

CHAPTER 1

AN OVERVIEW OF THE PANCHAYATI RAJ INSTITUTIONS

Chapter-1

An Overview of the Panchayati Raj Institutions (PRIs)

1.1 PRIs in West Bengal

Article 243 B of the Constitution envisages formation of Panchayats at village level, intermediate level and district level of a State. Prior to that the West Bengal Panchayat Act, 1973 was enacted to reorganize Panchayats in rural areas of West Bengal and to provide for matters connected therewith. The Act described the broad aspects of duties, powers and functions of three tier Panchayati Raj Institutions (PRIs) in West Bengal. **As on 01.4.2012, the state has 3351 Gram Panchayats (GPs) at the village level, 341 Panchayat Samitis (PSs) at intermediate level between the district and village level, 17 Zilla Parishads (ZPs) and one Mahakuma Parishad (MP) for Siliguri Sub-Division at District level** covering an area of 86,152 sq. km (97.07 per cent of total area of 88,752 sq. km of the state) inhabited by 6.22 crore (68 per cent of total population of the state).

1.2 Power & Functions and Organisational structure of the PRIs

Article 243G and 243H of the constitution of India directed the PRIs the following powers, authority and responsibilities:

- Preparation of plan for economic development and social justice;
- Implementation of schemes for economic development and social justice as may be entrusted to it in relation to the matters listed in the Eleventh Schedule of the Constitution; and
- Powers to impose taxes by and funds of the Panchayats.

Besides, Section 19 to 34, 109 to 118 and 153 to 165 of the West Bengal Panchayat Act, 1973 described the nature of powers and duties to be performed by the GPs, PSs and ZPs respectively.

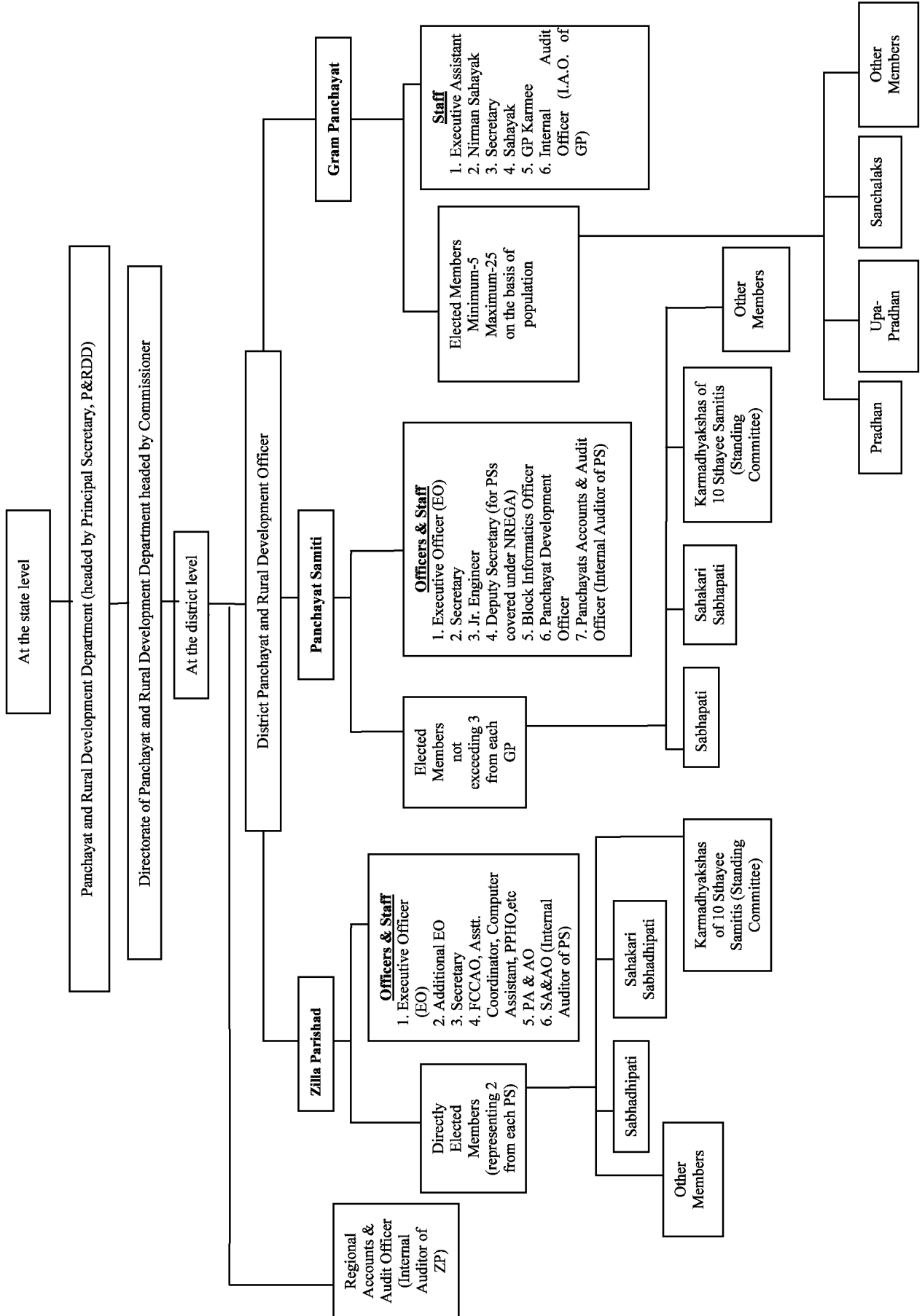
The Act envisages the functioning of the PRIs through functional Standing Committees called *Sthayee Samitis* (for ZPs and PSs) and *Upa-Samitis* (for GPs) having elected representatives and officials concerned as members. The constitution of the committees is given below:

