



**Annual Technical Inspection Report
on
Panchayati Raj Institutions
for the year ended 31 March 2016**



**Office of the Principal Accountant General
(General & Social Sector Audit)
Uttar Pradesh**



Government of Uttar Pradesh

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PREFACE

This Report for the year ended March 2016 has been prepared for submission to the Government of Uttar Pradesh in terms of Technical Guidance and Support to audit of PRIs under Section 20(1) of CAG's DPC Act 1971.

The Report contains significant results of the audit of the *Panchayati Raj* Institutions in the State including the departments concerned.

The issues noticed in the course of test audit for the period 2015-16 as well as those issues which came to notice in earlier years, but could not be dealt within the previous Reports have also been included, wherever necessary.

The audit has been conducted in conformity with auditing standards issued by the Comptroller and Auditor General of India.

OVERVIEW

This Report consists of three chapters related to *Panchayati Raj* Institutions. Chapter 1 provides an Overview of the Functioning, Accountability Mechanism and Financial Reporting. Chapter 2 includes Performance Audit on 'PRIs' resources and their utilisation'. Chapter 3 includes findings on Audit of Transactions. A synopsis of audit findings included in the report is presented below:

Chapter 1 An Overview of the Functioning, Accountability Mechanism and Financial Reporting

Audit arrangements

The entrustment of Technical Guidance and Support audit of PRIs was continued in the State as per the recommendation of Thirteenth Finance Commission. The CAG or his representative will have the right to report to State Legislature the result of audit at his discretion, as per the entrustment (2011).

However, Annual Technical Inspection Reports/Audit Report sent to the Government for the year ended March 2013, March 2014 and March 2015 have not been placed before the State Legislature as of March 2017.

Further, the Chief Audit Officer, Co-operative Societies and *Panchayats* (CAO) is the Primary Auditor, empowered to conduct the audit of all the three tiers of PRIs. It was noticed that during 2015-16, 18,222 units out of 52,728 PRIs units planned for audit by CAO were not audited.

(Paragraph 1.5)

Devolution of functions and funds to PRIs

Only 16 out of 29 functions pertaining to PRIs mentioned in the Eleventh Schedule of the Constitution have been devolved to PRIs as of October 2016. The remaining functions were yet to be devolved to the PRIs.

The revenue realized (₹ 898.74 crore) by PRIs from their own sources compared to their total resources (₹ 30,696.07 crore) of 2011-16 was insignificant (three *per cent*) indicating large dependency on the Government grant for financing their activities.

PRIs in the State suffered loss of resources of ₹ 332.68 crore in 2011-12 as the grants released were lapsed on account of not being drawn from treasuries by 31 March 2012. The grants released (₹ 1931.30 crore) by GoI in 2015-16 was transferred to GPs after a delay of four days and consequently, GoUP had to incur an avoidable interest of ₹ 1.64 crore. Further, the grant (₹ 1,909.18 crore) released by GoI in 2015-16 was transferred to GPs by the State Government with a delay of 19 days but due interest of ₹ 6.08 crore was not paid to GPs.

(Paragraph 1.3.1, 1.11.1.2, 1.11.2.1 and 1.11.3.1)

Utilisation of funds

During 2011-16, total grants received from GoI (₹ 12,765.39 crore) and from the State Government (₹ 17,031.94 crore) by PRIs in the State were reported to have been utilised, but audit noticed substantial unutilised balances (₹ 172.82) in test checked 202 PRIs (10 ZPs, 26 KPs and 166 GPs) at the end of March 2016.

(Paragraph 1.10)

Maintenance of accounts

Accounting in PRIASoft incorporated all the formats (eight formats) prescribed by CAG. However, out of the eight formats, reports in only three formats (Annual Receipt & Payment Account, Consolidated Abstract Register and Monthly Reconciliation Statement) were being generated by ZPs and KPs. In GPs, only Annual Receipt and Payment Account and Consolidated Abstract Register were being generated.

(Paragraph 1.11.5)

Chapter 2 Performance Audit on “PRIs’ resources and their utilisation”

Financial management

Weak Financial Management of PRIs led to available funds not being utilised leaving a balance of ₹ 172.82 crore (ZPs: ₹ 151.99 crore, KPs: ₹ 10.57 crore and GPs: ₹ 10.26 crore) in the test checked PRIs at the end of March 2016. During 2011-16, test checked 26 KPs and 166 GPs drew funds ₹ 84.93 crore and ₹62.09 crore from their *Kshetra Nidhi* and *Gram Nidhi* respectively without passing their annual budgets though required under their Acts.

(Paragraph 2.7.2.2)

ZP resources

During 2011-16, there was accumulation of unrealised rent fee of ₹ 2.12 crore in nine ZPs. Rate of license fee of Industrial and Commercial premises was not revised since 1999 and 2005 respectively. Consequently, license fee ₹ 3.81 crore was not levied during 2012-16 in two ZPs. Potential tax sources viz., advertisement tax and tax on passing of maps of commercial premises available with ZPs were not tapped. Due to ineffective levy of tax during 2011-16, there was loss of Circumstances & Property tax (CP tax) of ₹ 5.52 crore in five ZPs.

Undue favour was given to a defaulting licensee in ZP Sonbhadra for collecting transportation fee from vehicles collecting and transporting sand, *morum*, stone grit *etc.* by waiving off license fee of ₹ 2.43 crore for the period 2008-10 and not recovering the license fee of ₹ 1.62 crore pertaining to 2012-13 from the same licensee as of June 2016.

(Paragraph 2.7.1.1)

Planning

There was no annual planning for effective utilisation of resources in test checked ZPs and KPs. GPs did not prepare *Gram Panchayat Development Plan* (GPDP) though required under the *Panchayati Raj Act, 1947*.

(Paragraph 2.7.2.1)

Execution of works

Deficiencies were noticed in execution of works such as execution of *intra* GP works (₹394.14 crore), short levy of penalty amounting to ₹6.28 crore for delay in completion of works *etc.* The test checked GPs purchased construction material amounting to ₹17.00 crore during 2011-16 without following the prescribed purchase procedures.

(Paragraph 2.7.2.3)

Monitoring

Monitoring of resource generation and their utilisation by State and district level officers was not robust. Various deficiencies of internal control/checks were noticed in test checked PRIs.

(Paragraph 2.7.2.4)

Chapter 3 Audit of Transactions

Violation of the tendering rules led to extension of undue favour of ₹ 29.52 lakh to contractors in *Zila Panchayat* Varanasi and Jalaun.

(Paragraph 3.1)

Payment of ₹ 0.82 lakh without ensuring proper checks in two *Kshetra Panchayats*.

(Paragraph 3.2)

Unfruitful expenditure of ₹ 1.60 crore incurred on construction of incomplete and sub-standard *Gram Panchayat Sachivalaya* in *Zila Panchayat*, Fatehpur.

(Paragraph 3.3)

Unfruitful expenditure of ₹ 59.64 lakh due to incomplete construction of Bharat Nirman Rajiv Gandhi *Seva Kendra* building in *Kshetra Panchayat* Amaria, Pilibhit and objective of its utilisation as a Citizen Centric Knowledge Resource Centre was also not fulfilled.

(Paragraph 3.4)

Chapter 1

An Overview of the Functioning, Accountability Mechanism and Financial Reporting

1.1 Introduction

The Seventy Third Constitutional Amendment Act (1992) paved the way for decentralisation of powers and devolution of more functions and funds to *Panchayati Raj* Institutions (PRIs) for enabling them to function as institutions of self-governance. Consequently, more diversified responsibilities were devolved through three-tier structures namely, *Gram Panchayat* (GP) at the village level, *Kshetra Panchayat* (KP) at the block level (Intermediate level) and *Zila Panchayat* (ZP) at the district level. To incorporate the provisions of the Seventy Third Constitutional Amendment, a three tier *Panchayati Raj* System was established through amendment (1994) in the Uttar Pradesh *Panchayat Raj* Act (UP PR Act), 1994 and UP *Kshetra Panchayat* and *Zila Panchayat Adhiniyam* (UP KP & ZP Act), 1961 and Rules framed thereunder.

Accordingly, the elected bodies at each level of *Panchayati Raj* Institutions (PRIs) were established with regular elections of *Panchayats* in every five years.

1.1.1 State profile

Uttar Pradesh is the fifth largest State in the country in terms of size and spans with an area of 2.41 lakh square Kilometer. There are 60,058 PRIs in the State, governed by elected members of the boards with normally five years tenure. The last election to these PRIs was held in 2015. The profile of PRIs compared to national value is given in **Table 1**.

Table 1: Important statistics of the State

Sl. No.	Indicator	Unit	State value	National value
1.	Population	Crore	19.98	121.06
2.	Population density	No./Km ²	829	382
3.	Rural population	Crore	15.53	83.35
4.	Number of PRIs	Number	60,058	2,47,577
5.	Number of ZPs	Number	75	598
6.	Number of KPs	Number	821	6,391
7.	Number of GPs	Number	59,162	2,40,588
8.	Gender ratio (rural)	Females <i>per</i> 1000 males	918	949
9.	Literacy (rural)	<i>Per cent</i>	65.46	67.77

(Source: Report of Thirteenth Finance Commission and Census 2011, Directorate of *Panchayati Raj*, Lucknow)

1.2 Organisational set up of *Panchayati Raj* Institutions

Social sector programmes/schemes of rural areas are implemented by PRIs, parallel bodies and line departments. At Government level, Additional Chief Secretary, *Panchayati Raj* assisted by Director, *Panchayati Raj* was responsible for overall monitoring of release and utilisation of grants. *Apar Mukhya Adhikari* (AMA) at *Zila Panchayat* (ZP) level, Block Development

Officers at *Kshetra Panchayat* (KP) level and *Gram Panchayat/Vikas Adhikari* at *Gram Panchayat* (GP) level were responsible for economical and effective utilisation of grants. Further, *Zila Panchayat* Monitoring Cell (ZPMC) Lucknow and District *Panchayat Raj* Officers (DPROs) were responsible for monitoring the progress of the expenditure incurred on programmes executed by ZPs and KPs/GPs respectively. Apart from the above, High Level Monitoring Committee (HLMC) headed by the Chief Secretary, Government of Uttar Pradesh (GoUP) was also responsible for ensuring adherence to the specific conditions of grants provided to PRIs. The Organogram of PRIs at the Government and elected representative of each level is given in **Appendix 1.1**.

1.3 Functioning of *Panchayati Raj* Institutions

1.3.1 Status of devolution of Funds, Functions and Functionaries to *Panchayati Raj* Institutions

Eleventh schedule of the Constitution of India provided for the transfer of Funds, Functions and Functionaries to *Panchayati Raj* Institutions (PRIs) for enabling them to function as institutions of self-governance. Accordingly, the State Legislature amended the UP PR Act, 1947 and UP KP & ZP Act, 1961 by UP Act no. 9 of 1994 and devolved powers and functions to GPs as specified in Section 15 of the UP PR Act, 1947 and to KPs and ZPs as specified in Schedule I and Schedule II of UP KP & ZP Act, 1961. Out of 29 (**Appendix 1.2**), only 16 functions pertaining to PRIs mentioned in the Eleventh Schedule of the Constitution have been devolved to PRIs as of 14 October 2016 (**Appendix 1.3**). The remaining functions were yet to be devolved to the PRIs. Devolution of Funds and Functionaries to PRIs are discussed in succeeding paragraphs.

1.4 Formation of various Committees

1.4.1 Standing Committees

For proper functioning of the three tiers of PRIs, GoUP ordered in July 1999 for constitution of six standing committees in each tier of PRIs. Brief introduction on the working of various standing committees involved in financial matters and implementation of schemes is given in **Table 2**.

Table 2: Details of Standing Committees

Tier of PRIs	Head of the Standing Committees	Names, roles and responsibilities of the Standing Committees
<i>Zila Panchayat</i>	<i>Adhyaksh</i>	<p>(i) <i>Niyojan Evam Vikas Samiti</i>: is assigned the task to prepare a plan for GPs and to implement the Agriculture, Animal Husbandry and Poverty Alleviation schemes.</p> <p>(ii) <i>Shiksha Samiti</i>: is assigned the task regarding Primary Education, Upper Primary Education, Informal Education and Literacy Programme.</p> <p>(iii) <i>Nirman Karya Samiti</i>: is entrusted with the task to have effective control and quality assurance in all the temporary and permanent constructions and</p>

		<p>maintenance works.</p> <p>(iv) Swasthya Evam Kalyan Samiti: is responsible for implementation of Medical, Health and Family Welfare schemes.</p> <p>(v) Prashasanik Samiti: is responsible for all the subjects of personnel engaged under the control of GPs and works related to fair price shops.</p> <p>(vi) Jal Prabandhan Samiti: is responsible for operation and maintenance of tube wells and operation of schemes regarding drinking water.</p>
<i>Kshetra Panchayat</i>	<i>Block Pramukh</i>	<p>(i) Niyojan Evam Vikas Samiti: is assigned the task to prepare a plan for GPs and to implement the Agriculture, Animal Husbandry and Poverty Alleviation schemes.</p> <p>(ii) Shiksha Samiti: is assigned the task regarding Primary Education, Upper Primary Education, Informal Education and Literacy Programme.</p> <p>(iii) Nirman Karya Samiti: is entrusted with the task to have effective control and quality assurance in all the temporary and permanent constructions and maintenance works.</p> <p>(iv) Swasthya Evam Kalyan Samiti: is responsible for implementation of Medical, Health and Family Welfare schemes.</p> <p>(v) Prashasanik Samiti: is responsible for all the subjects of personnel engaged under the control of GPs and works related to fair price shops.</p> <p>(vi) Jal Prabandhan Samiti: is responsible for operation and maintenance of tube wells and operation of schemes regarding drinking water.</p>
<i>GramPanchayat</i>	<i>Gram Pradhan</i>	<p>(i) Niyojan Evam Vikas Samiti: is responsible for preparing development plan for GP and implementation of Agriculture, Animal Husbandry and Poverty Alleviation schemes.</p> <p>(ii) Shiksha Samiti: is responsible for implementation of schemes related to primary education, adult & informal education and literacy programme.</p> <p>(iii) Nirman Karya Samiti: is responsible for all construction and maintenance works and quality thereof.</p> <p>(iv) Swasthya Evam Kalyan Samiti: is enshrined with the task of Medical, Health, Family Planning and Social Welfare Schemes especially for implementation of Women and Child Welfare Schemes.</p> <p>(v) Prashasanik Samiti: deals with matters related to establishment of employees and fair price shop of <i>Gram Panchayat</i>.</p> <p>(vi) Jal Prabandhan Samiti: deals with operation and maintenance of Drinking Water Scheme and Tube wells.</p>

(Source: Director, Panchayati Raj, Lucknow)

The functioning status of these committees at PRI level was not made available to audit by the Government.

1.4.2 District Planning Committee

The Constitution (Seventy Fourth Constitutional Amendment) Act, 1993 states that "There shall be constituted in every State at the district level a District Planning Committee (DPC) to consolidate the plans prepared by the *Panchayats* and the Municipalities in the district and to prepare a draft development plan for the district as a whole". Although the Government enacted the Uttar Pradesh District Planning Committee Act, 1999 (July 1999), DPCs in the State were constituted only in April 2008.

It was noticed that DPCs were constituted in all the districts. The audit observation on planning aspects of PRIs is discussed in paragraph 2.7.2.1 of Chapter 2 of this Report.

1.5 Audit arrangement

1.5.1 Primary Auditor

The Chief Audit Officer, Co-operative Societies and *Panchayats* (CAO) is the primary Auditor, empowered to conduct the audit of all the three tiers of PRIs. The position of audit conducted during the period 2015-16 is given in **Table 3**.

Table 3: Position of units planned, audited and shortfall

Name of PRIs	Number of units planned	Number of units audited	Shortfall in number of units (per cent)
ZPs	73	46	27 (37)
KPs	821	93	728 (89)
GPs	51,834	34,367	17,467 (34)

(Source: CAO, Co-operative Societies and *Panchayats*, Lucknow).

As may be seen from **Table 3**, a large number of PRIs due for audit during the year remained unaudited, ZPs 37 per cent, KPs 89 per cent and GPs 34 per cent.

On being pointed out, CAO stated (October 2016) that records were not being produced by PRIs, which was the main reason for heavy shortfall in audit. The State Government should take a serious note of this and put in place an effective system to ensure that PRIs maintain proper records and produce them to the CAO.

