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ANNUAL TECHNICAL INSPECTION REPORT ON PANCHAYATI RAJ INSTITUTIONS

GOVERNMENT OF ORISSA

In terms of the Technical Guidance and Supervision (TGS) by the Comptroller and Auditor General of India

FOR THE YEAR ENDED 31 MARCH 2007

Office of the Principal Accountant General (Civil Audit)
ORISSA, BHUBANESWAR



REPORT (PAC)

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PREFACE

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

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

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

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

This Report contains three chapters. Chapter I contains an overview of the PRIs in Orissa and comments on accounts. Chapter II deals with the observations on transactions noticed in audit of PRIs. Chapter III deals with the devolution of powers.

The cases mentioned in the Report are those, which came to notice during the course of audit of accounts conducted during the year 2007-08 in respect of transactions pertaining to 2006-07.

OVERVIEW

OVERVIEW

This report includes three chapters. Chapter I deals with an overview of the Panchayati Raj Department containing the organizational set-up, accounting and auditing arrangements of PRIs and audit coverage including seven paragraphs on the comments on accounts. Chapter II comprises 21 paragraphs containing the audit findings on the financial transactions of the PRIs. Chapter III deals with the Devolution of powers to the PRIs including conclusions and recommendations. A summary of audit findings is given as under: -

Statutory audit of PRIs by the DLFA is not being done regularly and effectively. No separate committee of legislation has been constituted to examine audit reports of Local Bodies. **(Paragraph 1.7)**

Inadmissible expenditure of Rs.5.65 crore under TFC grants towards construction of CC roads **(Paragraph 1.11.1)**

Irregular utilisaion of TFC grants of Rs.3.98 crore for payment of remuneration to the computer programmers and RWSS staff. **(Paragraph 1.11.2)**

47.15 *per cent* of the total funds available with PRIs were unutilized (Rs.292.25 crore). **(Paragraph 1.13.1)**

Non-reconciliation of cash book and Bank balances and deficiencies in maintenance of cash book in PRIs. **(Paragraph 1.13.2 & 1.13.6)**

Non-preparation of Budget Estimates, Annual Accounts and Database on finances in prescribed formats. **(Paragraph 1.13.7)**

Scheme funds of Rs.4.19 crore were diverted for other purposes. **(Paragraph 2.3)**

CHAPTER- I

CHAPTER-I

AN OVERVIEW OF THE PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

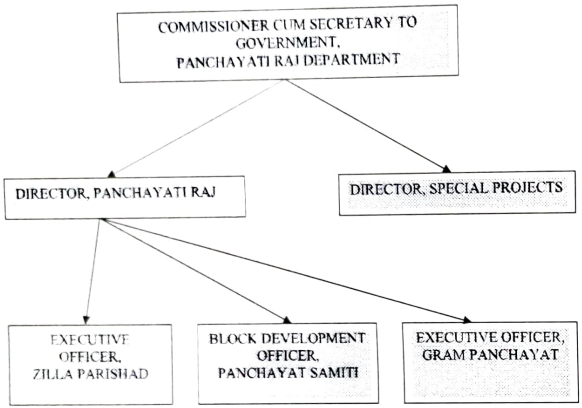
The Panchayati Raj Institutions in the State of Orissa are regulated by the Gram Panchayat Act (1964), Panchayat Samiti Act (1959) and the Zilla Parishad Act (1991). Consequent upon enactment of 73rd constitutional Amendment Act, 1992 suitable amendments to the above Acts were made incorporating provisions for decentralization of powers for strengthening the three tiers of local bodies at the District, Block and Village levels. At present, 30 Zilla Parishads (ZPs), 314 Panchayat Samitis (PSs) and 6234 Gram Panchayats (GPs) are functioning in Orissa. The last election to the PRIs was held in February 2007.

The Eleventh Finance Commission (EFC) recommended that the C&AG should be entrusted with the responsibility of exercising control and supervision over the proper maintenance of accounts and audit of all the three-tiers of PRIs. Accordingly, the State Government has entrusted responsibility for providing Technical Guidance and Supervision (TGS) to the C & AG and also entrusted audit of 20 *per cent* of GPs (September 2003) and PSs (May 2004) to the C & AG of India under section 20(1) of the DPC Act. Presently audit of all PSs and ZPs is being conducted under section 14 of the CAG's (DPC) Act.

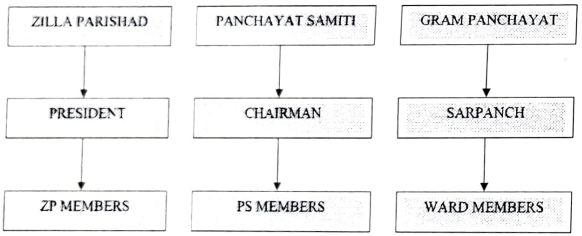
1.2 Organizational Set up

The Panchayati Raj Istitutions (PRIs) function under the administrative control of the Panchayati Raj (PR) Department headed by the Commissioner-Cum- Secretary and assisted by the Director (PR) and the Director (Special Projects) at the State level.

The organizational set-up of the PRIs is as follows: -



The Elected Body set-up of the PRIs is as follows: -



The State has 30 districts and each district has a Zilla Parishad. The ZP is controlled by an elected body headed by a President, who is elected from among the elected representatives of the ZP. The Collector is designated as the Chief Executive Officer (CEO). Under the CEO, one Executive Officer (EO) discharges day-to-day administrative functions of the ZP.

The PS functioning at the Block level is controlled by an elected body headed by a Chairman duly elected from among elected representatives of the block and the Block Development Officer (BDO) is the executive head.

At the GP level, the elected members headed by a Sarpanch constituted the GP. The State Government by legislation has declared the Village Level Worker (VLW) as the Executive Officer entrusted with general superintendence and overall control of the GP who discharges his duties under the supervision of the District Panchayat Officer (DPO).

1.3 Sources of Funds

The main source of revenue/income for PRIs in the State are funds devolved by Government of India (GOI) under the various centrally sponsored scheme (CSS), Grants received from State Government besides grants recommended by Eleventh Finance Commission (EFC) & Twelfth Finance Commission (TFC) for specific purposes. Based on the recommendations of State Finance Commission (SFC) the State Government released grants for various purposes. In addition PRIs are also mobilizing resources from own sources such as taxes, rents, licence fees etc. The receipt and expenditure position of the PRIs for the last three years is as follows: -

(Rupees in crore)

GRANTS	**RECEIPTS**		
	2004-05	**2005-06**	**2006-07**
Central grants	696.06	1051.69	1120.50
State grants	179.20	189.28	309.32
EFC Grants	-		
TFC Grants	-	-	345.76 (including receipt in 2005-06)
Own revenue	-	-	-
Loans	-	-	-
Others	-	-	-
TOTAL	**875.26**	**1240.97**	**1775.58**
	EXPENDITURE		
	802.04	1296.04	1541.42 (including the expenditure made during 2005-06 on TFC grants)
BALANCE	**73.22**	**(-) 55.07**	**234.16**

The percentage of Central share to total receipt of the PRIs was 78.54, 84.74 and 63.10 for the years 2004-05, 2005-06 and 2006-07 respectively. As per the information furnished by the State Government none of the GPs collected tax or non-tax revenue despite enabling provisions in the GP Act. As far as PS and ZPs are concerned taxation powers are not conformed on them by the respective legislations. As such PRIs at all levels are completely dependent on Central and State assistance for their requirements of functions.

1.4 Flow of Funds

The Central Finance Commission Grants are being released to the PRIs by the State Government on receipt of the same from GOI and based on utilisation. Funds earmarked for various centrally sponsored programmes viz, SGRY, SGSY, IAY etc are released to the PRIs through the DRDAs based on approved action plans. Apart from direct release of funds to PRIs for utilization, various Government Departments (line departments) also execute certain schemes/programmes after approval of the PRIs concerned in respect of functions transferred to PRIs under devolution of powers.

1.5 Functioning of PRIs

The PRIs execute various functions entrusted to them through seven Standing Committees, constituted for the proposes viz,

- Planning, Finance, Anti- poverty Programme and Co-ordination,
- Agriculture, Animal Husbandry, Soil Conservation, Horticulture, etc.
- Works, Irrigation, Electricity, Water Supply, etc.
- Health, Social Welfare, etc.
- Public Distribution System, Welfare of the Weaker Section, etc.
- Handicrafts, Cottage Industry, Khadi and Village Industries, etc.
- Education, Sports and Culture.

The overall monitoring and review of the programmes are conducted at the state level by the State Level Vigilance & Monitoring Committee (SLVMC) and at the district level by the District Monitoring and Vigilance Committees (DMVC). The SLVMC is constituted under the chairmanship of the Hon'ble Minister, Rural Development with three Co-Chairman and twenty nine members as detailed in **(Appendix-I)**. In case of DMVC the District

Collector is the Chairman, with one or two Assistant Engineers, one or two Junior Engineers from Public works or Rural Development Department, Superintendent of District Local fund Audit Offices and one Officer in charge of public grievances nominated by the collector as the members.

1.6 Accounts

The Executive Officer is responsible for maintenance of various books of accounts and annual financial statements in ZPs, and the Block Development Officer (BDO) in PS prepares and maintains the accounts with the assistance of Accountants. In case of GPs, the Executive officer/Secretary maintains the accounts. The annual accounts of PRIs also have to be prepared in the prescribed forms.

1.7 Audit

The Examiner Local Fund Audit (ELFA) is the statutory Auditor of PRIs in the State. The ELFA conducts audit of PSs and GPs through District Audit Officers, Audit Superintendents and Auditors. The LFA has not taken up audit of the accounts of ZPs since inception, though it was entrusted to the LFA vide Orissa Zilla Parishad (Amendment) Act 2000. The audit of PSs and GPs was being carried out regularly by ELFA. The audit of 2698 GPs and 16 PSs accounts by the ELFA was pending as on 31.03.2007.

The C & AG conducted audit of ZPs and PSs under section 14 of the CAG's DPC Act. Audit of 20 per cent of GPs and PS is also entrusted to the C & AG of India under section 20 (1) of the C&AG's (DPC) Act, 1971. Apart from that, C & A G has to provide TGS to Government in maintenance of accounts and conduct of audit. After the completion of audit of PRIs under section 14/20(1) of the DPC Act, an Annual Technical Inspection Report (ATIR) was issued to the Government for the year 2005-06. Though EFC recommended for the creation of a separate committee of legislation to examine the audit report of Local Bodies, the same has not been constituted so far.

1.8 Audit Coverage

The audit of PRIs are being conducted as per an approved audit plan. Accordingly audit of 30 ZPs, 314 PSs and 1256 GPs was planned for the year 2006-07 and the audit of the accounts of 29 ZPs, 265 PSs and 1056 GPs pertaining to the year 2006-07 was conducted during 2007-08.

1.9 Internal Audit

There is no system of internal audit in PRIs. However a vogue internal audit wing is functioning under the Panchayati Raj Department for audit of the PRIs. But the Internal Audit could not cover the audit of the PRIs due to shortage of staff. However Audit is conducted on special occasions on requisition made by the PRIs only, or whenever circumstances warrant.

1.10 Pendency of Audit objections of C & A G.

As regards the pendency of Audit objections raised by the C & A G of India in respect of PRIs total no of 10055 paras reported through 1184 Inspection Reports pertaining to the period from 1990-91 to 2005-07 were issued by Senior Deputy Accountant General LB A&A, Orissa which are pending for settlement as of March 2007. In respect of GPs 1488 IRs were issued containing 17427 paras pertaining to the years 2005-06 & 2006-07.

1.11Comments on release and utilization of TFC grants

The details of year wise receipt, release and utilization of TFC grants is indicated in the following table: -

(Rupees in Crore)

Year	Receipt from GOI	Release by State Government	Amount utilized	Balance
2005-06	160.60	160.60	146.11	14.49
2006-07	160.60	160.60	144.75	15.85
Total	**321.20**	**321.20**	**290.86**	**30.34**

On a detailed audit of utilization of TFC grants the following observations are made: -

1.11.1 Inadmissible expenditure of Rs.5.65 crore under TFC grants

As per para 3.1 (Xii) of Twelfth Finance Commission (TFC) guidelines, the PRIs should be encouraged to take over the assets relating to water supply and sanitation and utilize the grants for their repair/rejuvenation and also the O & M cost of water supply.

Accordingly an amount of Rs.288.16 crore was sanctioned by the Government to the ZPs for the years 2005-07 with the directions to transfer the grants to the G Ps for O & M costs of water supply and sanitation only.

Test check of records of 171 GPs revealed that out of Rs.11.82 crore released to them, Rs.5.65 crore was utilized for construction of Cement Concrete (CC) roads in violation of the Government sanction orders specifying that the grants was meant for O & M costs of water supply and sanitation. Thus utilization of TFC grants for construction of CC roads was done in clear violation of TFC guidelines.

On this being pointed out in audit the GPs replied that as per the approval of action plan by the ZPs, the works were executed. The replies were not justifiable since the works executed were not as per provisions contained in TFC guidelines.

1.11.2 Non-creation of Database for maintenance of accounts & irregular utilization of TFC grants

Ministry of Finance in their Para 2.2 of the guidelines stipulated that Director Local Fund Audit or authority prescribed for conducting audit of Local bodies shall be responsible for the task of creation of database to be collected and compiled in format prescribed by C & A G of India. C & A G circulated data formats (August 2005) which were supplied to State Government in September 2006. Since then nothing was heard from State Government about acceptance of these or otherwise, and the status of implementation.

The State Government received Rs.29.35 crore being the total amount due to 6234 GPs and released the entire amount to the ZP, Khurda for onward distribution to GPS for the said purpose (March 2006) with the instructions that the funds shall be kept in PL Account of Project Director, DRDA and shall not be utilized until detailed directions from Government were issued. However, Rs.32.00 lakh was sanctioned from the PL Accounts towards remuneration of Computer Programmers only in two occasions. Thereafter no direction was issued by the Government for creation of database for maintenance of accounts and the balance amount of Rs.29.03 crore was still lying in the PL Accounts of PD, DRDA, Khurda.

Further Government of Orissa has sanctioned Rs.3.86 crore out of TFC grants meant for improvement in the service delivery by the Panchayats in respect of water supply and sanitation purpose for payment of remuneration of the Computer Programmers (Rs.5000/- per month) working in 30 DRDAs and 314 Blocks for the period from April 2005 to March 2007.

