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PREFACE

1. This report has been prepared for submission to the Government of Uttar Pradesh in accordance with the terms of Technical Guidance and Supervision (TGS) of the audit of accounts of Panchayati Raj Institutions (PRIs) by the Comptroller and Auditor General of India as envisaged by the Eleventh Finance Commission.
2. This report has three chapters. CHAPTER-I contains a brief introduction of functioning of various levels of the PRIs in the state with the observations and comments on accounts, CHAPTER-II deals with the performance audit on the “Quality of maintenance of accounts in PRIs including the aspect of availability of qualified manpower” and CHAPTER -III deals with audit comments based on audit inspection.
3. The cases mentioned in the report are those, which came to notice in the course of test audit/inspection of accounts during the year 2008-09. During the period from April 2008 to March 2009, accounting and other records of 52 Zila Panchayats, 130 Kshetra Panchayats and 4525 Gram Panchayats were inspected.

PREFACE

1. This report has been prepared for submission to the Government of Uttar Pradesh in accordance with the terms of Technical Guidance and Supervision (TGS) of the audit of accounts of Panchayati Raj Institutions (PRIs) by the Comptroller and Auditor General of India as envisaged by the Eleventh Finance Commission.
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CHAPTER-I

AN OVERVIEW OF THE PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

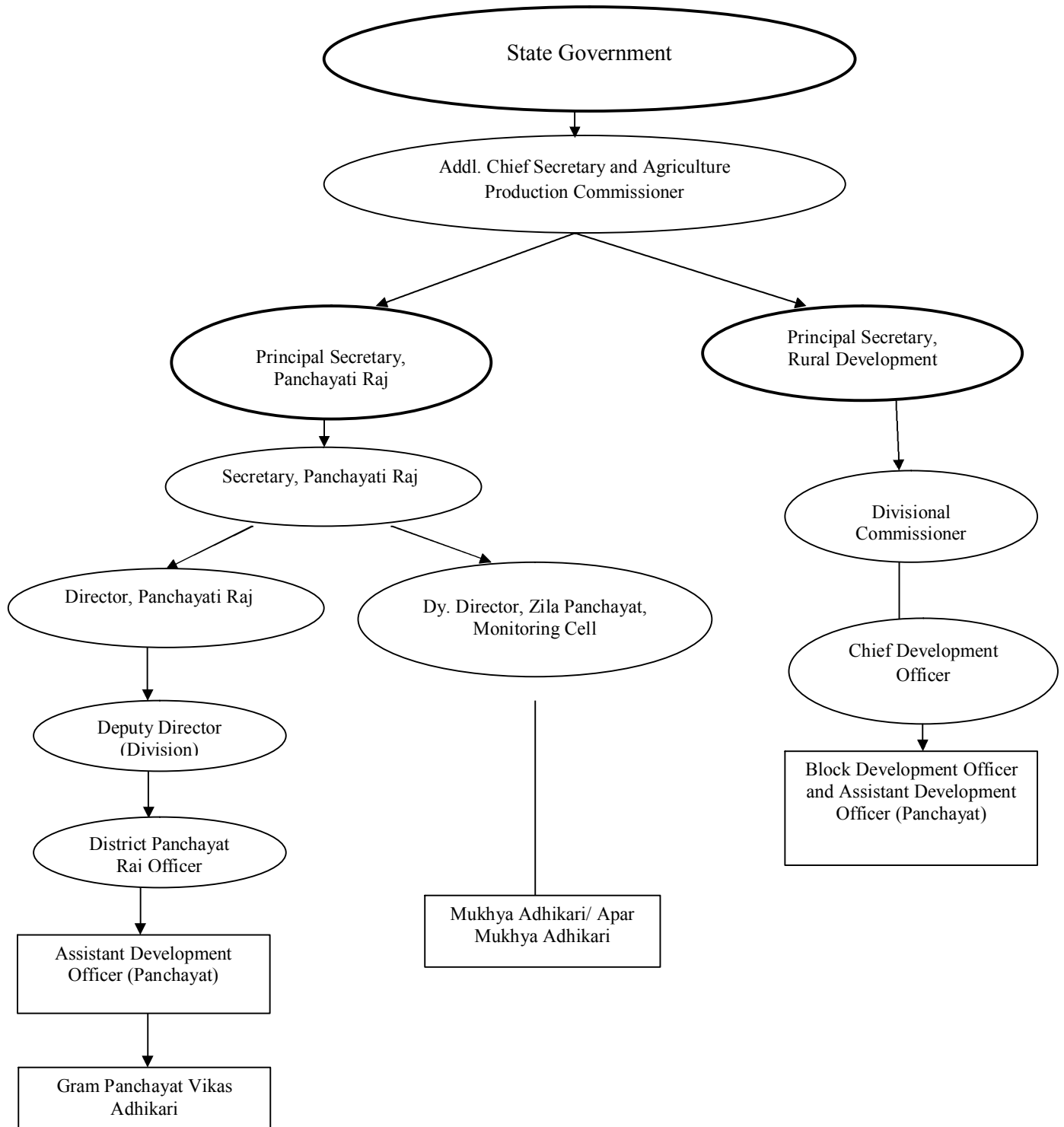
Keeping in view the Seventy Third Constitutional Amendment (1992), Uttar Pradesh Kshetra Panchayat and Zila Panchayat Adhiniyam were enacted in 1994 to establish a three-tier Panchayati Raj Institution (PRI) system of elected bodies. The Act envisages decentralization of power to Rural Self Governing Bodies, viz. Gram Panchayat (GP) at village level, Kshetra Panchayat (KP) at intermediate level and Zila Panchayat (ZP) at the district level. The system of PRI aimed at increasing participation of people and effective implementation of rural development programmes. The overall supervision, co-ordination, planning and implementation of developmental schemes vested with the Zila Panchayat.

At the end of March 2009, there were 71 ZPs¹, 820 KPs and 51,976 GPs in the State. The population of the State covered under PRIs as per census 2001, was 13.22 crore. The last election to the elected bodies of these PRIs was held during June 2005 to October 2005 in which 51,976 Gram Pradhan for GPs, 816 Pramukh for KPs and 70 Adhyaksha for ZPs were elected.

¹ ZP, Kanshiram Nagar was created in April 2008.

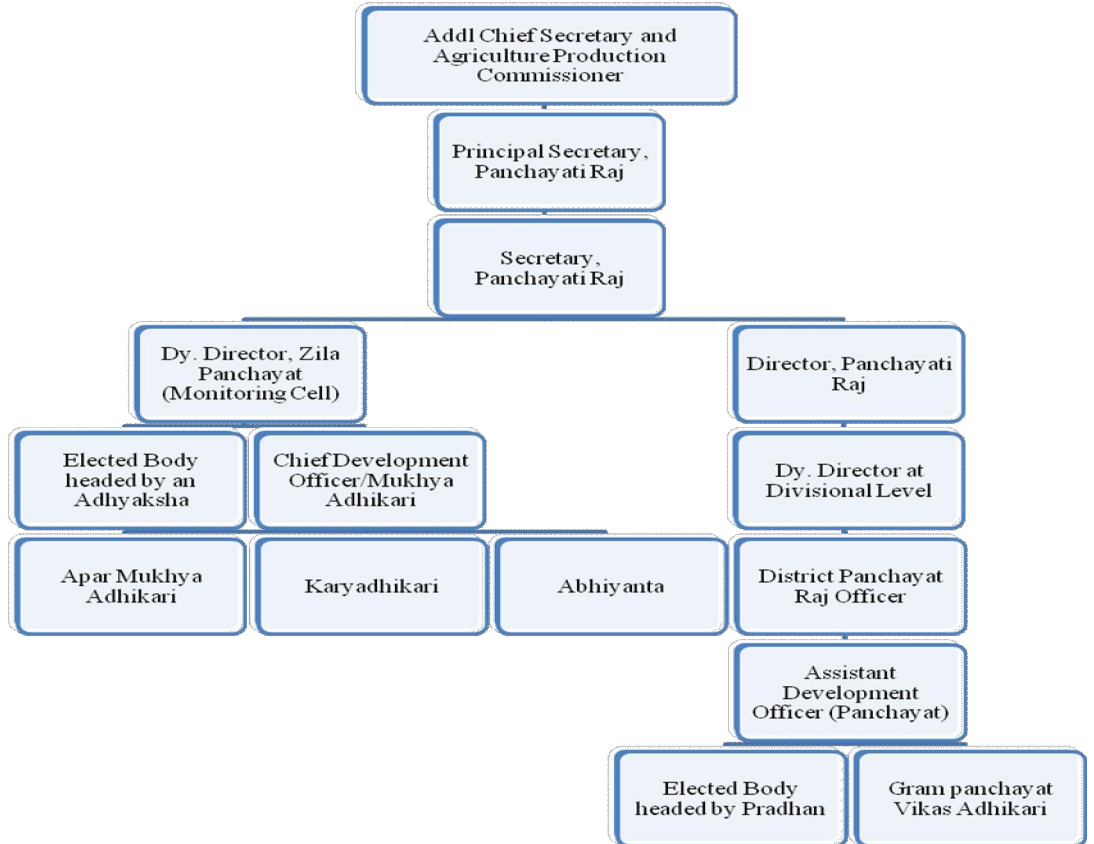
1.2 Organizational set-up

The Administrative control of the three tiers of PRIs is shown below:

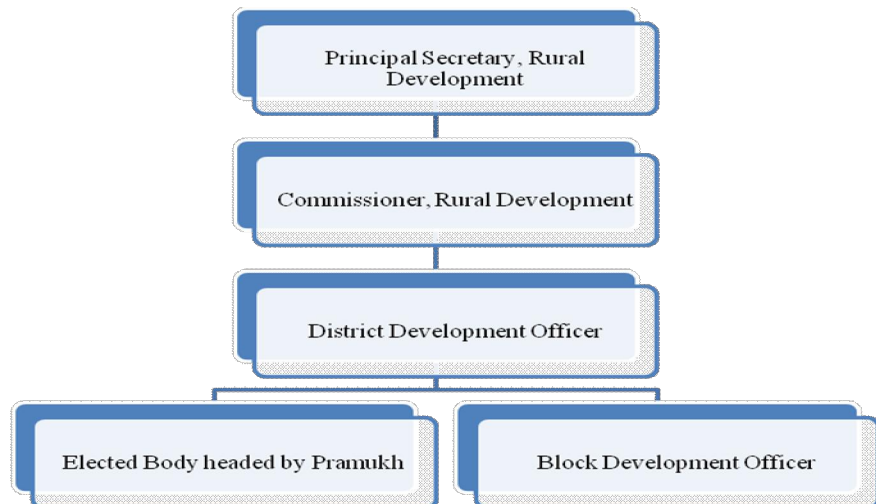


The organizational structure of the three tiers of PRIs is as shown below:

Zila Panchayats and Gram Panchayats



Kshetriya Panchayats



1.3 Data Base on finances of PRIs

Eleventh Finance Commission (EFC) recommended that a data base on the finances of the PRIs should be developed at the district, State and the Government of India levels and be accessible by computerizing it and linking it through VSAT². The data were to be collected and compiled in standard formats prescribed by the Comptroller & Auditor General of India. The objective was to facilitate comparison of performance of the PRIs among the States at the Government of India level and the State Government level.

In view of EFC recommendation, ` 104.56 crore³ were earmarked from the grant of EFC (` 42.07 crore) and Twelfth Finance Commission (TFC) (` 62.49 crore) for creation of data base and was kept in Personal Ledger Account (PLA) of ZP, Lucknow with the direction that the fund would not be withdrawn without sanction of the State Government. As per information collected (January 2010) from Director, Panchayati Raj, Lucknow, an amount of ` 42.07 crore earmarked from EFC for data base was diverted to the Government account on the orders (November 2009) of the State Government. ` 0.12 crore out of the balance amount of ` 62.49 crore was kept reserved for consultancy of computerization from Indian Institute of Technology (IIT), Kanpur and remaining ` 62.37 crore was diverted to PRIs for the maintenance of the drinking and sanitation amenities.

Thus, the whole amount of ` 104.56 crore earmarked for data base was either diverted for other purposes or kept unspent and data base of PRIs was not created.

² Very Small Aperture Terminal.

³ 11th Finance Commission 2000-01 ` 21.04 and 2001-02 ` 21.03 and 12th Finance Commission 2006-07, ` 33.64 and 2007-08 ` 28.85 Total ` 104.56

Non-creation of the data base denied the Government to assess accurately overall financial performance of the PRIs.

