

Report of the Examiner of Local Accounts

on

the Panchayat Raj Institutions

for the year ending 31 March 2007

Government of West Bengal

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No.	Name	Age	Sex	Religion	Marital Status	Occupation	Address
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Preface

This Report for the year ended 31 March 2007 deals with the results of audit of the accounts of Panchayat Raj Institutions in the State of West Bengal.

This Report has been prepared for submission to the Government of West Bengal in accordance with the provisions of the West Bengal Panchayat Act, 1973.

The cases mentioned in the Report are among those which came to notice mainly in the course of audit of accounts of Zilla Parishads, Siliguri Mahakuma Parishad (enjoying Zilla Parishad status) and Panchayat Samitis for the years up to 2005-2006 during 2006-2007 and those of Gram Panchayats for the years 2005-2006 during 2006-2007.

Overview

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Overview

This report contains five chapters, excluding the last chapter on conclusions and recommendations. The opening chapter contains an overview of the Panchayat Raj Institutions (PRIs) in the State. Chapter 2 brings into focus the deficiency in accounting procedures. Chapter 3 consists of audit observations on implementation of schemes, while chapter 4 contains audit findings in execution of works and procurement of supplies. Other issues are grouped together in Chapter 5.

1. An overview of the Panchayat Raj Institutions

PRIs continued to be overwhelmingly dependant on grants from the Central and State Government. Their 'own source revenue' (OSR) constitutes only five *per cent* of the total revenue from all sources of the PRIs during 2006-07.

(Paragraph 1.8.1)

During the year 2006-07, the State Government released Second Finance Commission grants of Rs. 137.72 crore only (50 *per cent* of budget allocation) to the PRIs due to slow progress of expenditure.

(Paragraph 1.12)

State Government paid Rs. 0.88 crore from the State Account to PRIs as interest for delayed release of 1st instalment of Twelfth Finance Commission (TFC) grant for 2005-2006. The total expenditure of Rs. 185.11 crore by the PRIs, out of available TFC grant of Rs. 382.18 crore during 2005-07, amounted to only 48 *per cent* of the available grant. The percentage of expenditure on three priority sectors were four, five and eleven against recommended five *per cent*, 10-15 *per cent* and 10 *per cent* respectively. Test check of 1,189 accounts of PRIs revealed that 414 PRIs diverted TFC grant of Rs. 10.23 crore towards new construction works in violation of the directives of the Finance Commission.

(Paragraph 1.14)

2. Accounting procedures

31 Gram Panchayats (GPs) spent Rs. 8.16 crore during 2005-06 without preparing their annual accounts, while 51 GPs unauthorisedly spent Rs. 14.96 crore during the year without preparation of budget.

(Paragraph 2.1 and 2.2.1)

Garbeta-II Panchayat Samiti (PS) unauthorisedly spent Rs. 2.35 crore and Rs. 2.73 crore during 2004-05 and 2005-06 respectively without preparing its budget. Similarly, Nadia Zilla Parishad (ZP) spent Rs. 80.76 crore during 2005-06 without any budget estimate.

(Paragraphs 2.2.2 and 2.2.3)

Lack of budgetary control was also conspicuous in 1,559 GPs, 27 PSs and six ZPs which had spent Rs. 77.93 crores, Rs. 12.08 crores and Rs. 19.04 crores in excess of budget provisions during 2005-06, 2004-06 and 2005-06 respectively. The Panchayats did not prepare any supplementary and revised estimates thereafter.

(Paragraphs 2.3.1, 2.3.2 and 2.3.3)

Contrary to the provisions in the rules, 61 GPs spent Rs. 28.94 lakh during 2005-06 out of the revenues collected by them from time to time without depositing the money into their respective savings bank accounts. Similarly, two PSs in 2004-05 and one in 2005-06 unauthorisedly appropriated Rs. 22.34 lakh and Rs. 41.36 lakh respectively from their revenues in violation of rules.

(Paragraph 2.4.1 and 2.4.2)

Differences of Rs. 26.71 lakh in 102 GPs at the end of 2005-06, Rs. 1.13 crore in five PSs at the end of 2004-05 and Rs. 10.75 crore in 39 PSs at the end of 2005-06 and Rs. 1.70 crore in one ZP at the end of 2005-06 between Cash Book and Pass Book remained unreconciled. The lapse was fraught with the risk of misappropriation of funds going undetected.

(Paragraph 2.6)

The unrealised amount of Rs. 58.01 crore in 3,173 GPs constituted 72 per cent of the total demand for taxes, duties, rates, fees and tolls at the end of 2005-06.

(Paragraph 2.7)

3. Implementation of schemes

Under Indira Awas Yojana (IAY), 772 GPs did not prepare and approve Annual Action Plan (AAP) for the year 2005-06 for selection of beneficiaries and thus spent Rs. 15.53 crore in violation of the scheme guidelines.

(Paragraph 3.1.1)

In 1,622 GPs, while Rs. 19 crore was spent during 2005-06 towards assistance under Indira Awas Yojana (IAY) for construction/up-gradation of huts, none of the beneficiaries was from the BPL list.

(Paragraph 3.1.2)

In 12,198 cases, 359 GPs disbursed Rs. 19.18 crore to the beneficiaries for construction/upgradation of huts under IAY during 2005-06. But the beneficiaries did not have valid records of ownership of the land on which their huts were constructed/upgraded.

(Paragraph 3.1.4)

1,481 GPs did not prepare Annual Action Plan under Sampoorna Grameen Rozgar Yojana (SGRY) and spent Rs. 37.55 crore during 2005-06 in violation of guidelines.

(Paragraphs 3.2.1)

The percentage of employment opportunities provided to women ranged between zero and 20 only in 1,999 GPs during 2005-06 and in 38 PSs during 2004-05 and 2005-06 which were test checked by audit, against the stipulated percentage of 30.

(Paragraphs 3.2.2)

In 13 PSs, Rs. 1.82 crore was spent during 2004-05 to 2005-06 towards execution of works under SGRY by engaging contractors in violation of the guidelines of the scheme.

(Paragraph 3.2.4)

Six Zilla Parishads (ZP) and one Mahakuma Parishad (MP) received the Central share of funds under SGRY less by Rs. 12.87 crore during 2005-06 on account of under utilisation of funds.

(Paragraph 3.5)

Joint physical verification with functionaries of certain Gram Panchayats (between August 2006 and May-June 2007) revealed 19 cases of fake and unauthorised expenditure involving Rs. 11.07 lakh in cash and food grains (rice) of 60,570 kg. GPs

admitted the fact and recovered Rs. 10.62 lakh and 5,580 kg of food grains (rice) in August 2006 and May-July 2007.

(Paragraph 3.7)

4. Execution of works and procurement of supplies

North 24 Parganas ZP could utilise only Rs. 46.09 lakh out of total fund received under Rural Infrastructure Development Fund (RIDF)-VI (Rs. 350.33 lakh) between May 2001 and March 2003. The ZP did not execute any work till January 2008. As a result, funds of Rs. 304.24 lakh remained unutilised as well as procured materials of Rs. 41.87 lakh remained idle (January 2008).

(Paragraph 4.1.1)

Execution of stone metal consolidation work of a road costing Rs. 160.37 lakh under Rural Infrastructure Development Fund (RIDF)-VI in Nadia ZP remained suspended since July 2004 due to paucity of fund and non-availability of further fund from Finance Department. In the meantime, the executed part of the works got damaged severely throughout the entire stretch of the road.

(Paragraph 4.1.2)

Howrah ZP diverted Rs. 8.97 lakh out of grant of Rs. 30 lakh meant for local development by Gram Panchayats and also retained the residual amount of Rs. 19.03 lakh in Local Fund unnecessarily since March 2002.

(Paragraph 4.1.5)

North 24 Parganas ZP received (December 1998) Rs. 19.54 lakh from Backward Classes Welfare grant for construction of a road. The contractor discontinued (September 2000) the work after execution of earthwork valuing Rs. 6.54 lakh. The ZP paid Rs. 6.54 lakh to the contractor without imposition of any penalty for the unfinished work. The work remained abandoned since September 2000 and the balance of Rs. 13 lakh was lying with the ZP idle since December 1998 depriving the people of the resultants benefits.

(Paragraph 4.1.11)

Manickchak GP made excess payment of Rs. 6.69 lakh to the contractors in course of construction of two road works due to absence of adequate internal control mechanism.

(Paragraph 4.3.1)

5. Other issues

Bhangar-II PS failed to implement the approved bye-laws and did not collect Rs. 7.98 lakh as annual license fee from kerosene dealers from 1989 to 2005-06. Similarly, Chapra PS had not collected Rs. 5.65 lakh from the lessee of ferry ghat during 2002-03 and 2003-04.

(Paragraph 5.1.1 and Paragraph 5.1.2)

Paschim Medinipur ZP diverted Rs. 1.78 crore between December 2005 and September 2006 towards repair work of roads and culverts from the funds sanctioned for development of infrastructure with approval of the State Government under RIDF-II, III and V. This frustrated the very purpose of raising loan by the Government.

(Paragraph 5.2.1)

Due to faulty selection of site, bus stand constructed by Binpur-II PS at a total cost of Rs. 9.71 lakh remained unproductive.

(Paragraph 5.2.9)

Remission of Rs. 16.33 lakh granted by Nalhati-I PS towards lease money of toll bar stood unauthorised as the remission was not approved by Artha Sthayee Samiti followed by ratification by the general body of the PS.

(Paragraph 5.3.3)

Murshidabad ZP incurred expenditure of Rs. 41.26 lakh between March 2001 and August 2004 towards erection of 3,284 poles for energisation under the scheme of rural electrification. But no energisation was done (February 2007) due to improper identification of mouzas and poor monitoring by the ZP.

(Paragraph 5.4.1)

Paschim Medinipur Zilla Parishad continued with unapproved posts of officials in press and medical establishments and spent Rs. 24.84 lakh for their salary and allowances out of the salary grant during 2005-2006 which was unauthorised.

(Paragraph 5.5.2)

In the absence of adequate financial management and internal control, a huge salary grant of Rs. 15.24 crore provided by the State Government was lying in Local Fund Account without proper utilisation.

(Paragraph 5.6)

CHAPTER-1

An Overview of the Panchayat Raj Institutions

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

CHAPTER-1

An Overview of the Panchayat Raj Institutions

1.1 Panchayat Raj Institutions (PRIs): constitutional background

The 73rd Constitutional Amendment envisages a three-tier system of Panchayats: (a) Gram Panchayat at the village level; (b) Zilla Parishad at the district level and (c) Panchayat Samiti between the village and the district levels (mostly at the block level).

The 11th Schedule of the Constitution delineates 29 functions to be devolved on the Panchayats. It, however, does not automatically confer any power on PRIs or entrust them with the responsibility. The State legislature has been empowered by the 73rd Amendment to decide and to confer powers and responsibilities on PRIs.

The Constitution also provides that the State Government shall appoint a Finance Commission every fifth year to review the financial position of the Panchayats and recommend as to (i) the distribution between the State and the Panchayats, of the net proceeds of taxes, duties, tolls and fees leviable by the State, which may be apportioned between them and how allocation would be made among various tiers of Panchayats (ii) what taxes, duties, tolls and fees may be assigned to the Panchayats and (iii) grants-in-aid to Panchayats. The report of the Commission together with a memorandum of action taken on the report is to be laid before the State legislature.

1.2 PRIs in West Bengal

A three-tier Panchayat system was envisaged in the West Bengal Panchayat Act, 1973, which came into force in June 1978 when the first general election for the Zilla Parishads, Panchayat Samitis and Gram Panchayats was held. Since then the general election for the panchayats has continued to be held every five years and the last election (i.e. the sixth in the series) was held in May 2003.

1.3 Area and population covered

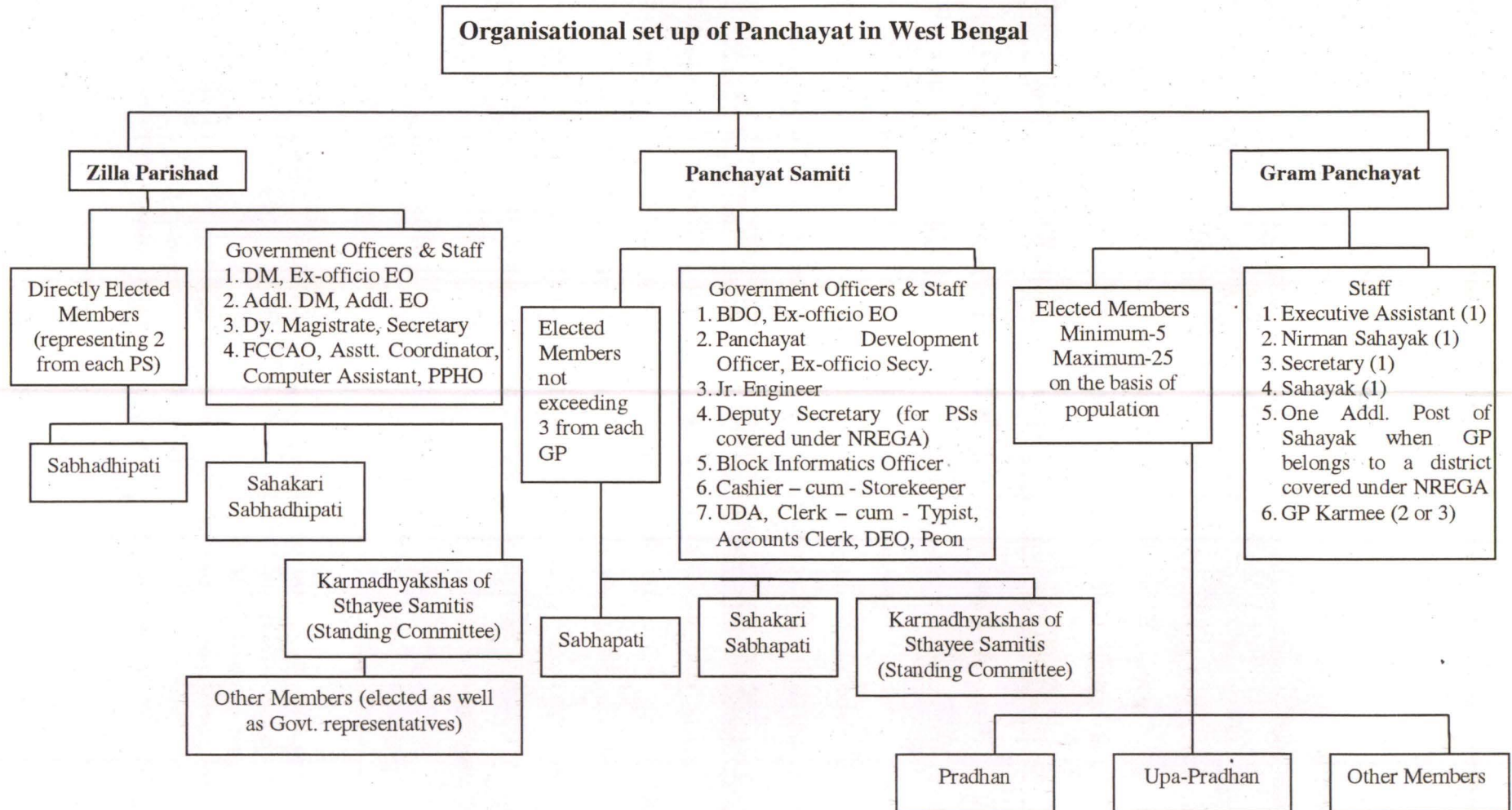
The Act extends to the whole of West Bengal in areas other than Municipalities / Municipal Corporations / Cantonment areas. Thus, 70 per cent of the total area (88,751

sq. km.) of the State inhabited by 5.77 crore of rural population, which is 72 per cent of the total population (8.02 crore as per 2001 census), came under the purview of the Act.

1.4 Organisational structure of the PRIs

There are 17 Zilla Parishads (ZPs), one Mahakuma Parishad (with all the powers and authority of the Zilla Parishad) for Siliguri Sub-Division, 341 Panchayat Samitis (PSs) and 3354 Gram Panchayats (GPs) in the State. Panchayat and Rural Development Department (P&RDD) headed by a Principal Secretary exercises administrative control over the Panchayat Raj Institutions.

The organogram given below depicts the organisational set up of the Panchayat Raj System in West Bengal.



The Act envisages the functioning of the ZPs and PSs through ten functional Standing Committees called Sthayee Samitis* having elected representatives and concerned officials as members. Each of the Sthayee Samitis of the ZPs / PSs is headed by a Karmadhyaksha (also an elected representative). No such Sthayee Samitis has, however, been provided for the GPs which shall function through one or more group of members (popularly called as Upa-Samitis) with a convener for each, nominated from the concerned group, as envisaged in the Act.

1.5 Powers, functions and duties vested with the PRIs

The Act vests a PRI with the following powers and duties : (i) to prepare development plan / annual action plan (ii) to implement schemes for economic development and social justice as may be drawn up by or entrusted upon it (in pursuance of 11th Schedule of the Constitution) (iii) to manage or maintain any work of public utility and (iv) to collect revenue for utilisation of such funds for development work.

1.6 Lodging and flow of funds

The funds for ZPs and PSs are lodged in the Treasury in Deposit Account (head “8448-Local Fund Deposit Account, 109-Panchayat Bodies”), that are operated as non-interest bearing banking accounts. Centrally sponsored scheme funds are kept in banks in Savings Account according to guidelines for the respective schemes. The funds for GPs are to be kept in Savings Bank Account at the nearest Post Office or a Scheduled Bank or a Co-operative Bank.

* (1) Artha, Sanstha, Unnayan O Parikalpana (Finance, Establishment, Development and Planning).

(2) Jana Swasthya O Paribesh (Public Health and Environment).

(3) Purnakarya O Paribahan (Public Works and Transport).

(4) Krishi, Sech O Samabaya (Agriculture, Irrigation and Co-operative).

(5) Siksha, Sanskriti, Tathya O Krira (Education, Culture, Information and Sports).

(6) Sishu O Nari Unnayan, Janakalayan O Tran (Children and Women's Development, Social Welfare and Relief).

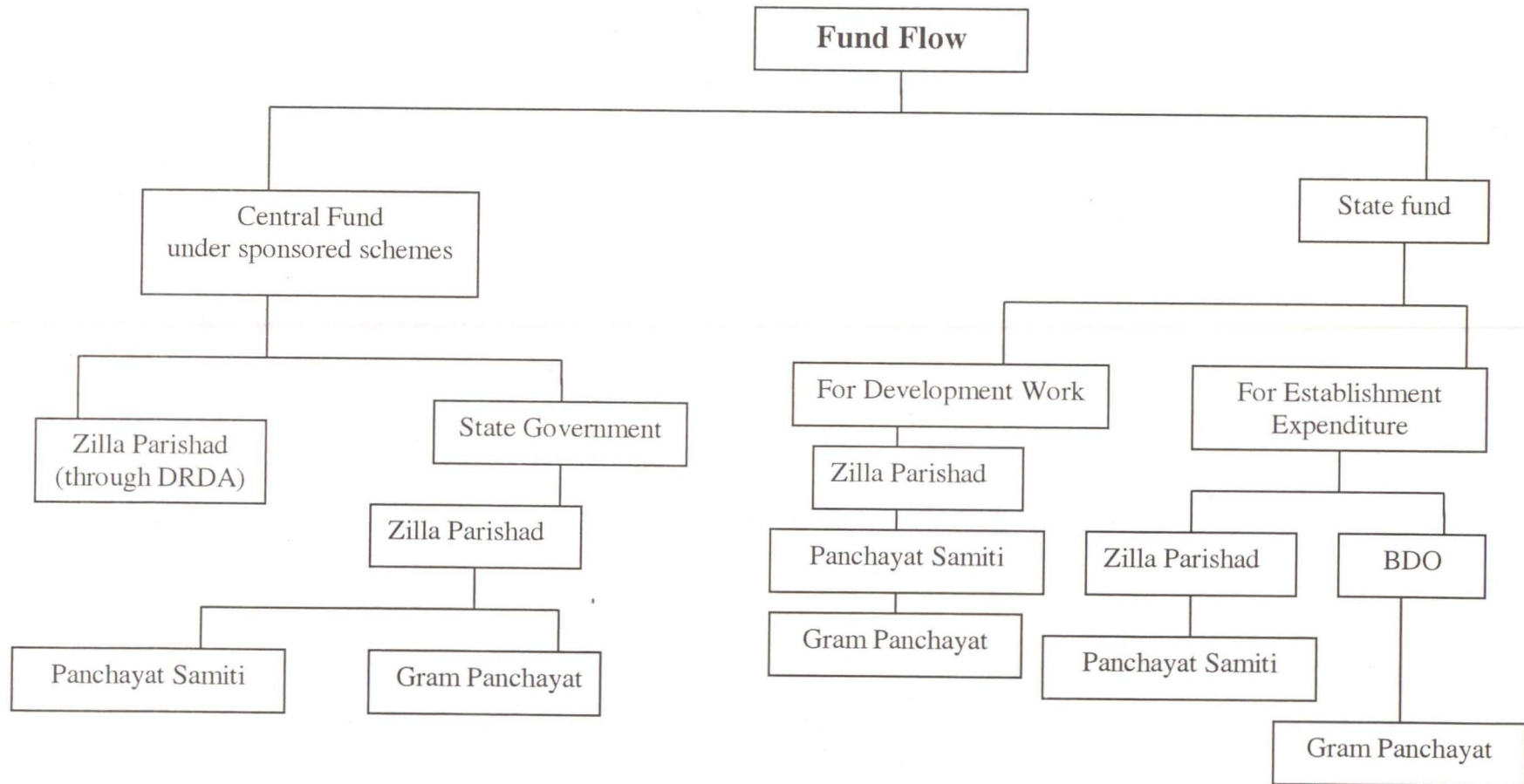
(7) Ban O Bhumi Sanskar (Forest and Land Reforms).

(8) Matsya O Prani Sampad Bikash (Fishery and Animal Resource Development).

(9) Khadya O Sarbaraha (Food and Supplies).

(10) Kshudra Shilpa, Bidyut O Achiracharit Shakti (Small Industries, Power and Non-conventional Energy Sources).

A fund flow statement as per General Procedure is given below:



1.7 Status of creation of database on finances and maintenance of accounts

The format prescribed by the C&AG of India for maintenance of database by PRIs is yet to be adopted by the Government of West Bengal.

The State Government had intimated (December 2007) that no specific percentage was earmarked for creation of database or maintenance of accounts out of Eleventh Finance Commission (EFC) grants and the amount of expenditures incurred during 2004 – 05 and 2005 – 06 for those items out of EFC grants, were not available. Furthermore, P&RDD stated (December 2007) that during 2005 – 06, expenditure reports of districts in respect of Twelfth Finance Commission (TFC) grants were not specific to show the expenditure on this account.

The State Government, however, had developed and introduced two software packages namely, Integrated Fund Management and Accounting System (IFMAS) and Gram Panchayat Management System (GPMS) for maintenance of accounts and database for ZP / PS and GP respectively. The status of application of the software packages is as follows (December 2007):

Item	ZPs / MP	PSs	GPs
Training	8	170	800
Installation	8	136	619
Working	8	80	352

The P&RDD stated (April 2008) that the reason for variation between the 'Installation' and 'Working' stage was due to the varying level of capacity and initiative, taken by different PRIs and the attitude of the end users.

1.8 Sources of Revenue

1.8.1 Government Grants and 'Own Source Revenue' (OSR)

Sources of revenues of PRIs mainly consist of grants from Central and State Governments for implementation of various Central and State schemes. Besides meeting the cost of salary and allowances, the State Government transfers share of some taxes collected by it according to recommendations of the State Finance Commission. The 'own source revenue' (OSR) constitutes a very small percentage of the total revenue from all sources of the PRIs.

The revenue received by the PRIs during the last three years according to their sources is as follows :

(Rupees in crore)

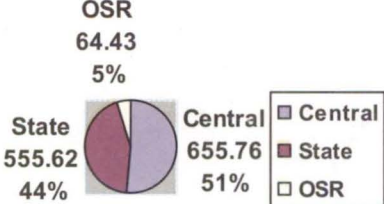
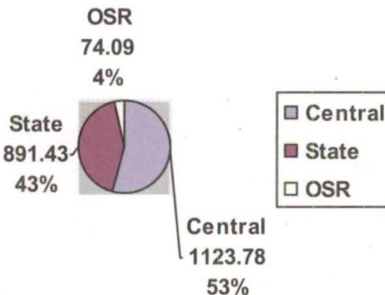
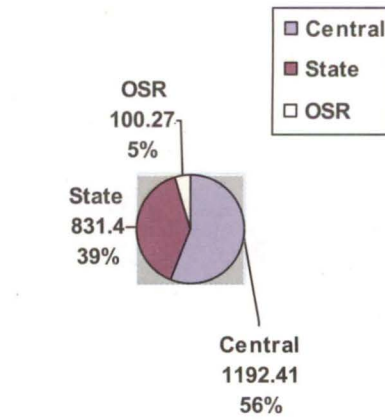
Year	Salary Grants by the State	Grants by the State including 2 nd State Finance Commission Grant	State Share of Centrally Sponsored Schemes	Additional Central Assistance & Central Finance Commission Grants	Total Fund (State Budget)	Amount made available to (from the Total Fund - State Budget)			Central Share of Centrally Sponsored Schemes (direct to PRIs)	Grand Total of grants received from Central and State Govts.	Own Source Revenue (OSR)				Total revenue from all sources	Percentage of Govt. grants to total revenue	Percentage of OSR to total revenue
						ZPs	PSs	GPs			ZPs	PSs	GPs	Total			
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6 (Col. 2 + Col. 3 + Col. 4 + Col. 5) or (Col. 7 + Col. 8 + Col. 9)	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11 (Col. 6 + Col. 10)	Col. 12	Col. 13	Col. 14	Col. 15 (Col. 12 + Col. 13 + Col. 14)	Col. 16 (Col. 11 + Col. 15)	Col. 17 { (Col. 11 X 100) / Col. 16 }	Col. 18 { (Col. 15 X 100) / Col. 16 }
2004-05	193.39	200.61	161.62	124.97	680.59	240.61	79.01	360.97	530.79	1,211.38	13.78	12.68	37.97	64.43	1,275.81	95	5
2005-06	192.43	425.23	273.77	174.79	1,066.22	345.09	154.82	566.31	948.99	2,015.21	13.03	15.44	45.62	74.09	2,089.30	96	4
2006-07	210.79	317.71	302.90	402.55	1,233.95	290.02	156.33	787.60	789.86	2,023.81	28.01	17.61	54.65	100.27 *	2,124.08	95	5

* This data excludes the total collection of OSR of about 100 GPs and 10 % of PSs (as per information available in the 'Annual Administrative Report, 2006 - 07' of Panchayat and Rural Development Department, Government of West Bengal).