It was further seen in five test checked PSs **(Appendix-II)** that Rs.11.83 lakh was utilized towards payment of salaries of the Rural Water Supply and Sanitation (RWSS) staff during 2006-07 out of TFC grants in violation of TFC guidelines.

The remuneration of the programmers and the salaries of RWSS staff were to be met by the Government from its own funds, instead, it was paid out of TFC grants resulting in irregular utilization of the grants.

On this being pointed out in audit the PRIs stated that as per sanction of Government the payments were made. The replies were not justifiable since the funds were meant for water supply, sanitation and creation of database and not for payment of salary to the staff.

1.12Creation of District Planning Committees

The State Government enacted Orissa District Planning Committee (DPC) Act, 1998 for setting up of District Planning Committees to consolidate the plans submitted by the PRIs and Urban Local Bodies (ULBs) and prepare integrated draft development plan for the district as a whole. The Committee was also assigned the powers to review the implementation of the developmental programmes by the Local Bodies (LBs). Elected members of PRIs and ULBs in the district were to fill up 80 *per cent* members of the committee and the rest 20 *per cent* members were to be nominated by the Government. The EFC devolved the LBs with powers for preparation of plans for economic development and social justice and implementations of need based developmental schemes for enabling them to function as institutions of self-government. The Draft District Development Plan was required to be forwarded by the Chair Person of the DPCs to State Government for approval. Despite the formation of the DPCs since 2001-02, they were not yet made functional due to absence of technical support teams and secretariat support staff for monitoring and implementation of plans even after a decade of enactment of the Act. No consolidation of ULB plan and preparation of draft development plan was done. However, Government (Planning and Coordination department) stated (May 2008) that 23 technical support institutions (TSI) were selected and assigned to different districts for preparation of district plans for the year 2008-09 as per the directives of the Planning Commission and the TSIs were to report as per directions of Planning and Co-ordination Department and district plan 2008-09 was to be placed before DPCs by August 2008.

Test check of units by audit revealed that LBs formulated action plans for some individual schemes as a stand-alone process without having any linkage to the holistic development of the area. It lacked objectivity and vision for empowerment of Local bodies as envisaged in the Constitutional Amendment Act. Information on consolidated LB wise details of resource availability including activity wise planning of own funds, GIA, special grants, GOI and State plan funds and position of assets and liabilities were not available either in LBs concerned or centrally at district /State level.

COMMENTS ON ACCOUNTS

1.13 COMMENTS ON ACCOUNTS

1.13.1 Non-utilization of Funds.

Test check of closing balances lying in the accounts of 344 PRIs for the year ended 31 March 2007 revealed that, substantial amounts received for implementation of different schemes were not utilized within the period specified as detailed under: -

(Rs in crore)

Name of the PRIs	No of PRIs	Opening balance	Receipt	Total	Expenditure	Balance
Zilla Parishad	009	012.34	028.44	040.78	034.40	006.38
Panchayat Samiti	085	227.19	304.92	532.11	262.45	269.66
Gram Panchayat	250	014.99	031.92	046.91	030.70	016.21
Total	**344**	**254.52**	**365.28**	**619.80**	**327.55**	**292.25**

The un-utilized amount of Rs.292.25 crore constituted 47.15 *per cent* of the total funds available with the PRIs for the year 2006-07. Details of irregularities noticed in test audit of expenditure are given in paras below. Poor utilization of funds indicated lack of appropriate planning and delays in execution of schemes/programmes through regular monitoring and evaluation.

1.13.2 Non-reconciliation of cash balances

Funds received in respect of CSS were kept in nationalised Bank accounts by PSs. In order to ensure accuracy of the accounts, reconciliation of balances between the cash book and bank pass book should have to be made regularly.

During the audit of PSs, audit noticed that in 13 PSs, difference of Rs.9.39 crore **(Appendix-III)** between Cash Books and Bank pass books balances remained unreconciled as of 31 March 2007. In the absence of reconciliation of cash balances, authenticity of accounts of these local bodies could not be vouch safed.

1.13.3 Non production of vouchers –Rs.1.72 crore

During test check of records in one ZP, 12 PSs and 17 GPs the vouchers in support of the expenditure of Rs.1.72 crore **(Appendix-IV)** could not be shown to audit for check.

In the absence of the supporting vouchers the genuineness of the expenditure could not be vouched.

On this being pointed out in audit the casual reply "that the same will be shown to next audit" was given by the PRIs. But the replies were not acceptable since without supporting vouchers the authenticity of expenditure was not ensured.

1.13.4 Non preparation of Budget Estimates

As per Rule 98(1) of the Gram Panchayats Act, Rule 24(1) of the Panchayat Samiti Act and Rule 12(1) of the Zilla Parishad Act the GP, PS and ZP respectively shall in each year prepare and place before the Grama Sabha, Panchayat Samiti and Parishad for its consideration a budget estimate showing the probable receipts and expenditures for the following year and submit the budget to the respective elected body for its approval.

Test check of 40 PRIs (04 ZPs, 20 PSs and 16 GPs) revealed that none of the PRIs has prepared the budget estimates. The State Government is releasing grants-in-aid o PRIs simply based on Annual Action plan submitted by the PRIs and not based on the Budget Estimates and the expenditures of the PRIs are not subjected to any budget control.

In absence of the Budget Estimates the probable receipts and expenditures for the following year could not be known to the PRIs.

1.13.5 Non-preparation of Annual Accounts

As per Rule 159 of the Gram Panchayat Act, Rule 30 of Orissa Panchayat Samiti Act and Rule 16 of the Zilla Parishad Act, the Annual Accounts of the GP, PS and ZP respectively shall be maintained and published in the prescribed manner indicating the total receipts and payments during the year under different head with opening and closing balances.

Scrutiny of records of three ZPs, 19 PSs and 21 GPs revealed that the Annual Accounts showing the total receipts and payments were not prepared by any of the units. Due to non-maintenance of accounts, the actual position of income and expenditure could not be verified and financial control is completely missing in PRIs.

1.13.6 Deficiencies in the maintenance of Cash Books

Audit of cash books of PRIs revealed that maintenance of cash book suffered from the following serious limitations: -

- Physical verification of cash was not conducted.
- Heavy cash balances in excess of the prescribed limits and not required for immediate purposes were kept in hand.
- A consolidated Cash Book showing the overall receipt and disbursement of cash of each PS is not maintained despite operation of more than one cash book.
- Monthly analysis of closing cash balances was not made.
- Expenditures was booked under items of works for which no provision existed.
- Interest earned in the Bank Pass Book was not regularly accounted in the Cash Book.

1.13.7 Non maintenance of accounts

With a view to adopt uniform procedure for maintenance of accounts of PRIs, the Government issued instructions (April 2004) to maintain accounts in the formats prescribed by the C&AG of India in respect of Panchayat Samitis, such as Annual receipt and payments accounts, Capital expenditure accounts, Statement of receivable and payables, Register for monthly receipts and payments, Monthly reconciliation statement, Accounts of movable and immovable property, Stock accounts, etc, but none of the PSs are preparing the annual accounts in the new formats. Though the matter has been brought out by Inspection Reports of PRIs, no action has been taken by the Government till date to compile the accounts in the revised formats. As far as ZPs and GPs are concerned the new form of accounts prescribed by C & AG has not been accepted by Government for adoption. They are not preparing their annuals accounts even in the old forms prescribed in the Act and Rules.

In addition to the above, the C & AG also prescribed formats for creation of Database on Finances of PRIs as recommendation of EFC/TFC. The simplified version of the formats was adapted in the Panchayat Samitis and Zilla Parishads and not adapted in Gram Panchayats.

CHAPTER- II

RESULTS OF AUDIT

CHAPTER-II

2. RESULTS OF AUDIT

2.1 Idling of funds – Rs 82.03 Lakh

The funds earmarked for Centrally Sponsored Schemes by GOI viz. IAY, SGRY, SGSY, JGSY etc and the State matching share where ever applicable allotted by the State Government were received at the first instance by the PD, DRDA/ZPs and these funds were allotted to the PRIs of each district based on the norms fixed in the respective guidelines for various developmental projects.

Besides, the State Government also released funds to the ZPs for various State sponsored schemes like Rural Connectivity Programme (RCP), Rural Housing Scheme (RHS), Krushaka Kalyan Karyakram (KKK) and Centrally sponsored schemes like Jawahar Gramin Swarojgar Yojana (JGSY), Million Well Scheme (MWS) etc through annual budget provisions. Finance Commission grants were also received by PRIs through the State Government. Generally entire funds allotted have to be utilized in the same financial year for the purposes envisaged.

Test check of five ZPs revealed that a total amount of Rs.82.03 lakh **(Appendix-V)** received for further disbursement to the Executing Agencies (PSs & GPs) for its utilisation under different schemes like RCP, TFC, PRI TRAINING, RHS, KKK, MWS, BIOGAS etc. remained undisbursed to the concerned agencies though many of these schemes were discontinued/closed. It was also ascertained in audit that non-release of funds by ZPs during the period of operation defeated the very purpose of the project denying the benefits to the beneficiaries. As the schemes were closed/defunct, the amounts lying with the ZPs were to be either refunded to the Government or should be utilized for the other projects after approval from government. But no attempt was made for utilization of these funds resulting in idling of funds.

On this being pointed out in audit, no specific replies were furnished by the ZPs.

2.2 Advances lying unadjusted- Rs 35.57 crore

As per Rule 41 of Panchayat Samiti Accounting Procedure Rules, 2002 advances made to the individuals/contractors/suppliers for various purposes should be regularly and promptly adjusted. Apart from that Panchayati Raj Department, Government of Orissa instructed (December 2002) all the BDOs to adjust the outstanding advances within one month or otherwise treat the same as temporary misappropriation of fund warranting initiation of disciplinary proceedings/criminal proceeding in appropriate cases. On test check of records of 56 PSs it was noticed that, advances to the tune of Rs.35.57 crore sanctioned as advances to various agencies remained unadjusted (**Appendix-VI**).

In certain cases advances remained outstanding for the periods ranging from twenty eight to forty four years. However no effort was made to conduct age wise and party wise analysis of advances for its early adjustment. As some advances are pending for a long time the possibility of recovery is remote and may lead ultimately to loss of Local Bodies concerned.

On this being pointed out in audit the PSs stated (April 2007 - January 2008) that advances would be adjusted at the earliest. But the replies are not justifiable since the PSs have not taken any efforts for the settlement of advances till date.

2.3 Diversion of funds- Rs 4.19 crore

Both GOI and the State Government guidelines invariably stipulate that funds released for a particular scheme shall not be diverted for any other purpose.

In contravention of the above stipulations, Rs 4.19 crore of scheme funds have been diverted during 2004-07 in 20 PS and 13 GPs (**Appendix-VII**) for expenditure on other schemes due to non release of funds in time by the State Government for implementation of developmental schemes.

On this being pointed out in audit no specific replies were furnished by the PRIs.

2.4 Misappropriation of Rs.1,35,548/-

Audit noticed following cases of misappropriation in 4 PRIs: -

(1) In Reamal Panchayat Samiti (Deogarh District) it was seen that an amount of Rs.10,000/- withdrawn from Union Bank of India, Reamal Branch by self cheque (July 2006) by the BDO was not accounted for in the cash book till the date of audit (November 2007). No specific explanation was offered by the BDO.

(2) In Bargarh PS (Bargargh district) an amount of Rs.19748/- received towards the costs of cement and House License Fees during 2004-05 by the Cashier was neither accounted for in the Cash Book nor deposited into Bank account despite issue of Money Receipts (MR).

(3) In Champeipal GP (Jajpur district) Rs.64000/- drawn from saving bank account in May 2006 (Rs.30,000/-), June 2006 (Rs.29,000/-) and September 2006 (Rs.5,000/-) by the Secretary of the GP were not accounted for in the Cash Book. No satisfactory explanation was given to audit for its utilization.

(4) In Korkunda PS (Malkangiri District) amount of Rs.41800/- was misappropriated as per the following details: -

Saving Bank Account No	Cheque No/Date	Amount as per counterfoils of cheque	Amount Accounted for in the cash book	Amount actually drawn from bank	Amount Misappropriated
5281 Utkal Gramya Bank, Korkunda	1651771/ 27.09.06	Rs.2300/-	Rs.2300/-	Rs.42300/-	Rs.40000/-
-do-	1551766/ 27.09.06	Rs.10524/-	Rs.10524/-	Rs.12324/-	Rs.1800/-
				Total	Rs.41800/-

On this being pointed out the PRIs replied (04/2007, 05/2007, 11/2007 & 02/2008) that action would be taken to investigate the cases under intimation to audit.

2.5 Misappropriation of stock - Rs.60.09 lakh

Scrutiny of records of Tiring PS (Mayurbhanj District) revealed that stock materials worth Rs.7.69 lakh **(Appendix-VIII)** was not handed over by Ex-Senior Clerk to the Samiti inspite of several orders issued by the Block. On physical verification of materials (September 2004) by the Block Development Officer, it was found that there were no materials available in the godowns which indicated that the stock materials were misappropriated.

Disciplinary proceedings were initiated (November 2005) against Ex-Senior Clerk. Inquiry Officer has completed his inquiry and suggested to recover the cost of materials from the Ex-Senior clerk. But no action has so far been taken (July 2007) to realise the amount.

In another similar case in Madanpur Rampur PS audit noticed that 5759 cum of moorums was collected for use in six road projects during 2004-07 under National Food for Work Programme (NFFWP) and National Rural Employment Guarantee Scheme (NREGS). Out of this only 1501 cum of moorums was utilized in three projects **(Appendix-IX)** leaving 4258 cum as unutilised.

But on joint physical verification of work sites by the Audit along with Assistant Engineer, Junior Engineers of the PS and Secretaries of the concerned Gram Panchayats (January 2008) it was revealed that no moorum were left at the work sites as unutilized quantity. Thus, the moorum valued at Rs.5.65 lakh was misappropriated from the site, for which responsibility is yet to be fixed (March 2008).

Further it was seen in four PSs that 2833.70 quintals of rice issued under SGRY was accounted for in the stock register as against the actual receipt of 8514.27 quintals which resulted short accountal of 5680.57 quintals of rice. Similarly in five PSs 17927.00 quintals of cement was taken in to account against 22037.50 quintals actually received which led to short accountal of 4110.50 quintals of cement by the Samities during 2002-07 **(Appendix-X).** This resulted in suspected misappropriation of stock of rice and cement valuing Rs.46.75 lakh (Rs.33.21 lakh – Rice and Rs.13.54 lakh – cement).