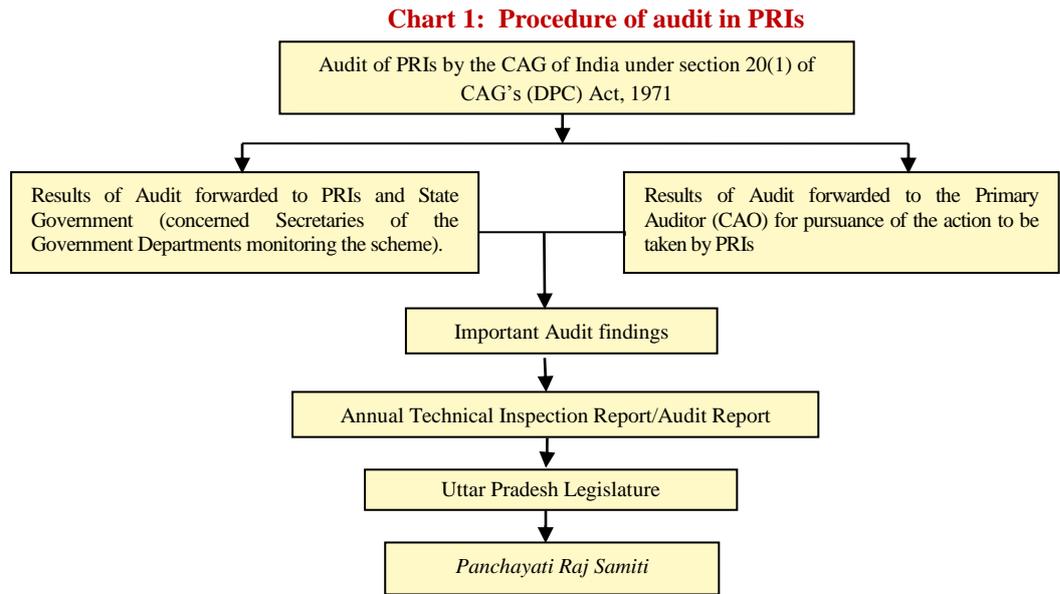
Rule 186 of the UP PR Rules, 1947 provides for preparation of Annual Audit Reports. The annual Audit Report for the year 2010-11 had been prepared and submitted to State Legislature. However, annual Audit Reports from 2011-16 were yet to be prepared and submitted to the Legislature.

1.5.2 Audit by the Comptroller and Auditor General of India

The entrustment of TGS audit of PRIs and ULBs was continued in the State as per the recommendation of Thirteenth Finance Commission. It provided for an additional component of Performance Grant which was linked to the condition of laying of the CAG's Annual Technical Inspection Report (ATIR) for Local bodies in the State Legislature. As per the entrustment letter (2011), the CAG

or his representative will have the right to report to State Legislature the result of audit at his discretion.

The Audit of accounts of PRIs is conducted by the CAG of India under section 20(1) of CAG's (DPC) Act, 1971. TGS to the audit of PRIs of CAO is given to the CAG under Section 20 (1) of CAG's (DPC) Act, 1971. The result of audit was sent to State Government, Director, PRI and CAO, for pursuance of action to be taken by PRIs. Procedure of audit in PRIs is depicted in **Chart 1**.



Rule 186 of Uttar Pradesh *Panchayat Raj* (Seventeenth Amendment) Rules, 2011 and Rule 176 of the Uttar Pradesh *Zila Panchayat* and *Kshetra Panchayat* (Budget and General Accounting) (Sixth amendment) Rules, 2011 laid down the provisions for tabling the Reports of the Comptroller and Auditor General of India (CAG) before the State Legislature. Consequently, the ATIRs (2005-11) of *Panchayati Raj* Institutions (PRIs) have been laid before the Legislature. In pursuance to this, the State Government constituted *Panchayati Raj Samiti* in March 2014 to discuss the reports in the Legislature of Uttar Pradesh. However, the ATIRs/Audit Report sent to the Government for the years ended March 2013, March 2014 and March 2015 were not placed before the Legislature and therefore not discussed in the *Panchayati Raj Samiti*.

1.6 Response to Audit Observations

The audit observations were communicated to the Heads of the Offices, Director, *Panchayati Raj*, CAO and the State Government. Details of outstanding audit observations with money value carried out during the course of Compliance Audit to check whether the money was spent as per rules and procedures and the purposes envisaged, are given in **Table 4**.

Table 4: Details of outstanding audit paragraphs as on 31 March 2016

Year	No. of IRs	No. of paragraphs in IRs	Amount involved (₹ in crore)	No. of paragraphs settled	No. of paragraphs outstanding	Money value of paragraphs outstanding (₹ in crore)
2011-12	840	2,033	242.37	-	2,033	242.37
2012-13	197	482	223.16	-	482	223.16
2013-14	1,561	3,310	1,073.44	-	3,310	1,073.44
2014-15	802	2,203	816.81	-	2,203	816.81
2015-16	544	1,739	2,773.51	-	1,739	2,773.51
Total	3,944	9,767	5,129.29	-	9,767	5,129.29

(Source: Register of Audit Inspection Reports)

It may be seen from **Table 4** that 9,767 paragraphs with money value of ₹ 5,129.29 crore were reported to the Government during 2011-16. No audit paragraphs were settled as the Government was not responsive to audit observations.

CAO also did not pursue the action taken by the PRIs in compliance to the audit paragraphs regularly communicated to it.

On being pointed out, CAO stated (June 2016) that review of the cases pending for settlement was not undertaken as the compliance report from the administrative departments was not received. Consequently, the audit observations during last five years were not settled which indicated lack of internal control and monitoring and disregard of financial rules, regulations and norms of financial propriety.

Accountability Mechanism and Financial Reporting

Accountability Mechanism

1.7 Ombudsman

As per Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) guidelines, in order to ensure transparency and responsibility, the State Government shall appoint Ombudsman and establish an office of Ombudsman to redress the complaints under MGNREGS. The State Government replied (August 2016) that 20 Ombudsmen for the various districts were appointed in the State in February 2014. Data of cases registered, disposal and outstanding were not made available to audit by the Government.

1.8 Social Audit

The Government of India, in consultation with the Comptroller and Auditor General of India framed a set of rules and regulations titled the “Audit of Schemes Rules, 2011”. Subsequently, GoUP constituted (August 2012) Social Audit Unit (SAU) under Society Registration Act 1860 as an independent agency. The main objective of Social Audit Unit was to build capacities of *Gram Sabha* for conducting Social Audit, to prepare Social Audit reporting formats, to create awareness amongst the labourers about their rights and entitlements and to facilitate verification of records and works sites.

The details of functioning of SAU is given in **Appendix 1.4** and coverage of Social Audit are given in **Table 5**

Table 5: Year wise planned and audited units

Year	Number of GPs	Number of GPs Planned	Number of GPs Audited	Shortfall against Planned (<i>per cent</i>)
2013-14	51,914	13,192	11,412	1,780 (13)
2014-15	59,162	25,748	20,844	4,904 (19)
2015-16	59,162	13,416	11,714	1,702 (13)

(Source: Director, Social Audit)

It may be seen from **Table 5** that during 2013-16, shortfall against units planned annually for conducting social audit in GPs ranged between 13 to 19 *per cent*.

On being pointed out, Director Social Audit stated (June 2016) that due to by-election and local reason, audit was not conducted and units were in arrears.

1.9 Lok Ayukta

GoUP passed an Act in 1975 for appointment of the Lok Ayukta and Deputy Lok Ayukta in the State for effective control of financial matters on the public servants. Accordingly, Lok Ayukta was appointed in the State since 1977 for combating corruption and mal-administration and taking measures for strengthening public institutions. Every minister except Chief Minister, every officer or public servant of State Government, *Pramukh* of KP, *Adhayaksh* of ZP are in the ambit of Lok Ayukta for initiating enquiry. Any citizen is competent to file a complaint to Lok Ayukta regarding mal-administration, misuse of power, corruption, financial irregularities *etc.* committed by State Public Servant.

Graphical structure of the office of Lok Ayukta of the State as given in **Appendix 1.5** and details of cases registered and settled from January 2011 to December 2015 are given in **Table 6**.

Table 6: Details of cases registered and disposed-off in Lok Ayukta

(Cases in number)

Year	Cases pending at the beginning of year	Cases registered during the year	Total	Cases disposed-off	Cases pending at the end of year
2011	360	651	1,011	480	531
2012	531	783	1,314	506	808
2013	808	309	1,117	523	594
2014	594	631	1,225	385	840
2015	840	273	1,113	347	766

(Source: Lok Ayukta, UP, Lucknow)

1.10 Submission of Utilisation Certificate

PRIs in the State collected revenue through own sources and received grants from GoI and the State Government under the recommendations of Finance Commissions. Details of revenue collected, grants released and utilised as reported by Directorate of *Panchayati Raj* during 2011-16 are given in **Table 7**:

Table 7: Resources and their utilisation**(₹ in crore)**

Year	Central Finance Commission grants		State Finance Commission grants	
	Grants released	Grants utilised	Grants released	Grants utilised
2011-12	1,672.27	1,672.27	2,192.10	2,192.10
2012-13	2,376.64 ¹	2,376.64	2,477.33	2,477.33
2013-14	2,742.07	2,742.07	3,901.68	3,901.68
2014-15	2,121.81	2,121.81	4,390.18	4,390.18
2015-16	3,852.60 ²	3,852.60	4,070.65 ³	4,070.65
Total	12,765.39	12,765.39	17,031.94	17,031.94

(Source: Director, *Panchayati Raj* and Finance Department, GoUP)

As may be seen from the **Table 7**, the entire CFC/SFC grants were reported as having been utilised. However, audit scrutiny revealed that the entire funds were not utilised as reported and there were balance of funds available with the PRIs as discussed in succeeding paragraphs.

According to Rule 212 (5) of General Financial Rules, 2005, State Government was required to furnish Utilisation Certificate when central grants are given to it for expenditure through Local bodies. Subsequent instalments of grants were to be released after submission of the Utilisation Certificate.

Audit noticed that the test checked 202 PRIs (10 ZPs, 26 KPs and 166 GPs) received grants during 2011-16 even though they had large amount of unspent grants of previous years (**Appendix 2.3, 2.4 and 2.6**). As may be noticed from the appendices, the test checked PRIs had a balance of funds of ₹172.82 crore (GPs: ₹10.26 crore, KPs: ₹10.57 crore and ZPs: ₹151.99 crore) at the end of 2015-16 indicating release of subsequent instalments of the grants without ensuring receipt of full utilisation certificates and actual utilisation of grants. Utilisation certificates for SFC grants both at PRIs and Directorate of *Panchayati Raj* level were not made available to Audit.

Government in its reply stated that the utilisation certificates to the GoI were sent on the basis of information of utilisation received from DPROs. Reply is not acceptable as utilisation certificates for ensuring actual utilisation of grants was not submitted by any of the PRIs test checked.

1.11 Financial Reporting

1.11.1 Sources of Funds

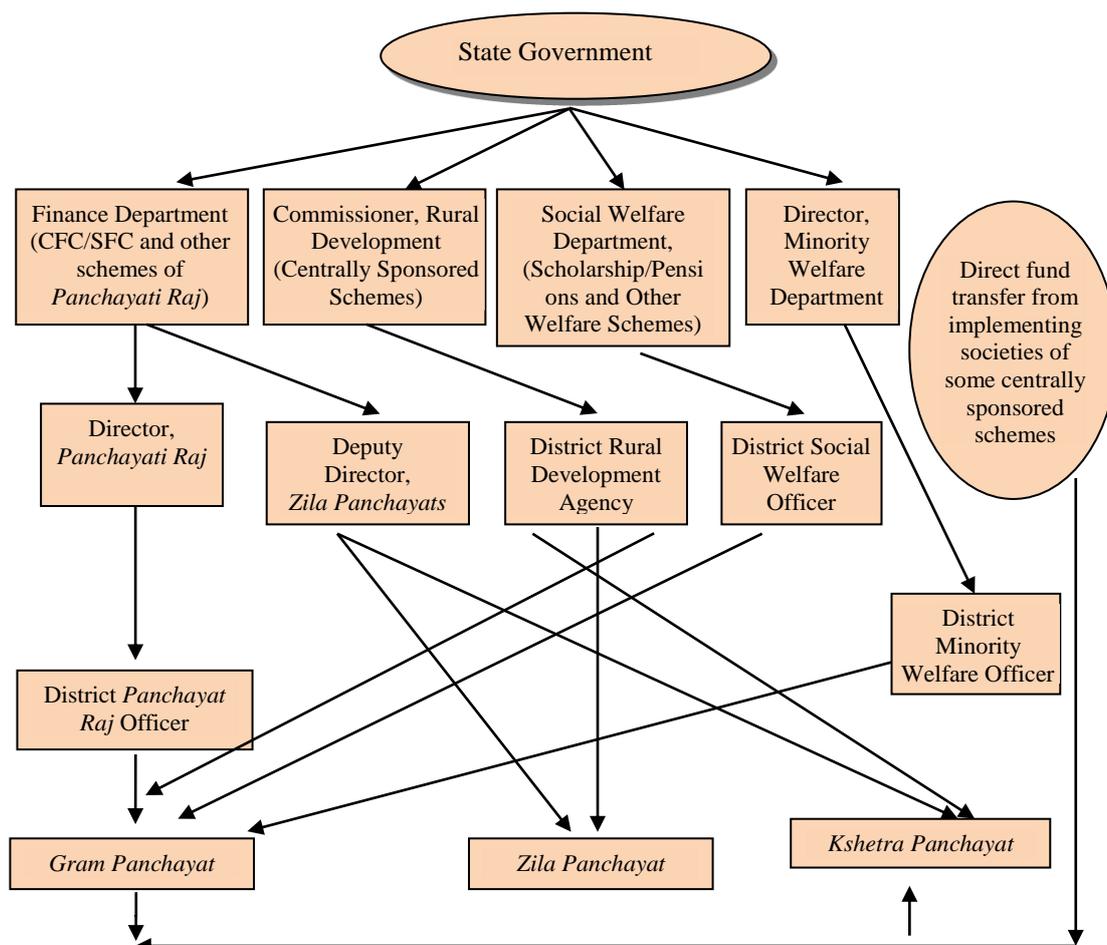
The resource base of PRIs consists of grants devolved from Government of India (GoI) under Central Finance Commission (CFC) grants, funds from Centrally Sponsored Schemes (CSS); grants devolved from GoUP under State Finance Commission (SFC) grants and resource generated through their own resources for carrying out maintenance and development works. The fund-wise source and its custody for each tier and the fund-flow arrangements in flagship schemes are given in **Chart 2** and **Table 8(a) & 8(b)**.

¹ In addition, an interest of ₹2.01 crore was released by State Government on account delay in release of grants.

² In addition, an interest of ₹1.64 crore was released by State Government on account delay in release of grant.

³ Interim as of June 2016.

Chart 2: Fund flow



(Source: Director, Panchayati Raj)

Table 8 (a): Fund-flow: Source and custody of funds in PRIs

Nature of funds	ZPs		KPs		GPs	
	Source of fund	Custody of fund	Source of fund	Custody of fund	Source of fund	Custody of fund
Own Receipt	Users of the area	Zila Nidhi/Bank	Users of the area	Kshetra Nidhi/Bank	Users of the area	Gram Nidhi/Bank
State Finance Commission	State Government	Zila Nidhi/Bank	State Government	Kshetra Nidhi/Bank	State Government	Gram Nidhi/Bank
Central Finance Commission	GoI	Zila Nidhi/Bank	GoI	Kshetra Nidhi/Bank	GoI	Gram Nidhi/Bank
Centrally Sponsored Schemes	GoI	CSS Bank account	GoI	CSS Bank account	GoI	CSS Bank account
State Sponsored Schemes	State Government	SSS Bank account	State Government	SSS Bank account	State Government	SSS Bank account

(Source: Director, Panchayati Raj)

Table 8 (B): Fund-flow arrangements in major Centrally Sponsored Flagship Schemes

Sl. No.	Scheme	Fund flow arrangement
1.	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	GoI and the Government of Uttar Pradesh (GoUP) transfer its shares of MGNREGS funds in a Bank Account, called State Employment Guarantee Fund (SEGF), set up outside the State Accounts. Commissioner, Rural Development is the custodian of SEGF and administers onward transfer of funds from it to district and sub-district level.

2.	Indira AawasYojana (IAY)	GoI transfers its share directly to DRDA through cheques. DRDA draws GoUP's share from district treasury and keeps both in a Bank Account. Project Director operates the Bank Account and is administrator of the fund. He transfers the fund to the beneficiaries account.
3.	Rural Drinking Water Supply Programme (RDWSP)	For Accelerated Rural Water Supply Programme, GoUP transfers funds to Uttar Pradesh Jal Nigam (UPJN) centrally at Lucknow for the entire State. UPJN transfers funds to its district units. For other Rural Water Supply Schemes, DDO draws funds from district treasury out of allotments placed at his disposal, and gives it to UPJN unit in the districts for execution.
4.	Swachha Bharat Mission	GoI transfers its share directly in Bank accounts of District Water and Sanitation Mission set up in each District. DPRO, ex-officio Secretary of the Mission, draws GoUP's share from district treasury on the basis of allotment received from GoUP and also deposits it in the Mission's Bank Account.
5.	National Rural Livelihood Mission (NRLM)	GoI transfers its share to State Rural Livelihood Mission (SRLM) of GoUP. For this purpose SRLM office has a separate bank account. SRLM devolves the fund to the districts in accordance with district-wise allotments through Annual Action Plan.

(Source: Director, Panchayati Raj and Commissioner, Rural Development)

1.11.1.1 Budgeting and Budgetary Process

Budgeting and budgetary process entails preparation and examination of the annual budget estimates and subsequent control over expenditure to ensure that it is kept within the authorised grants or appropriations.

Section 115 of UP KP & ZP Act, 1961 prescribes preparation and passing of budget by KPs. Section 116 of the Act allowed drawal of funds by KPs up to the limit prescribed in passed budget. Likewise, Section 41 of the Panchayati Raj Act, 1947 and Rule 219 of UP Panchayat Raj Manual prescribe procedure for preparation and passing annual budget of GP. It was noticed in audit during 2015-16 that the annual budget in 26 KPs and 166 test checked GPs were not being prepared. Thus, receipts and flow of actual expenditure were not analysed and monitored by competent authority.

1.11.1.2 Resources of PRIs

PRIs' resources included tax & non-tax revenue and grants devolved by GoI and the State Government. Revenue generated by PRIs in the State through their own sources and grants received during 2011-16 are given in **Table 9**.