It would be seen that during the period from 2004 – 05 to 2006 – 07 the PRIs continued to be overwhelmingly dependent on grants from the Central and State Governments which increased by 82 per cent and 50 per cent during the same period as illustrated below :

Sources of Revenue: Percentage Component

(Rupees in crore)

2004-05	2005-06	2006-07
 <p>OSR 64.43 5%</p> <p>State 555.62 44%</p> <p>Central 655.76 51%</p>	 <p>OSR 74.09 4%</p> <p>State 891.43 43%</p> <p>Central 1123.78 53%</p>	 <p>OSR 100.27 5%</p> <p>State 831.4 39%</p> <p>Central 1192.41 56%</p>
Explanation		
<p>Central = (Col. 5 + Col. 10) of the above table = Rs. (124.97 + 530.79) crore = Rs. 655.76 crore</p> <p>State = (Col. 2 + Col. 3 + Col. 4) of the above table = Rs.(193.39 + 200.61 + 161.62) crore = Rs. 555.62 crore</p> <p>OSR = Col. 15 of the above table = Rs. 64.43 crore</p>	<p>Central = (Col. 5 + Col. 10) of the above table = Rs. (174.79 + 948.99) crore = Rs. 1123.78 crore</p> <p>State = (Col. 2 + Col. 3 + Col. 4) of the above table =Rs.(192.43 + 425.23 + 273.77) crore = Rs. 891.43 crore</p> <p>OSR = Col. 15 of the above table = Rs. 74.09 crore</p>	<p>Central = (Col. 5 + Col. 10) of the above table = Rs. (402.55 + 789.86) crore = Rs. 1192.41 crore</p> <p>State = (Col. 2 + Col. 3 + Col. 4) of the above table = Rs.(210.79 + 317.71 + 302.90) crore = Rs. 831.40 crore</p> <p>OSR = Col. 15 of the above table = Rs. 100.27 crore</p>

A system of electronic transfer of fund directly from the P&RDD to all the PRIs through the network of State Bank of India (SBI) has been adopted for timely

utilisation of fund for poverty alleviation programmes (like IAY, SGRY, NOAPS, NFBS, TSC, etc.). During the year 2006 – 07, an amount of Rs. 800.72 crore was electronically transferred through the Fund Transfer (FT) Account.

1.8.2 Funds received from Line Departments

The P&RDD could not furnish (February 2008) any information on the funds received by the PRIs during 2004 – 05 to 2006 – 07 from various line departments of the State Government for implementation of programmes for socio-economic development within their functional areas.

1.9 Overall financial position of PRIs

The P&RDD could not furnish (February 2008) any information on the opening balance, total receipts, total expenditure and closing balance regarding flow of fund and its utilisation by the Gram Panchayats and Panchayat Samitis during 2004 – 05 to 2006 – 07. However, the following variation of Rs. 1.79 crore has been noticed from the consolidated information in respect of Zilla Parishads:

(Rupees in crore)

Nature of PRI	Year	Opening Balance as of 01 April	Receipt	Total	Payment	Closing Balance as of 31 March
Zilla Parishad	2005 – 06 *	479.25	1,370.25	1,849.50	1,255.48	594.02
	2006 – 07 **	595.81	1,072.32	1,668.13	1,171.55	496.58
Amount of Variation = (Opening Balance as of 01 April 2006 – Closing Balance as of 31 March 2006) = (Rs. 595.81 crore – Rs. 594.02 crore) = Rs. 1.79 crore.						

* As per information available in the 'Annual Administrative Report, 2005 – 06' of Panchayat and Rural Development Department, Government of West Bengal.

** As per information available in the 'Annual Administrative Report, 2006 – 07' of Panchayat and Rural Development Department, Government of West Bengal.

1.10 Sectoral analysis

The P&RDD could not furnish (February 2008) any information regarding the mechanism to capture receipts and expenditure under important sectors like education, health, nutrition, social forestry, etc. that may be amenable to sectoral analysis of such

transactions. Furthermore, the department replied (April 2008) that the module relating to sectoral analysis was not made operational.

1.11 District Planning Committee

As envisaged in Article 243 ZD of the Constitution, West Bengal District Planning Committee Act and Rules, 1994, provided for setting up a District Planning Committee (DPC) for each district. The DPC, headed by Sabhadhipati of Zilla Parishad, is to consolidate the plans prepared by the Panchayats and Municipalities in the district and prepare a Draft Development Plan (DDP) for the district as a whole with special attention to the matters of common interest of the local bodies.

A test check of records in nine districts* in January and February 2008 revealed the followings:

- (1) There were delays in formations of DPC in six Districts[^] ranging from two years to 13 years from the date of passing of the Acts and framing of the rules. DPC of Uttar Dinajpur was formed in October 2004 but conducted the first meeting in August 2006.
- (2) Paschim Medinipur District did not furnish any information on preparation and acceptance of DDPs for 2003-2007. DDPs in Bardhaman District for 2003-2005 and 2006-07 were not prepared. Nadia had no DDP for 2003-2007 while for Purulia there was no DDP for 2005-2007. North 24 Parganas prepared a perspective plan for 2007-2012 without any DDP for the district for earlier years. Uttar Dinajpur did not prepare any DDP for 2002-03 to 2006-07 while for Malda no report was available with the District. Due to deficiencies in the preparation of DDPs it could not be ascertained in audit whether matters of common interest of the local bodies were given special attention.
- (3) No information was available from six DPCs about amount sanctioned and funds released by the Government against the development plan.
- (4) Actual date of approval of DDPs by the State Government was not furnished to Audit.

* Bardhaman, Nadia, North 24 Parganas, Paschim Medinipur, Purulia, Murshidabad, Darjeeling, Malda and Uttar Dinajpur.

[^] Bardhaman (February 1996), North 24 Parganas (November 1996), Paschim Medinipur (2003), Purulia (December 2005), Murshidabad (2007) and Uttar Dinajpur (2004).

- (5) *Per cent* of the target planned under various schemes (both financial and physical) and achievement there against in five districts[◊] was not furnished to Audit. Murshidabad and Purulia districts achieved the financial target of 62 and 60 percentage respectively.
- (6) In none of the five districts[⊕], a sound monitoring mechanism for implementation of Annual Plan is found to be in existence.
- (7) No information regarding DPC in respect of Darjeeling District was available.

Thus, the functioning of the DPCs in eight districts[⊗] was not found to be satisfactory.

1.12 State Finance Commission Grants

The recommendations of the Second State Finance Commission (SFC) of West Bengal, constituted in July 2000, covered the period from 2001-02 to 2005-06. The following recommendations of the State Finance Commission that could have improved the financial position of the PRIs were not accepted by the State Government :

- Provision of an entitlement fund for rural as well as urban local bodies constituting 16 *per cent* of State taxes. The Government decided to allocate 'the maximum amount possible' out of its resources instead of linking up the quantum of the entitlement fund with the State's own tax revenue.
- A minimum amount of Rs. 700 crores should be provided in the budget for devolution to PRIs and ULBs as untied entitlement.

PRIs did not receive any SFC fund for the period from 2002-03 to 2004-05. From the year 2005-06, there was annual budget allocation of Rs. 275.43 crore for 18 districts. The allocation for 2005-06 was released to the PRIs. However, due to slow progress of expenditure only Rs. 137.72 crore (50 *per cent* of budget allocation) could be released to PRIs during the year 2006-07. PRIs could spend Rs. 226.28 crore (55 *per cent*) during

[◊] Bardhaman, Nadia, North 24 Parganas, Paschim Medinipur and Malda.

[⊕] Bardhaman, Nadia, North 24 Parganas, Paschim Medinipur and Malda.

[⊗] Bardhaman, Nadia, North 24 Parganas, Paschim Medinipur, Purulia, Murshidabad, Malda and Uttar Dinajpur.

2006-07, out of available fund of Rs. 413.15 crore ^ψ leaving a huge amount of Rs. 186.87 crore ^ψ as unspent as of March 2007.

The Third State Finance Commission (SFC) was constituted in February 2006 and is yet to submit its report (December 2007) against the schedule of February 2007.

1.13 Eleventh Finance Commission Grants

PRIs received Eleventh Finance Commission (EFC) (2000-05) grant of Rs. 384.88 crore (67 per cent) out of recommended grant of Rs. 577.75 crore and spent Rs. 272.85 crore (71 per cent) leaving Rs. 112.03 crore as unutilised as of March 2005.

The utilisation of unspent balance of Rs. 112.03 crore after expiry of EFC period was not clarified to audit.

1.14 Twelfth Finance Commission Grants

The Twelfth Finance Commission (TFC) recommended Rs. 1,271 crore for the period from 2005 – 2010 for maintenance of assets of the PRIs and delivery of civic services with emphasis on mobilization of revenue by the PRIs as a step towards their self sufficiency. Twenty per cent of the entire grant was earmarked as Incentive Grants for revenue mobilisation by the PRIs and eighty per cent are to be distributed as per entitlement of the PRIs, determined in the manner prescribed by the Second State Finance Commission. The Finance Commission further recommended that user charges be made obligatory levies and, in case of delayed transfer to PRIs / ULBs beyond the specified period of 15 days, the State Government shall transfer to PRI / ULB an amount of interest at the rate equal to RBI Bank rate alongwith such delayed transfer of grants.

^ψ

(Rs. in crore)

Year	Opening Balance	Release	Total	Expenditure	Unspent Balance
2002 – 03	--	--	--	--	--
2003 – 04	--	--	--	--	--
2004 – 05	--	--	--	--	--
2005 – 06	--	275.43	275.43	--	275.43
2006 – 07	275.43	137.72	413.15	226.28	186.87

The receipt and utilisation of TFC grants for 2005 – 2007 are shown below:

(Rupees in crore)

Year	Approved allocation	Receipt from Govt. of India	Released to PRIs	Expenditure on maintenance of accounts and percentage	Expenditure on creation / management of data base and percentage	Expenditure on drinking water & sanitation and percentage	Expenditure on other sectors and percentage	Total expenditure
2005-06	254.20	127.10 (first instalment of 2005-06)	127.10					
2006-07	254.20	127.10 (second instalment of 2005-06) & 127.10 (first instalment of 2006-07) *	254.20 & 0.88 (interest paid out of State Account)	6.99 (4 %)	8.33 (5%)	21.07 (11 %)	148.72 (80%)	185.11
Total	508.40	381.30	382.18	6.99 (4 %)	8.33 (5%)	21.07 (11 %)	148.72 (80%)	185.11

* Second instalment of Rs. 127.10 crore for the year 2006 – 07 was received in May 2007 in the financial year 2007 – 08.

Scrutiny in audit revealed the following:

- (i) Rs. 0.88 crore was released from the State Account as interest due to delayed release of the first instalment of 2005 – 06.
- (ii) Expenditure, if any, for revenue mobilisation of the PRIs was not recorded in the P&RDD statement of expenditure on TFC.
- (iii) Recovery of fifty *per cent* of the recurring costs in the form of user charges for the maintenance of water supply, sanitation and drainage facilities was not realised.
- (iv) The total expenditure of Rs. 185.11 crore (Rs. 10.23 crore in 2005-06 and Rs. 174.88 crore in 2006-07) amounted to 48 *per cent* of the total release of TFC grants. The utilization of the grant for 2005-06 was stated to be affected because of declaration of election of the State Legislative Assembly.

(v) The recommended percentage of expenditure on three priority sectors and their corresponding utilisation by the PRIs is as follows:

Priority Sectors	Recommended percentage	Percentage utilised	Remarks
Maintenance of accounts	5 %	4 %	Utilised 1 % less than the recommended percentage.
Creation / management of database	10 – 15 %	5 %	Utilised 5 – 10 % less than the recommended percentage.
Drinking water & sanitation	10 %	11 %	Utilised 1 % above the recommended percentage.

PRIs collected revenue (tax and non-tax) of Rs. 100.27 crore in 2006-07 which was abysmally low although TFC provided support for mobilization of their revenue towards attaining self sufficiency. The State Government provided financial support of Rs. 210.79 crore in 2006 – 07 to the PRIs to meet their expenditure on establishment. Thus, the revenue collection by PRIs of Rs. 100.27 crore was insufficient to meet even their requirements for salary payment.

Audit conducted test check of TFC fund accounts of 1,189 PRIs (8 ZPs, 88 PSs and 1,093 GPs) for 2006 – 07 during 2007 – 08. The total expenditure against total available fund and amount diverted thereon are tabled below:

(Rupees in crore)

PRIs (No.)	Available fund	Amount spent	Expenditure incurred on non-prioritised sector (and number of PRIs) *
ZPs (8)	40.49	26.08	1.87 (3 nos.)
PSs (88)	18.55	9.48	1.90 (36 nos.)
GPs (1,093)	63.73	34.95	6.46 (375 nos.)
Total (1,189)	122.77	70.51	10.23 (414 nos.)

*Details have been given in **Appendix-I**.

It is evident from the above that 1,189 PRIs could utilize Rs. 70.51 crore against available fund of Rs. 122.77 crore which was only 57 per cent of the total grant received by them.

1.15 Devolution of Functions, Functionaries and Funds to Panchayat Raj Institutions

To enable the Panchayats to become institutions of self-government, the 73rd Amendment to the Constitution, which came into force in 1993, was introduced. The amendment inserted Part-IX in the Constitution which relates to the Panchayats. Article 243G of Part-IX of the Constitution provides for devolution of powers and responsibilities by the State to the Panchayats in preparation and implementation of plans for economic development and social justice including implementation of schemes relating to the 29 subjects¹ listed in the Eleventh Schedule of the Act. In accordance with Article 243G of the Constitution, suitable legislation was carried out by the State Legislature in 1992 and 1994 respectively and Sections 207A and 207B were inserted in the West Bengal Panchayat Act, 1973.

Subsequently, the State Council of Ministers in their meeting (September 2005) assigned responsibilities upon the three tier Panchayat Raj Institutions. Thereafter, the State Government issued an order (November 2005) on “Assignment of Responsibilities on Three Tier Panchayat Raj Institutions and Mapping of Activities of PR Bodies”.

With a view to assessing the status of devolution of funds, functions and functionaries to the PR Bodies, three districts were selected from three divisions in the State of West Bengal, viz, Presidency, Burdwan and Jalpaiguri. Scrutiny of records of 12 PRI units (three districts², three blocks³ and six⁴ gram panchayats) was conducted for the

¹ (i) Agriculture including agricultural extension (ii) Land improvement, implementation of land reforms, land consolidation and soil conservation (iii) Minor irrigation, water management and watershed development (iv) Animal husbandry, dairying and poultry (v) Fisheries (vi) Social forestry and farm forestry (vii) Minor forest produce (viii) Small scale industries, including food processing industries (ix) Khadi, village and cottage industries (x) Rural housing (xi) Drinking water (xii) Fuel and Fodder (xiii) Roads, culverts, bridges, ferries, waterways and other means of communication (xiv) Rural electrification, including distribution of electricity (xv) Non-conventional energy sources (xvi) Poverty alleviation programme (xvii) Education, including primary and secondary schools (xviii) Technical training and vocational education (xix) Adult and non-formal education (xx) Libraries (xxi) Cultural activities (xxii) Markets and fairs (xxiii) Health and sanitation, including hospitals, primary health centres and dispensaries (xxiv) Family welfare (xxv) Women and child development (xxvi) Social welfare, including welfare of the handicapped and mentally retarded (xxvii) Welfare of the weaker sections, and in particular, of the SCs and STs (xxviii) Public distribution system and (xxix) Maintenance of community assets.

² Coochbehar, Hooghly and North 24 Parganas.

³ Toofanganj-II, Singur and Basirhat-I.

⁴ Bhanukumari-I, Bhanukumari-II, Singur-I, Beraberi, Sangrampur-Shibati and Nimdaria-Kodaliya.

period from 2005-06 to 2006-07. The audit findings are discussed in the succeeding paragraphs:

Functions

- Scrutiny in audit revealed that out of 29 subjects of the Eleventh Schedule, six subjects were not incorporated in the Activity Mapping viz. (i) Minor Forest produce (ii) Rural Housing (iii) Roads, Culvert, Bridges, Ferries, Water ways and Other means of Communications (iv) Rural Electrification including Distribution of Electricity (v) Non-conventional Energy Services and (vi) Maintenance of Community Assets.

- The concerned line departments were required to issue appropriate Government orders, backed by Legislation wherever necessary, so as to enable the PRIs to discharge the assigned responsibilities and duties effectively. Although, some progress in this regard has been made by the Animal Resources Development Department; Department of Micro and Small Scale Enterprises and Textiles; Water Investigation and Development Department; Health and Family Welfare Department; Mass Education and Extension Department; Women and Child Development; Social Welfare Department and Forests Department, a large number of other line departments are yet to issue matching orders which are necessary in order to complement the Activity Mapping in a meaningful manner.

- The Activity Mapping delineated the responsibilities of the Sthayee Samities at each tier of the PRIs. Test check of records at the ZP level regarding seven items⁵ mentioned in the Activity Mapping revealed that, out of 77 responsibilities, Hooghly and North 24 Parganas discharged only 25 and 52 responsibilities respectively. The ZPs, thus, discharged only between 32 to 68 *per cent* of the assigned responsibilities. Similarly, at the PS level, test check of records regarding three⁶ items revealed that, out of 53 responsibilities, 28 were discharged by Singur PS of Hooghly district and 37 out of 46 responsibilities were discharged by Basirhat I PS of North 24 Parganas. The concerned PSs, thus discharged only between 53 to 80 *per cent* of the assigned responsibilities. At

⁵ (a) Agriculture and Extension Works (b) Mass Education Extension including Library Services (c) Health and Family welfare (d) Land and Land Reforms (e) Forestry including Social Forestry (f) Public Health and Engineering (g) School Education.

⁶ (a) Agriculture and Extension Works (b) Health and Family Welfare (c) Mass Education including Library Services of Singur PS and (a) Animal Resource Development (b) Health & Family Welfare and (c) Cottage and Small Scale Industries of Basirhat I PS.

the Gram Panchayat level too, records regarding three⁷ items revealed that 22 responsibilities out of 94 were discharged by both the test checked GPs of Hooghly and 44 responsibilities out of 57 were discharged by the test checked GPs of North 24 Parganas. Thus, the concerned GPs discharged between 23 to 77 *per cent* of the assigned responsibilities.

Thus, a lot of responsibilities as mentioned in the Activity Mapping were not discharged by the PR Bodies and to that extent the objectives of decentralisation as envisaged in the constitutional amendment are yet to be realized.

Functionaries

- The Activity Mapping provides for the officials of the line departments to function as link officer of the Sthayee Samities at each tier of the PRIs. However, scrutiny in audit of six⁸ items revealed that the Range Officer, Extension Officer Mass Education and Sub Assistant Engineer of Public Health Engineering Department were not regular in attending the meetings of the respective Sthayee Samities of Singur PS of Hooghly during 2005-06 and 2006-07. At the Gram Panchayat level too, it was noticed that the officials of certain line departments, such as, Cottage and Small Scale Industries, School Education and Forest Department did not attend the meetings of the concerned Upa-Samities. Similarly, in Basirhat – I Panchayat Samity in North 24 Parganas it was observed that the functionaries of the Information and Cultural Affairs and Agriculture Marketing departments did not attend the meetings of the Sthayee Samity. On account of the failure of the officials of the concerned departments to attend meeting of the Sthayee Samities, the possibility of implementing their activities/schemes without consulting the functionaries of PRIs and thereby neglecting the actual needs of the rural people can not be ruled out.

Funds

Devolution of funds requires, inter alia, (i) inclusion of a PRI component in the budget of the State Government based on the devolution of activities (ii) provisioning of progressively larger untied funds by the State Government from its own source and from

⁷ (a) Agriculture and Extension Works (b) Animal Resource Development (c) Health & Family Welfare.

⁸ Agriculture and Extension Works, Forestry including Social Forestry, School Education, Health and Family Welfare, Mass Education including Library Services and Public Health Engineering Department .

the finance commission grants and (iii) encouraging the PRIs to augment their own resource.

• Scrutiny of records revealed that although provision for PRI component in the State Budget was yet to be made, funds from certain line departments were shown as receipts in the accounts of the test checked PR bodies. The fact will be evident from the statement given below :-

Funds Received

(Rupees in lakh)

Sl. No.	Name of the line departments	Hooghly ZP		Singur PS Dt.-Hooghly		North 24 Parganas ZP		Toofanganj PS Dt.-Coochbehar	
		05-06	06-07	05-06	06-07	05-06	06-07	05-06	06-07
1.	Agriculture	1.52	--	--	--	295.60	242.17	--	--
2.	School Education	--	--	90.78	107.33	34.04	10.09	93.48	15.35
3.	Minorities' Development & Welfare	--	--	--	--	23.00	6.65	--	--
4.	Power (Rural Electrification)	--	--	--	--	409.49	--	--	--
5.	Cottage and Small Scale Industries	--	--	--	--	1.67	--	--	--
6.	Health and Family Welfare	--	--	--	--	--	--	0.12	1.00
7.	Animal Resource Development	139.43	--	--	--	2.30	2.30	--	--
8.	Forest	--	--	--	--	95.25	15.25	--	--
9.	Public Works (Roads)	75.81	--	--	--	169.31	1140.83	--	--
10.	Food and Supplies	12.89	--	--	--	--	--	--	--
11.	Fisheries	51.14	--	--	--	--	--	--	--
12.	Irrigation	362.51	1.47	--	--	--	--	--	--
13.	P & AR	3.23	2.64	--	--	--	--	--	--
14.	Public Health Engineering	--	--	4.61	1.25	86.01	1.60	5.57	0.61

15.	Backward Class Welfare	--	--	--	--	--	--	9.55	12.10
16.	Refugee, Relief and Rehabilitation	--	--	--	--	--	--	9.82	--
17.	Women and Child Development and Social Welfare	--	--	--	--	--	--	9.24	5.99
Total		646.53	4.11	95.39	108.58	1116.67	1418.89	127.78	35.05

• It was observed from records that the Panchayat bodies of West Bengal received Rs. 2015.21 crore (Rs. 1639.58 crore Plan + Rs. 375.63 crore Non Plan) and Rs. 2023.81 crore (Rs. 1481.82 crore Plan + Rs. 541.99 crore Non Plan) during 2005-06 and 2006-07 respectively to discharge responsibilities entrusted upon them. Against this overall position of the State, the receipts and expenditures from 2nd SFC and 12th FC Grants in respect of twelve PR bodies of three selected Districts during 2005-06 & 2006-07 revealed under utilization of funds as detailed below:

(Rupees in lakh)

2 nd SFC		Hooghly			North 24 Prgs			Coochbehar		
		ZP	PS	GP	ZP	PS	GP	ZP	PS	GP
2005-06 to 2006-07	Receipts	408.49	29.20	6.95	422.54	34.71	13.46	397.09	36.68	16.45
	Expenditure	238.66	13.52	5.37	384.71	26.40	7.60	396.58	27.30	15.53
	Unutilised	169.83	15.68	1.58	37.83	8.31	5.86	0.51	9.38	0.92

(Rupees in lakh)

12 th FC		Hooghly			North 24 Prgs			Coochbehar		
		ZP	PS	GP	ZP	PS	GP	ZP	PS	GP
2005-06 to 2006-07	Receipts	419.50	25.86	8.37	613.68	13.15	10.81	409.75	54.44	18.05
	Expenditure	217.18	7.39	6.56	353.73	5.77	2.25	305.29	16.28	15.92
	Unutilised	202.32	18.47	1.81	259.95	7.38	8.56	104.46	38.16	3.13

Records further revealed that Hooghly ZP failed to take up 84 out of 152 schemes which were planned to be funded from the 2nd SFC Grant during 2005-07. However, during the same period, the ZP could not utilise Rs. 169.83 lakh out of Rs. 408.49 lakh (41.58 per cent).

- The 2nd SFC recommended augmenting the resources of the local bodies by raising taxes and increasing fees etc. on items listed in the West Bengal Panchayat Act, 1973. But the records revealed that the collection from own resources in the test checked PRI bodies was inadequate to even meet the establishment costs. It was observed that Hooghly ZP earned Rs. 228.75 lakh from its own source during 2005-06 and 2006-07 while the establishment cost itself was Rs. 671.45 for the same period. Similarly, in North 24 Parganas, against the establishment cost of Rs. 572.16 lakh, Rs. 5.90 lakh and Rs. 18.96 lakh at ZP level, PS level and GP level, the receipts from own resources were Rs. 402.55 lakh, Rs. 5.56 lakh and Rs. 3.40 lakh respectively during 2005-06 & 2006-07.

Keeping in view the audit findings discussed above, definitive action in a time bound manner is required to be taken by the State Government for comprehensively transferring functions, functionaries and funds in accordance with the Act and the regulatory framework.

1.16 Audit Arrangement for PRIs

As per provisions of the West Bengal Zilla Parishads Act, 1963 / West Bengal Panchayat Act, 1973, the State Government is to appoint an Auditor for audit of the accounts of ZP, PS and GP.

The Examiner of Local Accounts (ELA), in the office of the Accountant General (Receipt, Works and Local Bodies Audit), West Bengal had been appointed as Auditor to audit Zilla Parishads and Panchayat Samitis (earlier called Anchalik Parishads)[∅].

Audit of the Gram Panchayats was conducted till 2001-02 by the Extension Officer (Panchayat), a State Government official stationed at the respective Block offices. Subsequently, by a notification in March 2003, the Examiner of Local Accounts had been appointed as Auditor of Gram Panchayats also, from 2002-03 onwards.