On this being pointed out in audit the PRIs replied that action would be taken to verify the cases.

2.6 Misappropriation of food grains worth Rs.23.07 lakh

During the audit of the following PSs, audit has conducted joint physical verification of stock of food grains received for SGRY and NFFWP with PS/GP officials and noticed that 1662.60 quintals of rice costing Rs.20.92 lakh (20.87 qtls @ Rs.1130/- and 1641.73 qtls @ Rs.1260/- per quintal) was not available in the GP/PS godowns and the same has been misappropriated as detailed below: -

(In Quintals)

Sl No.	Name of the PS	Name of the GP	Scheme	Year	Balance as per stock	Actual Physical balance	Quantity Misappropriated
1	Madan Rampur	PS Godown	SGRY	2005-06	0133.21	095.00	0038.21
		Nunpur	NFFWP	2005-06	0070.53	-	0070.53
		Madanpur	NFFWP	2005-06	0029.51	-	0029.51
		Alatara	NFFWP	2005-06	0176.22	-	0176.22
		Bamak	NFFWP	2005-06	0040.00	-	0040.00
		Gochhadengan	NFFWP	2005-06	0222.40	-	0222.40
		Mudding	NFFWP	2005-06	0090.20	-	0090.20
		Urladani	NFFWP	2005-06	0180.00	-	0180.00
2	Sukinda	Duburi	SGRY	2005-06	0749.10	137.91	0611.19
3	Kabisuryanagar	PS Godown	SGRY	2005-06	0195.00	039.00	0156.00
4	Kuarmunda	PS Godown	SGRY	2003-04	0025.87	005.00	0020.87
5	Patnagarh	Jogimunda	SGRY	2005-06	0101.15	090.68	0010.47
6	Hatadihi	Akarua	SGRY	2005-06	0164.90	147.90	0017.00
				Total	**2178.09**	**515.49**	**1662.60**

From the above table it is evident that 1662.60 quintals of food grains (SGRY-853.74 quintals and NFFWP-808.86 quintals) valuing Rs.20.92 lakh was misappropriated by the PRIs.

On this being pointed out in audit the PRIs failed to furnish any specific replies. However it was stated that action would be taken to investigate the cases under intimation to audit.

Further it was seen in Bhawanipatna PS that 451 quintals of rice was shown issued to different works under SGRY/NFFWP schemes during 2005-06 as against the actual issue of

280 quintals as per the works case records which resulted in misappropriation of 171 quintals of rice (SGRY 105 quintals & NFFWP 66 quintals) valuing Rs.2.15 lakh @ FCI issue price by the PS. The PS authority also agreed to recover the cost of rice from the responsible persons.

2.7 Excess payment of Rs. 31,320/-

During the course of audit of the following local bodies, it is noticed that, excess payments were made towards honorarium, sitting allowances and salary as detailed below: -

(In Rupees)

Sl.No	Name of the PRI	To whom paid	Nature of payment	Period	Amount due	Amount paid	Date of payment	Excess Paid
1	Tandiki GP	Secretary	Salary	06/2005 to 09/2005	8800/- (2200/-PM)	6600/- 8800/-	09/2005 01/2006	6600/-
2	Champeipal GP	Sarpanch	Honorarium	02/2004 to 12/2005	6900/- (300/- PM)	4500/- 3300/- 3600/-	06/2005 08/2005 05/2006	4500/-
3	-do-	Naib Sarpanch	-do-	07/2003 to 05/2005	6900/- (300/- PM)	6900/- 1800/- 3600/-	06/2005 08/2005 05/2006	5400/-
4	-do-	Ward Members	Sitting Allowance	09/2004 to 06/2005	4920/-	4920/- 4920/-	08/2005 07/2006	4920/-
5	Andali GP	Ex-Executive Officer	Subsistence allowance	04/2003 to 03/2007	52800/- (1100/-PM)	52800/- 9900/-	04/2007 05/2004	9900/-
							Total	**31,320/-**

On this being pointed out in audit the PRIs replied (04/2007 , 07/2007 & 11/2007) that action would be taken to investigate the cases.

2.8 Undue benefit to the VLLs - Rs. 1.80 crore

The primary objective of SGRY and NFFWP schemes is to provide additional wage employment in all rural areas so that food security and improvement in nutritional levels could be ensured. The guidelines envisage distribution of food grains should be made to the workers most preferably at worksite and effective safeguards shall be ensured to avoid leakages of food grains.

Scrutiny of records of 16 PSs and five GPs revealed that as against the actual utilization/requirement of 13,379.20 quintals of food grains, 42,020.16 quintals was issued **(Appendix-XI)** to the Village Level Leaders (VLLs)/persons executing the works for distribution of the same in the works under SGRY (36,924.18 quintals) and NFFWP (5,095.98 quintals). The excess issue of 28,640.96 quintals of food grains to the VLLs, enabled them to sell the rice at higher price in the open market to meet the cost of materials like cement, steel, metal, sand etc. which led to misutilisation of food grains as the schemes prohibited utilization of food grains on non-wage purposes. Though the cost of the food grains at subsidized rate was recovered from the VLLs, the differential cost between the FCI rate and subsidized rate amounting to Rs.1,79,71.253/- was not recovered from them which resulted in giving undue benefit to that extent to the VLLs/persons executing the works.

On this being pointed out in audit the PRIs stated that the excess rice was issued to meet the cost of materials. The reply was not justifiable since the food grain was meant for the rural poor and not to meet the cost of materials.

2.9 Mis-utilisation of Scheme funds – Rs 34.86 lakh

As per the guidelines, in respect of central schemes like SGRY, IAY and NREGS the funds allotted under the schemes shall be utilized for works like soil conservation, minor irrigation, rejuvenation of drinking water sources, construction of rural link roads and creation of durable socio- economic assets such as schools, dispensaries, community centres, Panchayat Ghars and development of hats etc. The interest accrued on deposits of scheme funds shall be treated as additional resources and be utilized as per guidelines. The cost of Empty Gunny Bags (EGB) should be utilized towards transportation and handling charges of food grains.

In case of six PSs, the scheme funds including interest and EGB cost under Indira Awaas Yojana (IAY), SGRY and NREGS for Rs 34.86 lakh **(Appendix-XII)** was diverted in constructing the office building, cremation ground, prayer halls, rest shed meant for temple, repairing of office & staff quarters, purchase of furniture and other contingent expenditure in violation of the scheme guidelines.

In Muribahal PS, the interest money of Rs.07.27 lakh earned during 2006-07 under IAY scheme was diverted in constructing the of PS office building in violation of IAY

guidelines. Had this amount been utilized in construction of IAY houses, at least 29 poor beneficiaries could have availed the benefit of obtaining a dwelling unit each.

On being pointed out in audit the PSs replied (01/2008) that as per the approval of action plan by the Samiti and ZPs, the works were executed. The replies were not acceptable since these works were not admissible as per guidelines.

2.10 Non-utilisation of interest – Rs. 1.59 crore

The interest accrued on deposits of scheme funds shall be treated as additional resources under the scheme and be utilized as per guidelines.

Test check of 15 PS **(Appendix-XIII)** revealed that interest of Rs.1.59 crore earned during the period from 1998-99 to 2006-07 under various schemes was kept unutilized for more than nine years. This shows that the implementing agencies are not keen in utilizing available resources for developmental purposes. No effort has been taken for utilization of the same till date.

On this being pointed out in audit the PSs replied that action would be taken to utilize the interest money on approval of action plan by the Samitis and ZPs.

2.11 Non-remittance of royalty-Rs 1.29 crore

As per Government (Orissa Minor Mineral Concession) Rules, royalty shall be collected from each works bill of the executing agencies for procurement and use of metals, Moorums, Sand, stones etc and the same shall be remitted to Government account forthwith.

Test check of records revealed that in 19 PSs and 44 GPs **(Appendix-XIV)**, the royalty of Rs.128.52 lakh though realized from the works bills during 2004-07 was not remitted to Government account in violation of the rules.

On being pointed out the PRIs failed to furnish any specific reply.

2.12 Excess remittance of royalty-Rs.17.67 lakh

In the PSs of Thakurmunda, Bahalda and Rairangpur, audit noticed that amounts of Rs.11.20 lakh, Rs.3.56 lakh and Rs.2.91 lakh respectively have been paid as royalty to the State Government in excess of the amount realized from the work bills of the executing agencies as per the following details: -

(Rupees in lakh)

Sl No.	Name of the PRIs	Scheme	Period	Amount received	Amount remitted	Excess remitted
PANCHAYAT SAMITI						
1	Thakurmunda	NFFWP	2005-07	03.98	15.18	11.20
2	Bahalda	-	2004-07	07.94	11.50	03.56
3	Rairangpur	NFFWP	2005-07	06.89	09.80	02.91
			Total	**18.81**	**36.48**	**17.67**

On being pointed out the PRIs have failed to furnish any specific reply.

2.13 Wasteful expenditure of Rs.22.81 lakh on construction of bridge.

In order to provide all weather connectivity, the P.D, DRDA, Rayagada has placed a sum of Rs.22.81 lakh with the Block Development Officer, Chandrapur for construction of a bridge over the river Bandhri Nallah near Chandrapur under MPLAD Scheme. The work was executed departmentally by the Samiti with the available technical assistance during 1999-00 and completed in January 2002.

In the mean while, the wing walls of the bridge was collapsed in 2002 flood and washed away by river and the bridge is standing at the middle of the nallah and it was in no way useful to the public. The bridge collapsed within a period of eight months from its completion due to absence of survey and the construction was completed in absence of technical assistance required for such a high level bridge. For restoration of the bridge an estimate amounting to Rs.10.00 lakh was prepared and submitted (December 2006) to the DRDA for placement of fu[illegible] The DRDA, Rayagada placed Rs.5.00 lakh (January 2007) out of Biju KBK fund. The river also changed its course of flow of water near the bridge

under construction during high flood (August 2007) for which the Samiti intimated to the DRDA for additional requirement of about Rs.40 lakh for completion of the bridge. As per the direction of the Collector, Rayagada, the Samiti refunded Rs.5.00 lakh (December 2007) to the DRDA due to insufficient funds for completion of the bridge.

On this being pointed out in audit the samiti stated (October 2008) that a high level bridge is going to be constructed out of NABARD assistance to the tune of three crore at the upstream of river near this bridge. As such the entire expenditure of Rs.22.81 lakh towards construction of bridge without proper survey and lack of high technical assistance became wasteful under MPLAD scheme.

2.14 Infructuous expenditure on construction of CIP- Rs 6.74 lakh

As per NFFWP guidelines, the works relating to water conservation, drought proofing and land development etc. could be taken up to provide additional resources over and above the resources available under SGRY for the developmental of backward districts for generation of wage employment and creation of community assets.

Record of Rasgovindpur PS revealed that one Community Irrigation Project (CIP) was constructed to conserve water resources during 2004-05 with an expenditure of Rs. 6.74 lakh under NFFWP scheme to provide irrigation facilities to the beneficiaries. Though the civil constructions were completed, the Screw gear shutter for head regulator was not installed in the CIP for which the water could not be conserved for irrigation purposes.

Due to non-installation of Screw gear shutter, the water could not be conserved in the CIP and thereby the assets created could not be utilized by the beneficiaries resulting in idle expenditure of Rs. 6.74 lakh.

On this being pointed out in audit the samiti agreed to install the Screw gear shutter early.

2.15 Excess Expenditure on material components under NREGS-Rs.1.09 crore.

As per Para 5.4 of the NREGS the ratio of wage cost to material costs should not be less than the minimum norm of 60:40.

Test check of eight PSs and five GPs revealed that in violation of the above norms excess expenditure to the tune of Rs.1.09 crore was incurred on material component on 140

projects under NREGS during 2006-07 beyond the admissible expenditure of Rs.1.37 crore **(Appendix-XV).**

On this being pointed out in audit the PRIs replied that as per the action plan of GPs & PSs approved by the ZPs, the works were executed. The reply was not tenable since the PRIs should ensure the norms of material cost in the works executed so that the wage benefits out of this scheme could be secured.

2.16 Un-fruitful Expenditure on incomplete works- Rs 13.54 crore

As per the guidelines applicable to centrally sponsored schemes, no works should be taken up which could not be completed in one year or at the most within two financial years. Test check of records revealed that out of the works undertaken during 1994-2006 under different schemes in 35 PS and seven GPs, 6410 works **(Appendix-XVI)** involving expenditure of Rs.13.54 crore remained incomplete for more than three to 13 years. As the works remained incomplete for years together due to lack of monitoring and supervision the beneficiaries were deprived of the desired benefits from the projects. Hence the entire expenditure of Rs.13.54 crore became unfruitful.

No specific replies were furnished to audit in this regard.

2.17 Idle Expenditure on Shopping Units- Rs 4.55 crore

As per the instructions of Panchayati Raj Department, Government of Orissa (April 2005), no shopping units constructed under SGRY scheme should remain vacant without being handed over to the targeted beneficiaries.

The records of 28 P.S revealed that 1165 shopping units constructed during 2003-07 **(Appendix-XVII)** with the expenditure of Rs.4.55 crore out of the SGRY funds were not allotted to the beneficiaries resulting in idle expenditure of Rs.4.55 crore. The shopping units were not allotted to the beneficiaries as beneficiaries were not identified for distribution of the shopping units. Further, there was no demand of these units in rural areas. The units were constructed by the PSs without conducting proper survey for ascertaining the feasibility of the market complexes in those areas as per Government instructions.

On this being pointed out in audit the PRIs agreed to hand over the shopping units very soon.

2.18 Irregular expenditure on transportation charges- Rs 47.39 lakh

As per SGRY/NFFWP guidelines, the transportation charges of food grains were to be borne by the State Government from their own resources and the cash component of the scheme was not be used for transportation.

Scrutiny of records of 16 PSs and 14 GPs **(Appendix-XVIII)** revealed that amount of Rs 47.39 lakh was diverted irregularly from the scheme funds during 2003-07 towards transportation charges of food grain under these schemes. Due to such diversion of scheme funds, the creation of socio economic assets in the rural areas hampered to that extent.

On this being pointed out, the concerned PSs agreed to recoup the cost of transportation of rice on receipt of funds from the DRDAs. The replies were not justifiable since the schemes were already merged with NREGS and the chances of recoupment were remote.