Table 9: Resources of PRIs' in the State

(₹ in crore)

Year	Resource generated by PRIs	Grants devolved by GoI	Grants devolved by State Government	Total resources
2011-12	127.08	1,672.27	2,192.10	3,991.45
2012-13	160.17	2,376.64 ⁴	2,477.33	5,014.14
2013-14	190.70	2,742.07	3,901.68	6,834.45
2014-15	193.65	2,121.81	4,390.18	6,705.64
2015-16	227.14	3,852.60 ⁵	4,070.65	8,150.39
Total	898.74	12,765.39	17,031.94	30,696.07

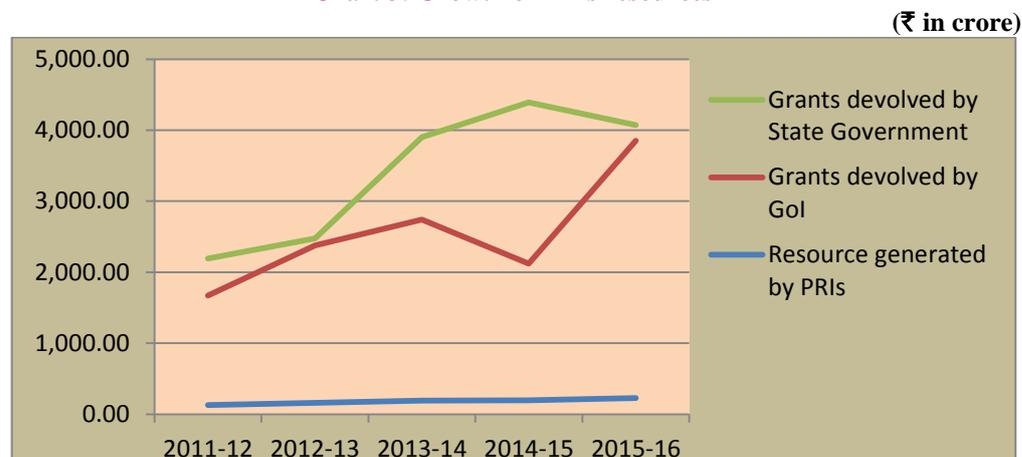
(Source: Zila Panchayat Monitoring Cell Lucknow and Directorate of Panchayati Raj Department)

⁴ In addition, an interest of ₹2.01 crore was released by State Government on account delay in release of grants.

⁵ In addition, an interest of ₹1.64 crore was released by State Government on account delay in release of grant.

Over the period of 2011-16, revenue generated by PRIs in the State through their own sources (₹898.74 crore) was just three *per cent* compared to the total resources ₹30,696.07 crore of PRIs. Growth of PRIs resources during 2011-16 is depicted in **Chart 3**.

Chart 3: Growth of PRIs resources



It may be seen from **Chart 3** that there are oscillating trend in CFC and SFC grants and receipt under own revenue of PRIs is almost negligible. This chart also shows that PRIs continue to remain largely dependent on the Central and State government grants and have failed in increasing the revenues from their own resources.

It is important to be mentioned that the figures under Central and State Finance Commission grants provided to Audit by the Directorate of *Panchayati Raj*, GoUP have substantial differences in the years 2011-12 to 2015-16 (**Appendix 1.6**) compared to the figures reported now by the Department of Finance, GoUP. This indicated poor monitoring and control of the Government over accounting of the funds devolved under CFC and SFC grants to PRIs.

Government should examine and carry out early reconciliation of these figures to ensure that there is no misappropriation and or diversion of grants of CFC and SFC.

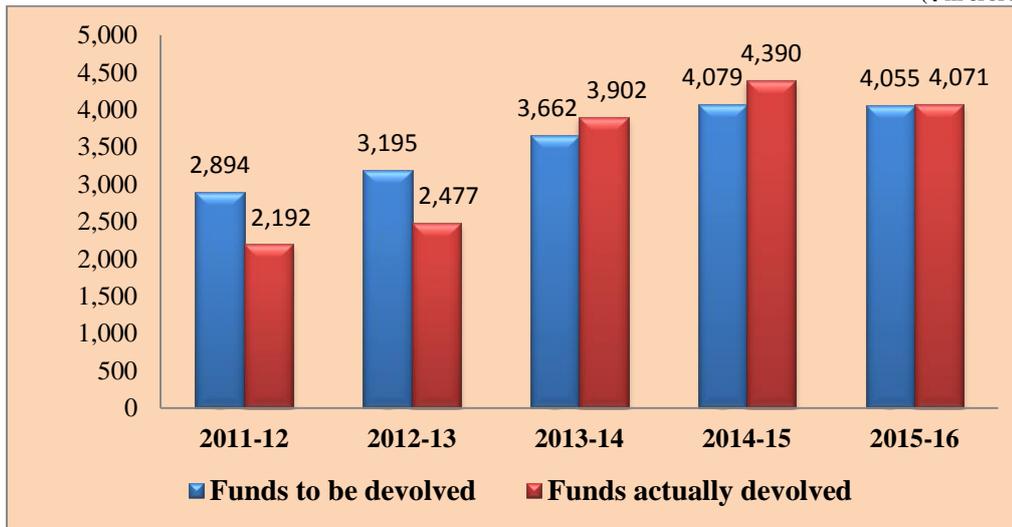
1.11.2 Recommendations of the State Finance Commission

Government of India (GoI) enacted the Constitutional (Seventy Third Amendment) Act, 1992 which provided for constitution of State Finance Commission (SFC) to devolve finances to *Panchayats* from the Consolidated Fund of the State (Article 243-I) and also to suggest measures for augmenting resources of the PRIs.

The Third SFC recommended (2008) devolution of to 5.5 *per cent* of the net proceeds of total tax revenue of the State. Fourth SFC recommended (2015) devolution of 6 *per cent* of Net revenue of State but GoUP accepted 5 *per cent* of net revenue. The devolution of funds and actual releases there against to PRIs by GoUP during 2011-16 are depicted in **Chart 4**.

Chart 4: Devolution of funds vis-à-vis net proceeds of total tax revenue

(₹ in crore)



(Source: Director, Panchayati Raj, UP, Lucknow)

It may be seen from **Chart 4** that there was short devolution of funds (₹ 1,420 crore) in 2011-13 and higher devolution of funds (₹ 567 crore) in 2013-16.

1.11.2.1 Lapse of SFC grants

Grants under the recommendation of Third SFC were to be released to PRIs by the State Government. During 2011-12, it used to release the grants through its treasuries. Concerned Department/Offices were to draw the instalment from treasuries on or before 31 March 2012 for releasing to PRIs.

Audit noticed that grants released to PRIs of different districts during 2011-12 were lapsed on account of not being drawn from treasuries by concerned DPROs/AMAs by 31 March 2012. Consequently, PRIs in the State suffered loss of resources of ₹ 332.68 crore in 2011-12.

It was stated by the Government that the grants during 2011-12 were transferred by Finance Department, and instructions are being issued to the concerned DPROs/AMAs to avoid delay in drawing grants.

1.11.3 Recommendations of the Central Finance Commission

The status of grants released and utilised under Central Finance Commission as reported by the Government is given in **Table 7** of this Chapter. Audit noticed that the quantum of grants released to PRIs doubled from ₹ 1,672.27 crore in 2011-12 to ₹ 3,852.60 crore in 2015-16. As discussed in succeeding paragraph, after release of the grants by GoI, the grants to PRIs' were transferred delayed by the State Government which caused avoidable payment of interest. Further, though the grants were transferred with substantial delay by the Government, it did not pay interest for the delay to the PRIs.

1.11.3.1 Payment of interest for delay in transfer of CFC grants

According to the guidelines issued (October 2015) by GoI, the State Government was to transfer grants to GPs within 15 days of their release by

GoI. In case of delay, the State Government was to transfer the instalment along with interest at the Bank rate of Reserve Bank of India paid from its own funds.

Audit noticed that the first instalment amounting to ₹1,931.30 crore of the grants of FC-XIV in 2015-16 released by GoI on 23 October 2015 was transferred to GPs after a delay of four days on 10 November 2015 and consequently GoUP made an interest payment of ₹1.64 crore on 30 March 2016.

Further, the second instalment of the grant of FC-XIV in 2015-16 amounting to ₹1,921.29 crore released by GoI on 31 March 2016 was transferred by the State Government timely on 12 April 2016 to the Director *Panchayati Raj* for onward transferring to GPs. But only ₹1,909.18 crore out of ₹1,921.29 crore was transferred to GPs with a delay of 19 days on 4 May 2016. The remaining grant of ₹12.11 crore was not transferred as of June 2016. It was observed that even the interest due ₹6.08 crore for the delayed transfer of grants was not paid (February 2017).

Government stated that the delay was on account of problem in opening bank accounts of newly created GPs. Reply is not acceptable as the funds were not transferred as stipulated by GoI and the Government had to incur avoidable additional expenditure on payment of interest.

1.11.4 Maintenance of Records

Financial rules, Uttar Pradesh *Kshetra Samiti and Zila Parishad Works Rules*, 1984 and Uttar Pradesh PR Act, 1947 prescribe maintenance of requisite records and documents in respect of works executed and financial transaction carried out by ZPs, KPs and GPs. Maintenance of basic records prescribed under rules was found inadequate in test checked ZPs, KPs and GPs, the details of which are given in paragraph 2.7.2.3 of Chapter 2 of this report.

1.11.5 Maintenance of Accounts/database and formats by *Panchayati Raj* Institutions

The Eleventh Finance Commission (EFC) recommended for exercising control and supervision over proper maintenance of accounts and their audit for all the three tiers of PRIs. Thirteenth Finance Commission also recommended that the State Government would be eligible to draw its Performance Grant for succeeding fiscal year on production of a certificate that accounting system as recommended by the CAG has been introduced in all the Rural and Urban Local Bodies.

The CAG had prescribed Model Accounting System developed by National Informatics Centre for PRIs on web based software (PRIASoft) comprising of eight accounting formats. Ministry of *Panchayati Raj* (MoPR), GoI advised (October 2009) the State Government to introduce PRIASoft with effect from April 2010. Subsequently (January 2011), the State Government also made it mandatory to maintain accounts on PRIASoft with effect from 1 April 2010. However, out of eight formats, reports in only three formats (Annual Receipt

& Payment Account, Consolidated Abstract Register and Monthly Reconciliation Statement) were being generated by ZPs and KPs as of October 2015. In GPs, only Annual Receipt and Payment Account and Consolidated Abstract Register were being generated as of September 2016.

Ministry of *Panchayati Raj* directed all States that a State Level Committee for strengthening of accounting system in the PRI, was to be framed. In compliance to the said order GoUP constituted⁶ a State Level Model Accounting system monitoring Committee to implement the smooth functioning of MAS/PRIASoft and settlement of its bottlenecks.

It was noticed that only one State Level Committee meeting was held on 02 June 2015 during 2014-16 and 100 *per cent* accounts were not closed in PRIs during 2013-15 and status of 2015-16 was not provided.

On being pointed out, Director, PR stated that necessary action will be taken for regular meeting of the committee (October 2016).

1.12 Conclusion

Large amount of grants under State Finance Commission, Central Finance Commission *etc.* were devolved to PRIs during 2011-16 whereas there was no significant increase in generation of own revenue during this period resulting in large dependency on the Government grant.

⁶ GO no- 2204 / 33-3-2014-235 / 2014 dated 16 September 2014.

Chapter 2

Performance Audit on “PRIs’ resources and their utilisation”

Executive Summary

Panchayati Raj Institutions (PRIs) are established in the State to enable local self-government for providing better village administration and development. It consists of three tier *Panchayats* at village (*Gram Panchayat*), block (*Kshetra Panchayat*) and district (*Zila Panchayat*) level and is headed by elected representatives the *Pradhan*, *Pramukh* and the *Adhyaksh* respectively. They are entrusted with various functions¹ and public funds (tax and non-tax revenue and grants provided by GoI and the State Government) to deliver basic services to local people as per their needs.

Performance Audit of ‘PRIs’ resources and their utilisation’ for the period of 2011-16 covered test check of 10 *Zila Panchayats*, 26 *Kshetra Panchayats* and 166 *Gram Panchayats* in 10 districts² out of 75 *Zila Panchayats* (one in each district of the State), 821 *Kshetra Panchayats* and 59,162 *Gram Panchayats* in the State.

Audit observed that the PRIs were not adequately empowered to function as effective institutions of *Panchayati Raj* in terms of generation of resources as well as their utilisation due to the following:

PRIs’ resources

The revenue realised (₹898.74 crore) by PRIs from their own sources compared to their total resources (₹30,696.07 crore) of 2011-16 was insignificant (three *per cent*).

(Paragraph 2. 7.1)

Due to ineffective levy of tax during 2011-16, there was loss of Circumstances & Property tax (CP tax) of ₹5.52 crore in five ZPs.

(Paragraph 2.7.1.1 Tax Revenue)

On account of poor collection efficiency during 2011-16, there was accumulation of unrealised rent fee of ₹2.12 crore in nine ZPs. Due to laxity of State authorities, rate of license fee of Industrial and Commercial premises was not revised since 1999 and 2005 respectively. Consequently, license fee ₹3.81 crore was not levied during 2012-16 in two ZPs. Potential tax sources *viz.*, advertisement tax and tax on passing of maps of commercial premises available with ZPs were not tapped.

(Paragraph 2.7.1.1 Non tax revenue)

¹ 16 out of 29 functions have been transferred to PRIs in the State.

² Agra, Ambedkarnagar, Bulandshahar, Jaunpur, Mathura, Sambhal, Shravasti, Siddharthanagar, Sonbhadra and Unnao.

Undue favour was given to a defaulting licensee in ZP Sonbhadra for collecting transportation fee from vehicles collecting and transporting sand, *morum*, stone grit *etc.* by waiving off license fee of ₹2.43 crore for the period 2008-10 and not recovering the license fee of ₹1.62 crore pertaining to 2012-13 from the same licensee as of June 2016.

(Paragraph 2.7.1.1 Case Study)

Resource utilisation:

There was no annual planning for effective utilisation of resources in test checked ZPs and KPs. GPs did not prepare *Gram Panchayat Development Plan* (GPDP) though required under the *Panchayati Raj Act, 1947*.

(Paragraph 2.7.2.1)

Weak Financial Management of PRIs led to a balance of ₹172.82 crore (GPs: ₹10.26 crore, KPs: ₹10.57 crore and ZPs: ₹151.99 crore) with test checked PRIs by the end of March 2016. During 2011-16, test checked 26 KPs and 166 GPs drew funds ₹84.93 crore and ₹62.09 crore from their *Kshetra Nidhi and Gram Nidhi* respectively without passing their annual budgets though required under their Acts.

(Paragraph 2.7.2.2)

At the level of execution of works for delivering basic services, systemic lapses *viz.*, execution of *intra* GP works of ₹394.14 crore and penalty amounting to ₹6.28 crore for delay in completion of works not deducted by ZPs were noticed. The test checked GPs purchased construction material amounting to ₹17.00 crore during 2011-16 without following the prescribed purchase procedures.

(Paragraph 2.7.2.3)

Monitoring of resource generation and their utilisation by State and district level officers was not robust. Various deficiencies of internal control/checks were noticed in test checked PRIs.

(Paragraph 2.7.2.4)

2.1 Introduction

To establish and develop local self-government in rural areas of the State and to make better provision for village administration and development, the State Government notified a *Gram Panchayat* (GP) for every *Panchayat* area under section 11-F of *Uttar Pradesh Panchayati Raj Act, 1947* (UP PR Act). Under section 3 of *Uttar Pradesh Kshetra Panchayat and Zila Panchayat Act, 1961* (UP KP & ZP Act), area of villages of a district was divided into Blocks and each Block has a *Kshetra Panchayat* in the name of Block itself. Likewise under section 17 of the Act, each district has a *Zila Panchayat*. *Panchayati Raj* Institutions (PRIs) exercise their powers, duties, functions and administration as prescribed in the aforesaid Acts. GPs, KPs and ZPs are headed by elected representatives the *Pradhan*, *Pramukh* and the *Adhyaksh* respectively. Their tenure is five years unless dissolved earlier.

PRIs are entrusted with public resources to deliver basic services to local people as per their needs. Functions devolved to PRIs under Article 243 are given in **Appendix 1.3**. PRIs (GPs³, KPs⁴, and ZPs⁵) are empowered to levy and collect tax and non-tax revenue. However, the State Government could revise or remit the whole or part of taxes levied by PRIs. GoI and the State Government released grants to PRIs under the recommendations of Central and State Finance Commissions. Revenue generated and grants received are deposited in the bank account of *Gram Nidhi*, *Kshetra Nidhi* and *Zila Nidhi* established under provisions of PRIs' Acts.

2.2 Organisational set up

PRIs are headed by elected representatives and consist of members depending upon population of the *Panchayat*. Different functions of the PRIs are executed through six Committees⁶ consisting of a nominated head and six other members elected by members of the *Panchayat* from among themselves.

At the Government level, Additional Chief Secretary is administrative head of the *Panchayati Raj* Department and exercises overall control at State level through Director, *Panchayati Raj* and *Zila Panchayat* Monitoring Cell and at district level through District *Panchayati Raj* Officer. *Apar Mukhya Adhikary* (AMA) in ZPs, Block Development Officer assisted by Assistant Development Officer (*Panchayat*) in KPs and *Gram Panchayat Adhikary*/*Gram Vikas Adhikary* in GPs are responsible for ensuring provision of basic services in rural areas of the State.