Table 1.1

Level of PRIs	Chief elected executive	Standing Committee
ZPs and PSs	<i>Karmadhyaksha</i>	<p>(i) <i>Artha, Sanstha, Unnayan O Parikalpana</i> (Finance, Establishment, Development and Planning).</p> <p>(ii) <i>Janasasthya O Paribesh</i> (Public Health and Environment).</p> <p>(iii) <i>Purta Karya O Paribahan</i> (Public Works and Transport).</p> <p>(iv) <i>Krishi Sech O Samabaya</i> (Agriculture, Irrigation and Co-operative).</p> <p>(v) <i>Shiksha, Sanskriti, Tathya O Krira</i> (Education, Culture, Information and Sports).</p> <p>(vi) <i>Sishu O Nari Unnayan, Janakalayan O Tran</i> (Children and Women's Development, Social Welfare and Relief).</p> <p>(vii) <i>Bon O Bhumi Sanskar</i> (Forest and Land Reforms).</p> <p>(viii) <i>Matsya O Prani Sampad Bikash</i> (Fishery and Animal Resource Development).</p> <p>(ix) <i>Khadya O Sarbaraha</i> (Food and Supplies).</p> <p>(x) <i>Khudra Shilpa, Bidyut O Achiracharit Shakti</i> (Small Industries, Power and Non-conventional Energy Sources).</p>
GPs	<i>Sanchalak</i>	<p>i) <i>Artho O Parikalpana</i> (Finance and Planning)</p> <p>ii) <i>Krishi O Pranisampad Bikas</i> (Agriculture and Animal Resource Development)</p> <p>iii) <i>Siksha O Janasasthya</i> (Education and Public Health)</p> <p>iv) <i>Nari O Sishu Unnayan, O Samajkalayan</i> (Women's and Children Development, Social Welfare).</p> <p>v) <i>Shilpa O Parikatham</i> (Industry and Infrastructure)</p>

(Source: The West Bengal Panchayat Act, 1973)

The detail organizational set up of the Panchayati Raj system in West Bengal is shown in the flow chart:



1.3 Devolution of functions

Article 243 G of the Constitution provides for devolution of powers and responsibilities by the State Government to the Panchayats in preparation and implementation of plans for economic development and social justice including implementation of schemes relating to 29 subjects¹ listed in the 11th Schedule of the Constitution. Accordingly, the State Legislature inserted Sections 207 A and 207 B in the West Bengal Panchayat Act, 1973 in 1992 and 1994 respectively for placement of officers and employees at the disposal of PRIs and the transfer of such powers, functions and duties are exercised, performed and discharged by the State Government.