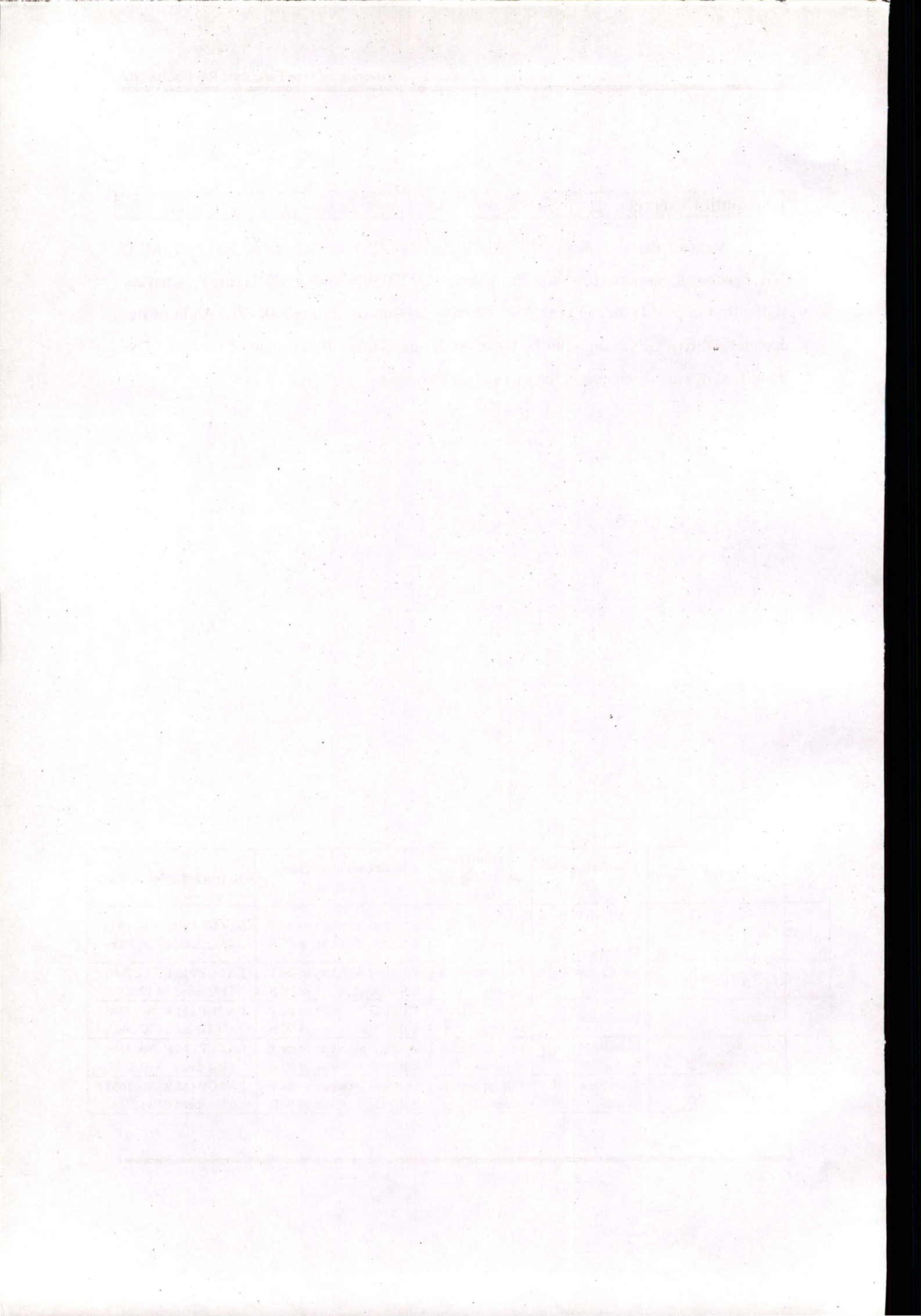
[∅] Vide Rule 101 (1) of the West Bengal Zilla Parishads (Election, Constitution and Administration) Rules, 1964 framed under the West Bengal Zilla Parishads Act, 1963. The erstwhile general framework of four-tier PRIs as provided for in the 1963 Act was, however, replaced by three-tier PRIs as provided for in the West Bengal Panchayat Act, 1973.

1.17 Audit Coverage

Audit of the accounts of 17 Zilla Parishads (ZPs), 1 Mahakuma Parishad (MP), 161 Panchayat Samitis (PSs) for the year up to 2005-06 and 3,349 Gram Panchayats (GPs) (out of 3,354) for the year 2005-06 were conducted during 2006-07. Audit of the accounts of five GPs[⊕] could not be taken up during 2006 – 07 for want of records. The audit findings are discussed in the succeeding Chapters.

⊕

Sl. No.	Name of GP	Controlling PS / ZP	Reasons for not taking up audit	Reference made from Audit to	Ref. to letter No. & Date
(1)	Gopiballavpur	Gopiballavpur – I / Paschim Medinipur	Due to seizure of records	Principal Secretary to the P & RD Deptt., Govt. of W.B.	LA / GP / 2005 – 06 / 612 / 4062 dated 07.08.2006
(2)	Dr. Graham's Homes	Kalimpong – I / Darjeeling	Due to theft of records	Principal Secretary to the P & RD Deptt., Govt. of W.B.	LA / GP / M.R. No. 2092 / 7172 dated 04.12.2006
(3)	Sahapur	Panchla / Howrah	Due to seizure of records	Principal Secretary to the P & RD Deptt., Govt. of W.B.	LA / GP / M.R. No. 2244 / 8368 dated 13.02.2007
(4)	Mayapur Bamanpukur - II	Nabadwip / Nadia	Due to seizure of records	Principal Secretary to the P & RD Deptt., Govt. of W.B.	LA / GP / M.R. No. 3260 / 8364 dated 13.02.2007
(5)	Hamidpur	Kaliachak – II / Malda	Due to seizure of records	Principal Secretary to the P & RD Deptt., Govt. of W.B.	LA / GP / M.R. No. 1657 / 6776 dated 07.11.2006



CHAPTER-2

Accounting procedures

Appendix-III) did not prepare, approve and adopt the budget for the year 2005-06. Thus, these GPs unauthorisedly spent Rs. 14.96 crore without any budget allocation during the year.

2.2.2 In accordance with Rule 17 (2) *ibid*, every PS is to approve and adopt by 15 February each year the budget for the following financial year. However, Garbeta-II PS did not prepare, approve and adopt the budget for the year 2004-05 and 2005-06. Thus, the PS unauthorisedly spent Rs. 2.35 crore in 2004-05 and Rs. 2.73 crore in 2005-06 without budgeting.

2.2.3 Rules also prescribe the time schedule in respect of preparation, approval and adoption of ZP's budget. The preparation of budget should be started on or from 1st September and the ZP should approve the budget on or before 5th March.

However, it was noticed in audit that Nadia ZP incurred an expenditure of Rs. 80.76 crore in the year 2005-06 without preparing any budget estimate which is required under Rule 29 *ibid*.

2.3 Expenditure incurred in excess of budget provision

2.3.1 1,559 GPs (as detailed in **Appendix-IV**) altogether spent Rs. 77.93 crore in excess of their respective budget provisions under different heads without preparing any supplementary and revised estimates during 2005-06.

2.3.2 27 PSs (as detailed in **Appendix-V**) altogether spent Rs. 12.08 crore during 2004-05 and 2005-06 in excess of their respective budget provisions under different heads.

2.3.3 6 ZPs (as detailed in **Appendix-VI**) altogether spent Rs. 19.04 crore during 2005-06 in excess of their respective budget provisions under different heads without preparing any supplementary and revised estimates.

2.3.4 This shows absence of budgetary controls in the concerned PRIs, which should be instituted at the earliest.

2.4 Direct appropriation of revenues without depositing into savings bank account

2.4.1 According to Rule 4(2) of the Accounts Rules, the custodian of the Gram Panchayat Fund (i.e. the Pradhan) shall deposit all receipts of the Fund in a Savings Bank Account

to be withdrawn therefrom as and when required subsequently. But it was seen in audit that 61 GPs spent Rs. 28.94 lakh during 2005-06, out of the revenues collected by them from time to time without depositing the money into their respective Savings Bank Accounts (as detailed in **Appendix-VII**).

2.4.2 Similarly, two PSs in 2004-05 and one in 2005-06 appropriated Rs. 22.34 lakh and Rs. 41.36 lakh⁺ respectively in violation of Rule 5 (2) of the West Bengal Panchayat (Zilla Parishad and Panchayat Samiti) Accounts and Financial Rules, 2003.

This is fraught with the risk of misappropriation and embezzlement of funds.

2.5 Retention of cash in hand in excess of permissible limit

2.5.1 Rule 4(4) of the Accounts Rules prevents the custodian of the GP fund (i.e. the Pradhan) from retaining cash in his personal custody exceeding Rs. 500 at any time. In violation of the Accounts Rules, the Pradhans of 264 GPs were found to have retained cash ranging from Rs. 0.25 lakh to Rs. 6.50 lakh at a time during 2005-06 (as detailed in **Appendix-VIII**).

2.5.2 As per Rule 6(3) of the West Bengal Panchayat (Zilla Parishad and Panchayat Samiti) Accounts and Financial Rules, 2003, all payments exceeding Rs. 500 were to be made by cheque and claims for smaller sums were to be paid in cash and no money should be drawn before it is actually required for payment. In violation of the above rules, 25 Panchayat Samitis (as detailed in **Appendix-IX**) had withdrawn and retained cash ranging from Rs. 0.25 lakh to more than Rs. 5 lakh through self-cheques during 2004-05 to 2005-06.

2.5.3 Similarly, Coochbehar ZP had withdrawn and retained cash ranging from Rs. 3 lakh to more than Rs. 6 lakh through self cheques during 2005-06.

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Sl. No.	Name of PS	Controlling PRI at District level	Amount spent out of revenues collected without routing through the Savings Bank Account (Rs. in lakh)	
			2004-05	2005-06
(1)	Domjur	Howrah	16.91	41.36
(2)	Hasnabad	North 24 Parganas	5.43	-
Total			22.34	41.36

2.6 Non-reconciliation of cash balances

2.6.1 The Accounts Rules stipulate that the cash balance of the bank pass book of the GP shall be checked with reference to the cash book at the close of every month by way of reconciliation. However, in 102 GPs, a total amount of Rs. 26.71 lakh remained unreconciled (as detailed in **Appendix-X**) at the end of the financial year 2005-06.

2.6.2. Similarly, 5 Panchayat Samitis during 2004-05, 39 Panchayat Samitis during 2005-06 and one Zilla Parishad during 2005-06 (as detailed in **Appendix-XI**) did not reconcile their balances as per cash book and pass book. A difference of Rs. 1.13 crore during 2004-05 and Rs. 10.75 crore during 2005-06 in respect of PSs and Rs. 1.70 crore^v during 2005-06 in respect of a ZP remained unreconciled as at the end of 31 March 2006.

2.6.3 Such absence of regular monthly reconciliation of cash balances indicates lack of internal control in the concerned PRIs. This is also fraught with the risk of misappropriation of funds remaining undetected.

2.7 Non-realisation of revenue

The GPs impose yearly taxes and duties and also levy rates, fees and tolls to augment their own resource base. In 3,173 GPs, against a total cumulative demand of Rs. 80.69 crore, Rs. 58.01 crore could not be realised as at the end of 2005-06. The unrealised amount constituted 72 per cent of the total demand (as detailed in **Appendix-XII**). This indicates lack of initiative and poor internal controls in GPs, resulting in weakening of their own resource base, which itself is quite limited.

2.8 Non-maintenance of the records/registers

2.8.1 The Accounts Rules prescribe that every GP shall maintain registers and books like Demand and Collection Register, Allotment Register, Works Register, Measurement Book, Asset Register, etc. for its smooth functioning as well as for depicting a true and

v

Name of ZP	Amount as per Cash Book	Amount as per Pass Book	Difference remaining unreconciled (In Rupees)
Purba Medinipur	45,18,63,426.30	46,88,57,533.73	1,69,94,107.43

fair view about the state of its affairs. Scrutiny of data by audit from 3,349 GPs spread over 17 ZPs and one Mahakuma Parishad revealed that the GPs failed to maintain prescribed records and books pertaining to the year 2005-06 (as detailed in **Appendix-XIII**).

2.8.2 Similarly, on scrutiny of data by Audit from 161 PSs and 17 ZPs, one Mahakuma Parishad and PSs under two divisions and ZPs under three divisions, as detailed in **Appendix-XIV** and **Appendix-XV**, failed to maintain prescribed records and books.

2.8.3 In absence of mandatory subsidiary records, true and fair view of the use of resources and assets could not be ascertained.

2.9 Internal Audit

2.9.1 The Accounts Rules provide for internal audit of the Gram Panchayats Accounts to be conducted by the Panchayat Accounts and Audit Officers (PA&AOs) within their respective jurisdictions at least once in every month. The Rules also provide for preparation of internal audit reports by the PA&AOs every three months ending on 30 June, 30 September, 31 December and 31 March. It was seen that in 43 *per cent* of the total number of GPs, no such internal audit was conducted during 2005-06 (as detailed in **Appendix-XVI**).

2.9.2 Similarly, internal audit of the accounts of Panchayat Samitis and Zilla Parishads to be conducted by the end of each quarter by the Samiti Accounts and Audit Officer and the Parishad/Regional Accounts and Audit Officer respectively was not conducted in respect of 124 Panchayat Samitis in 2004-05, 125 Panchayat Samitis in 2005-06 (as detailed in **Appendix-XVII**) and six^β ZPs in 2005-06. The work of internal audit suffered during 2004 – 06 due to large number of vacancies in the cadre of Samiti Accounts & Audit Officer and Parishad Accounts & Audit Officer.

^β (1) Birbhum ZP (2) Dakshin Dinajpur ZP (3) Uttar Dinajpur ZP (4) Murshidabad ZP (5) Purba Medinipur ZP and (6) Jalpaiguri ZP.

2.9.3 The following table shows the position of deployment of Internal Audit Officers as furnished (February 2008) by the department:

Name of the Post	Sanctioned strength	Men in position	Vacancy
Regional Accounts and Audit Officer	3	3	Nil
Parishad Accounts and Audit Officer	18	4	14
Samiti Accounts and Audit Officer	66	33	33
Panchayat Accounts and Audit Officer	370	312	58

The department replied (April 2008) that necessary initiatives have already been taken to fill up the vacant posts.

2.9.4 Scrutiny in audit of 14 PRIs between February – April 2008 revealed the following :

Results of internal audit	No. of PRIs	Name of the PRI	Period of internal audit	Follow-up action by the PRIs / Internal Audit Officer
Internal audit conducted and audit note / report issued	11	Howrah ZP	upto 2 nd quarter of 2006-07	Only 3 PRIs (Howrah ZP, Hooghly ZP and Malda ZP) stated (February – April 2008) that the replies were sent to higher authorities.
		Paschim Medinipur ZP	2003-04 to 2005-06	
		Hooghly ZP	2002-03 to 2004-05	
		Malda ZP	upto 2006-07	
		Purulia ZP	upto 2005-06	
		Mahishadal PS	upto September 2006	
		Tamluk PS	upto January 2008	
		Panskura – I PS	upto January 2008	
		Kolaghat PS	upto December 2007	
		Moyna PS	upto December 2007	
		Purulia – II PS	upto 2006-07	
Internal audit conducted and audit note / report not issued	1	Purulia – I PS	upto 08.09.2006	The PS stated (February 2008) that internal audit was conducted during October 2007 and the concerned Samiti Accounts and

Results of internal audit	No. of PRIs	Name of the PRI	Period of internal audit	Follow-up action by the PRIs / Internal Audit Officer
				Audit Officer had not submitted the report.
Information on internal audit not received	2	North 24 Parganas ZP	--	Not made available to audit (April 2008).
		South 24 Parganas ZP	--	

The above table shows that the follow-up action on internal audit note / report was poor and the internal audit system was weak.

Results of internal audit	No. of PRTs	Name of the PRT	Period of internal audit	Follow-up action by the PRT's Internal Audit Officer
Investigation on internal audit was received	2	South St. Pauline XI North St. Pauline XI		Each Officer had not reviewed the report
				Not made available to the PRT

The above table shows that the follow-up action on internal audit report was reviewed by the Internal Audit Officer.

CHAPTER-3

Implementation of Schemes

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CHAPTER-3

Implementation of Schemes

Scrutiny in Audit revealed several issues including number of cases of non-adherence of guidelines, diversion of grants, under utilisation of grants and financial irregularities detected on physical verification of different schemes executed by GPs.

INDIRA AWAS YOJANA (IAY)

3.1 Introduction

Indira Awas Yojana (IAY) aims at providing dwelling units free of cost to the poor families of the Scheduled Castes (SCs), Scheduled Tribes (STs), freed bonded labourers and also the non-SC/ST persons Below Poverty Line (BPL) in the rural areas. Funds available under the scheme in a district are earmarked for various categories as under:

- (i) At least 60% of the total IAY allocation during a financial year should be utilised for construction/upgradation of dwelling units for SC/ST BPL households.
- (ii) A maximum 40% for non SC/ST BPL rural households.
- (iii) 3% of the above categories for physically and mentally challenged persons.

The scheme is funded on a cost sharing basis of 75:25 between the Centre and the State. Since 1999-2000, 80 per cent of allocation has been earmarked for new construction and 20 per cent for up-gradation of unserviceable kutcha houses. The scale of assistance for construction/up-gradation varied from time to time and also between hilly and plain areas.

The financial and physical performance under IAY in the State during 2005-2006 are summarised below:

(Rupees in crore)

Total available fund	Utilisation	Per cent of utilised fund	New construction (No.)		Upgradation (No.)	
			Target	Achievement	Target	Achievement
298.07	205.86	69	83,248	66,903	20,850	33,150

(Source: Panchayat and Rural Development Department)

Audit of implementation of IAY revealed irregularities in selection of beneficiaries, non-conferment of ownership of huts on women as envisaged in the scheme, non-construction of sanitary latrines and smokeless chullahs inspite of assistance released for them as discussed in the succeeding paragraphs.

GRAM PANCHAYAT

3.1.1 Annual Action Plan not prepared

It was mandatory under the scheme of IAY that each of the Gram Panchayats shall independently prepare and approve an Annual Action Plan (AAP) before the beginning of a financial year.

It was seen that 772 Gram Panchayats out of 3,349 audited did not prepare and approve such Annual Action Plan for the year 2005-06 for selection of beneficiaries under the scheme. The Gram Panchayats spent a total amount of Rs. 15.53 crore by selection of beneficiaries outside the AAP in violation of the scheme guidelines (as detailed in **Appendix-XVIII**).

In absence of AAP, there is an increased risk of selection of ineligible beneficiaries.

3.1.2 Irregular selection of beneficiaries without following BPL criteria

The scheme envisaged selection of the beneficiaries under IAY from the BPL list prepared on the basis of certain priority criteria, such as freed bonded laboureres, SC/ST households who are victims of atrocity, SC/ST households headed by widows and unmarried women, SC/ST households affected by natural and other calamities like riots and physically and mentally challenged persons etc.

However, in 1,622 Gram Panchayats out of 3,349 audited, while Rs. 19 crore was spent during 2005-06 towards IAY assistance for construction/up-gradation of huts, none of the beneficiaries was from the BPL list (as detailed in **Appendix-XIX**).

This shows lack of internal control in selection of beneficiaries as per the guidelines of the scheme.

3.1.3 Allotment of huts not conferred on women in violation of scheme provision

The IAY envisaged that allotment of huts constructed/up-graded with the scheme assistance would be conferred on the wife or alternatively on both the wife and the husband. But in 33,017 cases in 2,484 Gram Panchayats, allotment of huts constructed/up-graded with the scheme funds at a total cost of Rs. 51.27 crore was conferred solely on the male member of the family during 2005-06 (as detailed in **Appendix-XX**).

This was not in conformity with the scheme guidelines which were designed to enhance the empowerment of women.

3.1.4 Land ownership for the beneficiaries not ensured before construction/up-gradation of huts

As per para 3.5 of the guidelines of IAY, every beneficiary should possess a valid title of the land before obtaining the assistance for construction/up-gradation of a hut. However, in 359 Gram Panchayats where Rs. 19.18 crore in 12,198 cases were disbursed during 2005-06 towards assistance for construction/up-gradation of huts, the beneficiaries had either no valid records of ownership of the land on which their huts were constructed/up-graded or records were not produced to Audit (as detailed in **Appendix-XXI**).

This was indicative of lack of effective controls to ensure that ineligible beneficiaries are not covered under the scheme. Moreover, the possibilities of dislodging the beneficiaries rendering them shelterless once again by the actual owners of the land at a subsequent stage cannot be ruled out.

3.1.5 Sanitary latrines and smokeless chullahs not constructed

As per guidelines of the scheme, every Gram Panchayat is to ensure that a sanitary latrine and a smokeless chullah are constructed alongwith the construction or up-gradation of the hut.

In case sanitary latrine and smokeless chullah were not constructed, Rs. 600 towards sanitary latrine and Rs. 100 towards smokeless chullah were to be recovered

from the consolidated amount of assistance given to the beneficiaries by way of deduction from the second instalment of assistance.

However, in 1,852 Gram Panchayats, 67,593 sanitary latrines and in 2,165 Gram Panchayats, 79,182 smokeless chullahs were not constructed although the full amount of assistance amounting to Rs. 134.38 crore (as detailed in **Appendix-XXII**) was given to the beneficiaries in two instalments by the Gram Panchayats during 2005-06. The pay orders were signed by the Gram Pradhans of the respective Gram Panchayats.

It was seen in audit that Rs. 4.06 crore for sanitary latrine and Rs. 0.79 crore for smokeless chullah[⊕] were not deducted from the assistance given to the beneficiaries.

SAMPOORNA GRAMEEN ROZGAR YOJANA (SGRY)

3.2 Introduction

Sampoorna Grameen Rozgar Yojana (SGRY) was launched in September 2001 by merging the ongoing schemes of Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS). The objective of the programme is to provide additional wage employment in all rural areas as well as food security and improve nutrition level. The secondary objective of the scheme was the creation of durable community assets and social and economic assets and infrastructure development in rural areas. The SGRY is open to all rural poor who are in need of wage employment and desire to do manual and unskilled work in and around the village / habitat. The cost of each component of the programme is shared by the Centre and the State in the ratio of 75:25.

The total available fund and foodgrains and utilisation of fund and foodgrains under SGRY in the State during 2005-06 are tabled below:

(Rupees in crore)

Total available fund	Total available lifted foodgrains ('000 MT)	Utilisation		Percentage of utilization	
		Fund	Foodgrains ('000 MT)	Fund	Foodgrains
589.81	446.709	377.79	330.453	64	74

(Source: Panchayat and Rural Development Department)

[⊕] 67,593 latrines x Rs. 600 = **Rs. 4.06 crore**; 79,182 smokeless chullahs x Rs. 100 = **Rs. 0.79 crore**.

Audit of implementation of SGRY revealed works undertaken without preparation of Annual Action Plan, inadequate employment opportunities to women, expenditure incurred on works by engagement of contractors, loss due to curtailment of central share for under utilisation etc.

GRAM PANCHAYAT AND PANCHAYAT SAMITI

3.2.1 Annual Action Plan not prepared

It was mandatory under the SGRY scheme that each Gram Panchayat and Panchayat Samiti shall independently prepare and approve an Annual Action Plan (AAP) before the beginning of the financial year. No work can be taken up unless it forms part of the AAP.

It was seen that 1,481 Gram Panchayats out of 3,349 Gram Panchayats and 16 Panchayat Samitis out of 161 Panchayat Samitis did not prepare and approve such AAP for the year 2005-06 for taking up works under the scheme. The Gram Panchayats and the Panchayat Samitis spent a total amount of Rs. 37.55 crore and Rs. 5.78 crore respectively for works taken up outside the AAP in violation of the scheme guidelines (as detailed in **Appendix-XXIII and XXIV**).

In absence of AAP, there is an increased risk of selection of ineligible beneficiaries as the requirement of enumeration, enlistment and identification of eligible beneficiaries for works outside AAP may not be properly attended to.

3.2.2 Inadequate employment opportunities to women

In order to ensure special safeguards for women, it was stipulated in the scheme that at least 30 *per cent* of employment opportunities should be provided to women. But in 1,999 Gram Panchayats and 38 Panchayat Samitis during 2004-05 to 2005-06, the percentage of employment opportunities provided to women ranged from zero to 20 only in violation of the guidelines of the scheme (as detailed in **Appendix-XXV and XXVI**).

3.2.3 Expenditure incurred, in excess of permissible limits, on maintenance of public assets in Panchayat Samiti

Every Panchayat Samiti is permitted to spend up to a maximum of 15 *per cent* of the funds provided under the scheme on maintenance of the public assets created from

time to time under any Centrally sponsored wage-employment programme within its geographical boundary.

But it was seen that during 2004-2006, 13 Panchayat Samitis spent 51 *per cent* (Rs. 5.18 crore) towards maintenance cost for such assets which was 36 *per cent* in excess of the permissible limit of Rs. 1.51 crore (as detailed in **Appendix-XXVII**).

3.2.4 Expenditure incurred on works engaging contractors

According to the guidelines of SGRY issued by the GOI in September 2002, no contractor was allowed to be engaged for any work and the works should be executed departmentally. But it was seen that 13 Panchayat Samitis spent Rs. 1.82 crore towards execution of works by engaging contractors during 2004-2006 (as detailed in **Appendix-XXVIII**) which was not in accordance with the guidelines.

OTHER IRREGULARITIES

GRAM PANCHAYAT

HARDA GRAM PANCHAYAT (BINPUR-II PANCHAYAT SAMITI)

3.3 Nil utilisation of Rs. 35.93 lakh of Centrally Sponsored Scheme funds

Centrally sponsored schemes viz. Indira Awas Yojana (IAY) and Sampoorna Grameen Rozgar Yojana (SGRY) have been launched in rural areas of the State to provide dwelling units free of cost to the poor families below poverty line and to provide additional wage employment to the people with creation of durable community assets and social and economic infrastructure in rural areas.

Harda Gram Panchayat under Binpur-II Panchayat Samiti received a total amount

of Rs. 35.93 lakh* (including foodgrains) during 2004-05 and 2005-06 for execution of IAY and SGRY schemes. The GP could neither utilise the amount nor the foodgrains during 2004-05 and 2005-06 although there was demand for work and the beneficiaries came forward to avail of the benefit. The GP admitted the fact (May 2006) and further stated (April 2008) that the work could only be taken up from September 2006 onwards*.

Thus, the rural people were deprived of the wage benefit equivalent to 20,487 mandays^x under SGRY and 89 rural people^x of housing under IAY during 2004-2006.

PANCHAYAT SAMITI

NAMKHANA PANCHAYAT SAMITI

3.4 Irregular expenditure of Rs. 10.57 lakh on Ganga Sagar Mela

According to the guidelines of SGRY^o no works were to be taken up unless it forms part of the Annual Action Plan (AAP) and works taken up under the programme should be of a durable nature.