Schematic representation of the organisational set up of PRIs and the *Panchayat Raj* Department is given in **Appendix 1.1**.

2.3 Audit objectives

The following audit objectives were set to assess whether:

- PRIs took effective measures for improving their revenue generation and that the State Government took suitable steps to empower PRIs' to generate revenues from available resources;
- Development planning and financial management in the PRI's were efficient and effective;
- Works taken up for providing basic facilities were executed as per prescribed norms/specifications; and
- Monitoring mechanism was robust, adequate and effective.

2.4 Audit criteria

The audit criteria for the PA were drawn from the following sources.

- UP PR Act, UP KP & ZP Act and Uttar Pradesh *Kshetra Panchayat* and *Zila Panchayat* Works Rules, 1984.

³under section 37 of the *Panchayati Raj* Act, 1947.

⁴under section 131-A of the Uttar Pradesh *Kshetra Panchayat* and *Zila Panchayat* Act, 1961.

⁵under section 119 of the Uttar Pradesh *Kshetra Panchayat* and *Zila Panchayat* Act, 1961.

⁶Planning and Development Committee, Education Committee, Construction Work Committee, Health and Welfare Committee, Administrative Committee and Water Management Committee.

- Recommendations/guidelines of the Central Finance Commission (CFC) and State Finance Commissions (SFC).
- Provisions of Financial Rules (FHB), schedule of works of Public Works Department and departmental Manuals.
- Reports and returns submitted/maintained in the *Panchayati Raj* Department.

2.5 Methodology and sample size of audit

Audit methodology included scrutiny of basic records, collection of information, audit enquiries, obtaining replies on the audit observations, conducting site inspections and taking photographs of the works executed. The Entry Conference was held with Principal Secretary (*Panchayati Raj*) on 14 March 2016. Audit of PRIs and the Office of Principal Secretary (*Panchayati Raj*) and Director, *Panchayati Raj* Department for the period of 2011-16 was conducted during April to August 2016. Government replies on audit observations and results of Exit Conference held on 27 February 2017 have been suitably incorporated in the performance audit report.

The State comprises of 75 districts with a ZP in each district, 821 KPs and 59,162 GPs. Of these, 10 districts, 26 KPs of the selected districts and 172 GPs were selected (**Appendix 2.1**) for audit scrutiny using Simple Random Sampling without Replacement (SRSWOR) method. However, audit of six GPs⁷ could not be done due to constraints like absence of records and records not produced to Audit.

2.6 Acknowledgement

Audit acknowledges the overall cooperation and assistance provided during the performance audit by the State Government and its Officers/officials and the officials of three tier PRIs.

2.7 Audit findings

2.7.1 Generation of resources

PRIs at all the three tiers need to raise their own tax and non-tax revenues. Revenue realisation is improved through raising bills promptly and ensuring their efficient collection. Rates of the taxes/fee are to be revised time to time and available new sources are also to be tapped. In addition, the Governments are to augment their tax assignment and fiscal transfers to enable them for providing basic services to village people. To increase ZPs resources, the State Government directed (March 1998) ZPs to act upon preparation of Bye-laws under section 239 of UP KP & ZP Act for controlling various activities in their areas. It directed (June 1998 and December 2004) the concerned Commissioners⁸ also for according early approval of the Bye-laws.

Overall financial status of the resources of the PRIs' in the State during 2011-16 and the audit findings related to generation of revenue through their

⁷ GP Angwal of KP Kathari of Ambedkar Nagar, GP Aflepur of KP Shahganj of Jaunpur, GP Sonwal of KP Naugarh of Siddharthanagar, GP Nandauli of KP Auras of Unnao, GP Bhikhampur and Gopalpur of KP Ganj Moradabad of Unnao districts.

⁸ Commissioner is the competent authority for enforcing new tax/revision of existing tax rates.

own sources ₹ 898.74 crore (three *per cent*) compared to their total resources (₹ 30,696.07 crore), avoidable payment of interest (₹ 1.64 crore), interest not paid (₹ 6.08 crore) for delay in release of CFC grants to PRIs and lapse of SFC grants (₹ 332.68 crore) is given in Chapter-I of the Report.

In test check of audit it was noticed that except ZPs, other two tiers of PRIs (KPs and GPs) did not generate revenue. The State Government also did not act upon various recommendations for improvement in generation of revenue. Audit findings in respect of the test checked PRIs are discussed in succeeding paragraphs.

2.7.1.1 ZPs' resources

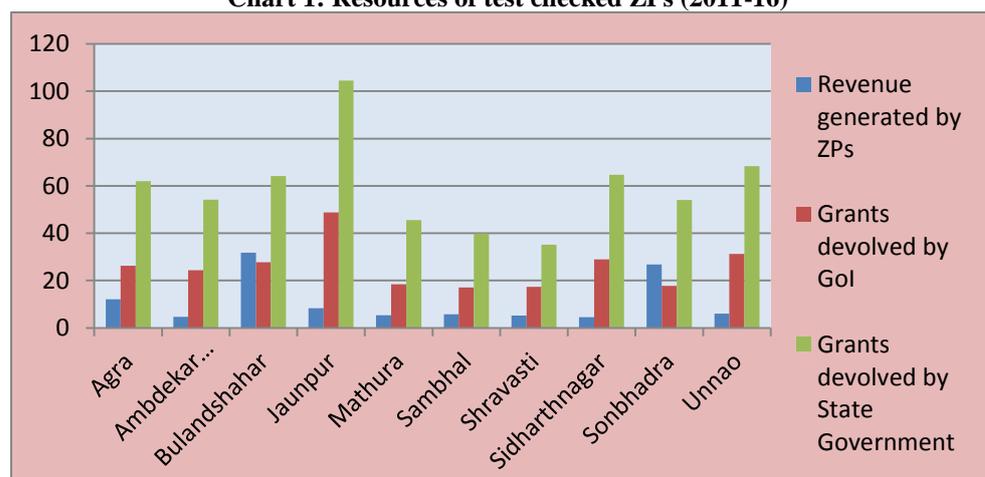
Circumstances & Property-Tax (CP tax) is the only tax through which ZPs generated tax revenue. Non-Tax Revenues are generated through license fee, fee on disposal of dead animals, rent from property *etc.* In addition to their own resources, ZPs get devolution of grants based on their population. The resources of the test checked 10 ZPs during 2011-16 is given in **Table 1** and **Chart 2**.

Table 1: Resources of test checked ZPs (2011-16)

(₹ in crore)					
Sl. No.	Name of ZPs	Revenue generated by ZPs	Grants devolved by GoI	Grants devolved by State Government	Total resources
1.	Agra	12.08	26.21	62.01	100.30
2.	Ambdekar Nagar	4.72	24.33	54.23	83.28
3.	Bulandshahar	31.77	27.70	64.21	123.68
4.	Jaunpur	8.32	48.75	104.51	161.58
5.	Mathura	5.37	18.39	45.56	69.32
6.	Sambhal	5.75	17.13	39.94	62.82
7.	Shravasti	5.23	17.30	35.14	57.67
8.	Sidharthnagar	4.53	28.97	64.67	98.17
9.	Sonbhadra	26.85	17.81	54.03	98.69
10.	Unnao	5.96	31.19	68.41	105.56
Total		110.58	257.78	592.71	961.07

(Source: Concerned ZP)

Chart 1: Resources of test checked ZPs (2011-16)



It may be seen from **Table 1** that total resources of the ten test checked ZPs during 2011-16, was ₹ 961.07 crore. However, contribution of revenue generated by ZPs through own sources ₹ 110.58 crore was only 11.51 *per cent*.

Government while accepting the audit findings stated that various efforts such as revision in Bye-laws, public auction and recovery of arrears are being taken by concerned ZPs to increase the revenue. The fact remains that the revenue generated through own source by ZPs was only about one eighth of their total resources during 2011-16.

Tax Revenue

Raising bills to Circumstances and Property tax payers

Under section 119 of the UP KP & ZP Act, 1961, ZPs levy and recover Circumstances and Property tax at the rate of three *per cent* of the taxable income, from persons who reside or carry out business in rural areas subject to the condition that the taxable income should not be less than ₹12,000 per annum. As per Rule 8 of Uttar Pradesh *Zila Panchayat* (Imposition, Assessment and Collection of Circumstances and Property Tax) Rules, 1994, the tax officer prepares a list every year for approval of ZP and raising bills subsequently. After approval of ZPs, one month notice is to be served to the concerned person for filing appeal, if any.

Improper billing of Circumstances and property tax caused revenue loss of ₹ 5.52 crore during 2011-16 in five ZPs.

Audit noticed that the CP Tax was not enforced in ZP Jaunpur. During 2011-16, the remaining test checked nine ZPs assessed CP tax of ₹10.61 crore and recovered ₹6.23 crore (58.72 *per cent*) leaving a balance of ₹4.38 crore (*Appendix 2.2*). It was observed that the tax officers in all the test checked ZPs prepared list of potential tax payers every year during 2011-16⁹ and notices were also served to the listed tax payers. Since no one turned up for appeal within stipulated period, bills were to be raised to all the potential tax payers. But the test checked five ZPs raised bills to only a few of them leaving out many potential tax payers. ZP-wise status of the potential tax payers, tax assessed and short assessment of revenue is given in the **Table 2**:

Table 2: Status of potential tax payers and tax lost during 2011-16

Sl. No.	Name of ZPs	Period	Potential tax payers		Tax assessed		Short assessment	
			No. of potential tax payers	Tax to be assessed (₹in lakh)	No. of tax payers to whom bills raised	Tax demanded (₹in lakh)	No. of tax payers to whom bills not raised	Tax not billed (₹in lakh)
1.	Agra ¹⁰	2013-14	373	22.38	232	5.81	141	16.57
2.	Ambedkar Nagar	2011-16	13,336	198.15	3,905	39.11	9,431	159.03
3.	Mathura ¹¹	2012-14	1,338	41.87	545	14.89	793	26.98
4.	Shravasti	2011-16	15,278	215.10	2815	46.71	12,463	168.39
5.	Siddharth nagar	2011-16	22,138	302.84	12,550	121.59	9,588	181.25
Total			52,463	780.34	20,047	228.11	32,416	552.22

(Source: Concerned ZP)

⁹ ZP Agra and Mathura did not complete the action of assessment of CP Tax for 2014-16 as of June 2016.

¹⁰ CP Tax was effective from 2013-14.

¹¹ CP Tax was effective from 2012-13.

It is evident from the **Table 2** that during 2011-16, out of 52,463 potential tax payers, bills to only 20,047 tax payers were raised by five test checked ZPs. The remaining 32,416 potential tax payers were not billed and consequently, revenue of ₹5.52 crore was lost. The remaining four ZPs (Bulandshahar, Sambhal, Sonbhadra and Unnao) though raised bills to all the listed tax payers during 2011-16, recovered the billed amount only partially (**Appendix 2.2**) to the extent of 98, 31, 22 and 64 *per cent* respectively.

Hence, assessment, collection and enforcement of CP tax in ZPs were weak and led to substantial loss of tax revenues.

Government in reply stated that efforts are being made to recover the dues. Reply is not acceptable because assessment and raising of bills of CP tax was not carried out in respect of large number of potential tax payers in the respective years which caused substantial loss of potential revenue.

Inaction of State Government to improve ZPs' resources

FC-XIII recommended that the State Government should incentivise revenue collection by PRIs through methods such as mandating some or all local taxes as obligatory at non-zero rates of levy, by deducting deemed own revenue collection from transfer entitlements of local bodies or through a system of matching grants. Further, Third SFC recommended (2009) measures for improving revenue assessment and effective realisation of revenue. The recommendations mainly included the following:

- The CP tax being levied in 52 ZPs only, should be levied by all 75 ZPs;
- Rate of CP tax should be enhanced from 3 to 5 *per cent*;
- Assessable income per annum should be raised from ₹12,000 to ₹25,000; and
- *Apar Mukhya Adhikary* should be empowered to recover outstanding dues by issuing recovery certificates as dues of land revenue.

It was however, noticed that the department did not act on these recommendations. Consequently, the rate of CP tax, its limit *etc.*, remained unchanged since its inception in 1994.

Government while accepting the audit finding stated that the CP tax is now levied in 71 district of the State and revision in the *Niyamavali* for other issues of the CP tax is under process with the Government.

Non-Tax revenue

Outstanding rent with shopkeepers

Rent fixed by ZPs was to be paid by the shopkeepers who were allotted shops on rent basis. The rent was subject to upward revision by 25 *per cent*, every three years.

Audit observed that due to poor realisation, rent from ZP's own shops remained unrecovered. Details of number of shops owned by test checked ZPs, rent in arrear at the beginning of 2011-12, rent assessed and recovered during 2011-16 and rent outstanding at the end of 2015-16 were as given in **Table 3**.

Table 3: Rent assessed, realised and unrealised (2011-16)

(₹ in lakh)

Sr. No.	Name of ZP	No. of shops	Arrear at the beginning of 2011-12	Revenue assessed (2011-16)	Total revenue recoverable	Revenue realised	Revenue unrecovered
1.	Agra	289	16.99	83.36	100.35	71.81	28.54
2.	Ambedkar Nagar	54	9.95	24.68	34.63	12.06	22.57
3.	Bulandshahar	395	65.78	279.89	345.67	279.89	65.78
4.	Jaunpur	40	0.82	12.00	12.82	11.90	0.92
5.	Mathura	345	18.59	103.65	122.24	64.89	57.35
6.	Sambhal	87	6.33	11.58	17.91	16.10	1.81
7.	Siddharth nagar	202	9.20	48.73	105.35	46.56	11.38
8.	Sonbhadra	176	4.98	39.94	44.92	36.57	8.35
9.	Unnao	353	10.83	27.76	90.42	22.94	15.64
Total			143.47	631.59	874.31	562.72	212.34

(Source: Concerned ZP)

It may be seen from the **Table 3** that outstanding arrears at the beginning of 2011-12 was ₹1.43 crore which increased to ₹2.12 crore by the end of 2015-16. Of the total amount of rent to be recovered (₹8.74 crore) during 2011-16, ZPs recovered ₹5.63 crore (64 per cent) only which resulted in increase in unrecovered rent (₹2.12 crore) as on March 2016.

The State Government stated that efforts are being taken to recover the outstanding dues.

License fee

Rate of license fee not revised since 1999. Its proposal in 2011 was neither denied nor approved and consequently, two ZPs suffered loss of revenue of ₹3.81 crore during 2011-16.

License fee for controlling commercial and industrial activities was being recovered by test checked 10 ZPs. ZP Unnao and ZP Jaunpur prepared Bye-laws in 2011-12 for enhancing rate of license fee for industrial and commercial units which were not revised since 1999 and 2005 respectively. After adopting due procedure,¹² the Bye-laws were submitted in July 2012 to appropriate authorities (Commissioner, Lucknow region and Varanasi region respectively) for according their approvals. But the proposals were pending with them as of June 2016. The Commissioner, Lucknow region, stated that the approval on the Bye-laws was not accorded as guidelines in this regard from Principal Secretary, *Panchayati Raj* were not received. However, necessary instructions (December 2004) of the Principal Secretary, *Panchayati Raj* already existed. Thus, due to indecisiveness of the competent authorities, ZP Jaunpur and ZP Unnao suffered potential loss of revenue of ₹3.81 crore (ZP Jaunpur ₹2.74 crore and ZP Unnao ₹1.07 crore).

¹² viz., approval of the Bye-laws in the meeting of *Zila Panchayat*, publication of the Bye-laws in newspapers etc.

Rate of license fee for Commercial and Industrial units was not revised by ZP Mathura since 1998. It had, however, proposed revision of rates in 2004 but the concerned Commissioner did not approve it as of June 2016. The rate of license fee for controlling bricks, tiles, *Khapara and Surkhi Bhatthi* makers in ZP Siddharthanagar was prevailing since 1993. The rate of license fee for commercial activities was also not revised since 1987.

Advertisement tax

ZP Unnao prepared Bye-laws under the Act in 2011-12 for enforcing advertisement tax on hoardings, advertisement bills on walls and other advertisement material. It prescribed different rates for advertisements on different roads on the basis of per square feet for hoardings, monthly fee for *Kayas* and annual fee for advertisement on wall. Potential annual revenue was, however, not assessed by the ZP. The Bye-laws submitted to the Commissioner Lucknow region in July 2009 was pending as of June 2016.

Fee for approval of maps of Commercial premises

ZP Unnao prepared Bye-laws under the Act in 2011-12 for enforcing approval of maps of commercial houses developed in rural areas of the district and submitted to the Commissioner Lucknow region in May 2012. But it was not approved. Meanwhile ZP submitted revised Bye-laws in June 2015 which were also not approved. As a result, the annual revenue of ₹30 lakh assessed by ZP was being lost since 2009.

The Commissioner (Unnao) stated that the guidelines on License fee, Advertisement tax and fee for approval of maps of commercial premises were not received from Principal Secretary, *Panchayati Raj*. Reply was not acceptable as the Government vide its orders (December 2004) had empowered the Commissioners for according approval on the Bye-laws.

Revision of rent fee of ZP shops

Bye-laws for controlling rent of land, building and shops in ZP Siddharthanagar were effective since 1994. But since then, the rate of license fee was not revised. Recently, in March 2016, the ZP proposed revision of rates on different items but the same was not finalised as of June 2016. As the rates were not revised, ZP suffered loss of substantial revenue for last two decades.

Government while accepting audit findings stated that concerned officers will be instructed for taking early decisions in all these cases. In Exit Conference a demi official letter in this regard under the signature of Additional Chief Secretary was directed to be issued.

