkhand Government is detailed in **Table 3.8**.

Table 3.8: Expenditure against grants released by Urban Development Division of the UD&HD

(₹ in crore)							
Particulars	Head	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Budget Allocation	Revenue	192.03	157.2	215.69	226.36	142.91	934.19
	Capital	3,108.57	2,912.74	2,956.84	2,948.61	2,620.22	14,546.98
	Total	3,300.6	3,069.94	3,172.53	3,174.97	2,763.13	15,481.17
Expenditure	Revenue	178.31	129.89	187.33	192.61	121.65	809.79
	Capital	2,853.73	2,351.16	2,733.58	2,948.61	2,431.09	13,318.17
	Total	3,032.04	2,481.05	2,920.91	3,141.22	2,552.74	14,127.96
Savings	Revenue	13.72	27.31	28.36	33.75	21.26	124.4
	Capital	254.83	561.58	223.26	0	189.13	1228.8
Total		268.55	588.89	251.62	33.75	210.39	1,353.2
Savings in percentage		8.1	19.2	7.9	1.1	7.6	8.7

(Source: Information furnished by the UD&HD)

It is evident from **Table 3.8** that, the UD&HD, Government of Jharkhand, has been unable to ensure optimum utilisation of budgetary grants. The percentage of saving ranged from 7.6 per cent to 19.2 per cent during the financial year 2017-18 to 2021-22 (except in the financial year 2020-21).

3.11.3 Non-preparation of Budgets

An annual budget is the most important tool for financial planning, accountability, and internal control. As per Rule 45 of JMAM, 2012, no expenditure can be charged against the Municipal Fund, until and unless the expenditure is covered by a budget grant.

Audit observed that five, out of the 20 test-checked ULBs, had not prepared their budget estimates, for the years, as detailed in **Table 3.9**.

Table 3.9: Non-preparation of budget estimates and expenditure incurred

(₹ in crore)			
Sl. No.	ULB	Financial Years for which budgets were not prepared	Expenditure incurred without any budgetary provisions
1.	Chakradharpur	2019-20 to 2021-22	69.24
2.	Chhatarpur	2017-18 to 2021-22	46.12
3.	Garhwa	2020-21 and 2021-22	43.44
4.	Pakur	2016-17	41.31
5.	Seraikela	2019-20 to 2021-22	24.37
Total			224.48

(Source: Data provided by the test checked ULBs)

It is evident from **Table 3.9** that the above five ULBs had incurred expenditure of ₹ 224.48 crore, without budgetary provisions. This was in contravention of the provisions of the JMAM, 2012. Further, non-preparation of budgets was indicative of poor budgetary control systems, in the said ULBs.

3.11.4 Preparation of unrealistic budgets

Budgets lay out the estimated receipts and expenditure for the financial year and mention the means by which the expenditure is proposed to be financed.

As such, the estimates need to be realistic and close to the actual achievement trends of the previous years. Variations between the budget estimates and actuals, in the test-checked ULBs, are shown in **Appendix 3.5**.

Data contained in **Appendix 3.5** indicates that the budgetary projections of the selected ULBs had been unrealistic, as there were wide variations between the budgets and actuals. Variations in the actual receipts and expenditure, *vis-à-vis* the budgets, ranged between 4 *per cent* and 2,622 *per cent* and 12 *per cent* and 9,950 *per cent* respectively in the test-checked ULBs, during the financial year 2017-18 to 2021-22. This indicated that the budgets had been prepared on the basis of previous years' budgets and annual accounts without adequately factoring in proper assessments of actual requirements. This showed that due diligence was not exercised in assessing actual requirements against budget estimates.

3.11.5 Receipts and expenditure of the test-checked ULBs

As per the information provided by 20 test-checked ULBs, the position of receipts and expenditure, for the financial years 2017-18 to 2021-22, is given in **Table 3.10**.

Table 3.10: Details of receipts and expenditure of the test-checked ULBs

Year	OB	Receipt (₹ in crore)					Total	Expenditure (₹ in crore)				Per cent of own revenue to the total receipts	Per cent expenditure of the total available funds
		Plan	Non-Plan	Loan	Own Resources	Others		Revenue	Capital	Other	Total		
2017-18	1,000.33	484.31	26.75	8.81	76.83	6.59	1,603.62	95.25	592.29	12.45	700.00	13	44
2018-19	907.87	648.70	31.84	11.62	127.78	20.58	1,748.39	103.14	559.78	31.52	694.44	15	40
2019-20	1,048.77	881.50	36.08	8.34	137.72	21.05	2,133.05	155.99	683.53	31.70	871.22	13	41
2020-21	1,261.82	632.96	44.28	7.28	118.59	51.50	2,116.42	123.29	629.50	33.92	786.71	14	37
2021-22	1,329.74	538.41	50.56	34.56	234.32	36.97	2,224.56	111.64	567.04	96.18	774.85	26	35

(Source: Information received from the test-checked ULBs)

Thus, the own revenue of ULBs, against their total receipts, excluding the opening balances during the financial years 2017-18 to 2021-22, ranged between 13 to 26 *per cent*, which indicated that ULBs were mainly dependent on grants and loans from the Government.

Further, the percentage of expenditure, against the total funds available, ranged between 35 and 44 *per cent* during, the period 2017-22, which reflected sub-optimal utilisation of available funds.

3.11.6 Short-realisation of own revenue

Sections 152 and 154 of the JM Act, 2011 empower ULBs to levy, assess and collect taxes, user charges, advertisement tax (other than advertisement published in newspaper) etc. While powers to collect certain taxes are vested with the ULBs, powers pertaining to the rates and revision thereof, are vested with the State Government. Collection of own revenue, during the period from FY 2017-18 to FY 2021-22, is detailed in **Table 3.11**.

Table 3.11: Collection of own revenue against demand*(₹ in crore)*

Year	Holding Tax ⁸⁷ (20 ULBs)			Water user charges (15 ULBs ⁸⁸)		Shop rent (14 ULBs ⁸⁹)	
	Total Demand (Current + Arrears)	Collection during the year	Percentage of collection	Total Demand (Current + Arrears)	Collection during the year	Total Demand	Total Collection
2017-18	54.46	33.39	61.3	23.13	5.51	7.42	3.29
2018-19	79.39	38.30	48.2	29.37	7.75	5.29	2.47
2019-20	91.88	42.21	45.9	30.60	6.82	5.51	3.70
2020-21	90.42	45.74	50.6	34.33	8.93	6.18	3.14
2021-22	84.25	53.00	62.9	39.10	9.73	6.56	9.30

(Source: Information provided by the test checked ULBs)

The percentage of collection of property tax ranged between 45.9 per cent (FY 2019-20) and 62.9 per cent (FY 2021-22). Besides, short realisation of revenue, this also indicated that the test-checked ULBs had failed to adhere to the recommendations of the Thirteenth Finance Commission, which had stated that the collection efficiency for property tax should be at least 85 per cent for all ULBs.

3.12 Recommendations of the State Finance Commission

Article 243-I of the Constitution of India provides for the constitution of State Finance Commissions (SFCs), to review the financial position of the Municipalities and make recommendations to the Governor, as to:

- i) The principles which should govern-
 - the distribution, between the State and the Municipalities, of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them and the allocation between the Municipalities, at all levels, of their respective share of such proceeds
 - the determination of the taxes, duties, tolls and fees, which may be assigned to, or appropriated by, the Municipalities
 - the grants-in-aid to the Municipalities, from the Consolidated Fund of the State
- ii) the measures needed to improve the financial position of the Municipalities.

The State Government had constituted four SFCs, to assess the financial status of local bodies and determine the principles on the basis of which adequate financial resources would be ensured to the local bodies. Details regarding the constitution of the SFCs along with their periods are elaborated in **Table 3.12**.

Table 3.12: Constitution of State Finance Commissions

SFC	Date of constitution of SFC	Period covered
First	28 January 2004	28 January 2004 to 27 January 2009
Second	19 December 2009	28 January 2009 to 27 January 2014
Third	08 April 2015	28 January 2014 to 27 January 2019
Fourth	23 July 2019	28 January 2019 to 27 January 2024

⁸⁷ It is tax on holdings, situated under the Municipal area. Holding tax = 2 per cent of ARV (Annual Rental Value) of holding; ARV= Carpet area of holding X Rental value per sq. feet X Occupancy factor X Multiplying factor.

⁸⁸ Adityapur, Basukinath, Chakradharpur, Chatra, Dumka, Giridih, Godda, Hazaribag, Jhumari Telaiya,, Jugsalai, Koderma, Latehar, Mango, Medininagar and Pakur

⁸⁹ Adityapur, Dhanbad, Dumka, Garhwa, Giridih, Godda, Hazaribag, Jamtara, Jhumritilaiya, Jugsalai, Latehar, Mango, Medininagar and Pakur

Three SFCs had completed their tenure, between January 2004 to January 2019, but only the first SFC had submitted its recommendations (April 2009) to the Governor.

The First SFC had submitted its report on 'Devolution to Urban Local Bodies in Jharkhand' in April 2009 and recommended a "Core Municipal Services Provision Grant⁹⁰" of ₹ 375 per capita, in FY 2009-10, with an annual growth rate of 10 per cent, for four subsequent years, in lieu of the taxes not assigned/shared with ULBs.

In its report, it had further submitted that the SFC had not been able to function effectively, due to an acute shortage of manpower. The second and third SFCs had not submitted any reports, due to shortage of manpower and their tenures ended in January 2014 and January 2019, respectively. The Chairman of fourth SFC had not been appointed (as of March 2022).

3.13 Short-receipt of Fourteenth Finance Commission grants

The Fourteenth Finance Commission (FFC) had recommended Basic Grant⁹¹ (BG) and Performance Grant⁹² (PG), to ULBs, as a percentage of the divisible pool⁹³. **Table 3.13** depicts the allocation and release of FFC grants, during the period from FY 2015-16 to FY 2019-20.

Table 3.13: Allocation and release of FFC grants during 2015-16 to 2019-20

Financial Year	Allocation			Released			Short release
	BG	PG	Total	BG	PG	Total	
2015-16	183.74	0.00	183.74	169.62	0.00	169.62	14.12
2016-17	254.42	75.09	329.51	222.41	69.85	292.26	37.25
2017-18	293.95	84.97	378.92	237.83	67.97	305.80	73.12
2018-19	340.05	96.60	436.55	280.04	0.00	280.04	156.51
2019-20	459.48	126.35	585.83	378.38	0.00	378.38	207.45
Total	1,531.64	382.91	1,914.55	1,288.28	137.82	1,426.10	488.45

(Source: Data provided by UD&HD)

From the **Table 3.13**, it is seen that the FFC had recommended a total allocation of ₹ 1,531.64 crore, under BG, for the period 2015-20 and ₹ 382.91 crore, under PG, for the period 2016-20. The State had received an amount of ₹ 1,288.28 crore under BG and ₹ 137.82 crore under PG, against the above-mentioned allocation, for the FYs 2015-16 to 2019-20.

Thus, there was short receipt of BG ₹ 243.36 crore and PG of ₹ 245.09 crore (Total ₹ 488.45 crore), against the allocation for the FYs 2015-16 to 2019-20. Reasons for the short-receipt of FFC grants were not found available on records.

⁹⁰ The 'Core Municipal services' being Water Supply, Sanitation, Street Lights, Primary Education, Health and Municipal Roads.

⁹¹ Basic Grants (BGs) are provided to ULBs for supporting and strengthening the delivery of basic functions assigned to ULBs under respective statutes.

⁹² Performance Grants (PGs) are provided to ULBs subject to fulfillment of certain conditions. These conditions are (i) submission of audited annual accounts that relate to a year not earlier than two years preceding the year in which it seeks to claim the performance grant, (ii) show an increase in own revenues over the preceding year, as reflected in these audited accounts. (iii) ULB must publish the service level benchmarks relating to basic urban services each year for the period of the award and make it publically available. The division between BGs and PGs is 80:20.

⁹³ 'Divisible pool' refers to the taxes of the Central Government that it should share with the sub-national or State governments, in accordance with the recommendations of the Finance Commissions.

3.14 Abstract Contingent (AC)/ Detailed Contingent (DC) Bills

As per Rule 184 of the Jharkhand Treasury Code, Contingent Charges, requiring countersignature after payment, are drawn on “abstract bills”, which do not contain the details of the charges and are presented to the Treasury without any supporting vouchers. Monthly detailed bills, in the case of countersigned contingent charges, are to be submitted to the controlling officers, or, if there are no controlling officers, to the Accountant General with all sub-vouchers.

As per information available from the O/o AG (A&E), Jharkhand, during the period from 2006-07 to 2017-18, AC Bills of ₹ 39.78 crore⁹⁴ had been drawn against which DC Bills of only ₹ 0.30 crore had been received (as of March 2022).



(Sadananda Naskar)

Dy. Accountant General (AMG-II)

Jharkhand, Ranchi

Ranchi

Date: 22 December 2025

Countersigned



(Indu Agrawal)

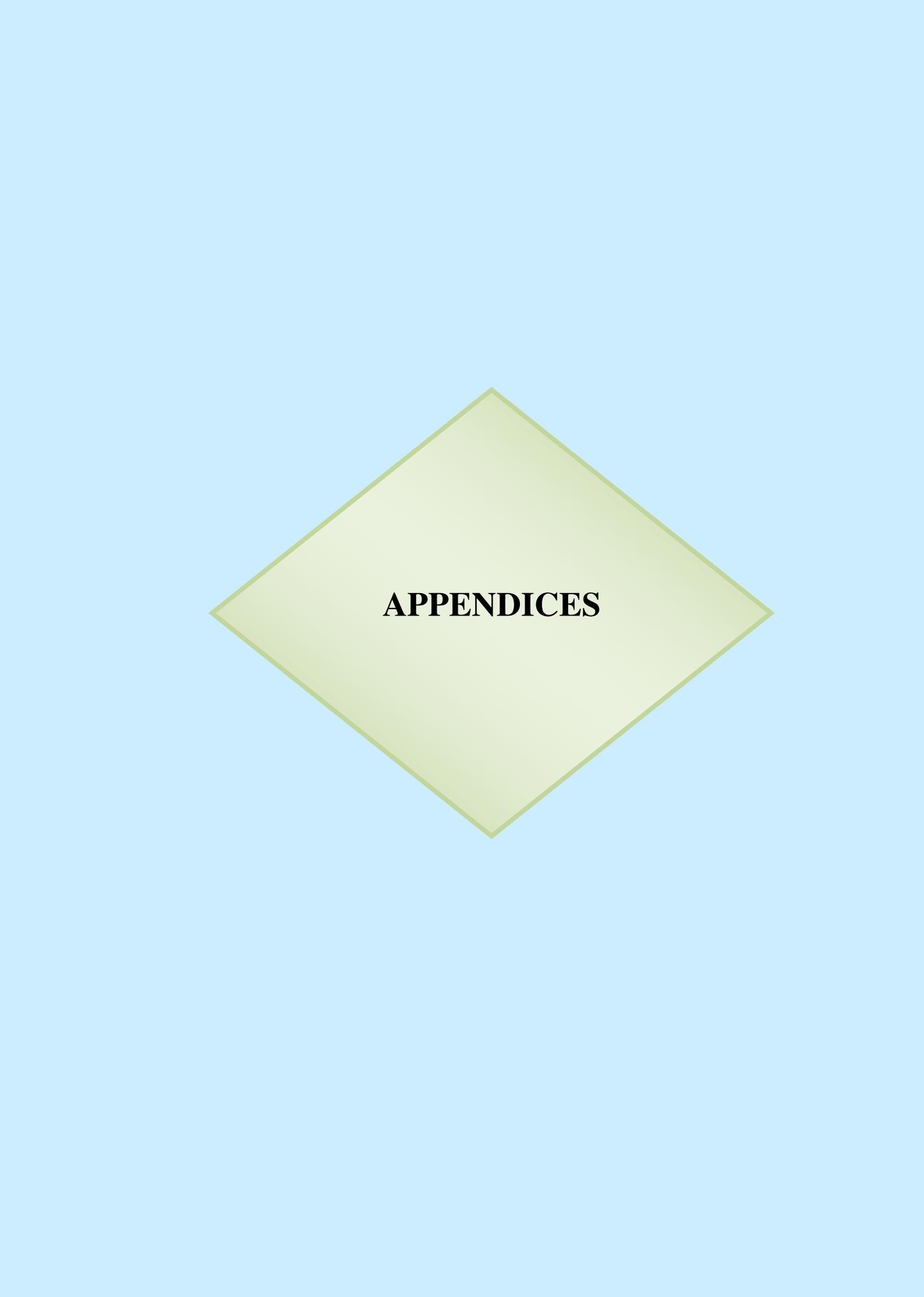
Principal Accountant General (Audit)

Jharkhand, Ranchi

Ranchi

Date: 22 December 2025

⁹⁴ Drawn under major heads of ULBs, i.e. 2215 (Water supply and Sanitation), 2216 (Housing), 2217 (Urban Development), 4217 (Capital Outlay on Urban Development)



APPENDICES

Appendix-1.1

(Refer: Paragraph 1.3.1; page 3)

Statement showing powers and functions of PRIs

Authority	Powers and Functions
<i>Zila Parishad</i>	<i>Zila Parishad (ZP)</i> is the first tier of <i>Panchayat</i> at the district level. The ZP is required to prepare the budget for the planned development of the district and utilisation of resources. The ZP is responsible for the drawing up of annual plans for the economic development of district and social justice and ensuring the implementation; co-ordination, evaluation and monitoring of the activities of PSs and GPs; ensuring implementation of any schemes entrusted by the Central or State Governments; appropriation of the grants received from the Central or State Governments to the PSs and GPs in accordance with the specified criteria; taking steps to ensure procurement of resources and any other functions entrusted by the State Government under special or general orders.
<i>Panchayat Samiti</i>	<i>Panchayat Samiti (PS)</i> is the intermediate tier of PRIs at the Block level. The PSs undertake development works at the block level. It is their duty to make suitable arrangements for rural development, agriculture, social forestry, animal husbandry and pisciculture, health and hygiene, adult education, cooperative work, cottage industries, social welfare, family planning, rural employment programmes; arranging emergency assistance in cases of fire, flood, drought, earthquake and other natural calamities; and any other works entrusted to them by the State Government or the ZP.
<i>Gram Panchayat</i>	<i>Gram Panchayat (GP)</i> is the last tier of PRIs at the grass root level. It is the duty of the GPs to maintain cleanliness and hygiene, maintenance and upkeep of water resources, lighting and construction of village roads, promotion of youth welfare, family welfare and sports activities, implementing programmes for social welfare and any other activities entrusted by the State Government, ZP or PS.

(Source: JPR Act, 2001)

Appendix-1.2

(Refer: Paragraph 1.3.1; page 3)

Statement showing functions of authorities of PRIs

Authority	Functions assigned
<i>Adhyaksha</i> <i>/Pramukh/</i> <i>Mukhiya</i>	Ensure proper custody of the records and registers of ZP/PS/GP and shall maintain them; Exercise overall control over the financial and executive administration of the ZP/PS and place before <i>Panchayats</i> all issues connected therewith so that necessary orders of the <i>Panchayats</i> may be obtained and for this purpose may call for records of the <i>Panchayats</i> ; Supervise and control the business transacted by the employees of the ZP/PS/GP; Be responsible for safe custody of the ZP/PS/GP Fund; Comply with all the directives issued by the State Government or any Authority authorized by the State Government under JPR Act, 2001.
Chief Executive Officer (CEO)/ Executive Officer (EO)/ Secretary	Drawal and disbursal of fund; Preparation of budget and accounts; Supervision and control of officers of ZP/PS/GP; Discharging the duties conferred by or under JPR Act, 2001 or the Rules or regulations made there under; Executing the policies and directives of the <i>Panchayats</i> .
Chief Planning Officer (CPO)	CPO shall advise the ZP in matter of preparing a plan and shall be responsible for all the matters related with plans of the ZP in which preparation of plan for economic development and social justice and annual plan of the districts also included and he shall be the CEO of the District Planning Committee.
Chief Accounts Officer (CAO)	CAO shall advise the ZP on matters of financial policy and shall be responsible for all matters concerned with accounts of ZP wherein preparation of annual accounts and budget is also included and shall ensure that no expenditure whatsoever is done without proper sanction, and if done, it has to be done only in accordance with this Act and the rules and regulations made there under, and shall disallow any such expenditure which is not supported by JPR Act, 2001 or rules or regulations or wherefore no provision has been made in the budget.

