

CHAPTER – V

REVIEW ON "TRANSFER OF FUNCTIONS, FUNCTIONARIES AND FUNDS TO PANCHAYAT RAJ INSTITUTIONS (PRIs)"

5.1 Introduction

Visualising rural local bodies viz-Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP), as institutions of self government at the grass roots level, the 73rd Constitutional Amendment Act left the extent of devolution to the wisdom of the State Legislature. Major elements of devolution are transfer of functions, functionaries and funds to PRIs, accompanied by administrative control over staff and freedom to take administrative and financial decisions at local level. In accordance with Article 243 G of the Constitution, the State Legislature enacted Bihar Panchayat Raj Act, 1993 which has been substituted by Bihar Panchayat Raj Act, 2006. The State Govt. had notified between September and October, 2001 that the functions of 20 selected departments are transferred to the PRIs. Detailed activity mapping was done for the various functions transferred and accordingly the activities to be performed at various levels like Zila Parishad, Panchayat Samiti and Gram Panchayat were earmarked.

5.2 Audit Objective

As transfer of functions, functionaries and funds to PRIs is important to strengthen the working of the PRIs, a review was conducted to ascertain whether:-

- the transfer of functions, functionaries and funds to the PRIs was effective,
- the functionaries transferred to the PRIs were adequate to carry out the functions transferred and the functions transferred were carried out efficiently and effectively, and
- the funds transferred was adequate and utilized efficiently.

5.3 Audit criteria

The criteria used to review the effectiveness of transfer of functions, functionaries and funds to PRIs were:-

- Provisions under Panchayat Raj Act, 1993/2006 and the various resolutions of 20 departments of the Govt. of Bihar.
- transfer of functionaries as per the requirement to carry out the functions transferred.
- transfer of funds commensurate to the requirement of functions transferred, and
- the transferred functions are carried out as per approval of District Planning Committee without any overlapping/duplication of efforts by various tiers.

5.4. Methodology and Scope

The scope of the study was restricted to assessment of devolutions with reference to five (05) departments randomly selected viz. Agriculture, Forest and Environment, Minor Irrigation, Panchayat Raj (REO) and Public Health and Engineering Department.

The study covered the activities in the PRIs for the period 03-04 to 06-07 by scrutiny of records relating to transfer of funds, functions, and functionaries of the selected 41 PRIs. (5 ZPs³ , 10 PSs⁴ , 26 GPs⁵)

Information was also obtained from District Agriculture Office, District Forest Office, Public Health Engineering Office in the above 5 Districts, besides in DRDA Saharsa and Darbhanga.

5.5 Audit Findings

The audit findings are discussed in the succeeding paragraph.

5.6 (i) Effectiveness of transfer of functions

In order to avoid overlapping and maintain balanced distribution of functions in the three tiers of PRIs, the State Govt. carried out a detailed activity mapping in respect of 20 departments and devolved/ distributed (September/October 2001) the functions amongst the three tiers. The functions devolved by 5 departments are as follows:-

Table-28 Details of number of functions devolved by five departments

Sl. No.	Activity	Number of functions transferred to		
		G.Ps	P.Ss	Z.Ps
1	Agriculture	4	6	6
2	Water Resources (Minor Irrigation)	8	3	2
3	Forest and Environment	5	5	5
4	Public Health Engineering	3	3	4
5	Rural Engineering (Road, Bridge, Culvert etc.)	1	1	2
Total		21	18	19

(Details of 20 departments in Appendix-VII)

- (ii) The review disclosed that none of the 41 PRIs audited received copies of devolution letters of all the said 5 departments.
- (iii) The Annual Action Plan, prepared by all the 41 PRIs for SGRY/NREGA, did not cover functions devolved under all the 5 departments though there was scope for that, but covered only works devolved by Panchayat Raj Department. Out of total SGRY grant 10 percent was to be spent

¹ Saharsa, Purnea, Darbhanga, Saran and Nawada ² Kahra, Sour Bazar, Purnea East, K. Nagar, Darbhanga sadar, Bahadurpur, Chhapra sadar, Rivilganj, Nawada sadar and Akbarpur