1.4 Sources of revenue

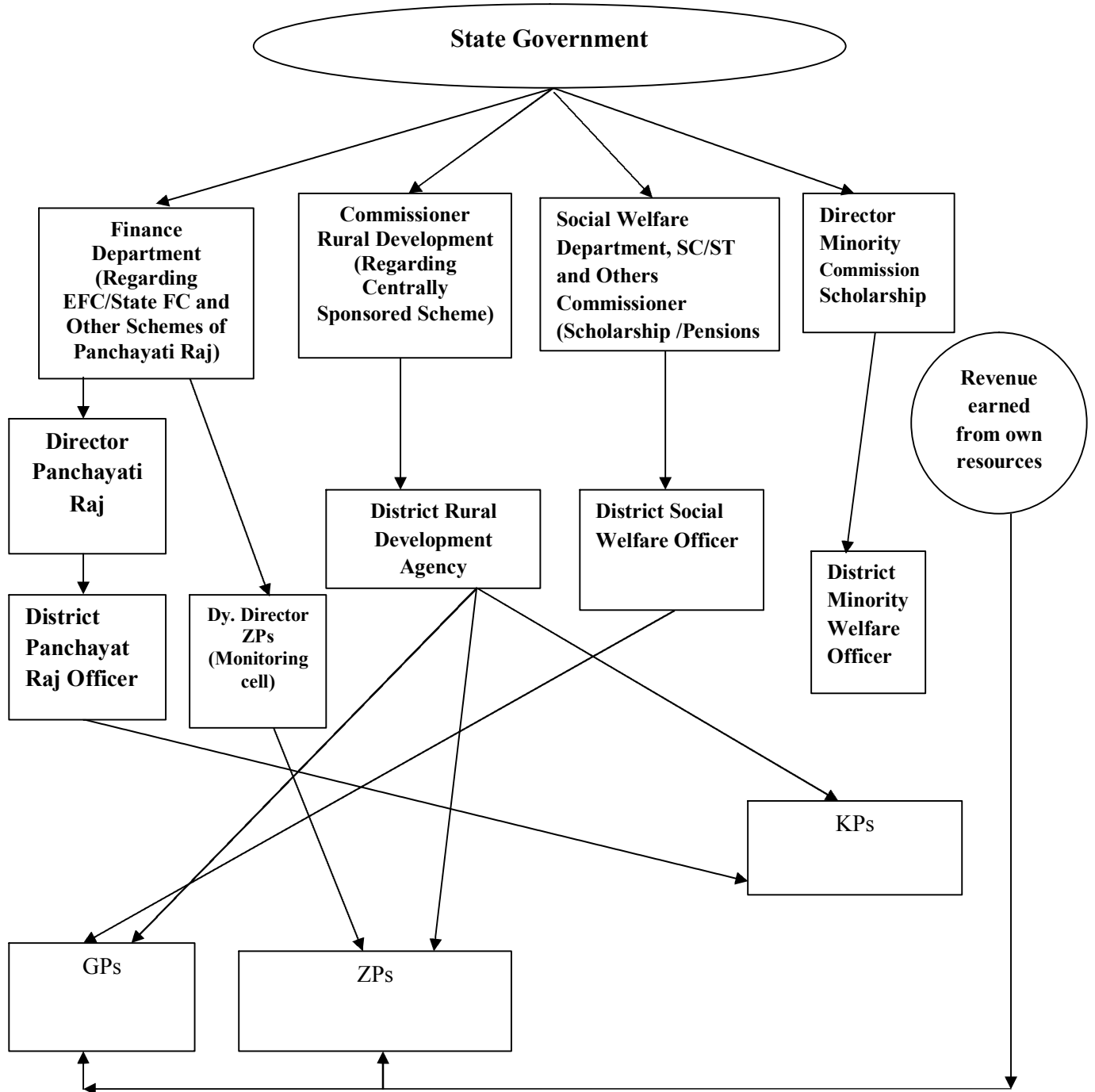
1.4.1 Flow of revenues

For execution of various developmental schemes, PRIs receive grants from the Government of India (GOI) and the State Government. Grants are also given as per the recommendations of the Central and State Finance Commissions for enhancing the service delivery of the PRIs. In addition, the PRIs also earn tax and non-tax revenue out of their own resources. The source of revenues for the PRIs comprises:

- grants assigned under the recommendations of the Twelfth Finance Commission;
- five per cent of net proceeds of State's net tax revenue as per recommendations of the Second State Finance Commission;
- grants received through District Rural Development Agency/Chief Development Officer for execution of centrally sponsored schemes;
- funds from Departments for the functions transferred to the PRIs;
- Revenue earned by the PRIs out of their own resources such as taxes, rent, fees, etc.

1.4.2 Funds flow chart

Flow of funds to the PRIs at the grass-root level is depicted in a chart as follows:



1.4.3 Aggregate receipts of the PRIs

The aggregate receipts of grants by the PRIs under the recommendations of Twelfth Finance Commission (TFC), State Finance Commission (SFC), grants released for centrally sponsored schemes and revenue realized from their own resources during 2005-09 were as under:

(` in crore)

Year	Twelfth Finance Commission	State Finance Commission	Centrally Sponsored Schemes	Own resources	Total
2005-06	585.60	816.94	1,949.96	80.95	3,433.45
2006-07	585.60	1,169.05	1,698.37	73.90	3,526.92
2007-08	585.60	1,567.77	3,340.80	90.75	5,584.92
2008-09	587.28	1,267.21	8,679.89	91.80	10,626.18
Total	2,344.08	4,820.97	15,669.02	337.40	23,171.47

(Source: Director, Panchayati Raj, Lucknow)

It would be seen from the table that there was increasing trend in receipts during 2005-09. The major increase occurred under centrally sponsored schemes.

1.4.4 Devolution of State Finance Commission grant

Second SFC recommended that five per cent of the net proceeds of tax revenue should be devolved to the PRIs.

Though there was shortfall in devolution of fund during 2005-06 and 2008-09, it was more than 5 per cent during 2006-08 as given below:

(` in crore)

Year	Net proceeds of tax revenue of State Government	Funds to be devolved	Funds actually devolved	Shortfalls/Excess	Percent
2005-06	18,858	943	817	(-) 126	(-) 13
2006-07	22,998	1,150	1,169	(+) 19	(+) 2
2007-08	24,959	1,248	1,568	(+) 320	(+) 26
2008-09	28,659	1,433	1,267	(-) 166	(-) 12
Total	95,474	4,774	4,821	(+) 47	(+) 0.98

(Source: Director, Panchayati Raj, Lucknow; Deputy Director, Zila Panchayat Monitoring Cell), Lucknow and Commissioner, Rural Development, Lucknow)

1.5 Utilization of funds

1.5.1 Utilization of grants of Twelfth Finance Commission

The table below brings out the position of fund available under the TFC, and its utilization as furnished by the Director, Panchayati Raj, Lucknow during 2005-09:

(` in crore)

Year	Total funds available	Funds utilized	Funds not utilized
2005-06	585.60	585.02	0.58
2006-07	585.60	551.96	33.64
2007-08	585.60	556.52	29.08
2008-09	587.28	587.10	0.18
Total	2,344.08	2,280.60	63.48

(Source: Director Panchayati Raj Institutions, Lucknow)

Rupees 0.99 crore lapsed to the Government account during 2005-09 due to non-clearance of cheque from Bank at the Directorate level. ` 62.49 crore out of ` 63.48 crore (2005-09), was for data base computerization. The analysis revealed that the figures of utilized funds were not realistic as the funds released were treated as utilized. No Management Information System was developed in this regard as of December 2009.

1.5.2 Utilization of grants of State Finance Commission

The table below brings out the position of funds available under the SFC, utilization and non utilization thereof during 2005-08.

(` in crore)

Year	Unutilized funds of previous year	Funds received during year	Total Funds available	Funds utilised (per cent)	Funds not utilised (per cent)
(1)	(2)	(3)	(4)	(5)	(6)
2005-06	61.11	816.94	878.05	504.36 (57)	373.69 (43)
2006-07	373.69	1,169.05	1,542.74	724.01 (47)	818.73 (53)
2007-08	818.73	1,567.77	2,386.50	1,065.30 (45)	1,321.20 (55)

(Source: Director, Panchayati Raj, Deputy Director, Zila Panchayat, Lucknow)

The table revealed that pace of utilization of fund was limited to 45 to 57 per cent of the fund available each year during 2005-08. Shortfall in utilization of funds hampered development works to be executed as a result of which people deprived of basic amenities despite availability of fund.

1.5.3 Grants for implementation of centrally sponsored schemes

The PRIs were the executing agencies of centrally sponsored schemes at grass root level.

Based on data made available by the Commissioner, Rural Development, Lucknow, the table below brings out the position of grants received by the PRIs during 2006-09 for implementation of the centrally sponsored schemes:

(` in crore)

Names of Centrally sponsored schemes and periods	Grants received			Grant released to PRIs
	Central	State	Total	
Sampoorna Gramin Rojgar Yojana (2006-08) – SGRY	873.55	286.66	1,160.21	1,160.21
Swaran Jayanti Gram Swarajgar Yojana (2006-09) – SGSY	862.48	284.24	1,146.72	1,146.72
Indira Awas Yojana (2006-09)	1,852.61	517.74	2,370.35	2,370.35
National Rural Employment Guarantee Yojana (2006-09) – NREGA	5,747.14	630.00	6,377.14	6,377.14
Pradhan Mantri Gramin Sadak Yojana (2008-09) – PMGSY	1,649.32	-	1,649.32	1,649.32
Rural Drinking Water Scheme (2008-09) – RDWS	537.78	411.64	949.42	949.42
National Health Insurance Scheme (2008-09) – NHIS	20.62	-	20.62	20.62
Bio gas (2008-09)	0.52	-	0.52	0.52

The operation of SGRY was stopped after 2007-08 while funds under PMGSY, RDWS, NHIS and Biogas were received during 2008-09

1.5.4 Revenue realized from own resources

The PRIs were entitled to generate revenues by levying rent, taxes, fees etc. under their jurisdiction. Accordingly, the Government fixed targets of revenue realization for the PRIs for the year 2006-09. The table below brings out the targets fixed by the Government during 2006-09 and achievements there against by PRIs:

(` in crore)

Name and Number of PRIs	2006-07		2007-08		2008-09	
	Target	Achievement (per cent)	Target	Achievement (per cent)	Target	Achievement (per cent)
71 ZPs	81.43	70.03 (86)	83.42	86.37 (104)	93.86	88.22 (94)
820 KPs ⁴	-	-	-	-	-	-
51,976 GPs	8.89	3.87 (44)	4.88	4.39 (90)	4.53	3.58 (79)
Total	90.32	73.90 (82)	88.30	90.76 (103)	98.39	91.80 (93)

(Source: Director, Panchayati Raj and Dy. Director, Zila Panchayat at Lucknow)

The table revealed that ZPs achieved the target during 2007-08 whereas the achievements were short by 14 and 6 per cent during 2006-07 and 2008-09 respectively. Even though targets of revenue realizations for GPs were decreased year after year the shortfall continued to occur.

Further, it was noticed that 16 ZPs raised demands for `15.83 crore for 2007-08 which excluded `12.88 crore on account of arrear dues on Circumstances and Property tax, rents, license fees from the tenants, licenses, etc. (*Appendix-1*). Out of total amount of `28.71 crore recoverable in 2007-08, `13.15 crore was recovered and the remaining `15.56 crore was still (December 2009) lying unrecovered for no reasons on record. The financial position of the ZPs suffered to this extent.

1.6 Overall financial position

As mentioned in paragraph 1.3, neither the data base on finances of the PRIs was created nor accounts were prepared as a result of which the overall financial position of the PRIs in the State depicting the opening balances, receipts, expenditure and closing balances could not be ascertained and hence not given.

⁴ Target was not fixed.

During 2008-09, records of 4,707 units of PRIs were test-checked in audit. The financial positions of audited units during last three years were as per the details brought out below:

(` in crore)

Year	Number of PRIs test-checked	Opening balances	Funds received	Total funds available	Expenditure (per cent)	Closing balances
Zila Panchayats						
2005-06	51	191.55	462.20	653.75	324.35 (50)	329.40
2006-07	52	338.56	476.91	815.47	497.80 (61)	317.67
2007-08	52	319.41	589.80	909.21	484.00 (53)	425.21
Kshetra Panchayats						
2005-06	139	47.05	121.15	168.20	117.01 (70)	51.19
2006-07	139	51.19	160.57	211.76	151.53 (72)	60.23
2007-08	130	53.33	282.39	335.72	274.59 (82)	61.13
Gram Panchayats						
2005-06	2,274	20.57	92.00	112.57	75.75 (67)	36.82
2006-07	2,430 ⁵	39.18	135.36	174.54	132.32 (76)	42.22
2007-08	4,525	87.28	376.92	464.20	346.73 (75)	117.47

An analysis of the table revealed that PRIs underutilized the funds. The major defaulters were the ZPs where ` 425.21 crore was lying unutilized at the end of March 2008. Due to underutilization, funds continued to accumulate. This indicated poor planning for funds utilization for achieving intended objectives in a time bound manner.