(Source: JPR Act, 2001)

Appendix-1.3

(Refer: Paragraph 1.3.3, page 4)

Details of functions devolved by the Governments' Departments to PRIs

Sl. No.	Functions to be devolved	Name of the Departments	Zila Parishad			Panchayat Samiti			Gram Panchayat			Status of devolution
			Function	Functionaries	Fund	Function	Functionaries	Fund	Function	Functionaries	Fund	
1	Agriculture with agriculture extension	Department of Agriculture, Animal husbandry and Co-operative	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Partial
2	Animal husbandry, dairy and poultry		Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Partial
3	Pisciculture		Yes	Yes	Yes	No	No	No	Yes	No	No	Partial
4	Cultural activities	Department of Tourism, Arts, Culture, Sports and Youth Affairs	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Partial
5	Drinking water	Drinking Water and Sanitation Department	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Partial
6	Public Distribution System	Department of Food, Public Distribution and Consumer Affairs	Yes	Yes	No	Yes	Yes	No	Yes	No	No	Partial
7	Poverty alleviation programme	Department of Food, Public Distribution and Consumer Affairs	Yes	Yes	No	Yes	Yes	No	Yes	No	No	Partial
		Department of Industries	Yes	Yes	No	Yes	Yes	No	Yes	No	No	
		Rural Development Department	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
		Department of Welfare	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	
8	Education including Primary and Secondary schools	Department of School Education and Literacy Development	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Adult and non-formal education		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Small industry with food processing industry	Department of Industries	Yes	Yes	No	Yes	Yes	No	Yes	No	No	Partial
11	Khadi, Village industry and cottage industry		Yes	Yes	No	Yes	Yes	No	Yes	No	No	Partial

Sl. No.	Functions to be devolved	Name of the Departments	Zila Parishad			Panchayat Samiti			Gram Panchayat			Status of devolution
			Function	Functionaries	Fund	Function	Functionaries	Fund	Function	Functionaries	Fund	
12	Technical training and professional education		Yes	Yes	No	No	Yes	No	Yes	No	No	Partial
13	Market and fairs	Department of Revenue and Land Reforms	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
14	Rural Housing	Rural Development Department	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Women and child development	Department of Women, Child Development and Social Security	Yes	No	Yes	Yes	No	No	Yes	Yes	No	Partial
16	Social welfare with welfare of disabled and mentally retarded persons		Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	Partial
17	Welfare of weaker sections particularly of the Scheduled Castes and the Scheduled Tribes	Department of Welfare	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Partial
18	Minor irrigation, water management and water shed development	Water Resource Department	Yes	Yes	Yes	No	No	No	Yes	No	No	Partial
19	Health and hygiene with hospitals, primary health centres and dispensaries	Department of Health, Medical Education and Family Welfare	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
20	Family welfare		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
21	Library		Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Partial
22	Social forestry and farm forestry		No	No	No	No	No	No	No	No	No	No
23	Minor forest produce		No	No	No	No	No	No	No	No	No	No
24	Fuel and fodder		No	No	No	No	No	No	No	No	No	No
25	Roads, culverts, bridges, ferry, waterways and other means of communication		No	No	No	No	No	No	No	No	No	No
26	Rural electrification including electricity distribution		No	No	No	No	No	No	No	No	No	No

Sl. No.	Functions to be devolved	Name of the Departments	Zila Parishad			Panchayat Samiti			Gram Panchayat			Status of devolution
			Function	Functionaries	Fund	Function	Functionaries	Fund	Function	Functionaries	Fund	
27	Non-conventional sources of energy		No	No	No	No	No	No	No	No	No	No
28	Maintenance of community assets	Department of Agriculture, Animal husbandry and Co-operative	Yes	Yes	No	No	No	No	Yes	No	No	Partial
		Department of Tourism, Arts, Culture, Sports and Youth Affairs	Yes	No	Yes	Yes	No	Yes	No	No	No	
		Drinking Water and Sanitation Department	No	No	No	No	No	No	Yes	No	No	
		Department of Health, Medical Education and Family Welfare	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
		Department of School Education and Literacy Development	No	No	No	No	No	No	Yes	Yes	Yes	
		Department of Women, Child Development and Social Security	Yes	No	Yes	No	No	No	No	No	No	
		Water Resources Department	Yes	No	Yes	No	No	No	Yes	No	No	
		Department of Welfare	Yes	No	Yes	No	No	No	No	No	No	
		Department of Industries, Mines and Geology	No	No	No	No	No	No	Yes	Yes	Yes	
29	Land development and land conservation		No	No	No	No	No	No	No	No	No	

(Source: Notifications and resolutions of State Governments' Departments)

Appendix-1.4

(Refer: Paragraph 1.3.4; page 4)

Statement showing sanctioned strength vis-à-vis men in position in test-checked Zila Parishads

Sl. No.	Name of Zila Parishad	Sanction Strength	Men-in-position	Vacancy
1	Bokaro	Information not provided		
2	Chatra	25	8	17
3	Dumka	440	191	249
4	East Singhbhum	79	16	63
5	Giridih	Information not provided		
6	Hazaribagh	75	22	53
7	Pakur	104	69	35
8	Ramgarh	196	64	132
9	Ranchi	41	13	28
10	Sahibganj	Information not provided		
11	Simdega	242	114	128
12	West Singhbhum	Information not provided		
Total		1,202	497	705

(Source: Data provided by test-checked ZPs)

Appendix-1.5

(Refer: Paragraph 1.4; page 4)

Statement showing the details of powers and functions of Standing Committees of ZP, PS and GP

Name of the committee	Members	Powers and functions	Chairman	Secretary
ZILA PARISHAD AND PANCHAYAT SAMITI				
General Administration Committee	All the chairpersons of the standing committees. MP and MLA for ZP and PS respectively, who shall be <i>ex-officio</i> member. <i>Adhyaksha</i> of ZP and <i>Pramukh</i> of PS shall be <i>Ex-officio</i> member, respectively.	The business of the standing committee has been defined in Section 3(1) of the Jharkhand Panchayat (Term of Office of Members of Standing Committee and Procedure for Conducting Business) Rules, 2011	<i>Adhyaksha</i> of ZP and <i>Pramukh</i> of PS shall be chairperson as the case may be.	CEO of ZP and EO of PS shall be <i>ex-officio</i> secretary for ZP and PS, respectively.
Health & Education Committee	Consists of at least six members who shall be elected in the prescribed manner by the members of the PS or ZP, as the case may be, from amongst them. MP and MLA for ZP and PS respectively, who shall be <i>ex-officio</i> member. <i>Adhyaksha</i> of ZP and <i>Pramukh</i> of PS shall be <i>ex-officio</i> member, respectively.			
Women, Children and Social welfare Committee	Consists of at least six members who shall be elected in the prescribed manner by the members of the PS or ZP, as the case may be, from amongst them, but include at least one woman and one person belonging to Scheduled caste or scheduled tribe. MP and MLA for ZP and PS, respectively, who shall be <i>ex-officio</i> member. <i>Up-Adhyaksha</i> of ZP and <i>Up-Pramukh</i> of PS shall be <i>ex-officio</i> member for ZP and PS respectively.			
Agriculture & Industries Committee	Consist of at least six members who shall be elected in the prescribed manner by the members of the PS or ZP, as the case may be, from amongst them. MP and MLA for ZP and PS respectively, who		Chairperson elected amongst its members	
Finance, Audit and Planning & Development Committee				
Cooperative Committee				

Name of the committee	Members	Powers and functions	Chairman	Secretary
Forest and Environment Committee	shall be <i>ex-officio</i> member.			
Communication and Works Committee				
GRAM PANCHAYAT				
General Administration Committee	Five members of each of the Committee shall be elected by the members of the <i>Gram Panchayat</i> from amongst themselves in a special meeting convened by it, provided that no members shall be member of more than two standing Committees simultaneously. The <i>Mukhia</i> and the <i>up-Mukhia</i> shall be <i>ex-officio</i> members of these committees. The <i>Gram Sabha</i> in its first meeting may elect by majority of votes and nominate an experienced and knowledgeable person of the particular field from amongst its members for each standing committee, provided that member so nominated shall have no voting right, provided further also that after the expiry of a period of one year, the <i>Gram Sabha</i> by a majority of votes may recall the so nominated member and may make a fresh nomination.	The business of the standing committee has been defined in Section 3(1) of the Jharkhand Panchayat (Term of Office of Members of Standing Committee and Procedure for Conducting Business) Rules, 2011.	Not mentioned in the Act	Secretary of the <i>Gram Panchayat</i> shall be <i>ex-officio</i> secretary of the standing committee.
Development Committee				
Women, children and social welfare Committee				
Health, education and Environment Committee				
Village Defence Committee				
Government Estate Committee				
Infrastructure Committee				

(Source: JPR Act, 2001 and Jharkhand Panchayat (Term of Office of Members of Standing Committee and Procedure for Conducting Business) Rules, 2011)

Appendix-1.6
(Refer: Paragraph 1.5.1.1; page 6)
Delay in Issue of Inspection Reports (IRs)

SL No.	Inspection Report No.	Due Date of Issue of Inspection Report	Date of Issue of Inspection Report	Delay in Days in issue of Inspection Report
1	01/2017-18	30/09/2018	08/10/2018	8
2	03/2017-18	30/09/2018	20/01/2020	477
3	04/2017-18	30/09/2018	05/10/2018	5
4	05/2017-18	30/09/2018	30/11/2018	61
5	06/2017-18	30/09/2018	08/01/2019	100
6	07/2017-18	30/09/2018	29/08/2019	333
7	08/2017-18	30/09/2018	16/11/2018	47
8	09/2017-18	30/09/2018	29/11/2018	60
9	10/2017-18	30/09/2018	09/04/2019	191
10	11/2017-18	30/09/2018	29/08/2019	333
11	12/2017-18	30/09/2018	16/11/2018	47
12	13/2017-18	30/09/2018	08/01/2019	100
13	14/2017-18	30/09/2018	15/07/2019	288
14	15/2017-18	30/09/2018	30/05/2019	242
15	16/2017-18	30/09/2018	31/05/2019	243
16	17/2017-18	30/09/2018	20/12/2019	446
17	18/2017-18	30/09/2018	23/10/2019	388
18	19/2017-18	30/09/2018	30/05/2019	242
19	20/2017-18	30/09/2018	21/01/2020	478
20	21/2017-18	30/09/2018	09/06/2020	618
21	22/2017-18	30/09/2018	20/12/2019	446
22	23/2017-18	30/09/2018	23/10/2019	388
23	04/2019-20	30/09/2020	02/02/2021	125
24	07/2019-20	30/09/2020	02/02/2021	125
25	24/2017-18	30/09/2018	02/02/2021	856
26	09/2019-20	30/09/2020	02/02/2021	125
27	8A/2019-20	30/09/2020	23/03/2023	904
28	8B/2019-20	30/09/2020	26/03/2023	907
29	8C/2019-20	30/09/2020	16/03/2023	897
30	8D/2019-20	30/09/2020	26/03/2023	907
31	8E/2019-20	30/09/2020	20/01/2023	842
32	8F/2019-20	30/09/2020	16/03/2023	897
33	8G/2019-20	30/09/2020	26/03/2023	907
34	8H/2019-20	30/09/2020	22/03/2023	903
35	8I/2019-20	30/09/2020	23/03/2023	904
36	8J/2019-20	30/09/2020	06/04/2023	918
37	8K/2019-20	30/09/2020	05/04/2023	917
38	10/2019-20	30/09/2020	18/10/2022	748
39	10A/2019-20	30/09/2020	18/10/2022	748
40	10B/2019-20	30/09/2020	08/09/2022	708
41	10C/2019-20	30/09/2020	01/09/2022	701
42	10D/2019-20	30/09/2020	08/09/2022	708
43	10E/2019-20	30/09/2020	08/09/2022	708
44	10F/2019-20	30/09/2020	07/09/2022	707
45	6A/2019-20	30/09/2020	28/02/2023	881
46	6B/2019-20	30/09/2020	12/01/2023	834
47	6C/2019-20	30/09/2020	24/02/2023	877
48	6D/2019-20	30/09/2020	12/01/2023	834
49	6E/2019-20	30/09/2020	21/02/2023	874
50	6F/2019-20	30/09/2020	16/03/2023	897
51	6G/2019-20	30/09/2020	01/02/2023	854
52	6H/2019-20	30/09/2020	01/02/2023	854
53	6I/2019-20	30/09/2020	16/03/2023	897
54	6J/2019-20	30/09/2020	24/02/2023	877
55	6K/2019-20	30/09/2020	10/02/2023	863
56	6L/2019-20	30/09/2020	16/03/2023	897
57	6M/2019-20	30/09/2020	20/01/2023	842
58	6N/2019-20	30/09/2020	16/03/2023	897
59	6O/2019-20	30/09/2020	09/02/2023	862
60	6P/2019-20	30/09/2020	09/02/2023	862
61	13/2019-20	30/09/2020	24/07/2023	1027

SL No.	Inspection Report No.	Due Date of Issue of Inspection Report	Date of Issue of Inspection Report	Delay in Days in issue of Inspection Report
62	12A/2019-20	30/09/2020	24/07/2023	1027
63	12D/2019-20	30/09/2020	24/04/2023	936
64	12F/2019-20	30/09/2020	23/06/2023	996
65	12J/2019-20	30/09/2020	21/06/2023	994
66	12M/2019-20	30/09/2020	24/07/2023	1027
67	12Q/2019-20	30/09/2020	24/07/2023	1027
68	5A/2019-20	30/09/2020	07/09/2022	707
69	5B/2019-20	30/09/2020	10/11/2022	771
70	5C/2019-20	30/09/2020	18/11/2021	414
71	5D/2019-20	30/09/2020	05/09/2022	705
72	5E/2019-20	30/09/2020	05/09/2022	705
73	5F/2019-20	30/09/2020	19/10/2022	749
74	5G/2019-20	30/09/2020	15/09/2022	715
75	5H/2019-20	30/09/2020	02/12/2021	428
76	5I/2019-20	30/09/2020	15/09/2022	715
77	5J/2019-20	30/09/2020	18/10/2022	748
78	5K/2019-20	30/09/2020	20/10/2021	385
79	5L/2019-20	30/09/2020	18/11/2021	414
80	5M/2019-20	30/09/2020	17/10/2022	747
81	5O/2019-20	30/09/2020	19/10/2022	749
82	5P/2019-20	30/09/2020	17/10/2021	382
83	5Q/2019-20	30/09/2020	18/10/2022	748
84	5R/2019-20	30/09/2020	19/10/2022	749
85	9A/2019-20	30/09/2020	12/01/2023	834
86	9B/2019-20	30/09/2020	13/12/2022	804
87	9C/2019-20	30/09/2020	15/12/2022	806
88	9D/2019-20	30/09/2020	15/12/2022	806
89	9F/2019-20	30/09/2020	15/12/2022	806
90	9E/2019-20	30/09/2020	12/12/2022	803
91	9G/2019-20	30/09/2020	15/12/2022	806
92	9H/2019-20	30/09/2020	12/12/2022	803
93	9I/2019-20	30/09/2020	12/12/2022	803
94	9O/2019-20	30/09/2020	10/11/2022	771
95	9L/2019-20	30/09/2020	22/11/2022	783
96	9N/2019-20	30/09/2020	15/12/2022	806
97	9J/2019-20	30/09/2020	12/12/2022	803
98	9M/2019-20	30/09/2020	13/10/2022	743
99	9K/2019-20	30/09/2020	10/11/2022	771
100	9S/2019-20	30/09/2020	15/12/2022	806
101	9Q/2019-20	30/09/2020	13/10/2022	743
102	9T/2019-20	30/09/2020	22/11/2022	783
103	9R/2019-20	30/09/2020	22/11/2022	783
104	9P/2019-20	30/09/2020	12/12/2022	803
105	5/2020-21	30/09/2021	18/03/2023	534
106	15/2020-21	30/09/2021	24/07/2023	662
107	6 nos. of Inspection Reports of 2017-18 were not issued till date	30/09/2018	01/08/2023	1766
108	36 nos. of Inspection Reports of 2018-19 were not issued till date	30/09/2019	01/08/2023	1401
109	58 nos. of Inspection Reports of 2020-21 were not issued till date	30/09/2021	01/08/2023	670
110	180 nos. of Inspection Reports of 2021-22 were not issued till date	30/09/2022	01/08/2023	305

(Source: Data provided by DLFA, Jharkhand)

- Note: - 1. Audit report due for 16-17 – due date of issue has been taken as 30 September 2017 and so on.
2. If audit report not issued, 1 August 2023 has been taken, i.e. as per the date of receipt of information (1 August 2023) from DLFA.