³ Sulinabad, Patori, Patuha, Raziganj, Belouri, Kabbaiya, Chandi, Maranga East, Lalganj, Harda, Benipur, Chandanpatti, Majhaullia, Darhar, Badlutola, Purvitelpa, Mauna, Khalpur Balna, Sherpur, Nanaura,, Mahuli, Kharath, Bhadauni, Jhunathi, Samai and Kadirganj

Review on "Transfer of functions, functionaries and funds to Panchayat Raj Institutions (PRIs)"

over the schemes of social forestry, but Annual Action Plan under SGRY did not include such schemes. A few such examples are shown below:-

Table-29 Details of works executed under SGRY scheme in three ZPs

Sl. No.	Name of ZP	Year of Action Plan	No. of schemes covered	Estimated cost of schemes (Rs. in crore)	Particulars of scheme
1.	Purnea	2003-04	252	1.30	Earth works in road, Brick soling of road, construction of culvert etc.
		2005-06	192	3.00	-do-
		2006-07	169	1.79	-do-
2.	Darbhanga	2003-04	161	2.89	-do-
		2004-05	410	5.00	-do-
		2005-06	434	5.56	-do-
		2006-07	286	11.58	-do-
3.	Saran	2003-04	198	4.32	-do-
		2004-05	84	1.69	-do-
		2005-06	113	1.29	-do-
		2006-07	39	1.80	-do-

(iv) Overlapping of functions

A. Audit observed that there are many functions which are overlapping amongst the three tiers and the Govt. departments. A detailed study in respect of three functions viz. sinking and repair of hand pumps and construction of low cost toilets falling under the exclusive domain of GP and plantation of trees falling under domain of ZP/PS/GP revealed that the functions were executed by various agencies other than GP/PS/ZP. The following table illustrates the agencies involved and amount spent:-

Table-30 Details of amount spent by agencies in three functions

Sl. No.	Name of the function	Devolved to	Functions actually performed by agencies	Amount involved (Rs. in lakh)	Period	Grant particular
1	Construction of low cost toilets	GP	PHED Saharsa	88.82	05-07	Macromode scheme of Agriculture Deptt.
			PHED Darbhanga	110.49	03-07	-do-

			PHED Purnea	422.74	06-07	-do-
			PHED Saran	231.82	03-07	-do
2	Sinking and repair of Hand pumps	GP	ZP Saharsa	12.52	04-05	12 th FC
			ZP Darbhanga	3.37	05-06	10 th & 11 th FC
			PHED Darbhanga	23.31	04-06	SGRY
			PHED Purnea	217.14	03-06	Budgetary allotment
3	Plantation of trees	ZP, PS and GP	DFO Saharsa	71.06	04-07	SGRY
			DFO Darbhanga	315.78	04-07	SGRY
			DFO Saran	2.04	05-06	SGRY
			DFO Nawada	97.44	03-07	SGRY
			Total	1726.85		

From the above details it is clear that the Govt. did not transfer funds to PRIs to carry out the transferred/devolved functions and the functions were still carried out by the department itself, as it was being done before devolution of functions to PRIs. Inter-tier overlapping of functions was also happening as there was no control to prevent overlapping as the schemes executed. The District Planning Committees remained non functional which resulted in allowing of overlapping of works amongst tiers. It also indicated poor supervision and monitoring by ZP authorities.

SGRY Grant

- B.** Under SGRY, 20 percent of the total allocation was to be paid to Zila Parishads for execution of schemes by ZP but the DRDA did not release any amount to ZP Darbhanga rather released Rs.

25.02 crore between 03-04 to 06-07 to other agencies (Ex. Engg. NREP and Ex. Engg. SpecialDivision Gramin Vikash) for execution of 1544 schemes. Thus there was overlapping of functions as the function to be performed by ZP was performed by other agencies.