Scrutiny of records revealed that Namkhana Panchayat Samiti (PS) in South 24 Parganas incurred an expenditure of Rs. 10.57 lakh* during 2004-05 and 2005-06 out of SGRY funds which was not included in the AAP violating the provisions of the guidelines. The expenditure was on works of temporary parking, bamboo piling work,

Scheme	Receipt				Expenditure				Balance (31.3.07)
	2004-05	2005-06	2006-07	Total receipt	2004-05	2005-06	2006-07	Total expenditure	
IAY	7.09	7.67	13.75	28.51	0	0	21.64	21.64	6.87
SGRY	12.27*	8.90*	2.70	23.87*	0	0	15.49	15.49	8.38*

(Rs. in lakh)

*Including foodgrains of 1,16,800 kg @ Rs. 6 per kg i.e. Rs. 7.01 lakh
 • Foodgrains remained unutilised since 2004-05 and total value of foodgrains thus unutilised as of 31.3.07 was Rs. 7.01 lakh

^x Calculated on the basis of prevalent rate of wages of Rs. 62 per day per head and prescribed percentage of 60 to be spent for wages out of total funds available (Rs. 21.17 lakh x 60 per cent / Rs. 62 = **20,487 mandays**).

^x 80 per cent of total allocation may be utilised for new construction. Rs. 14.76 lakh x 80%/20,000 (cost fixed per house) = **59**.

20 per cent of total allocation may be utilised for upgradation. Rs. 14.76 lakh x 20%/10,000 (cost fixed per house) = **30**.

So, new construction 59 plus upgradation 30 = **89**.

^o Para 6.1.1 of the guidelines (effective from 1.4.04) under SGRY.

* Cash Rs. 9.73 lakh and foodgrains 13,986 kg @ Rs. 6 per kg i.e. Rs. 0.84 lakh. So, total expenditure Rs. 9.73 lakh plus Rs. 0.84 lakh = **Rs. 10.57 lakh**.

roads, towers, etc. executed on temporary basis (as against creation of durable assets prescribed by the scheme guidelines) in connection with Ganga Sagar Mela 2005, a religious festival.

Thus, expenditure of Rs. 10.57 lakh incurred by the PS stood unauthorised.

ZILLA PARISHAD

3.5 Loss of Rs. 12.87 crore due to curtailment of Central share for under-utilisation of funds

According to SGRY guidelines, the Central Government's second instalment of SGRY grant to a Zilla Parishad (ZP) should proportionately be curtailed for non-fulfilment of 60 per cent utilization of available funds and if carried over fund exceeds 15 per cent of the funds available during the previous year.

It was observed from the records that due to non-fulfilment of the said conditions, six Zilla Parishads and one Mahakuma Parishad (MP)[†] received the Central share of funds less by Rs. 12.87 crore during 2005-2006.

3.6 Loss due to non-disposal of gunny bags worth Rs. 23.35 lakh

According to guidelines of SGRY, the gunny bags in which the foodgrains are received for distribution under the programme will be disposed of in accordance with the prescribed procedure in the State and the sale proceeds of the same can be used for making payment towards the transportation cost/ handling charges.

It was observed from records that two Zilla Parishads lifted and utilised 1,66,818.5 quintal of foodgrains under SGRY during 2005-06. But the ZPs neither disposed of the gunny bags nor realised the sale proceeds from the dealers. If the

†

Sl. No.	Zilla Parishad	Funds (Rs. in lakh)		
		Allotment	Release	Curtailment
(1)	Birbhum	1,301.15	1,212.05	89.10
(2)	Uttar Dinajpur	1,233.95	1,187.90	46.05
(3)	Bankura	1,646.52	1,455.21	191.31
(4)	Siliguri Mahakuma Parishad	799.99	589.67	210.32
(5)	South 24 Parganas	3,083.67	2,614.01	469.66
(6)	Paschim Medinipur	2,178.80	2,006.35	172.45
(7)	Howrah	753.85	645.41	108.44
	Total	10,997.93	9,710.60	1,287.33

disposal rate is taken to be Rs. 7 per gunny bags (as reported by Khandra GP in Bardhaman District in March 2005), the total selling price of the gunny bags stood at Rs. 23.35 lakh*.

In respect of Bankura ZP, transportation charges were paid from the fund allotted by the State Government. Coochbehar ZP did not furnish any specific reply regarding the payment of transportation charges.

Thus, due to non-realisation of the sale proceeds of the empty gunny bags neither from the dealers nor from their sale as per the guidelines of the scheme resulted in loss of Rs. 23.35 lakh.

3.7 Results of Joint Physical Verification of different schemes executed by Gram Panchayats

Towards facilitating transparency and accountability in the use of public funds, joint physical verification audits were carried out between August 2006 and June 2007 in a few GPs on pilot basis with the functionaries of the concerned Gram Panchayats. The joint physical verification audits revealed several instances of financial irregularity, such as misappropriation of funds, withdrawal of money by submission of fake and fraudulent bills, unauthorised retention of Panchayat funds in excess of permissible limits etc., which are detailed below:

Sl. No.	Name of GP	Controlling PS	Controlling ZP	Sl No.	Date of Joint Physical Verification	Brief of irregularities	Amount / Foodgrains recovered & date thereof (Rs. in lakh)	Amount / Foodgrains yet to be recovered (Rs. in lakh)
(1)	Bipradaspur	Gosaba	South 24 Parganas	(i)	10.05.2007	The cost of 10,000 bricks, in excess, valued at Rs. 0.31 lakh was shown to have been paid to supplier	0.31 (11.05.2007)	
(2)	Kumirmari	Gosaba	South 24 Parganas	(ii)	22.05.2007	Rs. 0.85 lakh was spent under SGRY for a work which was found to have not been done	0.85 (22.05.2007)	

Bankura ZP	:	1,27,569.3 quintal
Coochbehar ZP	:	39,249.2 quintal
Total	:	1,66,818.5 quintal

Therefore, 1,66,818.5 quintal x 100/50 kg (capacity of one gunny bag) = 3,33,637 bags x Rs. 7 = Rs. 23.35 lakh.

				(iii)	22.05.2007	Less payment of Rs. 0.01 lakh under IAY to a beneficiary	0.01 (22.05.2007)	
(3)	Chottomollakhali	Gosaba	South 24 Parganas	(iv)	18.05.2007	Irregular retention of Rs. 0.16 lakh received from an NGO for sanitation work	0.16 (19.05.2007)	
				(v)	19.05.2007	Irregular payment of Rs. 0.40 lakh to non-BPL beneficiaries under IAY	0.40 (21.05.2007)	
				(vi)	21.05.2007	Fake expenditure of Rs. 0.21 lakh for non-existent work under SGRY	0.21 (21.05.2007)	
				(vii)	18.05.2007	Unauthorised retention of cash to the tune of Rs. 0.21 lakh	0.10 (19.05.2007)	0.11
(4)	Manikchak	Manikchak	Malda	(viii)	02.08.2006	Rs. 1.09 lakh was withdrawn (June 2006) from SGRY fund and used for fraudulent payment through Muster Rolls and purchase of tubewell parts	1.09 (09.08.2006)	
(5)	Radhanagar - Taranagar	Gosaba	South 24 Parganas	(ix)	28.05.2007	Rs. 0.89 lakh was spent for non executed work	0.89 (29.05.2007)	
				(x)	28.05.2007	Rs. 0.20 lakh was spent for non executed repair work of tubewells	0.20 (30.05.2007)	
				(xi)	28.05.2007	Rs. 1.36 lakh was spent for non-existent work	1.36 (30.05.2007)	
				(xii)	29.05.2007	Rs. 0.69 lakh was given as assistance under IAY to beneficiaries not belonging to BPL category	0.69 (30.05.2007)	
(6)	Kachuakhali	Gosaba	South 24 Parganas	(xiii)	17.05.2007	Rs. 0.19 lakh was unauthorisedly given to five persons as old age pension	0.19 (17.05.2007)	
				(xiv)	16.05.2007	Less payment of Rs. 0.03 lakh to two beneficiaries under IAY	0.03 (17.05.2007)	
(7)	Satjelia	Gosaba	South 24 Parganas	(xv)	31.05.2007	Rs. 0.82 lakh was fictitiously shown as spent for already executed work	0.82 (01.06.2007)	
				(xvi)	31.05.2007	Rs. 0.50 lakh was irregularly paid to two beneficiaries belonging to non BPL category during 2005-07	0.50 (01.06.2007)	

(8)	Amtali	Gosaba	South 24 Parganas	(xvii)	25.05.2007	Rs. 1.97 lakh was spent under SGRY for non executed works	1.63 (28.05.2007)	0.34
				(xviii)	24.05.2007	Fraudulent withdrawal of Rs. 1.18 lakh during 2005-07 for upgradation of houses under IAY	1.18 (26.05.2007)	
(9)	Chandi	Bishnupur II	South 24 Parganas	(xix)	04.07.2007	60,570 Kg of rice for SGRY sold in the market	5,580 kg of rice (08.07.2007)	54,990 Kg of rice is yet to be recovered
Grand total						Cash - Rs. 11.07 lakh	Cash - Rs. 10.62 lakh	Cash - Rs. 0.45 lakh
						Rice - 60,570 kg	Rice - 5,580 kg	Rice - 54,990 kg

The above mentioned 19 cases of such fake, unauthorised and irregular nature of payments, as detected, involved Rs. 11.07 lakh in cash as well as issue of 60,570 kg of food grains (rice). GPs admitted the audit findings and recovered Rs. 10.62 lakh and 5,580 kg of food grains (rice) in the aforesaid period.

The matter was intimated (July 2007) to the Panchayat and Rural Development Department (P & RDD).

P & RDD held (August 2007) that such practices not only grossly violated all norms of sound financial management, but constituted examples of extreme irresponsibility, culpable carelessness and utter apathy to the spirit of accountability. The Department further directed District Magistrates of South 24 Parganas and Malda to cause enquiry into the matter and take necessary action under intimation to the Department.

No.	Name	Age	Sex	Occupation
1	John Doe	35	M	Farmer
2	Jane Smith	28	F	Teacher
3	Robert Brown	42	M	Merchant
4	Mary White	30	F	Homemaker
5	William Black	55	M	Retired
6	Elizabeth Green	22	F	Student
7	James Grey	38	M	Engineer
8	Sarah Pink	45	F	Shopkeeper
9	Thomas Blue	60	M	Physician
10	Anna Yellow	25	F	Nurse

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CHAPTER-4

Execution of Works and Procurement of Supplies

CHAPTER-4

Execution of Works and Procurement of Supplies

A number of cases of idle expenditure, payment for items of work not executed and unauthorised rate preference to contractors were revealed during scrutiny in audit of works and procurement of supplies.

4.1 IDLE INVESTMENT/BLOCKAGE /DIVERSION/MISUTILISATION OF FUNDS

NORTH 24 PARGANAS ZILLA PARISHAD

4.1.1 Blocking up of fund for Rs. 304.24 lakh and unproductive expenditure of Rs. 41.87 lakh

The State Government released Rs. 350.33 lakh^φ in three instalments (between May 2001 and March 2003) to North 24 Parganas Zilla Parishad (ZP) for construction of River Lift Irrigation (RLI) projects, under the assistance from Rural Infrastructural Development Fund (RIDF)-VI with a view to augmenting the irrigation facilities in the district. It was stipulated, inter alia, that the grant should be spent within the respective financial year (March 2003).

Audit scrutiny revealed that ZP could spend Rs. 46.09 lakh only which included the procurement cost of material and pump sets worth Rs. 41.87 lakh as of November 2006. Furthermore, the ZP did not execute any works of the project as of January 2008 and the materials suffered erosion.

Thus, due to inertia on the part of ZP, the irrigation facilities could not be extended to the rural people although financial assistance of Rs. 304.24 lakh was lying unutilised since March 2003 as well as irrigation materials worth Rs. 41.87 lakh remained unproductive. This was indicative of faulty planning and poor monitoring of implementation of the work by the ZP.

ZP stated (January 2008) that the work remained incomplete due to non supply of materials by the suppliers and action would be taken for utilisation of procured materials.

^φ Rs. 28.31 lakh in May 2001 plus Rs. 81.00 lakh in December 2001 plus Rs. 241.02 lakh in March 2003 = Rs. 350.33 lakh.

NADIA ZILLA PARISHAD

4.1.2 Idle investment resulted in deterioration of work costing Rs. 1.60 crore

Nadia Zilla Parishad (ZP) started (September 2002) construction of “Dignagar Badkulla” road (0-8.4 km) from Rural Infrastructure Development Fund (RIDF)-VI at an estimated cost of Rs. 272.74 lakh, against sanctioned cost of Rs. 197.17 lakh, with the stipulation that the work was to be completed by February 2003. The work* remained suspended after execution of stone metal consolidation work costing Rs. 160.37 lakh (Rs. 95.70 lakh already paid; Rs. 64.67 lakh yet to be paid) since July 2004 due to paucity of fund. In the meantime, the executed part of the works i. e. stone metal consolidation surface got damaged severely throughout the entire stretch of road.

ZP replied (December 2006) that the work remained suspended due to paucity of fund and non-availability of formal sanction from Finance Department. However, scrutiny in audit revealed that the work was started without approval of the competent authority which was in violation of the guidelines[⊕].

Thus, the work costing Rs. 1.60 crore remained suspended for 30 months and also got damaged severely, as a result of which, the expenditure failed to yield the desired benefits.

NALHATI-I PANCHAYAT SAMITI

4.1.3 Unproductive expenditure of Rs. 48.59 lakh on construction of community hall

Nalhati – I Panchayat Samiti (PS) under Birbhum Zilla Parishad undertook (April 1999) a work for construction of a community hall at Rs. 52.94 lakh[⊗] without preparation of any project report. The civil work started in April 1999 and continued up to September 2006 which involved an expenditure of Rs. 39.17 lakh out of the MPLAD fund. Meanwhile, the PS awarded (May 2002) the work for construction of roof truss and acoustic of the community hall to M/s Mackintosh Burn Limited (MBL) at

* Work which was to be executed: bituminous macadam as base course after consolidation of stone metals.

⊕ As per clause 21 of Revised guidelines for RIDF schemes issued by Panchayat and Rural Development Department, Government of West Bengal, while accepting tenders it must be seen that tendered cost of the work does not exceed the sanctioned cost of the project.

⊗ Estimates = {Rs. 7.50 lakh (in March 1999) plus Rs. 15.81 lakh (in June 1999) plus 29.63 lakh (in June 2000)}.

Rs. 41.34 lakh for eight items of work (September 2001), without following the tender formalities. MBL left the work in November 2005 after execution of two items of works and Samiti paid Rs. 9.42 lakh to them. Thus, PS incurred total expenditure of Rs. 48.59 lakh^φ as of December 2007, but the construction remained incomplete even after a lapse of eight years from the date of commencement of the work (April 1999).

PS agreed (December 2007) that the work remained incomplete and concluded that a total fund of Rs. 35 lakh would be required for completion of the construction in all sorts.

In effect, the inhabitants were deprived of the benefit of the community hall and the expenditure of Rs. 48.59 lakh incurred was rendered unproductive.

NALHATI – II PANCHAYAT SAMITI

4.1.4 Blocking up of Rs. 33 lakh for construction of a community hall

Nalhati- II Panchayat Samiti (PS) undertook (June 2000) the construction (civil) of a community hall named ‘Lalan Sanskriti Sadan’ at an estimated cost of Rs. 22.74 lakh out of Member of Parliament Local Area Development (MPLAD) fund of Rs. 15.50 lakh without identifying the source of additional fund. The PS received MPLAD fund of Rs. 32.99 lakh including the earlier allotment of Rs. 15.50 lakh on this account between December 1998 and October 2006. The PS, after more than seven years (December 2007), assessed that Rs. 45.40 lakh was required for completion of the hall i.e. internal electrification, sanitary and plastering work, interior decoration etc. Thus, there was a total deficit of fund of Rs. 12.41 lakh for completion of the hall in all respects as of December 2007 and the civil work was still continuing as and when funds were available.

The PS admitted (December 2007) the fact and stated that the internal electrification alongwith interior decoration was yet to be completed. The work remained incomplete even after a lapse of seven years as of December 2007. This was indicative of faulty planning, monitoring and violation of provisions[✓] of West Bengal Panchayat (Zilla Parishad and Panchayat Samiti) Accounts and Financial Rules, 2003. Thus, the

^φ (Rs. 39.17 lakh plus Rs. 9.42 lakh) = **Rs. 48.59 lakh.**

[✓] Rule 19 (2) of West Bengal Panchayat (Zilla Parishad and Panchayat Samiti) Accounts and Financial Rules, 2003.

total expenditure of Rs. 33 lakh remained blocked for several years together and PS failed to achieve its objective of providing a community hall.

HOWRAH ZILLA PARISHAD

4.1.5 Decentralised planning and schemes of local development thereunder frustrated due to inaction on the part of Zilla Parishad (Rs. 19.03 lakh)

Howrah Zilla Parishad (ZP) received (March 2002) Rs. 30 lakh from Government of West Bengal under Community Convergent Action (CCA) scheme of local development by the Gram Panchayat (GP) under decentralised planning. The fund was to be sub-allotted to the Gram Panchayats in equal shares for taking up similar kind of schemes. Howrah ZP sub-allotted only rupees two lakh to two Gram Panchayats[▼] in April 2002 and ZP spent Rs. 8.97 lakh* during 2006-2008 from the fund in contravention of the government directives issued in March 2002.

ZP stated (February 2008) that the balance grants of Rs. 19.03 lakh[◇] would be utilised for decentralisation of planning.

Thus, apart from diverting the fund of Rs. 8.97 lakh meant for local development in GPs, the ZP also kept idle the residual amount of Rs. 19.03 lakh since March 2002.

SABANG PANCHAYAT SAMITI

4.1.6 Blocking up of Rs. 22.83 lakh in idle construction which resulted in loss of rent of Rs. 1.45 lakh

Sabang Panchayat Samiti (PS) under Paschim Medinipur Zilla Parishad undertook a work for construction of a market complex (estimated cost Rs. 26 lakh) at GP no. 8 in September 2001 under Eleventh Finance Commission grant. The estimate was technically vetted in January 2002. A demand survey was not conducted before commencement of the work.

Audit scrutiny revealed that the market complex consisting of 20 stalls was completed at Rs. 22.83 lakh in December 2002. The PS invited (February 2004) application for allotment through publication of notice and fixed a combined premium of

▼ Udong-I GP: Rs. 1 lakh and Udong -II GP: Rs. 1 lakh.

* Towards contingency (Rs. 0.74 lakh) and data collection for human development report (Rs. 8.23 lakh).

◇ Total fund received Rs. 30 lakh minus fund sub-allotted Rs. 2 lakh minus amount spent Rs. 8.97 lakh.

Rs. 28 lakh^f and annual rent of Rs. 0.60 lakh for 20 stalls. The stalls remained unallotted since then and PS stated that the reasons thereof were due to higher rate of *salami*.

This resulted in blocking up of funds of Rs. 22.83 lakh for construction of 20 stalls which remained idle for over three and half years from December 2002 to July 2006, besides loss of rent of Rs. 1.45 lakh.^Σ

PS replied (July 2006) that effective efforts would be taken for quick allotment of stalls to avoid further loss of revenue.

SUTI-II PANCHAYAT SAMITI

4.1.7 Unproductive investment of Rs. 21.39 lakh on construction of market complex due to faulty selection of site

Suti-II Panchayat Samiti (PS) under Murshidabad Zilla Parishad constructed a two-storied market complex* at Aurangabad (Rs. 21.39 lakh) out of Tenth Finance Commission grant (Rs. 20.20 lakh) and Border Area Development Programme fund (Rs. 1.19 lakh) in March 2003 without a proper demand survey. PS neither took any decision to lease out the stalls nor could distribute any of the stalls as of October 2006, i.e., after a lapse of three years and seven months[•]. The stalls and the ground floor could not be rented out as local people were reluctant to take the lease of stalls and ground floor of the market complex. However, a portion of space of the ground floor was provided to private agencies on a seasonal basis (i.e. June 2004 to May 2005 and February 2006 to April 2006) and earned only Rs. 0.74 lakh against total realisable amount of Rs. 1.55 lakh as per cost benefit ratio projected by the PS.

^f Rs. 1.70 lakh for each of 10 stalls at ground floor i.e. Rs. 1,70,000 x 10 = Rs. 17,00,000

Rs. 1.10 lakh for each of 10 stalls at first floor i.e. Rs. 1,10,000 x 10 = Rs. 11,00,000

Total premium for 20 stalls = Rs. 17,00,000 plus Rs. 11,00,000 = Rs. 28,00,000 or **Rs. 28 lakh.**

^Σ The total monthly rent for 10 stalls at ground floor @ Rs. 300 per stall for 29 months (i.e. April 2004 to July 2006) = Rs. 300x10x29 = Rs. 87,000 and for 10 stalls at first floor @ Rs. 200 per stall for 29 months (i.e. April 2004 to July 2006) = Rs. 200x10x29 = Rs. 58,000. Therefore, the total monthly rent for 20 stalls for 29 months = Rs. 87,000 plus Rs. 58,000 = Rs. 1,45,000 or **Rs. 1.45 lakh.**

* Ground floor for accommodation of 40 vendors and first floor consisting of 10 stalls.

[•] April 2003 to October 2006.

Thus, due to inadequate planning and failure to ascertain demand before commencement of the work, the PS suffered a loss of Rs. 7.33 lakh[✓] being fallout of unproductive expenditure of Rs. 21.39 lakh.

The PS stated (October 2006) that the space of the ground floor and stalls at first floor could not be distributed due to faulty selection of site and that efforts to lease out the stalls would be made.

MAHISHADAL PANCHAYAT SAMITI

4.1.8 Unproductive expenditure of Rs. 19.76 lakh on construction of bus stand and a market complex

Mahishadal Panchayat Samiti (PS) under the Purba Medinipur Zilla Parishad constructed a market complex (consisting of 14 stalls) and bus stand with the Yatri Niwas at Geokhali at a total cost of Rs. 19.76 lakh under the Tenth Finance Commission (TFC) grant in January 2003. But the surface^o of the bus stand was not completed and reasons thereof were not specified on record. As a result, the market complex and bus stand with Yatri Niwas, which are adjacent to each other, could not be put to use due to non completion of ground work of the bus stand and were yet to generate any revenue as of February 2008.

PS replied (February 2008) that opening of the market complex depended on the operation of the bus stand which could not materialise due to non-completion of surface area of the bus stand.

Thus, the remunerative asset under TFC grant (Rs. 19.76 lakh) could not generate any income and was lying unproductive since January 2003 due to inadequate planning and execution.

Market complex	Revenue as per Cost Benefit Ratio statement	Actual revenue realised	Loss of revenue (Rs. in lakh)
Ground floor	Rs. 1.55 lakh (Rs. 3x40 vendorsx30daysx43 months)	Rs. 0.74 lakh	Rs. 0.81 lakh
1 st floor	Rs. 6.52 lakh Rs. 1.72 lakh (rent: Rs. 400 per monthx10 stallsx43 months) plus Rs. 4.80 lakh (premium)	Nil	Rs. 6.52 lakh
Total			Rs. 7.33 lakh

^o Surface means ground of the bus stand.

KESHIARY PANCHAYAT SAMITI

4.1.9 Unproductive expenditure of Rs. 15 lakh on construction of a market complex

Keshiary Panchayat Samiti (PS) prepared an estimate of Rs. 21.42 lakh^{II} for construction of a market complex consisting of 64 stalls without assessing the demand for stalls. PS started the construction work in May 1995 without ensuring adequate funds and left the work incomplete in January 2002 after incurring an expenditure of Rs. 15 lakh. Audit scrutiny revealed that only 48 stalls were constructed, of which 24 had no electrification, 16 were constructed only up to lintel level and the remaining eight were merely up to plinth level. No trader was interested to buy or hire on rent the stalls.

As a result, the entire expenditure of Rs. 15 lakh remained unproductive since January 2002 due to non identification of clear source of funds before commencement of work.

PS replied (April 2008) that steps would be taken for electrification of stalls and caution money realisable from 24 stalls, would be utilised towards completion work of the remaining 24 stalls.

THAKURPUKUR MAHESHTALA PANCHAYAT SAMITI

4.1.10 Idle expenditure of Rs. 12.54 lakh on construction of Pailan Hat

Thakurpukur Maheshtala Panchayat Samiti (PS) prepared an estimate of Rs. 54.20 lakh for the construction of Pailan Hat, a market complex, without ascertaining the source of funds as per provision of Rules.^Σ Scrutiny of records revealed that the PS commenced the work in February 2003 and incurred a total expenditure of Rs. 12.54 lakh as of March 2006 when the work was stopped due to paucity of fund. The PS admitted (February 2008) the facts and added that efforts would be taken for completion of the complex.

^{II} 2x16=32 nos = Rs. 11,77,189

4x8 =32 nos =Rs. 9,64,448

Total = Rs. 21,41,637

^Σ Rule 19(2) of WB Panchayat (ZP&PS) Accounts & Financial Rules 2003.

Thus, the entire expenditure of Rs. 12.54 lakh turned idle due to commencement of the work without identifying the source of funds prior to commencement. This was indicative of faulty planning and monitoring mechanism in the PS.

NORTH 24 PARGANA ZILLA PARISHAD

4.1.11 Idle expenditure of Rs. 6.54 lakh on construction of road and residual grant of Rs. 13 lakh remained unutilised

State Government provided (December 1998) Rs. 19.54 lakh out of Backward Classes Welfare grant to the North 24 Parganas Zilla Parishad (ZP) for construction of a road. The ZP undertook the work in April 1999 for Rs. 16.41 lakh (having 16 items) and kept the balance grant of Rs. 3.13 lakh in its fund on account of supervision and contingency charges (19 per cent). The work was scheduled to be completed in June 1999.

Scrutiny revealed that the contractor discontinued (September 2000) the work, after execution of earth work at a cost of Rs. 6.54 lakh. The embankment of the road got damaged to some extent by flood and further soling work was contemplated after mending the damaged portion. But the contractor was reluctant to execute further work until preparation of the revised estimate. ZP paid Rs. 6.54 lakh to the contractor. ZP neither took measures for commencing the balance work nor imposed any penalty on the contractor for unfinished work. After a lapse of 59 months from the date of abandonment of the work by the contractor, the ZP decided (August 2005) to take up the work after cancellation of the previous contract.