1.7 District Planning Committees

Uttar Pradesh Kshetra Panchayat and Zila Panchayat Adhiniyam 1961 provided⁶ that the ZPs would prepare each financial year a development programme for the district as a whole incorporating therein the development plan of KPs and GPs of the district and submit it for approval to the District Planning Committee which was to be constituted in terms of Uttar Pradesh District Planning Committee (UPDPC) Act, 1999.

⁵ Financial position of 114 out of 2544 *Gram Panchayats* was not issued to the Department.

⁶ Sections 63 and 86

It was noticed that such committees, constituted in April 2008 after a lapse of nine years of passing the Act, were actually made functional from December 2009. Development Plans envisaged for KPs and GPs as required in UPDPC, Act was not included in any of the District Development Plans in the ZPs test checked during 2009-10 (December 2009).

1.8 Budgeting and Budgetary Process

Budgeting and budgetary process entails preparation and examination of the annual budget estimates and the subsequent control over expenditure to ensure that it was kept within the authorized grants or appropriations. With this objective, each PRI in the State was to prepare the annual budget in terms of Uttar Pradesh KPs and ZPs Manual⁷. It was, however, noticed that this was not prepared in any of 4,525 GPs and 130 KPs test-checked during 2008-09 and works were executed on ad hoc basis.

1.9 Accounting arrangements

(i) The Comptroller and Auditor General of India, on the recommendations of EFC, prescribed (2002) Budget and Accounting formats for all the three tiers of PRIs. Although, the Government accepted (March 2003) the formats but ZPs and KPs did not maintain their accounts in the above prescribed formats. Accounts of GPs were maintained in formats prescribed by C & AG through the Chartered Accountants. Test check of GPs records, however, revealed that their accounts were in arrear for two to five years due to delayed engagement of the Chartered Accountants and in several cases non - submission of records by the GPs to them when engaged.

(ii) As of August 2009, the accounts of 15,658 GPs for the year 2004-05, 29,025 GPs for the year 2005-06, 44,384 GPs for the year 2006-07, 50,342 for the year 2007-08 and 51,841 for the year 2008-09 were in

⁷ Section 110 & 115

arrears. In test-check during 2005-2009, it was also noticed that KPs were not preparing their monthly/annual accounts. Thus, the accounts of the PRIs lacked transparency.

(iii) TFC observed that accurate information on the finances of the PRIs were not available at the State level and recommended that credible information on the finances of the PRIs at the State level should be maintained so as to assess actual requirement of funds for each tier of the PRIs. However, these accounts were not compiled at district and State levels. As a result, fund allocations to the PRIs were not based on “need-based assessment”.

(iv) Uttar Pradesh Zila Parishads and Kshetra Samities (Budget and General Accounts) Rules 1965⁸ provided that each item of receipts and expenditure as per cash book should be compared with the treasury/bank statements at the end of each month. The differences, if any, should be reconciled. It was, however, noticed that the test checked nine ZPs and 27 KPs had not reconciled the difference of Rs 6.15 crore and ` 9.77 crore respectively (*Appendix-2*) as on 31 March 2008 between the cash book and the treasury/bank statements. The unreconciled differences were fraught with possibilities of misuse/misappropriation of funds.

1.10 Audit arrangements

The Chief Audit Officer (CAO), Co-operative Societies and Panchayats is the primary auditor for all the three tiers of the PRIs.

The data made available by CAO, revealed that a large number of the PRI units remained unaudited⁹ reportedly due to non submission of records by them during 2006-09 as per the details given below:

⁸ Section 84 (2)

⁹ Based on information furnished by Chief Audit Officer, Co-operative Societies and Panchayats.

Name of the PRIs	2006-07	2007-08	2008-09
	Arrear (per cent)	Arrear (per cent)	Arrear (per cent)
ZPs	42 (60)	30 (43)	48 (69)
KPs	144 (18)	27 (3)	90 (11)
GPs	7,177 (14)	11,006 (21)	18,490 (36)
Total	7,363 (14)	11,063 (21)	18,628 (35)

In view of a large number of unaudited PRIs, their financial data remained unauthenticated.

1.11 Position of entrustment of audit/ Technical Guidance and Supervision to Comptroller and Auditor General of India

(a) The Eleventh Finance Commission recommended exercising of Technical Guidance and Supervision (TGS) over the proper maintenance of accounts of PRIs and their audit by the Comptroller & Auditor General of India. Consequently, the Government entrusted (October 2001) audit of local bodies under section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 to the C & AG. Accordingly, audit of PRIs were conducted and 12,191 Inspection Reports which contained 9,578 paragraphs were sent to the Chief Audit Officer during 2003-09 for pursuance. However, these remained un-replied. Further, suitable amendments in the State Acts/Rules were not made even after a lapse of eight years, as of June 2009.

(b) During 2008-09, 52 ZPs, 130 KPS and 4,525 GPs were test-checked and 1776 paragraphs on poor financial management and financial irregularities resulting in infructuous and excess expenditures, diversion of funds and loss of revenue etc. were communicated to the Head of the Offices, Director, Panchayati Raj and Chief Audit Officer, Co-operative Societies and Panchayats. However, the compliance of these paragraphs was awaited (December 2009).

1.12 Other points

1.12.1 Recommendations of State Finance Commission (SFC)

Second SFC constituted (February 2000) for the period 2001-2006, made 245 recommendations mainly on the issues relating to timely release of the grants, enhancement in their own resources, transferring of income of ZP to GP, resource mobilization of the PRIs, etc. The Government accepted 133 recommendations in toto and 70 recommendations partially and did not accept 42 recommendations which mainly related to imposing of property tax in rural areas, revision of rates of land revenue and enhancing income of PRIs through license, etc.

1.12.2 Lapse of TFC grant in ZPs

As per TFC guidelines, the PRIs were required to present the bills to the treasury within the financial year for the grants released by the State Government to be transferred in their PLAs. In case of PRIs not having PLAs, cheques were issued by treasuries which were to be deposited by the PRIs in their bank accounts latest by the next month of their issue. However, ZP, Sultanpur and ZP, Faizabad did not present the requisite bills to concerned treasuries for the first installment of financial year 2007-08 to be transferred to their PLAs within the time schedule and hence the grant lapsed.

1.13 Conclusion

PRIs did not follow the prescribed system of the budgeting and budgetary process and did not maintain accounting records in the prescribed formats, as a result, true and fair view of income and expenditure of the PRIs were not available. The grants were not utilized in a time bound manner to derive intended benefits. The arrears in audit by CAO rendered the financial data of PRIs unauthenticated. The data base at any of the three levels, viz., district, State and Central was also not developed despite

availability of funds. The District Planning Committees were not functional even after lapse of ten years of enacting the District Planning Committee Act, 1999 as a result their developmental activities could not be monitored at district level.

1.14 Recommendations

- The Government should ensure that database on finances is created at the district level as well as at the State level as per recommendations of the EFC and TFC.
- The Government should ensure that District Planning Committees are functional.
- The PRIs should be made accountable for preparation of their annual accounts in the prescribed formats within the specified period and their accounts should be compiled at the district level and at the State level for an objective assessment of allocation and utilization of funds.
- The Government should make PRIs accountable to the Chief Audit Officer for submission of records for audit and also to ensure compliance to audit observations with in a time bound manner.

CHAPTER II

Performance Audit

2. Quality of maintenance of Accounts in PRIs including the aspect of availability of qualified manpower

1. Introduction

The Comptroller and Auditor General of India (C&AG) had prescribed budget and accounting formats for maintenance of accounts in Panchayati Raj Institutions (PRIs) in 2002. The Government had adopted these formats in March 2003 and issued (January 2004) orders to PRIs for maintenance of accounts in these formats. However, Zila Panchayats (ZPs) and Kshetra Panchayats (KPs) have been maintaining their accounts as per provision of Uttar Pradesh Zila Panchayats & Kshetra Panchayats (Budget & General Accounts) Rules 1965 (Accounts Rules) and Zila Panchayats & Kshetra Panchayats (Works Rules) 1984 (Works Rules) made under Uttar Pradesh Kshetra Panchayats & Zila Panchayats Adhiniyam 1961 (Adhiniyam). The Kshetra Panchayats (KPs) which were required to maintain their accounts as per Accounts Rules have not been maintaining the same except Grant Register, Cheque Issue Register and Works Register only. The Gram Panchayats (GPs) have been maintaining their accounts in the formats as prescribed in Uttar Pradesh Panchayati Raj Act 1947.

2. Audit objectives

The review was conducted to assess whether:

- the accounting formats prescribed by the C&AG were adopted and implemented in PRIs;
- adequate number of qualified manpower were available with the PRIs for maintenance of accounts;

- the required database was maintained in PRIs; and
- the accounts prepared by PRIs reflect true and fair picture of receipts and expenditure, loan and advances and suspense heads and revenue realizations

3. Audit coverage and methodology

Records relating to maintenance of accounts in PRIs were scrutinized at the Secretariat and at the Directorate, Panchayati Raj at Lucknow. Information regarding maintenance of accounts of GPs were collected from offices of 14 District Panchayat Raj Officers (DPRO)¹. Accounts records of selected units (14 ZPs² out of 70, 14 KPs³ out of 820 and 34 GPs⁴ out of 51,976) of PRIs were test checked between June 2009 and July 2009 to ascertain the status of maintenance of accounts by them in the formats prescribed by the C&AG.

4. Organizational set - up

The PRIs constitute three tier systems, viz., (i) ZP at district level, (ii) KP at block level and (iii) GP at village level. At the Government level, Principal Secretary, assisted by Secretary Panchayati Raj is the controlling authority and at the department level, Director, is the head of the Panchayati Raj Department. The elected *Adhyksha* in respect of the ZPs and *Pramukh* in respect of KPs are the administrative heads. The *Gram Pradhan* is Administrative head of GPs.

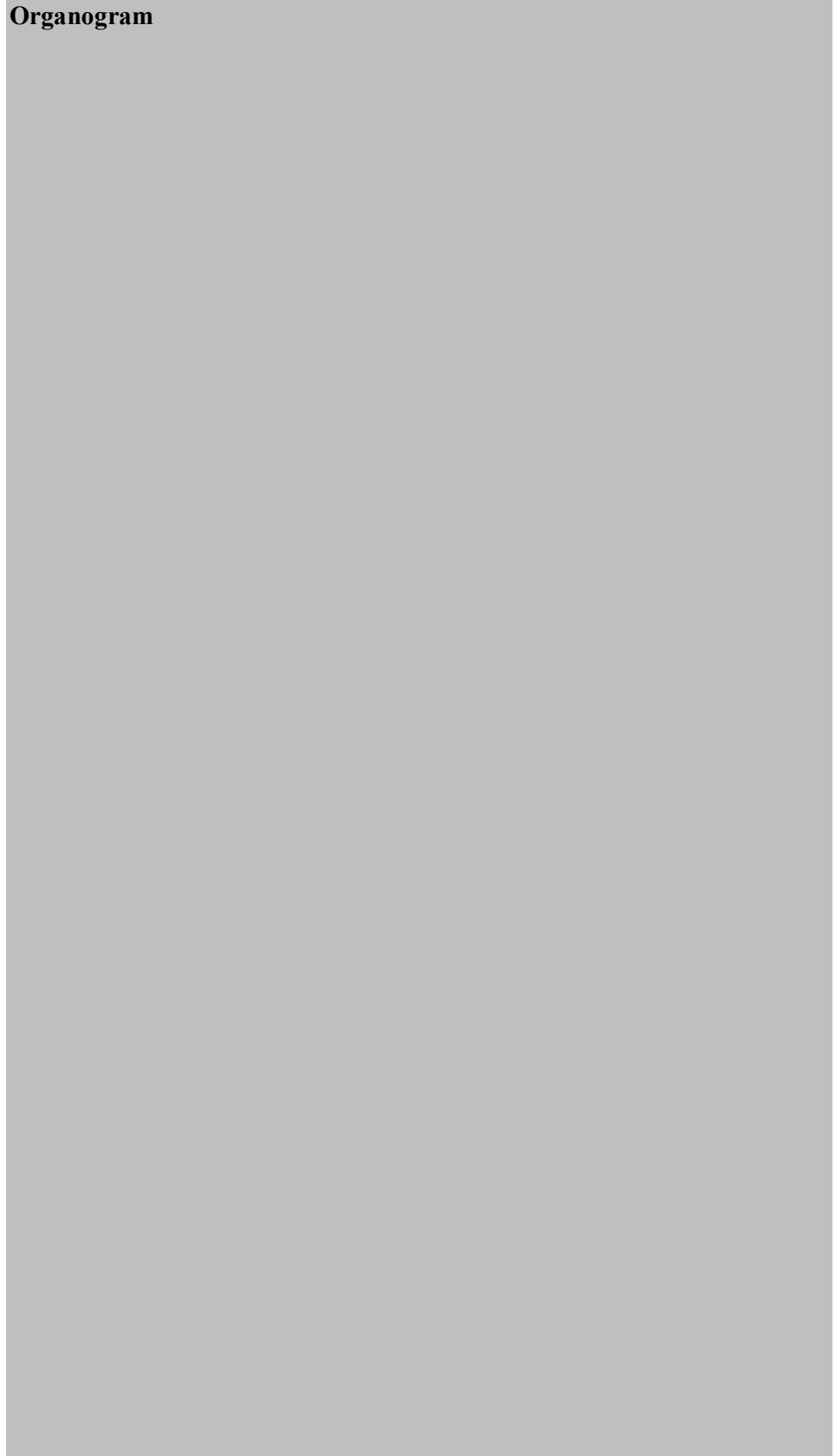
¹ DPROs, Barabanki, Hamirpur, Mirzapur, Shahjahanpur, Gorakhpur, Sultanpur, Unnao, Kushinagar, Moradabad, Pilibhit, Moradabad, Pilibhit, Mahoba, Muzaffarnagar, Jhansi and Deoria and Deoria.