The transfer of 28 functions excluding the technical and vocational education was completed through Activity Mapping exercise in November 2005, July 2006 and October 2007.

1.4 Flow of funds

The State Government provides financial support to the PRIs to meet their administrative expenditure on account of establishment cost and for discharging responsibilities entrusted with these bodies. Funds for meeting establishment cost including salary and pension of the employees of Panchayat Bodies are provided out of budget of the Panchayat and Rural Development Department (P & RDD). The major sources of funds available to the PRIs are schematic released by both the Central Government and State Government through State budget and also funds directly released to the PRIs through West Bengal State Rural Development Agency (WBSRDA) of the P&RDD.

The ZPs and PSs deposit state funds in the Treasury in Deposit Account (head “8448-Local Fund Deposit Account, 109-Panchayat Bodies”) that is operated as non-interest bearing bank account and centrally sponsored scheme funds are deposited in Savings Account as per the guidelines of the respective schemes.

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.

The GP keeps the Panchayat Fund in one or more than one savings account maintained with any one or more branches of a nearby nationalized bank or any other scheduled bank or licensed Co-operative Bank or Post Office or any two or more of them. A fund-flow statement as per general procedure is given in **Appendix-I**.

1.5 Accounting procedure of PRIs

PRIs maintain their account as per the formats prescribed in the West Bengal Panchayat Act, 1973 and Rules framed thereunder. The accounts are maintained in cash basis double entry system. Accounts are generated through two softwares namely Integrated Fund Monitoring and Accounting System (IFMAS) for ZP and PS and Gram Panchayat Management System (GPMS) for GP level.

In pursuance of Model Accounting System (MAS) for Panchayats prescribed by Ministry of Panchayati Raj, GOI in consultation with the Comptroller and Auditor General for exercising proper control and securing better accountability, the State Government intimated (May 2011) that they had prepared a coding structure comprising of three tier Budget Head for receipt of Grants-in-aid and four tier Budget Head for expenditure in consistent with MAS after minor modifications. The Finance Department of the State approved the codification structure. In March 2012, the P&RDD issued order instructing all PRIs that the accounts maintained by PRIs should be consistent with MAS with effect from 01.04.2011 and eight database formats were also to be generated as prescribed in the MAS.

When enquired about the position of implementation of MAS, the department intimated (June 2012) that in order to generate the required reports from the existing softwares, accounting software was being modified.

1.6.1 State Budget allocation vis-à-vis actual release made

Funds are allocated to PRIs under three broad heads viz (i) Salary and Allowances Grant, (ii) Schematic Fund and (iii) Other Grants. Salary and Allowances Grant and Other Grants are released by the State Government through State Budget and Schematic Fund is released by GOI and the State Government through State Budget and also by WBSRDA cell of the P&RDD.