2.19 Creation of non-durable assets-Rs.35.97 lakh.

As per SGRY and NFFWP guidelines read with the provisions of Rural Road Manual, the construction of rural road should be above minimum standard of Grade-I metalling, so that the road would be all weather and a durable asset.

Check of records of five PSs and 18 GPs **(Appendix-XIX)** revealed that Rs 35.97 lakh was utilized during 2003-07 for the construction of earth and moorum roads, which were not above the minimum standard of Grade-I metalling as per the scheme guidelines, resulting in creation of non-durable assets at an expenditure of Rs.35.97 lakh.

On this being pointed out in audit the PRIs replied that as per the approved action plan of GPs & PSs the works were executed. The replies were not tenable since the works executed were not as per standard prescribed in the guidelines.

2.20 Non utilization of food grains worth Rs. 1.17 crore

The primary objective of SGRY and NFFWP schemes is to provide additional wage employment in all rural areas and thereby provide food security and improve nutritional levels.

During test check of records, it was seen that in 14 PSs food grains of 11,821.10 quintals (SGRY) and 7761.51 quintals (NFFWP) which were procured during March 2005 to May 2005 remained un-utilized as of March 2007 for more than 2 to 3 years from the date of receipt **(Appendix-XX)**. Due to storage in the godown for a long time the food grains would not be fit for human consumption. Further non-utilization of the food grains in the works defeated the very purpose of the schemes and the beneficiaries were deprived of the desired benefits of the schemes.

On this being pointed out in audit the PSs agreed to utilize food grains very soon but the replies were not acceptable since the schemes were merged with NREGS which does not provide for issue of rice at subsidized rate(s) and being old stock, the rice would not be fit for human consumption.

2.21 Idle stock of materials-Rs.26.71 lakh

Test check of records of eight PSs **(Appendix-XXI)** revealed that stock materials like cement, bitumen, pump sets and other building materials worth Rs.26.71 lakh purchased during the period 1999-2006 by the Samitis remained unutilized as of March 2007. It was evident that the materials were procured without assessing the requirement and thereby keeping the same idle for years together.

On this being pointed out in audit the PSs replied that action would be taken to utilize the materials early.

CHAPTER-III

DEVOLUTION OF FUNDS, FUNCTIONS, FUNCTIONARIES TO THE PRIs

CHAPTER-III

DEVOLUTION OF FUNDS, FUNCTIONS, FUNCTIONARIES TO THE PRIs

3.1 Introduction

73rd constitutional amendment provided for formal process of decentralized governance by empowerment of the Panchayat Raj Institutions (PRIs). Article 243 of the constitution envisaged transfer of powers, resources and responsibilities and enjoined upon the State legislatures to enact laws/amend existing laws on 29 functions assigned to PRIs as may be necessary to enable them to function as institutions of self government, make provisions for devolution of powers and responsibilities with respect to :

- Preparation of plans for economic development and social justice;
- Performance of functions and implementation of schemes as may be entrusted to them including those in relation to matters listed in the eleventh schedule of the constitution;
- Authorizing and assigning to PRIs to levy, collect and appropriate taxes, duties and fees in accordance with the procedure;
- Provision of grant-in-aid out of consolidated fund of the State;
- Constitution of State Finance Commission (SFC) for distribution of taxes, duties, toll and fees leviable by State between PRIs and State Government and setting up a permanent SFC cell in Finance Department to determine taxes, duties, tolls and fees to be assigned to/appropriated by the PRIs and measures required for improvement of financial position of PRIs.
- Setting up of District Planning Committee (DPC) to consolidate plans prepared by LBs and to prepare a draft development plan for District as a whole having regard to matters of common interest, spatial planning, sharing of physical and natural resources, integrated infrastructure and environmental conservation.

The Eleventh Finance Commission (EFC) (2000-05) and Twelfth Finance Commission (TFC) (2005-10) suggested certain measures to augment State funds to supplement resources of the LBs, based on which Government of India (GOI) circulated guidelines together with Local Bodies grants scheme which among others provided for:

- Conducting of elections timely in all tiers of LBs as per the mandate of the Constitution.
- Amendment of laws for Schedule V areas.
- Accounts to be maintained in standardized formats.
- Performance Audit system was to be adopted.
- Best practices for augmenting resources of PRIs.

3.2 Audit coverage

The review covering a period of five years 2003-08 was conducted during March to September 2008 with reference to records of selected 172 units: - Gram Pabchayats (GP): 128, Panchayat Samities (PS): 32, and Zilla Parishads (ZP) ; 12 **(Appendix-XXII)**. Evidences were gathered through questionnaires and study of files.

The audit findings in respect of PRIs are discussed in the succeeding paragraphs.

3.3 State Finance Commission

Article 243 I of the constitution had made it mandatory for the State Government to constitute a State Finance Commission (SFC) within one year from the commencement of the constitutional amendment act and there after on expiry of every 5 years to review the financial condition of the PRIs and to make recommendations to the Governor for devolution of funds. GOI guidelines (June 2005) stipulated that State Government was to act within six months of SFC's recommendations.

The State Government constituted two Finance Commissions but the prescribed periodicity and action taken on reports of the Finance Commission were not maintained by the State.

State Finance Commission	Date of constitution	Date of submission of reports by the FC	Date on which placed in the State Legislative Assembly
First SFC	21 September 1996 Reconstituted on 24 August 1998	30 December 1998	9 July 1999
Second SFC	5 June 2003	29 September 2004	11 August 2006

Transfer of funds proposed by First SFC to the PRIs out of the assigned revenues and actual release of funds made by the State during the implementation period of First SFC (1998-2005) was as below:

(Rupees in Lakh)

Name of the Department	Particulars of grant	Amount recommended for devolvement	Amount released	Shortfall in release
PR.Department	Kendu Leaf grant	160.37	128.06	32.31
	Minor Forest Produce	014.00	002.00	12.00
	Sairat Sources	007.00	005.00	02.00
	Entertainment Tax	000.98	-	00.98
	Land cess	063.98	052.44	11.54
	Total	**246.33**	**187.50**	**58.83**

Apart from shortfall of Rs 58.83 lakh in release of funds to the PRIs by the State Government towards their share of taxes out of State revenues against the SFC's recommendation, transfer of funds during the period was too meagre varying between 0.53 and two *per cent* of the gross revenue of the State during 1998-2005.

The Second SFC was of the view that the LBs were functioning as mere deliberative bodies bereft of the powers and authority to function as institutions of self-government. To make the devolution of powers and functions more meaningful, SFC recommended activity mapping of 29 subjects of the Eleventh Schedule to be performed by different tiers of PRIs. Some of the major recommendations made by the Second SFC were related to merger of DRDA with ZP, resource mobilization of LBs, transfer of revenue earning sources to the LBs and devolution of funds to the extent of 10 *per cent* of the average gross revenue of the State. The second SFC made 41 recommendations of which 23 were accepted and the remaining 18 were either rejected or under consideration by State Government. But large number of recommendations were still to be implemented. Assignment of entertainment tax, surcharage on stamp duty, K L Grant, Land acquisition charges and fees collected from minor minerals etc. were not made to PRIs due to non-amendment of the relevant act. There was no centralized system of maintenance of a data base at the State level to monitor the actions taken and track the actual transfer of funds made by the State Government against the SFC's recommendations. The audit query (June 2008) on the above issue remained uncomplied.

3.4 Devolution of functions

3.4.1 Amendment of the Acts

Pursuant to the provisions of 73rd Constitutional Amendment Act, 1992, the State Government amended through legislation the laws relating to the PRIs which included the Orissa Zilla Parishad Act, 1991 (OZPA), Orissa Panchayat Samiti Act 1959, (OPSA) and Orissa Gram Panchayat Act 1964 (OGPA) entrusting duties and responsibilities with regard to 21 out of 29 subjects listed in the eleventh schedule of the Constitution as given in the (**Appendix-XXIII**). However, no legislation to amend laws on Land acquisition, Mining and minor minerals, Social Forestry, Small Scale Industries and Khadi and Village Industries etc. for empowering the PRIs of scheduled areas as suggested by the GOI under EFC recommendations was enacted (June 2008). This had led to number of Government Departments directly exercising the functions and control over GP resources without their involvement in the subjects that were required to be transferred to them. No amendment was also made in codes, manuals and departmental instructions in respect of the functions like minor irrigation, roads and buildings, public health, parks, gardens etc.

3.4.2 Transfer of Subjects listed in Eleventh Schedule

In order to avoid overlapping of functions and its balanced distribution amongst the different levels of PRIs, an activity mapping concerning to 29 functions consisting of 83 activities listed in the eleventh schedule was evolved by the Second SFC along with the mechanism for inter tier co-ordination. Against the above, Government devolved 21 functions to the PRIs out of which activity mapping for 18 functions consisting of 43 activities were done by the department for implementation. Test check of records of selected PRIs revealed the actual implementation of the activities as per details in (**Appendix-XXIV**).

It was seen that a large number of activities remained either unimplemented or partially implemented for which the activity mapping done by the Department was not made fully operational by the PRIs and the administrative exercise done at the Government level had no practical utility in the field.

3.5 Devolution of functionaries

3.5.1 Administrative structure

As recommended by the Second SFC, the State Government was to provide required administrative structure and support to make the institutions and functionaries of the devolved functions accountable to the PRIs. The Panchayat Raj Department's Notification (4 July 2003) stipulated:

(i) At district level, the Project Director (PD) of District Rural Development Agency (DRDA) was designated as Secretary-cum-Executive Officer of the ZP with Collector as the Chief Executive. The district level officers of the line departments were declared as Additional Executive Officers under ZP.

(ii) The Block Development Officer (BDO) was designated as Executive Officer of the PS.

(iii) One post of Executive Officer at Gram Panchayat level was created and the existing Village Agriculture Workers (VAW) / Village Level Workers (VLW) were posted as such in that post.

(iv) The district, block and village level officers of the 11 line departments were made accountable to the ZPs, PSs, and GPs respectively for implementation of the functions and schemes transferred to the PRIs and for obtaining sanction of casual leave from head of respective PRI while continuing as employees of their respective departments. Besides, the PRIs were vested with powers to supervise the work and functions of these Departmental functionaries at their respective levels and for transmission of periodical progress reports on financial and physical performance of the departmental functions to the respective higher authorities.

Such an order of Government placing the officials associated with GPs and PS works under direct control of officials accountable to ZPs indirectly restricted the autonomy of PRIs. Resultantly, line departments of the State Government continued to formulate and prepare GP plans separately for each department and obtain approval of GP in piece meal; as such consolidated plan of GP was missing. The financial and administrative powers of GPs were being exercised by State Government officials while Section 98 of OGPA provided for approval of Budget together with regularization of excess /savings by way of supplementary and revised budgets by the GPs.

Section 93 of OGPA provided for constitution of Gram Fund and credit of all receipts therein and joint withdrawal of funds there from by the GP authorities. However, scheme funds received by the DRDA from State Government / GOI (other than schemes operated by PR Department) were being credited to savings accounts in nominated banks as per provisions of individual schemes and Bank Accounts were operated by State Government officials.

Rule 249 of OGP Rules provided for formation of committees at GP level dealing with social, economic and administrative sectors but these committees were not provided with administrative powers except such powers delegated to it by the GP.

Rule 282 of OGPR provided for preparation of annual administrative report on working of GPs to be forwarded to PS for consolidation. In the test checked GPs, no such report was found prepared. As such, the formal action of devolution of activities did not have any practical effect on the transfer the subjects or bring any structural change in the functioning of the GPs.

3.5.2 Non-Merger of DRDA with Zilla Parishad

DRDAs created for implementation of Integrated Rural Development Programme were registered bodies under Societies Registration Act 1960 being sponsored by the Central Government. As per Section 3 (xiii) (a), (b) and (c) of OZP Act 1991, preparation, execution and supervision of the district plan, implementation of anti-poverty programmes with powers of monitoring and supervision and discharge of responsibilities and functions as assigned to DRDAs were transferred to the ZPs. In view of setting up of DPCs and the changed provisions of the Act, DRDAs were to be either abolished or legitimately merged with the respective ZPs to function as technical support agencies. Second SFC also recommended for merger of DRDAs with ZPs. However, in none of the test checked ZPs, DRDAs were found merged with ZPs. There was no full time Executive Officers in the ZPs and the PDs of DRDAs were designated as the ex-officio Executive Officers of the ZP instead of being designated as Secretary of Zilla Parishad as required under the Act. The President of ZP did not exercise any executive and administrative powers over the activities of DRDAs.

3.5.3 Non-involvement of PRIs in implementation of the CSP schemes

There were a number of centrally sponsored plan schemes implemented by different line departments, the functions of which were within the ambit of the local bodies. However, the devolvement of funds made by the State to the PRIs was largely restricted to schemes implemented by the Union Ministries of Rural Development and Urban Development. There were major schemes of other departments as per list enclosed (**Appendix-XXV**), the funds of which were not devolved to the local bodies although the related activities were assigned to the PRIs. These schemes, in general had a tendency to prescribe programmatic committees at the base levels, which were outside the command of the PRIs. These programmes had their own perspective plans and annual action plans prepared by different committee at the grass root level such as village health and sanitation committee under NRHM, watershed committee under different watershed programmes without active involvement of the PRIs. As each programme oriented plan was implemented as a stand-alone process by different departments, the institutional mechanism of integrated planning through involvement of the PRIs was missing.

3.5.4 Assets not transferred to GPs

GOI's guidelines (June 2005) stipulated that that all common property resources vested in GP were to be identified, listed and made revenue productive for augmenting resources of the PRIs as recommended by the TFC. Such assets included assets created under various States and Central Schemes i.e. PMGSY, EAS, SGRY, RLEGS, watershed development programmes, BKVY, RLTAP, BKBK, GGY etc. The Government have not identified the various assets generated under these schemes and issued formal orders for transfer of assets created to the GPs.

3.6 Devolution of funds

3.6.1 Non-provision of funds under Panchayat Sector

As agreed (October 2005) in the meeting between the Chief Minister and the Union Minister for Panchayati Raj, 'Panchayat Sector' in the State budget was to be created from

the year 2006-07 for effective performance of the functions devolved to the panchayats through activity mapping by entrustment of all schemes pertaining to the activities devolved upon the PRIs. Panchayat Sector in the State budget was not opened as of 2008-09 and the respective line Departments continued to make separate budget for operation of departmental schemes. Consistent with the devolvement of functions, the matching funds to carry out the functions were not provided to the PRIs except assignment of the State revenue through SFC grants.