5.7 Effectiveness of Transfer of Functionaries

(i) Lack of norms for transfer of functionaries

The State Govt. did not prepare any norms for transfer of staff nor assessed the requirement of staff to be transferred to PRIs.

(ii) Non-transfer of functionaries

The transfer of functions required adequate numbers of functionaries to cope up with the volume of works entrusted but, the department which devolved functions did not transfer their staff to the administrative control of PRIs rather placed them with perfunctory controls, like recommendation of sanction of casual leave for PRIs staff by the chairman of elected bodies and attending the board meetings.

(iii) Attendance of functionaries in Samiti/Board meeting

The district level officers of the departments were to attend Zila Parishad Board meeting and block level officers at Panchayat Samiti Board meeting and submit action plan in respect of schemes of the concerned departments. It was observed that concerned officers of the above department used to attend ZP/PS board meeting however they did not submit any action plan during the period under study and percent of participation was also poor especially of Forest Department.

The Proceeding Book for the period 03-04 to 06-07 of 5 ZPs disclosed that total 64 meetings were held and the participation of officers of Agriculture Dept., PHED, Minor Irrigation, Forest and REO was 58,59,34,19 and 50 percent respectively vide details given in table below.

Table-30
Details of amount spent by agencies in three functions

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			DFO Darbhanga	315.78	04-07	SGRY
			DFO Saran	2.04	05-06	SGRY
			DFO Nawada	97.44	03-07	SGRY
Total				1726.85		

In 10 Panchayat Samitis total number of meetings held were 107 in which the participation of officials of above 5 department was 29, 22, 6, nil and 39 percent respectively. Personnel of Forest Department did not attend any meeting of the PS Board vide details given in table below.

Table-32 Position in 10 Panchayat Samitis

Sl. No.	Name of unit	No. of meetings held between 03-04 to 06-07	Participation of staff of department				
			Agriculture	PHED Engg./Work Supervisor	Minor Irrigation	Forest	REO
1	K.Nagar	13	Nil	3 (WS)	Nil	Nil	6 (AE)
2	Purnea East	12	1	4 (WS)	Nil	Nil	3 (JE)
3	Kahra	8	3	2 (WS)	Nil	Nil	1 (JE)
4	Sour Bazar	15	1	Nil	Nil	Nil	8 (JE)
5	Darbhangha Sadar	11	5	3 (WS)	2	Nil	1 (JE)
6	Bahadurpur	10	3	4 (WS)	Nil	Nil	5 (JE)
7	Chappra Sadar	16	8	Nil	Nil	Nil	12 (JE)
8	Rivilganj	11	6	3 (WS)	Nil	Nil	2 (JE)
9	Nawada Sadar	8	2	5 (AE)	4 (AE)	Nil	4 (AE)
10	Akbarpur	3 (06-07)	2	Nil	Nil	Nil	Nil
Total		107	31	24	6	Nil	42
Percentage of Participation			29%	22%	6%	Nil	39%

In 26 GPs the meetings held were 251 and these were attended only by Gram Panchayat Supervisor in 46 meetings and not attended by village level officials viz. Jan Sewak, Rural Extension worker, Veterinary Asstt. etc vide details given in table below.

Table-33 Participation of officials attending GP's meeting

Sl. No	Name of the GP	Name of PS	Total number of meeting held between 03-04 to 06-07	No of meeting attended by GPS
1	Sulinabad	Kahara	10	03
2	Patari	Sattar Kataiya	16	02
3	Patucha	Sour Bazar	04	01
4	Benipur	Darbhangha Sadar	14	05
5	Chandanpatti	-do-	19	03
6	Majhaulia	-do-	16	04
7	Darhar	-do-	09	05
8	Rajiganj	Purnea East	04	02
9	Belouri	-do-	NA	NA
10	Kabaiya	-do-	NA	NA
11	Chandi	-do-	NA	NA
12	Maranga East	-do-	NA	NA
13	Lalganj	-do-	08	04
14	Harda	-do-	07	03
15	Badlu Tola	Chappra Sadar	23	03
16	Purvi Telpa	-do-	13	NA
17	Mauna	-do-	09	02
18	Khalpura Balna	-do-	08	NA
19	Sherpur	-do-	11	01
20	Nanaura	Nawada Sadar	28	02
21	Mahuli	-do-	16	NA
22	Kharath	-do-	10	01
23	Bhadauni	-do-	06	NA
24	Jhunathi	-do-	13	03
25	Samai	-do-	05	02
26	Kadirganj	-do-	02	NA
Total			251	46