Appendix-1.7
(Refer: Paragraph 1.8; page 10)

Statement of outstanding Utilisation Certificates

Year	Major head	Total Grants released by the department to the implementing agencies		Utilisation Certificate submitted by the department		Outstanding Utilisation certificate	
		No. of Grants	Amount	No. of Grants	Amount	No. of Grants	Amount
2017-18	6515	20	3,51,73,609	11	1,40,73,088	9	2,11,00,521
2018-19		18	3,38,88,979	13	2,05,78,718	5	1,33,10,261
2019-20		20	5,99,00,000	11	2,79,57,250	9	3,19,42,750
2020-21		0	0	0	0	0	0
2021-22		19	3,50,77,385	0	0	19	3,50,77,385
Total		77	16,40,39,973	35	6,26,09,056	42	10,14,30,917
2017-18	2515	155	12,93,55,64,070	4	52,64,151	151	12,93,02,99,919
2018-19		111	7,74,07,60,751	4	30,87,798	107	7,73,76,72,953
2019-20		184	54,84,69,329	14	21,86,23,662	170	32,98,45,667
2020-21		171	4,24,09,44,201	0	0	171	4,24,09,44,201
2021-22		238	45,32,05,049	0	0	238	45,32,05,049
Total		859	25,91,89,43,400	22	22,69,75,611	837	25,69,19,67,789
Grand Total		936	26,08,29,83,373	57	28,95,84,667	879	25,79,33,98,706

(Source: Information provided by the office of PAG (A& E), Jharkhand)

Appendix-1.8
(Refer: Paragraph 1.9.3; page 14)
Failure to maintain basic records

Sl. No.	Records/Registers not maintained	PRIs			
		District	ZP	PS	GP
1	Long term 5-year Schemes and Annual Scheme Register	Bokaro		Petarbar	
		Chatra		Simaria	Gidhor, Manjhgawan & Pundra
		Dumka	Dumka		Hansdiha
		East Singhbhum		Golmuri-cum-Jugsalai	Uttar Ghorabandha, Purvi Ghaghidih & Haathibindha
		Giridih	Giridih		Thakurchak
		Hazaribagh			Chechkapi, Gangpancho, Base & Sultana
		Ramgarh	Ramgarh	Mandu & Patratu	Barughutu Madhya, Barughutu Paschimi, Shah Colony & Hafua
		Ranchi	Ranchi	Budhmu	Ulidih, Parasi, Makka & Saarle
		Sahibganj			Purvi Udhwa Diara & Dakshini Sarfarajanj & Gunihari
		Simdega		Jaldega & Bolwa	Tingina, Patiamba, Kadopani & Maalsaara
2	Income Expenditure Register	Bokaro			Chando & Uttasara
		Chatra		Simaria	Gidhor & Pundra
		East Singhbhum		Golmuri-cum-Jugsalai	Uttar Ghorabandha, Purvi Ghaghidih, Kalikapur & Haathibindha
		Giridih	Giridih		Thakurchak
		Hazaribagh		Barkattha & Katkamdaag	Chechkapi, Gangpancho, Base & Sultana
		Pakur		Amrapara	
		Ramgarh	Ramgarh	Mandu & Patratu	Barughutu Madhya, Barughutu Paschimi, Shah Colony & Hafua
		Ranchi	Ranchi	Tamar	Ulidih, Parasi, Makka & Saarle
		Sahibganj		Udhwa & Rajmahal	Dakshini Sarfarajanj & Kasba
		Simdega		Jaldega & Bolwa	Tingina, Patiamba, Kadopani & Maalsaara
3	Balance Sheet	Bokaro		Petarbar	Chando & Uttasara
		Chatra		Simaria	Gidhor, Manjhgawan & Pundra
		Dumka			Hansdiha
		East Singhbhum		Golmuri-cum-Jugsalai & Potka	Uttar Ghorabandha, Purvi Ghaghidih, Kalikapur & Haathibindha
		Giridih	Giridih		Thakurchak
		Hazaribagh		Katkamdaag	Chechkapi, Gangpancho, Base & Sultana
		Pakur	Pakur	Littipara & Amrapara	Littipara, Kamalghati & Basmati
		Ramgarh	Ramgarh	Mandu & Patratu	Barughutu Madhya, Barughutu Paschimi, Shah Colony & Hafua
		Ranchi		Tamar & Budhmu	Ulidih, Parasi, Makka & Saarle

Sl. No.	Records/Registers not maintained	PRIs			
		District	ZP	PS	GP
		Sahibganj		Udhwa & Rajmahal	Dakshini Sarfarajganj
		Simdega		Jaldega & Bolwa	Tingina, Patiamba, Kadopani & Maalsaara
4	Budget Register	Bokaro		Petarbar	Chando & Uttasara
		Chatra		Simaria	Gidhor, Manjhawan & Pundra
		Dumka	Dumka		Baniyara
		East Singhbhum		Golmuri-cum-Jugsalai & Potka	Uttar Ghorabandha, Purvi Ghaghidih, Kalikapur & Haathibindha
		Giridih	Giridih		Thakurchak
		Hazaribagh		Katkamdaag	Chechkapi, Gangpancho, Base & Sultana
		Pakur		Amrapara	
		Ramgarh	Ramgarh	Mandu & Patratu	Barughutu Madhya, Barughutu Paschimi, Shah Colony & Hafua
		Ranchi	Ranchi	Tamar & Budhmu	Ulidih, Parasi, Makka & Saarle
		Sahibganj		Udhwa	Dakshini Sarfarajganj & kasba
		Simdega		Jaldega & Bolwa	Tingina, Patiamba, Kadopani & Maalsaara
5	Grant Register	Bokaro		Petarbar	Chando & Uttasara
		Chatra		Simaria	Gidhor & Pundra
		Dumka			Hansdiha
		East Singhbhum		Golmuri-cum-Jugsalai	Uttar Ghorabandha, Purvi Ghaghidih, Kalikapur & Haathibindha
		Giridih	Giridih		Thakurchak
		Hazaribagh		Barkattha & Katkamdaag	Chechkapi, Gangpancho, Base & Sultana
		Pakur		Amrapara	Basmati
		Ramgarh	Ramgarh	Mandu & Patratu	Barughutu Madhya, Barughutu Paschimi, Shah Colony & Hafua
		Ranchi	Ranchi	Tamar & Budhmu	Ulidih, Parasi, Makka & Saarle
		Sahibganj			Dakshini Sarfarajganj, kasba & Gunihari
Simdega		Jaldega & Bolwa	Tingina, Patiamba, Kadopani & Maalsaara		
6	Asset register	Bokaro		Petarbar	Chando & Uttasara
		Chatra		Simaria	Gidhor & Pundra
		East Singhbhum		Golmuri-cum-Jugsalai & Potka	Uttar Ghorabandha, Purvi Ghaghidih, Kalikapur & Haathibindha
		Giridih			Thakurchak
		Hazaribagh		Barkattha	Chechkapi, Gangpancho, Base & Sultana
		Pakur			Bohra
		Ramgarh		Mandu & Patratu	Barughutu Madhya, Barughutu Paschimi, Shah Colony & Hafua
		Ranchi		Tamar & Budhmu	Ulidih, Parasi, Makka & Saarle
Sahibganj			Dakshini Sarfarajganj		

Sl. No.	Records/Registers not maintained	PRIs			
		District	ZP	PS	GP
		Simdega		Jaldega & Bolwa	Tingina, Patiamba, Kadopani & Maalsaara
7	Stock Register	Bokaro		Petarbar	
		Chatra			Gidhor & Pundra
		East Singhbhum		Golmuri-cum-Jugsalai & Potka	Kalikapur
		Ramgarh		Patratu	
		Ranchi		Tamar & Budhmu	
		Sahibganj			Dakshini Sarfarajganj
8	Advance Register	Bokaro		Petarbar	Chando & Uttasara
		Chatra			Gidhor & Pundra
		Dumka			Baniyara
		East Singhbhum		Golmuri-cum-Jugsalai & Potka	Uttar Ghorabandha, Purvi Ghaghidih, Kalikapur & Haathibindha
		Giridih			Thakurchak
		Hazaribagh		Barkattha & Katkamdaag	Chechkapi, Gangpancho, Base & Sultana
		Pakur	Pakur	Littipara & Amrapara	Basmati
		Ramgarh	Ramgarh	Mandu	Barughutu Madhya, Barughutu Paschimi, Shah Colony & Hafua
		Ranchi	Ranchi	Tamar & Budhmu	Ulidi, Parasi, Makka & Saarle
		Sahibganj			Dakshini Sarfarajganj Kasba & Gunihari
		Simdega		Jaldega & Bolwa	Tingina, Patiamba, Kadopani & Maalsaara
9	Voucher Register	Bokaro		Petarbar	Chando & Uttasara
		Chatra			Gidhor & Pundra
		Dumka	Dumka		
		East Singhbhum		Golmuri-cum-Jugsalai & Potka	Uttar Ghorabandha, Purvi Ghaghidih, & Haathibindha
		Giridih			Thakurchak
		Hazaribagh		Katkamdaag	Chechkapi, Gangpancho, Base & Sultana
		Pakur		Amrapara	
		Ramgarh	Ramgarh	Mandu & Patratu	Barughutu Madhya, Barughutu Paschimi, Shah Colony & Hafua
		Ranchi	Ranchi	Tamar & Budhmu	Ulidi, Parasi, Makka & Saarle
		Sahibganj			Dakshini Sarfarajganj & Kasba
		Simdega		Jaldega & Bolwa	Tingina, Patiamba, Kadopani & Maalsaara

(Source: Information provided by the test-checked PRIs)

Appendix-2.1.1*(Refer: Paragraph 2.1.4; Page 18)***List of GPs selected for Audit Scrutiny**

Regions	Sl. No.	District Selected	Name of the PS	Name of GP
Northern	1	Giridih	Dumri	Chainpur, Kulgo (South), and Thakurchak
			Jamua	Chilga, Kurhobindo and Pandeydih
			Teesri	Chandouri, Palmarua and Tisri
	2	Sahebganj	Barharwa	Harihara, Pathna and Sri Kund
			Rajmahal	Kaswa, Saidpur and West Narayanpur
Udhua			East Udhua Diyara, Radhanagar and South Sarfarajganj	
Central	3	Bokaro	Chandankyari	Bhojudih (West), Deogram and Lalpur
			Chas	Haish Batu (W), Pupunki and Ulgora
			Nawadih	Goniyato, Mongo Rangamati and Penk
	4	Hazaribagh	Barkattha	Chechkapi, Gangpancho and Tuiyo
			Chauparan	Belahi, Jagdishpur and Tajpur
			Katkamdag	Bes, Katkamdag and Sultana
			Sadar	Chutiyaro, Oriya and Velbara
Southern	5	East Singhbhum	Dumariya	Dholabera, Kendua and Palasboni
			Golmuri	East Ghaghidih, Middle Gadra, and North Ghorabandha
			Potka	Hathibinda, KalikaPur and Tetelapora
	6	Ranchi	Burmu	Hesalpiri, Makka and Sarley
			Kanke	Dumar Dagga, Kanke West and Meshra East
			Namkum	Bargawan, Kutiatu and Rampur
			Ratu	Chatakpur, Ratu East and Tigra
			Tamar	Lungtu, Parasi and Ullidih
Total		6 ZPs	21 PSs	63 GPs

Appendix-2.1.2

(Refer: Paragraph 2.1.7; Page 21)

Status of implementation of FFC recommendations

Sl. No.	Para no.	Recommendations	Action required to be taken	Action taken	Status of implementation by the State Government
1.	9.56	Grants should be spent only on the basic services within the functions assigned to PRIs under relevant legislations.	To be implemented by the State	Implemented vide office order no. 297 dated 23/12/2016.	The PR Department issued guidelines in regard to works to be undertaken by GPs, for provision of basic services only, from FFC grants. However Annual Plans, Perspective Plans, Monthly Progress Reports (MPRs) etc., regarding the planning and execution of works, by GPs, during the period 2015-22, were not prepared.
2.	9.61	The books of accounts of PRIs should distinctly capture income on own taxes and non-taxes, assigned taxes, devolution and grants from the State, grants from the FC and grants for any agency functions assigned by the Union and State Governments. The TGS arrangements by the C&AG should be continued. The State should take action to facilitate PRIs to compile accounts and have them audited in time.	To be implemented by the State	Implemented	The book of accounts of GPs are being maintained head wise viz. FFC grants, grants from other agency, grants from the State etc. However, these accounts are audited by the CA firms engaged by the PR Department. Audit of the accounts of LBs, under the TGS arrangement, by the CAG of India, commenced from April 2012.
3.	9.64	Grants to States will be disbursed by using the 2011 population data with weight of 90 per cent and area with weight of 10 per cent.	To be implemented by GoI		
4	9.69	Total grants for PRIs are ₹ 2,00,292.20 crore, for the period 2015-20.	To be implemented by GoI		
5.	9.70	Grants are in two parts- a Basic Grant (BG) and a Performance Grant (PG). In case of Gram Panchayats (GPs), 90 per cent of grants will be the BG and 10 per cent will be the PG.	To be implemented by GoI		
6.	9.72	PRIs grants are given only to GPs. The grants are to be disbursed using the latest SFC formula for distribution of resources.	To be implemented by the State	Not implemented	The State Finance Commission (SFC) had not submitted its second and third term reports. The fourth term of SFC will end by January 2024. However, the posts of

Sl. No.	Para no.	Recommendations	Action required to be taken	Action taken	Status of implementation by the State Government
					Chairman and members were vacant, as of June 2022.
7.	9.73	In case the SFC formula is not available, then the share of each GP should be distributed using the 2011 population with a weight of 90 per cent and area with a weight of 10 per cent.	To be implemented by the State	Implemented	In the absence of the SFC report, the grants were released to GPs by using the 2011 population with a weight of 90 per cent and area with a weight of 10 per cent.
8.	9.75	The PGs are provided for addressing the issue of: (i) making available reliable data on PRI's receipt and expenditure through audited accounts and (ii) improvement in own revenues.	To be implemented by the State	Not implemented	GPs of the State did not maintain books of accounts. The existing accounts were maintained through the single-entry system on cash basis which did not include complete assets of GPs. The accounts of GPs were being audited by Chartered Accountants. GPs had no revenue from own sources as the State Government did not empower GPs to levy taxes, fees etc.
9.	9.76	To be eligible for PG, the panchayats will have to submit audited annual accounts not earlier than two preceding years. They will also have to show an increase in the own revenues over the preceding year, as reflected in the audited accounts.	To be implemented by the State	Not implemented	The accounts of GPs were being audited by Chartered Accountants. The State Government did not empower GPs to levy taxes, fees etc.
10.	9.77	The detailed procedure for disbursal of PG to GPs, based on revenue improvement, should be notified by the State Government, by March 2016.	To be implemented by the State	Not Implemented	The State Government notified (January 2017) the procedure for enhancement in Own Source of Revenue, but did not empower GPs to levy taxes, fees etc.
11.	9.79	The Union Government may accept the detailed procedure for disbursement of PGs, prepared by the States.	To be implemented by GoI		
12.	9.80	No further conditions or directions, other than those indicated by the FFC, should be imposed by the Union or the States.	To be implemented by GoI and State	Implemented	
13.	9.81	The grants shall be released in two instalments each year, in June and October. The States should release the grants to the GPs within 15 days of their being credited to their account, by the Union	To be implemented by GoI and State	Partially implemented by GoJ	The FFC grants were released with delays, to GPs, but interest was not fully paid to GPs.

Sl. No.	Para no.	Recommendations	Action required to be taken	Action taken	Status of implementation by the State Government
		Government. In case of delay, the interest is to be paid by the States from its own funds.			
14.	9.82	Stern action should be ensured if irregularities in the application of funds are noticed or pointed out.	To be implemented by the State	Partially implemented	The Annual Technical Inspection Reports (ATIRs), for the years 2012-13 to 2015-16 were awaiting discussion.
15.	9.84	The State Government should strengthen the State Finance Commission (SFC). This would involve timely constitution, proper administrative support and adequate resources, for smooth functioning and timely placement of SFC reports before the State Legislature, with Action Taken Notes.	To be implemented by the State	Not implemented.	The State Finance Commissions (SFCs) had not submitted their second and third reports. The term of the fourth SFC will end by January 2024. However, the posts of Chairman and members are vacant.
16.	9.90	The existing rules should be reviewed, to facilitate the levy of property tax.	To be implemented by the State	Not implemented.	There is provision in the Jharkhand Panchayati Raj Act regarding levy of property tax, but GPs did not impose the tax, as GoJ did not frame regulation for taxation.
17.	9.91	Levy of vacant land tax by peri-urban panchayats be considered. A part of land conversion charges can be shared, by State Governments, with LBs.	To be implemented by the State	Not implemented.	
18.	9.92	The States should prepare a framework of rules, for levy of betterment tax.	To be implemented by the State	Not implemented.	
19.	9.93	States may take steps to empower LBs to impose advertisement tax and improve own revenues from this source.	To be implemented by the State	Not implemented.	
20.	9.94	States may take action to increase the scope of entertainment tax.	To be implemented by the State	Not implemented.	
21.	9.98	State Governments may take action to assign productive local assets to the panchayats.	To be implemented by the State	Not implemented.	
22.	9.101	Some of the income from royalties should be shared with the LBs, in whose jurisdiction the mining is done.	To be implemented by the State	Not implemented.	Two test-checked districts (Giridih-₹ 217.34 crore and Bokaro-₹ 7.40 crore) had collected ₹ 224.74 crore, as revenue, from mining. But in the absence of instructions

Sl. No.	Para no.	Recommendations	Action required to be taken	Action taken	Status of implementation by the State Government
					from the State Government, the royalties were not distributed among the GPs of the two districts.
23.	9.102	The Union and State Governments examine the issue of properly compensating LBs for the civic services provided by them to government properties.	To be implemented by GoI and the State	Not implemented.	PRIs did not levy service charges and a provision in this respect was not made in the Jharkhand Panchayati Raj Act, 2001.

(Source: FFC report and records of the PR Department)

Appendix-2.1.3

(Refer: Paragraph 2.1.9.1; Page 25)

Release of excess and short amount of Basic Grants to GPs of the Lohardaga district

(Amount in ₹)

District	PS	GP	Amount of First allotment, as per Department	Amount received by GPs	Excess Paid to GPs	Less Paid to GPs	
Lohardaga	Peshrar	Hesag	10,41,534	10,42,034	500		
		Tuimu	9,65,506	9,66,008	502		
		Devdariya	8,29,040	8,39,040	10,000		
	Kisko	Nawadih	8,17,314	7,67,836	0	49,478	
	Kudu	Jima	7,87,265	7,29,163	0	58,102	
		Udumudu	8,08,100	7,41,802	0	66,298	
		Taati	7,99,695	7,27,975	0	71,720	
		Kakadgarh	8,79,893	8,17,095	0	62,798	
	Lohardaga	Hesal	7,76,798	7,77,820	1,022		
		Hirhi	8,49,209	8,52,918	3,709		
		Juriya	6,12,870	6,01,436	0	11,434	
		Bhatkhijri	5,15,069	5,10,351	0	4,718	
		Manho	7,22,769	7,70,728	47,959		
		Jori	7,99,857	8,00,669	812		
		Nigni	6,30,139	6,30,968	829		
		Harmu	6,03,770	6,04,564	794		
		Arkosa	5,63,506	5,64,247	741		
		Rampur	5,72,602	5,75,167	2,565		
		Bagha	6,21,146	6,23,878	2,732		
		Tigra	7,86,322	7,89,816	3,494		
		Senha	Murkitodar	8,11,182	8,12,450	1,268	
			Booti	7,26,683	7,26,692	9	
	Bhadgaon		6,52,039	6,53,062	1,023		
	Arru		8,65,500	9,24,968	59,468		
	Senha		8,09,312	8,10,640	1,328		
	Dandu		7,46,394	6,86,926	0	59,468	
	Bhandra	Bheetha	6,50,217	6,57,587	7,370		
	Total					1,46,125	3,84,016

(Source: Records of the PR Department)

Appendix-2.1.4

(Refer: Paragraph 2.1.9.4; Page 28)

Amount of interest to be paid to GPs for delayed transfer of grants by the State Government

A. Basic Grant

(₹ in crore)

Period	Instalment	Amount transferred by GoI		Fund allotted by State Government		Amount/grant sent to Treasury for transfer to GPs		Amount/grant approved by Treasury Officer for transfer to GPs		Delay in days after prescribed limit (11)= {Days between (10)and(4)-15 days}	Rate of Interest	Amount of interest to be paid
		Amount	Date	Amount	Date	Amount	Date	Amount	Date			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2015-16	First	326.42	29/7/2015	293.78	10/10/2015	179.98	11/12/2015	179.98	12/1/2016	152	7.75	5.81
						68.27	28/1/2016	68.27	28/1/2016	168	7.75	2.44
						36.48	8/2/2016	36.48	9/2/2016	180	7.75	1.39
						9.04	10/3/2016	9.04	10/3/2016	210	7.75	0.40
						22.58	16/10/2015	22.58	12/1/2016	152	7.75	0.73
						4.93	29/1/2016	4.93	1/2/2016	172	7.75	0.18
						4.01	8/2/2016	4.01	9/2/2016	180	7.75	0.15
	1.12	10/3/2016	1.12	10/3/2016	210	7.75	0.05					
	Second	326.42	31/3/2016	326.41	8/4/2016	326.41	17/5/2016	326.41	19/5/2016	35	7.75	2.43
2016-17	First	451.98	4/7/2016	451.98	14/7/2016	451.98	17/8/2016	451.98	17/8/2016	30	7.75	2.88
	Second	451.98	11/1/2017	451.98	24/1/2017	451.98	28/2/2017	451.98	28/3/2017	62	6.75	5.18
2017-18	First	522.23	19/6/2017	522.23	1/7/2017	490.86	18/7/2017	490.86	8/8/2017	34	6.25	2.86
						19.20	4/8/2017	19.20	17/8/2017	43	6.25	0.14
						5.15	10/8/2017	5.15	17/8/2017	43	6.25	0.04
						7.02	7/9/2017	7.02	18/9/2017	75	6.25	0.09
	Second	522.23	21/12/2017	522.23	3/1/2018	11.52	18/1/2018	11.52	1/2/2018	28	6.25	0.06
						23.01	18/1/2018	23.01	1/2/2018	28	6.25	0.11
						27.50	18/1/2018	27.50	1/2/2018	28	6.25	0.13