3.6.2 Taxation power and resources of PRIs

As per section 83 of OGP Act 1964, the GPs were endowed with powers to impose taxes on 13 items **(Appendix-XXVI)**. Besides, these were also empowered to issue licenses under the Act for carrying out dangerous and offensive trades and other specified purposes (Sections 55 to 57) and lease out the sairat sources (Section 71). In test checked GPs it was revealed that the generation of income from the above sources was either 'Nil' or negligible. No efforts were made by the GPs to levy and collect the tax and non-tax revenues indicating poor resource mobilization from own sources.

The Orissa Panchayat Samiti Act, 1959 did not empower the Panchayat Samities to levy any tax like the GPs. In the test checked Panchayat Samitis, it was noticed that they were only in receipt of funds from Government towards share of revenue and grant-in-aid as recommended by the Finance Commissions. Besides, they received funds for various schemes implemented by them from Government. There was no generation of income from internal sources.

As per Section 3 of Orissa Zilla Parishad Act, 1991, Zilla Parishad was defined as a body constituted at the district level which was empowered to prepare, execute and supervise the district plan relating to the anti-poverty programmes and implement schemes related to the matters enlisted in 11th Schedule. ZPs were not vested with appropriate funds and powers to levy taxes like the GPs.

Scrutiny of records in audit revealed that in test checked units, the ZPs only received funds from the Government to meet the establishment expenses of the parishads which included the salary and allowances of the staff, honorarium and traveling allowances payable to the elected bodies and other contingent expenses. The functions performed by the ZPs were mainly restricted to attending to the various committees and supervision of the works

related to the schemes implemented by the PSs and GPs, as such, establishment of the ZPs at district level in the State with an annual expenditure of around Rs.1.10 crore (2003-04) served no purpose, as they remained practically non-functional.

3.7. Monitoring, internal control and evaluation

3.7.1 Review of projects by DPCs

The State Act provided for review of implementation of developmental programmes by DPCs which were not equipped with secretariat and inspection staff. As a result, implementation of various projects undertaken by PRIs was not reviewed by DPCs.

3.7.2 Audit and Accounts

GOI guidelines provided for preparation of budgets and maintenance of accounts in the form prescribed by Comptroller and Auditor General of India (C&AG). These forms although supplied to PRD, were not circulated to PRIs as result, standardization could not be achieved. The budget was being prepared in piece meal basis in the formats devised by the State Government. As a result, consolidated position of revenue and expenditure were not available for evaluation in the PRIs.

3.8 Conclusion and recommendations

The State Government was yet to devolve sufficient powers, resources and funds to ensure autonomy in functioning of PRIs. Annual plans together with District Development plans were found missing. Revenue collection at level of PRIs is very low and they are heavily dependent upon State Finances for their continued existence. Utilization of funds was less than 50 *per cent* of receipts. No concrete steps for maintenance of accounts and creation of data base on finances in prescribed formats together with training of personnel has been taken by Government except for issuing the formats. Monitoring and evaluation arrangements were not sufficient enough to ensure timely completion of schemes/programmes and preventing diversion, misuse of resources. Heavy advances are

found outstanding against employees and parties. Internal control and supervision was not effective.

The State Government was not able to carry its conviction and constitutional obligation for empowerment of the local bodies. Despite constitution of DPCs for preparation and review of implementation of integrated draft development plan of the districts, the same could not be achieved as these were virtually non functional due to absence of technical support teams and secretariat support staff and the LBs continued to formulate their own action plans under different schemes as a stand-alone process without concerning the holistic development of the area. Action initiated by the State Government so far, constituted a superficial compliance of directions of constitutional amendments and GOI guidelines; as the devolution of functions and functionaries on the existing administrative hierarchy without appropriate restructuring of organizational set up did not usher the intended autonomy of LBs in performing their devolved activities. The LB empowerment establishing linkage between revenue earning and expenditure was weak. The activity mapping exercise done by the Departments involved intervention of State Government through staff support without devolving functional autonomy to the local bodies in formulation of development plans, assessment of resources and devising of development plan for their area. As a result, the local bodies were practically made to act as agencies of Government for implementation of schemes and programmes at the base level bereft of the ethics of self-governance. Release of scheme based and purpose specific grants reduced the efficiency of the local bodies and forced them to play the subservient role of Government agencies with high level of financial dependence and low level of fiscal autonomy. The flow of untied funds to the local bodies was 'Nil'. The grant in aid and share of taxes released by the Government to the LBs were allocation oriented for which there no freedom was left to LBs for decision making, planning and utilization of funds as per the felt need of the people. Monitoring and evaluation mechanism was non existent. Despite elapsing more than fifteen years since the enforcement of the Constitutional amendment Act, there was considerable ambiguity about the role of the PRIs to play in the overall governance system of the State. The objectivity and vision behind the constitutional amendment act remained grossly un-achieved.

Recommendations:

The Government should ensure that: -

- A consolidated annual plan covering Central/State schemes and GP programmes should be prepared and approved by elected body so also annual accounts prepared and discussed in general body meeting;

- Annual Accounts should be prepared by the PRIs regularly and timely in prescribed format;
- Data base on finances are maintained in all levels of PRIs and made accessible to users;
- Schemes should be implemented as per Guidelines and completed timely;
- Assets created under various schemes/programmes should be put to revenue generating purposes;
- Effective control and supervision should be applied to prevent over stacking and misappropriation of food grains;
- Continuous monitoring and evaluation of performance of the PRIs should be made through specific and regular returns and reports;
- Statutory deductions should be remitted to Government accounts timely;
- Administrative restructuring of the departments of the Government should be made to devolve functions, functionaries and institutions to bring them under control of PRIs to ensure and evolve their autonomy;
- Legislation may be enacted to amend laws on the remaining eight subjects for administration of the same by the PRIs in the Schedule V areas of the State as recommended by the EFC and provided in the GOI's guidelines;
- DPC should be strengthened by providing secretariat, technical and inspection staff for discharging their function as intended in Constitution and the Act enacted there for separately;
- Share of state revenue and grant in aid to local bodies and transfer of funds should match the responsibility & functions devolved upon PRIs;

- Monitoring and evaluation of performance of PRIs by DPCs need to be strengthened;

- System of preparation of budgets and maintenance of accounts in prescribed formats need to be followed.

(N.S.PILLAI)
Sr.Deputy Acconntant General
(Local Bodies Audit & Accounts),
O/o the Principal Accountant General (CA)
Orissa, Bhubaneswar.

Bhubaneswar
The-----day of------2008
1 DEC 2008

Countersigned

(B.R.KHAIRNAR)
Principal Accountant General (Civil Audit)
Orissa, Bhubaneswar.

Bhubaneswar
The----- day of------2007
1 DEC 2008

APPENDICES

Appendix-I

Constitution of SLVMC

(Ref.Para 1.5; Page-4)

1.	Hon'ble Minister, Rural Development	Chairman
2.	Hon'ble Minister, Agriculture	Co-Chairman
3.	Hon'ble Minister, Panchayati Raj	Co-Chairman
4.	Hon'ble Minister, Revenue & Disaster Management	Co-Chairman
5.	Four MPs (Lok Sabha) nominated by Ministry of R.D, GOI	Members
6.	One MP (Rajya Sabha) nominated by Ministry of R.D, GOI	Member
7.	Five MLAs as nominated by State Government	Members
8.	Four non-officials nominated by Ministry of R.D, GOI	Members
9.	Principal Secretary/Secretary, Finance	Member
10.	Principal Secretary/Secretary, Agriculture	-do-
11.	Principal Secretary/Secretary, Forest & Environment	-do-
12.	Principal Secretary/Secretary, W.R Deptt.	-do-
13.	Secretary, Panchayati Raj	Member Secretary
14.	Secretary, Revenue & Disaster Management	Member
15.	Secretary, Fisheries & Animal Husbandry	-do-
16.	Secretary, Rural Development	-do-
17.	Secretary, W & C.D	-do-
18.	Secretary, Works	-do-
19.	Special Secretary, P & C Deptt.	-do-
20.	Representative of KVIC nominated by R.D, GOI	-do-
21.	M.D, OSCST DFC Corporation	-do-
22.	One representative each two reputed NGOs/Voluntary Agencies nominated by Ministry of R.D, GOI	-do-
23.	One Representative of Ministry of R.D, GOI	-do-

Appendix-II

Statement on irregular utilisation of TFC grants

(Ref. Para 1.11.2 ; Page-8)

(Rupees in lakh)

Sl.No	Name of the PRIs	Period	Amount
PANCHAYAT SAMITI			
1	Samakhunta	2006-07	01.11
2	Betnoti	2006-07	01.46
3	Balasore	2006-07	02.88
4	Remuna	2006-07	04.77
5	Bolangir	2006-07	01.61
		Total	**11.83**

Appendix-III

Statement on non-reconciliation of Cash Balances

(Ref. Para 1.13.2 ; Page-11)

(Rupees In lakh)

Sl.No	Name of the PRIs	Balance as per Bank Pass Book as on 31.03.07	Balance as per Cash Book as on 31.03.07	Difference
PANCHAYAT SAMITI				
1	Boden	0236.41	0194.61	041.80
2	Karlamunda	0198.26	0167.32	030.94
3	Chandrapur	0278.47	0244.41	034.06
4	Rairangpur	0191.49	0107.77	083.72
5	Sukruli	0320.44	0301.07	019.37
6	Chilika	0316.93	0229.25	087.68
7	Banapur	0129.78	0075.57	054.21
8	Pattamundai	0559.30	0508.25	051.05
9	Tiring	0278.13	0194.85	083.28
10	Bhawanipatna	0349.79	0171.39	178.40
11	Dasamanthapur	0075.53	0039.16	036.37
12	Deogaon	0455.84	0258.35	197.49
13	Derabis	0395.21	0354.24	040.97
	Total	**3785.58**	**2846.24**	**939.34 or 9.39 crore**

Appendix-IV

Statement on non-production of vouchers.

(Ref. Para 1.13.3 ; Page-11)

(Rupees in lakh)

Sl.No	Name of the PRIs	Scheme	Period	Amount
ZILLA PARISHAD				
1	Puri	-	2006-07	20.60
			Total (A)	**20.60**
PANCHAYAT SAMITI				
1	Boden	MADA	2006-07	03.93
2	Ghasipura	-	2005-07	24.51
3	Khurda	ELECTION	2005-06	00.73
		MISC.	2006-07	07.51
4	Barchana	SPL.IAY	2005-06	00.84
5	Nilgiri	IAY	2006-07	02.07
		MPLAD	2006-07	00.17
		SGRY	2006-07	10.49
		ELECTION	2006-07	02.13
		MISC.	2006-07	00.60
6	Marsaghai	SPL.IAY	2005-07	21.55
7	Tiring	NFFWP	2006-07	01.92
8	Narla	SGRY	2006-07	01.44
		IAY	2006-07	00.32
9	Shergada	DWSM	2005-07	10.98
10	Balikuda	MPLAD	2005-06	00.50
11	Sukinda	SGRY	2006-07	01.23
		MADA	2006-07	00.25
12	Reamal	NREGS	2006-07	10.37
			Total (B)	**101.54**
GRAM PANCHAYAT				
1	Bilana	-	2006-07	09.59
2	Kaspa	-	2006-07	00.67
3	Bandalo	-	2006-07	00.45
4	Balipata	-	2006-07	01.07
5	Nagapur	-	2006-07	02.35
6	Badagaon	-	2006-07	02.86
7	Karangdihi	-	2006-07	03.04
8	Mariwada	-	2006-07	03.05
9	Puintala	-	2006-07	02.35
10	Tamian	-	2006-07	01.44
11	Kuanar	-	2006-07	01.11
12	Barhagarh	-	2006-07	01.12
13	Dhusuri	-	2006-07	07.90
14	Gramwandipur	-	2006-07	04.33
15	Khaladi	-	2006-07	00.98
16	Dasarathapur	-	2006-07	06.02
17	Bamanibimdha	-	2006-07	01.97
			Total (C)	**50.30**
			Grand Total (A+B+C)	**172.44 or 1.72 crore**

Appendix-V

Statement on idling of funds

(Ref.Para 2.1 ; Page 15)

(Rupees in lakh)

Sl No	Name of the PRIs	Name of the schemes	Amount
ZILLA PARISHAD			
1	Bargarh	RCP	06.11
		10th F C GRANTS	00.14
2	Puri	RCP	10.34
		NFE	03.52
		SSA	03.52
		RSP	01.56
3	Ganjam	10th FC GRANTS	04.21
		PRI TRAINING	01.26
		RSP	01.62
		NFE	00.46
		RHS	30.54
		NWDB	04.99
		MILLION WELL	00.45
		MVSN	00.35
		KKK	01.62
		JGSY	02.52
		BIOGAS	00.28
		NRY	02.02
4	Khurda	RCP	02.58
5	Nayagarh	SSS	03.36
		RSP	00.58
		Total	**82.03**

Appendix-VI

Statement of non-adjustment of advances

(Ref. Para 2.2 ; Page-16)

(Rupees In lakh)

Sl.No	Name of the PRI	Period	Amount.
PANCHAYAT SAMITI			
1	Boudh	Prior to 2002-03	028.94
2	Boden	-	001.80
3	Karlamunda	Prior to 2004-05	051.35
4	Raikia	1965 to 2001-02	004.06
5	Ganjam	Prior to 2001-02	036.19
6	Athagarh	Prior to 2004-05	166.56
7	Laikera	1968 to 2004-05	029.25
8	Chandrapur	Prior to 2001-02	007.31
9	Ghasipura	-	084.41
10	Rairangpur	1982 to2000-01	007.73
11	Khurda	1997 to 2004-05	030.17
12	Barchana	1994 to 1999-00	010.00
		Unclassified	091.33
13	Khallikote	-	054.29
14	Marchagai	Prior to 1999-00	013.89
		1999 to 2004-05	022.60
15	Nischintakoili	-	169.82
16	Tirtol	2002 to 2004-05	002.89
17	Jajpur	Prior to 1998-99	024.47
		Unclassified	011.26
18	Bhawanipatna	Unclassified	072.11
19	Dasamnthpur	1989-90 to 06-07	052.03
20	Turekela	1991-92 to 98-99	023.17
		Unclassified	062.38
21	Phulbani	Unclassified	020.20
22	Narla	Unclassified	038.48
23	Rajgangpur	Unclassified	048.83
24	Bijepur	Unclassified	031.83
25	Paikmal	Unclassified	018.65
26	Jharbandha	Unclassified	026.88
27	Bheden	Unclassified	041.85
28	Bargarh	Unclassified	047.37
29	Barkote	Unclassified	097.00
30	Khariar	Unclassified	049.71
31	Sinapali	Unclassified	081.87
32	Bahanaga	Unclassified	169.03
33	Mathili	Unclassified	074.00
34	Balikuda	Unclassified	066.83
35	Kuchinda	Unclassified	026.52
36	Jamankira	Unclassified	060.41