ZP stated (January 2008) that a revised estimate would be framed within the balance amount by incorporating the items of brick soling in lieu of earth work. However, the work is not completed as yet (April 2008). Thus, on account of poor and faulty monitoring of the work by the ZP, the expenditure of Rs. 6.54 lakh remained idle, and, moreover, the residual amount of Rs. 13 lakh was also not utilised for 112 months since December 1998.

4.2 VIOLATION OF CONTRACTUAL OBLIGATIONS/UNDUE FAVOUR TO CONTRACTORS/AVOIDABLE EXPENDITURE

GARBETA -III PANCHAYAT SAMITI

4.2.1 Irregularities in construction of an auditorium and unproductive investment of Rs. 89.78 lakh

Garbeta-III Panchayat Samiti (PS) under the district of Paschim Medinipur undertook (September 1999) a work for construction of an auditorium, Vidyasagar Mancha (estimated cost Rs. 116.07 lakh), without any project report and without ensuring the source of funds. The work was completed (January 2003) at Rs. 116.07 lakh but Samiti could only pay Rs. 89.78 lakh out of the MPLAD Fund, Tenth Finance Commission and Bidhayak Elaka Unnayan fund to the contractors as of August 2007.

Audit scrutiny revealed that the PS did not adhere to basic rules in execution of the works (i) Notice Inviting Tenders (NIT) was not widely circulated (ii) the agreement was not executed with contractors (iii) the final measurement of the work was not recorded as of August 2006 (iv) the contractor was allowed to write Measurement Books and (v) the security money was refunded to the contractor before finalisation of bills.

The PS stated (August 2006) that the Mancha was handed over verbally to a private organisation without execution of any agreement for rent. The PS further stated that the status remained the same as of April 2008. The PS failed to earn any revenue from the Mancha.

The PS not only failed to adhere to the rules for execution of works but the entire investment of Rs. 89.78 lakh also remained unproductive.

JALPAIGURI ZILLA PARISHAD

4.2.2 Unproductive expenditure of Rs. 66.67 lakh as well as an unauthorised payment of Rs. 7.41 lakh on the construction of a community hall

Jalpaiguri Zilla Parishad (ZP) undertook construction (civil) of a community hall at Maynaguri (December 2001) at an estimated cost of Rs. 74.53 lakh which was to be completed by October 2002. However, the estimates did not include the provision for roofing, acoustics of the hall, sound system, air conditioning system and cost of chairs.

The work was awarded to M/s Mackintosh Burn Ltd. (a State Government undertaking) at 13 *per cent* premium over the estimated cost without inviting tender. According to Finance Department notification issued in October 1991[∅], M/s Mackintosh Burn Ltd. was to be allowed 10 *per cent* preference in rate vis-à-vis other organisation engaged in similar activities, but prior approval from Government of West Bengal was to be obtained. The question of 13 *per cent* preference in rate given to the company should not have arisen since the ZP had neither invited any tender nor was any prior approval from the Government taken. Thus, due to unauthorised negotiation with M/s Mackintosh Burn Ltd. by the ZP and allowance of irregular premium, it had to bear an extra expenditure of Rs. 7.41 lakh. Moreover, the ZP terminated (February 2006) the partly finished work after incurring an expenditure of Rs. 66.67 lakh due to excessive delay in execution of works by the contractor.

Thus, not only did the total expenditure of Rs. 66.67 lakh remain unproductive as of February 2007 but also Rs. 7.41 lakh* was paid in excess to the contractor in violation of the provision of Government instruction.

4.3 EXCESS PAYMENT/WASTEFUL EXPENDITURE/INFRUCTUOUS EXPENDITURE

MANICKCHAK GRAM PANCHAYAT

4.3.1 Excess payment of Rs. 6.69 lakh made to contractors

Manikchak Gram Panchayat (GP) under Manikchak Panchayat Samiti of Malda district executed (January 2006) two road works at Rs. 4 lakh under National Food for Work Programme (NFFWP). Scrutiny of records as well as physical verification in August 2006 revealed that the contractor executed 810.31 m³ earth work, but GP paid Rs. 4 lakh to the contractors for earthwork of 11,524.35 m³. As a result an excess

[∅] Government of West Bengal, Finance Department, Audit Branch's Notification No. 9600-F, dated 4th October 1991.

* Amount claimed (@ 13 *per cent* above) Rs. 64.41 *minus* value of bill Rs. 57 lakh.

payment of Rs. 3.73 lakh^r was made to the contractor [i.e. cost of 10,714.04 m³ (11,524.35 m³ minus 810.31 m³) for earth work].

Further, the GP constructed (December 2005 to February 2006) two roads with *laterite* and *morrum* by engaging contractors. Scrutiny of records revealed that the contractors actually used 362.83 m³ of *laterite* but GP paid Rs. 9.13 lakh to the contractors for 913.89 m³ of *laterite*.

As a result, Rs. 2.68 lakh^{oc} was paid in excess towards 311.03 m³ of *laterite*. It was also found that Rs. 0.60 lakh was paid to the contractor towards wage payment

r

Name of road works	Period	Amount spent (In Rupees)	Quantity of work shown to have been executed (In m ³)	Quantity of work actually executed (In m ³)	Quantity of work not executed (In m ³)	Rate/ m ³	Excess payment (In Rupees)
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	8=(6)x(7)
Bijoy Mandol's house to Jageswar Mandol house	14.1.06 to 27.01.06	1,99,920	5,085.77	211.17	4,874.60	39.31	1,91,621
Ramnagar ramp to Bijoy Mandol's house	14.1.06 to 27.1.06	1,99,920	6,438.58	599.14	5,839.44	31.05	1,81,315
Total		3,99,840	11,524.35	810.31	10,714.04		3,72,936

oc

Name of work	Period of work	Amount spent (In Rupees)	Laterite purchased (In m ³)	Laterite consumed (In m ³)	Short utilisation (In m ³)	Rate (Rs./m ³)	Excess payment made to the contractor (In Rupees)
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)=(6)x(7)
Improvement of road by <i>laterite</i> with <i>morrum</i> from Rajen's house to Paltu Ghosh's house	2.1.06 to 23.2.06	5,79,405	453.90	243.04	210.86	861.21 (average)	1,81,595
Improvement of road by <i>laterite</i> with <i>morrum</i> from Jyot Patta Highroad to Earthen Bandh	22.12.05 to 24.2.06	3,33,600	219.99	119.82	100.17	863.21	86,468
Total							2,68,063

instead of Rs. 0.32 lakh resulting in excess payment of Rs. 0.28 lakh[≈].

Thus, there was a total excess payment of Rs. 6.69 lakh to the contractors (i.e. Rs. 3.73 lakh *plus* Rs. 2.68 lakh *plus* Rs. 0.28 lakh).

The GP admitted (July-August 2006) the excess payment of Rs. 6.69 lakh to the contractors and stated that the excess payments were mainly due to absence of any system in the GP for physical verification of the work executed by the contractors as well as ignorance of the employees of the GPs.

Moreover, had the works been executed departmentally in accordance with guidelines, 12,706 mandays[✓] could have been generated for the rural people under NFFWP.

4.4 REGULARITY AND OTHER ISSUES

DANTAN-II PANCHAYAT SAMITI

4.4.1 Inordinate delay in construction of Sahid Kshudiram community hall

Dantan-II Panchayat Samiti (PS) under the district of Paschim Medinipur prepared an estimate of Rs. 32.91 lakh in February 2003 for construction of Sahid Khudiram community hall. The construction work was started in March 2003 and continued upto October 2003 incurring expenditure of Rs. 4.67 lakh but the work was discontinued thereafter for paucity of funds. Subsequently, PS revised (September 2005) the estimate to Rs. 43.79 lakh due to hike in the price of cement and steel required for the construction.

Labour component	Amount paid (in Rupees)	Amount admissible (in Rupees)	Excess amount paid (in Rupees)
(1)	(2)	(3)	(4)=(2)-(3)
Improvement of road by <i>laterite</i> with <i>morrum</i> from Jyot Patta Highroad to Earthen Bandh	19,798	10,749.60	9,048.40
Improvement of road by <i>laterite</i> with <i>morrum</i> from Rajen's house to Paltu Ghosh's house	40,589	21,873.60	18,715.40
Total			27,763.80

[✓] Calculated on the basis of prevalent rate of wages of Rs. 62 per day per head and prescribed percentage of 60 to be spent for wages out of total funds available (Rs. 13.13 lakh* x 60 *per cent* / Rs. 62 = 12,706 mandays).

*Rs. 4 lakh *plus* Rs. 9.13 lakh= Rs. 13.13 lakh

The revised work was also entrusted to the same contractor without inviting any competitive tender as required under rules⁷ for exceeding ten *per cent* over the original estimate⁸.

During September 2006 to July 2007, PS incurred a further expenditure of Rs. 29.21 lakh out of Bidhayak Elaka Unnayan Prakaalpa (BEUP) and Member of Parliament Local Area Developments Scheme (MPLADS) funds. Thus, the total expenditure incurred by the PS was Rs. 33.88 lakh against the total estimate of Rs. 43.79 lakh but the construction work was not completed even after a lapse of five years⁹, since commencement of work.

The Samiti stated (February 2008) that the work was not completed and Rs. 40 lakh was required for final completion.

Thus, due to inadequate planning and failure to mobilise resources, the construction of the community hall could not be completed even after expenditure of Rs. 33.88 lakh.

⁷ Under provision of Rules 91(4), if the estimated work value exceeds maximum amounts for different nature of work or supply as prescribed in sub-rule(3), notice inviting open competitive tender in sealed cover should be published in newspaper and the tender notices should be displayed prominently in the notice boards of the offices of the ZP.

⁸ Original estimate was Rs. 32.91 lakh *plus* 10 *per cent* of Rs. 32.91 lakh = Rs. 36.20 lakh and revised estimate i.e. Rs. 43.79 lakh *minus* Rs. 36.20 lakh = **Rs. 7.59 lakh.**

⁹ March 2003 to February 2008.

CHINA

CHINA

CHAPTER-5

Other Issues

Scrutiny in Audit revealed several issues including imprudent investment resulting in financial loss, diversion of scheme funds, blocking up of loan, non-utilisation of scheme funds and accumulation of salary grants etc.

5.1 LOSSES/OVERPAYMENT

BHANGAR-II PANCHAYAT SAMITI

5.1.1 Loss of revenue of Rs. 7.98 lakh due to non-realisation of license fee

State Government approved bye-laws for Bhangar-II Panchayat Samiti (PS) which stipulate that a person storing or trading in kerosene within the area under the jurisdiction of PS should take a license from the Samiti on payment of annual license fee of Rs. 250. The annual rate of license fee was enhanced to Rs. 500 from March 2005 onwards. Scrutiny of records revealed that although there were 168 kerosene dealers within the jurisdiction, no annual license fee was collected from them in the financial years from 1988-89 to 2005-06. PS admitted (August 2006) its failure to implement the particular provision of bye-laws for collection of fees from kerosene dealers.

Thus, PS suffered a loss of revenue amounting to Rs. 7.98 lakh* for non collection of the license fee in the financial years from 1988-89 to 2005-06.

CHAPRA PANCHAYAT SAMITI

5.1.2 Non-recovery of Rs. 5.65 lakh towards lease money

According to the lease notice for ferry ghats of the Chapra Panchayat Samiti (PS), the lessee of ferry ghat was to deposit highest bid money immediately following the auction process. Records revealed that the PS allowed leasing out of the ferryghats on part payment basis which resulted in non-receipt of revenue of Rs. 5.65 lakh in respect of five ferryghats during 2002-03 and 2003-04.

* 168xRs. 250.00x17(upto 2004-05): Rs. 7,14,000.00	
168xRs. 500.00	: Rs. 84,000.00
Total	:Rs 7,98,000.00

The PS stated (January 2008) that the outstanding revenue pertaining to 2002-03 and 2003-04 could not be realised despite repeated reminders.

Thus, a loss of revenue of Rs. 5.65 lakh could have been avoided if the bid money was collected immediately after completion of bid as per provision of lease notice.

5.2 IDLE INVESTMENT/BLOCKAGE /DIVERSION/MISUTILISATION OF FUNDS

PASCHIM MEDINIPUR ZILLA PARISHAD

5.2.1 Diversion of Rural Infrastructure Development Fund of Rs. 1.78 crore

The schemes under Rural Infrastructure Development Fund (RIDF) are meant for development of infrastructure in rural areas with due technical and financial approval of State Government and National Bank of Agricultural and Rural Development (NABARD). Government provided fund to the Zilla Parishad by drawing loan from NABARD for execution of the schemes under each separate heads (i.e. RIDF I, RIDF II, RIDF III and so on) and specifying the name of each development work. The release orders also specifically contain the condition that the fund should be utilised by the ZP for the purpose for which it is allotted.

Paschim Medinipur ZP had a total saving of Rs. 2 crore after completion of schemes under RIDF II, III and V. ZP decided (January 2006) to utilize the saving for repair works of the culverts and roads as constructed under RIDF. A review of the Cash Book revealed that the ZP, instead of refunding the unutilized fund of Rs. 2 crore to the State Government, diverted a total sum of Rs. 1.78 crore between December 2005 and September 2006 towards repair work of roads and culverts.

Government had taken loan from RIDF for specific infrastructural development works in rural areas. ZP utilised the balance of loan fund towards repairing works instead of development works which defeated the very purpose of raising loan by the Government. ZP did not also apprise the Government about the aforesaid diversion of Rs. 1.78 crore out of RIDF.

ZP stated (February 2008) that they were forced to utilise the unspent RIDF fund for repair works due to paucity of own fund and non-availability of fund from other sources.

BARDHAMAN ZILLA PARISHAD

5.2.2 Blocking up of loan of Rs. 93.29 lakh

The Credit-cum-Subsidy Scheme for rural housing to facilitate construction of houses for economically weaker sections was a part credit (80 *per cent*) and part subsidy (20 *per cent*) based scheme. In terms of the scheme, Housing Urban Development Corporation (HUDCO) would provide loan component with interest payable quarterly by the State Government. Center and State Government would share subsidy amount on 75:25 basis. The ZP, which was the implementing and nodal agency of the scheme, and the PS were to open the bank account for keeping the loan and subsidy amounts separately.

Bardhaman ZP received a loan of Rs. 210.51 lakh from HUDCO and subsidy of Rs. 52.58 lakh (Central and State) in January 2002 and September 2002 through State Government. The ZP sub-allotted Rs. 210.32 lakh (loan) and Rs. 52.53 lakh (subsidy) to 13 PSs between January 2002 and September 2002 and retained Rs. 0.19 lakh (loan) and Rs. 0.05 lakh (subsidy). The PSs refunded loan amount of Rs. 93.10 lakh and subsidy amount of Rs. 23.70 lakh to the ZP in August 2005 after a lapse of 35 months due to non-response from beneficiaries. ZP allotted (between September 2005 and February 2006) the subsidy balance of Rs. 23.75 lakh[◊] to GPs for housing under IAY.

Blocking up of loan amount of Rs. 93.29 lakh[⊘] for such a long period not only frustrated the objective of the scheme but also burdened the Government exchequer with unnecessary interest due to lack of monitoring and supervision by the ZP.

DOMKAL PANCHAYAT SAMITI

5.2.3 Unproductive investment of Rs. 27 lakh out of the Tenth Finance Commission Grants

Domkal Panchayat Samiti (PS) under the district of Murshidabad undertook (May 2001) the construction of a market complex comprising 20 stalls each on ground and first floor of the complex with an estimated cost of Rs. 28.54 lakh out of the Tenth Finance Commission Grants. The work was designed to be completed within four months from the

[◊] Rs. 23.70 lakh (refunded by PSs) *plus* Rs. 0.05 lakh (retained by the ZP)

[⊘] Rs. 93.10 lakh (refunded by PSs) *plus* Rs. 0.19 lakh (retained by the ZP)

date of issue of work order i.e. July 2001. PS, however, prepared (April 2002) a revised estimate of Rs. 35.78 lakh for the work as the original estimate had been prepared without site selection.

Audit scrutiny revealed that the complex was constructed (May 2003) at an expenditure of Rs. 27 lakh. None of the stalls was leased out as of November 2006 as infrastructure facilities like approach road to the market complex was not constructed and electrical and water connection were not provided. PS admitted (December 2006) the position and stated that the project could not be leased out due to absence of infrastructural facilities and possibility of marketing facilities.

Thus, the investment of Rs. 27 lakh out of the 10th Finance Commission grants remained unproductive due to improper planning and absence of other necessary infrastructural facilities.

MURARAI-I PANCHAYAT SAMITI

5.2.4 Unproductive expenditure of Rs. 24.69 lakh and loss of revenue of Rs. 4.21 lakh

Mururai-I Panchayat Samiti (PS) undertook (January 2003) construction of a market complex having 27 stalls at Natun Bazar and completed (January 2005) the construction at Rs. 24.69 lakh out of Swarnjayanti Gram Swarozgar Yojana (SGSY). The PS fixed (December 2004) security deposit of Rs. 20,000 and yearly rent of Rs. 4,800 for each stall. But the stalls remained unallocated since their completion despite demand survey having been conducted as informed by PS. PS stated (April 2008) that although several attempts had been made and discussed the matter in Artha Sthayee Samiti to allocate the stalls but no decision regarding allotment of stalls could be arrived at.

Thus, the entire expenditure of Rs. 24.69 lakh remained unproductive for 39 months[∅] and PS suffered a loss of revenue of Rs 4.21 lakh*.

[∅] February 2005 to April 2008.

* Rs. 400 per stall x 27 stalls x 39 months = **Rs. 4.21 lakh.**

JALANGI PANCHAYAT SAMITI***5.2.5 Refund of Border Area Development Programme funds (Rs. 13.54 lakh)***

Jalangi Panchayat Samiti (PS) received Rs. 15 lakh from Murshidabad Zilla Parishad under Border Area Development Programme (BADP) for construction of earthen ring well in the arsenic affected area in March 1997. The PS could utilise only Rs. 1.46 lakh for construction of ring wells on experimental basis but that failed to give any satisfactory result. As a result, scheme of construction of earthwell declared unsuccessful and the fund of Rs. 13.54 lakh was refunded (after lapse of 116 months) in December 2006 to District Magistrate, Murshidabad.

The PS stated (April 2008) that due to unsatisfactory result of the scheme, it was declared unsuccessful.

Thus, the funds were refunded after being kept idle for 116 months depriving the rural people in getting the benefit of arsenic free drinking water.

BHANGAR-I PANCHAYAT SAMITI***5.2.6 Blocking up of fund of Rs. 13.50 lakh due to non-execution of Low Tension Line extension work***

Bhangar-I Panchayat Samiti (PS) received (May 2001) grant of Rs. 14.05 lakh under Swarnajayanti Gram Swarajgar Yojana (SGSY) from South 24 Parganas Zilla Parishad for extension of Low Tension Line to 17 Mouzas of 5 GPs. PS deposited Rs. 13.50 lakh (February 2003) as quotation money with West Bengal State Electricity Board(WBSEB). Scrutiny of the records revealed that WBSEB did not take up the extension work as of April 2008. PS did not take any meaningful follow up action since February 2003 and only requested (February 2008) WBSEB to inform the current status of the work.

Thus, a fund of Rs. 13.50 lakh was blocked and electrification of 17 Mouzas could not be carried out in spite of getting a grant of Rs. 14.05 lakh in May 2001 due to inaction on the part of PS.

GHATAL PANCHAYAT SAMITI

5.2.7 Non-allotment of stalls in market complexes resulted in blocking up of fund of Rs. 9.54 lakh and loss of revenue of Rs. 7.17 lakh

Ghatal Panchayat Samiti (PS) built 35 stalls in its two market complexes at Mansuka (25 stalls at a total cost of Rs. 11.58 lakh in January 2003) and Monoharpur (10 stalls at a total cost of Rs. 10.64 lakh in June 2005). Seventeen stalls (i.e. 9 of Mansuka and 8 of Monoharpur) only were allotted in August 2005 and 18 stalls were left unallotted as of June 2006. PS stated (April 2008) that the stalls could not be allotted due to lack of demand.

Thus non-allotment of stalls caused blocking up of fund of Rs. 9.54 lakhs^o and also loss of revenue of Rs. 7.17 lakh^{*} (Rs. 5.92 lakh for Mansuka Market Complex and Rs. 1.25 lakh for Monoharpur Market Complex) due to lack of demand. This was indicative of fact that PS undertook the work before conducting proper demand survey of the market complexes.

^o Rs. 11.58 lakhx16/25 stalls = Rs. 7.41 lakh
Rs. 10.64 lakhx2/10 stalls = Rs. 2.13 lakh

Total = Rs. 9.54 lakh

Complex	Lease Rent	Monthly Rent	No. of stalls un-allotted	Items	Revenue Loss (in Rupees)
"A" Block	@Rs.25000 per stall	@Rs.100 per stall	6	Lease Rent	1,50,000
				Monthly Rent From Sept'05 to June'06	6,000
"B" Block	@Rs.50000 per stall	@Rs.250 per stall	2	Lease Rent	1,00,000
				Monthly Rent From Sept'05 to June'06	5,000
"B" Block	@Rs.40000 per stall	@Rs.200 per stall	2	Lease Rent	80,000
				Monthly Rent From Sept'05 to June'06	4,000
"B" Block	@Rs.35000 per stall	@Rs.150per stall	1	Lease Rent	35,000
				Monthly Rent From Sept'05 to June'06	1,500
"C" Block	@Rs.40000 per stall	@Rs.200 per stall	5	Lease Rent	2,00,000
				Monthly Rent From Sept'05 to June'06	10,000
Total			16		5,91,500

Monoharpur Market Complex

Lease Rent	Monthly Rent	No. of stalls un-allotted	Items	Revenue Loss (in Rupees)
@ Rs. 60000 per stalls	@ Rs. 275 per stalls	2	Lease Rent	1,20,000
			Monthly Rent from Sept'05 to June'06	5,500
Total				1,25,500

JOYNAGAR-II PANCHAYAT SAMITI

5.2.8 Idle investment of Rs. 8.97 lakh for construction of two markets

With a view to generating own income, Joynagar II Panchayat Samiti (PS) took up construction of two markets one at Dhakir Mukh out of the Tenth Finance Commission Grant at an estimated cost of Rs. 6.47 lakh in March 2002 and another at Ghatiharania out of Backward Classes Welfare Grant (Rs 4.50 lakh) at an estimated cost of Rs. 4.51 lakh in December 2000 without any demand survey. However, target date of completion for the proposed construction works was not fixed and the PS had not identified the source of funds. The work at Dhakir Mukh was discontinued in October 2003 after construction of 80 *per cent* of the work at Rs. 5.34 lakh due to diversion of Rs. 1.08 lakh towards renovation of the building of the PS (Rs. 0.78 lakh) and towards a contingency head (Rs. 0.30 lakh). The work at Ghatiharania was left incomplete from February 2004 after spending Rs. 3.63 lakh. The PS replied (September 2006) that they did not have any plan for completion of residual work of the market at Dhakir Mukh but had prepared an estimate of Rs. 2.21 lakh for completion of the remaining work of Ghatiharania market which was, however, pending for want of adequate fund.

Thus, PS failed to complete the construction of two markets from which it could have generated own revenues[✓] but it turned out to be an idle expenditure of Rs. 8.97 lakh* due to improper planning and commencing execution of work without ensuring the source of funds required for the purpose.

[✓] Expected revenue from 18 stalls: Premium: Rs. 2.50 lakh; Monthly rent: Rs. 3,200 per month.

*

Name of Market complex	Expenditure incurred (Rs. in lakh)
Dhakir Mukh	5.34
Ghatiharania	3.63
Total	8.97

BINPUR-II PANCHAYAT SAMITI

5.2.9 Unproductive investment of Rs. 9.71 lakh on bus stand

Paschim Medinipur Zilla Parishad (ZP) allotted funds of Rs. 10 lakh to Binpur-II Panchayat Samiti (PS) in November 2001 for the construction of a bus stand. The PS decided to build the bus stand in November 2002. An estimate of Rs. 8.50 lakh was duly vetted by the Executive Engineer, Medinipur ZP in November 2002, however, the PS did not prepare any detailed Project Report before commencement of work. The work was awarded in December 2002 to a contractor. The work started at Silda in December 2002. The work was finally completed in September 2003 after incurring an expenditure of Rs. 9.47 lakh. A well was also dug departmentally at the site in December 2004 at a cost of Rs. 0.24 lakh. Scrutiny of records revealed that the bus stand remained unused as of September 2006. In reply, the PS stated that the bus stand was constructed on a lonely site and bus owners as well as passengers were not willing to use the bus stand. Thus, on account of faulty planning the total investment of Rs. 9.71 lakh remained unproductive.

5.3 VIOLATION OF CONTRACTUAL OBLIGATIONS/UNDUE FAVOUR TO CONTRACTORS/AVOIDABLE EXPENDITURE

JALPAIGURI ZILLA PARISHAD

5.3.1 Avoidable expenditure of Rs. 0.47 crore and Government grant of Rs. 0.12 crore lying idle for 7 years

Jalpaiguri Zilla Parishad (ZP) received (February 1998) a total loan of Rs. 3.44 crore in two instalments (Rs. 1.38 crore in March 1998 and Rs. 2.06 crore in June 1998) from West Bengal Infrastructure Development Finance Corporation Limited (WBIDFC) for construction of a bridge on Siltorsa river at Silbarighat in the district of Jalpaiguri.

The loan was to be repaid in full within 5 years from the date of drawal, including the grace period of two years. The interest @ 15 per cent per annum was payable on quarterly basis. Interest on overdue interest was also required to be paid. ZP paid

(between July and October 1998) interest of Rs. 0.10 crore from its own fund. The State Government provided (February 2000) Rs. 4.48 crore to the ZP for repayment to WBIDFC of the entire loan (Rs. 3.44 crore) and interest (Rs. 1.04 crore) upto December 1999. Though ZP received the grant in February 2000, ZP paid Rs. 4.26 crore (principal Rs. 3.44 crore and interest Rs. 0.82 crore) to WBIDFC in June 2000 as detailed below:

Amount payable by ZP upto December 1999				Grant received in February 2000			(Rupees in crore) Grant lying with ZP after adjusting its payment of interest of Rs. 0.10 crore
Principal	Interest	Total	Remarks	Principal	Interest	Total	
3.44	0.82*	4.26	* excluding Rs. 0.10 crore paid previously by ZP from its fund.	3.44	1.04	4.48	0.12 crore (i.e. Rs. 0.22 crore minus Rs. 0.10 crore)

The ZP failed to pay interest upto the quarter ended December 1999 within March 2000 inspite of getting fund from the Government in February 2000 and was thus liable to pay interest for the quarter ended March 2000. The interest for the quarter ended March 2000 and interest accrued thereupon upto June 2006 stood at Rs. 0.47 crore which was paid (October 2006) by the ZP to WBIDFC out of the further fund of Rs. 0.47 crore received from the Government (July 2006).

