

CHAPTER I

1.1 Introduction

The Eleventh Finance Commission (EFC) recommended that the Comptroller and Auditor General of India shall be responsible for exercising control and supervision over the proper maintenance of the accounts and their audit for all the three tiers/levels of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs).

The State Government has placed the work of Local Fund Audit under the Technical Guidance and Supervision (TGS) of the Comptroller and Auditor General of India. During 2003-04, the transactions of 15 Zilla Parishads (ZPs), 130 Panchayat Samitis (PSs) and 402 Gram Panchayats (GPs) were test checked. A supplementary test check of the accounts of the ZPs was also done.

1.2 Organisational set up

Zilla Parishads and Panchayat Samitis in Maharashtra function under the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961. Accounting transactions are regulated as per the Maharashtra Zilla Parishads and Panchayat Samitis Account Code, 1968. The Chief Executive Officer of the ZP is the administrative head appointed by the Government.

For administrative convenience, the ZPs are divided into blocks. These blocks are under the control of Block Development Officers (BDOs) who work under an elected body headed by the President of the PS.

Blocks are further divided into Panchayats consisting of a few villages depending upon the population. A Gram Sevak