The details of state budget allocation, actual release and shortfall in release are detailed below:

Table 1.2

(₹ in crore)

Year	State Budget Allocation			Actual Released out of state budget	Short release	% shortfall	Utilisation out of state budget allocation		Percentage of utilisation
	Plan	Non-plan	Total				Plan	Non-plan	
2007-08	1,562.58	601.35	2,163.93	1,880.77	283.16	13	619.81	360.91	52
2008-09	1,478.00	570.07	2,048.07	1,830.89	217.19	11	1,126.04	561.85	92
2009-10	2,002.73	749.61	2,752.34	2,780.09	00	00	1,784.04	861.16	95
2010-11	2,356.60	1,182.24	3,538.84	2,763.59	775.25	22	1,718.38	642.01	85
2011-12	2,412.10	1,231.73	3,643.83	3,374.92	268.91	7	2,179.82	945.88	93
Total	9,812.01	4,335.00	14,147.01	12,630.26	1,544.51	11	7,428.09	3,371.81	86

(Source: Panchayat & Rural Development Department)

Thus, it would be seen from the above that (i) there was a short release of ₹ 1,544.51 crore to PRIs against the provision made in the budget by the P&RDD during 2007-12 and shortfall was 11 *per cent* of budget allocation, ranging from seven to 22 *per cent* except during 2009-10 where there was no shortfall; and (ii) utilisation was 86 *per cent* of actual release out of state budget allocation.

1.6.2 Financial position of PRIs

(a) The position of grants received by the PRIs during the last five years according to source is as follows:

Table 1.3

(₹ in crore)

Year	Fund released through State Budget		Central Fund directly to PRIs	Grand Total of grants received from Central and State Govts.	Fund received from Own Source	Total receipt	Percentage of grants received			
	Central fund	State fund					Central		State	Own Source
							Directly to PRIs	Through State budget		
2007-08	729.09	1151.68	1349.66	3230.43	112.84	3343.27	40	22	35	3
2008-09	699.02	1131.87	1604.83	3435.72	130.97	3566.69	44	20	32	4
2009-10	1021.79	1758.30	2530.13	5310.22	159.32	5469.54	46	19	32	3
2010-11	797.55	1966.04	2972.44	5736.03	82.75	5818.78	51	14	34	1
2011-12	1157.17	2184.23	3539.34	6880.74	Not furnished	-	-	-	-	-

(Source: Panchayat & Rural Development Department)

It would be evident from the above table that the PRIs were mostly dependent on government grants especially on Central assistance which ranged between 40 and 51 *per cent* while contribution of state grant ranged between 14 and 22 *per cent* during 2007-11. Own fund constituted only one to four *per cent* of total receipts during 2007-11 and own funds position for the year 2011-12 was not made available to audit. Percentage of receipt from own fund decreased by two *per cent* during 2010-11 in comparison to 2007-08.

(b) Financial position of the ZPs, PSs and GPs are depicted in **Appendix-II**.

It was noticed from records of the P&RDD that (i) expenditure under Plan and Non Plan head during 2011-12 increased by 32 and 48 *per cent* respectively in comparison to 2010-11; (ii) total receipts and expenditure under schematic fund increased by 133 *per cent* and 130 *per cent* respectively during 2011-12 in comparison to 2009-10; (iii) GPs received majority (67 to 84 *per cent*) of the total schematic allocation for PRIs during 2009-10 to 2011-12; and (iv) the Central and State Finance Commission emphasized on radical improvement in collection of Own Source Revenue (OSR). But OSR constitutes only three and one *per cent* of total receipts of the PRIs during 2009-10 and 2010-11 respectively. Thus, OSR during 2010-11 decreased by two *per cent* in comparison to 2009-10. Moreover, the P&RDD, administrative department of PRIs, had no information on expenditure out of OSR of three tiers of PRIs during 2007-08 to 2010-11 and also information regarding both receipt and expenditure during 2011-12.

1.7 Thirteenth Finance Commission Grants

Grants as per recommendations of Thirteenth Finance Commission (13th FC) should be spent on maintenance of existing assets only and not for creation of new asset. Besides, maintenance work relating to the assets owned by the PRIs could be taken up under the 13th FC Grants.