Case Study

Undue favour to a defaulting licensee

ZP Sonbhadra prepared (1994) Bye-laws for charging transportation fee from the vehicles transporting sand, morum, stone grit out of district, from its jurisdictional area. The transportation fee was to be collected by engaging a contractor, selected through auction.

Audit noticed that ZP Sonbhadra awarded (December 2008) a contract to an individual for collecting transportation fee for the period of December 2008 to March 2010. The contract value of ₹ 4.30 crore was to be deposited in *Zila Nidhi* by December 2009. But the contractor deposited ₹ 2.41 crore only and the remaining amount ₹ 1.89 crore was not deposited as of June 2016 stating that he was not being allowed to erect barriers to enable collection of transportation fee. On serving recovery notice by ZP, the contractor filed a writ petition in Hon'ble High Court of Allahabad challenging the Government order (July 2008) banning erection of barriers wherein decision was in favour of ZP. Thereafter, the matter was taken to Supreme Court in which both the parties were directed (September 2011) to resolve the matter amicably. But subsequently, while resolving the matter, the arrear of ₹ 1.89 crore was waived off completely without assigning any reasons and the contract for the year 2012-13 was awarded to him without auction despite his poor performance during 2008-10. Besides, ₹ 53.60 lakh out of ₹ 2.41 crore deposited by the contractor against the contract of 2008-10 was refunded by way of adjustment in the contract of the year 2012-13. The contractor was thus, unduly favoured to the extent of ₹ 2.43 crore (₹ 1.89 crore not paid and ₹ 53.60 lakh refunded).

It was further noticed that ₹1.62 crore out of the contract value of ₹ 3.25 crore for 2012-13 was also pending for recovery as of June 2016.

Specific reply on the audit observation was not furnished by the Government. Thus, the entire amount for which the ZP not only fought the case in different Courts but won the case in Hon'ble High Court also was totally waived off under amicable settlement. In exit conference, the Additional Chief Secretary while directing action against defaulters asked to submit all related documents to him.

Recommendation: To enhance generation of revenue, the State Government/authorities should accord early sanctions to pending Bye-laws and issue necessary instructions to explore revenue generation from available new sources.

2.7.1.2 KPs' resources

Under section 131A of the UP KP ZP Act 1961, KPs are empowered to levy taxes on supply of water, electricity *etc.* subject to the condition that they provide the facilities to the users. Further, they could generate non-tax revenues by making Bye-laws on different activities in their areas.

But it was noticed that during 2011-16, KPs revenue generation from their own resources was nil. This indicated that KPs did not make any efforts to

levy tax and generate resources under their own powers. However, KPs received grants from GoI and the State Government. Details of resources of test checked 26 KPs through different sources during 2011-16 is given in **Appendix 2.3**.

On being pointed out (June 2016), Government in reply stated (February 2017) that strict instructions are being issued to ensure revenue generation as provided under the Act.

2.7.1.3 GPs' resources

During the period 2011-16, total resources of test checked 166 GPs was ₹72.35 crore (**Appendix 2.4**). However, these resources were only from the Government grants received from GoI & GoUP. Audit findings are discussed in succeeding paragraphs.

Audit observed that the GPs had to generate their own resources for which provisions were provided in the Act. Under section 37 (Imposition of taxes and fees) of UP PR Act, GPs were to levy a tax on land revenue at the rate (25 *paise* per 100 *paise* of the land revenue) prescribed in it. They may levy taxes, fees and rates on theater, vehicles plied for hire, *haats*, fairs, animals sold in any market, slaughter-houses, water charges, cleaning private latrines and drains, cleaning and lighting of streets and sanitation, irrigation rate and any other taxes authorised by the State Government.

However, the test checked GPs did not generate any revenue from their own sources illustrated above.

On being pointed out (June 2016), Government in its reply stated (February 2017) that the areas provided under Section 37 of the Act for which GPs were empowered to generate revenue are not being implemented and a proposal for revision/amendment is under consideration of Government.

Transfer of land revenue and royalty

Third SFC recommended transfer of land revenue and royalty by concerned department to the GPs from where these were collected on account of excavation of earth, sand, *morum etc.*, Further, appropriation of fifty *per cent* of entertainment tax among PRIs and local bodies was also recommended by the SFC. The State Government, however, did not implement these recommendations.

Levy of House tax

Third SFC, while suggesting procedure for assessment of House tax prescribed different rates for different kind of houses *viz.*, *Pakka*, *Semi Pakka* and *Kachcha* houses. It assessed annual collection of ₹400 crore by GPs in the State but the same could not be realized as levy of the tax was not made effective by the State Government.

Imposition of permit fee

Permit fee for usage of agricultural land for other than agricultural purposes and for fishing from rivers, water bodies *etc.*, was also recommended by the third SFC but the same was not made applicable by the State Government.

Duty on transfer of immovable assets

On the analogy of Andhra Pradesh, Bihar and Madhya Pradesh, third SFC proposed duty on transfer of immovable assets in rural areas. It assessed an annual collection of ₹250 crore from this duty in the State. But no action was taken by the State Government to enforce duty on transfer of immovable assets.

Government did not furnish specific reply to the above.

Appropriation of revenue to GPs

As per Section 141 of the UP KP & ZP Act 1961, ZPs were to appropriate a portion (determined by the ZPs themselves) of net proceeds of CP tax to GPs. In addition, 50 *per cent* of license fee collected from disposal of dead animals was also to be transferred to GPs as per Government order (March 1987 and May 1997).

Audit noticed that the portion of CP Tax of ₹6.23 crore (***Appendix 2.5***) collected by test checked ZPs during 2011-16 to be transferred to the GPs were not determined by any of the test checked ZPs and as a result it could not be appropriated to GPs. Further, license fee of ₹2.03 crore (50 *per cent* of total collection) out of ₹4.06 crore (***Appendix 2.5***) collected during 2011-16 by the test checked ZPs from disposal of dead animals was also not transferred to their GPs. Concerned PRIs and the Government did not devolve any mechanism to effectively appropriate the tax between ZPs and GPs.

In reply, poor financial status of ZPs and utilisation of funds by ZPs for developmental works in GPs were cited as reasons for not appropriating revenue by ZPs to GPs. Reply is not acceptable as enforcement of the provisions/orders was not ensured.

Recommendations: The State Government should ensure generation of revenue by PRIs as provided under their Act.

2.7.2 Utilisation of resources

Efficient planning, realistic budget formulation, effective expenditure controls, proper accounting of financial transactions, close monitoring of progress and enforcement of accountability are important component of a robust financial management system and are required for effective utilisation of resources. Audit noticed that the planning and financial management in PRIs are generally weak and require strengthening as discussed below:

2.7.2.1 Planning

Planning by Zila Panchayats and Kshetra Panchayats

As per section 63 of the UP KP & ZP Act, a District Development Plan was to be prepared each year covering the subjects pertaining to the UP PR Act and UP KP & ZP Act. The plans prepared by the PRIs were to be consolidated by

ZP for approval of *Zila Panchayat*. GoUP issued instructions in January 2005 and June 2014 that before starting the works, selection of the works would be done as per rules, by approving proposals in meetings of concerned *Panchayat* and that such matter would not be left at the discretion of the Chairman or a few members of the *Panchayat*.

Audit noticed that for utilisation of resources, instead of preparing an annual plan in beginning of the year, the test checked ZPs prepared separate work plans for each installment of CFC and SFC grants (two installments from GoI and two from the State Government in a year). Additionally, annual District Development Plan comprising of plans of KPs was also being consolidated by the ZPs. But in this plan, the works to be done from their own resources including funds from Finance Commission grants were not included. The work plans prepared by test checked 26 KPs of 10 test checked districts were not routed through their Planning Committees but were signed by the *Pramukh* of the concerned KP.

Thus, the directions issued for preparation of the annual plan under the UP KP & ZP Act was not complied with.

In reply Government stated that the annual plans were being prepared by ZPs, however, after receipt of grants, time to time work plans were prepared and approved in ZPs' meetings. Reply is not acceptable as annual plan could not be produced to audit though called for.

Planning by Gram Panchayats

Under section 15-A of the *Panchayati Raj Act 1947*, a *Gram Panchayat* Development Plan was to be prepared every year by each GP and submitted to the *Kshetra Panchayat*. The plan was to be prepared by Planning Committee of the GP and thereafter submitted to *Gram Sabha* for according their sanction.

Audit noticed that the Planning Committees of all the test checked 166 GPs did not prepare the *Gram Panchayat* Development Plan during 2011-16. Thus, the direction issued for preparation of the Annual Development Plan in the *Panchayati Raj Act 1947* was not complied by the test checked GPs.

Government replied that the action is being taken for the preparation of *Gram Panchayat* Development Plan.

Recommendation: The State Government should ensure proper planning by the PRIs prior to the execution of works.

2.7.2.2 Financial management

PRIs in the State collected revenue through own sources and received grants from GoI and the State Government under the recommendations of Finance Commissions. Details of revenue collected, grants released and utilised as reported by Directorate of *Panchayati Raj* during 2011-16 and comments on

utilisation certificate submitted are given in Chapter I of this Report. Audit findings in respect of test checked PRIs are discussed in succeeding paragraphs.

Financial status of ZPs/KPs & GPs

Total resources during 2011-16 with test checked ZPs, KPs and GPs, the resources utilised and the unspent funds as on 31 March 2016 are given in **Appendix 2.6, 2.3 and 2.4** respectively.

During 2011-16, test checked ZPs spent a sum of ₹862.44 crore out of the available resources of ₹1,019.29 crore leaving a balance of ₹151.99 crore. The unspent balance (₹34.71 crore) of March 2011 increased more than three times (337 per cent) within a period of five years.

Likewise, during 2011-16, test checked KPs spent a sum of ₹84.93 crore out of available resources of ₹95.49 crore leaving a balance of ₹ 10.57 crore at the end of March 2016. The unspent balance at the end of March 2011 (₹4.52 crore) increased to 133 per cent).

Similarly, test checked GPs spent only ₹62.09 crore out of available funds of ₹72.35 crore which resulted in balance of funds of ₹10.26 crore at the end of March 2016. The unspent balance (₹3.26 crore) of March 2011 increased more than two times (214 per cent).

In reply, it was stated that the release of grants in last month of the financial year was the reason for unspent balances. However, timely release of grants was to be ensured by the Government itself.

Preparation of annual budget

Section 115 of UP KP & ZP Act prescribes preparation and passing of budget by KPs. Section 116 of the Act allowed drawal of funds by KPs up to the limit prescribed in passed budget. Likewise, Section 41 of the UP PR Act and Rule 219 of UP PR Manual prescribe procedure for preparation and passing annual budget of GP. In case it is not prepared and passed by GP, it was to be prepared by designated Officer of its KP (Assistant Development Officer) and if the budget prepared by the Officer of the KP was not passed by the GP, on 1 February, it would be treated as passed. Section 32 allowed utilisation of funds from *Gram Nidhi* up to the limit prescribed in passed budget.

Audit noticed that the budgets which provided authority and prescribe limit for drawing funds from *Kshetra Nidhi* and *Gram Nidhi* were not prepared and passed by the test checked 26 KPs and 166 GPs. The designated Officers also did not prepare the budget of the GPs. Without having budgetary authority and observing any financial limit, the concerned *Pramukh* of the KPs and *Pradhan* of the GPs and their secretaries of the test checked 26 KPs and 166 GPs drew a sum of ₹ 84.93 crore and ₹ 62.09 crore out of available funds of ₹ 95.49 crore and ₹ 72.35 crore from their *Kshetra Nidhi* and *Gram Nidhi* respectively during 2011-16 (**Appendix 2.3** and **Appendix 2.4**).

Thus, the test checked KPs and GPs not only violated the mandatory procedure for drawing money from their *Nidhis* but also requisite transparency in sanctioning and incurring expenditure from their *Nidhis* was not maintained.

Government while accepting the audit findings stated that necessary instructions for compliance of the provision of the Act have since been issued.

Recommendations: Financial management at all the three tiers PRIs should be tightened not only to avoid risk of embezzlement but also to pinpoint the lapses. This requires release of subsequent installments of grants after actual utilisation of the previous grants and drawl of funds from their Nidhis, only after preparation and passing of annual budget by PRIs.

2.7.2.3 Execution of works

While providing basic services, PRIs execute works related to construction of roads, culverts, street lights, drinking water, drainages *etc.* Details of works executed in test checked ZPs, KPs and GPs and expenditure thereof are given in **Appendix 2.7, 2.8 and 2.9** respectively. These works were to be taken up on tender basis as per the rules and procedures prescribed in UP KP & ZP *Nirman Niyamavali*, 1984. Further, GPs were to adhere to the procedures prescribed in *Gram Panchayat Lekha Manual*. Various deficiencies *viz.*, irregularities in tender processing, construction of *intra* GP works by ZPs, short levy of compensation for delayed completion of works *etc.*, noticed in audit are discussed in succeeding paragraphs.

Zila Panchayats

Irregularities in execution of road works

Most of the expenditure by test checked ZPs was on construction of roads. During 2011-16, the expenditure on construction and maintenance of roads was ₹ 646.09 crore and on upkeep and maintenance of other basic facilities such as culverts, street lights, drinking water, drainage *etc.* the expenditure was ₹9.97 crore (1.54 *per cent*) only (**Appendix 2.7**). The following irregularities were noticed in execution of these works.

- Test checked ZPs did not categorise roads though required under the Act. As a result, it could not be confirmed that the roads constructed/maintained by the ZPs were *intra* KP roads and were due to be constructed/maintained by concerned ZPs. To eliminate duplicity of works by the three tier PRIs, the State Government issued directives in January 2005, June 2014 and reiterated the directives in June and July 2015 for execution of works by PRIs on subsidiarity basis *i.e.* GPs were to work within their area, *intra* GP works were to be done by KPs and *intra* KP works by ZPs. In test check of audit, it was noticed that during 2011-16, the test checked ZPs undertook various *intra* GP road works *viz.*, construction of cement concrete roads, *Kharanja* road, soling works, interlocking works *etc.* to the tune of

₹ 394.14 crore (61 *per cent*) during 2011-16 (**Appendix 2.10**). Thus, the ZPs executed *intra* GP works which was not permissible.

- Audit noticed that mapping of roads was not done due to which, actual existence and length of roads constructed/maintained could not be verified in audit.
- Road register was not maintained consequently, history of the roads constructed/maintained was not known. As a result, previous maintenance of the road and cyclic of eight year maintenance could not be checked in audit.
- Asset register was also not maintained. Therefore, details of roads on which investment was made, was not on record.

The State Government did not furnish specific replies on violation of different provisions and orders issued.

Deficiency in tender processing

Strict adherence to the rules and procedures not only avoid chances of malpractices but ensure requisite transparency in the system.

Audit noticed that many of the test checked ZPs did not adhere to various provision of UP KP & ZP *Nirman Niyamavali*, 1984 while tender processing. In test checked ZPs, five tender files of each year for 2011-16 were examined in audit. Irregularities relating to work estimates, tender notices, tender documents, tender opening, tendered rates, processing the tenders, placing work orders, making agreements and security/performance guarantee noticed are summarised in **Appendix 2.11**.

Short deduction of penalty

As per GFR, time is the essence of any contract. In the event of delay in completion of works under the contract, compensation equal to one *per cent* of the estimated cost of the whole work for every day that the quantity of work remains incomplete was to be recovered from the bills of the contractors as per Uttar Pradesh KP and ZP *Nirman Niyamavali*, 1984. However, discretion to decide the amount of penalty was vested with AMA of ZP. Rules further provided that the entire amount of compensation to be paid under the provision of this clause shall not exceed ten *per cent* on the estimated cost of the work shown in the tender.

Audit noticed that stage wise progress of the works was not monitored, as a result of which various works executed during 2011-16 in test checked 07 ZPs were completed with delay. However, it was noticed that the ZPs either did not charge penalty at all or charged partially in violation of the terms of the contracts. An attempt by Audit to work out the amount of penalty in a few cases on estimated value of works executed during 2011-16 is detailed in **Table 4**.

Table 4: ZP wise details of penalty not deducted

(₹ in lakh)

Sl. No.	Name of ZP	Year	No. of works	Estimated cost of works executed	Penalty short deducted
1.	Agra	2012-16	7	60.56	6.05
2.	Ambedkar Nagar	2011-16	7	89.00	8.90
3.	Bulandshahar	2014-16	3	20.50	2.05
4.	Jaunpur	2012-16	9	228.48	21.18
5.	Shravasti	2012-16	191	1316.50	131.52
6.	Sonbhadra	2013-16	22	817.63	8.17
7.	Unnao	2011-16	184	4582.00	450.00
Total			423	7114.67	627.87

(Source: Concerned ZP)

Government in its reply stated that the deduction of penalty was made as per the provisions of the *Niyamavali*. Reply is not convincing as due penalties were not deducted and discretion for reduction of penalty was used arbitrarily implying undue favour to contractors.

Maintenance of link roads

Prior to 2013, the State of Uttar Pradesh did not have comprehensive policy for maintenance of the link roads. The State Government introduced (November 2013) Uttar Pradesh Gram *Sampark Marg Anurakshan Niti*, 2013. Regular cyclic maintenance of *Sampark Marg* (link roads) in accordance with the established standards and specifications was the main objective of the policy. Major criteria for maintenance of link roads *viz.*, ownership of the roads, liability of maintenance of the roads, maintenance under special conditions, taking NOC from the concerned department, maintenance as per maintenance manual of the public works department, surface renewal after a cycle of eight years *etc.* were illustrated in the policy. In order to avoid duplicate maintenance of the roads, the concerned department was to inform the road maintained to the Provincial Division of Public Works Department (the nodal department at the district level). Inventory of the roads were to be kept electronically by all the departments and updated time to time. However, the policy excluded the roads constructed under *Pradhan Mantri Gramin Sarak Yojana*.