(₹ in crore)

Period	Instalment	Amount transferred by GoI		Fund allotted by State Government		Amount/grant sent to Treasury for transfer to GPs		Amount/grant approved by Treasury Officer for transfer to GPs		Delay in days after prescribed limit (11)= {Days between (10)and(4)-15 days}	Rate of Interest	Amount of interest to be paid
		Amount	Date	Amount	Date	Amount	Date	Amount	Date			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
						28.12	18/1/2018	28.12	1/2/2018	28	6.25	0.13
						24.25	18/1/2018	24.25	23/1/2018	19	6.25	0.79
2018-19	First	604.12	13/6/2018	604.12	14/8/2018	145.85	4/9/2018	145.85	24/9/2018	89	6.75	2.40
				11.88	6/9/2018	395.63	NA	395.63	22/11/2018	148	6.75	10.83
						62.64	NA	62.64	22/11/2018	148	6.75	1.71
						11.86	NA	11.86	23/10/2018		6.75	0
	Second	604.12	26/4/2019	604.12	10/5/2019	604.12	17/5/2019	604.12	11/6/2019	32	6	3.18
2019-20	First	816.30	30/7/2019	816.30	9/8/2019	813.09	21/8/2019	813.09	26/8/2019	13	5.65	1.64
						32.08	4/9/2019	32.08	5/9/2019	23	5.65	0.11
	Second	816.30	25/10/2019	816.30	1/11/2019	816.30	8/11/2019	816.30	19/11/2019	10	5.4	1.33
Total												47.19

(Source: Release letters of GoI and GoJ)

B. Performance Grant

(₹ in crore)

Period	Amount transferred by GoI		Fund allotted by State Government		Amount/grant sent to Treasury for transfer to GPs		Amount/grant approved by Treasury Officer for transfer to GPs		Total delay in days	Delay in days after prescribed limit	Rate of Interest	Amount of interest to be paid
	Amount	Date	Amount	Date	Amount	Date	Amount	Date				
2016-17	118.57	31/3/2017	106.71	25/1/2018	106.71	19/2/2018	106.71	28/2/2018	335	320	6.25	5.85

(Source: Release letters of GoI and GoJ)

Appendix-2.1.5

(Refer: Paragraph 2.1.9.5; Page 28)

Grants transferred to ULBs after creation of new ULBs or merger into existing ULBs

Sl. No.	ULB	Date of creation	Name of Panchayat merged as a ULB	2016-17		2017-18		2018-19		2019-20		Total
				Date	Amount transferred	Date	Amount transferred	Date	Amount transferred	Date	Amount transferred	
1	Barharwa Nagar Panchayat	29/8/2016	Barharwa East	24/1/2017	18.70	1/7/2017	10.80	0	0	0	0	29.50
			Barharwa West	24/1/2017	16.70	1/7/2017	9.65	0	0	0	0	26.35
			Jhikatiya	24/1/2017	17.25	1/7/2017	9.96	0	0	0	0	27.21
			Patna	24/1/2017	19.42	1/7/2017	11.22	0	0	0	0	30.64
			Ratanpur	24/1/2017	18.06	1/7/2017	10.43	0	0	0	0	28.49
2	Domchanch Nagar Panchayat	1/9/2017	Domchanch East	0	0	0	0	14/8/2018	6.13	9/8/2019	8.28	14.41
			Tetaryadih	0	0	0	0	14/8/2018	15.73	9/8/2019	21.23	36.96
3	Badki Saraiya Nagar Panchayat	2/5/2018	Badki Saraiya	0	0	0	0	14/8/2018	86.76	9/8/2019	117.10	203.86
4	Mahagama Nagar Panchayat	8/7/2018	Basua	0	0	0	0	14/8/2018	23.10	9/8/2019	31.18	54.28
			Mahagama North	0	0	0	0	14/8/2018	23.13	9/8/2019	31.22	54.35
			Mahagama South	0	0	0	0	14/8/2018	26.78	9/8/2019	36.14	62.92
			Murli Tok	0	0	0	0	14/8/2018	26.78	9/8/2019	36.14	62.92
			Khudhara Maal	0	0	0	0	14/8/2018	31.54	9/8/2019	42.57	74.11
			Karnu	0	0	0	0	14/8/2018	23.06	9/8/2019	31.13	54.19
5	Hariharganj Nagar Panchayat	4/9/2018	Dema	0	0	0	0	0	0	9/8/2019	42.26	42.26
			Belodar	0	0	0	0	0	0	9/8/2019	32.68	32.68
			Kataiya	0	0	0	0	0	0	9/8/2019	37.22	37.22
			Kulhiya	0	0	0	0	0	0	9/8/2019	38.31	38.31
			Semarbar	0	0	0	0	0	0	9/8/2019	41.05	41.05
			Salaiya	0	0	0	0	0	0	9/8/2019	32.54	32.54
			Kharagpur	0	0	0	0	0	0	9/8/2019	40.87	40.87

(₹ in lakh)

Sl. No.	ULB	Date of creation	Name of Panchayat merged as a ULB	2016-17		2017-18		2018-19		2019-20		Total	
				Date	Amount transferred	Date	Amount transferred	Date	Amount transferred	Date	Amount transferred		
			Dhakla	0	0	0	0	0	0	9/8/2019	22.28	22.28	
			Sarsota	0	0	0	0	0	0	9/8/2019	42.92	42.92	
			Satgawan/Hari harganj East	0	0	0	0	0	0	9/8/2019	33.25	33.25	
			Satgawan/Hari harganj West	0	0	0	0	0	0	9/8/2019	31.85	31.85	
6	Dhanwar Nagar Panchayat	5/4/2018	Dhanwaar	0	0	0	0	14/8/2018	62.46	9/8/2019	84.30	146.76	
7	Giridih Municipal Corporation	25/9/2017	Sikdaardih	0	0	0	0	14/8/2018	18.61	9/8/2019	25.11	43.72	
			Parsataand	0	0	0	0	14/8/2018	18.62	9/8/2019	25.13	43.75	
			Bhandaridih	0	0	0	0	14/8/2018	1.73	9/8/2019	2.34	4.07	
			Sihodih	0	0	0	0	14/8/2018	1.65	9/8/2019	2.23	3.88	
			Pandeydih	0	0	0	0	14/8/2018	12.04	9/8/2019	16.25	28.29	
			Mangrodih	0	0	0	0	14/8/2018	14.82	9/8/2019	20.00	34.82	
			Harsinghraidih	0	0	0	0	14/8/2018	9.96	9/8/2019	13.44	23.40	
8	Hazaribagh Municipal Corporation	18/1/2016	Okni-II	24/1/2017	35.96	0	0	0	0	0	0	35.96	
			Mandaikala	24/1/2017	31.76	0	0	0	0	0	0	0	31.76
			Mandai	24/1/2017	17.23	0	0	0	0	0	0	0	17.23
			Kolghatti-I	24/1/2017	18.76	0	0	0	0	0	0	0	18.76
			Zebra	24/1/2017	20.97	0	0	0	0	0	0	0	20.97
			Laakhe	24/1/2017	20.97	0	0	0	0	0	0	0	20.97
			Kud-I	24/1/2017	15.78	0	0	0	0	0	0	0	15.78
			Kadma-II	24/1/2017	23.38	0	0	0	0	0	0	0	23.38
9	Chhatrapur Nagar Panchayat	11/1/2016	Chhatrapur	24/1/2017	20.20	1/7/2017	23.34	14/8/2018	2.06	9/8/2019	2.78	48.38	
			Sildaag	24/1/2017	22.44	1/7/2017	25.93	14/8/2018	16.19	9/8/2019	21.86	86.42	
			Baara	24/1/2017	19.17	1/7/2017	22.14	14/8/2018	0	9/8/2019	0	41.31	
			Kaubal	24/1/2017	19.58	1/7/2017	22.62	14/8/2018	11.43	9/8/2019	15.43	69.06	
			Kanchanpur	24/1/2017	22.76	1/7/2017	26.29	14/8/2018	17.91	9/8/2019	24.17	91.13	
			Mashihaani	24/1/2017	27.06	1/7/2017	31.27	14/8/2018	9.71	9/8/2019	13.10	81.14	
Total												2086.36	

(Source: Records of the PR Department)

Appendix-2.1.6

(Refer: Paragraph 2.1.9.6; Page 29)

Expenditure incurred for O & M and Capital expenditure, in excess of the prescribed limit*(₹ in crore)*

Sl. No.	District	Panchayat Samiti	Gram Panchayat	Total Basic Grant received during the FYs 2015-16 to 2019-20	Maximum Amount to be spent (as per the set 10% limit)	Actual expenditure incurred	Excess amount spent towards O&M and Capital expenditure
1	East Singhbhum	Golmuri	East Ghaghidih	1.38	0.14	0.17	0.03
2			Madhya Gadhra	1.07	0.11	0.21	0.10
Total				2.45	0.25	0.38	0.13
3	Hazaribagh	Chouparan	Belahi	1.01	0.10	0.14	0.04
Total				1.01	0.10	0.14	0.04
4	Giridih	Dumri	Kulgo South	0.93	0.09	0.14	0.05
5			Thakur Chack	1.19	0.12	0.13	0.01
6		Jamua	Pandeydih	1.22	0.12	0.19	0.07
Total				3.34	0.33	0.46	0.13
7	Ranchi	Burmua	Makka	1.22	0.12	0.24	0.12
8			Hesalpidi	1.28	0.13	0.16	0.03
9		Ratu	Chatakpur	0.91	0.09	0.15	0.06
Total				3.41	0.34	0.55	0.21
Grand Total				10.21	1.02	1.53	0.51

(Source: Records of the test-checked GPs)

Appendix-2.1.7

(Refer: Paragraph 2.1.9.6; Page 29)

Expenditure incurred on inadmissible articles/commodities/items

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	Particulars of the expenditure incurred	Amount spent
1	Bokaro	Chandankyari	Bhjudih West	Expenditure on Independence Day and Republic Day	10,980
2			Deogram	Videography of Gram Sabha for constitution of Gram Development Committee	10,000
3			Lalpur	Purchase of dresses for <i>Yoga Divas</i>	12,500
4		Chas	Haish Batu West	Expenditure on Independence Day	2,000
5			Ulgora	Expenditure on Independence Day and Republic Day	4,000
6		Nawadih	Gonyato	Purchase of 20 Litre diesel, TV and Sound System	96,600
7			Mungo Rangamati	Purchase of Stabiliser	12,213
8			Penk	Purchase of Projector and Amplifier and beautification of platform for flag hoisting in Panchayat Bhawan	58,000
9	East Singhbhum	Dumaria	Dholebera	<i>Aadiwasi Vikash Samiti</i> and Independence Day celebrations.	6,900
10		Golmuri	North Ghorabandha	Expenditure on Independence Day and Republic Day	9,500
11	Giridih	Dumari	Kulgo South	Expenditure on Independence Day and Republic Day, Purchase of Megaphone, projector, name plates of public representatives and amount transferred to School Management Committee	1,07,540
12			Thakur Check	Expenditure on Ambedkar Jayanti, Prime Minister Panchayat <i>divas</i> , Republic Day celebrations and Bhimrao Ambedkar Jayanti	40,500
13		Jamua	Chilga	Rent for storage of material, Payment to Panchayat Planning Team (PPT) member and purchase of Sound System from Marks Infosystem	1,32,850
14			Pandeydih	Payment to School Management Committee, Payment for the supply of Sound Box, Projector and Mike, for painting work during <i>Vidhan Sabha</i> Elections.	80,200
15		Tisri	Chandouri	Purchase of Projector from Main Frame, Giridih	39,930
16	Hazaribagh	Barkattha	Tuiyo	Purchase of Sound System for Office purpose	22,686
17		Katkamdag	Katkamdag	Expenditure for Independence Day, <i>Aapki Sarkar Apke Dwar</i> , Light arrangement for Chhath ghat	18,740
18	Ranchi	Burmu	Sarle	Purchase of Sound System for Office purpose	9,699

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	Particulars of the expenditure incurred	Amount spent	
19		Kanke	Mesra East	Expenditure on Independence Day and Republic Day	6,500	
20		Namkum	Rampur	CM Visit to GP, Rampur	55,798	
21			Bargawan	Expenditure on Republic Day and Construction of Polling Booth for Lok Sabha Election	1,17,179	
22		Ratu	Tigra	Expenditure on <i>Aapki Sarkar Aapke Dwar</i>	20,500	
23			Ratu East	Expenditure on <i>Aapki Sarkar Aapke Dwar</i> and school establishment	4,67,726	
24			Chatakpur	Expenditure on <i>Yoga Diwas</i> and <i>Aapki Sarkar Aapke Dwar</i>	10,750	
25		Tamar	Parasi	Cluster Election	26,000	
26			Ullidih	Expenditure on Independence Day and Cluster for <i>Vidhan Sabha</i>	16,775	
27		Sahebganj	Barharwa	Harihara	Conveyance for regional campaign in MGNREGA Scheme, Expenditure on social audit of MGNREGA scheme for FY 2016-17, Expenditure on social audit 2018-19 for IAY and Expenditure on fare of <i>Karyakarini Samiti</i> for CM programs	46,630
28				Patna	Expenditure on Independence Day and Republic Day, Expenditure on mike, pandal etc. Purchase of daily useable utensil for social audit unit, Expenditure on banner for the <i>Jalshkti Abhiyan</i> , Expenditure on travel and food by Mukhiya and Ward member in Sandahaghat port, Advance payment for <i>Pandal</i> for <i>Aapki Sarkar Aapke Dwar</i> , Payment to Shyama Prasad for breakfast, Payment for Mic, advertising, drinking water etc. in <i>Aapki Sarkar Aapke Dwar</i> programme	1,17,727
29	Srikund			Wall decoration for PMAY and Advertisement of <i>Mukhayamantri Ashirvad Yojna</i>	20,000	
30	Rajmahal		Kaswa	Purchase of TV and ceiling fan	97,629	
31			Saidpur	Payment for election	7,800	
32			West Narayanpur	Mobile purchase for <i>Rojgar Sevak</i> from Contingency, Travelling Charges Dumka to Jasidih, Expenditure on Independence Day and Republic Day	60,090	
33	Udhwa		East Udhwa Diyara	Dist. Rural Health Society	10,800	
34			Radha Nagar	Payment to Musician, Expenditure on construction of ramp on booth for Lok Sabha election 2019, Payment for temporary lodging arrangement for defence forces deputed for Lok Sabha	32,352	

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	Particulars of the expenditure incurred	Amount spent
				election,2019, Payment for awareness of Chief Minister <i>Jansanwaad</i>	
35			South Sarfraiganj	District Rural Health Society, Sahebganj (Medical officer)	10,800
Total					17,99,894

(Source: Cash Books of the test-checked GPs)

Appendix-2.1.8

(Refer: Paragraph 2.1.9.6 (ii); Page 30)

Expenditure incurred on purchase of articles without the constitution of a purchase committee

(₹ in lakh)						
Sl. No.	Districts	Panchayat Samiti	Gram Panchayat	Particulars	Amount spent	
1	Bokaro	Chandankayari	Bhojudih West	3 Almirah and Computer	0.99	
2			Deogram	Stationery, Equipment, RO System, Laptop, 2 hand wash unit, 4 open gym and CCTV Camera	15.10	
3			Lalpur	Furniture, Dress for Yoga Day, Laptop, Computer accessories, Almira, Generator and Photocopy machine	8.43	
4			Chas	Haish Batu West	Tanker, Motor Pump Handwash, Dustbin and Van	3.49
5				Pupunki	Office Furniture, Street Light, tanker and sports material	21.57
6				Ulgora	2 Tankers, Solar Light, Handwash and Dustbin, Office Almirah, Furniture, LED Light, Water filter and Xerox Machine	40.51
7			Nawadih	Goniyato	Tanker, Generator, Stabiliser, Sound System, TV, Sanitiser Machine, Street Light, 26 Dustbins and Office Furniture	26.37
8				Mungo Rangamati	Equipment, Electrification of community building and 24 dustbins	15.66
9				Penk	3 Tankers, Equipment, 13 Dustbins, three-seater chair and Computer	20.13
10		East Singhbhum	Golmuri	Madhya Gadhra	Equipment	14.38
11			Potka	Hathibinda	Equipment	6.27
12			Dumaria	Dholebera	Table, Laptop, Conference table, Photocopier, Chair, Battery and Articles	4.55
13			Palashboni	Equipment	1.50	
14		Giridih	Dumri	Chainpur	Article, Street light, Cereals, Furniture and Painting Material	9.21
15				Kulgo South	Equipment, Projector, Scanner, Printer, Power Plant Installation, Curtain, repairs of water tanker, Chair, Table, TV, dustbin, 100pieces of streetlight and other Office material	14.79
16				Thakur check	Handpump supply and repair, <i>Ambedkar Jayanti</i> , Prime Minister Panchayat <i>Diwas</i> , Supply of Drum and tap in 7 <i>Anganwadi</i> Centres, Equipment, Material for 10 Handpumps, Solar Power Plant, Power plant panel and electrification, Repair of 18 handpumps, Beautification and wiring of <i>Panchayat Bhawan</i> ,	19.82

(₹ in lakh)					
Sl. No.	Districts	Panchayat Samiti	Gram Panchayat	Particulars	Amount spent
				Supply of water pump, Dustbin, Water tanker repair, Curtain, Water pump and LED Lights.	
17		Jamua	Chilga	Purchase of tanker, Sound System, Round Table, Chair, Marks Infosystem and Street Light.	14.31
18			Kurhobindo	Table and Chairs, Curtains for Panchayat Bhawan, Utensils, Computer system, Battery and Street light	17.34
19			Pandeydih	Tanker, Signboard, Sound Box, Projector and microphone	37.37
20		Tisri	Chandouri	Solar Light, Equipment, Projector set and Equipment, Board, Block Mission Management Unit, Mask and Sanitizer purchase	11.63
21			Palmaruwa	Solar light, items for Gram Uday Scheme, Projector and Sound System, Table and Chairs, Carpet and Fan,	14.75
22			Tisri	Conference Table, Tanker, Street light, Solar light, Articles, Laptop and Printer, Chair and Almirah.	17.88
23	Hazaribagh	Barkattha	Tuiyo	Water Tanker, Equipment, Computer purchase	5.88
24		Chauparan	Belahi	Payment to Home Depot India, Macro Computers, Sanitizer, sprinkling machine etc	18.02
25			Tajpur	Water tanker, Stabiliser, Inverter, Battery, Curtain, Carpet, Laptop, Furniture	7.68
26		Katkamdag	Katkamdag	Laptop, Printer, Carpet, Plastic Chair, Curtain, Table, Chair etc.	3.45
27			Bes	Table, Chair and Laptop	2.67
28		Sadar	Chutiyaro	Equipment	4.33
29	Ranchi	Burmu	Sarle	Furniture	1.49
30			Makka	Inverter, Battery, Laptop, Xerox Machine, Toner, Purchase of Mat and Carpet	5.74
31		Kanke	Mesra East	Dustbin, Equipment, PVC flooring	6.76
32			Kanke west	Chair, Table	3.88
33		Namkum	Rampur	Equipment	1.95
34			Bargawan	Table, Chair for Polling Booth, Furniture	4.90
35		Ratu	Tigra	Equipment and Mat	4.24
36			Chatakpur	Water Tanker, Office material and Equipment	11.71
37	Sahebganj	Barharwa	Harihara	Equipment and 165 pieces of Street Lights	5.39
38			Patna	Material for beautification of Panchayat Bhawan, Meeting Table, Chair, Pipe for handpump and Street Light	9.23