The details of release and utilisation of 13th FC during 2010-12 are detailed below:

Table 1.4

(₹ in crore)

Year	Amount released from GOI	Amount released to PRIs		Utilisation by PRIs		Expenditure towards basic amenities by			Percentage of expenditure incurred by PRIs	
		General basic grants	Special area basic grants	General basic grants	Special area basic grants	ZPs	PSs	GPs	General basic grants	Special area basic grants
2010-11	192.93	192.93	0.80	110.21	0	37.14	13.55	59.52	57	0
2011-12	429.86	430.68	1.60	321.57	NA	77.03	47.59	196.95	75	0
Total	622.79	623.61	2.4	431.78	NA	114.17	61.14	256.47	69	0

(Source: Panchayat & Rural Development Department)

Thus, PRIs have utilised only 69 per cent of the available fund under General Basic Grants and nil under Special Area Basic during 2010-11.

Details of sector wise expenditure are tabled below:

Table 1.5

(₹ in crore)

Sl. No	Sector	Fund released			Expenditure		
		ZP	PS	GP	ZP	PS	GP
1	Safe drinking water supply			33.51	0.85	0.08	3.09
2	Maintenance of PMGSY/RIDF roads	41.08			NA	NA	NA
3	Recruitment of staffs				0.02	0.01	0.46
4	Maintenance of water resources				NA	NA	NA
5	Maintenance of e-governance system				1.06	1.74	5.49
6	Basic amenities				NA	NA	NA
7	Others				75.09	45.76	187.90

(Source: Panchayat & Rural Development Department)

It is evident from the above table that PRIs spent ₹ 4.02 crore during 2011-12 towards safe drinking water supply which is only 12 per cent of the fund earmarked (₹ 33.51 crore) for the purpose. Out of the funds allocated under 13th FC, an amount of ₹ 82.16 crore has been estimated to be the requirement for maintenance of roads constructed under PMGSY/RIDF. Fifty per cent of that amount was earmarked and placed at ZP level, but no fund was utilised during 2011-12 against allocation of ₹ 41.08 crore. Moreover, it was stipulated in the guideline that 5 per cent of the available funds at each tier of

PRI has to be earmarked for maintenance of the e-governance system but no fund was earmarked under this sector.

1.8 Sectoral Analysis

Sector-wise receipt and expenditure under schematic fund like education, rural housing, poverty alleviation and health & family welfare for the past four years as obtained from the records of the P&RDD are as follows:

Table 1.6

(₹ in crore)

Name of sector	2007-08		2008-09		2009-10		2010-11		2011-12	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
Poverty alleviation	1,190.48	1,177.58 (55%)	1,104.94	1,016.71 (40%)	2,137.50	2,347.59 (55%)	2,629.13	2,741.88 (63%)	3,027.21	3,166.61 (62%)
Social Security	351.71	323.09 (15%)	503.78	481.03 (19%)	745.47	678.33 (16%)	753.73	475.12 (11%)	910.09	792.67 (15%)
Health & Family welfare	120.25	46.58 (2%)	51.59	13.17 (0.5%)	46.75	110.74 (3%)	113.27	0.00	0.97	NA
Backward area development	266.35	127.04 (6%)	183.00	125.20 (5%)	242.18	104.10 (25)	216.03	208.75 (5%)	251.45	229.22 (4%)
Development of natural resources	1.51	7.68 (0.4%)	15.75	1.97 (0.1%)	13.67	7.72 (0.2%)	2.75	0.00	1.65	3.17 (0.06%)
Rural Development	73.57	73.31 (3%)	91.17	90.05 (4%)	87.27	93.84 (2%)	141.01	141.01 (3%)	945.05	NA
Rural roads	5.94	5.94 (0.3%)	5.99	5.67 (0.2%)	8.80	8.80 (0.2%)	7.45	0.00	823.90	NA
Rural Housing	344.24	269.83 (13%)	702.92	701.97 (28%)	863.49	891.65 (21%)	791.45	796.83 (18%)	860.43	926.13 (18%)
Education	106.59	106.59 (5%)	90.76	90.75 (4%)	37.51	37.50 (0.9%)	7.50	0.00	60.00	NA
Other sectors	0.17	-	0.16	0.91 (0.04%)	0.1	0.10	0.34	0.00	0.00	0.00
Total	2,460.81	2,137.64	2,750.06	2,527.43	4,182.74	4,280.37	4,662.66	4,363.59	6,880.75	5,117.80