Audit noticed that the test checked six ZPs maintained 91 different link roads and spent ₹ 8.83 crore during 2014-16 as given in **Table 5**.

Table 5: ZP wise details of roads maintained

(₹ in crore)

Sl. No.	Name of ZP	Period of maintenance of roads	No. of roads maintained	Amount spent
1.	Agra	2015-16	10	0.75
2.	Bulandshahar	2015-16	6	1.02
3.	Jaunpur	2015-16	9	1.66
4.	Mathura	2014-15	18	1.55
5.	Sonbhadra	2014-15	26	2.29
6.	Unnao	2014-15	22	1.56
Total			91	8.83

(Source: Audit scrutiny)

Though the ZPs spent substantial funds on link roads, details as required under the policy mentioned above were not maintained. In absence of requisite information on records, the maintenance done at the cost of ₹8.83 crore could not be verified in audit.

Government stated that a committee at district level was to be set up for implementation of the Maintenance Policy 2013 and that the policy will be implemented in future.

Recommendation: The Government should enforce the various provisions of the Nirman Niyamavali, its orders and the policies decided by it.

Kshetra Panchayats

Minor expenditure on maintenance of own assets

The State Government issued (September 2010) guidelines for expenditure out of SFC grants. Accordingly, 50 *per cent* of the grant was to be spent by the KPs on maintenance of its assets and the assets transferred to it *viz.*, Primary Health Centre, Veterinary Hospital, *Krishi Raksha Kendra*, Seed Distribution Stores *etc.*

Audit noticed that during 2011-16, the test checked KPs spent SFC grants of ₹60.47 crore (***Appendix 2.3***) on execution of various works. Accordingly, as required, an expenditure of ₹30.23 crore was to be incurred on maintenance of own assets. But only ₹4.81 crore (eight *per cent*) was spent on maintenance of own assets or assets transferred to the test checked KPs.

Specific reply on the audit observation was not furnished by the Government.

Gram Panchayats

Execution of works

GP is an executive organ of *Gram Sabha*. Main functions of GPs are to manage local affairs and promote village development with the help of available local resources and Government assistance, both financial and technical. The function of the *Nirman Karya Samiti* of GP is to execute works and ensure quality of works executed.

Gram Panchayat Lekha Manual prescribes (2001) procedure for purchase of material and execution of works. According to these provisions, purchases above ₹2,500 and up to ₹15,000 were to be made on quotation basis and above ₹15,000 on tender basis. However, as per State Government order (September 2008), purchases above ₹20,000 were to be made on quotations and above ₹1,00,000 on tender basis. For execution of works/purchase of material, GPs were to prepare estimates of the works to be executed, take administrative and technical sanctions on each work, invite quotations/tenders as the case may be, execute contract agreements incorporating requisite terms and conditions of the contract, obtain approval of the Works Committee, measure supplies made or works carried out, maintain stock receipt and issue accounts, make payments through cheques issued with joint signature of *Gram Pradhan* and *Gram Vikas/Panchayat Adhikari* and prepare work completion report.

Audit noticed that during 2011-16, test checked 166 GPs incurred an expenditure of ₹62.09 crore (**Appendix 2.4**) for executing works and taking supplies without adhering to the prescribed procedures illustrated above except for making payments through cheques issued with joint signature of *Gram Pradhan* and *Gram Vikas/Panchayat Adhikari*. Approval of *Nirman Karya Samiti* on the works executed/supply received were not obtained and payments to labourers were made in cash indicating signatures or thumb impression on muster rolls arranged through own sources without having control numbers on them. Since signatures for approval on the bills and cheques drawn for making payment were done by the same person *i.e.* the *Gram Pradhan*, possibility of fraudulent drawal of cheques could not be ruled out.

Audit noticed that during 2011-16, the test checked 166 GPs purchased different construction material amounting to ₹17.00 crore without calling quotations/tenders. Many purchase bills/vouchers were without Tax Identification Number (TIN) and without book/serial number. Bills having continuous bill numbers of different dates were available with the same GP. Many of these bills were paid in cash without having receipts for the payments made. Deduction of statutory taxes was not in practice.

Various records prescribed in *Gram Panchayat Lekha Manual viz.,* Pass book, Demand and recovery register, Security register, Public works register, Muster roll register, Stock Book *etc.* not maintained by GPs are listed in **Appendix 2.12**. Absence of records and deficiencies in adhering various procedures indicated poor internal control/check. The authenticity of the purchases and payments made could not be verified and vouchsafed in audit.

Government while accepting the audit findings stated that the necessary instructions have been issued for compliance of the purchase procedures. Reply is not acceptable as deficiencies as pointed out still persisted and strict financial and accounting control over the PRIs was not being exercised.

Execution of works of inferior quality

In physical verification of works by Audit, the quality of interlocking works executed by GPs was found to be inferior. The bad quality broken interlocking roads constructed by two GPs and relatively better quality interlocking road constructed by a KP can be seen in the photographs below.



Lack of technical knowhow and technical support by KPs/ZPs were some of the reasons for poor quality of works by the GPs.

Government while accepting the audit findings stated that necessary records will be maintained and instructions have been issued to rectify the interlocking and usage of good quality bricks.

Maintenance of hand pumps

Ensuring water availability to the villages is one of the basic facilities to be provided. For providing this facility, hand pumps installed in villages are required to be maintained from time to time.

During 2011-16, test checked 166 GPs spent a sum of ₹3.83 crore on repair/maintenance of 13,961 hand pumps as given in **Table 6**.

Table 6: Expenditure incurred on maintenance of hand pumps

(₹ in lakh)

Sl. No.	Name of District	No of KPs	No of GPs	No of hand pumps repaired	Payment made
1.	Agra	3	13	1,422	42.00
2.	Ambedkar Nagar	2	15	901	25.09
3.	Bulandshahar	3	14	274	7.90
4.	Jaunpur	4	33	3,759	107.06
5.	Mathura	2	12	1,507	29.67
6.	Sambhal	2	16	184	5.85
7.	Shravasti	2	14	1,203	18.84
8.	Siddharth nagar	3	20	267	7.59
9.	Sonbhadra	2	14	3,270	112.14
10.	Unnao	3	15	1,174	27.34
Total		26	166	13,961	383.48

(Source: Concerned GP)

Audit noticed that the test checked GPs did not maintain any records for verifying whether the payments were genuine. As a result, the expenditure incurred on the maintenance of hand pumps could not be verified in audit.

Government while accepting the audit findings stated that the necessary instructions to maintain the records will be issued.

Recommendation: The Government and the GPs should ensure compliance of various office procedures to avoid misappropriation of funds.

2.7.2.4 Monitoring

Monitoring is essential for ensuring timely provision of qualitative basic services. It was to be done at all levels with special emphasis on quality and time. *Zila Panchayat* Monitoring Cell, Lucknow was set up at State level under Principal Secretary, *Panchayati Raj* for day-to-day monitoring of the activities of ZPs.

Audit noticed that ZPMC did not monitor ZPs resources and their utilisation properly which caused short billings, revenue arrears, balance of grants, utilisation of grants on ineligible *intra* GP works, not adherence to Maintenance Policy 2013 and not submitting utilisation certificates by test checked ZPs.

Compliance of the manual/guidelines issued time to time was not ensured at the appropriate level as a result of which various provisions of the guidelines *viz.*, maintenance of records, adhering purchase/works procedures, utilisation of grants on maintenance of own assets, *etc.* were not complied with. Further, inspections of the works carried out by test checked GPs prescribed in UP KP & GP (Supervision of works) *Niyamawali* 1963 were not being done.

Specific replies were not furnished on various audit findings.

Recommendations: The State Government should ensure robust system of monitoring and internal control/check.

2.8 Conclusion

The revenue realized (₹898.74 crore) by PRIs from their own sources compared to their total resources (₹30,696.07 crore) of 2011-16 was insignificant (three *per cent*). Over the period of 2011-16, major resources (97 *per cent*) of PRIs' in the State were the grants (₹29,797.33 crore) received from GoI and the State Government indicating, absolute dependence on grants for their activities and not exploring new sources of revenue.

Indecisiveness of the State Government and State authorities resulted in potential revenue sources not being tapped and enhancement of existing revenue sources not being done in ZPs, while KPs and GPs hardly contributed in revenue generation through own sources. Moreover, mechanism of transfer of grants was not prompt and accounting systems were found to be missing in exercising basic checks. Planning was not being done as envisaged. Financial management was improper and utilisation of funds too was with the risk of misappropriation due to absence of records. Various records were not maintained and proper procedures were not being followed. Monitoring and internal controls were weak which caused persistence of various systemic deficiencies.

Chapter 3 Audit of Transactions

3.1 Undue favour to contractors

Violation of the tendering rules led to extension of undue favour to contractors for ₹ 29.52 lakh in Zila Panchayat Varanasi and Jalaun.

Rule 21 of Uttar Pradesh *Kshetra Panchayat* and *Zila Panchayat Adhiniyam*, 1961 stipulates that agreement/contract bond document is essential to be prepared and enclosed, Rule 21(3) stipulates that rates in words and figures should be mentioned and no tender would be entertained without prescribed details and Rule 29 *ibid* stipulates that *Zila Engineer* (Chief Engineer) of *Zila Panchayat* (ZP) would be responsible for the implementation of the conditions of the contract. Further, financial rule¹ provides that whenever possible and advantageous, contract should be placed only after invitation of tenders.

Audit scrutiny disclosed two cases of blatant violation of tendering norms by ZPs, which are discussed below

Scrutiny of records (January 2016) of *Apar Mukhya Adhikari* (AMA), ZP, Varanasi revealed that construction work 'Interlocking work of the road from the house of *Dashrath Patel* to the house of *Doodhnath Patel*' 200 metre in the *Gram Sabha* kachahariya was sanctioned for ₹ 5.04 lakh in 2013-14 by ZP under the State Finance Commission grant and its technical sanction was accorded on August 2013 by *Adayaksh* ZP.

It was noticed that only two bids were received and opened (December 2013) in front of Engineer and AMA ZP Varanasi, in which one tender bid was completely blank and had no entries against items of work, rate of quotation, estimated amount *etc.* Hence, the blank tender was liable to be rejected being a non-responsive bid. However, in contravention of basic tendering norms, the tender committee prepared a comparative statement of those two tenders by irregularly taking the quote of blank bid tender as 0.15 *per cent* below the tender cost and declaring the blank bidder firm as lowest tenderer. The work was awarded (December 2013) by AMA ZP to that bidder whose bid was blank on the basis of forged preparation of comparative statement of tender. The payment of ₹ 5.02 lakh was made (August 2015) to the firm on completion of work in March 2015.

AMA ZP, Varanasi in its reply stated (January 2016) that due to excessive work some errors happened in some files and that all the formalities would be completed before issuance of the work orders in future.

¹Rules 4 and 9 of *Appendix 19* of Financial Hand Book Volume-V Part I.

Similarly, scrutiny of records of AMA ZP, Jalaun (February 2016) revealed that construction work 'security wall/pitching work of a pond beside *kotwali* in *Kshetra Panchayat Dakor*' in district Jalaun was sanctioned (November 2014) by Government of Uttar Pradesh (GoUP) from the Thirteenth Finance Commission grant, at a cost of ₹ 24.50 lakh. Its financial and administrative sanction was accorded (October 2014) by the *Adhyaksh* ZP, Jalaun and an agreement was executed (January 2015) with the lowest tenderer. However, the work could not be started due to dispute on site.

As the work was not started, another work in different place of different nature, 'Cement Concrete work in full width along the north side from top to bottom of the *Nadaie* pond in village *Dakor*' was started (January 2015). Administrative and financial sanction was accorded (May 2015) by the *Adyaksh* ZP with same estimated cost of ₹ 24.50 lakh and Government accorded its technical sanction (June 2015).

Audit observed that despite change in the nature and scope of the work and also its location, neither a fresh tender was invited nor fresh agreement executed, and the work was awarded irregularly to the same contractor and an amount of ₹ 24.50 lakh was paid (January 2016) after completion (November 2015) of work.

On being pointed out, AMA ZP, Jalaun stated (February 2016) that considering the importance of the work and to complete the work quickly, the work was awarded to the earlier selected contractor.

The replies are not acceptable as financial rules were violated on execution of works for providing undue benefit to the contractor, resulting in undue favour to the contractor for ₹ 29.52 lakh.

3.2 Suspected fraudulent payment

Payment of ₹ 0.82 lakh without ensuring proper checks in two *Kshetra Panchayats*.

Para 49(1) of Uttar Pradesh *Kshetra Panchayat and Zila Panchayat Nirman karya Niyamavali*, 1984 provides that muster rolls should be maintained in the prescribed format (*Nirman Karya 12*) by the work-in-charge for work done by daily labourers. One or more muster rolls should be kept for each work, but muster rolls should never be prepared in duplicate. The payment to labourers should be made only after the verification of the presence of the labourers at work-site for the period of work concerned. Further, separate rolls must be prepared for each period of payment.

Scrutiny of records (January 2016) of Block Development Officer, *Kshetra Panchayat* (BDO KP) Nagava, district Sonbhadra, revealed that a cheque² of

² Cheque number 417225 dated 16 September 2013.

₹ 1.17 lakh was issued (September 2013) to the *Gram Vikas Adhikari* for payment of wages to 75 labourers engaged in the work through muster rolls during the period 29 August 2013 to 05 September 2013. Audit scrutiny revealed that, 48 out of 75 labourers, who were engaged for all the seven days were seemingly paid their wages twice amounting to ₹ 42 thousand by preparing muster rolls in duplicate (**Appendix 3.1**). In reply, the BDO KP, Nagava stated that the matter would be examined.

Similarly, scrutiny of records (February 2016) of BDO KP, Niyamatabad, district Chandauli revealed that for construction of 'CC road and sewer line in Gopalpur' and '*Chauka Karya* in Chorahat' the BDO KP issued cheque to respective Assistant Development Officers', *Panchayat* as work-in-charge for payment of wages to 30 and 25 labourers of ₹ 3.66 lakh and ₹ 4.13 lakh for execution of work during 5 November 2013 to 10 November 2013 and 2 April 2014 to 07 April 2014 respectively. It was noticed that 41 out of 55 labourers, who were employed for all the above days were paid wages twice amounting to ₹ 40 thousand by preparing muster rolls in duplicate (**Appendix 3.1**). In reply, BDO accepted the facts and figures and replied that necessary action would be taken after the enquiry.

Thus, authorisation of the payment on muster rolls, without ensuring proper checks resulted in duplicate preparation of muster rolls and suspected fraudulent payment of ₹ 0.82 lakh to labourers.

3.3 Unfruitful expenditure

Unfruitful expenditure of ₹ 1.60 crore incurred on construction of incomplete and sub-standard *Gram Panchayat Sachivalaya* in *Zila Panchayat, Fatehpur*.

Financial rule³, stipulates that no work should be conducted without proper agreement. *Panchayat Niyamavali*⁴ states that agreement/contract bond document is essential to be executed. As per Government order⁵, funds shall not be released to an executing agency without executing the Memorandum of Understanding (MoU). The work should be completed as per terms and conditions of the MoU within the prescribed time limit. If the executing agency violates the terms and conditions, action could be taken against it as per conditions of MoU.

Scrutiny of records (April 2016) of *Apar Mukhya Adhikari*, (AMA), *Zila Panchayat* (ZP), Fatehpur revealed that Administrative and financial sanction for construction of 69 *Gram Panchayat Sachivalayas* (GPSs) under Backward Region Grant Fund scheme was accorded (September and November 2010)

³ Rule-4 of Appendix 19 of Financial Hand Book Volume 5 Part-1.

⁴ Rule-21 (2) (3) of *Uttar Pradesh Kshetra Panchayat and Zila Panchayat Nirman Niyamavali*, 1984.

⁵ Letter no. 9060(1)/33-P.M.U./2011 dated 23.11.2011.

for ₹ 10.16 crore by the Government of UP (GoUP). GoUP had fixed the construction cost of ₹ 14.72 lakh for construction of each GPS (January 2010). Work was to be completed within three months from the date of administrative and financial sanction. Labour and Construction Cooperative Federation Limited (LACCFED) was nominated (September and November 2010) as executing agency by the Government. As per directions of the Secretary, *Panchayati Raj*, periodic monitoring was to be conducted by the AMA for timely completion of the work.

Scrutiny further revealed that without executing MoU, ZP Fatehpur released (November 2010 and February 2011) the entire amount of ₹ 10.16 crore to LACCFED.

Audit further observed that progress of work of 15 out of 69 GPSs was extremely slow and despite expenditure of ₹ 1.60 crore on 15 GPSs out of released amount ₹ 2.21 crore (**Appendix 3.2**), work was not yet completed (October 2016) even after a lapse of five years. Remaining 54 GPSs were completed. It was also noticed that despite significant delays penalty was not imposed on the executing agency as the MoU with GoUP/ZP was not executed. ZP also failed to link the release of funds with the progress of expenditure and therefore gave undue benefit to the executing agency.