37	Bandhugaon	Unclassified	011.44
38	Kashipur	Prior to 2004-05	175.83
		2005-06	009.00
39	Tangi Choudwar	Unclassified	211.73
40	Barang	Unclassified	222.16
41	Kuaramunda	Unclassified	084.16
42	Bisra	Unclassified	036.93
43	Aul	Unclassified	080.93
44	Raruan	Unclassified	028.17
45	Kusumi	From 1962-63	017.65
46	Derabis	Unclassified	102.01
47	Subdega	Unclassified	023.87
48	Tileibani	Prior to 1998-99	037.39
49	Jhumpura	1994-96	030.62
50	Sonepur	Unclassified	226.53
51	Chhendipada	Prior to 1962-63	007.16
52	Narayanpatna	Unclassified	005.70
53	Muribahal	1991-92 to 03-04	064.45
54	Gudvella	Unclassified	037.87
55	Kalampur	Unclassified	047.48
56	Sohela	Unclassified	069.89
		Total	**3557.35 or 35.57 crore**

Appendix-VII

Statement on diversion of funds

(Ref. Para 2.3 ; Page-16)

(Rupees in lakh)

Sl No.	Name of the PRIs	Diversion		Period of diversion	Amount
		From	To		
PANCHAYAT SAMITI					
1	Boden	IAY	SGRY	2004-05	10.00
2	Suliapada	SGSY	SGRY	2004-05	01.32
		OBB	IAY	2006-07	02.00
		OBB	NFFWP	2006-07	01.50
		OBB	SGRY	2006-07	00.50
3	Borigumma	MLALAD	NFFWP	2006-07	03.09
		MPLAD	NFFWP	2006-07	01.20
		SGSY	NFFWP	2006-07	00.89
4	Athagarg	TFC	ELECTION	2006-07	06.00
5	Rairangpur	SGRY	CRF	2006-07	00.47
		NREGS	RSVY	2006-07	01.79
6	Chilika	UNTIED FUND	CALAMITY	2006-07	02.07
		MPLAD	IAY	2006-07	02.00
		IAY	SGRY	2006-07	03.50
		IAY	GGY	2006-07	08.87
7	Banapur	GGY	SGRY	2006-07	10.00
8	Barchana	SGRY	IAY	2006-07	01.68
		SGRY	MPLAD	2006-07	03.48
		SGRY	MLALAD	2006-07	00.85
9	Odapada	SGRY	OBB	2006-07	04.00
10	Tiring	SGRY	MLALAD	2005-06	01.48
11	Bhawanipatna	WODC	NREGS	2006-07	20.00
		WODC	CRF	2006-07	01.30
		WODC	ELECTION	2006-07	00.60
		MADA	NREGS	2006-07	13.00
		MADA	IAY	2006-07	15.00
		MLALAD	NREGS	2006-07	09.70
		KL GRANT	NREGS	2006-07	03.00
		SGSY	NREGS	2006-07	23.50
		IAY	NREGS	2006-07	48.00
		IAY	MADA	2006-07	03.00
12	Tarava	NREGS	EDUCATION	2006-07	10.32
		NREGS	EDUCATION	2006-07	06.89
		NREGS	SSS	2006-07	29.72
13	Athamalik	MLALAD	UNTIED FUND	2004-05	00.84
		SGRY	CRF	2006-07	01.69

14	Kashipur	SGRY	IAY	2006-07	03.00
15	Bahalda	SGRY	RSVY	2006-07	18.50
		NFFWP	RSVY	2006-07	03.00
		MLALAD	GOVT.	2006-07	08.00
		IAY	GOVT.	2006-07	05.18
16	Bisoi	MLALAD	SGRY	2006-07	04.20
		SGRY	MISC.	2006-07	10.00
17	Phiringia	IAY	PMGY	2005-06	02.21
		MISC.	MLALAD	2006-07	13.80
		MISC	ELECTION	2006-07	10.32
		MISC	IAY	2006-07	03.35
18	Chhendipada	IAY	PMGY	2004-05	02.87
		SGRY	CRF	2005-06	14.17
19	Raighar	PMGY	SGRY	2005-06	40.04
		MLALAD	SGRY	2006-07	10.12
20	Kalampur	SGRY	NFFWP	2006-07	06.00
		SGRY	OBB	2006-07	01.00
				Total (A)	**409.01**
GRAM PANCHAYAT					
1	Badamahuri	EFC	SGRY	2006-07	00.53
2	Bilana	EFC	G.P.FUND	2006-07	00.09
3	Turudihi	TFC	PDS	2006-07	00.20
4	Rungaon	NREGS	G.P.FUND	2006-07	01.94
5	Barthgarh	NREGS	TFC	2006-07	02.80
		NREGS	G.P.FUND	2006-07	00.20
6	Masara	TFC	G.P.FUND	2006-07	00.18
7	Dhusuri	SGRY	EFC	2006-07	00.60
8	Chhatamakhan	SGRY	G.P.FUND	2006-07	00.30
9	Bihari	TFC	SGRY	2006-07	00.24
10	Gandabahali	SGRY	IAY	2006-07	00.16
11	Kumbharpada	TFC	SGRY	2006-07	00.35
		IAY	TFC	2006-07	00.76
12	Bamanibindha	IAY	SGRY	-	00.40
		IAY	PDS	-	00.15
13	Balandapada	NREGS	IAY	-	00.26
		NREGS	TFC	-	00.80
		NREGS	G.P.FUND	-	00.18
				Total (B)	**10.14**
				Grand Total (A+B)	**419.15 or 4.19 crore**

Appendix-VIII

Statement on Misappropriation of Stock.

(Ref. Para 2.5 ; Page 18)

Sl No.	Name of the Stock material	Quantity	Rate (In Rupees)	Total cost (Rs in lakhs)
1	Cement	2648 bags.	141/-per bag	03.73
2	Hume pipes (600mm)	03 nos.	3062/-per piece	00.09
	Hume pipes (450mm)	10 nos.	2205/-per piece	00.22
3	M S Rod (16mm)	Q.25.68 Kgs.	1810.98 per Qnts.	00.47
	M S Rod (10mm)	Q.46.82 Kgs.	1882.00 per Qntls.	00.88
	M S Rod (08mm)	Q.25.13 Kgs.	1938.99 per Qntls.	00.49
	M S Rod (06mm)	Q.10.20 Kgs.	1940.00 per Qntls.	00.20
4	M S Shutter (1.5X4.9)	01 nos.	18900/- per piece	00.19
	M S Shutter (2.2:0))	10 nos.	9600/- per piece	00.96
5	M S Door	07 nos.	1630/- per piece	00.11
6	M S Windows	18 nos.	1290/- per piece	00.23
7	Shutter	03 nos.	4158/- per piece	00.12
			Total	**07.69**

Appendix-IX

Statement on Misappropriation of building material (Moorum).

(Ref. Para 2.5 ; Page-18)

Sl No.	Name of the Work	Scheme	Period	Quantity collected *	Quantity utilized*	Quantity not utilized*	Rate per CUM	Cost of the moorum (Rs in lakh)
1	Imp of from PWD road to Fatamunda	NFFWP	2004-05	0114	-	0114	122/-	00.14
2	Formation of road from PWD road to Kabichandrapur	NFFWP	2005-06	1350	-	1350	142/-	01.92
3	Metalling of road from Budhikhaman to Sikelkupa	NFFWP	2005-06	1478	0841	0637	142/-	00.90
4	Imp of road from Karuimal to Salepada	NFFWP	2005-06	1367	0100	1267	122/-	01.54
5	Imp of road from Madanpur Tukuda to Badamitamal	NFFWP	2005-06	0550	-	0550	122/-	00.67
6	Formation of road from Sikuli to Pipadi	NREGS	2006-07	0900	0560	0340	140/-	00.48
			Total	**5759**	**1501**	**4258**		**05.65**

N.B: - * In Cubic Metres.

Appendix-X

Statement on shortage of stock.

(Ref. Para 2.5; Page-18)

Sl. No	Name of the PRIs	Scheme	Period	Quantity in quintals			Rate per Quintal	Total cost (Rs in lakh)
				Receipt	Accounted for	Not taken in to account		
			RICE					
1	Chandrapur PS	SGRY	2002-04	0200.00	0113.24	0086.76	565/-	00.49
2	Oupada PS	SGRY	2005-06	1825.94	0108.20	1717.74	630/-	10.82
3	Junagarh PS	SGRY	2004-05	0146.33	0055.38	0090.95	565/-	00.51
4	Turekela PS	SGRY	2004-05	1592.00	0893.56	0698.44	565/-	03.95
		NFFWP	2004-05	4750.00	1663.32	3086.68	565/-	17.44
			Total (A)	**8514.27**	**2833.70**	**5680.57**		**33.21**
			CEMENT					
1	Rasgovindpur	N A	2006-07	00245.00	-	0245.00	318/-	00.78
2	Jashipur	N A	2006-07	00194.00	0065.00	0129.00	362/-	00.47
3	Tirtol	N A	2002-03	00450.00	-	0450.00	288/-	01.30
4	Bijepur	N A	2006-07	05816.00	5559.50	0256.50	312/-	00.80
5	Kashipur	N A	2006-07	04200.00	3680.00	0520.00	290/-	01.51
		N A	2006-07	11132.50	8622.50	2510.00	346/-	08.68
			Total (B)	**22037.50**	**17927.00**	**4110.50**		**13.54**
							Total (A) +(B)	**46.75**

Appendix-XI

Statement on misutilisation of food grains

(Ref. Para 2.8 ; Page-21)

(In quintals)

Sl.No	Name of the PRIs	Scheme	Period	Quantity Issued	Quantity utilized	Quantity mis utilised
PANCHAYAT SAMITI						
1	Karlamunda	SGRY	2003-04	0455.00	0167.56	0287.44
2	Tihidi	SGRY	2005-07	4765.88	1766.54	2999.34
3	Hindol	SGRY	2005-07	0991.35	0502.68	0488.67
4	Pattamundai	SGRY	2005-07	2658.00	0513.69	2144.31
5	Oupada	SGRY	2005-07	5094.00	1059.84	4034.16
6	Tirtol	SGRY	2005-07	8256.94	1643.94	6613.00
7	Jajpur	SGRY	2005-07	0770.00	0391.80	0378.20
8	Turekela	NFFWP	2004-05	1006.74	0178.00	0828.74
		NFFWP	2005-06	0519.54	0095.16	0424.38
9	Khariar	SGRY	2005-07	1182.00	0522.83	0659.17
10	Sinapali	SGRY	2005-07	1474.00	094.78	0779.22
11	Bandhugaon	NFFWP	2005-06	1175.00	0888.85	0286.15
12	Kuliana	NFFWP	2005-06	0864.00	0680.00	0184.00
13	Phiringia	NFFWP	2005-06	0295.00	0054.82	0240.18
14	Nuagaon	NFFWP	2005-07	1235.70	-	1235.70
15	Sukinda	SGRY	2005-07	6997.71	2384.51	4613.20
16	Tigiria	SGRY	2005-07	3355.00	1497.10	1857.90
			Total (A)	**41095.86**	**13042.10**	**28053.76**
GRAM PANCHAYAT						
1	Barsar	SGRY	2006-07	0279.20	0096.12	0183.08
2	Khalad	SGRY	2006-07	0135.60	0039.00	0096.60
3	Karamangi	SGRY	2006-07	0125.00	0078.12	0046.88
4	Paliabindha	SGRY	2006-07	0185.00	0035.90	0149.10
5	Kubera	SGRY	2005-06	0199.50	0087.96	0111.54
			Total (B)	**0924.30**	**0337.10**	**0587.20**
			Grand Total (A+B)	**42020.16**	**13379.20**	**28640.96**

COST OF FOOD GRAINS.

Sl.NO	Quantity of rice in quintals	Rate per quintals	Cost (In Rupees)
1	01116.18	565/-	00630642
2	27524.78	630/-	17340611
Total	**28640.96**		**17971253**

Appendix-XII

Statement on mis-utilisation of scheme funds

(Ref. Para 2.9 ; Page-21)

(Rupees in lakh)

Sl. No.	Name of the PS	Purpose	Scheme	Period	Amount
1	Borigumma	Const. of office building.	SGRY	2004-05	02.50
		-do-	SGRY (Interest)	2004-05	04.32
		-do-	SGRY (EGB COST)	2005-06	05.00
2	Karanjia	Const. of office building, Repair of staff Qrs, Purchase of furniture and other contingencies.	SGRY (Interest)	2002-06	09.22
3	Tirtol	Const. of cremation ground, prayer halls and rest shed meant for temple.	SGRY	2003-06	04.00
4	Kaptipada	Repair of staff quarters.	NREGS (Interest)	2006-07	01.15
5	Turekela	Repair of office and staff quarters.	SGRY (EGB COST)	2006-07	01.40
6	Muribahal	Const. Of office building.	IAY	2006-07	07.27
				Total	**34.86**

Appendix-XIII

Statement on non-utilization of interest money

(Ref. Para 2.10; Page-22)

(Rupees in lakh)