(₹ in lakh)					
Sl. No.	Districts	Panchayat Samiti	Gram Panchayat	Particulars	Amount spent
39			Srikund	Conference Table, Executive Chair, Mat, Curtains, Bed, Dressing Table, Tea Table, Sofa Set, Mattress, Pillow and Television	6.68
40		Rajmahal	Kaswa	TV, Ceiling fan, Solar light, Scanner and Printer, Material for Panchayat, Handpump pipe, Biometric Machine, Furniture and Purchase of Pipe	19.04
41			Narayanpur West	Solar light, Furniture and Street light	23.81
42			Saidpur	Furniture, contingency expenditure, handpump repair and Biometric Tab	5.12
43		Udhuwa	Radha Nagar	128 pieces Street Lights and Equipment	25.47
44			Sarfrajganj south	Furniture	1.67
45			Udhwa Diyara East	Furniture and Solar light	4.97
Total					520.13

(Source: Cash Books of the test-checked GPs)

Appendix-2.1.9

(Refer: Paragraph 2.1.10; Page 31)

Delay in transfer of the FFC Grants to GPs and submission of UCs, to GoI, by the State Government

(₹ in crore)

Financial Year	No. of Instalment	Basic Grant released to State Government		Utilisation submitted by the State		Date mentioned in UC for transfer of amount to GPs	Amount transferred to GPs		Delay in transfer of the Grants to GPs (in days)
		Amount	Date	Amount	Date		Amount	Date	
2015-16	First	326.42	29/7/2015	NA	NA	NA	179.98	12/1/2016	151
							68.27	28/1/2016	167
							36.48	9/2/2016	179
							9.04	10/3/2016	210
							22.58	12/1/2016	151
							4.93	1/2/2016	171
							4.01	9/2/2016	179
	1.12	10/3/2016	210						
Second	326.41	31/3/2016	326.41	21/6/2016	8/4/2016	326.41	19/5/2016	33	
2016-17	First	451.98	4/7/2016	451.98	11/11/2016	14/7/2016	451.98	17/8/2016	28
	Second	451.98	11/1/2017	451.98	11/5/2017	24/1/2017	451.98	28/3/2017	58
2017-18	First	522.23	19/6/2017	522.23	7/11/2017	1/7/2017	490.86	8/8/2017	34
							19.20	17/8/2017	43
							5.15	17/8/2017	43
							7.02	18/9/2017	75
	Second	522.23	21/12/2017	522.23	16/3/2018	3/1/2018	11.52	1/2/2018	26
							23.01	1/2/2018	26
							27.50	1/2/2018	26
							28.12	1/2/2018	26
						24.25	23/1/2018	17	
2018-19	First	604.12	13/6/2018	604.12	31/12/2018	14/8/2018	145.85	24/9/2018	87
							395.63	22/11/2018	146
							62.64	22/11/2018	146
							11.86	23/10/2018	116
	Second	604.12	26/4/2019	604.12	2/7/2019	10/5/2019	604.12	11/6/2019	30
2019-20	First	816.295	30/7/2019	816.295	30/7/2019		813.09	26/8/2019	11
							32.08	5/9/2019	21
	Second	816.295	19/11/2019	816.295	25/10/2019		816.30	19/11/2019	10

(Source: UCs and records of the PR Department)

Appendix-2.1.10*(Refer: Paragraph 2.1.13.2 (i); Page 34)***Delays in according to administrative approval (from the dates of according of technical sanction)**

Sl. No.	District	Panchayat Samiti/ Block	Gram Panchayat	No. of Schemes	Delay shown as range of number of days taken in granting administrative approval after technical sanction	Range of delays in administrative approval, after the prescribed time limit
1	Bokaro	Chandankiyari	Deogram	1	18	11
2		Nawadih	Mungorangamati	1	14	7
3	East Singhbhum	Golmuri	East Ghaghidih	5	11-126	4-119
4			Madhya Gadhra	5	15-121	8-114
5		Potka	Hathibinda	2	14-15	7-8
6	Giridih	Jamua	Chilga	1	11	4
7		Tisri	Palmaruwa	1	79	72
8			Tisri	1	22	15
9	Hazaribagh	Chauparan	Tajpur	1	35	28
10			Bhelwara	2	22-37	15-30
11	Ranchi	Burmu	Makka	2	65	58
12		Kanke	Dumardagga	1	38	31
13	Sahebganj	Barharwa	Harihara	52	8-58	1-51
14			Patna	24	9-129	2-122
15			Srikund	17	11-115	4-108
16		Rajmahal	Kaswa	3	43-114	36-107
17			Saidpur	12	19-402	12-395
18		Udhwa	Radha Nagar	44	9-185	2-178
Total				175		

(Source: Records of the test-checked GPs)

Appendix-2.1.11

(Refer: Paragraph 2.1.13.2 (ii); Page 35)

Payment of advances exceeding ₹ 15,000 to Labhuk Samitis

Sl. No.	District	Panchayat Samiti	Gram Panchayat	No. of Schemes
1	Bokaro	Chandankiyari	Bhojudih west	2
2			Deogram	1
3			Lalpur	1
4		Nawadih	Goniyato	8
5			Penk	1
6	East Singhbhum	Potka	Kalikapur	6
7		Dumariya	Kenduwa	12
8		Golmuri	Ghaghidih East	1
9	Giridih	Dumari	Chainpur	6
10		Jamuwa	Kurhobindo	18
11			Pandeydih	32
12		Tisri	Chandouri	52
13			Palmaruwa	11
14			Tisari	30
15	Hazaribagh	Barkattha	Gangpacho	1
16		Chauparan	Jagdishpur	1
17		Katkamdag	Katkamdag	3
18		Sadar Hazaribagh	Chutiyaro	1
19	Ranchi	Namkum	Rampur	3
20			Kutiyatu	2
21		Burmua	Sarley	4
22			Makka	2
23		Ratu	Tigra	7
24			Ratu Purvi	2
25			Chatakpur	6
26	Sahibganj	Barharwa	Harihara	68
27			Patna	26
28			Srikund	65
29		Rajmahal	Kaswa	61
30			W. Narayanpur	44
31			Saidpur	54
32		Udhwa	Radhanagar	46
33			S. Sarfarjganj	6
34			Udhwa Diyara East	33
Total				616

(Source: Records of the test-checked GPs)

Appendix-2.1.12

(Refer: Paragraph 2.1.13.2 (iii); Page 35)

Royalty deducted from the bills of the *Labhuk Samitis* but not credited into the Government Account

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	No of Schemes	Royalty deducted but not deposited
1	Bokaro	Chas	Hesabatu	23	1,00,767
2			Ulgora	8	30,777
3			Pupunki	21	1,12,922
4		Chandankiyari	Bhojudih West	42	3,45,880
5			Deogram	32	1,89,194
6			Lalpur	33	1,57,825
7		Nawadih	Goniyato	20	1,99,646
8			MungoRangamati	4	12,063
9			Penk	5	36,473
10	East Singhbhum	Golmuri	East Ghaghidih	40	1,55,052
11			North Ghorabandha	58	3,34,705
12		Potka	Hathibinda	19	1,52,836
13			Kalikapur	7	68,123
14			Tentlapora	3	24,855
15		Dumaria	Dholebera	7	71,903
16			Palashboni	7	70,772
17			Kenduwa	12	82,123
18	Giridih		Dumri	Chainpur	26
19	Jamua	Chilga	77	3,33,798	
20		Khurhobindo	58	1,50,252	
21		Pandeydih	44	1,71,435	
22		Tisri	Chandouri	64	2,43,306
23			Palmaruwa	45	1,72,959
24	Tisri		84	3,20,006	
25	Hazaribagh	Barkattha	Chechkapi	38	3,82,728
26			Gangpancho	7	40,709
27			Tuiyo	40	5,90,449
28		Chauparan	Belahi	42	2,87,599
29			Jagdishpur	37	3,97,253
30		Katkamdag	Sultana	11	99,215
31			Katkamdag	32	1,47,881
32			Bes	33	2,14,557
33		Sadar	Chutiyaro	30	2,12,440
34			Oriya	21	1,43,030
35	Ranchi	Burmua	Sarle	11	66,263
36			Makka	3	19,687
37			Hesalpiri	9	53,637
38		Kanke	Mesra East	5	60,980
39			Kanke west	11	73,105
40			Dumardagga	9	57,915
41		Namkum	Kutiyatu	4	25,243
42			Rampur	25	1,33,354
43			Bargawan	16	1,03,657
44		Ratu	Tigra	32	1,52,646
45			Ratu East	14	82,261
46		Tamar	Parasi	3	929
47			Ullidih	11	31,433
48	Lungtu		8	25,833	
49	Sahibganj	Barharwa	Harihara	26	1,75,681

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	No of Schemes	Royalty deducted but not deposited
50			Patna	41	74,374
51			Srikund	23	1,27,006
52		Rajmahal	Kaswa	19	58,853
53			Narayanpur West	32	3,47,198
54			Saidpur	13	41,277
55		Udhwa	Radhanagar	70	3,50,365
56			Sarfarajganj South	89	4,68,887
57			Udhwadiyara East	43	4,24,606
Total				1,547	91,59,381

(Source: Records of the test-checked GPs)

Appendix-2.1.13

(Refer: Paragraph 2.1.13.2 (iv); Page 36)

The name of schemes executed after split of work

(Amount in ₹)

District	PS	GP	Scheme No	Name of the scheme	Estimated cost	Total estimate of works
Bokaro	Chandankyari	Bhojudih west	3/2019-20	Construction of Footpath from the house of Guhiram Rajak to the house of Pran Karmakar in Gaurigram, Part-I	3,47,400	6,94,800
			4/2019-20	Construction of Footpath from the house of Guhiram Rajak to the house of Pran Karmakar in Gaurigram, Part-II	3,47,400	
			5/2019-20	Construction of Footpath from the house of Anand Rajwaar to Shiv Mandir Chitlahi in Gudali Bhatta, Part-I	3,06,700	6,13,400
			6/2019-20	Construction of Footpath from the house of Anand Rajwaar to Shiv Mandir Chitlahi in Gudali Bhatta, Part-II	3,06,700	
Giridih	Tisri	Chandauri	7/2016-17	Construction of drain besides of road from Chandauri Ambedkar Chowk to Bridge	1,96,700	5,83,800
			11/2016-17	Construction of drain besides of road from Chandauri Ambedkar Chowk to Bridge Part-II	1,96,700	
			13/2016-17	Construction of remaining work of drain besides of road from Chandauri Ambedkar Chowk to Bridge	1,90,400	
Sahibganj	Rajmahal	West Narayanpur	1/2016-17	Repair of Panchayat Bhawan Part-I	2,98,200	5,52,100
			2/2016-17	Repair of Panchayat Bhawan Part-II	2,53,900	
Hazaribagh	Sadar	Bhelwara	2/2016-17	Construction of boundary wall at Panchayat Bhawan Part-I	2,99,900	7,87,300
			3/2016-17	Construction of boundary wall at Panchayat Bhawan, Part-II	2,99,900	
			7/2017-18	Construction of boundary wall at Panchayat Bhawan, Part-III	1,87,500	
Ranchi	Kaanke	Kaanke West	5/2019-20	Laying of Paver Blocks in Community Health Centre, Part-I	5,00,000	33,57,000
			10/2019-20	Laying of Paver Blocks in Community Health Centre, Part-II	5,00,000	
			11/2019-20	Laying of Paver Blocks in Community Health Centre, Part-2	5,00,000	
			12/2019-20	Laying of Paver Blocks in Community Health Centre, Part-III	5,00,000	
			9/2019-20	Laying of Paver Blocks in Community Health Centre, Part-IV	5,00,000	
			7/2019-20	Laying of Paver Blocks in Community Health Centre, Part-V	4,99,000	
			14/2019-20	Laying of Paver Blocks in Community Health Centre, Part-VI	3,58,000	
Total						65,88,400

(Source: Scheme Register of the test-checked GPs)

Appendix-2.1.14

(Refer: Paragraph 2.1.13.2 (v); Page 36)

Execution of schemes other than schemes intended for provision of basic services

					(₹ in lakh)		
Sl. No.	District	Panchayat Samiti	Gram Panchayat	Purpose of expenditure	Amount		
1	Bokaro	Chas	Pupunki	Installation of Open Gym at Utkramit Middle School Pupunki	1.50		
2				Installation of Open Gym at Middle School Pupunki	1.50		
3				Purchase of Sports materials	2.07		
4				Construction of boundary wall at Zahira Sthan	2.71		
5		Nawadih	Goniyato	Construction of Paver Block Road in premises of Mela Tand temple	1.25		
6	East Singhbhum	Potka	Kalikapur	Construction of Temple Gate	2.07		
7	Giridih	Dumri	Kulgo (South)	Renovation of Udhwa Irrigation in Kulgo South	1.42		
8				Repair of well of Rupchand Ravidas	0.38		
9				Repair of well of Ravidas	0.38		
10				Thakur Chack	Water supply from the well of Sitaram Ravidas	2.94	
11			Repair of well of Guli Karmkar		0.35		
12			Repair of Irrigation well of Jitan Mahto		0.37		
13			Repair of well of Shankar Ravidas		0.35		
14			Repair of well of Praveen Ravidas		0.35		
15			Repair of well of Duglal Yadav		0.34		
16			Repair of well of Birju Das and construction of <i>Snan Ghat</i>		0.34		
17			Repair of well of Lalmani Ravidas and construction of <i>Snan Ghat</i>		0.36		
18			Repair of well of Jagu Mahto		0.37		
19			Repair of well of Keshu Ravidas		0.38		
20			Repair of well and construction of Platform in the land of Teklal Mahto		0.33		
21			Jamua		Chilga	Repair of irrigation coop of Hari Mahto	0.23
22						Repair of well of Raj Kishor Yadav	0.28
23						Repair of well in the land of Pankaj Bandhwe	0.28
24						Repair of well of TapeswarTuri	0.28
25						Repair of well of Bhushan Mahto	0.28
26				Repair of well of Prakash Das		0.83	
27		Repair of well of Ashok Paswan		0.28			
28		Repair of well of Prakash Vishwakarma		0.23			
29		Repair of well of Digambar Yadav		0.28			
30		Repair of well of Puna Ravidas		0.24			
31		Repair of well of Jago Ram		0.35			
32		Repair of well of Hamid Ansari		0.28			
33		Repair of well of Kamal Mahto		0.28			
34		Repair of well of Ramlal Mahto		0.28			
35		Repair of well of Ahmad Ansari		0.28			
36		Repair of well of Laldhari Mahto		0.28			
37		Repair of well of Nasiruddin Ansari		0.37			
38		Repair of well of Shahadat Ansari		0.31			
39		Repair of well of Mahendra Yadav in Sonardih		0.69			
40		Tisri		Chandouri		Repair of Old <i>Dadi</i> in the land of Ram Kishun Das	0.20
41	Repair of <i>Dadi</i> behind the house of Gulam Miyan in KondraTilha, Chandouri					0.32	

(₹ in lakh)							
Sl. No.	District	Panchayat Samiti	Gram Panchayat	Purpose of expenditure	Amount		
42				Repair of well in the land of Narayan Saw in Modi Vidya	0.60		
43	Hazaribagh	Chauparan	Tajpur	Boundary wall of CO residence	2.35		
44	Sahebganj	Barharwa	Patna	Construction of well in the land of Brahm Dev Rajak	1.17		
45				Construction of well in the land of Kishun Baski	1.23		
46				Construction of well in the land of Shankar Sah	0.87		
47				Construction of well in the land of Bablu Baski	1.49		
48				Construction of well in the land of Pradeep Tudu	1.71		
49				Construction of well in the land of Sulekha	1.49		
50				Construction of well in the land of Doman	1.04		
51				Construction of well in the land of Gaur Chand Rajak	0.95		
52				Construction of well in the land of Rahul Kumar Rajak	1.49		
53				Construction of well in the land of Naru Pawariya	1.40		
54				Construction of well in the land of Dhonu Tudu	1.84		
55				Construction of well in the land of Hemlal Rajwar	1.31		
56				Construction of well in the land of Horen Chandra Mahto	1.28		
57				Construction of well in the land of Viren Rajwar	0.59		
58				Installation of boring for water supply in the land of Bimal Rajak	1.99		
59				Rajmahal	Kaswa	Construction of well for water supply in the land of Sangram Maiya in Sangrampur	0.94
60						Construction of well in the land of Anti Masomat in English	0.98
61						Construction of well in the land of Vishnu Mandal in English	0.61
62						Construction of well in the land of Jaldhar Yadav in Makhani	0.95
63						Installation of mini solar water supply in the land of Manoj Pramanik in Rai Bazar	2.49
64	Installation of mini solar water supply in the land of Haribol Mahaldar in Saiyad bazar	2.49					
65	Saidpur	Repair of ladder and guard wall and beautification of Pir Mazar	2.45				
66		Construction of Irrigation drain from Mahadev Mandal field to Manilal field	2.50				
67		Construction of Irrigation drain from Nimai Mandal field to Bhagwan field	2.49				
68		Construction of Irrigation drain from Sahdev Mandal field to Khodla Daap	2.50				
69		Construction of well in the land of Bablu Mandal	0.89				
70		Construction of well in the land of Hira Mandal	1.23				
71		Construction of well in the land of Sagar Mandal	0.97				
72	Udhwa	Radha Nagar	Construction of Footpath in the Campus of Bank of India			1.97	
Total					72.87		

(Source: Records of the test-checked GPs)

Appendix-2.1.15

(Refer: Paragraph 2.1.13.2 (vi); page 37)

Amounts paid to Labhuk Samitis without authentication of the thumb impressions of labourers in Muster Rolls

(Amount in ₹)

Sl. No.	District	PS	GPs	No. of Schemes	No. of labourers engaged	Total amount paid to labour	
1	East Singhbhum	Golmuri	Madhya Gadhra	1	42	71,786	
2			North Ghorabandha	9	229	4,10,109	
3		Potka	Hathibinda	4	109	2,60,487	
4			Kalikapur	8	287	4,33,589	
5		Dumaria	Palashboni	4	71	97,760	
6			Kenduwa	8	180	2,39,615	
7	Giridih	Dumari	Chainpur	4	58	1,41,167	
8			Kulgo South	1	6	2,690	
9		Jamuwa	Chilga	6	65	81,844	
10			Kurhobindo	3	83	1,10,362	
11			Pandeydih	2	18	24,922	
12		Tisri	Chandouri	3	52	60,821	
13			Palmaruwa	2	62	88,705	
14			Tisri	4	80	1,45,125	
15		Hazaribagh	Barkattha	Tuiyo	3	57	78,593
16			Chauparan	Belahi	5	139	1,96,480
17	Jagdishpur			3	28	39,387	
18	Katkamdag			Katkamdag	2	31	58,400
19	Sadar		Bes	2	34	52,920	
20			Chutiyaro	4	54	1,00,790	
21			Oriya	11	236	3,73,985	
22			Bhelwara	5	167	2,07,481	
23	Ranchi	Burmu	Sarle	1	21	30,352	
24			Makka	2	15	19,908	
25			Hesalpiri	3	48	62,417	
26		Kanke	Kanke west	9	133	1,87,935	
27		Namkum	Bargawan	4	17	29,535	
28		Ratu	Chatakpur	5	95	1,17,627	
29		Tamar	Lungtu	2	10	10,415	
30			Ullidih	2	22	27,406	
31		Sahebganj	Barharwa	Harihara	7	204	2,72,535
32				Patna	7	149	2,08,771
33	Srikund			1	10	13,297	
34	Rajmahal		W. Narayanpur	2	44	63,864	
35			Kaswa	5	114	1,58,690	
36	Udhwa		East Udhwa Diyara	4	98	1,48,752	
37			South Sarfarjganj	5	151	2,11,016	
38			Radha Nagar	2	51	76,084	
Total				155	3,270	49,15,622	