Had the ZP repaid the loan alongwith the interest within March 2000, further payment of Rs. 0.47 crore for payment of interest accrued there upon upto June 2006 could be avoided. On the other hand, Government grant of Rs. 0.12 crore was lying with ZP as idle for 7 years since February 2000.

**DEBRA PANCHAYAT SAMITI, DANTAN-I PANCHAYAT SAMITI,
GOPIBALLAYPUR-I PANCHAYAT SAMITI AND
SOUTH 24 PARGANAS ZILLA PARISHAD**

5.3.2 Avoidable expenditure of Rs. 44.85 lakh for engagement of excess Sahayikas in Shishu Shiksha Kendras (SSKs)

With a view to imparting primary education to children between the ages of five to nine years who have not got primary education, Government of West Bengal introduced Shishu Shiksha Karmasuchi (SSK) in the year 1999. A Sahayika is required to be engaged to teach the children in the SSK. The engagement of Sahayika in SSK

would depend on the number of learners. According to guidelines, the 3rd and 4th Sahayikas can be engaged only when the number of learners exceeds 80 and 120 respectively.

Audit scrutiny revealed that one Zilla Parishad (ZP) and three Panchayat Samitis (PSs) incurred an expenditure of Rs. 44.85 lakh in excess of requirement in different SSKs towards payment of honorarium to 361 surplus Sahayikas*.

ZP and PSs admitted the fact (between November 2006 and February 2007).

NALHATI-I PANCHAYAT SAMITI

5.3.3 Unauthorised remission of Rs. 16.33 lakh towards lease money of toll bar

According to the terms and condition for setting up imposition of toll bar on the road of Nalhati to Chillimpur under Nalhati-I Panchayat Samiti (PS) in the district of Birbhum, the lessee of toll bar had to deposit one month's lease amount in advance to the Samiti and, if he failed to do so, he should be barred from collecting toll from the vehicles for the subsequent month. The terms and condition did not have any provision for giving remission to the lessee.

Records revealed that the PS leased out the road to two lessees between September 2004 and November 2006 but lessees did not deposit the lease amount of Rs. 16.33 lakh^Σ out of total demand of Rs. 57.96 lakh.

(Rs. in lakh)

Name of ZP/PS	Year	No. of SSK	No. of Sahayikas	Range (no. of excess sahayikas)	Expenditure
South 24 Parganas ZP	2005-06	132	144	1-2	17.28
Debra PS	2004-05	32	37	1-2	8.90
	2005-06	34	38	1-2	
Dantan-I PS	2004-05	71	35	1-2	4.20
	2005-06	71	77	1-2	9.24
Gopiballavpur-I PS	2004-05	28	30	1-2	5.23
	2005-06	28		1-2	
Total			361		44.85

Σ

Name of the lessee	Lease Period	Total demand		Amount deposited	Balance amount
Sri Zamir	01.09.04 to 30.11.05	@ Rs. 1.76 lakh for 15 months	Rs. 26.40 lakh	Rs. 22.77 lakh	Rs. 3.63 lakh
Sri T.K.Dutta	01.12.05 to 30.11.06	@ Rs. 2.63 lakh for 12 months	Rs. 31.56 lakh	Rs. 18.86 lakh	Rs. 12.70 lakh
Total					Rs. 16.33 lakh

The PS admitted (December 2007) the fact but stated that the outstanding amounts were on account of remission granted by Sabhapati and Karmadhakshya of the PS. Thus, the PS violated the provisions of Accounts and Financial Rules^v which stipulates that only Artha Sthayee Samiti can decide upon the remission of advance which is to be subsequently ratified by the general body of Zilla Parishad or Panchayat Samit, as the case may be.

The remission of Rs. 16.33 lakh, therefore, was unauthorised.

5.4 EXCESS PAYMENT/WASTEFUL EXPENDITURE/INFRUCTUOUS EXPENDITURE

MURSHIDABAD ZILLA PARISHAD

5.4.1 Non-energisation of 3284 poles valuing Rs. 41.26 lakh

Murshidabad Zilla Parishad (ZP) undertook (2000-01 to 2003-04) the work of rural electrification under the aegis of West Bengal Rural Energy Development Corporation (WBREDC). ZP identified 840 mouzas for electrification under this programme. Scrutiny in audit revealed that 59 out of 840 mouzas were yet to be energised as of February 2007, wherein 3284 poles were erected at the cost of Rs. 41.26 lakh[¶] between March 2001 and August 2004.

In reply, the ZP stated (February 2007) that the energisation of pending cases could not be completed as no interested consumer was available for electrification and most inhabitants of those mouzas were very poor and fall in the category of Below Poverty Line (BPL). ZP also added that there was no provision for giving the connection to BPL category on privilege basis.

Thus, 3284 poles valued Rs. 41.26 lakh could not be energised as of February 2007 and the object of the scheme was frustrated due to improper planning and identification of mouzas.

^v Rule 29(10) of WB Panchayat (ZP&PS) Accounts & Financial Rules, 2003 states, that, if a lease holder makes a submission for remission of revenue with respect to leasehold on ground of any natural calamity or any other unforeseen event beyond his control, the Artha Sthayee Samiti of the ZP or the PS may either accept the submission wholly or in part or reject it. The decision of the Artha Sthayee Samiti shall not be given effect to before the decision is ratified in pursuance of a specific item of agenda in a meeting of the Zilla Parishad or the Panchayat Samiti as the case may be.

[¶] The total cost of 3284 poles @ Rs. 1256.47= Rs. 1,256.47x 3284 poles=Rs. 41,26,247 or Rs. 41.26 lakh.

5.5 REGULARITY AND OTHER ISSUES

SILIGURI MAHAKUMA PARISHAD

5.5.1 Poor achievement in Total Sanitation Campaign Programme despite expenditure of Rs. 49.36 lakh

Total Sanitation Campaign Programme (TSC) under Siliguri Mahakuma Parishad (SMP) was launched in August 2004 with the target of providing toilets to 74,223 toilet less families (i.e. 70 per cent of total 1,06,049 families within SMP area) and latrines / sanitary facilities to 1,032 Sishu Sikha Kendras (SSK) / schools within March 2007. SMP achieved (October 2006) 7,063 toilets (10 per cent against target) and 81 latrines / sanitary facilities to SSK / schools (8 per cent against target) at a total cost of Rs. 49.36 lakh (including administrative and other expenditure of Rs. 33.65 lakh) out of available assistance of Rs. 61.35 lakh. The performance under the programme was not satisfactory.

SMP attributed (November 2006) the poor performance to absence of interest among the motivators, PRI members and sanitary marts for augmenting the programme.

PASCHIM MEDINIPUR ZILLA PARISHAD

5.5.2 Unauthorised expenditure of Rs. 24.84 lakh on account of salary and allowances of unapproved posts of officials in press and medical establishments

State Government approved (July 2002) the distribution of different categories of posts of erstwhile Medinipur Zilla Parishad between Paschim Medinipur Zilla Parishad and Purba Medinipur Zilla Parishad. The approved distribution of different categories of posts did not contain any post for the press as well as medical establishments of Paschim Medinipur Zilla Parishad.

Audit scrutiny revealed that the ZP continued with unapproved posts of 17 officials (i.e. one press supervisor, three compositors, two machine men in press establishment and five medical officers and six compounders in medical establishment) and spent Rs. 24.84 lakh for their salary and allowances during 2005-06 which was paid from the State salary grant.

ZP confirmed (January 2007) the fact and added that the Government would be moved for sanctioning staff for the medical and press departments of the ZP.

Thus, an expenditure of Rs. 24.84 lakh incurred towards salary and allowances of unapproved officials was unauthorised.

NADIA ZILLA PARISHAD

5.5.3 Unauthorised expenditure of Rs. 16.88 lakh under Basic Minimum Services (BMS)

The funds under Basic Minimum Services (BMS) are earmarked for several identified schemes like safe drinking water, primary health service, primary education, public housing assistance, supplementary nutrition programme, provision of connectivity to all unconnected villages and habitations and streamlining of public distribution system for rural areas etc. The broad objective of the programme is to ensure that people have access to minimum infrastructural facilities with a view to improving the quality of life of all sections of the society.

The scrutiny of records revealed that Nadia Zilla Parishad (ZP) released BMS funds of Rs. 16.88 lakh* to different agencies for execution of works which were not within the purview of the guidelines. Thus, the amount spent by the ZP was not in keeping with the objectives of the scheme and the expenditure remained unauthorised.

ZP did not furnish any reply (December 2006).

5.6 Accumulation of Salary Grant of Rs. 15.24 crore

State Government provided salary grant to Zilla Parishads (ZPs) / Mahkuma Parishad (MP) and Panchayat Samitis (PSs) out of specific budget head for the State for meeting the expenditure on account of Pay and other allowances of PRI bodies. The

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Sl. No.	To whom paid	Purpose	Voucher no./date	Amounts (Rs. in lakh)
1.	Superintendent of Police	Construction of police camp	2360/17.1.06	4.15
2.	Secretary, Krishnanagar Officer's club	Construction of new building	2678/16.2.06	1.48
3.	Executive Engineer, PWD, Kalyani Electrical Division	Installation of lift at Krishnanagar Collectorate building	2861/9.3.06	11.25
Total				16.88

account of 17 ZPs and one MP and 161 PSs for the year 2005-06 were audited in the year 2006-07 but 1 ZP and 9 PSs* did not furnish their position about the utilization of grants on account of Pay and other Allowances. It was observed that 4 PRIs were running with debit balance of Rs. 169.59 lakh on their salary head while remaining PRI bodies had huge accumulation of fund on the same head, as depicted below:-

(Rupees in lakh)

PRIs	Year	Opening balance	Receipt	Total	Expenditure	Closing Balance
ZPs / MP (16 Nos.)	2005-06	916.43	2,235.33	3,151.76	2,131.44	1,020.32
PSs (149 nos.)	2005-06	463.42	288.01	751.43	247.54	503.89
Total						1,524.21

The same idle fund in Local Fund Account was, however, treated as expenditure in the State Government Account at the time of release of fund to PRI Bodies. Test check of records in few PSs# revealed that the reasons for accumulation of salary grant (Rs. 15.24 crore) were due to placement of requirement by PRI Bodies without proper assessment coupled with release of fund by P&RD Department on behalf of the State Government without exercising adequate scrutiny about the number of posts lying vacant etc.

Thus, in the absence of adequate financial management and internal control, Government funds are lying in Local Fund Account without proper utilisation.

* Zilla Parishad – Jalpaiguri

Panchayat Samitis - Bagnan – I (Howrah ZP), Domkal (Murshidabad ZP), Hasnabad, Barasat – I, Basirhat - I (North 24 Parganas ZP), Magrahat – II (South 24 Parganas ZP), Salboni, Garbeta – III and Jamboni (Paschim Medinipur ZP).

Purbasthali-II, Ketugram-II, Ketugram-I, Kanksa, Kalna-I, Kalna-II, Galsi-I, Burdwan-I, Jamuria, Purbasthali-I, Khandaghosh, Durgapur Faridpur of Bardhaman ZP, Nowda, Nabagram, Suti-I, Beldanga-I, Raghunathganj-I, Suti-II, Beldanga-II of Murshidabad ZP, Keshiary, Dantan-I, Binpur-I of Paschim Medinipur ZP, Contai-II of Purba Medinipur ZP, Barrackpore-II of North 24 Parganas ZP.

5.7 Action on Inspection Reports

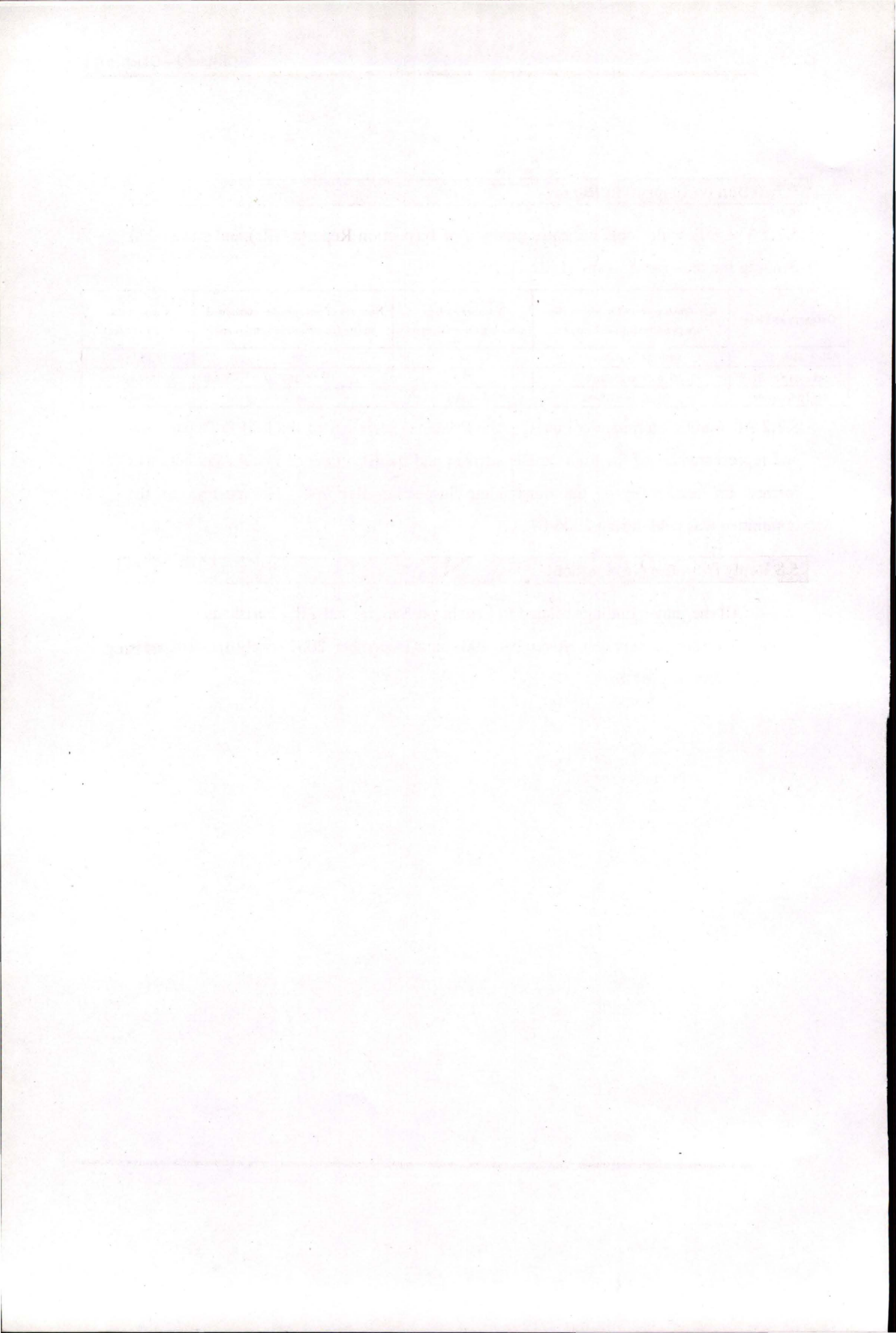
5.7.1 The following table indicates position of Inspection Reports (IRs) and paragraphs pending for settlement, as on 31 March 2007:

Category of PRIs	Accounting years for which IRs are pending for settlement	Number of IRs pending for settlement	Number of paragraphs contained in the IRs awaiting settlement	Money value (Rs. in crore)
Zilla Parishads	1985-87 to 2004-05	94	781	1,195.56
Panchayat Samitis	1976-77 to 2004-05	779	2,369	514.88
Gram Panchayats	2002-03 to 2005-06	13,380	1,48,964	965.61

5.7.2 An Audit Committee comprising the Principal Secretary of the P&RD Department and representatives of the Finance Department and the Examiner of Local Accounts was formed for settlement of the outstanding Inspection Reports. No meeting of the committee was held during 2006-07.

5.8 Reply from the Government

All the major findings related to Panchayat Samitis and Zilla Parishads were sent to the Government between November 2007 and December 2007; reply had not been received (February 2008).



CHAPTER-6

Conclusions and Recommendations

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CHAPTER-6

Conclusions and Recommendations

6.1 Conclusions

6.1.1 Accounting procedures

- Some PRIs failed to depict the position of their financial affairs due to non preparation of annual accounts which is obligatory under the provisions of rules.
- Expenditure was incurred by the PRIs without preparation, approval and adoption of budget according to the provisions of the Budget Rules, rendering the expenditure unauthorised. Expenditure was also incurred in excess of budget provision without preparing any supplementary and revised estimates.
- In contravention of rules, some of the PRIs directly appropriated their own revenues after collection without depositing the same into the savings bank accounts.
- Some PRIs retained cash in excess of permissible limits.
- Most of the GPs could collect meagre portion of revenues out of their total demand.

6.1.2 Implementation of schemes

- Non preparation of annual action plan, wrong selection of beneficiaries, irregular engagement of contractors, curtailment of Central share for under-utilisation of funds, misappropriation of funds, withdrawal of money by submission of fake and fraudulent bills etc., were the major impediments in delivering the intended benefits to the target population under the Centrally Sponsored Schemes.

6.1.3 Execution of works and procurement of supplies

- Works were undertaken without identifying the source of funds, without stipulating any specific date for completion and even without detailed estimates.
- Infertuous/unfruitful expenditure on incomplete works/projects within the stipulated date resulted in blocking up of Government grants and undesirable delay in providing intended services to the beneficiaries.

6.1.4 Other issues

- Non-realisation of license fee, non-recovery of lease money and unauthorized remission of toll bar resulted in a loss of revenue in some PRIs.

- Unproductive investment resulting in financial loss, blocking up of loan /fund and accumulation of salary grants indicated lack of financial control.

6.1.5 Internal Control

- Crores of rupees remained unreconciled at the end of the year due to non-reconciliation of cash balances by some PRIs.
- True and fair view of the use of resources and assets created by PRIs could not be ascertained due to non-maintenance of vital records and registers.

6.2 Recommendations

6.2.1 Accounting procedures

Accounting procedures should be properly maintained after ensuring:

- strict compliance of rules;
- mobilization of resources by implementation of bye-laws; and
- proper budgetary control mechanism.

6.2.2 Implementation of schemes

Implementation of the schemes should be made:

- according to guidelines of the scheme and provisions of Accounts and Financial Rules;
- by regular monitoring and periodical evaluation of the scheme;
- with due care to the time schedule.

6.2.3 Execution of works and procurement of supplies

Execution of works and procurement of supplies should be made:

- in strict compliance with the extant rules; and
- lapses leading to losses, while executing the schemes or during procurement of supplies, should be identified and responsibility fixed for losses.

6.2.4 Other issues

- Loss of revenue should be minimized by proper realisation of license fee, lease money, toll bar, etc.
- Financial control should be exercised by making prudent investment and proper utilisation of loan/fund.

6.2.5 Internal Control

Internal control and monitoring mechanism should be strengthened by ensuring:


- monthly reconciliation of cash balances;
- maintenance of vital records and registers;
- periodical physical verification of stores; and
- regular internal audit.

Kolkata,
The **19 MAY 2008**


(Bijit Kumar Mukherjee)
Examiner of Local Accounts
West Bengal

COUNTERSIGNED

Kolkata,
The **19 MAY 2008**


(Sarit Jafa)
Accountant General
(Receipt, Works and Local Bodies Audit)
West Bengal

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19 MAY 1968

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19 MAY 1968

APPENDICES

Appendix-I

(Reference: Paragraph 1.14)

(i) Statement showing total amount available, amount spent and amount diverted under Twelfth Finance Commission Grants (in respect of ZPs)

(Rupees in lakh)

Sl. No.	Controlling ZP/District	Amount Available	Amount Spent	Amount Diverted	Purpose of Diversion
(1)	Bankura	936.96	854.98	-	-
(2)	Bardhaman	379.29	309.32	84.18	Improvement and repair of road of other department
(3)	Birbhum	335.85	231.50	-	-
(4)	Hooghly	367.77	203.25	-	-
(5)	Howrah	283.90	153.78	65.01	Construction work and renovation of high school
(6)	Paschim Medinipur	445.14	319.90	-	-
(7)	Purulia	739.86	504.33	37.50	Construction work
(8)	Uttar Dinajpur	560.72	30.77	-	-
Total		4,049.49	2,607.83	186.69	

(ii) Statement showing total amount available, amount spent and amount diverted under Twelfth Finance Commission Grants (in respect of PSs)

(Rupees in lakh)

Sl No	Controlling ZP/District	No. of PS	Amount Available	Amount Spent	Diversion	
					Amount	No of PS
(1)	Bankura	15	191.59	86.26	3.29	2
(2)	Bardhaman	5	96.93	62.96	13.40	2
(3)	Birbhum	13	271.24	168.54	32.63	8
(4)	Coochbehar	1	34.64	12.78	-	-
(5)	Hooghly	14	297.11	142.90	57.71	8
(6)	Jalpaiguri	4	153.69	54.68	4.20	2
(7)	Purba Medinipur	13	282.73	198.30	40.92	6
(8)	Malda	6	73.10	39.01	3.80	2
(9)	Murshidabad	5	82.04	28.86	3.76	1
(10)	Nadia	1	28.23	6.57	-	-
(11)	North 24 Parganas	1	10.01	5.86	-	-

(12)	Paschim Medinipur	3	77.88	53.24	0.74	1
(13)	South 24 Parganas	4	161.89	55.77	7.26	1
(14)	Uttar Dinajpur	3	93.81	32.09	22.19	3
Total		88	1,854.89	947.82	189.90	36

**(iii) Statement showing total amount available, amount spent and amount diverted under
Twelfth Finance Commission Grants (in respect of GPs)**

(Rupees in lakh)

Sl. No.	Controlling ZP/District	Total number of GPs	Total Amount Available	Total Amount Spent	Amount diverted (Number of GPs involved)
(1)	Bankura	77	561.68	321.23	39.05(25)
(2)	Bardhaman	50	199.11	153.63	8.21(7)
(3)	Birbhum	154	956.70	584.72	75.03(46)
(4)	Dakhshin Dinajpur	59	591.12	281.72	70.17(25)
(5)	Hooghly	59	354.89	248.99	52.65(29)
(6)	Howrah	55	292.17	217.99	31.84(20)
(7)	Malda	2	11.69	7.31	-
(8)	Murshidabad	239	1,375.67	673.59	124.47(85)
(9)	Nadia	52	299.46	190.07	40.47(24)
(10)	North 24 Parganas	11	47.67	32.88	3.45(1)
(11)	Purba Medinipur	1	7.30	2.41	-
(12)	Purulia	41	170.30	60.52	22.64(15)
(13)	South 24 Parganas	279	1,393.17	668.15	168.80(93)
(14)	Uttar Dinajpur	14	112.18	52.21	9.43(5)
Total		1,093	6,373.11	3,495.42	646.21(375)

Appendix-II
(Reference: Paragraph 2.1)

GPs that did not prepare annual accounts for the year 2005-06

Sl. No.	Name of GPs	Controlling ZP/District	Transaction as per cash book (Rs. in lakh)	
			Total Receipt	Total Expenditure
(1)	Shaltora	Bankura	33.88	23.49
(2)	Lavpur	Birbhum	31.98	24.89
(3)	Ayash	Birbhum	51.08	2.86
(4)	Barokaimari	Coochbehar	44.41	46.90
(5)	Samjhia	Dakshin Dinajpur	55.59	44.11
(6)	Batun	Dakshin Dinajpur	56.72	30.98
(7)	Udaypur	Dakshin Dinajpur	63.86	39.77
(8)	Sukdevpur	Dakshin Dinajpur	75.85	55.57
(9)	Labdah	Darjeeling	7.69	6.89
(10)	Saptibari-I	Jalpaiguri	32.08	30.60
(11)	Madhabdanga-I	Jalpaiguri	41.29	20.07
(12)	Jateswar-I	Jalpaiguri	61.36	45.70
(13)	Madhabdanga	Jalpaiguri	61.46	58.45
(14)	Golapganj	Malda	27.30	14.27
(15)	Mothabari	Malda	37.75	20.27
(16)	Chaitanyapur-II	Murshidabad	30.40	16.62
(17)	Boyra	North 24 Parganas	51.31	42.41
(18)	Ergoda	Paschim Medinipur	35.25	20.16
(19)	Bhemua	Purba Medinipur	39.50	26.29
(20)	Kalabani	Purulia	38.97	45.12
(21)	Hariharpur	South 24 Parganas	20.25	12.60
(22)	Yearpur	South 24 Parganas	25.19	20.76
(23)	Kalikapur-II	South 24 Parganas	25.33	13.90
(24)	Hatpukuria	South 24 Parganas	25.34	15.91
(25)	Tambuldaha	South 24 Parganas	25.50	20.25
(26)	Kamrabad	South 24 Parganas	25.71	14.97
(27)	Shirakole-I	South 24 Parganas	26.45	10.48
(28)	Matla-II	South 24 Parganas	27.78	19.35
(29)	Dhosachandaneswar	South 24 Parganas	31.45	26.41
(30)	Bali-I	South 24 Parganas	31.87	17.80
(31)	Sahapur-II	Uttar Dinajpur	39.35	28.41
Total			1,181.95	816.26

Appendix-III

(Reference: Paragraph 2.2.1)