(Source: Panchayat & Rural Development Department)

It can be seen from the above table that,

(a) Poverty alleviation was the thrust area in PRIs. Most of the schematic funds were expended on this sector. Expenditure incurred under this sector ranged between 40 and 63 per cent of total schematic expenditure during 2007-08 to 2011-12;

(b) Receipt and expenditure under social security sector increased by 159 *per cent* and 145 *per cent* respectively during 2011-12 in comparison to 2007-08;

(c) During 2007-12, PRIs expended ₹ 794.31 crore towards backward area development work by utilising Backward Region Grant Fund (BRGF) against receipt of ₹ 1159.01 crore ; and

(d) Receipt and expenditure under rural housing sector increased by 150 *per cent* and 243 *per cent* respectively during 2011-12 in comparison to 2007-08.

1.9 Working of District Planning Committee

Article 243ZD of the Constitution envisaged that every State should constitute a District Planning Committee (DPC) at district level to consolidate the plans prepared by the Panchayats and Municipalities in the district and to prepare draft development plan for the district as a whole. Further DPC should consider matters of common interest including spatial planning, sharing of water and other physical and natural resources, integrated development of infrastructure, environmental conservation and Chairperson of every district should forward the development plan as recommended by such Committee to the State Government.

The districts in the State were requested (May 2012) to furnish detail workings of DPCs during 2011-12. Only seven districts² have furnished details **while remaining districts did not respond inspite of a reminder in July 2012**. However, the working of seven DPCs is given below:

1.9.1 Functioning of DPC

Section 3 of the West Bengal District Planning Committee Act, 1994 provides that the State Government shall constitute a DPC in every district. Details of DPCs' formation and functioning in seven districts are given below:

² South 24 Parganas, Birbhum, Murshidabad, Bankura, Hooghly, Dakshin Dinajpur and Nadia.

Table 1.7

Name of the District	Date of formation of DPC	Date of functioning of DPC
Bankura	May 1985	May 1985
Birbhum	October 1995	October 1995
Dakshin Dinajpur	October 1995	October 1995
Hooghly	August 1996	November 1996
Murshidabad	December 2008	December 2008
Nadia	September 2008	September 2008
South 24 Parganas	January 2009	February 2009

(Source: Replies of DPCs of districts)

It is evident from the above that DPC was formed in six districts with a delay of one to 15 years after passing the act.

1.9.2 Constitution of DPC

The State Government determines the number of members of DPC which shall be equal to the sum total of the number of constituencies of the ZP for that district and one-fourth of that number provided (a) number of constituencies between 48 and 80 will have 60 members in the DPC and (b) if it is more than 80, the number of members will be 100. Eighty *per cent* members of the DPC will be elected by and from the elected members of the ZP and municipalities and 20 *per cent* will be appointed by the State Government.

In Birbhum District, out of 43 members in the DPC there were only two appointed members in lieu of prescribed eight members. In Murshidabad District number of elected and appointed members as per prescribed rules are 48 and 12 respectively, but the actually existing members are 12 and 44 respectively. In other five districts, prescribed percentage has been maintained in respect of number of appointed and elected members of DPC.

1.9.3 Meeting of DPC

In Bankura, Dakshin Dinajpur and South 24 Parganas districts, only one DPC meeting was held between April 2011 and March 2012. In Murshidabad and Birbhum districts two DPC meetings were held during that period. Hooghly District did not have any DPC meeting during 2011-12. Nadia District stated that one meeting was conducted between July 2011 and July 2012.

1.9.4 Preparation of Draft Development Plan (DDP)

All seven districts reported that, the DPC integrates the plan prepared by all the three tiers of Panchayats along with the plans prepared by the District Urban Committee and the Line Departments.