District Magistrate (DM), on instruction from Principal Secretary, *Panchayati Raj* directed (July 2014) Chief Development Officer (CDO) to conduct an enquiry of works under BRGF scheme in which 10 out of 15 GPSs were included. CDO after conducting the inquiry, reported (March 2015) that the constructed 10 GPSs were found sub-standard and incomplete. Action was also recommended against the executing agency. Audit however noticed that no action was taken by ZP against the agency.

On being pointed out, AMA replied that efforts would be made to complete and take over the GPSs from LACCFED. Reply is not tenable as ZP had neither taken any action against LACCFED nor reported to GoUP, despite instruction from DM which resulted unfruitful expenditure.

Thus, failure of ZP to execute MoU and effectively monitor the quality and progress for construction of work resulted in 15 GPSs remaining incomplete for last six years leading to unfruitful and substandard work costing ₹ 1.60 crore.

3.4 Unfruitful Expenditure

Unfruitful expenditure of ₹ 59.64 lakh due to incomplete construction of Bharat Nirman Rajiv Gandhi Seva Kendra building in Kshetra Panchayat Amaria, Pilibhit.

With an objective of providing space to facilitate the functioning of National Rural Employment Guarantee Act (NREGA) office at *Gram Panchayat* (GP) level and also for its utilisation as a citizen centric knowledge resource centre, Ministry of Rural Development Government of India (MoRD) approved (November 2009) a project for construction of Bharat *Nirman* Rajiv Gandhi *Seva Kendra*⁶ (BNRGSK). It was decided (December 2009) by the MoRD that maximum expenditure of ₹ 10 lakh could be incurred under NREGA for construction of BNRGSK building at *Gram Panchayat* level and expenditure over this ceiling would be borne by the State Government. The construction works of BNRGSK building, its quality and timely completion was the responsibility of District Programme Co-ordinator (DPC) of NREGA.

Scrutiny of records (June 2016) of Block Development Officer (BDO) *Kshetra Panchayat* (KP) Amaria, Pilibhit revealed that for the construction of BNRGSK building, BDO KP Amaria accorded administrative and financial sanction during November 2010 to December 2011 of ₹ 10 lakh for each building in 35 GPs. Its technical sanction was granted by Executive Engineer (EE) Rural Engineering Department, Pilibhit during November 2010 to December 2011. The buildings were to be completed within six month from the date of start. Construction of BNRGSK buildings was started between November 2010 and August 2011 in 35 *Gram Panchayats* by the GPs themselves. Provision of Fund for construction of BNRGSK buildings was to be made from NREGA labour budget of respective GPs themselves. Hence, no release of fund was required separately.

Audit observed that 17 out of 35 buildings to be constructed, costing ₹ 59.64 lakh⁷, remained incomplete as of October 2016.

On being pointed out in audit, BDO replied (June 2016) that the work was incomplete due to shortage of fund. Reply is not tenable because as per instructions of MoRD, NREGA was the main source of funding, though there was a provision for supplementing funds from other schemes, audit noticed that there was no such action taken.

⁶ Consist of one meeting hall, two rooms (one for NERGA office and other public interface).

⁷ Gram Panchayat: 1. Madhaupur: ₹ 6.53 lakh; 2. Sardar Nagar: ₹ 3.30 lakh; 3. Bhauna: ₹ 6.38 lakh; 4. Andarayan: ₹ 5.98 lakh; 5. Baratbojh: ₹ 2.85 lakh; 6. Mudsena Madari: ₹ 5.28 lakh; 7. Navada Kanja: ₹ 2.64 lakh; 8. Pareva Vaishya: ₹ 3.65; 9. Rafiyapur: ₹ 1.76 lakh; 10. Todarpur: ₹ 2.46 lakh; 11. Chahlaura: ₹ 1.05 lakh; 12. Niwad Athpur: ₹ 1.36 lakh; 13. Bhura: ₹ 4.19 lakh; 14. Jathaniya: ₹ 5.53 lakh; 15. Vishen: ₹ 4.17 lakh; 16. Nishaba Nisaiya: 1.19 lakh and 17. Ddhundhari: ₹ 1.32 lakh.

Thus, despite an expenditure of ₹ 59.64 lakh the objective of constructing the *Seva Kendra* for its utilisation as a citizen centric knowledge resource centre was not fulfilled as the BNRGSK buildings were not yet completed (December 2016).

The matter was reported to Government (August 2016); their reply was awaited (March 2017).

ALLAHABAD
THE

24 MAY 2017


(BHAVIKA JOSHI LATHE)
Deputy Accountant General
General and Social Sector Audit
Uttar Pradesh

COUNTERSIGNED

ALLAHABAD
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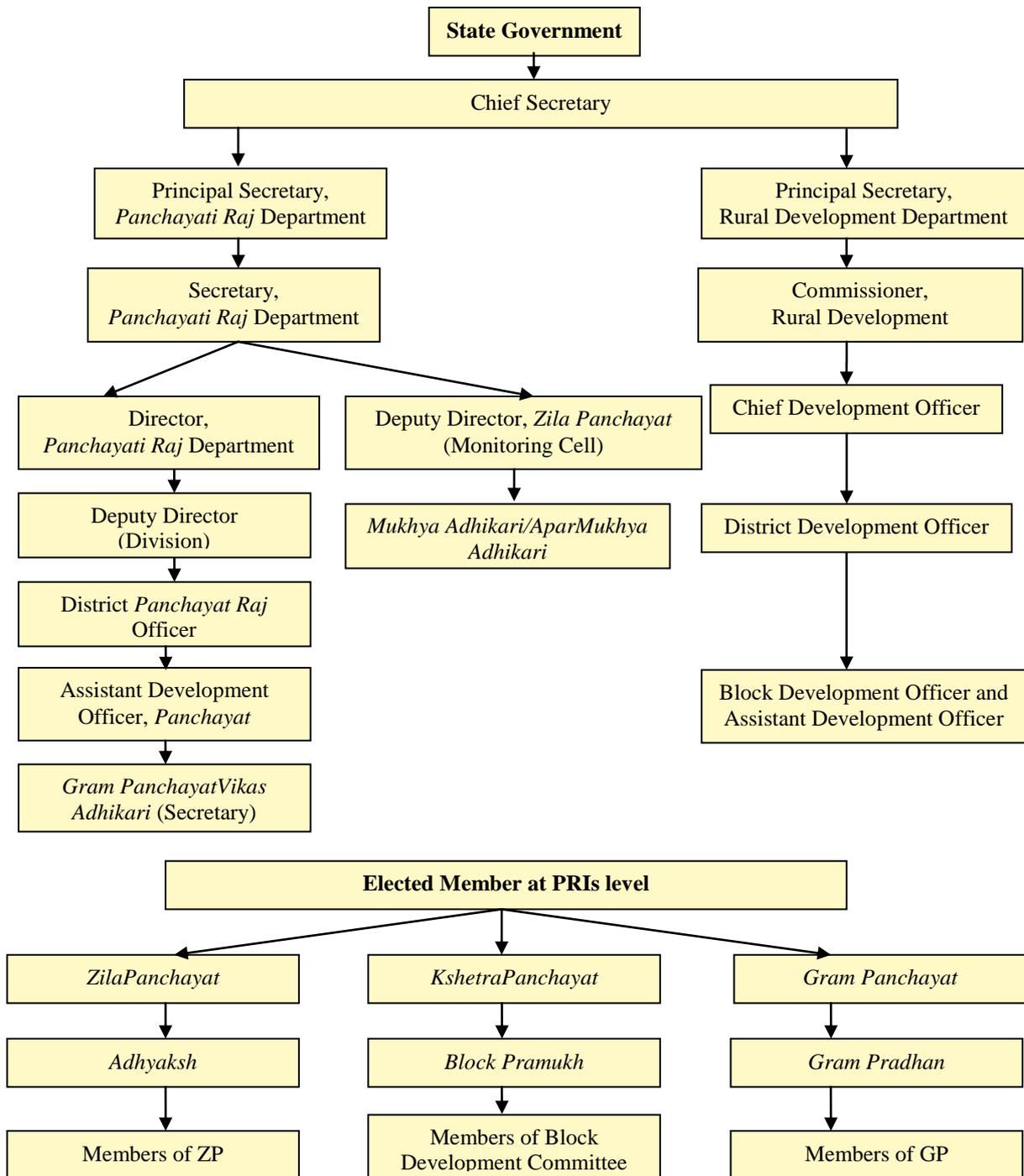
24 MAY 2017


(P. K. KATARIA)
Principal Accountant General
General and Social Sector Audit
Uttar Pradesh

Appendix 1.1

Organisational structure of *Panchayati Raj* Institutions

(Reference: Paragraph no.1.2 and 2.2; page 2 and 17)



(Source: Director, *Panchayati Raj*, Uttar Pradesh)

Appendix 1.2

Eleventh Schedule: List of 29 Subjects

(Reference: Paragraph no. 1.3.1; page 2)

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Minor irrigation, water management and watershed development.
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities.
22. Markets and fairs.
23. Health and sanitation including hospitals, primary health centres and dispensaries.
24. Family welfare.
25. Women welfare and child development.
26. Social welfare including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections including welfare of Scheduled Castes and Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

(Source: Constitution of India)

Appendix 1.3

Status of transfer of functions to *Panchayati Raj* Institutions

(Reference: Paragraph no. 1.3.1; page 2)

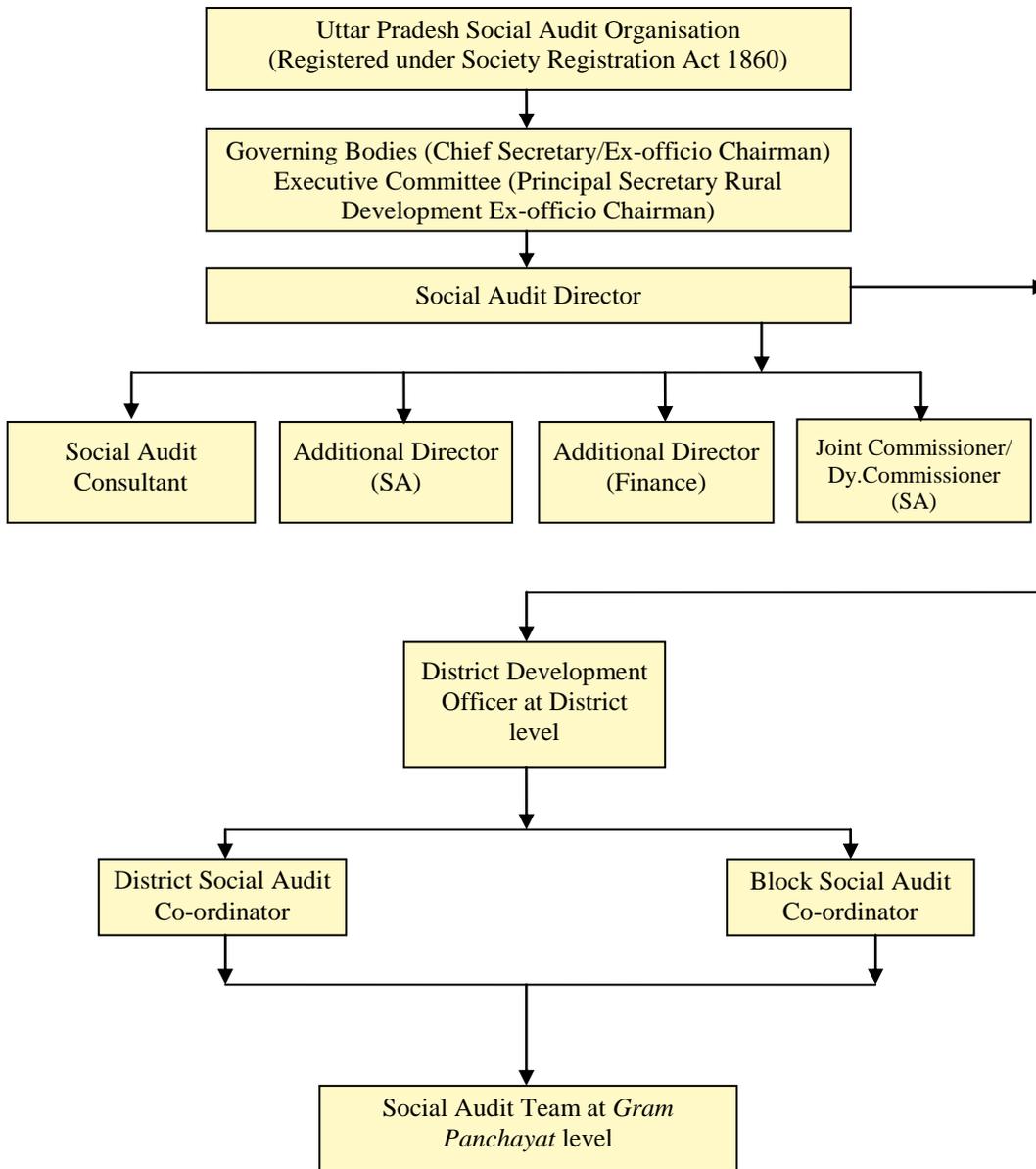
Sl. No.	Devolution of Functions
1.	Operation & Maintenance of Rural Water Supply schemes.
2.	Poverty alleviation programmes.
3.	Basic education including mid-day meal.
4.	Operation and Maintenance of rural market and fairs.
5.	Rural Sanitation Programme.
6.	Maintenance and supervision of 'D' category Veterinary Hospitals.
7.	Welfare programme for SC, ST and Other weaker sections – selection of pensioners and distribution of scholarships.
8.	Food and Civil Supplies – supervision of Public Distribution System (PDS) throughout the state including <i>Jan Kerosene</i> Programme.
9.	Maintenance of assets created in <i>Panchayat</i> area.
10.	Rural library.
11.	Youth Welfare programme at village level.
12.	Rural Housing schemes – selection of beneficiaries.
13.	Verification of inspection notes of CMOs & Dy. CMOs of CHCs & PHCs respectively, by <i>Pramukhs</i> and <i>Pradhans</i> of KPs and GPs respectively.
14.	Minor irrigation – selection of beneficiaries.
15.	Maintenance of assets created under sodic land Reclamation Projects.
16.	Maintenance of seed stores, etc. to KP.

(Source: Director, *Panchayati Raj*, Uttar Pradesh)

Appendix 1.4

Functioning of Social Audit Unit

(Reference: Paragraph no. 1.8; page 7)

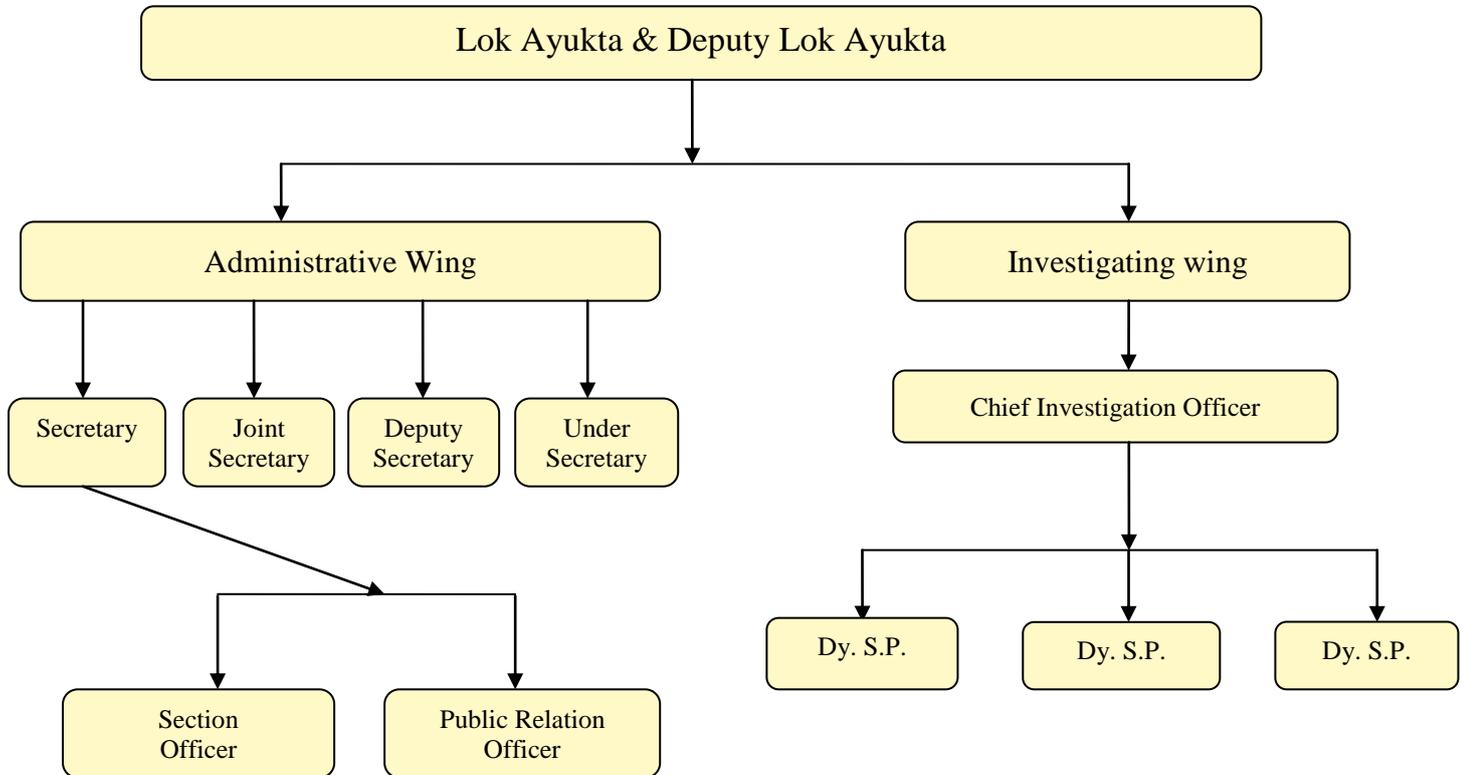


(Source: Director, Social Audit)