Sl. No.	Name of the PRIs	Scheme	Period	Amount
PANCHAYAT SAMITI				
1	Bonigumma	IAY	2000-06	01.24
		SGRY	2002-07	03.35
		NFFWP	2004-07	03.44
		MLALAD	1999-00	01.15
2	Raikia	NFFWP	-	01.54
		SGRY	-	03.34
		MPLAD	-	00.28
		RSVY	-	00.35
		MLALAD	-	01.62
3	Padmapur	MISC	-	06.33
		IAY	-	02.98
		NFFWP	-	04.89
		SGRY	-	05.11
4	Bangiriposi	NFFWP	2004-07	03.55
		SGRY	2003-07	06.68
		MP/MLALAD	2000-07	01.34
		OBB	1998-05	00.27
		IAY	2000-07	05.73
		PS(RSVY,TFC,SGSY,PMGY,EFC)	-	14.98
5	Chilika	MPLAD	-	00.76
		IAY	-	02.28
		SGRY	-	01.46
6	Hindol	MISC	2004-07	04.19
		OBB	2004-07	01.09
		CRF	2004-07	02.60
		SGRY	2004-07	02.53
		MLALAD	2004-07	05.79
		NREGS	2006-07	01.09
		EAS	Prior to 2004-07	01.82
7	Baden	SGRY	-	05.33
		Test Relief	-	01.83
8	Dasmanthpur	NREGS	2006-07	01.47
		NFFWP	2006-07	02.00
		WATER SHED	2006-07	01.17
		FDR	2006-07	03.15
9	Deogaon	MLALAD	-	01.17
		MPLAD	-	03.23
		OBB	-	01.01
10	Bijepur	SGRY	-	00.59
		IAY	-	03.95
		SGRY	-	00.76
11	Bahanaga	CRF	-	00.07
		BDPP	2005-07	00.22
		SGSY	2005-07	00.27
		CRF	2005-07	00.20
		MPLAD	2005-07	02.82
12	Mathili	MLALAD	2005-07	00.07
		NFFWP	2004-07	03.07
		KBK	2004-07	01.19
		SGRY	2004-07	04.46
		NREGS	2004-07	01.10
		MLALAD	2004-07	00.38
		MILLION WELL	2004-07	00.20
		OBB	2004-07	00.95
		IAY	2004-07	00.81
		WATER SHED	2004-07	01.14
13	Raruan	-	2005-06	04.11
14	Bisoi	OBB	2006-07	00.12
		PMGY	2006-07	00.12
		SGRY	2006-07	01.08
		IAY	2006-07	02.10
		NREGS	2006-07	01.37
15	Maneswar	NREGS	2006-07	04.03
		MPLAD	2006-07	00.87
		MLALAD	2006-07	01.41
		WODC	2006-07	00.17
		UNTIED FUND	2006-07	00.35
		SGRY	2006-07	01.91
		IAY (F)	2006-07	03.81
		IAY (N)	2006-07	02.84
			Total	**158.68 or 1.59 crore**

Appendix-XIV

Statement on non-remittance of Royalty

(Ref. Para 2.11 ; Page-22)

(Rupees in lakh)

Sl. No	Name of the PRIs	Scheme	Period	Amount
PANCHAYAT SAMITI				
1	Rairangpur	MLALAD	2004-06	00.94
		CRF	2004-06	00.55
		SGRY	2004-07	01.24
		IAY	2004-07	00.72
2	Boden	-	-	01.59
3	Raikia	NFFWP	-	00.44
		SGRY	-	00.03
		MPLAD	-	00.06
		MLALAD	-	00.03
		NREGS	2006-07	00.56
4	Laikera	-	-	06.33
5	Banapur	MLALAD	2006-07	00.29
		SGRY	2006-07	01.86
		GGY	2006-07	00.25
		SC/ST DEV.	2006-07	00.31
6	Hindol	MPLAD	2004-07	00.56
		MLALAD	2004-07	01.68
		SGRY	2004-07	01.84
		IAY	2004-07	02.06
7	Odapada	-	-	03.27
8	Bhawanipatna	-	-	32.41
9	Depgaon	NFFWP	2004-06	01.50
		SGRY	2004-06	00.73
		MPLAD	2004-06	00.20
		MLALAD	2004-06	00.26
		IAY	2004-06	00.22
10	Rajgangpur	SGRY	-	04.48
11	Bijepur	IAY	-	00.19
		MLALAD	-	00.07
		SGRY	-	00.85
		GGY	2006-07	00.61
		CRF	-	05.92
12	Bargarh	SGRY	2006-07	03.94
13	Sheragarh	MLALAD	2006-07	00.12
		MPLAD	2006-07	00.20
		NREGS	2006-07	00.64
14	Mathili	NFFWP	2006-07	00.25
		KBK	2006-07	00.11
		SGRY	2006-07	00.17
		NREGS	2006-07	00.09
		OBB	2006-07	00.05
15	Bandhugaon	CRF	2006-07	00.17
		NFFWP	2004-06	09.65
16	Tangi Choudwar	NREGS	2006-07	07.01
17	Bisoi	-	2002-06	02.11
		IAY	2006-07	00.53
		MLALAD	2006-07	00.14
18	Bijatola	SGRY	2006-07	00.71
		MPLAD	2006-07	00.21
		SGRY	2006-07	01.67
		IAY	2006-07	00.38
		NREGS	2006-07	03.12
		12TH FC	2006-07	00.17
19	Sukinda	MLALAD	2004-06	00.68
		SGRY	2004-06	03.75
		IAY	2005-06	00.96
		MADA	2005-06	01.37
			Total (A)	**110.25**
GRAM PANCHAYAT				
1	Ghuchepali	NREGS	2006-07	01.41
2	Balipata	-	2006-07	01.91
3	Jagannath prasad	-	2006-07	00.17
4	Kaudola	-	2006-07	00.79
5	Sunathar	NREGS & TFC	2006-07	00.12
6	Populur	-	2006-07	00.88
7	Jogimunda	-	2006-07	00.78
8	Arei	SGRY	2006-07	00.13
9	Barapada	SGRY	2006-07	00.05
10	Nalagunthi	-	2006-07	01.00
11	Sirigida	-	2006-07	00.25
12	Achak	-	2006-07	00.25
13	Borsar	-	2006-07	00.17
14	Pankapal	-	2006-07	00.28
15	Bitana	-	2006-07	00.11
16	Bharandia	-	2006-07	00.25
17	Kadua	-	2006-07	00.13
18	Kasinipadar	-	2006-07	00.58
19	Chhatamakhana	-	2006-07	00.59
20	Bhaler	-	2006-07	00.19
21	Bada Kharida	-	2006-07	00.29
22	Sarua	-	2006-07	00.11
23	Kalipoi	-	2006-07	00.11
24	Gram Nandipur	-	2006-07	00.22
25	Bihari	-	2006-07	00.29
26	Benagadia	-	2006-07	00.26
27	Koska	-	2006-07	00.22

28	Banamalippur	-	2006-07	00.22
29	Salepali	-	2006-07	00.21
30	Maruan	-	2006-07	01.80
31	Pahiraju	NREGS	2006-07	00.38
32	Akarapada	SGRY	2006-07	00.20
33	Habaleswar	SGRY	2006-07	00.22
34	Lugel	-	2006-07	00.49
35	Randa	NREGS	2006-07	00.52
36	Jagadevpatna	-	2006-07	00.12
37	Kumbharapada	-	2006-07	00.21
38	Tara	-	2006-07	00.29
39	Bari	-	2006-07	00.35
40	Mahimunda	-	2006-07	00.36
41	Dolasahi	-	2006-07	00.14
42	Dantiamuha	-	2006-07	00.43
43	Kejang	-	2006-07	00.37
44	Saharpur	-	2006-07	00.57
			Total (B)	**18.27**
			Grand Total (A+B)	**128.52 or 1.29 crore**

Appendix-XV

Statement on Excess Expenditure on material components under NREGS

(Ref. Para 2.15 ; Page-25)

(Rupees In lakh)

Sl.No	Name of the PRIs	Period	Expenditure incurred/No.of projects	Expenditure on material	Admissible expenditure	Excess expenditure
PANCHAYAT SAMITI						
1	Suliapada	2006-07	12.34/04	08.29	04.94	03.35
2	Borigumma	2006-07	13.24/07	09.52	05.30	04.22
3	Rasgovindpur	2006-07	16.46/06	14.65	06.58	08.07
4	Khallikote	2006-07	13.00/06	07.89	05.20	02.69
5	Odapada	2006-07	36.24/11	20.17	14.50	05.67
6	Gudvella	2006-07	49.28/23	37.96	19.71	18.25
7	Muribahal	2006-07	94.19/42	73.70	37.68	36.02
8	Baiparaiguda	2006-07	26.67/10	18.34	10.67	07.67
		Total (A)	**261.42/114**	**190.52**	**104.58**	**85.94**
GRAM PANCHAYAT						
1	Dhenka	2006-07	13.00/04	10.40	05.20	05.20
2	Nimidha	2006-07	11.69/03	09.35	04.68	04.67
3	Soso	2006-07	10.00/05	08.00	04.00	04.00
4	Khaladi	2006-07	14.28/04	08.92	05.71	03.21
5	Timanpur	2006-07	33.28/10	19.31	13.31	06.00
		Total (B)	**82.26/26**	**55.98**	**32.90**	**23.08**
		Grand Total (A+B)	**343.68/140**	**246.50**	**137.48**	**109.02 or 1.09 crore**

Appendix-XVI

Statement on Unfruitful expenditure

(Ref. Para 2.16 ; Page-25)

Sl No.	Name of the PRIs	Scheme	Period	Number of projects	Amount (Rs in lakh)
PANCHAYAT SAMITI					
1	Karlamunda	MPLAD	2003-04	0002	001.62
		WODC	2004-05	0001	000.80
2	Tihidi	SGRY	2003-06	0009	014.98
		MPLAD	2005-06	0004	002.24
3	Suliapada	IAY	2001-06	0117	015.59
		SGRY	2004-06	0014	014.95
		NFFWP	2004-06	0003	006.78
4	Padampur	SGRY	2003-05	0080	017.89
5	Raikia	IAY	1994-06	0204	010.43
		EAS	1999-00	0001	000.57
		MLALAD	2003-05	0008	001.82
6	Barigumma	SGRY	2004-06	0015	011.82
		MPLAD	2005-06	0002	001.05
		NFFWP	2005-06	0014	025.17
		IAY	2004-06	0035	003.84
7	Kotpad	CRF	2003-04	0001	006.62
		SGRY	2002-06	0025	019.53
		NFFWP	2004-06	0014	016.74
8	Chandrapur	OBB	2003-04	0009	009.03
		NFFWP	2004-05	0020	029.42
		IAY	2004-05	0058	004.00
9	Rasgovindpur	IAY	1998-05	0143	018.66
		NFFWP	2004-06	0002	003.93
		SGSY	2004-05	0001	000.87
10	Rairangpur	IAY	2003-06	0153	008.39
11	Sukruli	IAY	2003-06	0108	008.89
12	Barchana	IAY	2004-06	0212	027.06
		SGRY	2004-06	0008	005.94
13	Nischintakoili	SGRY	2004-06	0003	012.50
14	Jajpur	IAY	2002-06	0487	041.82
15	Bhawanipatna	WODC	2003-04	0002	002.00
		SGRY	2003-04	0001	000.38
16	Kaptipada	SGSY	-	0003	003.95
17	Sarpalli	SGRY	-	0016	017.30
18	Turekela	MPLAD	2003-04	0008	002.45
		MLALAD	2004-06	0007	001.29
		RLTAP	2002-06	0017	039.41
		NFFWP	2005-06	0038	047.68
		SGRY	2002-05	0032	014.40

		IAY	2004-05	0003	000.28
		WODC	2002-04	0005	003.14
		SGSY	2003-04	0003	002.78
19	Shergada	IAY	2003-05	0112	020.06
20	G. Udayagiri	IAY	2004-06	0059	006.22
21	Barkote	IAY	2004-05	0040	012.00
22	Mathili	IAY	2003-05	0055	006.14
		SGRY	2004-06	0015	035.74
23	Tangi Choudwar	SGRY	2004-06	0014	016.03
		IAY	1999-06	3223	434.34
24	Kuaramunda	NFFWP	2004-05	0013	032.00
		SGRY	2004-06	0028	043.83
25	Bahalda	IAY	1999-06	0052	005.30
		SGSY	2003-04	0001	006.80
		NFFWP	2004-05	0002	007.90
26	Bisoi	IAY	2002-03	0025	002.20
27	Kusumi	IAY	2003-06	0161	019.02
28	Subdega	WODC	2001-05	0003	017.85
		MPLAD	2003-04	0001	000.31
		SGRY	2002-05	0007	005.68
29	Tileibani	NFFWP	2004-06	0004	014.87
		SGRY	2005-06	0008	006.17
		WODC	2005-06	0001	001.85
30	Jhumpura	IAY	2001-06	0395	036.97
31	Narayanapatna	SGRY	2004-06	0006	009.97
32	Raighar	SGRY	2004-06	0006	012.85
33	Gudvella	SGRY	2004-06	0006	007.40
		NFFWP	2004-06	0004	005.65
		IAY	2004-06	0128	015.14
34	Reamal	SGRY	2003-06	0002	018.46
		IAY	2003-05	0077	010.29
		NFFWP	2003-06	0042	048.80
35	Kabisuryanagar	SGRY	2005-06	0014	012.97
			Total (A)	**6393**	**1351.12**
GRAM PANCHAYAT					
1	Dagarpada	SPL. IAY	2000-01	0001	000.19
		SGRY	2003-05	0001	000.15
2	Shyamsundarpur	IAY	2004-06	0002	000.32
3	Nandika	IAY	2003-04	0002	000.24
4	Actuatapur	SPL. IAY	2000-02	0002	000.38
5	Jalada	SPL.IAY	2003-05	0005	000.35
		IRHS	2004-05	0002	000.39
6	Saleibeda	SGRY	2004-05	0001	000.27
7	Nandor	IAY	2004-05	0001	000.18
			Total (B)	**0017**	**002.47**
			Grand Total (A+B)	**6410**	**1353.59 or 13.54 crore**

Appendix-XVII

Statement on Idle Expenditure on shopping units

(Ref. Para 2.17 ; Page-25)

(Rupees in lakh)