(Source: Records of the test-checked GPs)

Appendix-2.1.16

(Refer: Paragraph 2.1.13.2 (vi); page 37)

a) Purchase of construction material without Cash Memos

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	No. of the Scheme	Name of Scheme	Estimated Cost	Material purchased	Amount Paid
1	Giridih	Jamua	Chilga	6/2016-17	Construction of platform near <i>Mandap</i> in Ledwadih	73,200	Sand, Stone Chips, Metal and Bricks	27,408
2				12/2016-17	Construction of PCC road from the house of Tikaet Das to Shop of Basant in Gamhariya	1,96,500	Sand, Stone Chips, Metal and Bricks	89,600
3		Tisri	Chandouri	1/2016-17	Construction of guard wall near Mosque in Barkitand tola	80,900	Boulder, Sand and Metal	22,031
4				1/2018-19	<i>Rang-rogan</i> of Panchayat <i>Sachivalay</i> Chandouri	1,45,900	Soil and bricks	62,015
5				1/2020-21	Construction of footpath from REO road to the house of Kishun Das via house of Manoj Ram	2,47,200	Sand, Bricks and Chips	30,200
6	Sahebganj	Barharwa	Harihara	8/2017-18	Construction of PCC road from main road to Alam Master house in Harihara	1,99,900	Signboard	2,000
7				7/2017-18	Installation of hand pump near Basant house in Jot Jagat	55000	Hand Pump, Drilling, Machinery and Filling Charge	24,250
8		Rajmahal	Kaswa	12/2016-17	Construction of PCC road from Alauddin Miyan house to Kamal Miyan house in Makhani	1,98,000	Stone Dust, Sand, Bricks and Chips	89,186
9				14/2016-17	Construction of PCC road from Asgar Miyan house to Jaynul Miyan house and Nasir Miyan house to football ground in Makhani	2,22,000	Stone Dust, Sand, and Chips	59,421
10				15/2016-17	Construction of PCC road from REO road to Teklal Yadav house in Makhani	2,05,800	Stone Dust, Sand, and Chips	47,906
11				18/2016-17	Construction of PCC road with drain from REO road (Keluwa Shop) to Anil Mandal house in Gadhtalab	1,85,600	Sand, Stone Chips, boulder, Stone dust and Bricks	73,034
12				1/2017-18	Construction of PCC road from Lakhi Mandal house to Nitai Mandal house in Sikkatoli	2,46,300	Sand, Stone Chips, Stone dust and Bricks, Carriage on bricks and cement	1,29,295
Total								6,56,346

b) Purchase of construction material without GST numbers being shown in the bills

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	No. of the Scheme	Name of the Scheme	Estimated Cost	Date of Completion of scheme	Name of the Material	Amount paid for purchase of material		
1	Giridih	Jamua	Pandeydih	3/2018-19	Construction of hand wash unit in <i>Utkramit</i> Middle School, Barwadih	70,100	16/6/2019	Submersible, wire, Pipe, Tap and tank	35,250		
2		Tisri	Chandouri	1/2016-17	Construction of guard wall near Mosque in Barkitand tola	80,900	30/9/2016	Cement	30,295		
3	Sahebganj	Barharwa	Harihara	33/2016-17	Construction of PCC road from the house of Israel to Mosque in Srikant Para	1,85,500	31/3/2017		58,500		
4				41/2016-17	Construction of PCC road from Ohidhar house to Badh tree Part-I in Harihara	1,99,000	13/4/2017		60,450		
5				18/2016-17	Construction of PCC road from Shushil house to Khasaru house in Maheshbadi	80,000	18/5/2016		22,770		
6				42/2016-17	Construction of PCC road from Ohidhar house to Badh tree Part-II in Harihara	1,99,000	13/4/2017		60,450		
7				Udhwa	Radha Nagar	4/2016-17	Construction of PCC road from Jagarnath Mandal House to Suklal House	1,28,000	26/6/2016		42,055
8						3/2016-17	Construction of PCC road from Gorang Mandal House to Sanjay Mandal House	1,28,000	20/6/2016		42,055
9		1/2016-17	Construction of PCC road from Jay Shaha House to Lakhan Shah House and Arjun house to Panchu Mandal House			1,28,000			42,055		
Total									3,93,880		

c) Purchase of material without any dates having been mentioned on the related invoices

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	No. of the Scheme	Name of the Scheme	Estimated Cost	Date of Completion of scheme	Name of the Material	Amount paid for purchase of material
1	Giridih	Dumri	Kulgo South	08/2017-18	Repair of <i>Koop</i> of Bhanu Ravidas	38,500		Sand, Bricks, Cement and stone chips with carriage and sign board	20,369
2				6/2017-18	Renovation of Udhwa Irrigation <i>Koop</i> in Kulgo South	1,76,600	26/12/2017	Crompton Grip Moter 20 HP, Star delta switch, pipe, wire 60 mtr and installation	1,00,800
3		Jamua	Chilga	15/2017-18	Construction of PCC road from house of Shiv Lal Mahto to house of Sudam Miyan in Sonardih	1,98,000	13/6/2018	Cement, bricks, sand, chips and Signboard	69,137
4				8/2018-19	Construction of PCC road from Mandap to the house of Bhushan Mahto in Saint Raydih	1,96,200	26/2/2019	Bricks, Sand, Chips, Saignboard and carriage	70,442
5				15/2019-20	Construction of PCC road from the house of Kishor Yadav to mango tree in Santaradih	2,19,100	20/3/2020	Cement, Bricks, board, sand and chips with carriage	1,24,766
6				9/2019-20	Construction of PCC road from the house of Sagir Ansari to the house of Rafique Ansari in Mahdadih	2,40,800	20/3/2020	Cement, bricks, board, sand and chips with carriage	1,58,652
7				Pandeydih	3/2018-19	Construction of hand wash unit in Utkramit Middle School, Barwadih	70,100	16/6/2019	Bricks, submersible+ wire, pipe tap, tank, sand, chips, cement and metal with carriage
8	Sahebganj	Barharwa	Patna	6/2019-20	Construction of PCC platform in campus of Panchayat Bhawan	2,03,200		Sand, chips, boulder, stone chips and signboard	51,358
9		Rajmahal	Kaswa	14/2016-17	Construction of PCC road from Asgar Miyan house to Jaynul Miyan house and Nasir Miyan house to football ground in Makhani	2,22,000	2/12/2016	Signboard	3,000
10				15/2016-17	Construction of PCC road from REO road to Teklal Yadav house	2,05,800		Signboard	3,000

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	No. of the Scheme	Name of the Scheme	Estimated Cost	Date of Completion of scheme	Name of the Material	Amount paid for purchase of material
11				4/2017-18	Construction of PCC road from Satyanarayan Mandal house to Sorda Beta house in Gadhatlab	2,49,700	17/3/2018	Cement, sand, stone chips and bricks	1,47,469
12				1/2017-18	Construction of PCC road from Lakhi Mandal house to Nitai Mandal house in Sikkatoli	2,46,300	2/9/2017	Signboard, sand, carriage, boulder, chips and signboard with carriage	3,000
13		Udhwa	Radhanagar	3/2016-17	Construction of PCC road from Gorang Mandal House to Sanjay Mandal House	1,28,000			46,254
Total									8,48,879

d) Material purchased before selection of *Labhuk Samiti*

(Amount in ₹)

Sl. No.	District	PS	GP	No. of the Scheme	Name of the Scheme	Estimated Cost	Date of selection of <i>Labhuk Samiti</i>	Date of purchase of Material	Particulars	Amount paid to <i>Labhuk Samiti</i>
1	Sahibganj	Rajmahal	Kaswa	12/2016-17	Construction of PCC road from the house of Kamaluddin to the house of Allauddin in Makhani Gram	1,98,000	5/11/2016	1/11/2016	Cement	66,299

(Source: Records of the test-checked GPs)

Appendix-2.1.17

(Refer: Paragraph 2.1.13.3(i); Page 38)

Labour cess not deducted from the bills of *Labhuk Samitis* for execution of schemes

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	No. of Schemes	Estimated cost	Expenditure	Labour Cess not deducted	
1	Bokaro	Chandankiyari	Bhjudih west	67	1,42,19,191	1,37,31,042	1,37,310	
2			Deogram	32	63,35,900	62,88,320	62,883	
3			Lalpur	68	1,02,31,288	87,92,520	87,925	
4		Nawadih	Mungo Rangamati	47	73,51,795	75,86,381	75,863	
5			Penk	96	1,53,45,424	1,33,90,155	133,902	
6	East Singhbhum	Golmuri	East Ghaghidih	10	17,31,391	16,14,466	16,140	
7			Madhya Gadhra	4	5,23,900	5,22,513	5,437	
8			North Ghorabandha	7	13,34,300	13,15,850	13,155	
9		Potka	Hathibinda	3	6,00,200	5,88,968	5,889	
10			Kalikapur	9	19,98,939	19,79,884	19,797	
11			Tentlapora	3	6,35,600	6,18,516	4,565	
12		Dumaria	Dholebera	6	12,23,102	12,18,847	12,229	
13			Palashboni	7	13,57,700	12,63,725	13,549	
14			Kenduwa	15	34,25,300	34,16,029	34,157	
15			Giridih	Dumari	Chainpur	24	40,93,711	36,85,116
16		Kulgo South			23	56,81,737	56,47,118	56,472
17		Thakur Chack			75	1,08,17,092	1,02,86,118	102,860
18		Jamua		Chilga	81	1,02,41,677	98,77,283	98,773
19				Kurhobindo	31	22,18,444	15,93,829	15,937
20	Pandeydih			44	51,76,754	51,00,255	51,003	
21	Tisri	Chandouri		64	85,61,422	84,24,879	84,246	
22		Palmaruwa		3	4,41,812	4,41,812	4,418	
23		Tisri		28	29,00,106	23,87,001	23,869	
24	Hazaribagh	Barkattha		Chechkapi	3	10,81,500	8,40,000	8,400
25			Gangpancho	3	10,81,500	8,76,300	8,622	
26			Tuiyo	1	2,49,950	2,49,500	2,495	
27		Chauparan	Tajpur	3	4,88,300	3,75,382	4,784	
28		Katkamdag	Sultana	4	16,90,600	15,76,400	15,764	
29			Katkamdag	10	20,89,771	18,24,888	18,247	
30			Bes	10	23,51,400	23,11,352	22,908	
31		Sadar	Oriya	16	41,03,100	40,59,482	40,594	
32		Ranchi	Burmua	Sarle	9	27,84,955	23,49,580	23,496
33	Makka			7	22,01,014	19,16,210	19,161	
34	Hesalpiri			14	36,53,546	32,23,469	32,234	
35	Kanke		Mesra East	4	10,51,700	9,61,431	9,615	
36			Kanke west	12	41,89,400	40,63,556	40,632	
37			Dumardagga	7	22,39,610	20,89,732	20,574	
38	Namkum		Kutiyatu	2	5,08,325	5,08,237	5,082	
39			Rampur	10	25,10,140	23,54,387	23,544	
40			Bargawan	13	33,16,710	31,92,187	31,916	
41	Ratu		Tigra	9	21,68,650	21,47,074	20,943	

(Amount in ₹)

Sl. No.	District	Panchayat Samiti	Gram Panchayat	No. of Schemes	Estimated cost	Expenditure	Labour Cess not deducted
42	Sahibganj	Tamar	Chatakpur	15	41,50,473	37,58,512	37,580
43			Lungtu	15	41,85,763	36,76,637	36,759
44			Parasi	8	19,97,655	16,58,200	16,453
45			Ullidih	6	20,15,986	18,50,929	17,420
46		Barharwa	Harihara	43	21,44,257	21,11,529	21,120
47			Patna	22	23,67,288	20,08,848	20,089
48			Srikund	40	53,17,885	42,54,547	42,545
49		Rajmahal	Kaswa	61	1,09,60,273	1,00,58,649	1,00,586
50			Narayanpur West	33	49,69,374	46,37,428	46,374
51			Saidpur	56	96,68,626	81,49,036	81,506
52		Udhwa	Radhanagar	33	55,17,053	53,55,369	53,564
53			Sarfaraiganj South	12	18,93,173	17,89,691	17,896
54			Udhwa Diyara East	2	40,982	20,000	200
Total				1,230	20,94,35,744	19,40,19,169	19,38,331

(Source: Records of the test-checked GPs)

Appendix-2.1.18

(Refer: Paragraph 2.1.13.3(ii); Page 38)

Amount of labour cess deducted from the bills of Labhuk Samitis, for execution of schemes, but not deposited in the Welfare Board

(Amount in ₹)

Sl. No.	District	PS	GP	No of Schemes	Estimate	Expenditure	Labour Cess deducted
1	Bokaro	Chas	Hesabatu	4	14,55,400	14,52,851	12,792
2			Pupunki	7	21,79,300	21,71,564	19,093
3			Ulgora	4	13,10,450	13,06,132	12,404
4		Nawadih	Goniyato	20	44,29,500	43,90,743	43,619
5			Mungorangamati	4	3,49,000	3,35,798	3,358
6	East Singhbhum	Potka	Hathibinda	3	4,41,127	4,31,904	8,457
7			Kalikapur	1	1,36,000	1,35,500	1,178
8	Giridih	Tisri	Palmaruwa	3	10,80,682	9,02,092	8,959
9	Hazariabagh	Barkattha	Chechkapi	4	10,83,350	10,81,029	10,763
10			Gangpancho	7	13,38,500	12,74,779	13,283
11			Tuiyo	40	92,47,659	88,80,371	3,31,293
12		Chouparan	Tajpur	13	28,43,200	28,23,698	27,373
13			Belahi	43	80,30,100	78,43,959	76,378
14			Jagdishpur	10	28,38,900	24,61,025	23,965
15		Katkamdag	Katkamdag	10	20,79,300	20,57,048	20,542
16		Sadar	Oriya	28	71,67,900	64,93,007	60,452
17			Chutiyaro	12	32,52,782	29,24,964	28,876
18			Bhelwara	7	24,23,500	23,97,460	23,680
19	Ranchi	Ratu	Tigra	1	2,48,900	2,48,361	2,459
20			Ratu East	3	7,47,100	7,34,700	6,966
21			Chatakpur	5	19,23,455	15,74,450	11,650
22	Sahibganj	Barharwa	Harihara	68	96,74,300	94,26,435	88,899
23			Patna	61	94,08,546	87,07,695	87,554
24			Srikund	11	23,12,475	22,48,288	22,550
25		Rajmahal	Kaswa	6	10,54,200	9,90,900	10,214
26			Saidpur	15	21,43,311	19,06,327	19,535
27		Udhwa	Radha Nagar	51	84,74,814	82,87,697	74,940
28			Udhwa Diyara East	17	40,68,064	39,91,664	47,067
Total				458	9,17,41,815	8,74,80,441	10,98,299

(Source: Records of the test-checked GPs)

Appendix-2.1.19

(Refer: Paragraph 2.1.13.3(iii); page 38)

Less amount of labour cess deducted from the bills of Labhuk Samitis

(Amount in ₹)

Sl. No.	District	PS	GP	No. of Schemes	Estimate	Expenditure	Labour cess to be deducted	Labour cess deducted	Less deduction of Labour cess
1	Bokaro	Chas	Hesabatu	4	14,55,400	14,52,851	14,529	12,792	1,737
2			Pupunki	7	21,79,300	21,71,564	21,716	19,093	2,623
3			Ulgora	4	13,10,450	13,06,132	13,061	12,404	657
4		Nawadih	Gonyato	7	19,72,400	19,51,350	19,514	19,226	288
5	East Singhbhum	Potka	Hathibinda	1	4,41,127	4,31,904	4,319	3,882	437
6			Kalikapur	1	1,36,000	1,35,500	1,355	1,178	177
7	Giridih	Tisri	Palmaruwa	3	10,80,682	9,02,092	9,021	8,959	62
8	Hazaribagh	Barkattha	Chechkapi	3	8,33,450	8,31,129	8,311	8,187	124
9			Gangpancho	4	7,45,000	7,41,473	7,415	7,302	113
10			Tuiyo	32	74,76,259	73,97,764	73,978	67,537	6,441
11		Chouparan	Tajpur	13	28,43,200	28,23,698	28,237	27,373	864
12			Belahi	41	75,80,200	73,94,059	73,941	71,873	2,068
13			Jagdishpur	10	28,38,900	24,61,025	24,610	23,965	645
14		Katkamdag	Katkamdag	4	8,97,100	8,95,889	8,959	8,881	78
15		Sadar	Oriya	23	64,32,100	57,78,296	57,783	53,163	4,620
16			Chutiyaro	11	30,02,882	26,75,064	26,751	26,364	387
17			Bhelwara	7	24,23,500	23,97,460	23,975	23,680	295
18	Ranchi	Ratu	Chatakpur	5	19,23,455	15,74,450	15,745	11,650	4,095
19			Ratu East	3	7,47,100	7,34,700	7,347	6,966	381
20			Tigra	1	2,84,900	2,48,361	2,484	2,469	25
21	Sahibganj	Barharwa	Harihara	46	77,85,720	75,60,294	75,603	70,136	5,467
22			Patna	45	86,41,796	79,90,031	79,900	77,204	2,696
23			Srikund	9	20,64,900	20,38,288	20,383	20,095	288
24		Rajmahal	Saidpur	15	21,43,311	20,23,327	20,233	19,535	698
25		Udhwa	Radhanagar	50	83,46,814	81,62,722	81,627	73,690	7,937
Total				349	7,55,85,946	7,20,79,423	7,20,797	6,77,604	43,203

(Source: Records of the test-checked GPs)

Appendix-2.1.20

(Refer: Paragraph 2.1.13.4; page 38)

Statutory deductions utilised for execution of schemes

Sl. No	District	Gram Panchayat	2016-17			2017-18			2018-19			2019-20			2020-21		
			Royalty	Labour cess	Sales tax	Royalty	Labour cess	Sales tax	Royalty	Labour cess	Sales tax	Royalty	Labour cess	Sales tax	Royalty	Labour cess	Sales tax
1	East Singhbhum	Hathibinda	77,703	2129	0	24,199	2,446	0	0	0	0	50,934	3,882	0	0	0	0
2		Palasbani	16,530	0	0	54,242	0	0	0	0	0	0	0	0	0	0	0
3		Kalikapur	21,818	0	0	8,206	0	0	22,461	0	0	15,638	1,178	0	0	0	0
4	Giridih	Chilga	83,682		24,905	80,368			48,575			1,21,173					
5		Pandeydih	31,738	3,262		42,877	1,163		35,609			61,211					
6		Palmarua	34,384	0	10,907	65,973	0	23,393	0	0	0	72,602	8,959	2,603	0	0	0
7		Tisri	1,42,345	0	39,463	1,05,248	0	25,859	35,581		12,301	36,832	0	12,216	0	0	0
8	Hazaribagh	Belahi	10,326	3,393	0	1,14,550	28,560	0	74,336	19,054	0	88,387	25,371	0	0	0	0
9		Jagdishpur	0	0	0	1,29,636	2,462	0	81,542	8,675	0	1,86,075	12,828	0	0	0	0
10		Tuiyo	18,237	5,024	0	3,26,516	20,308	0	75,165	18,457	0	1,70,531	41,291	0	0	0	0
11	Ranchi	Dumardaga	20,552	0	0	0	0	0	24,409	0	0	12,954	0	0	0	0	0
12		Tigra	53,627	2,459	0	8,500	0	0	64,274	0	0	26,245	0	0	0	0	0
13		Chatakpur	0	0	0	0	0	0	0	0	0	11,650	0	0	0	0	0
14		Lungtu	0	0	0	0	0	0	0	0	0	0	0	0	25,833	0	0
15		Parasi	0	0	0	929	0	0	0	0	0	0	0	0	0	0	0
16		Sarle	66,263	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17		Hesalpiri	40,768	0	0	0	0	0	12,869	0	0	0	0	0	0	0	0
18		Mesra East	0	0	0	36,926	0	0	11,860	0	0	12,194	0	0	0	0	0
19	Sahibganj	Harihara	0	13,537	16,708	0	19,455	0	1,19,373	23,171	12,461	56,308	32,736	0	0	0	0
20		Patna	0	4,100	0	7,299	32,534	0	43,295	20,068	0	31,079	30,852	0	0	0	0
21		Saidpur	39,179	777	0	2,098	5,521	0	0	7,054	0	6,483	0	0	0	0	0
22		Radhanagar	72,102	7,308	0	88,167	0	0	64,803	15,751	0	1,25,293	51,881	0	0	0	0
23		Sarfarajganj South	73,966	0	0	49,556	0	0	1,21,583	0	15,312	1,92,771	0	44,996	31,011	0	2,463
Total			8,03,220	41,989	91,983	11,45,290	1,12,449	49,252	8,35,735	1,12,230	40,074	12,60,227	2,27,111	59,815	56,844	0	2,463