GPs that incurred expenditure without budget allocation during 2005-06

Sl. No.	Name of GPs	Controlling ZP/District	Expenditure incurred (Rs. in lakh)
(1)	Ayash	Birbhum	2.86
(2)	Dharampur	Birbhum	24.01
(3)	Sarpalehna Albandha	Birbhum	11.21
(4)	Joydebkenduli	Birbhum	29.08
(5)	Ghugumari	Coochbehar	42.26
(6)	Bhotaguri-I	Coochbehar	23.07
(7)	Falimari	Coochbehar	56.71
(8)	Putimari-I	Coochbehar	41.67
(9)	Basuria	Dakshin Dinajpur	29.84
(10)	Udaypur	Dakshin Dinajpur	63.86
(11)	Duptin	Darjeeling	7.62
(12)	Lebongvalley-I	Darjeeling	7.76
(13)	Nasibpur	Hooghly	40.15
(14)	Bandipur	Hooghly	32.79
(15)	Kamakhyaguri	Jalpaiguri	62.42
(16)	Kohinoor	Jalpaiguri	24.25
(17)	Sakda Jhora-I	Jalpaiguri	57.84
(18)	Balia	Murshidabad	17.98
(19)	Duttapukur-I	North 24 Parganas	34.50
(20)	Barkola	Paschim Medinipur	24.18
(21)	Chakislampur	Paschim Medinipur	24.55
(22)	Kushbasan	Paschim Medinipur	32.97
(23)	Nedabahara	Paschim Medinipur	15.70
(24)	Basantia	Purba Medinipur	21.58
(25)	Chalti	Purba Medinipur	14.22
(26)	Kumarara	Purba Medinipur	20.01
(27)	Shitalpur Paschim	Purba Medinipur	17.21
(28)	Ayodhya	Purulia	18.99
(29)	Baragram	Purulia	19.71
(30)	Birgram	Purulia	28.95
(31)	Chakaltore	Purulia	22.68
(32)	Choprahari	Purulia	37.54
(33)	Ghaghra	Purulia	25.93
(34)	Hirapur Adardih	Purulia	26.64
(35)	Hutmura	Purulia	33.61
(36)	Joypur	Purulia	37.38
(37)	Kalabani	Purulia	56.67
(38)	Manara	Purulia	23.81
(39)	Mankiary	Purulia	18.36

(40)	Matha	Purulia	21.95
(41)	Napara	Purulia	23.78
(42)	Gokarnee	South 24 Parganas	28.26
(43)	Kulerdari	South 24 Parganas	28.53
(44)	Kumrapara	South 24 Parganas	12.66
(45)	Langalberia	South 24 Parganas	12.99
(46)	Merigunj-I	South 24 Parganas	41.69
(47)	Goagaon-II	Uttar Dinajpur	35.60
(48)	Goti	Uttar Dinajpur	34.64
(49)	Khagore	Uttar Dinajpur	38.93
(50)	Pokharia	Uttar Dinajpur	44.53
(51)	Sahapur-I	Uttar Dinajpur	41.47
Total			1,495.60

Appendix-IV
(Reference: Paragraph 2.3.1)

No. of GPs that incurred expenditure in excess of budget provision during 2005-06

Sl. No.	Controlling ZP/District	No. of GPs	Expenditure in excess of budget provision (Rs. in lakh)	Range of expenditure incurred in excess of budget provision (Rs. in lakh)
(1)	Bankura	88	272.65	0.02-35
(2)	Bardhaman	136	520.56	0.03-20
(3)	Birbhum	118	649.25	0.01-21.04
(4)	Cooch Behar	36	307.37	0.02-27.94
(5)	Dakshin Dinajpur	42	294.51	0.10-11.36
(6)	Darjeeling	29	173.95	0.10-11.36
(7)	Hooghly	111	657.56	0.01-36
(8)	Howrah	77	380.83	0.01-79
(9)	Jalpaiguri	39	190.96	0.01-41.64
(10)	Malda	77	526.29	0.01-22.33
(11)	Murshidabad	130	574.43	0.01-79
(12)	Nadia	89	197.52	0.01-9.25
(13)	North 24 Parganas	95	329.06	0.01-6.74
(14)	Paschim Medinipur	128	623.57	0.01-9.44
(15)	Purba Medinipur	114	473.73	0.01-13.03
(16)	Purulia	100	797.30	0.02-28.84
(17)	South 24 Parganas	96	297.09	0.02-37
(18)	Uttar Dinajpur	54	526.08	0.02-30.36
Total		1,559	7,792.71	

Appendix-V

(Reference: Paragraph 2.3.2)

PSs that incurred expenditure in excess of budget provision during 2004-05 and 2005-06

Sl. No.	Name of PSs	Controlling ZP/District	Head of account	Excess expenditure spent over budget (Rs. in lakh)	
				2004-05	2005-06
(1)	Khandaghosh	Bardhaman	BEUP	1.81	-
			BMS	9.89	-
			RIDF-VII	-	1.04
			11 th Finance Commission	-	1.81
(2)	Katwa-I	Bardhaman	PMGY	6.00	6.56
			HUDCO		0.98
			BEUP	22.00	31.75
			SGSY	2.00	6.62
(3)	Raina-II	Bardhaman	Pay & Allowance	0.27	-
			Honorarium	0.01	-
			SSK	6.11	-
(4)	Raina-I	Bardhaman	CRSP	-	1.53
			BEUP	-	6.95
(5)	Ketugram-II	Bardhaman	Conveyance & travelling charge	-	0.14
			Maintenance of road roller	-	0.99
			SGSY	-	1.55
(6)	Raniganj	Bardhaman	11 th Finance Commission	8.95	-
			RWS	5.84	-
			SGRY	8.01	-
			MPLADS	11.09	-
(7)	Ausgram-I	Bardhaman	SSK	-	1.40
			TSP	-	18.30
			PUP	-	9.80
			Untied Fund	-	4.26
			SGSY	-	33.78
			12 th Finance Commission	-	1.78
(8)	Durgapur Faridpur	Bardhaman	BEUP	1.39	9.83
			PUP	7.14	7.24
			RWS	1.12	-
			MPLAD	-	1.80
(9)	Ausgram-II	Bardhaman	Sericulture	0.10	-
			Watershed project	1.16	-
			Old age pension	-	15.27
			Paddy procurement	-	49.51

(10)	Debra	Paschim Medinipur	SGRY	3.56	-
			SSA	41.71	-
			11 th Finance Commission	20.38	-
			SSK	35.50	-
			ITDP	17.92	
(11)	Deshpran	Purba Medinipur	TSC	2.34	-
			SSK	11.24	20.00
(12)	Haldia	Purba Medinipur	SSA	3.85	-
			NFBS	5.20	3.30
			MSK	-	2.19
(13)	Kultali	South 24 Parganas	11 th Finance Commission	5.09	10.38
(14)	Kakdwip	South 24 Parganas	10 th Finance Commission	1.25	-
			11 th Finance Commission	4.14	9.56
(15)	Hingalganj	South 24 Parganas	SGRY-I	20.77	-
			Mid-day Meal	-	29.78
(16)	Mathurapur-II	South 24 Parganas	SGRY	22.01	-
			11 th Finance Commission	5.11	-
			BEUP	5.97	7.65
			MPLAD	9.87	1.96
			Mid-day Meal	8.49	-
(17)	Panchla	Howrah	PMGY (Health)	2.37	-
			NSAP	4.13	9.52
(18)	Nalhati-II	Birbhum	SGRY	-	10.97
			SSK	-	10.86
(19)	Nalhati-I	Birbhum	IAY	27.00	-
			TSC	5.61	-
			SGRY	-	3.85
			PUP	-	2.50
			SGSY	-	1.38
(20)	Murarai	Birbhum	TSC	8.39	-
			RWS	1.12	-
			12 th Finance Commission	-	6.06
			Untied Fund	-	9.23
			RSVY	-	9.19
			SSK Buildings	-	27.49

(21)	Raghunathganj-II	Murshidabad	Mid-day Meal	35.63	-
(22)	Beldanga-I	Murshidabad	SSK	21.44	45.37
			BEUP	10.97	21.43
			RWS	0.09	-
			NFFW	7.64	-
			PHE	0.28	-
			11 th Finance Commission	-	0.37
			BMS	-	0.29
			Mid-day meal	-	61.66
(23)	Barasat-I	North 24 Parganas	BEUP	17.00	20.69
			SSK	5.50	12.24
			Untied Fund	3.00	5.14
(24)	Basirhat-II	North 24 Parganas	SSK remuneration	21.52	-
			RWS	4.12	-
			10 th Finance Commission	1.73	-
			RIDF	2.90	-
			Infrastructure development of regulated Market	-	2.46
			NOAPS	-	10.85
			Untied Fund	-	11.72
(25)	Tehatta-I	Nadia	BADP	27.45	27.45
			SGRY-I	9.67	9.67
(26)	Chakdaha-II	Nadia	GSLI	0.04	0.10
			TSC	2.63	-
			BMS	5.89	-
			Financial assistance to beterine grower	2.53	-
			ONGC	0.01	-
			Flood centre	7.50	-
			Roadside squatters	25.25	0.97
			Untied Fund	-	0.42
			Child Education Centre	-	0.50
			Literacy	-	0.17
(27)	Chakdaha-I	Nadia	Own fund	3.27	
			JA/DA	0.28	
			SGRY	5.60	
Total				1,208.11	

Appendix-VI

(Reference: Paragraph 2.3.3)

ZPs that incurred expenditure in excess of budget provision during 2005-06

Sl. No.	Controlling ZP/District	Head of account	Excess expenditure spent over budget (Rs. in lakh)
(1)	Jalpaiguri	SGRY	472.58
(2)	Purulia	Miscellaneous	51.70
		IAY	1.51
		11 th Finance Commission	87.06
		TSC	81.91
		Untied Fund	319.49
(3)	Birbhum	Untied Fund	24.52
		12 th Finance Commission	37.33
		Cottage & Small Industries	28.45
		Grant-in-aid forest	17.54
		Health & family welfare	26.21
(4)	Uttar Dinajpur	Untied Fund	297.68
		RIDF-V	39.66
		RIDF-VII	96.60
(5)	Howrah	BMS	2.00
		SGRY	12.78
		Untied Fund	6.62
		HUDCO	4.28
		PMGSY	2.43
		Construction of additional classroom	4.15
(6)	Paschim Medinipur	11 th Finance Commission	289.87
Total			1,904.37

Appendix-VII
(Reference: Paragraph 2.4.1)

**Cases of direct appropriation of revenues during 2005-06
without depositing into Savings Bank Accounts**

Sl. No.	Name of GPs	Controlling ZP/District	Amount spent out of revenues collected without routing through the Savings Bank Account (Rs. in lakh)
(1)	Baidyanathpur	Bankura	0.33
(2)	Gorabari	Bankura	0.24
(3)	Sahashpur	Bankura	0.18
(4)	Matgoga	Bankura	0.19
(5)	Bhatar	Bardhaman	0.20
(6)	Bohar-I	Bardhaman	0.46
(7)	Ukta	Bardhaman	0.31
(8)	Bonpas	Bardhaman	0.54
(9)	Sahebganj-I	Bardhaman	0.61
(10)	Bahiri Panchowa	Birbhum	0.08
(11)	Dwarka	Birbhum	0.37
(12)	Mollarpur	Birbhum	0.92
(13)	Kurunnahar	Birbhum	0.30
(14)	Ranirhat	Coochbehar	0.31
(15)	Takdah	Darjeeling	0.02
(16)	Haripur	Hooghly	0.21
(17)	Nabagram	Hooghly	0.55
(18)	Jirat	Hooghly	1.20
(19)	Dankuni	Hooghly	7.13
(20)	Rajhati	Hooghly	0.30
(21)	Bhangamora	Hooghly	0.46
(22)	Bohar-I	Hooghly	0.46
(23)	Khanakul-I	Hooghly	0.47
(24)	Digsui-Hoyera	Hooghly	0.95
(25)	Bandel	Hooghly	2.35
(26)	Kranti	Jalpaiguri	0.14
(27)	Magurmari-I	Jalpaiguri	0.15
(28)	Mothabari	Malda	0.46
(29)	Uttar Panchanandpur-II	Malda	0.22
(30)	Gabinagar Malancha	Murshidabad	0.71
(31)	Dhulauri	Murshidabad	0.12
(32)	Malibari-II	Murshidabad	0.20
(33)	Garibpur	Murshidabad	0.71

(34)	Saheb nagar	Nadia	0.08
(35)	Palshonda-II	Nadia	0.14
(36)	Hanspukuria	Nadia	0.16
(37)	Shyam nagar	Nadia	0.27
(38)	Palla	North 24 Parganas	0.09
(39)	Chhaygaria	North 24 Parganas	0.15
(40)	Gopalnagar-II	North 24 Parganas	0.22
(41)	Ghatbaor	North 24 Parganas	0.51
(42)	Mannya	Paschim Medinipur	0.04
(43)	Rajnagar	Paschim Medinipur	0.12
(44)	Haripur	Paschim Medinipur	0.85
(45)	Kumarara	Purba Medinipur	0.01
(46)	Basudev pur	Purba Medinipur	0.20
(47)	Kumarchak	Purba Medinipur	0.50
(48)	Sharberia Jalpai	Purba Medinipur	0.14
(49)	Gordewani	South 24 Parganas	0.03
(50)	Mohanpur	South 24 Parganas	0.08
(51)	Garbaria	South 24 Parganas	0.10
(52)	Kencharkur	South 24 Parganas	0.13
(53)	Nisharpur	South 24 Parganas	0.14
(54)	Chandpur-Chaitanyapur	South 24 Parganas	0.16
(55)	Jagishpur	South 24 Parganas	0.17
(56)	Choprijhara	South 24 Parganas	0.20
(57)	Sarisha	South 24 Parganas	0.24
(58)	Dhamua	South 24 Parganas	0.03
(59)	Krishnapur	South 24 Parganas	0.29
(60)	South Bishnupur	South 24 Parganas	0.42
(61)	Kulerdari	South 24 Parganas	1.62
Total			28.94

Appendix - VIII
(Reference: Paragraph 2.5.1)

Irregular retention of cash in hand during 2005-06 (in respect of GPs)

Sl. No.	Maximum amount of cash (in Rupees) retained in excess of permissible limit (range)	No. of GPs involved in such irregular retention	Controlling ZP/District
(1)	25,001-50,000	7	South 24 Parganas
		2	Coochbehar
		4	Hooghly
		2	Jalpaiguri
		3	Nadia
		9	North 24 Parganas
		3	Purulia
		1	Uttar Dinajpur
		13	Paschim Medinipur
		12	Bankura
		18	Birbhum
		20	Bardhaman
		8	Murshidabad
		20	Malda
		22	Purba Medinipur
		6	Dakshin Dinajpur
5	Howrah		
(2)	50,001-75,000	3	Purba Medinipur
		2	Bankura
		3	Birbhum
		3	Hooghly
		1	Howrah
		2	Jalpaiguri
		6	Malda
		1	Murshidabad
		3	Nadia
		6	Paschim Medinipur
		1	South 24 Parganas
		4	North 24 Parganas
(3)	75,001-1,00,000	2	Birbhum
		6	Purba Medinipur
		3	Murshidabad
		1	Bankura
		1	Bardhaman
		1	Coochbehar
		4	Hooghly
		3	Howrah
1	Malda		

		2	North 24 Parganas		
		2	Paschim Medinipur		
		2	South 24 Parganas		
		1	Uttar Dinajpur		
(4)	1,00,001-1,25,000	2	Birbhum		
		1	Coochbehar		
		1	Hooghly		
		1	Howrah		
		1	Malda		
		3	Paschim Medinipur		
		2	Purba Medinipur		
		1	Purulia		
		2	North 24 Parganas		
		1	South 24 Parganas		
		1	Uttar Dinajpur		
		(5)	1,25,001-1,50,000	1	Howrah
				2	Malda
1	Paschim Medinipur				
(6)	1,50,001-1,75,000	1	Bardhaman		
		1	Birbhum		
(7)	1,75,001-2,00,000	3	Paschim Medinipur		
		2	Hooghly		
		1	Malda		
		1	Paschim Medinipur		
		1	Purba Medinipur		
(8)	2,00,001-2,25,000	1	South 24 Parganas		
		1	Bankura		
		1	Hooghly		
		1	Murshidabad		
		1	North 24 Parganas		
(9)	2,25,001-3,25,000	1	Paschim Medinipur		
		1	Dakshin Dinajpur		
		1	Malda		
		3	Paschim Medinipur		
(10)	3,25,001-4,25,000	1	South 24 Parganas		
(11)	5,00,001-6,50,000	2	Paschim Medinipur		
Total		264			

Appendix - IX
(Reference: Paragraph 2.5.2)

Irregular retention of cash in hand during 2004-05 and 2005-06 (in respect of PSs)

Sl. No.	Maximum amount of cash (in Rupees) retained in excess of permissible limit (range)	No. of PSs involved in such irregular retention		Controlling ZP/District
		2004-05	2005-06	
(1)	25,001-50,000	-	1	Bardhaman
(2)	50,001-75,000	-	3	Purba Medinipur
		-	1	Bardhaman
(3)	75,001-1,00,000	1	-	South 24 Parganas
(4)	1,00,000-1,25,000	1	-	Purba Medinipur
		1	-	Murshidabad
(5)	1,50,001-1,75,000	1	-	South 24 Parganas
(6)	2,25,001-3,25,000	1	-	Howrah
		1	-	Bardhaman
(7)	4,25,001-5,00,000	1	-	Purba Medinipur
		1	-	Bardhaman
		1	-	Howrah
		1	-	Paschim Medinipur
(8)	Over 5,00,001	1	-	North 24 Parganas
		4	1	Paschim Medinipur
		1	-	Nadia
		3	-	South 24 Parganas
Total		19	6	

Appendix - X

(Reference: Paragraph 2.6.1)

**Discrepancy between Cash Book and Pass Book remaining
unreconciled at the end of 2005-06 (in respect of GPs)**

Sl. No.	Name of GPs	Controlling ZP/District	Amount as per Cash Book (In Rupees)	Amount as per Pass Book (In Rupees)	Difference remaining unreconciled (In Rupees)
(1)	Rajakata	Bankura	4,40,363.86	4,40,431.86	68.00
(2)	Shyasundarpur	Bankura	5,82,277.82	5,84,075.82	1,798.00
(3)	Atgharia-Simlan	Bardhaman	14,91,176.67	14,91,146.67	30.00
(4)	Denur	Bardhaman	2,73,873.33	3,31,873.00	58,000.00
(5)	Sultanpur	Bardhaman	11,65,940.23	11,65,925.23	15.00
(6)	Sirsha	Birbhum	6,02,652.18	6,04,517.68	1,865.50
(7)	Mururai	Birbhum	22,11,854.09	23,15,552.09	1,03,698.00
(8)	Baraatiabari-II	Coochbehar	21,00,024.44	23,06,274.44	2,06,250.00
(9)	Chandamari	Coochbehar	14,32,077.45	19,34,603.00	5,02,525.55
(10)	Putimari Fuleswari	Coochbehar	17,20,436.10	17,30,250.00	9813.90
(11)	JaMaldaa	Coochbehar	3529,554.89	36,76,958.89	1.00
(12)	Petla	Coochbehar	13,03,474.48	13,08,874.48	5,400.00
(13)	Putimari-I	Coochbehar	8,63,233.20	6,56,067.30	2,07,165.90
(14)	Suktabari	Coochbehar	2,84,713.00	3,24,613.00	39,900.00
(15)	Autina	Dakshin Dinajpur	6,02,896.80	6,02,256.80	640.00
(16)	Chaloon	Dakshin Dinajpur	11,90,456.06	12,00,326.00	9,869.94
(17)	Sukdevpur	Dakshin Dinajpur	28,72,856.00	28,73,422.89	566.89
(18)	Uday	Dakshin Dinajpur	27,70,696.58	27,65,560.58	5,136.00
(19)	Ghayabari-I	Darjeeling	9,138.00	10,448.00	1,310.00
(20)	Shivkhola	Darjeeling	55,143.00	56,864.00	1,721.00
(21)	Antpur	Hooghly	8,06,071.34	7,53,617.81	1,831.46
(22)	Baligori	Hooghly	17,08,070.45	13,87,257.20	1,785.00
(23)	Boinchipota	Hooghly	7,26,495.90	7,26,415.90	80.00
(24)	Haripal Ashutosh	Hooghly	7,37,892.34	8,33,254.00	236.00
(25)	Haripur	Hooghly	1,80,053.65	1,32,212.77	48,840.88
(26)	Rasidpur	Hooghly	9,92,599.28	10,33,024.28	40,425.00
(27)	Singur-I	Hooghly	3,92,410.75	3,92,310.75	100.00
(28)	Antila	Howrah	9,72,120.31	10,16,639.09	330.00
(29)	Durgapur-Abhoynagar	Howrah	8,72,193.87	8,72,186.87	7.00
(30)	Hallyan	Howrah	10,18,929.60	10,18,955.00	25.40
(31)	Islampur	Howrah	9,14,167.06	9,19,618.75	26.00
(32)	Jalabiswanathpur	Howrah	5,78,514.00	5,78,484.00	30.00
(33)	Sapuipara - Basukati	Howrah	10,61,456.01	10,61,416.61	40.00
(34)	Jaigaon	Jalpaiguri	22,70,546.00	22,64,371.00	6,175.00
(35)	Kumlai	Jalpaiguri	26,38,571.41	29,62,530.20	7,646.00
(36)	Madhabdanga-I	Jalpaiguri	21,21,823.08	19,97,596.00	2,751.00
(37)	Mahakalguri	Jalpaiguri	27,01,489.20	27,06,123.20	4,634.00
(38)	Paharpur	Jalpaiguri	25,47,454.12	25,49,454.12	2,000.00
(39)	Rajadanga	Jalpaiguri	20,72,499.86	21,08,505.10	4,147.00

(40)	Tapasi Khata	Jalpaiguri	18,53,804.90	18,56,146.90	2,342.00
(41)	Bahadur	Jalpaiguri	29,98,713.13	29,98,813.13	100.00
(42)	Saptibari-I	Jalpaiguri	4,43,634.00	3,75,696.00	51,760.00
(43)	Badlichak	Malda	12,95,860.95	12,96,067.50	206.55
(44)	Dharampur	Malda	4,07,674.71	4,08,174.71	500.00
(45)	Paranpur	Malda	17,42,591.09	18,29,775.85	87,500.00
(46)	Uttar Panchanandapur-II	Malda	10,67,941.50	10,69,371.00	1,429.50
(47)	Amdahara	Murshidabad	12,04,454.45	11,15,959.57	88,494.88
(48)	Madhurkul	Murshidabad	6,89,417.00	7,01,003.62	11,586.62
(49)	Moregram	Murshidabad	5,52,054.08	5,52,154.08	100.00
(50)	Arbandi-II	Nadia	12,28,714.67	9,84,695.67	12.00
(51)	Bablari	Nadia	5,05,805.79	4,91,135.79	14,670.00
(52)	Harekrishnapur	Nadia	9,88,180.22	9,88,075.22	105.00
(53)	Hoglabaria	Nadia	11,29,321.48	11,29,737.48	416.00
(54)	Juranpur	Nadia	7,80,940.54	7,90,940.54	10,000.00
(55)	Natidanga-II	Nadia	6,74,617.46	5,37,683.00	56.00
(56)	Natna	Nadia	17,66,318.05	17,70,925.05	4,607.00
(57)	Palashipara	Nadia	8,31,342.07	8,31,342.60	0.53
(58)	Poragachha	Nadia	11,98,804.48	11,98,104.48	700.00
(59)	Raghunathpur-Hijuli-II	Nadia	9,61,916.25	10,34,516.25	72,600.00
(60)	Bermajur-II	North 24 Pargana	2,60,481.30	5,26,252.30	1,000.00
(61)	Bhurkunda	North 24 Parganas	11,70,419.00	11,70,389.08	29.92
(62)	Gopalnagar	North 24 Parganas	7,63,770.61	7,27,439.61	36,331.00
(63)	Sadhanpur	North 24 Parganas	7,16,014.32	7,78,489.32	62,475.00
(64)	Shibdaspur	North 24 Parganas	7,29,270.48	7,20,848.48	2,223.00
(65)	Swarupnagar Banglani	North 24 Parganas	16,50,554.63	10,34,561.00	150.00
(66)	Dewanchak-II	Paschim Medinipur	4,47,152.82	4,47,109.83	0.01
(67)	Khar	Purba Medinipur	11,98,186.47	11,98,281.47	95.00
(68)	Kotbarh	Purba Medinipur	8,43,682.62	8,85,422.16	41,739.54
(69)	Rishi Bankim Chandra	Purba Medinipur	3,02,275.50	3,01,720.00	555.50
(70)	Shrirampur	Purba Medinipur	9,75,387.00	9,75,412.00	25.00
(71)	Vivekananda	Purba Medinipur	8,32,487.43	9,29,170.78	931.00
(72)	Bagda	Purulia	7,56,072.28	9,34,876.28	6.00
(73)	Barabazar	Purulia	23,37,047.80	23,38,011.80	964.00
(74)	Buribandh	Purulia	7,00,184.64	6,58,119.19	42,065.45
(75)	Kalabani	Purulia	22,56,935.55	23,56,271.05	99,335.50
(76)	Kenda	Purulia	2,26,927.00	2,23,057.00	3,870.00
(77)	Lakshmanpur	Purulia	12,04,187.42	12,05,300.94	1,193.52
(78)	Mankiary	Purulia	12,35,946.81	12,56,734.11	15,000.00
(79)	Napara	Purulia	4,83,356.20	4,83,406.70	50.50
(80)	Panipathar	Purulia	2,37,325.00	2,37,260.00	65.00
(81)	Sanka	Purulia	10,47,430.90	10,65,591.65	28.00
(82)	Lakshminarayanpur Dakshin	South 24 Parganas	7,45,059.66	7,11,059.66	34,000.00
(83)	Amgachia	South 24 Parganas	8,60,576.75	11,48,076.75	2,87,500.00
(84)	Beledurganagar	South 24 Parganas	6,70,301.73	6,71,883.05	1,581.32
(85)	Hardaha	South 24 Parganas	11,36,405.58	9,07,677.50	2,28,240.00
(86)	Kamra	South 24 Parganas	4,02,305.11	4,02,299.11	6.00

(87)	Kamrabad	South 24 Parganas	10,74,666.85	11,05,370.05	30,703.20
(88)	Madhusudanpur	South 24 Parganas	4,05,539.06	4,04,839.06	700.00
(89)	Narayanpur	South 24 Parganas	9,25,069.50	9,56,978.87	31,909.37
(90)	Bhandar	Uttar Dinajpur	26,04,004.01	26,03,904.01	100.00
(91)	Chhayghara	Uttar Dinajpur	11,01,993.20	11,09,353.95	70,360.75
(92)	Goagaon-II	Uttar Dinajpur	8,19,461.50	11,25,265.50	912.00
(93)	Goalpokher	Uttar Dinajpur	20,74,637.05	20,75,137.48	500.43
(94)	Goti	Uttar Dinajpur	21,82,197.00	21,81,997.00	200.00
(95)	Itahar	Uttar Dinajpur	26,26,291.13	26,24,380.93	1,910.20
(96)	Jaingaon	Uttar Dinajpur	7,17,279.09	7,17,174.09	105.00
(97)	Khagore	Uttar Dinajpur	5,57,112.50	5,56,188.50	924.00
(98)	Marnai	Uttar Dinajpur	34,13,420.00	34,28,420.00	15,000.00
(99)	Mustafanagar	Uttar Dinajpur	32,71,396.27	31,55,174.74	28.00
(100)	Panjiaara	Uttar Dinajpur	13,90,949.15	14,01,332.15	383.00
(101)	Pokharia	Uttar Dinajpur	32,53,079.46	32,53,279.30	199.84
(102)	Sonapur	Uttar Dinajpur	25,56,728.00	25,90,189.00	33,461.00
Total			12,63,01,871.61	12,72,38,038.27	26,70,927.55

Note: The difference mentioned in column 6 excludes the reconciled amount, wherever applicable.