Sl.No.	Name of the PRIs	Scheme	Period	Nos. of shop units	Amount
PANCHAYAT SAMITI					
1	Karlamunda	SGRY	2004-06	038	14.50
2	Tihidi	SGRY	2004-05	022	07.40
		SGSY	2002-06	048	20.00
3	Suliapada	SGRY	2003-07	027	07.80
4	Borigumma	SGRY	2004-05	100	26.33
5	Laikera	SGRY	2004-05	028	08.40
6	Kotpad	SGRY	2003-05	051	15.80
7	Bangiriposi	SGRY	2004-05	006	02.40
8	Khurda	SGRY	2004-07	012	04.00
9	Karanjia	SGRY	2005-07	018	07.70
10	Khallikote	SGRY	2004-05	018	07.20
		BGBY	2004-05	010	04.00
11	Pottamundai	SGRY	2004-07	018	12.60
		SGSY	2004-07	020	19.00
12	Marshaghai	SGSY	2002-03	020	16.31
		SGRY	2002-03	015	09.50
13	Nischintakoili	SGRY	2004-07	061	42.24
14	Tirtol	SGRY	2004-06	070	25.75
		MP/MLALAD	2004-06	009	07.00
15	Tarva	SGRY	2003-04	026	08.24
16	Deogaon	SGRY	2004-05	051	15.30
17	Narla	SGRY	2003-05	044	17.90
18	Paikmal	SGRY	2003-06	076	21.14
19	Bheden	SGRY	2003-07	093	27.90
20	Tangi Choudwar	SGRY	2005-06	012	04.35
		SGSY	2004-05	010	03.00
21	Baranga	SGRY	2003-04	010	05.48
22	Jhumpura	SGRY	2003-05	032	12.08
23	Raighar	SGRY	2004-06	042	12.60
24	Muribahal	SGRY	2003-06	038	12.70
25	Maneswar	SGRY	2004-06	075	17.30
26	Sukinda	SGRY	2004-06	038	16.40
27	Reamal	SGRY	2003-06	005	02.25
28	Jujomura	SGRY	2003-07	095	20.50
			Total	**1165**	**455.07 or 4.55 crore**

Appendix-XVIII

Statement of Irregular Expenditure on transportation charges

(Ref. Para 2.18 ; Page-26)

(Rupees in lakh)

Sl. No.	Name of the PRIs	Name of the scheme	Period	Amount)
PANCHAYAT SAMITI				
1	Suliapada	SGRY	2004-07	00.61
2	Bangiriposi	NFFWP	2004-06	05.74
		SGRY	2004-06	02.78
3	Ghasipura	SGRY	2004-05	00.51
4	Karanjia	NFFWP	2003-06	01.70
		SGRY	2003-06	06.46
5	Jamada	SGRY	2004-06	02.47
6	Tiring	SGRY	2004-05	02.03
7	Kaptipada	SGRY	2004-06	02.00
8	Dasmanthpur	SGRY	2005-07	02.92
9	Rajgangpur	SGRY	2004-07	01.29
10	Paikmal	SGRY	2005-07	00.21
11	Kashipur	SGRY	2006-07	00.68
		NFFWP	2006-07	00.60
12	Bisra	SGRY	2004-06	02.15
		NFFWP	2004-06	04.17
13	Aul	SGRY	2004-06	01.24
14	Narayanpatana	SGRY	2003-07	00.97
15	Sukinda	SGRY	2003-06	01.12
16	Karanjia	SGRY	2005-07	03.10
		NFFWP	2005-07	01.69
			Total (A)	**44.44**
GRAM PANCHAYAT				
1	Kendujeani	SGRY	2003-07	00.29
2	Jagannah prasad	SGRY	2003-06	00.13
3	Badagaon	SGRY	2006-07	00.24
4	Mariwada	SGRY	2006-07	00.21
5	Tandiki	SGRY	2006-07	00.68
6	Khandabandh	SGRY	2006-07	00.22
7	Talkadakala	SGRY	2006-07	00.18
8	Salibeda	SGRY	2006-07	00.14
9	Bharandia	SGRY	2006-07	00.10
10	Suakati	SGRY	2006-07	00.17
11	Tikimiri	SGRY	2006-07	00.12
12	Khaladi	SGRY	2006-07	00.15
13	Dantiamuha	SGRY	2003-07	00.20
14	Karamangi	SGRY	2003-07	00.12
			Total (B)	**02.95**
			Grand Total (A+B)	**47.39**

Appendix-XIX

Statement of Expenditure on Non-durable assets

(Ref. Para 2.19 ; Page-26)

(Rupees In lakh)

Sl. No	Name of the PRIs	Scheme	Nature of work	Period	No of projects	Expenditure
PANCHAYAT SAMITI						
1	Tihidi	SGRY	Earth work & moorum spreading	2004-07	02	02.50
2	Bangiriposi	SGRY	Only earth work	2004-07	02	01.61
3	Pattamundai	SGRY	Only earth work	2004-07	01	02.70
4	Teleibani	SGRY	Earth work & moorum spreading	2004-07	10	10.73
5	Reamal	NFFWP	-do-	2004-07	02	03.30
				Total (A)	**17**	**20.84**
GRAM PANCHAYAT						
1	Banspal	SGRY	Earth & moorum spreading	2006-07	02	00.60
2	Tankachhai	SGRY	-do-	2006-07	01	00.25
3	Achutpur	SGRY	-do-	2006-07	03	00.18
4	Jagannathpur	SGRY	-do-	2003-05	13	03.29
5	Badagaon	SGRY	-do-	2006-07	02	00.80
6	Arei	SGRY	-do-	2006-07	01	00.35
7	Barapada	SGRY	-do-	2006-07	04	00.67
8	Nilgee	SGRY	-do-	2006-07	01	01.77
9	Sikharpur	SGRY	-do-	2006-07	02	00.25
10	Khudia majhisahi	SGRY	-do-	2006-07	01	00.30
11	Bitana	SGRY	-do-	2006-07	02	00.60
12	Nandor	SGRY	-do-	2006-07	01	00.11
13	Bihari	SGRY	-do-	2006-07	03	00.95
14	Benagadia	SGRY	-do-	2006-07	16	03.15
15	Digdhar	SGRY	-do-	2006-07	02	00.30
16	Karamongi	SGRY	Only Earth Work	2003-05	03	00.70
17	Bimala	SGRY	Earth & moorum spreading	2004-05	02	00.36
18	Paliabindha	SGRY	Only Earth Work	2005-06	01	00.50
				Total (A)	**60**	**15.13**
				Grand Total (A+B)	**77**	**35.97**

Appendix-XX

Statement on non-utilisation of food grains

(Ref. Para 2.20 ; Page-27)

Sl.No	Name of the PRIs	Scheme	Period	Quantity (Quintal)	Rate per quintal	Total cost (Rs in lakh)
PANCHAYAT SAMITI						
1	Suliapada	SGRY	2005-06	0231.40	630/-	01.46
		NFFWP	2005-07	0262.48	630/-	01.64
2	Borigumma	SGRY	2005-06	3714.03	630/-	23.40
3	Bangiriposi	SGRY	2004-05	4307.77	565/-	24.33
		NFFWP	2004-05	1779.79	565/-	10.06
4	Rasgovindpur	SGRY	2004-05	0900.18	565/-	05.09
		NFFWP	2004-05	1057.87	565/-	05.98
5	Rairangpur	NFFWP	2005-06	0152.81	630/-	00.96
6	Khallikote	NFFWP	2005-06	0351.08	630/-	02.21
		SGRY	2005-06	0259.81	630/-	01.64
7	Junagarh	SGRY	2004-05	0886.42	565/-	05.01
		NFFWP	2004-05	0743.58	565/-	04.20
8	Athagarh	SGRY	2005-06	0592.22	630/-	03.73
9	Bhatli	SGRY	2004-05	0051.28	565/-	00.29
10	Khariar	NFFWP	2005-07	0937.00	630/-	05.90
11	Sinapali	NFFWP	2005-06	1113.50	630/-	07.02
12	Kuaramunda	NFFWP	2005-06	1363.40	630/-	08.59
13	Raruan	SGRY	2005-06	0258.26	630/-	01.63
14	Reamal	SGRY	2003-05	0619.73	565/-	03.50
			Total	**19582.61**		**116.64 or 1.17 crore**

QUANTITY OF FOOD GRAINS.

Sl.NO	Scheme	Quantity of food grains in quintals	Rate	Total cost
1	NFFWP	3581.24	565/-	020.23
	-do-	4180.27	630/-	026.34
2	SGRY	6765.38	565/-	038.22
	-do-	5055.72	630/-	031.85
	Total	**19582.61**		**116.64 or 1.17 crore**

Appendix-XXI

Statement on Idle stock of materials

(Ref. Para 2.21 ; Page-27)

Sl.No	Name of the PRIs	Material	Period	Quantity	Rate	Total cost (Rs. In lakh)
PANCHAYAT SAMITI						
1	Chandrapur	Bitumen	1999-00	104 drums	3001/-	03.12
2	Nischintakoili	Cement	2003-04	8943 bags	110/-	09.84
		Cement compound	2000-01	0092 tins	320/-	00.29
3	Tirtol	Cooling machine	2003-04	0001 no	120000/-	01.20
4	Bijepur	Sluice gate	2004-05	0023 sets	25500/-	05.87
5	Sinapali	Centring pipes	2001-02	0029 nos	500/-	00.15
		Marble stone	2001-02	40 pieces	500/-	00.20
6	Maneswar	Kiosk Machine	2004-05	0001 no	170000/-	01.70
7	Sukinda	Pump Sets	1999-00	030 sets	1467/-	00.44
8	Gaisilate	Building materials	2003-06	-	-	03.90
					Total	**26.71**

Appendix-XXII

Statement showing list of units test checked

(Ref. Para - 3.2 ; Page-30)

Sl.No	Name of the Districts	Name of ZPs	Name of PSs	No of GPs test checked
1.	Bhadrak	Bhadrak ZP	Bhadrak PS	03
			Bhandaripakhari PS	03
2.	Mayurbhanj	Mayurbhanj ZP	Baripada Sadar PS	03
			Kuliana PS	03
			Bangripasi PS	03
3.	Ganjam	Chhatrapur ZP	Chhatrapur PS	03
			Dharakat PS	06
			Chikiti PS	07
4.	Dhenkanal	Dhenkanal ZP	Dhenkanal PS	03
			Hindol PS	03
5.	Koraput	Koraput ZP	Koraput PS	03
			Jeypore PS	02
			Semiliguda PS	03
6.	Kalahandi	Bhawanipatna ZP	Bhawanipatna PS	03
			Junagarh PS	03
			Narla PS	03
			Kesinga PS	03
7.	Sambalpur	Sambalpur ZP	Dhankauda PS	03
			Rairakhol PS	03

8.	Rayagada	Rayagada ZP	Rayagada PS	03
			Kolnara PS	03
9	Baragarh	Baragarh ZP	Baragarh PS	03
			Atabira PS	09
			Bhatli PS	04
10	Deogarh	Deogarh ZP	Barkot PS	06
			Teliebani PS	05
11	Khurda	Khurda ZP	Khurda PS	07
			Bhubaneswar PS	07
			Chilika PS	04
12	Balasore	Balasore ZP	Balasore PS	05
			Nilagiri PS	06
			Jaleswar PS	03
			Total	**128**

Appendix-XXIII

Statement showing fact sheet on devolvement of functions to PRIs

(Ref. Para -3.4.1 ; Page-32)

Sl.No	Subject		
1.	Agriculture including Agricultural Extension	Yes	
2.	Land improvement, implementation of land reforms, land consolidation and soil conservation (Soil Conservation)	Yes	
3.	Minor irrigation, water management and watershed development	Yes	
4.	Animal husbandry, dairying and poultry	Yes	
5.	Fisheries	Yes	
6.	Social forestry and farm forestry		No
7.	Minor Forest Produce	Yes	
8.	Small Scale Industries, including food processing industry		No
9.	Khadi, Village and Cottage Industry		No
10.	Rural Housing	Yes	
11.	Drinking Water	Yes	
12.	Fuel and fodder		No
13.	Roads, culverts, bridges, ferries, waterways and other means of communication	Yes	
14.	Rural electrification, including distribution of electricity		No
15.	Non conventional energy sources	Yes	
16.	Poverty alleviation programme	Yes	
17.	Primary Education	Yes	
18.	Technical training and vocational education		No
19.	Adult and non formal education	Yes	
20.	Libraries		No
21.	Cultural activities		No
22.	Markets and fairs	Yes	
23.	Health and sanitation, including hospitals, primary health centres and dispensaries	Yes	
24.	Family welfare	Yes	
25.	Women and child development	Yes	
26.	Social welfare, including welfare of handicapped and mentally retarded	Yes	
27.	Welfare of the weaker sections and in particular, of the Scheduled Castes and Scheduled Tribes	Yes	
28.	Public distribution system	Yes	
29.	Maintenance of community assets	Yes	

Appendix-XXIV

Statement showing Implementation of activities

(Ref. Para -3.4.2 ; Page-32)

Category of the PRIs	Units test checked	Number of activities performed	No of activities partially performed	No of activities not performed at all
Zilla Parishad	08	02 to 33	01 to 05	10 to 39
Panchayat Samiti	32	10 to 22	07 to 11	07 to 22
Gram Panchayat	136	03 to 21	00 to 15	08 to 41

Appendix-XXV

Statement showing devolved activities implemented through line departments

(Ref. Para -3.5.3 ; Page-35)

Sl.No	Name of the devolved activities
Agriculture Department	
1	Oil Seed Production Programme (OPP)
2	National Pulse Development Programme (NPDP)
3	Accelerated Maize Development Programme (AMDP)
4	Intensive Cotton Development Programme (ICDP)
5	Integrated Waste Land Development Programme (IWDP)
6	National Wasteland Development Project in Rain Fed Areas (NWDPRA)
7	River Valley Project (RVP)
8	Draught Prone Area Programme (DPAP)
9	National Project on Promotion of Organic Farming
10	National Horticultural Mission (NHM)
11	Strengthening and Modernization of Paste Management
12	Oil Palm Development
13	Micro Irrigation Programme
14	Integrated Scheme for Oil Seen, Pulses, Oil Palm and Maize (ISOPOM)
15	Development and Strengthening of Infrastructure for Production and Distribution of quality seeds.
Fisheries and Animal Husbandry Department	
1	Assistance to State for Control of Animal Diseases
2	Development of Inland Fisheries and Aquaculture
Water Resources Department	
1	Combined Area Development Programme (CADA)
Health and Family Welfare Department	
1	National Anti Malaria Programme (NAMP)
2	National Filaria Control Programme (NFCP)
3	National Malaria Eradication Programme (NMEP)
4	T.B Control Programme

Appendix-XXVI

Statement showing areas of GPs to impose taxes

(Ref. Para -3.6.2 ; Page 36)

Sl.No	Particulars of items
1	Tax on vehicles
2	Latrine and conservancy tax
3	Water rate for water supplied by the GPs
4	Lighting tax
5	Drainage tax
6	Fees on private markets and slaughter houses
7	Fees on animals brought for sale in public markets
8	Fees for regulating the movement of cattle
9	Fees for use of building for commercial purposes
10	Fees for use of slaughter houses and cart stands maintained by GPs
11	Ground rent for temporary use of land and buildings owned by GPs
12	License fees on brokers commission agents and weight and measures
13	Other taxes toll and fee as may be decided by GPs