² ZPs, Barabanki, Hamirpur, Mirzapur, Shahjahanpur, Gorakhpur, Sultanpur, Unnao, Kushinagar, Moradabad, Pilibhit, Mahoba, Muzaffarnagar, Jhansi and Deoria.

³ KPs, Deoria Sadar, Bhaluwani, Khatauli, Muzaffarnagar Sadar, Charkhari, Puranpur, Kundarki, Mudhapandey, Mauranipur, Babina, Nababganj, Sahjanwa, Sardarnagar, Amethi,

⁴ GPs, Kheri tagan, Nawana, Shahpur tigai, Jaraunda, Nara, Awana, Barain, Pawana, Riwai, Andhaura, Luhari, Lalpur Talluke Madhotanda, Budhi jamiba ettiura, Bihari ki Jamiba etauria, Jatpurqa, Takhatpur allah, Majhauri Khas, Syawari, Kotara, Charkara, Ghat loh chura, Budhpura, Heerapur, Emilia, Dhikauli, Manpur, Gaura Katherua, Soharamau, Jagdishpur, Khejuri, Chauri Chaura, Laxmanpur., Naraini, Katra Phool kunwar, .

Organogram



5. Maintenance of Accounts

5.1 Non-maintenance of accounts in the prescribed formats

As per recommendation of Eleventh Finance Commission (EFC), Budget and Accounting formats for all the three tiers of PRIs were prescribed by the C&AG (*Appendix I*) to strengthen the existing accounting systems, exercising proper control/monitoring and securing better accountability. These formats were synchronized with and linked to the scheme of classification in Union and State Government accounts making it amenable to computerization and building up a database on finance of PRIs for generation of data upto District, State and Government of India levels. The State Government issued order (January 2004) for maintenance of accounts in these formats with the direction that the accounts of GPs would be maintained through CA due to non-availability of skilled staff at grass-root level whereas the accounts of KPs and ZPs would be maintained by the accounts staff of their own. However, regular audit of records of ZPs, KPs and GPs revealed:

- The ZPs/KPs all over state were not maintaining their accounts in the formats prescribed by the C&AG.
- GPs maintained their accounts in the existing formats as prescribed in UP Panchayati Raj Act and on the basis of these accounts/records, CAs prepared GP's accounts in the formats prescribed by the CA&G.

The above facts were confirmed further from the records of ZPs/KPs/GPs test checked especially for this long draft paragraph.

Due to non-maintenance of accounts in the ZPs and KPs in the formats prescribed by the C&AG, the objective of strengthening accounting system of PRIs could not be fulfilled. Further, non-maintenance of accounts of receipts and expenditure as per prescribed coding pattern made it impossible for authorities to monitor the progress of the receipt and expenditure under different objectives to take further necessary action where required. Besides, accounts kept in the existing formats were not amenable to computerization and the generation of data upto the levels of State and Government of India was not possible. In reply, Additional Commissioner (Accounts), Rural Development stated (March 2010) that additional staff required to maintain the accounts in the formats prescribed by C&AG, had not been sanctioned by the Government (March 2010)

5.2 Improper maintenance of accounts in ZPs

According to Rules 22 of Accounts Rules, ZPs are required to prepare monthly accounts by 10th of each month in respect of receipt and expenditure for the previous month for submission to Executive Committee (*Karya Samiti*)⁵ in the first meeting held after the 10th of that month. Scrutiny of records revealed that five out of 14 ZPs⁶ test checked did not prepare monthly and annual accounts for the last 3 to 4 years and eight ZPs⁷ which had prepared the accounts, did not observe the provision of Accounts Rules as Budget estimates, classification of receipts and expenditure, statement of cash balances as per Cash Book and Bank balances for reconciliation were not depicted in the prescribed columns of monthly accounts. Besides, the figures shown in monthly account and those in classified abstracts did not agree to the figures of collection and demand register and works registers. Only ZP, Unnao observed the Budget and Accounts Rules.

⁵ A committee comprising by Adhykshya and six members of ZPs Mukhya Adhikari/Apar Mukhya Adhikari shall be the Secretary of the Executive Committee.

⁶ ZPs Sultanpur, Barabanki, Hamirpur, Jhansi and Mahoba.

⁷ ZPs Kushinagar, Gorakhpur, Moradabad, Pilibhit, Muzaffarnagar, Deoria, Mirzapur, and Shahjanpur.

Due to improper maintenance of accounts, Executive Committee could not be apprised of exact position of receipts and expenditure, in the absence of which improvement in maintenance of accounts and control over expenditure was hardly possible. Besides, no system for monitoring of preparation of monthly accounts by ZPs and their submission to respective EC was prescribed at Government level.

5.3 Non-maintenance of accounts/record registers in KPs

The KPs were required to maintain basic accounts records, viz., Cash Book, Grant Registers, Stock Register, Advance Register, Advance Adjustment Register, Works Register, Cheque Issue Register and Moveable and Immoveable Property Register, etc. in the formats as prescribed in Accounts Rules. In addition, they were required to prepare Monthly/Annual Accounts. Records of test checked KPs revealed that no records except Grant Register, Works Register and Cheque Issue Register were maintained in KPs. None of these KPs prepared monthly and annual accounts during 2004-2009.

Due to non-maintenance of prescribed records, receipts and expenditure by KPs were not verifiable in audit.

6. Maintenance of Asset Register

PRIs were required to maintain asset register/property register for maintaining accounts of properties (land, buildings, roads, ponds and trees, etc). Scrutiny of records revealed that asset register had been maintained only in ZPs. The KPs and the GPs did not maintain asset register for keeping records of properties created or constructed under various programmes of rural

development. Due to lack of maintenance of asset register, total asset of the KPs and the GPs were not ascertainable.

7. Non- maintenance of stock account

As per Rules 45 (2) of Works Rules, separate stock registers in form number W-10 shall be kept in respect of each group of items and the balance of stock shall be counted/physically verified by the Junior Engineer on 30th September and 31st March each year. Test check of records of the ZP, Sultanpur revealed that it purchased bitumen for use of road construction as reserve stock for one year. Due to lack of maintenance of stock register (Receipt, Issue and Balances), the position of total stock of bitumen could not be ascertained. It was, however, noticed that Rs. 23.65 lakh, out of the funds of ZP, was already available in the account of Indian Oil Corporation, Haldia (IOC) as on 1 April 2008. Thereafter, ZP Sultanpur paid Rs. 53.22 lakh to IOC during April 2008 to March 2009. Thus, Rs.76.87 lakh (Rs. 23.65 lakh + Rs. 53.22 lakh) was lying with IOC. The IOC supplied bitumen worth Rs.76.84 lakh to ZP but ZP accounted for material worth Rs. 68.63 lakh only. The remaining material worth Rs. 8.21 lakh supplied by the IOC could not be traced and verified.

8. Non-reconciliation of balances of cash books under the balances of bank pass books

According to Rule 84 (2) of Accounts Rules, the balances of cash book shall be checked with reference to the balances of Bank Pass Book at the close of every month and difference, if any, would be reconciled. Test check (July 2009) revealed that in three ZPS Barabanki, Hamirpur and Jhansi out of 14 ZPs, reconciliation was not done for the last 3 to 4 years. Due to non-reconciliation, possibility of defalcation and misappropriation of funds could not be ruled out.

9. Blockade of funds

On the basis of recommendations of EFC, State Government had ordered (January 2004) that the accounts of GPs would be prepared by CAs from 2000-01 onward for which they shall be paid at the rate of Rs. 4000 per GP per year. Scrutiny of records of seven out of 14 DPROs test checked revealed that funds were allocated and released to 5,474 GPs for preparation of 27,370 accounts for 2004-09 (5 years' accounts for each GP) through CAs in the format prescribed by the C&AG. However, due to non- submission of accounts records to CAs by the GPs, the CAs could not prepare the accounts of 17,847 GPs during 2004-09. Consequently, Rs 7.14 crore provided to these GPs for preparation of accounts through CAs was lying unutilized with them.

10. Accounts of GPs prepared by CAs remained unscrutinized.

According to the order (January 2004) of the Government, the Panchayati Raj Department, Chief Audit Officer, Cooperative Societies and Panchayats and one officer nominated by the District Magistrate were to scrutinize the accounts of GPs prepared by the CAs in the formats prescribed by the C&AG. Result of scrutiny was to be communicated to DPROs. Scrutiny of records of test checked GPs revealed that neither District Magistrate of concerned districts had nominated any officer nor the said agencies had scrutinized the accounts of these GPs to ascertain the quality of preparation of accounts. The DPROs had not taken any action in this regard. Thus, the accuracy of the accounts prepared by CAs at the cost of Rs. 3.81 crore could not be verified.

11. Availability of qualified manpower

According to the provisions of *Adhiniyam*, one accountant who had passed the examination for Accountants conducted by the Director, Local Funds Audit (DLFA) was to be posted in each ZP and KP for maintenance of accounts.

However, no Accountant was posted in KPs, instead one Assistant Accountant/Accounts clerk was posted there for maintenance of accounts. As these Accountants/Accounts clerks were not trained in maintenance of accounts nor they had passed examination for Accountants conducted by the DLFA, accounts were not maintained according to norms.

The Gram Vikas Adhikari/Gram Panchayat Adhikari responsible for preparation of accounts had also not been imparted any training for maintenance of accounts of GPs.

Further, the accounts and computer training was an essential requirement for upgradation of skill of officials responsible for maintenance of accounts in computerized networked environment but no such training was imparted to the staff of ZPs/KPs also.

12. Non-maintenance of database

The EFC emphasized creation of data base of the assets of the PRIs, revenue generation by them and expenditure to assess their requirement of funds for basic civic and developmental functions and rational determination of the gap between the cost of maintenance of various services such as water supply, sanitation, roads, etc, and the capacity to raise resources on their own and computerization of accounts on priority basis. Keeping in view, Rs 104.56 crore was earmarked from the grant of EFC (Rs. 42.07 crore) and Twelfth Finance Commission (62.49 crore) for creation of database and was kept in the Personal Ledger Account (PLA) of ZP, Lucknow with the direction that expenditure would be incurred by the Director, Panchayati Raj after taking approval of the Government. However, Rs. 42.07 crore was deposited (November 2009) in receipt head of the Government and Rs. 62.37 crore was diverted (December 2009) for maintenance of drinking water and sanitation at the instance of Government order. Remaining Rs. 0.12 crore was lying in the

PLA as of January 2010. Thus, even after lapse of 9 years, the PRIs had not created data base and utilized a part of funds on the purpose other than for which it was sanctioned and a part of it was deposited in Government account. This was wrong on the part of the Government as the Central fund could neither be diverted without their permission nor could be deposited in Government account.

Thus, due to non creation of data base the accounts of PRIs remained in amenable to computerization in a network environment.