District Plan prepared by DPC is to be sent to the Development & Planning Department, Government of West Bengal for the preparation of State Plan. The DDP for the year 2011-12 in Birbhum and Hooghly districts were accepted in August 2011 and February 2012 respectively after a delay of five to 11 months from the schedule date of acceptance (March 2011). The districts explained that the delay occurred due to General Election 2011, non-submission of draft plans by Line Departments/ Zilla Parishads etc.

South 24 Parganas District has forwarded the DDP of 2012-13 to State Government in June 2012.

It is evident that the DDP had little or no impact as State Plan was prepared well in advance before the start of financial year.

1.9.5 Assistance of technical experts and their responsibilities

South 24 Parganas and Hooghly districts reported that they had no team of technical experts to assist the DPC members for preparation of DDP. In Murshidabad and Nadia districts, a technical team assisted DPC members in compilation, preparation and further transmission of Annual Plan. Dakshin Dinajpur district appointed a Kolkata based NGO for preparation of preparatory plan, compilation of GP and PS level plans.

1.9.6 Fund sanctioned, released and utilisation

Bankura, Birbhum, Murshidabad, Hooghly districts prepared DDPs with an outlay of ₹ 198.56 crore, ₹ 947.46 crore, ₹ 413.43 crore, ₹ 367.49 crore respectively during 2011-12 and DDP of South 24 Parganas District for the year 2012-13 has an outlay of ₹ 557.83 crore. No information regarding amount sanctioned against DDP, release of funds and utilisation of funds were furnished by the DPC of Murshidabad, South 24 Parganas and Hooghly districts. Birbhum and Dakshin Dinajpur districts stated that there was no allocation against DP while Bankura District stated that amount was not

sanctioned in regular manner and no fund was utilised on the basis of Annual Plan.

1.9.7 Achievement

None of the seven districts furnished any data regarding target and achievement of funds under various schemes during 2007-08 and 2011-12. In reply they stated that funds were not received as per plan outlay, hence target and achievement could not be maintained.

1.9.8 Monitoring

Monitoring arrangement for implementation of various schemes in different districts as reported by the DPCs of seven districts is given below:

Table 1.8

Name of the districts	Monitoring arrangement
Bankura	DPC meeting and field level visit by District & Block level officials
Birbhum	Respective department/section were responsible, DPC had no role due to infrastructural inadequacy.
Dakshin Dinajpur	District Level Monitoring Committee and District level Officer
Hooghly	Does not arise as no fund was sanctioned against DP
Murshidabad	Monthly review meeting held at ZP
Nadia	Three tier monitoring arrangement at District, Sub-division and Block level
South 24 Parganas	i) Development Monitoring Committee meetings at District, Sub-division and Block level; ii) Review meetings iii) Meetings of Standing Committees/ Sub-committees etc. iv) Report return v) Field visit

(Source: Replies of DPCs of districts)

11 out of 18 districts failed to furnish details of DPC. In respect of seven districts which furnished information about DPC, functioning of DPC could not be ensured due to absence of information regarding flow of funds, achievement against target etc.

1.10 State Finance Commission Grants

The Third State Finance Commission, constituted in February 2006, recommended allocation of ₹ 800 crore, constituting around 5 per cent of the state's own net tax revenue, to PRIs and ULBs in the ratio of 76:24 respectively for the year 2008-09 with the progressive increase of the allocation at the minimum rate of 12 per cent per annum on a cumulative basis for the year 2009-10 to 2012-13. The Government accepted the

recommendation in July 2009 and started releasing grants from 2009-10 onwards.