(Source: Records of the test-checked GPs)

Appendix-2.1.21

(Refer: Paragraph 2.1.14; Page 39)

Installation of excess LED lights in GPs

Sl. No.	District	PS/Block	GP	No. of LED Lights installed by EESL	Excess number of lights installed
1	Bokaro	Chandrapura	Tarnari	220	20
2			Narra	250	50
3			Turiyao	220	20
4			Ghatiyari	300	100
5			DughdaUttari	265	65
6			Dughda Paschim	210	10
7			Bandiyo	250	50
8			Kasmaar	Ponda	300
9		Kasmar		270	70
10		Garri		300	100
11		Manjura		266	66
12		Madhukarpur		300	100
13		Singhpur		280	80
14		Hisim		216	16
15		Taangtona		300	100
16		Jaridih	Khuntri	350	150
17			Jaina	350	150
18			Gaichhanda	255	55
19			Baaru	300	100
20			Gangjori	240	40
21			Chilgada	250	50
22			Aaraju	264	64
23			Bhaski	400	200
24		Baradih	300	100	
25		Chas	Sonabad	250	50
26			Chainpur	230	30
27			Bijuliya	300	100
28			Chandaha	250	50
29			Babudih	300	100
30			Karra	220	20
31			Kolbendi	300	100
32			Turidih	244	44
33		Barapokhar	295	95	
34		Chandankiyari	Nayawan	250	50
35			Shivbabudih	215	15
36			Polikiri	250	50
37			Maghra	250	50
38			Laghla	250	50
39			Bogula	325	125
40			Badajor	225	25
41			Chandra	213	13
42			Sabda	250	50
43			Lalpur	275	75
44			Kumirdoba	225	25
45			Kalikapur	220	20
46			Amlabad	250	50
47			Devgraam	210	10
48			Simuliya	250	50
49			Gamhariya	260	60
Total			12,963	3163	

Sl. No.	District	PS/Block	GP	No. of LED Lights installed by EESL	Excess number of lights installed	
1	East Singhbhum	Boram	Rashiknagar	270	70	
2			Boram	215	15	
3		Bahragoda	Bahuliya	405	205	
4		Ghatsila	Baghudiya	283	83	
5			Bankati	226	26	
6			Bhaduwa	227	27	
7		Gudabanda	Aasna	207	7	
8			Forest Block	216	16	
9			Gudabanda	300	100	
10			Murakati	300	100	
11		Golmuri cum Jugsalai	Balijudi	250	50	
12			Ghodabandha West	212	12	
13		Potka	Chakdi	310	110	
14			Tangraeen	244	44	
Total				3,665	865	
1	Giridih	Jamua	Tara	214	14	
2			Ptatappur	233	33	
Total				447	47	
1	Hazaribagh	Ichak	Champaran Nagar	384	184	
2			Dumra Nagar	333	133	
3			Gobarbanda	245	45	
4			Karimati	277	77	
5			Kurha	270	70	
6			Old Ichak	361	161	
7			Barkakala	227	27	
8			Dariya	450	250	
9			Devkuli	243	43	
10			Mangura	296	96	
11			Kariyatpur	280	80	
12			Parasi	350	150	
13			Keredari	Hewai	300	100
14				Beltu	250	50
15		Bariyatu		222	22	
16		Garikala		208	8	
17		Salga		270	70	
18		Wengweri	217	17		
19		Katkamsandi	Lupung	210	10	
20			Khutra	250	50	
21			Gadokhar	257	57	
22			Pelawal South	350	150	
23		Barhi	BasariyapurPanch madhaw	250	50	
24			Dulmaha	340	140	
25			Kariyatpur	364	164	
26		Katkamdag	Katkamdag	350	150	
27			Salgaunwa	280	80	
28		Sadar	Sindur	250	50	
29			Nagwa	251	51	
30		Chauparan	Bachchhee	265	65	
31		Padma	Padma	250	50	

Sl. No.	District	PS/Block	GP	No. of LED Lights installed by EESL	Excess number of lights installed
32			Romi	290	90
33			Bihari	260	60
Total				9,400	2,800
1	Ranchi	Mandar	Jhijhri	230	30
2		Ratu	Ratu North	202	2
3			Pandra	250	50
4		Kanke	Arsande	215	15
5			Ulatu	222	22
6			Nevari	323	123
7			Dumardaga	350	150
8			Chandawe	206	6
9		Angada	Getalsud	203	3
10			Bongeebeda	220	20
11			Chatra	250	50
12			Salhan	250	50
13			Barwadag	280	80
14			Jonha	262	62
15			Tati	276	76
16			Sirka	203	3
17			Rajadera	230	30
18			Hesal	250	50
19			Angara	250	50
20		Namkum	Rampur	340	140
21		Rahe	Lowahatu	240	40
22		Bedo	Bedo	209	9
23			Khukhra	221	21
24		Tamar	Amlesha	232	32
25			Veerganw	205	5
26			Mardhan	230	30
27			Tamar West	232	32
28			Tamar East	305	105
Total				6,886	1,286
1	Sahibganj	Rajmahal	Khuthari	250	50
2			Saidpur	381	181
3		Mandro	Gadra	220	20
4			Kaurikhutana	500	300
5			Pindra	900	700
6		Barhet	Hiranpur	500	300
7			Simra	800	600
8		Boriyo	Boriyosanthali	244	44
9			Charegjawe	361	161
10			Bichpur	464	264
11			Telo	350	150
12			JetkeKumharjora	500	300
13			Bada Madan Sai	210	10
14		Pathna	Kendua	207	7
15			Chhota Ranga	250	50
16			Lakhirpur	220	20
Total				6,357	3,157
				39,718	11,318

(Source: Records of the DPROs of the test-checked districts)

Appendix-2.2.1

(Refer: paragraph 2.2.6.2; page 53)

Escalation of costs in the construction of Panchayat Bhawans

(Amount in ₹)

ZP	Panchayat Samiti	GP where PB constructed	Previous estimate	Expenditure incurred	Work to be done	Revised estimate	Total cost incurred	Escalation of cost
1	2	3	4	5	6=4-5	7	8=5+7	9=8-4
Chatra	Tandwa	Bachra south	21,32,211	0	21,32,211	33,44,280	33,44,280	12,12,069
		Bahera	21,32,211	0	21,32,211	33,91,400	33,91,400	12,59,189
	Itkhor	Nawada	21,32,211	0	21,32,211	33,10,564	33,10,564	11,78,353
	Mayurhand	Kadgawakala	21,32,211	0	21,32,211	27,13,120	27,13,120	5,80,909
	Pathalgadda	Barwadih	21,32,211	0	21,32,211	33,85,383	33,85,383	12,53,172
	Itkhor	Shaharjam	21,32,211	0	21,32,211	32,73,516	32,73,516	11,41,305
	Pratappur	Eghara	21,32,211	0	21,32,211	33,64,769	33,64,769	12,32,558
	Hunterganj	Gerua	21,32,211	0	21,32,211	33,91,400	33,91,400	12,59,189
	Lawalong	Rimi	21,32,211	0	21,32,211	33,46,133	33,46,133	12,13,922
	Total							1,03,30,666
Giridih	Dhanwaar	Maheshmarwa	19,90,700	5,25,474	14,65,226	29,40,983	34,66,457	14,75,757
		Baandhi	19,90,700	8,38,585	11,52,115	18,20,113	26,58,698	6,67,998
		Ambatand	19,90,700	2,90,765	16,99,935	18,20,113	21,10,878	1,20,178
		Garjasaaran	19,90,700	3,16,830	16,73,870	29,40,983	32,57,813	12,67,113
		Pandeydih	19,90,700	Nil	19,90,700	35,67,000	35,67,000	15,76,300
		Neemadih	19,90,700	8,56,224	11,34,476	17,99,704	26,55,928	6,65,228
		Dhanaipura	19,90,700	Nil	19,90,700	36,27,500	36,27,500	16,36,800
		DakshinDoranda	19,90,700	8,52,379	11,38,321	19,90,000	28,42,379	8,51,679
		Badgo	19,90,700	5,10,269	14,80,431	23,44,200	28,54,469	8,63,769
		Pandariya	19,90,700	8,47,795	11,42,905	18,37,000	26,84,795	6,94,095
		Jeruwadih	19,90,700	5,82,673	14,08,027	22,33,948	28,16,621	8,25,921
		Gundri	19,90,700	3,77,180	16,13,520	23,25,914	27,03,094	7,12,394
		Dumardiha	19,90,700	9,14,144	10,76,556	18,16,326	27,30,470	7,39,770

ZP	Panchayat Samiti	GP where PB constructed	Previous estimate	Expenditure incurred	Work to be done	Revised estimate	Total cost incurred	Escalation of cost
1	2	3	4	5	6=4-5	7	8=5+7	9=8-4
	Giridih	Jeetpur	19,90,700	6,95,755	12,94,945	20,03,266	26,99,021	7,08,321
		Barhagoriya	16,42,300	12,29,126	4,13,174	9,15,003	21,44,129	5,01,829
	Jamua	Rembo	19,90,700	8,70,859	11,19,841	17,99,772	26,70,631	6,79,931
		Lataki	19,90,700	4,50,555	15,40,145	24,99,900	29,50,455	9,59,755
		Karihaari	19,90,700	9,01,147	10,89,553	18,51,353	27,51,500	7,60,800
		Chunglo	19,90,700	8,50,516	11,40,184	19,11,218	27,61,734	7,71,034
		Paalmo	19,90,700	11,46,717	8,43,983	15,54,487	27,01,204	7,10,504
	Birni	Manjhiladih	19,90,700	7,76,371	12,14,329	21,30,395	29,06,766	9,16,066
		Pesham	19,90,700	6,79,089	13,11,611	21,40,713	28,19,802	8,29,102
		Khedwaara	19,90,700	8,80,008	11,10,692	20,71,035	29,51,043	9,60,343
		Baliya	19,90,700	4,97,576	14,93,124	24,67,900	29,65,476	9,74,776
		Bangrakala	19,90,700	6,71,328	13,19,372	24,22,425	30,93,753	11,03,053
	Sariya	Kusumdih	16,24,300	12,44,537	3,79,763	9,25,600	21,70,137	5,45,837
		Ghutiyopesra	19,90,700	5,43,118	14,47,582	24,52,987	29,96,105	10,05,405
		Chichaki	19,90,700	8,76,438	11,14,262	17,53,100	26,29,538	6,38,838
		Purnidih	19,90,700	3,49,596	16,41,104	34,52,200	38,01,796	18,11,096
	Bagodar	Pokhariya	19,90,700	7,79,625	12,11,075	23,19,400	30,99,025	11,08,325
	Bengabad	Jeruadih	19,90,700	5,27,522	14,63,178	26,83,500	32,11,022	12,20,322
		Badkitaand	19,90,700	8,79,639	11,11,061	20,67,500	29,47,139	9,56,439
		Total		6,29,87,600	2,17,61,840	4,12,25,760	6,72,33,838	8,81,46,883
Hazaribag h	Sadar	Kolghatti	21,00,000	14,35,045	6,64,955	11,06,584	25,41,629	4,41,629
	Katkamsandi	Aarabhusai	21,00,000	9,00,729	11,99,271	18,79,695	27,80,424	6,80,424
	Bishnugarh	Madmo	21,00,000	9,99,434	11,00,566	20,53,964	30,53,398	9,53,398
	Chouparan	Bahera	21,00,000	3,32,286	17,67,714	28,45,194	31,77,480	10,77,480
		Basaria	21,00,000	15,30,790	5,69,210	9,87,171	25,17,961	4,17,961
		Dadpur	21,00,000	4,16,356	16,83,644	28,29,164	32,45,520	11,45,520

ZP	Panchayat Samiti	GP where PB constructed	Previous estimate	Expenditure incurred	Work to be done	Revised estimate	Total cost incurred	Escalation of cost
1	2	3	4	5	6=4-5	7	8=5+7	9=8-4
		Selhara	19,90,700	3,77,641	16,13,059	31,79,018	35,56,659	15,65,959
	Barkagaon	Urimari	19,90,700	9,41,148	10,49,552	22,47,000	31,88,148	11,97,448
		Potanga	19,90,700	8,37,755	11,52,945	24,17,334	32,55,089	12,64,389
	Barhi	Dhanwar	19,90,700	13,10,175	6,80,525	16,33,902	29,44,077	9,53,377
		Khodahar	19,90,700	18,06,705	1,83,995	14,39,521	32,46,226	12,55,526
		Karso	19,90,700	18,03,836	1,86,864	15,59,900	33,63,736	13,73,036
		Kolhuakala	21,00,000	13,45,195	7,54,805	11,64,972	25,10,167	4,10,167
	Total							1,27,36,314
	Grand Total							5,23,25,758

(Source: Records of the test checked ZPs)

Appendix-2.2.2*(Refer: Paragraph 2.2.6.2; page -53)***Escalation of cost in construction of Panchayat Bhawans, due to delay in invitation of tender by ZP Giridih***(Amount in ₹)*

Sl. No.	GP	Amount of revised estimate	Date of approval of revised estimate	Date of invitation of tender	Amount of tender	Excess amount
1	Chichaki	17,43,100	15/9/2014	13/3/2017	17,53,100	10,000
2	Kurhobindo	16,26,500	21/10/2014	13/3/2017	17,43,338	1,16,838
3	Baddiha-2	10,45,300	21/10/2014	13/3/2017	11,25,392	80,092
4	Bhalutanr	12,31,157	31/10/2014	13/3/2017	15,81,400	3,50,243
5	Manjhiladih	21,30,372	15/9/2014	13/3/2017	21,30,395	23
6	Dhureta	12,88,800	21/10/2014	13/3/2017	13,81,651	92,851
7	Pokhariya	19,98,900	26/9/2014	13/3/2017	23,19,400	3,20,500
8	Purnidih	26,08,300	8/8/2014	13/3/2017	34,52,159	8,43,859
9	Balgo	13,83,145	21/10/2014	13/3/2017	14,84,287	1,01,142
10	Kendua	10,33,089	21/10/2014	13/3/2017	11,03,500	70,411
11	Pandeydih	32,81,000	31/01/2014	13/3/2017	35,67,000	2,86,000
12	Garja Saran	26,89,000	31/10/2014	13/3/2017	29,43,500	2,54,500
13	Maheshmarwa	20,78,000	31/10/2014	13/3/2017	29,40,983	8,62,983
14	Ambatand	27,99,679	31/10/2014	13/3/2017	30,63,200	2,63,521
Total		2,69,36,342			3,05,89,305	36,52,963

(Source: Records of the ZP, Giridih)

Appendix-2.2.3*(Refer: paragraph 2.2.7.1; Page 54)***PBs handed over to GPs, prior to their completion**

ZP	Panchayat Samiti	Sl. No.	GPs where PBs were constructed	Date of completion	Date of handing over of building	No. of days between handing over of PBs and their subsequent completion
Bokaro	Gomia	1	Chatrochatti	29/6/2017	28/3/2017	93
	Petarwar	2	Petarwar	29/8/2018	20/6/2018	70
		3	Sadmakala	11/8/2017	5/8/2017	6
	Chandankiyari	4	Jhalbarda	31/7/2019	2/6/2019	59
	Chas	5	Alkusha	20/2/2019	2/1/2019	50
Chatra	Tandawa	6	Bahera	20/10/2018	17/12/2017	50
	Pratappur	7	Sidki	5/12/2016	9/11/2016	26
	Itkhorri	8	Shaharjam	20/04/2017	25/01/2017	85
Giridih	Jamua	9	Shaali	25/6/2019	28/6/2018	362
		10	Bhandari	20/11/2018	28/9/2018	53
Ranchi	Silli	11	Patrahatu	5/9/2017	16/8/2017	20
		12	Lowadag	26/6/2017	28/5/2017	29
		13	Bantahajam	23/6/2017	30/5/2017	24
	Sonahatu	14	Jamudag	15/10/2017	4/10/2017	11
	Rahe	15	Basantpur	28/8/2018	2/10/2017	330
West Singhbhum	Chaibasa	16	Lupungutu	1/2/2017	25/1/2017	7
	Chakradharpur	17	Itahasa	9/7/2017	13/5/2017	57
		18	Simidiri	4/5/2017	28/4/2017	6
	Tonto	19	BadaJhinkpani	20/6/2017	10/6/2017	10
	Manjhari	20	Badatorlo	20/9/2017	29/8/2017	22

(Source: Records of the test-checked ZPs)

Appendix-3.1
(Refer: Paragraph 3.1, page-61)
ULBs in Jharkhand

Sl No.	Name of ULBs	No. of Wards	Population (as per Census 2011)	Area (per Sq.Km)
(I)	Municipal Corporations			
1	Aadityapur Municipal Corporation	35	174355	49.00
2	Chas Municipal Corporation	35	156888	29.38
3	Deoghar Municipal Corporation	36	203123	39.10
4	Dhanbad Municipal Corporation	55	1162472	275.00
5	Giridih Municipal Corporation	36	181632	73.32
6	Hazaribagh Municipal Corporation	36	197466	53.94
7	Mango Municipal Corporation	36	223805	19.45
8	Medninagar Municipal Corporation	35	158941	50.92
9	Ranchi Municipal Corporation	53	1073427	177.19
(II)	Municipal Councils			
1	Ramgarh Municipal Council	32	123875	149.50
2	Bachra Municipal Council	10	12969	16.61
3	Bishrampur Municipal Council	20	42925	40.00
4	Chirkunda Municipal Council	21	45508	6.26
5	Chaibasa Municipal Council	21	44477	9.50
6	Charkardharpur Municipal Council.	23	56531	9.85
7	Chatra Municipal Council	22	49985	9.90
8	Dumka Municipal Council	21	47584	24.30
9	Godda Municipal Council	21	48480	12.00
10	Garhwa Municipal Council	21	46059	12.45
11	Gumla Municipal Council	22	51264	16.00
12	Jhumaritalaiya Municipal Council	28	87867	51.14
13	Jugsalai Municipal Council	22	49660	3.69
14	Kapali Municipal Council	21	43256	6.74
15	Lohardaga Municipal Council	23	57411	35.20
16	Madhupur Municipal Council	23	55238	18.36
17	Mihijaam Municipal Council	20	40463	6.80
18	Phusro Municipal Council	28	89178	45.22
19	Pakur Municipal Council	20	45840	11.08
20	Simdega Municipal Council	20	42944	36.00
21	Sahibganj Municipal Council	28	88214	4.25
(III)	Nagar Panchayats			
1	Bansidhar Nagar Panchayat	17	32725	22.48
2	Barkisariya Nagar Panchayat	12	18933	18.86
3	Basukinath Nagar Panchayat	12	17123	17.28
4	Barharwa Nagar Panchayat	14	24133	4.06
5	Bundu Nagar Panchayat	13	21054	18.00
6	Chakulia Nagar Panchayat	12	16306	15.02
7	Chhatarpur Nagar Panchayat	16	28450	2.94
8	Domchanch Nagar Panchayat	14	24531	17.48
9	Dhanwar Nagar Panchayat	11	15297	5.15
10	Hariharganj Nagar Panchayat	16	28467	11.66
11	Husainabad Nagar Panchayat	16	29241	12.57