The above status brings out the fact that due to non transfer of departmental staff to the administrative control of PRIs, the staff were under no obligation to attend the meetings and contribute to planning and decisions to be taken by these bodies. Thus the real transfer of functionaries is yet to materialize.

(iv) Effectiveness of administrative control over functionaries assigned to PRIs

Devolution also provided that the CL petition and Headquarter leave petition of the officials posted at district level should be approved by the DDC cum CEO of ZP on the recommendation of Adhyaksha and officials posted at block level by the BDO cum Executive Officer on the recommendation of Pramukh. CL and station leave petition of Janasevak, Rural Extension Worker and other Village Level Worker was to be approved by the Panchayat Secretary on the recommendation of Mukhiya.

The case of grant of CL and station leave permission was also reviewed and in 5 ZPs, it was found that there were 18 cases of CL sanction and 4 cases of station leave permission during the period 2003-04 to 2006-07 of District Agriculture Officer, Ex. Engr. PHED. Details given in table below :-

Table-34 Position of grant of CL and Station Leave permission in 5 ZPs

Sl. No.	Name of fund	Year	No. of CL	No. of station leave	Particulars
1	Saharsa	03-04 to 06-07	8	Nil	Ex. Engg./PHED=2 DAO=2 Ex. Engg./RD=2
2	Purnea	-do	7	Nil	DAO=5 Ex. Engg./PHED=2
3	Darbhanga	-do	2	2	Ex. Engg./REO=3 Horticulture Officer=1
4	Saran In 10 PS therTube well M	-doe was 41 casesechanics of PH	Nil of CL sanED while	Nil ction and 13 cases there was no case o	of station leave permission of Plumber andf CL and station leave application in Gram
5	Nawada	-do	1	2	Ex. Engg./PHED=3

In 10 PS there was 41 cases of CL sanction and 13 cases of station leave permission of Plumber and Tube well Mechanics of PHED while there was no case of CL and station leave application in Gram Panchayat.

Details given in table below-

Table-35 Position of grant of CL and Station Leave in 10 PSs

Sl. No.	Name of fund	Year	No. of CL	No. of station leave	Particulars
1	Kahra	03-04 to 06-07	9	3	Plumber and Tubewell Mechanics of PHED
2	Sour Bazar	-do	5	2	-do
3	Purnea East	-do	3	Nil	-do
4	K. Nagar	-do	5	Nil	-do
5	Darbhanga Sadar	-do	4	1	-do-
6	Bahadurpur	-do	6	2	-do
7	Chappra Sadar	-do	3	3	-do
8	Rivilganj	-do-	Nil	Nil	-do
9	Nawada Sadar	-do-	NA	NA	-do
10	Akbarpur	-do	6	2	-do-

All the applications received in ZPs and PSs were sanctioned by DDC cum CEO and BDO without recommendation of Adhyaksha/Pramukh of ZP/PS. CL and station leave permission of officers of Forest office was granted by the Forest Department. The test check of records of PHED office Nawada also disclosed that the CL and station leave permission of the Executive Engineer was granted by the Superintendent Engineer of PHED Nawada and not by the DDC cum CEO.

Thus even the leave recommendatory powers were also not effective as the functions were not fully placed under control of PRIs. This only highlights the necessity for complete transfer of functionaries under the control of PRI bodies.

5.8 Effectiveness of Transfer of funds

The departments which devolved functions to PRIs continue to receive budgetary allocations for execution of these functions and do not release them or release meagre amounts to PRIs.