The actual release under SFC to the PRIs during 2009-10 to 2011-12 is shown below:

Table 1.9

(₹ in crore)

Year	Tax Revenue of the State Government	Recommended by SFC for PRIs & ULBs	Recommended by SFC for PRIs (76% of PRI & ULBs)	Actual released under SFC	Shortfall	Utilisation (%)
2009-10	16,899.98	800	608	236.50	371.50	180.67 (76%)
2010-11	21,128.74	896	680.96	301.80	379.16	61.64 (20%)
2011-12	24,938.16	1003.52	762.28	252.47	509.81	268.31 (106%)
Total	62,966.88	2699.52	2051.24	790.77	1260.47	510.62 (64%)

(Source: Panchayat & Rural Development Department)

It is evident from the above table that the State Government released only ₹ 790.77 crore against ₹ 2051.24 crore recommended for three years i.e 2009-10 to 2011-12. Instead of any progressive increase of 12 *per cent* per annum, release during 2011-12 decreased from the year 2010-11.

1.11 Audit mandate for PRIs

Examiner of Local Accounts (ELA), West Bengal has been appointed as Auditor under Section 186 of the West Bengal Panchayat Act, 1973 to examine and audit *cent per cent* accounts of funds of ZPs, PSs and GPs, vide Government Order no. 21590-Panch/3A-17/78 dated 03.09.1980 (for ZPs and PSs) and notification no. 1149/PN/O/I/3C-2/2000 (Pt. II) dated 28.03.2003 (for GPs).

1.12 Audit Coverage

Accounts of 17 ZPs, one MP, 142 PSs and 3,215 GPs for the year 2010-11 were audited during 2011-12. Audit of 134 GPs of Darjeeling District remained unaudited since 2007-08 due to non-receipt of clearance from the P&RDD. Audit of accounts of one GP each from South 24 Parganas and Howrah districts could not be taken up during 2011-12 due to seizure/ non-availability of records, political disturbances etc. The audit findings are discussed in the succeeding Chapters.

1.13 Response to Audit Reports

In terms of Section 191(A) of the West Bengal Panchayat Act, 1973, the report of the ELA on PRIs shall be laid before the State Legislature and in terms of sub-rule 4A of Rule 310 ZG of the Rules of Procedure and Conduct of Business in the West Bengal Legislative Assembly, matters relating to scrutinising the Report of the ELA on PRIs have been entrusted to the Standing Committee on Panchayats and Rural Development, Land & Land Reforms and Sundarban Development, West Bengal Legislative Assembly. Accordingly, Reports of the ELA on PRIs from the years ending 2004 to 2009 were laid before the State Legislature and the Standing Committee had considered all the Reports as of March 2012. Seven recommendations have been made in respect of Audit Report 2009 (in July 2012). Since, August 2007 i.e the month of laying of Report for the year ending 31 March 2004, 25 recommendations have been received in respect of five Audit Reports (up to Audit Report 2008) but no action taken notes has been received till August 2012.

1.14 Pending Audit Observations of Inspection Reports

Section 191 (1) of the Act envisages that within two months from the receipt of the Inspection Report (IR), the GP, PS or ZP concerned shall, at a meeting, remedy any defect or irregularity pointed out in the IR and shall also inform the auditor of the action taken by it.

The following table indicates position of IRs and paragraphs pending for settlement, as on 30 June 2012.

Table 1.10

(₹ in crore)

Category of PRIs	IRs are pending for settlement		No. of paras contained in the IRs awaiting settlement		Money value	
	More than 5 years	Less than 5 years	More than 5 years	Less than 5 years	More than 5 years	Less than 5 years
ZPs	32	100	107	832	154.6514	884.6986
PSs	366	844	366	4508	188.439	465.221613
GPs		1,06,041		1,06,041		NA

(Source: Objection Book of the office)

An Audit Committee comprising the Principal Secretary/Secretary of the P&RDD, representatives of the Finance Department and the ELA was formed for settlement of outstanding IRs. Three meetings were held by the Audit Committee in during April 2011 to July 2012 during which 249 paras were discussed but broad sheet replies along with comments of Sub-divisional officer / District Magistrate Commissioner, with supporting documents had not been received (August 2012). As a result, final decision on those outstanding paras is still pending.