SI No.	Name of ULBs	No. of Wards	Population (as per Census 2011)	Area (per Sq.Km)
12	Jamtara Nagar Panchayat	16	29415	13.83
13	Khunti Nagar Panchayat	19	36390	25.00
14	Koderma Nagar Panchayat	15	24633	25.00
15	Latehar Nagar Panchayat	15	26981	13.42
16	Mahagama Nagar Panchayat	17	30401	14.34
17	Majhiyaon Nagar Panchayat	12	18349	24.84
18	Rajmahal Nagar Panchayat	14	22514	4.22
19	Saraikela Nagar Panchayat	11	14252	8.92
(IV)	Notified Area Committee			
1	Jamshedpur Notified Area Committee	-	677350	56.20
	Total	1096	5838382	1623.42

(Source: Annual Report of the UD&HD for the year 2021-22)

Appendix-3.2
(Refer: Paragraph 3.2, page-61)
List of selected Urban Local Bodies (ULBs)

Sl. No.	ULBs
Municipal Corporations	
1.	Aadityapur Municipal Corporation
2.	Deoghar Municipal Corporation
3.	Dhanbad Municipal Corporation
4.	Giridih Municipal Corporation
5.	Hazaribagh Municipal Corporation
6.	Mango Municipal Corporation
7.	Medninagar Municipal Corporation
8.	Ranchi Municipal Corporation
Municipal Councils	
9.	Charkardharpur Municipal Council.
10.	Chatra Municipal Council
11.	Dumka Municipal Council
12.	Godda Municipal Council
13.	Garhwa Municipal Counciln
14.	Jhumaritilaiya Municipal Council
15.	Jugsalai Municipal Council
16.	Pakur Municipal Council
Nagar Panchayats	
17.	Basukinath <i>Nagar Panchayat</i>
18.	Chhatarpur <i>Nagar Panchayat</i>
19.	Jamtara <i>Nagar Panchayat</i>
20.	Koderma <i>Nagar Panchayat</i>

Appendix-3.3*(Refer: Paragraph 3.4.5, page-66)***Sanctioned Strength and Men-in-position of the 20 test-checked ULBs (as on 31 March 2022)**

Sl. No.	Name of ULBs	Sanctioned strength	Permanent	Contractual	Deputation	Vacancy
1	Adityapur	97	6	38	1	91
2	Basukinath	32	4	13	1	28
3	Chakradharpur	50	11	38	0	39
4	Chatra	49	10	8	0	39
5	Chhattarpur	32	0	8	1	32
6	Dhanbad	233	108	38	8	125
7	Garhwa	48	7	130	3	41
8	Giridih	54	57	66	0	-3
9	Godda	57	9	11	3	48
10	Hazaribagh	97	4	19	0	93
11	Jamtara	32	0	12	2	32
12	JhumariTilaiya	84	17	1	0	67
13	Jugsalai	49	1	6	1	48
14	Koderma	34	2	5	1	32
15	Latehar	34	0	13	1	34
16	Mango	103	9	94		94
17	Medininagar	92	35	244	4	57
18	Dumka	49	10	8	0	39
19	Seraikela	32	2	0	0	30
20	Pakur	50	20	11	0	30
Total		1,308	312	763	26	996

(Source: Information furnished by the test-checked ULBs)

Appendix-3.4
(Refer: Paragraph 3.5, page-68)
Functions of various committees of ULBs

Sl. No.	Name of the Committee	Constitution	Functions
1.	Ward Committee (WC) (Section 34 of JM Act, 2011)	<p>There shall be constituted a WC for each ward of the municipality within two months of the election to the Council.</p> <p>The term of office of the WC shall be coterminous with the term of office of the Council.</p>	<p>The WC shall perform the following functions in the ward, namely:-</p> <p>(i) Supervise :</p> <p>(a) solid waste management, sanitation work, distribution of water supply, maintenance of parks, playgrounds, and market places, working of street lights and repairs to roads, and implementation of poverty alleviation programmes and development schemes.</p> <p>(ii) monitor the working of schools, dispensaries, health centres <i>etc.</i>, under the control of the municipality;</p> <p>(iii) assist in the preparation of development schemes;</p> <p>(iv) encourage harmony and unity among various groups of people;</p> <p>(v) mobilise voluntary labour and donations by way of goods or money for welfare programmes;</p> <p>(vi) assist in identifying beneficiaries for the implementation of development and welfare schemes;</p> <p>(vii) encourage art and cultural activities and activities of sports and games;</p> <p>(viii) ensure people's participation in voluntary activities necessary for successful implementation of the developmental activities of the municipality;</p> <p>(ix) facilitate collection of taxes, fees and other sums due to the municipality;</p> <p>(x) the municipality shall allocate twenty <i>per cent</i> of the amount earmarked in the maintenance provision of municipal budget to WC for maintenance of services like water supply, sanitation, drains, street lights, parks, markets, <i>etc.</i></p> <p>(xi) allocation and utilisation of funds to and by the WC for maintenance of civic services shall be in the manner prescribed by the Government.</p> <p>(xii) such other functions as may be prescribed.</p>
2.	Area Sabha (Section 40 of JM Act, 2011)	<p>There shall be an Area Sabha Representative for each Area and shall be nominated by the Council.</p> <p>The Council shall nominate one among the applicants as Area Sabha Representative and the manner of nomination shall be, as prescribed by the State Government.</p>	<p>The Area Sabha shall perform and discharge the following functions and duties, namely:-</p> <p>(a) to identify eligible persons within the area for beneficiary-oriented schemes on the basis of criteria fixed by the State/Central Governments, and to prepare lists of eligible beneficiaries in an order of priority and forward the same to the municipality; (b) to verify eligibility of persons getting welfare assistance from the State/Central Governments such as pensions and subsidies; (c) to suggest location of streetlights, public water taps, community/public sanitation units, and other public amenities within the area; (d) to identify the deficiencies in the water supply and street lighting arrangements in the area and to suggest remedial measures; (e) to assist the activities of urban public health centers in the area, especially in disease prevention, family welfare, and immediately report the incidence of epidemics and natural calamities; (f) to impart awareness on</p>

Sl. No.	Name of the Committee	Constitution	Functions
			matters of public interest such as cleanliness, preservation of the environment and prevention of pollution; (g) to promote harmony and unity among various groups of people in the area; (h) to arrange cultural festivals, sports meets, etc., to give expression to the talents of the people of the area; and (i) such other functions and duties as may be assigned to the Area Sabha by the municipality from time to time.
3.	Ward Sabha (Section 39 of JM Act, 2011)	In the case of a municipality having population less than one lakh, there shall be constituted a Ward Sabha for each ward and it shall consist of all the electors in the electoral roll relating to the ward.	The Ward Sabha shall perform the functions and discharge the duties in relation to the ward an Area Sabha does in relation to the area as specified in section 40.
4.	Procurement Committee (Rule 78 of Jharkhand Municipal Accounts Manual, 2012)	The Procurement Committee of the Municipality shall consist of Chairman, Executive Officer, Representative of the concerned Department and Representative of Finance/account Department.	Procurement Committee shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.
5.	Bid Opening Committee (Clause 4.9 of Jharkhand Municipal Procurement Guidelines)	–	The Bids shall be opened in presence of authorized official(s) of bid opening committee of Municipality on the date and time mentioned in the NIT in the presence of the bidders or their authorized representatives who choose to be present. 2. A list of the bidders or their representatives attending the opening of Bids shall be prepared and their signatures will be obtained. In order to allow participation in the bid opening process, the bidder's representatives are expected to bring an authority letter to the effect from the company.
6.	Evaluation Committee (Clause 3.6.8 of Jharkhand Municipal Procurement Guidelines)	–	Each of the bidders will be evaluated by the committee finalized by the Municipalities on the basis of the presentation made by the bidders.

(Source: *Jharkhand Municipal Act 2011 and Jharkhand Municipal Accounts Manual, 2012*)

Appendix-3.5

(Refer: Paragraph 3.11.4, page 74)

Statement showing wide variation in budget estimates in the test checked ULBs

(₹ in crore)

Sl. No.	Name of ULBs	Year	Receipts				Expenditure			
			Budget	Actual	Variation	Per cent variation	Budget	Actual	Variation	Per cent variation
1	Adityapur	2017-18	93.98	11.01	82.97	88.3	123.51	14.16	109.35	89
2	Basukinath	2017-18	0.45	12.25	-11.80	-2622.2	0.12	12.06	-11.94	-9950
3	Chakradharpur	2017-18	104.32	24.36	79.96	76.6	98.87	23.81	75.06	76
4	Chatra	2017-18	78.69	19.0063	59.68	75.8	48.69	13.8661	34.82	72
5	Chhattarpur	2017-18	NA	NA			NA	NA		
6	Dhanbad	2017-18	1415.95	197.13	1218.82	86.1	1415.37	90.2	1325.17	94
7	Dumka	2017-18	65.23	20.44	44.79	68.7	102.50	43.73	58.77	57
8	Garhwa	2017-18	245.73	18.22	227.51	92.6	237.61	24.12	213.49	90
9	Giridih	2017-18	86.64	43.26	43.38	50.1	86.64	46.65	39.99	46
10	Godda	2017-18	36.7	19.78	16.92	46.1	38.42	29.14	9.28	24
11	Hazaribagh	2017-18	66.61	26.91	39.70	59.6	59.82	34.95	24.87	42
12	Jamtara	2017-18	56.60	16.22	40.37	71.3	28.91	21.51	7.40	26
13	JhumriTilaiya	2017-18	38.88	37.47	1.41	3.6	38.71	46.30	-7.59	-20
14	Jugsalai	2017-18	7.89	8.53	-0.64	-8.1	7.88	12.05	-4.17	-53
15	Koderma	2017-18	16.42	12.41	4.01	24.4	16.36	12.86	3.50	21
16	Latehar	2017-18	38.35	35.53	2.82	7.3	82.95	38.46	44.48	54
17	Mango	2017-18	25.22	29.78	-4.56	-18.1	62.86	40.72	22.14	35
18	Medininagar	2017-18	115.18	27.82	87.36	75.8	91.26	32.2	59.06	65
19	Pakur	2017-18	34.44	16.02	18.42	53.5	22.56	18.88	3.68	16
20	Seraikela	2017-18	22.08	8.93	13.15	59.6	19.98	9.64	10.34	52
21	Adityapur	2018-19	106.94	31.22	75.72	70.8	106.91	24.29	82.62	77
22	Basukinath	2018-19	26.94	48.37	-21.43	-79.5	6.48	22.19	-15.71	-242
23	Chakradharpur	2018-19	53.70	20.36	33.33	62.1	55.71	28.75	26.97	48
24	Chatra	2018-19	81.762	10.7618	71.00	86.8	82.875	24.5525	58.32	70
25	Chhattarpur	2018-19	NA	NA			NA	NA		
26	Dhanbad	2018-19	1717.36	218.3	1499.06	87.3	1717.39	210.24	1507.15	88
27	Dumka	2018-19	29.26	19.51	9.75	33.3	12.77	19.65	-6.88	-54
28	Garhwa	2018-19	85.71	28.07	57.64	67.2	85.64	18.94	66.69	78
29	Giridih	2018-19	104.41	67.83	36.59	35.0	104.42	60.30	44.11	42
30	Godda	2018-19	58.95	54.68	4.27	7.2	41.64	53.59	-11.95	-29
31	Hazaribagh	2018-19	97.54	52.68	44.86	46.0	94.61	57.26	37.35	39
32	Jamtara	2018-19	17.44	16.44	1.00	5.7	18.68	20.99	-2.31	-12
33	JhumriTilaiya	2018-19	81.25	38.59	42.66	52.5	81.31	38.71	42.60	52
34	Jugsalai	2018-19	21.87	8.58	13.29	60.8	21.84	9.30	12.54	57
35	Koderma	2018-19	47.47	24.76	22.71	47.8	21.24	28.21	-6.97	-33
36	Latehar	2018-19	82.21	14.22	67.99	82.7	82.43	25.23	57.19	69
37	Mango	2018-19	58.27	48.22	10.05	17.2	60.11	32.93	27.18	45
38	Medininagar	2018-19	142.76	31.54	111.22	77.9	130.24	25.37	104.87	81
39	Pakur	2018-19	30.85	21.12	9.73	31.5	18.20	22.43	-4.23	-23
40	Seraikela	2018-19	28.65	7.24	21.41	74.7	47.12	9.85	37.27	79
41	Adityapur	2019-20	72.43	23.89	48.54	67.0	60.82	19.57	41.25	68
42	Basukinath	2019-20	31.35	25.33	6.02	19.2	32.48	12.12	20.36	63
43	Chakradharpur	2019-20	NA	NA			NA	NA		
44	Chatra	2019-20	89.9443	15.059	74.89	83.3	91.163	9.3136	81.85	90
45	Chhattarpur	2019-20	NA	NA			NA	NA		
46	Dhanbad	2019-20	503.37	457.74	45.63	9.1	452.5	279.85	172.65	38
47	Dumka	2019-20	39.20	30.82	8.38	21.4	38.69	25.07	13.62	35
48	Garhwa	2019-20	58.81	17.96	40.85	69.5	58.38	21.37	37.01	63
49	Giridih	2019-20	282.50	85.72	196.78	69.7	282.51	81.14	201.37	71
50	Godda	2019-20	52.58	46.93	5.65	10.7	49.94	40.56	9.38	19
51	Hazaribagh	2019-20	60.96	38.64	22.32	36.6	66.02	33.9	32.12	49

Sl. No.	Name of ULBs	Year	Receipts				Expenditure			
			Budget	Actual	Variation	Per cent variation	Budget	Actual	Variation	Per cent variation
52	Jamtara	2019-20	19.86	19.08	0.77	3.9	54.07	17.57	36.50	68
53	JhumriTilaiya	2019-20	81.98	44.19	37.80	46.1	82.18	42.44	39.74	48
54	Jugsalai	2019-20	62.55	14.71	47.84	76.5	68.26	5.67	62.59	92
55	Koderma	2019-20	40.57	19.10	21.47	52.9	42.80	21.61	21.19	49
56	Latehar	2019-20	82.18	18.96	63.22	76.9	82.63	23.93	58.70	71
57	Mango	2019-20	84.37	42.28	42.09	49.9	85.38	29.31	56.07	66
58	Medininagar	2019-20	58.42	47.08	11.34	19.4	50.51	18.45	32.06	63
59	Pakur	2019-20	33.11	25.99	7.12	21.5	20.01	25.61	-5.60	-28
60	Seraikela	2019-20	NA	NA			NA	NA		
61	Adityapur	2020-21	97.83	53.92	43.91	44.9	93.26	39.67	53.59	57
62	Basukinath	2020-21	108.53	18.26	90.27	83.2	10.86	17.14	-6.28	-58
63	Chakradharpur	2020-21	NA	NA			NA	NA		
64	Chatra	2020-21	15.2783	17.5338	-2.26	-14.8	12.0159	9.9923	2.02	17
65	Chhattarpur	2020-21	NA	NA			NA	NA		
66	Dhanbad	2020-21	975.8	198.99	776.81	79.6	973.23	167.78	805.45	83
67	Dumka	2020-21	45.24	23.85	21.39	47.3	44.49	20.41	24.09	54
68	Garhwa	2020-21	58.81	17.96	40.85	69.5	58.38	21.37	37.01	63
69	Giridih	2020-21	397.68	85.84	311.84	78.4	397.64	68.82	328.82	83
70	Godda	2020-21	58.89	46.68	12.21	20.7	55.93	40.56	15.37	27
71	Hazaribagh	2020-21	184.36	71.89	112.47	61.0	82.49	22.32	60.17	73
72	Jamtara	2020-21	21.79	18.19	3.60	16.5	67.39	12.51	54.88	81
73	JhumriTilaiya	2020-21	82.47	50.62	31.85	38.6	82.49	37.55	44.93	54
74	Jugsalai	2020-21	36.72	8.00	28.72	78.2	36.99	10.06	26.93	73
75	Koderma	2020-21	60.28	17.80	42.48	70.5	52.87	11.70	41.17	78
76	Latehar	2020-21	34.17	21.06	13.11	38.4	32.62	21.46	11.15	34
77	Mango	2020-21	38.5	25.38	13.12	34.1	39.07	31.9	7.17	18
78	Medininagar	2020-21	101.3	48.36	52.94	52.3	26.3	19.09	7.21	27
79	Pakur	2020-21	30.23	26.88	3.36	11.1	23.81	20.99	2.82	12
80	Seraikela	2020-21	NA	NA			NA	NA		
81	Adityapur	2021-22	106.79	35.34	71.45	66.9	55.51	7.72	47.79	86
82	Basukinath	2021-22	29.27	33.66	-4.39	-15.0	29.27	55.09	-25.82	-88
83	Chakradharpur	2021-22	NA	NA			NA	NA		
84	Chatra	2021-22	13.2583	19.9145	-6.66	-50.2	4.5807	12.7051	-8.12	-177
85	Chhattarpur	2021-22	NA	NA	NA	NA	NA	NA	NA	
86	Dhanbad	2021-22	438.45	166.17	272.28	62.1	429.98	111.73	318.25	74
87	Dumka	2021-22	45.50	28.83	16.67	36.6	44.01	28.84	15.17	34
88	Garhwa	2021-22	NA	NA			NA	NA		
89	Giridih	2021-22	399.08	81.73	317.35	79.5	3990.53	61.25	3929.28	98
90	Godda	2021-22	65.96	28.19	37.77	57.3	62.64	24.61	38.03	61
91	Hazaribagh	2021-22	256.51	40.44	216.07	84.2	105.82	40.38	65.44	62
92	Jamtara	2021-22	154.70	31.68	123.03	79.5	69.67	29.86	39.81	57
93	JhumriTilaiya	2021-22	75.22	30.02	45.20	60.1	75.69	25.53	50.16	66
94	Jugsalai	2021-22	37.74	23.01	14.73	39.0	38.04	14.84	23.20	61
95	Koderma	2021-22	16.42	12.41	4.01	24.4	16.36	12.86	3.50	21
96	Latehar	2021-22	27.05	17.88	9.18	33.9	26.45	23.36	3.09	12
97	Mango	2021-22	82.65	58	24.65	29.8	90.44	30.48	59.96	66
98	Medininagar	2021-22	153.5	75.51	77.99	50.8	97.66	66.62	31.04	32
99	Pakur	2021-22	24.57	26.77	-2.20	-8.9	17.17	24.20	-7.02	-41
100	Seraikela	2021-22	NA	NA	NA	NA	NA	NA	NA	

(Source: Budget of the test checked ULBs)

(Variations in receipts during 2017-18 to 2021-22, ranged between 4 per cent and 2,622 per cent in 18 test-checked ULBs. On the other hand, the expenditure varied between 12 per cent and 9,950 per cent, in ten test-checked ULBs)

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