13. Conclusion

ZPs and KPs did not maintain their accounts in the formats prescribed by the C&AG. The PRIs did not observe fully even the provisions of UP ZPs & KPs Act 1961 and UP PR Act in maintenance of accounts. Qualified and trained staff had not been posted in KPs and GPs for maintenance of accounts. Training/workshop was not imparted/ conducted to help account keeping staff to update knowledge of rules and regulations and formats pertaining to maintenance of accounts in PRIs.

14. Recommendations

- The Government should make *the Apar Mukhya Adhikari* for ZPs, Block Development Officers for KPs and DPROs for GPs responsible for maintenance of accounts in the formats prescribed by the C&AG.
- Staff engaged in preparation of accounts should be imparted training in maintenance of accounts and data base.

- Data base as desired by EFC and TFC should be created on top priority.
- A system for monitoring of preparation of monthly accounts by ZPs and their submission to respective ECs should be devised at Government level.

Principal Accountant General

Quality of maintenance of Accounts in PRIs including the aspect of availability of qualified manpower

2.1. Introduction

The Comptroller and Auditor General of India (C&AG) had prescribed budget and accounting formats for maintenance of accounts in Panchayati Raj Institutions (PRIs) in 2002. The Government had adopted these formats in March 2003 and issued (January 2004) orders to PRIs for maintenance of accounts in these formats. However, Zila Panchayats (ZPs) and Kshetra Panchayats (KPs) have been maintaining their accounts as per provision of Uttar Pradesh Zila Panchayats & Kshetra Panchayats (Budget & General Accounts) Rules 1965 (Accounts Rules) and Zila Panchayats & Kshetra Panchayats (Works Rules) 1984 (Works Rules) made under Uttar Pradesh Kshetra Panchayats & Zila Panchayats Adhiniyam 1961 (Adhiniyam). The

Gram Panchayats (GPs) have been maintaining their accounts in the formats as prescribed in Uttar Pradesh Panchayati Raj Act 1947.

2.2. Audit objectives

The review was conducted to assess whether:

- the accounting formats prescribed by the C&AG were adopted and implemented in PRIs;
- adequate number of qualified manpower were available with the PRIs for maintenance of accounts;
- the required database was maintained in PRIs; and
- the accounts prepared by PRIs reflect true and fair picture of receipts and expenditure, loan and advances and suspense heads and revenue realizations

2.3. Audit coverage and methodology

Records relating to maintenance of accounts in PRIs were scrutinized at the Secretariat and at the Directorate, Panchayati Raj at Lucknow. Information regarding maintenance of accounts of GPs were collected from offices of 14 District Panchayat Raj Officers (DPRO)⁸. Accounts records of selected units (14 ZPs⁹ out of 70, 14 KPs¹⁰ out of 820 and 34 GPs¹¹ out of 51,976) of PRIs

⁸ DPROs, Barabanki, Hamirpur, Mirzapur, Shahjahanpur, Gorakhpur, Sultanpur, Unnao, Kushinagar, Moradabad, Pilibhit, Mahoba, Muzaffarnagar, Jhansi and Deoria.

⁹ ZPs, Barabanki, Hamirpur, Mirzapur, Shahjahanpur, Gorakhpur, Sultanpur, Unnao, Kushinagar, Moradabad Pilibhit, Mahoba, Muzaffarnagar, Jhansi and Deoria.

¹⁰ KPs, Deoria Sadar, Bhaluwani, Khatauli, Muzaffarnagar Sadar, Charkhari, Puranpur, Kundarki, Mudhapandey, Mauranipur, Babina, Nababganj, Sahjanwa, Sardarnagar, Amethi,

¹¹ GPs, Kheri tagan, Nawana, Shahpur tigai, Jaraunda, Nara, Awana, Barain, Pawana, Riwai, Andhaura, Luhari, Lalpur Talluke Madhotanda, Budhi jamiba ettiura, Bihari ki Jamiba etauria, Jatpurqa, Takhatpur allah, Majhauri Khas, Syawari, Kotara, Charkara, Ghat

were test checked between June 2009 and July 2009 to ascertain the status of maintenance of accounts by them in the formats prescribed by the C&AG.

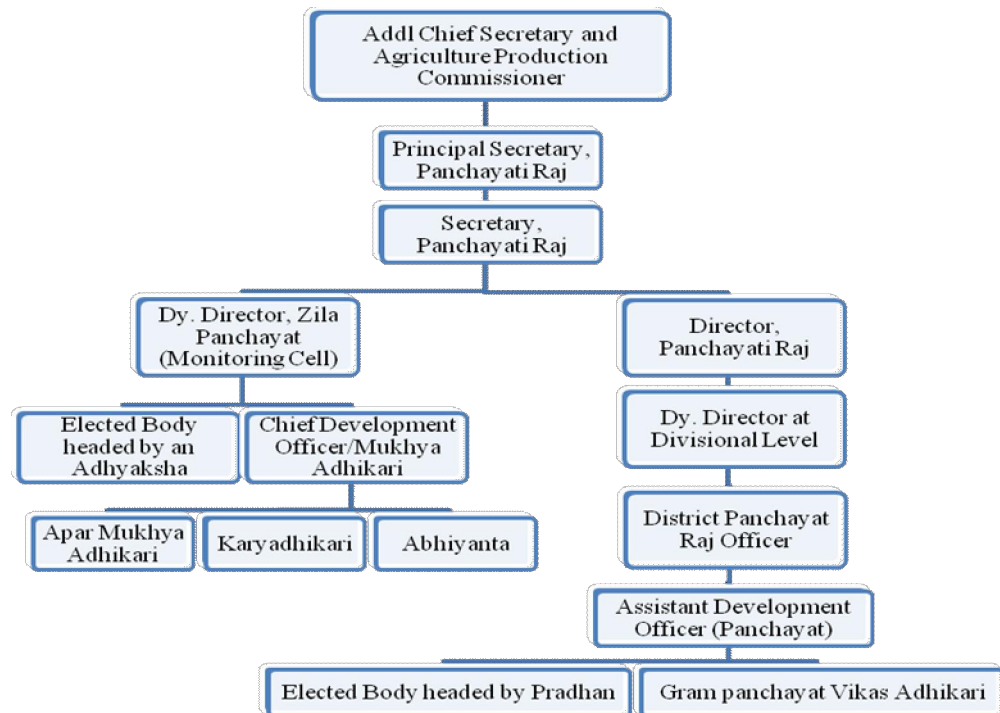
2.4. Organizational set - up

The PRIs constitute three tier systems, viz., (i) ZP at district level, (ii) KP at block level and (iii) GP at village level. At the Government level, Principal Secretary, assisted by Secretary, Panchayati Raj is the controlling authority and at the department level, Director, is the head of the Panchayati Raj Department. The elected *Adhyksha* in respect of the ZPs and *Pramukh* in respect of KPs are the administrative heads. The *Gram Pradhan* is Administrative head of GPs.

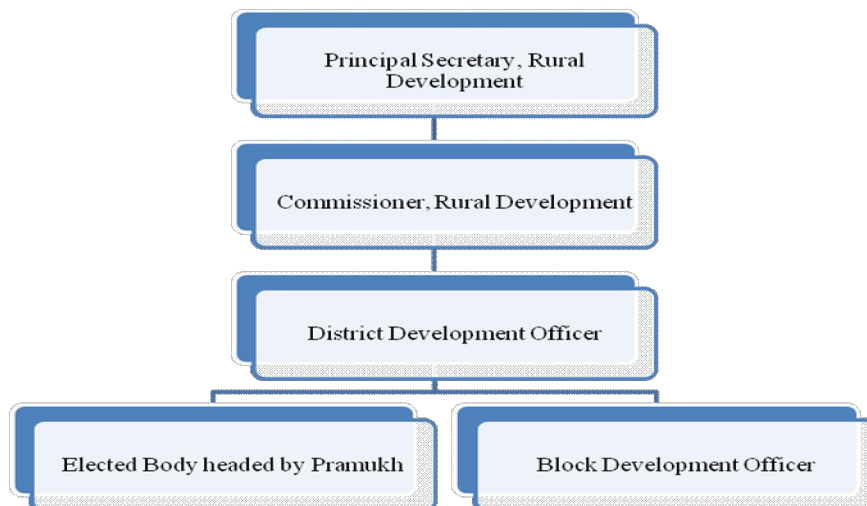
Organogram

Zila Panchayats and Gram Panchayats

loh chura, Budhpura, Heerapur, Emilia, Dhikauli, Manpur, Gaura Katherua, Soharamau, Jagdishpur, Khejuri, Chauri Chaura, Laxmanpur., Naraini, Katra Phool kunwar, .



Kshetra Panchayats



2.5 . Maintenance of Accounts

2.5.1 Non-maintenance of accounts in the prescribed formats

As per recommendation of Eleventh Finance Commission (EFC), Budget and Accounting formats for all the three tiers of PRIs were prescribed by the C&AG (*Appendix 3I*) to strengthen the existing accounting systems, exercising proper control/monitoring and securing better accountability. These formats were synchronized with and linked to the scheme of classification in Union and the State Government accounts making it amenable to computerization and building up a database on finance of PRIs for generation of data upto District, State and the Government of India levels. The State Government issued order (January 2004) for maintenance of accounts in these formats with the direction that the accounts of GPs would be maintained through CA due to non-availability of skilled staff at grass-root level whereas the accounts of KPs and ZPs would be maintained by the accounts staff of their own. However, regular audit of records of ZPs, KPs and GPs revealed:

- The ZPs/KPs all over state were not maintaining their accounts in the formats prescribed by the C&AG.
- GPs maintained their accounts in the existing formats as prescribed in UP Panchayati Raj Act and on the basis of these accounts/records, CAs prepared GP's accounts in the formats prescribed by the CA&G.

The above facts were confirmed further from the records of ZPs/KPs/GPs test checked especially for this long draft paragraph.

Due to non-maintenance of accounts in the ZPs and KPs in the formats prescribed by the C&AG, the objective of strengthening accounting system of PRIs could not be fulfilled. Further, non-maintenance of accounts of receipts and expenditure as per prescribed coding pattern made it impossible for authorities to monitor the progress of the receipt and expenditure under different objectives to take further necessary action where required. Besides, accounts kept in the existing formats were not amenable to computerization and the generation of data upto the levels of State and the Government of India was not possible. In reply, Additional Commissioner (Accounts), Rural

Development stated (March 2010) that additional staff required to maintain the accounts in the formats prescribed by C&AG, had not been sanctioned by the Government (March 2010)

2.5.2 Improper maintenance of accounts in ZPs

According to Rules 22 of Accounts Rules, ZPs are required to prepare monthly accounts by 10th of each month in respect of receipt and expenditure for the previous month for submission to Executive Committee (*Karya Samiti*)¹² in the first meeting held after the 10th of that month. Scrutiny of records revealed that five out of 14 ZPs¹³ test checked did not prepare monthly and annual accounts for the last three to four years and eight ZPs¹⁴ which had prepared the accounts, did not observe the provision of Accounts Rules as Budget estimates, classification of receipts and expenditure, statement of cash balances as per Cash Book and Bank balances for reconciliation were not depicted in the prescribed columns of monthly accounts. Besides, the figures shown in monthly account and those in classified abstracts did not agree to the figures of collection and demand register and works registers. Only ZP, Unnao observed the Budget and Accounts Rules.

Due to improper maintenance of accounts, Executive Committee could not be apprised of exact position of receipts and expenditure, in the absence of which improvement in maintenance of accounts and control over expenditure was hardly possible. Besides, no system for monitoring of preparation of monthly accounts by ZPs and their submission to respective EC was prescribed at the Government level.

2.5.3 Non-maintenance of accounts/record registers in KPs

¹² A committee comprising by Adhykshya and six members of ZPs Mukhya Adhikari/Apar Mukhya Adhikari shall be the Secretary of the Executive Committee.

¹³ ZPs Sultanpur, Barabanki, Hamirpur, Jhansi and Mahoba.

¹⁴ ZPs Kushinagar, Gorakhpur, Moradabad, Pilibhit, Muzaffarnagar, Deoria, Mirzapur, and Shahjanpur.

The KPs were required to maintain basic accounts records, viz., Cash Book, Grant Registers, Stock Register, Advance Register, Advance Adjustment Register, Works Register, Cheque Issue Register and Moveable and Immoveable Property Register, etc. in the formats as prescribed in Accounts Rules. In addition, they were required to prepare Monthly/Annual Accounts. Records of test checked KPs revealed that no records except Grant Register, Works Register and Cheque Issue Register were maintained in KPs. None of these KPs prepared monthly and annual accounts during 2004-2009.

Due to non-maintenance of prescribed records, receipts and expenditure by KPs were not verifiable in audit.

