

PREFACE

This Report has been prepared for submission to the Government of Orissa in accordance with the terms and conditions of the Technical Guidance and Supervision (TGS) over the maintenance of accounts and audit of Panchayati Raj Institutions (PRIs) by the Comptroller & Auditor General (C&AG) of India.

Based on the recommendations of the Eleventh Finance Commission, the State Government entrusted 20 per cent of Gram Panchayats (September 2003) and Panchayat Samitis (May 2004) for audit to the C&AG of India under section 20(1) of the C&AG's (DPC) Act 1971 and provided technical Guidance and Supervision over the work of the Examiner, Local Fund Audit (LFA).

This Report is based on the audit of Gram Panchayats conducted under Section 20(1) and Panchayat Samitis & Zilla Parishads under Section 14 of the C&AG's (DPC) Act 1971.

This is the first Report of the office of the Senior Deputy Accountant General, Local Bodies Audit and Accounts under the administrative control of the Principal Accountant General (Civil Audit), Orissa, Bhubaneswar which started functioning from October 2006.

This Report contains two chapters. Chapter I contain an overview of the Panchayati Raj institutions in Orissa and comments on accounts. Chapter II deals with the observations on transactions audit arising out of inspection of PRI units.

The cases mentioned in the Report are those, which came to notice during the course of audit of accounts conducted in 2006-07.