Appendix - XI
(Reference: Paragraph 2.6.2)

**(1) Discrepancy between Cash Book and Pass Book remaining
unreconciled at the end of 2004-05 (in respect of PSs)**

Sl. No.	Name of PSs	Controlling ZP/District	Amount as per Cash Book (In Rupees)	Amount as per Pass Book (In Rupees)	Difference remaining unreconciled (In Rupees)
(1)	Burdwan-II	Bardhaman	60,20,878.48	76,66,585.00	16,45,706.52
(2)	Shyampur-II	Howrah	83,20,236.79	1,14,08,621.23	30,88,384.44
(3)	Kaliganj	Nadia	1,77,92,298.00	1,92,56,905.60	14,64,607.60
(4)	Deganga	South 24 Parganas	1,05,06,162.54	15,37,622.44	48,61,459.90
(5)	Sonarpur	South 24 Parganas	1,83,02,682.64	2,29,24,433.29	2,57,789.65
Total			6,09,42,258.45	6,27,94,167.56	1,13,17,948.11

Note: The difference mentioned in column 6 excludes the reconciled amount, wherever applicable.

**(2) Discrepancy between Cash Book and Pass Book remaining
unreconciled at the end of 2005-06 (in respect of PSs)**

Sl. No.	Name of PSs	Controlling ZP/District	Amount as per Cash Book (In Rupees)	Amount as per Pass Book (In Rupees)	Difference remaining unreconciled (In Rupees)
(1)	Andal	Bardhaman	1,29,29,179.71	1,52,00,483.11	639.40
(2)	Monteswari	Bardhaman	87,52,332.00	97,17,520.07	9,65,188.07
(3)	Salanpur	Bardhaman	1,13,16,272.29	1,47,28,264.46	6,158.68
(4)	Bagnan-I	Howrah	74,12,012.92	79,97,702.92	5,85,690.00
(5)	Jagat Ballavpur	Howrah	98,43,736.00	93,75,797.00	4,67,938.75
(6)	Panchla	Howrah	94,22,043.00	1,32,86,768.24	38,64,725.24
(7)	Sankrail	Howrah	2,00,43,133.72	23,28,0612.17	1,06,241.17
(8)	Domkal	Murshidabad	1,95,91,153.00	1,70,13,382.44	25,77,770.56
(9)	Jalangi	Murshidabad	1,11,32,581.00	91,00,848.00	9,401.00
(10)	Suti-II	Murshidabad	93,64,434.93	94,00,404.93	35,970.00
(11)	Amdanga	North 24 Parganas	95,89,750.31	33,89,803.49	3,69,224.90
(12)	Baduria	North 24 Parganas	1,79,45,505.43	1,92,25,352.19	12,79,846.76
(13)	Barasat -II	North 24 Parganas	1,61,31,100.31	2,02,67,004.33	41,35,304.20
(14)	Barasat-I	North 24 Parganas	1,14,03,112.69	1,38,06,555.20	24,03,443.00
(15)	Barrackpore-I	North 24 Parganas	47,26,894.01	1,42,44,573.22	87,84,569.00
(16)	Barrackpore-II	North 24 Parganas	1,46,78,933.56	1,80,68,986.06	33,90,022.50
(17)	Hingalganj	North 24 Parganas	10,70,0497.00	1,23,88,478.84	16,87,981.84
(18)	Swarupnagar	North 24 Parganas	3,50,70,887.42	2,52,88,523.93	97,82,363.49

(19)	Binpur-II	Paschim Medinipur	4,30,56,576.09	4,51,28,496.87	20,71,921.00
(20)	Chandrakona-I	Paschim Medinipur	1,70,52,090.36	1,84,22,471.54	13,70,381.18
(21)	Garbeta-III	Paschim Medinipur	1,97,61,456.33	1,93,91,141.33	3,70,315.00
(22)	Gopiballavpur-II	Paschim Medinipur	2,38,52,417.85	2,64,27,099.12	25,74,681.27
(23)	Kharagpur II	Paschim Medinipur	2,24,15,063.08	2,26,26,985.27	2,11,922.19
(24)	Narayangarh	Paschim Medinipur	3,18,60,800.00	4,01,18,648.74	82,57,849.00
(25)	Nayagram	Paschim Medinipur	5,26,56,808.19	5,12,80,786.19	1,13,76,022.00
(26)	Sankrail	Paschim Medinipur	3,14,26,525.90	3,17,69,683.00	3,43,157.10
(27)	Mahishadal	Purba Medinipur	66,09,035.25	50,88,614.25	16,00,278.00
(28)	Nandigram-I	Purba Medinipur	1,36,56,658.26	1,31,60,739.99	4,59,918.27
(29)	Sutahata	Purba Medinipur	1,21,73,644.16	1,01,15,896.16	12,11,669.00
(30)	Basanti	South 24 Parganas	2,89,18,220.61	2,81,07,028.83	71,414.00
(31)	Bhangar-I	South 24 Parganas	1,80,00,888.00	1,86,85,534.00	20,482.41
(32)	Canning-I	South 24 Parganas	2,17,05,442.69	2,29,02,268.93	12,26,979.24
(33)	Canning-II	South 24 Parganas	2,37,88,423.00	2,70,79,061.92	32,90,638.92
(34)	Diamond-Harbour-I	South 24 Parganas	1,09,47,184.78	1,03,72,981.78	57,42,03.00
(35)	Joynagar II	South 24 Parganas	2,10,42,200.23	2,07,38,666.56	3,03,533.67
(36)	Kakdwip	South 24 Parganas	2,24,72,218.42	1,86,26,179.63	38,46,038.79
(37)	Kultali	South 24 Parganas	1,81,00,379.72	1,78,72,025.19	1,51,080.53
(38)	Sandeshkhali-I	South 24 Parganas	1,76,91,067.97	1,50,82,437.31	2,60,23,360.66
(39)	Thakurpukur-Maheshtala	South 24 Parganas	1,61,46,160.41	1,77,99,602.99	16,53,442.58
Total			71,33,86,820.60	73,65,77,410.20	10,74,61,766.37

Note: The difference mentioned in column 6 excludes the reconciled amount, wherever applicable.

Appendix - XII
(Reference: Paragraph 2.7)

Position of revenue outstanding at the end of 2005-06

(Rupees in lakh)

Sl. No.	Controlling ZP/District	No of GPs	Total cumulative demand	Total cumulative collection	Total unrealised amount
(1)	Bankura	187	262.10	81.88	180.22
(2)	Bardhaman	265	935.18	281.08	654.10
(3)	Birbhum	167	448.70	131.64	317.06
(4)	Coochbehar	110	321.12	41.32	279.80
(5)	Dakshin Dinajpur	64	162.60	42.88	119.72
(6)	Darjeeling	126	221.17	80.60	140.57
(7)	Hooghly	222	523.80	217.38	306.42
(8)	Howrah	155	395.35	125.45	269.90
(9)	Jalpaiguri	142	475.89	121.20	354.69
(10)	Malda	145	289.64	105.91	183.73
(11)	Murshidabad	253	503.26	128.08	375.18
(12)	Nadia	185	605.45	159.61	445.84
(13)	North 24 Parganas	193	680.20	182.82	497.38
(14)	Paschim Medinipur	283	679.55	226.10	453.45
(15)	Purba Medinipur	219	333.51	115.78	217.73
(16)	Purulia	49	65.50	4.61	60.89
(17)	South 24 Parganas	313	870.79	184.01	686.78
(18)	Uttar Dinajpur	95	295.08	37.16	257.92
Total		3,173	8,068.89	2,267.51	5,801.38

Appendix-XIII
(Reference: Paragraph 2.8.1)

Number of GPs that failed to maintain important records as at the end of 2005-06

Sl. No.	Name of Register/Book	Total number of GPs that failed to maintain the record		
		Under Jalpaiguri Division	Under Bardhaman Division	Under Presidency Division
(1)	Demand and Collection Register	116	268	224
(2)	Appropriation Register	202	241	204
(3)	General Dead Stock Register	38	76	52
(4)	Allotment Register	227	407	327
(5)	Works Register	330	565	472
(6)	Measurement Book	3	6	4
(7)	Asset Register	155	340	305
(8)	Store Account Register	41	99	65
(9)	Advance Register	235	408	434

Appendix-XIV

(Reference: Paragraph 2.8.2)

Number of PSs that failed to maintain important records as at the end of 2004-05 to 2005-06

Sl. No.	Name of Register/Book	Total number of PSs that failed to maintain the record	
		Under Bardhaman Division	Under Presidency Division
(1)	Demand and Collection Register	32	38
(2)	Appropriation Register	12	32
(3)	Asset Register	29	24
(4)	Annual Accounts	8	10
(5)	Advance Register	10	15
(6)	Unpaid Bill Register	19	23
(7)	Stock Register	13	14
(8)	Works/Scheme Register	15	20
(9)	Deposit Ledger	21	22
(10)	Investment Register	6	11
(11)	General Ledger	11	14
(12)	Liquid Cash Book	16	20
(13)	Establishment Check Register	11	15
(14)	Adjustment Register	3	4
(15)	Register of Movable/Immovable Properties	18	20
(16)	Allotment Register	-	1

Appendix-XV

(Reference: Paragraph 2.8.2)

Number of ZPs that failed to maintain important records as at the end of 2005-06

Sl. No.	Name of Register/Book	Total number of ZPs that failed to maintain the record		
		Under Jalpaiguri Division	Under Bardhaman Division	Under Presidency Division
(1)	Demand and Collection Register	-	2	3
(2)	Appropriation Register	1	3	-
(3)	Asset Register	1	2	1
(4)	Advance Register	-	3	1
(5)	Stock Register	-	1	-
(6)	Works/Scheme Register	2	2	1
(7)	Deposit Ledger	-	2	-
(8)	Register of Land and Properties	1	1	2
(9)	Unpaid Bill	-	1	-
(10)	Establishment Check Register	1	-	-
(11)	Investment Register	1	-	1

Appendix-XVI
(Reference: Paragraph 2.9.1)

Number of GPs where no Internal Audit was conducted during 2005-06

Sl. No.	Controlling ZP/District	Total number of GPs under each ZP/District	Total number of GPs audited under each ZP/District	Number of GPs where no internal audit was conducted	Percentage of total number of GPs where no internal audit was conducted
(a)	(b)	(c)	(d)	(e)	(f) = e/d x 100
(1)	Bankura	190	190	53	28
(2)	Bardhaman	277	277	82	30
(3)	Birbhum	167	167	69	41
(4)	Coochbehar	128	128	63	49
(5)	Dakshin Dinajpur	65	65	41	63
(6)	Darjeeling	134	133	21	16
(7)	Hooghly	210	210	89	42
(8)	Howrah	157	156	39	25
(9)	Jalpaiguri	146	146	63	43
(10)	Malda	146	145	75	52
(11)	Murshidabad	254	254	158	62
(12)	Nadia	187	186	39	21
(13)	North 24 Parganas	200	200	75	38
(14)	Paschim Medinipur	290	289	115	40
(15)	Purba Medinipur	223	223	143	64
(16)	Purulia	170	170	43	25
(17)	South 24 Parganas	312	312	223	71
(18)	Uttar Dinajpur	98	98	61	62
Total		3,354	3,349	1,452	

Appendix-XVII

(Reference: Paragraph 2.9.2)

Number of PSs where no Internal Audit was conducted during 2004-05 and 2005-06

Sl. No.	Controlling ZP/District	Number of PSs where no internal audit was conducted	
		2004-05	2005-06
(1)	South 24 Parganas	22	22
(2)	Murshidabad	9	10
(3)	Birbhum	4	4
(4)	Paschim Medinipur	25	25
(5)	Howrah	11	11
(6)	North 24 Parganas	11	11
(7)	Purba Medinipur	6	6
(8)	Nadia	13	13
(9)	Bardhaman	23	23
Total		124	125

Appendix-XVIII
(Reference: Paragraph 3.1.1)

No. of GPs which did not prepare annual action plan (AAP) under IAY during 2005-06

Sl. No.	Controlling ZP/District	No. of GPs which did not prepare annual action plan, in violation of the scheme provision	Amount spent on works outside AAP (Rs. in lakh)
(1)	Bankura	55	68.46
(2)	Birbhum	46	212.86
(3)	Bardhaman	40	53.17
(4)	Coochbehar	24	87.41
(5)	Dakshin Dinajpur	32	109.18
(6)	Darjeeling	12	13.47
(7)	Hooghly	41	102.75
(8)	Howrah	34	37.13
(9)	Jalpaiguri	19	82.16
(10)	Malda	42	124.75
(11)	Murshidabad	62	98.46
(12)	Nadia	30	32.46
(13)	North 24 Parganas	41	61.64
(14)	Paschim Medinipur	70	89.89
(15)	Purba Medinipur	55	141.97
(16)	Purulia	61	78.47
(17)	South 24 Parganas	89	122.35
(18)	Uttar Dinajpur	19	36.58
Total		772	1,553.16

Appendix-XIX

(Reference: Paragraph 3.1.2)

Amount of assistance given to families during 2005-06 not selected from BPL list

Sl. No.	No. of GPs	Controlling ZP/District	Amount of assistance given (Rs. in lakh)
(1)	118	Bankura	61.16
(2)	187	Bardhaman	252.31
(3)	124	Birbhum	232.14
(4)	38	Coochbehar	95.65
(5)	25	Dakshin Dinajpur	27.08
(6)	50	Darjeeling	64.04
(7)	106	Hooghly	61.18
(8)	70	Howrah	40.39
(9)	60	Jalpaiguri	199.00
(10)	59	Malda	40.50
(11)	102	Murshidabad	70.21
(12)	77	Nadia	75.47
(13)	81	North 24 Parganas	89.19
(14)	137	Paschim Medinipur	139.50
(15)	101	Purba Medinipur	218.68
(16)	94	Purulia	58.58
(17)	162	South 24 Parganas	135.41
(18)	31	Uttar Dinajpur	39.30
	1,622	Total	1,899.79

Appendix-XX
(Reference: Paragraph 3.1.3)

Irregular conferment of ownership of huts solely on male members during 2005-06

Sl. No.	No. of GPs	Controlling ZP/District	No. of cases where ownership conferred solely on male members	Amount of expenditure incurred on construction/upgradation of huts (Rs. in lakh)
(1)	149	Bankura	1,921	336.86
(2)	215	Bardhaman	1,440	306.35
(3)	153	Birbhum	2,180	362.38
(4)	130	Coochbehar	3,547	538.82
(5)	59	Dakshin Dinajpur	1,626	251.76
(6)	66	Darjeeling	482	78.25
(7)	167	Hooghly	1,763	308.41
(8)	110	Howrah	840	151.21
(9)	139	Jalpaiguri	4,075	558.79
(10)	119	Malda	1,888	26.03
(11)	129	Murshidabad	826	138.36
(12)	120	Nadia	1,529	282.58
(13)	133	North 24 Parganas	1,602	306.85
(14)	183	Paschim Medinipur	1,413	249.72
(15)	156	Purba Medinipur	1,670	319.47
(16)	119	Purulia	1,165	104.89
(17)	247	South 24 Parganas	2,672	473.37
(18)	90	Uttar Dinajpur	2,378	333.36
	2,484	Total	33,017	5,127.46

Appendix-XXI

(Reference: Paragraph 3.1.4)

Expenditure incurred during 2005-06 on construction/up-gradation of huts for beneficiaries having no proof of land ownership

Sl. No.	No. of GPs	Controlling ZP/District	No. of cases where ownership of land not proved	Amount of expenditure incurred on construction/up-gradation of huts for beneficiaries having no proof of land ownership (Rs. in lakh)
(1)	10	Bankura	177	28.03
(2)	41	Bardhaman	1,031	200.53
(3)	27	Birbhum	433	77.70
(4)	39	Coochbehar	2,182	324.69
(5)	11	Dakshin Dinajpur	497	72.11
(6)	21	Darjeeling	283	43.78
(7)	6	Hooghly	152	32.66
(8)	14	Howrah	68	19.04
(9)	50	Jalpaiguri	4,173	586.29
(10)	6	Malda	276	43.03
(11)	18	Murshidabad	140	25.59
(12)	5	Nadia	35	6.29
(13)	4	North 24 Parganas	122	75.23
(14)	19	Paschim Medinipur	472	69.94
(15)	12	Purba Medinipur	184	31.30
(16)	30	Purulia	770	73.84
(17)	29	South 24 Parganas	507	101.22
(18)	17	Uttar Dinajpur	696	106.59
	359	Total	12,198	1,917.86

Appendix-XXII

(Reference: Paragraph 3.1.5)

**No. of cases where construction of sanitary latrines/smokeless chullahs were
excluded from construction package during 2005-06**

Sl. No.	Controlling ZP/District	Non-construction of Sanitary Latrine		Non-construction of Smokeless Chullah		Assistance given to the beneficiaries (Rs. in lakh)
		No. of cases	no. of GPs	No. of cases	no. of GPs	
(1)	Bankura	2,701	92	3,298	105	606.67
(2)	Birbhum	4,750	110	5,105	141	888.19
(3)	Bardhaman	5,921	195	6,212	205	1,240.51
(4)	Coochbehar	4,142	68	4,971	81	786.70
(5)	Dakshin Dinajpur	1,881	36	1,914	37	300.12
(6)	Darjeeling	1,227	66	1,485	75	280.99
(7)	Hooghly	3,326	97	4,467	132	934.70
(8)	Howrah	1,549	81	2,199	107	400.45
(9)	Jalpaiguri	9,104	105	9,415	109	1,373.67
(10)	Malda	3,733	84	4,821	108	679.15
(11)	Murshidabad	3,039	112	4,152	157	727.84
(12)	Nadia	3,586	123	3,640	126	712.72
(13)	North 24 Parganas	4,519	111	4,694	115	907.51
(14)	Paschim Medinipur	4,425	165	5,054	187	898.65
(15)	Purba Medinipur	3,405	90	4,516	114	800.31
(16)	Purulia	4,050	125	4,136	127	393.19
(17)	South 24 Parganas	3,897	151	4,916	177	910.76
(18)	Uttar Dinajpur	2,338	41	4,187	62	596.04
Total		67,593	1,852	79,182	2,165	13,438.17

Appendix-XXIII
(Reference: Paragraph 3.2.1)

Number of GPs which did not prepare annual action plan (AAP) during 2005-06 under SGRY

Sl. No	Controlling ZP/District	No. of GPs which did not prepare AAP, in violation of the scheme provision	Amount spent on works outside AAP (Rs. in lakh)
(1)	Bankura	99	206.29
(2)	Bardhaman	60	67.64
(3)	Birbhum	70	367.13
(4)	Coochbehar	44	330.98
(5)	Dakshin Dinajpur	39	272.62
(6)	Darjeeling	46	76.56
(7)	Hooghly	92	254.01
(8)	Howrah	84	83.38
(9)	Jalpaiguri	72	527.82
(10)	Malda	68	81.16
(11)	Murshidabad	118	137.06
(12)	Nadia	74	79.03
(13)	North 24 Parganas	69	121.65
(14)	Paschim Medinipur	132	197.64
(15)	Purba Medinipur	115	190.00
(16)	Purulia	81	383.10
(17)	South 24 Parganas	179	251.94
(18)	Uttar Dinajpur	39	127.22
Total		1,481	3,755.23

Appendix-XXIV

(Reference: Paragraph 3.2.1)

**Name of PSs which did not prepare annual action plan (AAP)
under SGRY during 2004-05 to 2005-06**

Sl. No.	Name of PSs	Controlling ZP/District	Amount spent on works outside AAP (Rs. in lakh)	
			2004-05	2005-06
(1)	Barabani	Bardhaman	11.64	19.43
(2)	Raina-I		17.65	8.31
(3)	Raniganj		16.96	
(4)	Khandaghosh		34.99	20.14
(5)	Karimpur-I	Nadia	7.33	
(6)	Krishnanagar		10.94	
(7)	Raghunathganj-I	Murshidabad	18.07	14.23
(8)	Raghunathganj-II		2.32	0.45
(9)	Suti-II		14.54	5.58
(10)	Kultali	South 24 Parganas	39.14	21.99
(11)	Mathurapur-I		17.20	
(12)	Nalhati-II	Birbhum	22.19	
(13)	Nalhati-I		12.63	82.97
(14)	Nandigram-II	Purba Medinipur	8.27	
(15)	Binpur-I	Paschim Medinipur	76.05	26.49
(16)	Murarai-I	Birbhum	68.33	
Total			577.84	

Appendix-XXV

(Reference: Paragraph 3.2.2)

Number of GPs where percentage of employment opportunities provided to women ranged from zero to 20 during 2005-06

Sl. No.	Range	No. of GPs	Controlling ZP/District
(1)	0-5 per cent	7	Bankura
		64	Bardhaman
		66	Birbhum
		10	Coochbehar
		17	Dakshin Dinajpur
		5	Darjeeling
		81	Hooghly
		132	Howrah
		10	Jalpaiguri
		85	Malda
		184	Murshidabad
		145	Nadia
		156	North 24 Parganas
		46	Paschim Medinipur
		153	Purba Medinipur
		8	Purulia
		210	South 24 Parganas
		19	Uttar Dinajpur
(2)	6-10 per cent	5	Bankura
		30	Bardhaman
		11	Birbhum
		22	Coochbehar
		12	Dakshin Dinajpur
		6	Darjeeling
		19	Hooghly
		4	Howrah
		11	Jalpaiguri
		9	Malda
		5	Murshidabad
		10	Nadia
		4	North 24 Parganas
		17	Paschim Medinipur
		18	Purba Medinipur
9	South 24 Parganas		
18	Uttar Dinajpur		

continued...

(3)	11-15 per cent	10	Bankura
		33	Bardhaman
		21	Birbhum
		17	Coochbehar
		6	Dakshin Dinajpur
		12	Darjeeling
		18	Hooghly
		1	Howrah
		16	Jalpaiguri
		8	Malda
		5	Murshidabad
		5	Nadia
		2	North 24 Parganas
		22	Paschim Medinipur
		9	Purba Medinipur
		4	Purulia
		3	South 24 Parganas
		12	Uttar Dinajpur
(4)	16-20 per cent	20	Bankura
		24	Bardhaman
		16	Birbhum
		15	Coochbehar
		10	Dakshin Dinajpur
		11	Darjeeling
		10	Hooghly
		11	Jalpaiguri
		8	Malda
		3	Murshidabad
		4	Nadia
		8	North 24 Parganas
		27	Paschim Medinipur
		3	Purba Medinipur
		3	Purulia
1	South 24 Parganas		
13	Uttar Dinajpur		
Total		1,999	

Appendix-XXVI

(Reference: Paragraph 3.2.2)

Number of PSs where percentage of employment opportunities provided to women ranged from zero to 20 during 2004-05 to 2005-06

Sl. No.	Range	No. of PSs		Controlling ZP/District
		2004-05	2005-06	
(1)	0-5 per cent	4	4	Paschim Medinipur
		3	3	Bardhaman
		2	2	Purba Medinipur
		4	4	Murshidabad
		1	1	Howrah
		1	1	Birbhum
		11	11	South 24 Parganas
		3	3	North 24 Parganas
		8	8	Nadia
(2)	15-20 per cent	1	1	Bardhaman
Total		38	38	

Appendix-XXVII

(Reference: Paragraph 3.2.3)

**Name of PSs that incurred expenditure on maintenance of public assets,
in excess of the permissible limit, during 2004-05 to 2005-06**

Sl. No.	Name of PSs	Controlling ZP/District	Total expenditure incurred in excess of permissible limit (Rs. in lakh)		Amount of permissible limit (15%) (Rs. in lakh)	
			2004-05	2005-06	2004-05	2005-06
(1)	Haringhata	Nadia	85.06		19.93	
(2)	Diamond Harbour-I	South 24 Parganas	3.58		0.53	
(3)	Raghunathganj-I	Murshidabad	2.52	1.19	4.72	4.46
(4)	Deshpran	Purba Medinipur	7.92	7.76	5.65	6.46
(5)	Uluberia-I	Howrah	57.28		12.27	
(6)	Uluberia-II	Howrah	70.17		13.49	
(7)	Domkal	Howrah	20.73		7.23	
(8)	Mohanpur	Paschim Medinipur	57.66		15.44	
(9)	Sabang	Paschim Medinipur	8.82	44.32	1.32	10.07
(10)	Khandaghosh	Bardhaman	12.55	4.01	5.70	7.51
(11)	Barasat-I	North 24 Parganas	74.79		15.20	
(12)	Barasat-II	North 24 Parganas	35.72		9.39	
(13)	Murarai-I	Birbhum	6.17	17.92	6.16	5.59
Total			518.17		151.12	

Appendix-XXVIII

(Reference: Paragraph 3.2.4)

Name of PSs that incurred expenditure towards execution of works engaging contractors during 2004-05 to 2005-06

Sl. No.	Name of PSs	Controlling ZP/District	Total Expenditure incurred in engagement of contractors (Rs. in lakh)	
			2004-05	2005-06
(1)	Murarai-I	Birbhum	3.34	
(2)	Nalhati-I	Birbhum	18.40	
(3)	Domkal	Murshidabad	12.84	16.05
(4)	Hariharpara	Murshidabad	6.45	4.07
(5)	Barrackpore-II	North 24 Parganas	41.21	
(6)	Keshiary	Paschim Medinipur	0.91	
(7)	Chandrakona-I	Paschim Medinipur	17.86	
(8)	Mahishadal	Purba Medinipur	10.62	
(9)	Garbeta-I	Purba Medinipur	4.32	
(10)	Tamluk	Purba Medinipur	1.68	
(11)	Monteswar	Bardhaman	3.34	
(12)	Raniganj	Bardhaman	9.46	
(13)	Barabani	Bardhaman	11.64	19.43
Total			181.62	