2.6. Maintenance of Asset Register

PRIs were required to maintain asset register/property register for maintaining accounts of properties (land, buildings, roads, ponds and trees, etc). Scrutiny of records revealed that asset register had been maintained only in ZPs. The KPs and the GPs did not maintain asset register for keeping records of properties created or constructed under various programmes of rural development. Due to lack of maintenance of asset register, total asset of the KPs and the GPs were not ascertainable.

2.7 . Non- maintenance of stock account

As per Rules 45 (2) of Works Rules, separate stock registers in form number W-10 shall be kept in respect of each group of items and the balance of stock shall be counted/physically verified by the Junior Engineer on 30th September and 31st March each year. Test check of records of the ZP, Sultanpur revealed that it purchased bitumen for use of road construction as reserve stock for one year. Due to lack of maintenance of stock register (Receipt, Issue and Balances), the position of total stock of bitumen could not be ascertained. It was, however, noticed that `Rs. 23.65 lakh, out of the funds of ZP, was already available in the account of Indian Oil Corporation, Haldia (IOC) as on 1 April 2008. Thereafter, ZP Sultanpur paid `Rs. 53.22 lakh to IOC during April 2008 to March 2009. Thus, `Rs.76.87 lakh (`Rs. 23.65 lakh + `Rs.

53.22 lakh) was lying with IOC. The IOC supplied bitumen worth `Rs.76.84 lakh to ZP but ZP accounted for material worth `Rs. 68.63 lakh only. The remaining material worth `Rs. 8.21 lakh supplied by the IOC could not be traced and verified.

2.8 . Non-reconciliation of balances of cash books under the balances of bank pass books

According to Rule 84 (2) of Accounts Rules, the balances of cash book shall be checked with reference to the balances of Bank Pass Book at the close of every month and difference, if any, would be reconciled. Test check (July 2009) revealed that in three ZPS Barabanki, Hamirpur and Jhansi out of 14 ZPs, reconciliation was not done for the last three to four years. Due to non-reconciliation, possibility of defalcation and misappropriation of funds could not be ruled out.

2.9 . Blockade of funds

On the basis of recommendations of EFC, the State Government had ordered (January 2004) that the accounts of GPs would be prepared by CAs from 2000-01 onward for which they shall be paid at the rate of `Rs. 4000 per GP per year. Scrutiny of records of seven out of 14 DPROs test checked revealed that funds were allocated and released to 5,474 GPs for preparation of 27,370 accounts for 2004-09 (Five years' accounts for each GP) through CAs in the format prescribed by the C&AG. However, due to non- submission of accounts records to CAs by the GPs, the CAs could not prepare the accounts of 17,847 GPs during 2004-09. Consequently, Rs 7.14 crore provided to these GPs for preparation of accounts through CAs was lying unutilized with them.

2.10 . Accounts of GPs prepared by CAs remained unscrutinized

According to the order (January 2004) of the Government, the Panchayati Raj Department, Chief Audit Officer, Cooperative Societies and Panchayats and one officer nominated by the District Magistrate were to scrutinize the accounts of GPs prepared by the CAs in the formats prescribed by the C&AG. Result of scrutiny was to be communicated to DPROs. Scrutiny of records of

test checked GPs revealed that neither District Magistrate of the concerned districts had nominated any officer nor the said agencies had scrutinized the accounts of these GPs to ascertain the quality of preparation of accounts. The DPROs had not taken any action in this regard. Thus, the accuracy of the accounts prepared by CAs at the cost of `Rs. 3.81 crore could not be verified.

2.11 . Availability of qualified manpower

According to the provisions of *Adhiniyam*, one accountant who had passed the examination for Accountants conducted by the Director, Local Funds Audit (DLFA) was to be posted in each ZP and KP for maintenance of accounts. However, no Accountant was posted in KPs, instead one Assistant Accountant/Accounts clerk was posted there for maintenance of accounts. As these Accountants/Accounts clerks were not trained in maintenance of accounts nor they had passed examination for Accountants conducted by the DLFA, accounts were not maintained according to norms.

The Gram Vikas Adhikari/Gram Panchayat Adhikari responsible for preparation of accounts had also not been imparted any training for maintenance of accounts of GPs.

Further, the accounts and computer training was an essential requirement for upgradation of skill of officials responsible for maintenance of accounts in computerized networked environment but no such training was imparted to the staff of ZPs/KPs also.

2.12 . Non-maintenance of database

The EFC emphasized creation of data base of the assets of the PRIs, revenue generation by them and expenditure to assess their requirement of funds for basic civic and developmental functions and rational determination of the gap between the cost of maintenance of various services such as water supply, sanitation, roads, etc, and the capacity to raise resources on their own and computerization of accounts on priority basis. Keeping in view, `Rs 104.56 crore was earmarked from the grant of EFC (`Rs. 42.07 crore) and Twelfth Finance Commission (` 62.49 crore) for creation of database and was kept in

the Personal Ledger Account (PLA) of ZP, Lucknow with the direction that expenditure would be incurred by the Director, Panchayati Raj after taking approval of the Government. However, `Rs. 42.07 crore was deposited (November 2009) in receipt head of the Government and `Rs. 62.37 crore was diverted (December 2009) for maintenance of drinking water and sanitation at the instance of the Government order. Remaining `Rs. 0.12 crore was lying in the PLA as of January 2010. Thus, even after lapse of nine years, the PRIs had not created data base and utilized a part of funds on the purpose other than for which it was sanctioned and a part of it was deposited in the Government account. This was wrong on the part of the Government as the Central fund could neither be diverted without their permission nor could be deposited in the Government account.

Thus, due to non creation of data base, the accounts of PRIs remained unamenable to computerization in a network environment.

2.13 . Conclusion

The ZPs and KPs did not maintain their accounts in the formats prescribed by the C&AG. The PRIs did not observe fully even the provisions of UP ZPs & KPs Act 1961 and UP PR Act in maintenance of accounts. Qualified and trained staff had not been posted in KPs and GPs for maintenance of accounts. Training/workshop was not imparted/ conducted to help account keeping staff to update knowledge of rules and regulations and formats pertaining to maintenance of accounts in PRIs.

2.14. Recommendations

- The PRIs should be made accountable for preparation of their annual accounts in the prescribed formats within the specified period and their accounts should be compiled at the district level and at the State level for an objective assessment of allocation and utilization of funds. The Government should make *the Apar Mukhya Adhikari* for ZPs, Block Development Officers for KPs and DPROs for GPs responsible for maintenance of accounts in the formats prescribed by the C&AG.
- Staff engaged in preparation of accounts should be imparted training in maintenance of accounts and data base.

- Data base as desired by EFC and TFC should be created on top priority.
- A system for monitoring of preparation of monthly accounts by ZPs and their submission to respective ECs should be devised at the Government level.

Appendix-I
(Reference: para: 5.1 page.....)

Formats prescribed by C&AG for PRIs

SI No.	Name of formats	Formats No.
1	Annual Income and Expenditure (Budget Estimate)	Proforma-A
2	Annual receipt and payment account	Proforma -1
3	Annual receipt and payment account (Statement of Capital Expenditure)	Proforma-2
4	Annual receipt and payment account (Statement of due receipt and due expenditure at the end of year)	Proforma-3
5	Annual receipt and payment account (Statement of deposit, loans and Advances at the end of year)	Proforma-4
6	Annual receipt and payment account (Statement of provident fund and investments at the end of year)	Proforma-5
7	Monthly receipt and payment account	Proforma-6
8	Monthly reconciliation statement	Proforma-7
9	Cash Book	Proforma-8
10	Register of Immovable Property	Proforma-9
11	Register of Compilation of Demand and balance	Proforma-10
12	Register of Movable property	Proforma-11
13	Compilation sheet	Proforma-12
14	Register of stock books	Proforma-13
15	Consolidated Abstract	Proforma-14
16	Register of roads	Proforma-15
17	Register of land under the ownership of Panchayat	Proforma-16

CHAPTER-III

Audit of Transaction

3.1 Unauthorized Sampurna Gramin Rojgar Yojana works and its misappropriation

Unauthorised entrustment of Sampurna Gramin Rojgar Yojana works and transfer of its funds of ` 1.23 crore to a prohibited Non-Government Organization and misappropriation of ` 27.93 lakh.

The Centrally Sponsored Scheme (CSS) Sampurna Gramin Rojgar Yojana (SGRY) was launched to provide food security to the poor villagers by generating additional labour oriented employment and to create social, economic and community assets for the infrastructural development of villages. The SGRY was to be implemented by Panchayati Raj Institutions (PRIs). The Government prohibited (27 December 2005) the execution of works under SGRY by Uttar Pradesh Sahkari Nirman Evam Vikas Limited, a non-Government Organization (NGO). The Government of India's guidelines of SGRY also precluded engagement of middleman or any other intermediate agency for executing works.

Test-check (March 2008) of the records of Zila Panchayat, Meerut (ZP) revealed that ZP transferred an amount of ` 1.23 crore of SGRY grant to the above prohibited NGO for the construction of roads, work shades and construction/renovation of ponds during the period 2005-07 in violation of the Government orders. Scrutiny of records revealed further that incomplete and sub-standard works of roads and work shades were executed by NGO.

The above ` 1.23 crore includes ` 30 lakh for the construction/renovation work of 19 ponds in different Blocks. During physical verification (February 2008) by Assistant Engineer (AE) of ZP, the works of two ponds were found complete, earth work in 8 ponds was found executed between 40

and 95 per cent and in case of remaining nine ponds, no work was executed. As such, the grant of ` 27.93 lakh (` 30 lakh – ` 2.07 lakh) paid for the construction of 17 ponds was either partially or completely misappropriated by the NGO.

On being pointed out in audit, Apar Mukhya Adhikari stated (March 2008) that the grant was transferred to the NGO on the orders of the District Magistrate/Administrator and as regards construction of ponds, a first information report was lodged with police (March 2008). The reply of ZP was not tenable as the District Magistrate was not a competent authority to transfer the grant to the NGO. There was no progress in police case as of December 2009.

Thus, ZP transferred SGRY grants of ` 1.23 crore irregularly to an NGO, on orders of the District Magistrate, in violation of the Government directions and the spirit of the SGRY. There was sub-standard and incomplete construction of roads and work shades and misappropriation of funds which compounds the gross irregularity. Internal control system of the administrative department of the State Government were weak in as much as that the Government had not taken any action on distortion of the scheme guidelines and government orders at the implementing agency level.

The matter was referred to the Government (February 2009); the reply was awaited (November 2010).

3.2 Unauthorized payment of royalty

Unauthorised provision and payment of royalty valuing ` 52.41 lakh in Sampurna Gramin Rojgar Yojana works forfeited the objective of the scheme

With a view to provide additional wage employment in all rural areas and thereby provide food security and improve nutritional levels as primary objective, Sampurna Gramin Rojgar Yojana (SGRY) was launched (25

September 2001) by the Government of India (GOI). Its secondary objective was the creation of durable social, economic and community assets and infrastructural development in rural areas with special emphasis on labour intensive works with minimum norm of labour and material as 60:40. Further, the Government ordered (April 2004) that no royalty on earth being utilized on works done under the SGRY would be levied.

Scrutiny (February 2008 to December 2008) of the records of Zila Panchayats (ZPs) Saharanpur, Shrawasti, Pilibhit and Ballia revealed that the ZPs, in violation of above orders of the Government made provision and paid ` 52.41 lakh,¹ on account of royalty for the earth under SGRY during the period 2005-08. Thus, this unauthorized provision and payment of royalty resulted not only in short creation of additional wage employment to the tune of 0.45 lakh mandays² but also deprived the targeted village of development works.

On being pointed out in audit, the Director, Panchayati Raj, Uttar Pradesh, Lucknow stated (March 2009) that the payments of royalty in the works under SGRY were made in compliance of orders of Chief Development Officers (CDO) and District Magistrates (DM).

The reply was not tenable as the orders of DM/CDO were in violation of Government orders.

Thus, unauthorized provision and payment of royalty to the tune of ` 52.41 lakh resulted in loss of 0.45 lakh man days.

The matter was referred to the Government (February 2009); the reply was awaited (November 2010).

¹ Saharanpur: ` 22.29 lakh, Shrawasti: ` 4.09 lakh, Pilibhit: ` 21.82 lakh, Ballia: ` 4.21 lakh

² 2005-07: $32.77 \times 60 / 100 \times 58 = 0.33$ lakh mandays, 2007-08: $19.64 \times 60 / 100 \times 100 = 0.12$ lakh mandays Total 0.45 lakh mandays

3.3 Creation of liability in Centrally Sponsored Scheme

Violation of provisions of Budget manual and departmental orders led to creation of liability of ` 60.81 lakh in Sampurna Gramin Rojgar Yojna resulting in non-achievement of targeted benefits of the scheme

With a view to generate labour-oriented employment and infrastructural development of villages, Sampurna Gramin Rojgar Yojna (SGRY) was launched by the Government of India. As per provisions of Budget manual and departmental orders issued from time to time, no expenditure would be incurred in anticipation of release of funds and also mere allotment of funds does not authorize to make expenditure of any type.