(i) Non-transfer of funds

Information collected from the 5 Govt. Departments selected for review revealed that none of them released funds to PRIs out of their budgetary allotment. The records of ZPs revealed that 5 ZPs received funds of Rs. 243.82 lakh between 03-04 to 06-07 from Agriculture Dept. for Centrally Sponsored Macromode Schemes. But the ZPs neither included Macromode schemes in Annual Action Plan nor executed any scheme and on

demand of fund by District Agriculture Officer, Block Agriculture Officer released Rs. 239.35 lakh (DAO Rs. 183.23 lakh, BAO Rs. 40.47 lakh and Horticulture office Rs. 15.65 lakh) still retaining Rs. 4.47 lakh in ZPs fund. Details are given in table below :
Review on "Transfer of functions, functionaries and funds to Panchayat Raj Institutions (PRIs)"

Table-36 Receipt and release of Macromode grant (Rs. in lakh)

Sl. No.	Name of ZPs	Period of Receipt	Amount released	Amount transferred to		Amount transferred to BAO	Amount retained in ZPs fund	Total
				DAO	DHO			
1	Saharsa	03-04 to 06-07	48.42	24.68	Nil	22.24	1.50	48.42
2	Purnea	03-04 to 06-07	62.22	47.81	9.06	5.35	Nil	62.22
3	Darbhanga	03-04 to 06-07	36.36	32.12	3.30	0.75	0.19	36.36
4	Saran	03-04 to 06-07	52.94	49.65	3.29	Nil	Nil	52.94
5	Nawada	03-04 to 06-07	43.88	28.97	Nil	12.13	2.78	43.88
Total			243.82	183.23	15.65	40.47	4.47	243.82

Under Macromode schemes of Agriculture Extension and Strengthening, Mechanization, Cereal development, Integrated pest management and oil seeds development etc. were executed by the DAO/BAO but these schemes were not sent to ZP for according approval as a result of that there was no control of ZP authorities over execution of those schemes. The actual expenditure position against the release of fund of Rs. 239.35 lakh however could not be ascertained as only the DAO Purnea furnished expenditure details of Rs. 31.90 lakh and DAO Saharsa of Rs. 19.21 lakh.

The Public Health Engineering Department made budgetary provisions of Rs. 7.20 crore each year from 2003-04 under Major Head 2215 Sub Head 198 and Minor Head 0001 on account of Grant in aid payable to Gram Panchayat for Hand Pump repair. However, it did not release any amount to GPs during 2003-04 to 2006-07 due to the reason that the Gram Panchayat did not submit utilization certificate in respect of release of fund by PHED divisions of Rs. 2.82 crore to Gram Panchayat in 2001-02. The department even resolved in May 2005 that the work of special repair, installation of new Hand Pump and replacements of old Hand Pumps would be done departmentally and not by Gram Panchayat.

5.9 Conclusion

- The transfer of functions to PRIs was not effective as the schemes were not included in Annual Action Plan in respect of works transferred. The PRIs

executed schemes of 10th FC, 11th FC, 12th FC, SGRY and NREGP but there was neither any sectoral details of schemes of Agriculture, REO, PWD, Forest, Education, Medical etc. nor the officials of 20 departments submitted their action plan to ZP/PS for inclusion in Annual Action Plan .

- . • The transfer of functionaries to PRIs was not done and the limited administrative control for attending ZP/PS meetings and sanction of casual leave and station leave permission by ZP/PS was not effective.
- . • Devolution of funds by the State Govt. was not effective and the departments continue to receive budgetary allocations on account of transferred functions.

5.10 Recommendations

- . • The State Govt. may take effective steps for actual transfer of functions, functionaries and funds to PRIs so that the PRIs may be able to discharge their 29 functions listed in 11th schedule of Article 243-G of the constitution.
- . • Budgetary provisions for functions transferred to PRIs should not be made to the departments which devolved functions to PRIs. These should be made directly to PRIs.
- . • The State Govt. may ensure the transfer of all the staff of the departments under the control of ZP, PS and GPs for successful working of local self govt. at the grassroots level.