Test-check (February 2008) of the records of Zila Panchayat, Sonebhadra (ZP) revealed that ` 5.68 lakh cash and 39560 quintal food grains were allotted to ZP for the implementation of SGRY during the year 2005-06 by District Rural Development Agency, Sonebhadra (DRDA). The DRDA released only 30872.96 quintal food grains due to non-availability of sufficient stock of food grains with them. ZP, however, issued tokens for food grains to labourers in anticipation of release of food grains by the DRDA. ZP also did not raise the demand of cash in lieu of non-released food grains within the financial year to dispose of the liability. As such, the wage of ` 60.81 lakh³ was not paid either in the shape of money or food grains to the labourers even after the lapse of more than two years of the closure of the scheme.

On being pointed out in audit, Apar Mukhya Adhikari stated (February 2008) that works were executed as per approved plan, in-anticipation of release of food grains and efforts are being made to obtain the amount of wages from the Government. The reply was not tenable as the execution of the work was in contravention of provisions of Budget manual which finally turned into a liability. Further the efforts for obtaining cash in lieu of food grains was

³ 868704 Kilogram @ ` seven per Kilogram.

started after the close of the financial year which is yet to materialize (October 2009).

Thus, violation of provisions of Budget manual and departmental orders issued in this regard from time to time by executing works without release of food grains led to the creation of liability of ` 60.81 lakh in a centrally sponsored scheme which was closed from 01 April 2007. Besides, it resulted in non-payment of wages to labourers for the last three years and violated the provisions of Payment and Wages Act also.

The matter was referred to the Government (August 2009); the reply was awaited (November 2010).

3.4 Blockade of Government money

Injudicious operation of accounts in the non-scheduled banks led to blocking of government grant worth ` 78.62 lakh resulting in non-achievement of targeted social benefits of different developmental schemes

The guidelines issued by the Government of India (GOI) for the implementation of Sampurna Gramin Rojgar Yojana (SGRY) envisaged that the funds (Central as well as State share) released for the scheme shall be kept in Nationalized Bank or Post Office by the concerned Panchayati Raj Institutions (PRIs). Further, section 101 of Uttar Pradesh Kshetra Panchayat and Zila Panchayat Adhiniyam, 1961 (Adhiniyam) also envisages that kshetra Nidhi should be kept in the Government Treasury/Sub-Treasury or in the Bank in which the Government Treasury business is being transacted or with the prior sanction of the State Government, in one or more of the scheduled Banks or Co-operative Banks specified by it in this behalf.

Checking (July 2008) of the records of Kshetra Panchayat, Suinthakala, District Jaunpur revealed that the funds worth ` 78.62 lakh earmarked for the implementation of schemes viz., SGRY, Indira Avas Yojana and Scholarships

were deposited in different non-scheduled Co-operative Banks (Bank) without obtaining the prior approval of the Government as well as against the guidelines of the Government of India. The money so deposited, could not be drawn from the Banks due to their inability to make payments. As such the Government money worth ` 78.62 lakh remained blocked resulting in non-achievement of intended benefits of schemes.

On being pointed out in audit, the Block Development Officer (BDO) stated (July 2008) that the accounts were opened in Banks in the compliance to the orders of Chief Development Officer, Jaunpur (CDO). The reply of BDO was not tenable as CDO was not competent to pass orders in violation of the guidelines of GOI and against the provisions of Adhinyam. Further, no action was initiated against the Bank or erring officers of the Department.

Thus, non-adherence of provisions of GOI's guidelines and the Adhinyam resulted in blocking of government money worth ` 78.62 lakh and non-achievement of intended benefits of the different developmental schemes.

The matter was referred to the Government (March 2009); the reply was awaited (November 2010).

3.5 Avoidable expenditure on construction of rural link roads

Deviation from specifications prescribed for construction of rural link roads resulted in unnecessary avoidable expenditure of ` 21.14 lakh

(a) According to Uttar Pradesh Public Works Department (PWD) specifications for construction of rural link roads, any one of the following two specifications could be adopted for surface course of roads after tack coat/prime coat on Water Bound Macadam (WBM) top coat:

- Surface dressing [Painting 1 (P-1) & Painting 2 (P-2)]
- Premix carpet with seal coat (PC & SC)

Test-check of the records of Zila Panchayats, Barabanki and Mau (ZPs) revealed that ZPs in contravention of the provisions of above specifications, incurred an expenditure of ` 14.38 lakh (**Appendix-4**) on seal coat over P-1 and P-2 on the construction of 12 rural link roads during 2007-09. As such, non-adherence to the PWD specifications which were mandatory for ZPs resulted in unnecessary extra expenditure of ` 14.38 lakh which was avoidable.

On being pointed out in audit, Apar Mukhya Adhikari, Barabanki stated (March 2009) that due to non-availability of revised circular of PWD, Seal Coat was done after P-1 and P-2 whereas ZP, Mau stated that in future PWD specifications would be followed. The reply of Apar Mukhya Adhikari, Barabanki was not tenable as the circular regarding PWD specification was issued (August 2007) prior to the execution of these rural link road works.

(b) According to the circular (August 2007) of Engineer-in-Chief (E-in-C) PWD, Premix Carpeting with Seal Coat (PC with seal coat) should be done over Water Bound Macadam (WBM) after laying prime coat.

Test-check (September 2008 and March 2009) of the records of Zila Panchayats (ZPs), Ambedkar Nagar and Mau revealed that two roads with a total area 15,522 square metre (sq m) were constructed by laying P-1 between WBM top coat and PC with seal coat in contravention of PWD specifications. As such, an avoidable expenditure of ` 6.76 lakh⁴ was incurred. Had the roads been constructed as per specification after laying prime coat instead of P-1, expenditure of ` 6.76 lakh could have been avoided (**Appendix-5**).

On this being pointed out in audit, the Apar Mukhya Adhikari stated (September 2008) that works in future would be carried out according to PWD specifications.

⁴ Expenditure on P1 ` 9.06 lakh less cost of Prime coat ` 2.30 lakh =Rs 6.76 lakh

Thus, the execution of rural link road works in contravention of the specifications of PWD by ZPs resulted in avoidable extra expenditure of ` 21.14 lakh.

The matter was referred to the Government (June 2009); reply was awaited (November 2010).

3.6 Unfruitful expenditure

Non-execution of works under Sampoorna Gramin Rojgar Yojna led to unfruitful expenditure of ` 99.78 lakh incurred on purchase of material

With a view to create labour-oriented employment and infrastructural development of villages, Sampoorna Gramin Rozgar Yojna (SGRY) was launched by the Government of India (September 2001). The labour intensive works were to be taken up by Zila Panchayats under the scheme.

Scrutiny of records (October 2007 and March 2009) of Zila Panchayat (ZP), Hamirpur revealed that the ZP proposed construction of 67 works of roads, culverts and drains (*Appendix - 6*) during the period 2002-05 at an estimated cost of ` 1.65 crore for providing employment of 1.12 lakh mandays to local people. The materials, viz, grit, cement and brick for the execution of works were purchased and payments of ` 99.78 lakh were released to suppliers/contractors during 2002-06. The works were not executed and the material remained unutilized till October 2009.

On this being pointed out in audit, Apar Mukhya Adhikari stated (March 2009) that the works were not executed due to political dispute and a committee had been constituted (October 2007) to enquire into the status of works. The proposed committee, however, was inoperative as of October 2009. The ZP had not taken any step for safety of material at site for the last 2 to 5 years. During this period cement must have lost its bounding capacity.

Thus, non-execution of works not only resulted in an unfruitful expenditure of ` 99.78 lakh so far but also the objectives of giving employment to local people

and providing better connectivity and roads to villages envisaged in scheme was not achieved.

The matter was referred to the Government (September 2009); the reply was awaited (November 2010).

Allahabad
The

(Gulshan Relan)
Deputy Accountant General
(Local Bodies)

Countersigned

Allahabad
The

(Vijaya Moorthy)
Principal Accountant General (Civil Audit)
Uttar Pradesh.

Appendix-1

(Reference: Paragraph no. 1.5.4 [page no 11])[MK1]

Arrears in tax collection

(` in lakh)

Sl. no	Name of Zila Panchayats	Arrear	Current Demand For the Year 2007-08	Total	Recovery during the Year	Balance
1.	Hardoi	184.66	138.65	323.31	120.75	202.56
2.	Firozabad	9.37	73.30	82.67	60.01	22.66
3.	Azamgarh	70.49	142.07	212.56	147.06	65.50
4.	Agra	32.73	111.81	144.54	111.19	33.35
5.	Badaun	88.70	0.00	88.70	4.79	83.91
6.	Kannauj	65.45	62.92	128.37	67.61	60.76
7.	Jaunpur	46.21	76.65	122.86	64.84	58.02
8.	Faizabad	41.24	56.62	97.86	26.72	71.14
9.	Ghaziabad	263.59	222.27	485.86	235.01	250.85
10.	Kushinagar	75.48	57.50	132.98	36.57	96.41
11.	Sultanpur	0.00	100.55	100.55	56.65	43.90
12.	Ballia	61.14	124.70	185.84	88.43	97.41
13.	Mau	34.90	46.27	81.17	35.06	46.11
14.	Barabanki	62.66	152.72	215.38	34.88	180.50
15.	J.P. Nagar	126.21	53.94	180.15	50.15	130.00
16.	Lakhimpur	125.03	163.30	288.33	175.48	112.85
	Total	1,287.86	1,583.27	2,871.13	1,315.20	1,555.93

Appendix-2

(Reference: Paragraph no. [1.9 (IV); page no 14])[MK2]

Non-reconciliation of Cash Balances

(` in
lakh)

Sl. no.	Name of Zila Panchayats	Period of Audit	Balance as on 31.3.2008		Difference
			As per Cash book	As per Pass book	
Non-reconciliation of Cash Balances in Zila Panchayats					
1.	Bagpat	2007-08	199.76	219.45	19.69
2.	Mahoba	2007-08	966.67	1,041.31	74.64
3.	Sitapur	2007-08	1,080.77	1,255.49	174.72
4.	Bahraich	2007-08	265.17	275.85	10.68
5.	Jaunpur	2007-08	895.86	1,006.06	110.20
6.	Banda	2007-08	1,095.26	1,184.68	89.42
7.	Ghaziabad	2007-08	629.55	623.91	5.64
8.	Badaun	2007-08	961.54	1025.47	63.93
9.	Jhansi	2007-08	744.01	810.43	66.42
Total					615.34
Non-reconciliation of Cash Balances in Kshetriya Panchayats					
1.	Partawal, Maharajganj	2007-08	277.18	113.73	163.45
2.	Mehrauni, Lalitpur	2007-08	197.38	186.33	11.05
3.	Barshathi, Janupur	2007-08	98.03	88.78	9.25
4.	Sujanganj, Jaunpur	2007-08	76.16	60.60	15.56
5.	Baldeo, Mathura	2007-08	17.42	16.49	0.93
6.	Montha, Jhansi	2007-08	176.97	91.46	85.51
7.	Dubepur, Sultanpur	2007-08	40.69	21.04	19.65
8.	Jagdishpur, Sultanpur	2007-08	34.86	31.25	3.61
9.	Bhadaiyana, Sultanpur	2007-08	25.88	25.70	0.18
10.	Joya, J. P. Nagar	2007-08	52.04	30.19	21.85
11.	Chirgaon Jhansi	2007-08	173.40	54.58	118.82
12.	Mau, Chitrakut	2007-08	241.32	239.19	2.13
13.	Manikpur, Chitrkut	2007-08	207.15	82.18	124.97
14.	Lotan Bazar, Siddharthnagar	2007-08	91.46	46.39	45.07
15.	Shree Dutt, Balrampur	2007-08	33.11	12.57	20.54
16.	Baberu, Banda	2007-08	35.32	13.51	21.81
17.	Labhua, Sultanpur	2007-08	56.69	55.51	1.18
18.	Chhapara, Ballia	2007-08	87.72	85.61	2.11
19.	Dharampur, Jaunpur	2007-08	18.19	5.98	12.21
20.	Jalalpur Ambedkarnagar	2007-08	96.26	71.44	24.82
21.	Bhiyawan, Ambedkarnagar	2007-08	28.17	16.47	11.70
22.	Nautanwa, Maharajganj	2007-08	67.21	55.69	11.52
23.	Jalalabad, Kanauj	2007-08	65.42	62.00	3.42
24.	Derapur, Kanpur Dehat	2007-08	79.51	39.69	39.82
25.	Barhalganj, Gorakhpur	2007-08	88.04	88.00	0.04
26.	Sahjnwan, Gorakhpur	2007-08	38.03	23.61	14.42

27.	Hata kushinagar	2007-08	427.36	236.11	191.25
Total					976.87

Appendix-3

(Reference: Para: 2.5.1 page 21)

Formats prescribed by C&AG for PRIs

SI No.	Name of formats	Formats No.
1	Annual Income and Expenditure (Budget Estimate)	Proforma-A
2	Annual receipt and payment account	Proforma -1
3	Annual receipt and payment account (Statement of Capital Expenditure)	Proforma-2
4	Annual receipt and payment account (Statement of due receipt and due expenditure at the end of year)	Proforma-3
5	Annual receipt and payment account (Statement of deposit, loans and Advances at the end of year)	Proforma-4
6	Annual receipt and payment account (Statement of provident fund and investments at the end of year)	Proforma-5
7	Monthly receipt and payment account	Proforma-6
8	Monthly reconciliation statement	Proforma-7
9	Cash Book	Proforma-8
10	Register of Immovable Property	Proforma-9
11	Register of Compilation of Demand and balance	Proforma-10
12	Register of Movable property	Proforma-11
13	Compilation sheet	Proforma-12
14	Register of stock books	Proforma-13
15	Consolidated Abstract	Proforma-14
16	Register of roads	Proforma-15
17	Register of land under the ownership of Panchayat	Proforma-16

Appendix-4

(Reference: Paragraph no. 3.5 Page no. 34)

Extra expenditure incurred on execution on seal coat over P-1 and P-2

Sl No.	Name of work	Area executed in Square meter)	Expenditure incurred in `
(A) Zila Panchayat, Mau			
1.	Sikri Kol Dam to Community Health Centre Junior High School	1197	43990
2	Dagoli Bhagwanpur Pitch Road to Mahroopur	1200	42000
3	Badar PM Road from Zittan Master Home to Junior High School	1257	48985
4	Khiriya Pond to Vinodpur Tihra Scheduled Area	2100	81837
5	Itor to Khalishpur	1502	59479
	Total		276291
(B) Zila Panchayat, Barabanki			
	Fatehpur Suratganj to Mohammadipur	3080	69690
2	Deva Kurshi road to village Behadpurwa Sharda Canal Via Balwantpur	10500	336747
3	Teliakund to Nidanpur road	5145	164801
4	Tindola Jr. High School to Sharda Canal	5205	198508
5	Suratganj Hemtapur road to Pandeypurwa	2100	48854
6	Besides Tindola Jr. High School to Indra Canal	5205	198508
7	Sirauli Udhauli road to Safdarganj Dariabad road via Motipurwa	4680	144142
	Total		1161250
	Grand Total (A+B)		1437541

Appendix-5

(Reference: Paragraph no. 3.5 page no. 34)

Detail of construction of roads with expenditure incurred thereon

Name of work	Total area (Square metre)	Expenditure on P-1 (` in lakh)	Cost of Prime coat (` in lakh)	Excess Expenditure (` in lakh) (Column 3-4)
1	2	3	4	5
Shukul Bazar to Padariya Faulad pur on Nauri Road (ZP Ambedkarnagar)	12,537	6.62	1.86*	4.76
Painting work on Sirsa to Mishrauli road (ZP Mau)	2,985	2.44	0.44	2.00
Total	15,522	9.06	2.30	6.76

*Rate of Prime coat ` 14.85 per square metre.

Appendix-6

(Reference: Paragraph no.3.6 page no. 35)

List of sanctioned works against which only material was purchased by the Zila Panchayat, Hamirpur under Sampoon Gramin Rojgar Yojana during the year 2002-03 to 2005-06

SI NO	Name of the block	Name of the works	Estimated cost (in Rupees)	Cost of materials (in Rupees)
1	Muskra	Construction of 100 meter drain in locality of Gayadeen Anuragi in village of Vivar.	200000-00	170390
2	Muskra	Construction of Kharanja and drain in locality of Shivrampura Mohal in the village of Baswari	180000-00	130900-00
3	Muskra	Construction of 700 meter Kharanja and 80 meter Kharanja in the locality of village of Pahari	102200-00	61899-00
4	Muskra	Construction of 50 meter Kharanja from canal to Cooperative Office in the village of Arjun	39900-00	22000-00
5	Rath	Construction of 80 meter Kharanja and drain from the house of Laloo to Dasha Ram in the village of pawai	65000-00	22200-00
6	Modaha	Construction of 200 meter CC road and drain in the village of Makrawan	400000-00	149400-00
7	Modaha	Construction of CC road and drain in the village of Bhabhaira	300000-00	57600-00
8	Modaha	Construction of 300 meter CC Road and drain in the village of Mutani	700000-00	412300-00
9	Modaha	Construction of 300 meter drain upto CC road in the village of Bighana	700000-00	412500-00
10	Modaha	Construction of 300 meter drain and CC Road in the village of Kunehata	600000-00	420000-00
11	Modaha	Construction of CC Road from Bhugaicha to Main road in the village of Mutani	685000-00	487100-00
12	Modaha	Construction of drain to Masjid to Shahu ji in the village of Fatehpur	50000-00	23479-00
13	Modaha	Construction of drain towards the school in the village of Nrayach	50000-00	34022-00
14	Modaha	Construction of drain from the door of Puran Lambardar in village of Fatehpur	180000-00	129742-00
15	Modaha	Consturction of 200 meter drain from Jaheer Lambardar to right hand side of road in the village of Narayach	80000-00	29600-00
16	Modaha	Construction of 200 meter Kharanja from the canal to Rama Prajapati door in the village of Bhaturi	160000-00	61274-00
17	Modaha	Construction of 160 meter drain from the house of the Ram Prasad towards in the village of Khamaria	103600-00	79350-00
18	Modaha	Construction of 200 meter CC road and drain in the village of Narayach	400000-00	37400-00
19	Modaha	Construction of culvert from the Bhutani in the village of Karguna	20000-00	11740-00
20	Gohanka	Construction of 200 meter Earth work and Kharanja from Talab to house of Mahesh Maharaj via house of Mangi Kori in the village of Auta	170000-00	78644-00
21	Gohanka	Construction of 60 meter earth work and kharanja from the	50000-00	14331-00

		house and Mandir of Kali Charan Karigar in the locality of S Cs in the village of Sarsai		
22	Gohanka	Repair of well in the village of Chilli	30000-00	14846-00
23	Sareela	Construction of 200 meter CC road from the house of Narendra Bahadur towards in the village of Badhur	400000-00	251900-00
24	Sareela	Construction of 100 meter drain and CC road in the village of Tai	200000-00	136300-00
25	Sareela	Construction of 200 meter drain and CC road in the village of Jalalpur	400000-00	251900-00
26	Sareela	Construction of 200 meter drain and CC road in the village of Mangalpur	400000-00	160100-00
27	Sareela	Construction of 200 meter drain and CC road in the village Kariyari Sareela	400000-00	250500-00
28	Sareela	Construction of 480 meter CC road in the locality of village Puraini	800000-00	550300-00
29	Sareela	Construction of 200 meter CC road in the village Badawa	350000-00	279750-00
30	Sareela	Construction of 400 meter drain and CC road in the locality of village Badawa	800000-00	411100-00
31	Sareela	Construction of 200 CC road towards path of main Bagiya in the village of Parkhura	200000-00	156400-00
32	Sareela	Construction of 200 meter CC road towards main roads in the village of Kupra	200000-00	141400-00
33	Sareela	Construction of 200 meter CC road towards main road in the village of Magraila	200000-00	161400-00
34	Sareela	Construction of 200 meter CC road in the village of Mamna	300000-00	212200-00
35	Sareela	Construction of 70 meter drain and Kharnja from the house of Lalman towards Shukhlal Neta in the village of Jariya	160000-00	112000-00
36	Sareela	Construction of earth work, drain and kharanja from hand pump to Kaliya kori in village of Kariyari	200000-00	151400-00
37	Sareela	Construction of 200 meter CC road towards the boundary of Primary Path Shala in the village of Mahalwa	100000-00	14900-00
38	Sareela	Laying of hume pipe culvert and filling of earth near Talab in the village of Mankari	70000-00	30000-00
39	Sareela	Construction of 100 meter earth work, kharanja and filling of earth near Hume pipe culvert from the place of Chanda Yadava in the village of Dhauhal	85000-00	49000-00
40	Sareela	Construction of 200 meter earthwork and drain from the main road toward the gate of Mahendri Pal in the village of Deokhuri.	190000-00	157300-00
41	Sareela	Construction of Ghat of the big pond by boulder and filling of earth (10 Metre) in the village of Dhauwal	100000-00	58600-00
42	Sareela	Construction of Earth work and Kharanja from the house of Ram Asrey Nishad toward main road and on the house of Krishna in village of Raja Mau.	250000-00	152050-00
43	Sareela	Construction of culvert and earth work in the village of Kupra Bhujpur road	142700-00	78229-00
44	Sareela	Construction of retaining wall from the pond of Sareela to exit in the village of Mamna	60000-00	29579-00
45	Kurara	Construction of 200 meter drain and CC road from the Primary to Bishnu house in the village of Jhalokhar	600000-00	419500-00
46	Kurara	Construction of CC road in the locality of Mushilm in the village of Kharauj	200000-00	165500-00

47	Kurara	Construction of 200 meter CC road from the door of Ajai Yadava gate to the gate of Sukhlal Kori in the village of Simani	200000-00	93800-00
48	Kurara	Construction of CC road from the gate of Ganga Nishad towards main road in the village of Parakadore	414000-00	262800-00
49	Kurara	Construction of culvert in the village of Simani	40000-00	6200-00
50	Kurara	Constuction of 150 meter Earth work and Kharanja from the gate of Ram Singh Yadava to the front of Balvir Basore	120000-00	38156-00
51	Kurara	Construction of drain from the front of Natthoo Kuteer towards front of Gorela in the village of Mishripur	35000-00	25800-00
52	Kurara	Construction of 200 meter earth work, drain and culvert from the gate of Ram Autar towards nearby Ram Baboo in the village of Jhalokhar	204000-00	154291-00
53	Kurara	Construction of earth work, Kharanja and drain from the front of Dr. J. P Kurar towards the front of the locality of SC in the village of Sekhupur	175000-00	123256-00
54	Kurara	Construction 200 meter earth work and Kharanja in the locality of SCfor works in the village of Jakhola	170000-00	108300-00
55	Sumerpur	Construction of CC road and drain from the temple of Sankarji towards telephone tower in the village of Mudera	500000-00	350000-00
56	Sumerpur	Construction of 200 meter CC road and drain in the village of Birkhera	400000-00	200200-00
57	Sumerpur	Construction of Ghat in pond of village Teda	100000-00	60300-00
58	Sumerpur	Construction of CC road and drain from the Chakki of Radhey Shyam towards the temple of Kali mai in the village of Teda	1000000-00	698800-00
59	Sumerpur	Construction of drain from the front of Laloo Prajapati to Umesh tailor in the village of Teda	50000-00	11150-00
60	Sumerpur	Construction of earth work and Kharanja in the locality of Dr. Dinesh in village of Panchkhura Mahan	180000-00	80580-00
61	Sumerpur	Construction of 70 meter earth work and Kharanja from the culvert towards house of Ravali in the village of Chhani	70000-00	59000-00
62	Sumerpur	Construction of earth and drain from the house of Dhannu Kahar in the village of Chhani	70000-00	56300-00
63	Sumerpur	Construction of 100 meter earth work and kharanja in the locality of Udai Bhan in village of Tikauli	75000-00	40545-00
64	Sumerpur	Construction of 200 meter drain and kharanja from the main road towards front of Chanda Vashor in the village of Saharapur	140000-00	112400-00
65	Sumerpur	Construction of earth work and kharanja from the front of Shyam Sundra Singh towards the front of Ramesh Kori in the village of Pandhari	140000-00	125000-00
66	Sumerpur	Construction of 200 meter earth and Kharanja from the front of Moti Lal Kutar towards the front of Bhagwandeem and from the fornt of Kunjvihari towards the Jalim Kuteer in the village of Vidokhar	180000-00	51094-00
67	Fattepur	Construction of 200 meter earth work in the Harizan caste locality in village of Fattepurwa	160000-00	77808-00
Total			16496400	9977805-00