Appendix 1.5

Graphical structure of office of the Lok Ayukta in the State

(Reference: Paragraph no. 1.9; page 7)



(Source: Lok Ayukta UP, Lucknow)

Appendix 1.6

Details of difference in figures

(Reference: Paragraph no.1.11.1.2; page 11)

(₹ in crore)

Central Finance Commission (CFC)			
Year	Figure given in respective years by Director, Panchayati Raj	Figure given for 2011-16 in March 2017 by Director, <i>Panchayati Raj</i> and Figure given by Special Secretary Finance Department	Difference (Col 2 – Col 3)
1	2	3	4
2011-12	1,473.51	1,672.27	(-)198.76
2012-13	1,498.45	2,376.64	(-)878.19
2013-14	3,408.67	2,742.07	(+)666.60
2014-15	2,048.65	2,121.81	(-)73.16
2015-16	3,852.60	3,852.60	0

(₹ in crore)

State Finance Commission(SFC)					
Year	Figure given in respective years by Director, Panchayati Raj (GoUP)	Figure given for 2011-16 in March 2017 by Director, Panchayati Raj (GoUP)	Difference (Col 2 – Col 3)	Figure given by Special Secretary Finance Department (GoUP)	Difference in the figures of Director, <i>Panchayati Raj</i> and Special Secretary Finance Department (GoUP) (Col 3 – Col 5)
1	2	3	4	5	6
2011-12	2,172.38	2,192.10	(-)19.72	2,511.68	(-)319.58
2012-13	2,455.04	2,477.33	(-)22.29	2,772.18	(-)294.85
2013-14	3,544.81	3,901.68	(-)356.80	3,250.00	(+)651.68
2014-15	4,390.18	4,390.18	0	3,850.00	(+)540.18
2015-16	4,070.65	4,070.65	0	4,070.65	0

(Source: Director, *Panchayati Raj* and Finance Department, GoUP)

Appendix 2.1

List of sampled units

(Reference: Paragraph no. 2.5; page 18)

Sl. No.	Name of Zila Panchayats	Name of Blocks	Name of Gram Panchayats
1.	Agra	Achhner	Atus, Gadi Candarman, Khera Bakanda, Mubarikpur, Sakatpur
		Etmadpur	Agwar, Chirhaulti, Mukhwar, Saifuddinpur
		Khandauli	Bailoth, Hasanpur, Naharra, Semra
2.	Ambedkar Nagar	Baskhari	Baniyani, Chhangurpur Mishrauliya, Faridpur Saifan, Jallpur Sabukpur, Mohammadpur Musalman, Oujhipur, Semur Khanpur
		Kathari	Angwal, Baramadpur Jariyari, Chiutipara, Hardopur, Kharagpur, Manshapur, Nasirpur, Raghunathpur, Semri
3.	Bulandshahar	Augusta	Auguta, Dalpatpur Mukteshwara, Kajeepura, Manpur, Saimlee
		Gulaothi	Aashfabad Chandpura, Chirawak, Maholi
		Sikarpur	Aunchroo Kala, Dargahpur Basouli, Hurthla, Khakhoda, Nagla Lutph alipur, Sarava
4.	Jaunpur	Baksha	Babura, Bhairapur, Chhangapur, Gadhaseni, Kalinjara, Mai, Puraheму, Saraytriloki,
		Karanjakala	Bagmiya, Chhunchha, Hamjapur, Jangipur Kala, Kharauna, Lalmanpur, Newada Ishwarisingh, Sahdaudpur Urf Kakorgahana, Vishambhara Urf Jamunipur
		Mariyahun	Ahamadpur, Bhulaipur, Gauhar, Kailawar, Kurani, Manipur, Pahsana, Rampurnaddi, Sudanipur
		Shahganj	Aflepur, Atraura, Chakraj Sahawe, Guraini, Kayar, Lateefpur 1, Mawai, Porai Khurd, Sethuwapara
5.	Mathura	Baldeo	Aagai, Daggheta, Islampur, Madora, Patloni
		Mathura	Aduki, Bati, Dhorera, Junsati, Maholi, Narholi, Satoha
6.	Sambhal	Baniakhera	Akberpur Chitori, Baniyakhera, Chidiya Bhawan, Jarauli Hayatnagar, Kokawas, Moh. Saadikpur, Naveni Udaya, Raholi, Shyamshingh Bhoodi
		Rajpura	Baybhood, Chaupur Danda, Harphari, Kesharpur, Mukutpur, Rjawali, Sikandarpur Khagi
7.	Shravasti	Gilaula	Auraiya Tikai, Chandarkha Bujurg, Gilaula, Kakandhu, Kort Mubarak, Nibabhari, Ranipur Kaji
		Jamunaha	Bahorawa, Chamarpurwa, Fatehpur Bangai, Jhirjhirwa, Laxmanpur Gangapur, Parsohana, Sehariya
8.	Siddharth Nagar	Bhanwapur	Andua Shnichara, Beshkoher, Chaukhada, Gadawer, Judi Kueya, Mahtinia Bujurg, Pandia, Ramwapur Raut, Shohna
		Jogia Khas	Baijnatha, Devra Bazar, Jakhaulia, .Khetwal Tiwari, Nadwalia, Sabui-Sabua,
		Nawgarh	Basauni, Durjanpur, Khaleelpur, Mahdeva lala, Rasoolpur, Sonwal (6)
9.	Sonebhadra	Babhani	Arjaht, Chainpur, Hathiyar
		Ghorawal	Amaur, Barwan, Dewrikath, Gurawal, Kaneti, Khurawan, Lohandi, Morahi, Parsauna, Sarnga, Sirsiyathakurai
10.	Unnao	Auras	Ahamdpur Kashimpur, Bisaval, Gohali, Khadval, Nandauli, Sahpur Tonda
		Ganj Moradabad	Atva, Bhikhanpur Gopalpur, Esamailpur Ambalpara, Jafarabad, Khairahan, Raneepurgarnt
		Purwa	Bahraora Bujurag, Chimiyan, Lakhmandemau, Navav, Taragharia

Appendix 2.2

ZP wise details of assessment, realisation and balance of CP tax (2011-16)

(Reference: Paragraph no. 2.7.1.1; page 20)

(₹in lakh)

Sl. No.	Name of ZP	Opening balance	Revenue Assessed	Total	Revenue realization (per cent)	Balance
1.	Agra	0.00	4.67	4.67	4.67 (100)	0.00
2.	Ambedkar Nagar	26.10	123.96	150.06	129.85 (87)	20.21
3.	Bulandshahar	9.41	132.51	141.92	138.47 (98)	03.45
4.	Jaunpur	0.00	0.00	0.00	0.00	0.00
5.	Mathura	0.00	23.09	23.09	19.75 (86)	3.34
6.	Sambhal	67.63	50.00	117.63	36.93 (31)	80.70
7.	Shravasti	9.70	46.97	56.67	50.66 (89)	6.01
8.	Sidharth Nagar	21.67	106.00	127.67	105.34 (82)	22.33
9.	Sonbhadra	229.64	110.79	340.43	74.46 (22)	265.97
10	Unnao	14.06	84.99	99.05	63.24 (64)	35.81
Total		378.21	682.98	1061.19	623.37	437.82

Note: The Tax in ZP Agra was effective from 2013-14 and the same for the year 2014-15 was not recovered as of August 2016. In ZP, Jaunpur, the CP tax was not enforced. The Tax for 2014-16 was not recovered in ZP Mathura as of June 2016.
(Source: Concerned ZP)

Appendix 2.3

Resource, expenditure and balance of test checked KPs (2011-16)

(Reference: Paragraph no. 1.10, 2.7.1.2, 2.7.2.2 and 2.7.2.3; page 8,25,28 and 32)

(₹ in lakh)

Sl. No.	Name of District	Name of KP	O.B.	Own revenue	C.F.C.	S.F.C.	Interest	Total	Expenditure	Balance
1	Agra	Achhnera	0.08	0	146.69	149.18	1.33	297.28	264.24	33.04
2		Etmadpur	3.77	0	126.13	127.41	3.47	260.78	223.73	37.05
3		Khandauli	9.72	0	126.35	208.31	4.84	349.22	321.43	27.79
4	Ambedkar Nagar	Baskhari	23.65	0	112.10	268.68	0.54	404.97	403.17	1.80
5		Kathari	13.65	0	284.53	181.98	0.00	480.16	393.61	86.55
6	Bulandshahar	Auguta	19.50	0	54.65	125.41	6.70	206.26	182.27	23.99
7		Gulaothi	6.16	0	51.99	104.90	3.15	166.20	137.89	28.31
8		Sikarpur	18.87	0	50.81	209.72	7.90	287.30	256.12	31.18
9	Jaunpur	Baksha	44.86	0	109.37	243.05	9.95	407.23	366.84	40.39
10		Karanjakala	14.21	0	114.37	262.06	7.43	398.07	372.75	25.32
11		Mariyahun	15.14	0	160.51	207.26	0.00	382.91	339.52	43.39
12		Shahganj	21.84	0	141.46	344.85	5.92	514.07	464.39	49.68
13	Mathura	Baldeo	11.22	0	88.31	223.89	3.68	327.10	266.77	60.33
14		Mathura	8.50	0	156.30	380.31	4.01	549.12	440.47	108.65
15	Sambhal	Baniakhera	42.86	0	185.60	267.84	15.80	512.21	481.38	30.72
16		Rajpura	26.50	0	73.37	227.33	0.92	328.12	293.92	34.20
17	Shravasti	Gilaula	0.26	0	0	519.99	3.87	524.12	468.67	55.45
18		Jamunaha	22.48	0	0	508.01	9.84	540.33	481.98	58.35
19	Siddharth Nagar	Bhanwapur	0.76	0	326.67	65.44	6.25	399.12	376.59	23.53
20		Jogia Khas	5.26	0	92.05	161.54	2.05	260.90	248.91	11.99
21		Nawgarh	10.77	0	89.09	203.19	9.54	312.59	298.95	13.64
22	Sonbhadra	Babhani	9.28	0	75.67	147.48	5.04	237.47	165.34	72.23
23		Ghorawal	35.81	0	182.00	374.43	12.78	605.02	543.37	61.65
24	Unnao	Auraas	71.48	0	0	223.73	13.92	309.13	264.93	44.20
25		Ganj Moradabad	6.78	0	83.05	165.91	4.97	260.71	230.56	30.15
26		Purwa	9.04	0	67.72	144.84	6.67	228.27	205.32	22.95
Total			452.45	0	2,898.79	6,046.74	150.57	9,548.66	8,493.12	1,056.53

(Source: Concerned KPs)

Appendix 2.4

Financial status of GPs (2011-16)

(Reference: Paragraph. no. 1.10, 2.7.1.3 and 2.7.2.3; page 8,25 and 33)

(₹ in lakh)

Sl. No.	Name of District	Name of KP	Name of GP	OB	Receipt	Int.	Total	Exp.	CB
1	Agra	Achhnera	Atus	3.83	39.87	0.25	43.95	39.53	4.42
2			Gadi Candarman	2.25	27.02	0.4	29.67	24.51	5.16
3			KheraBakanda	1.96	40.14	0.26	42.36	35.14	7.22
4			Mubarikpur	0.01	28.7	0.26	28.97	23.86	5.11
5			Sakatpur	1.92	22.34	0.14	24.4	19.99	4.41
6		Etmadpur	Agwar	6.19	82.31	0.37	88.87	72.75	16.12
7			Chirhauili	0.25	42.3	0.25	42.8	35.6	7.2
8			Mukhwar	5.12	62.84	0.3	68.26	55.82	12.44
9			Saifuddinpur	1.36	20.37	0.3	22.03	17.92	4.11
10		Khandauli	Bailoth	1.07	18.55	0	19.62	16.04	3.58
11			Hasanpur	0.46	32.87	0.16	33.49	28.84	4.65
12			Naharra	0.4	79.07	0	79.47	63.95	15.52
13			Semra	5.9	244.47	1.37	251.74	212.07	39.67
Total				30.72	740.85	4.06	775.63	646.02	129.61
14	Ambedkar Nagar	Baskhari	Baniyani	2.05	32.49	0.35	34.89	30.53	4.36
15			Chhangupur Mishrauliya	0.41	25.65	0.05	26.11	22.51	3.60
16			Faridpur Saifan	0.45	27.06	0.15	27.66	25.61	2.05
17			Jallpur Sabukpur	0.71	41.43	0.14	42.28	36.04	6.24
18			Mohammadpur Musalman	0.44	27.35	0.11	27.90	22.36	5.54
19			Oujhipur	0.48	31.15	0.15	31.78	26.57	5.21
20			Semur Khanpur	0.71	43.25	0.61	44.57	37.20	7.37
21			Kathari	Baramadpur Jariyari	0.46	50.73	0.45	51.64	44.39
22		Chiutipara		0.47	41.64	0.41	42.52	36.48	6.04
23		Hardopur		1.55	24.76	0.22	26.53	23.20	3.33
24		Kharagpur		2.40	24.32	0.38	27.10	24.68	2.42
25		Manshapur		0.59	35.17	0.87	36.63	29.52	7.11
26		Nasirpur		2.65	29.21	0.08	31.94	27.79	4.15
27		Raghunathpur	0.43	31.09	0.14	31.66	30.47	1.19	
28	Semri	0.72	44.66	0.14	45.52	40.29	5.23		
Total				14.52	509.96	4.25	528.73	457.64	71.09
29	Bulandshahar	Agauta	Agauta	4.48	41.84	1.20	47.52	42.28	5.24
30			Dalpatpur Mukteshwara	1.85	18.16	0.16	20.17	20.09	0.08
31			Kajeepura	2.96	46.61	0.50	50.07	40.56	9.51
32			Manpur	1.37	13.31	0.10	14.78	12.02	2.76
33			Saimlee	1.63	19.30	0.27	21.20	17.17	4.03
34		Gulaothi	Aashfabad Chandpura	1.04	35.20	0.18	36.42	28.32	8.10
35			Chirawak	2.11	57.76	0.19	60.06	51.23	8.83
36			Maholi	1.41	34.54	0.13	36.08	29.63	6.45
37		Sikarpur	Aunchrookalan	1.52	23.75	0.52	25.79	21.34	4.45

38			Dargahpur Basouti	2.24	21.21	0.27	23.72	20.09	3.63	
39			Hurthla	0.67	32.58	0.28	33.53	25.93	7.60	
40			Khakhooda	4.36	37.03	0.61	42.00	35.69	6.31	
41			Nagla Lutphalipur	0.80	17.42	0.10	18.32	15.71	2.61	
42			Sarava	4.73	48.89	0.61	54.23	45.34	8.89	
Total				31.17	447.60	5.12	483.89	405.40	78.49	
43	Jaunpur	Baksha	Babura	0.90	26.67	0.55	28.12	23.90	4.22	
44			Bhairopur	1.08	23.06	0.34	24.48	21.00	3.48	
45			Chhangapur	3.15	38.44	0.78	42.37	37.53	4.84	
46			Gadhaseni	1.50	28.15	1.04	30.69	26.82	3.87	
47			Kalinjara	1.57	29.99	0.42	31.98	26.76	5.22	
48			Mai	1.99	38.20	0.23	40.42	34.88	5.54	
49			Purahemu	0.51	23.16	0.27	23.94	21.45	2.49	
50			Saraytriloki	0.84	48.96	0.20	50.00	45.48	4.52	
51			Karanjakala	Bagmiya	3.50	43.02	0.63	47.15	41.78	5.37
52				Chhunchha	2.01	33.39	0.20	35.60	30.94	4.66
53		Hamjapur		4.30	55.88	0.35	60.53	52.19	8.34	
54		Jangipur-Kala		2.94	37.97	0.43	41.34	37.62	3.72	
55		Kharauna		5.30	44.66	0.83	50.79	41.84	8.95	
56		Lalmanpur		0.71	22.50	0.25	23.46	19.92	3.54	
57		Newada-Ishwarisingh		1.66	30.16	0.32	32.14	27.55	4.59	
58		Sahdaudpur Urf Kakorgahana		3.10	52.11	0.57	55.78	50.17	5.61	
59		Vishambhara Urf Jamunipur		3.02	37.16	1.31	41.49	31.74	9.75	
60		Mariyahun		Ahamadpur	1.29	34.17	0.36	35.82	31.65	4.17
61			Bhulaipur	0.32	22.25	0.01	22.58	17.83	4.75	
62			Gauhar	0.29	41.45	0.00	41.74	38.13	3.61	
63			Kailawar	0.87	17.66	0.30	18.83	15.40	3.43	
64			Kurani	1.77	46.95	0.38	49.10	42.13	6.97	
65			Manipur	1.04	28.11	0.13	29.28	25.30	3.98	
66			Pahsana	0.52	23.82	0.27	24.61	21.40	3.21	
67			Rampurnaddi	4.84	77.02	0.00	81.86	71.69	10.17	
68			Shahganj	Atraura	1.07	19.07	0.09	20.23	18.31	1.92
69				Chakraj-Sahawe	1.68	29.63	0.23	31.54	27.19	4.35
70		Guraini		0.62	26.18	0.08	26.88	24.27	2.61	
71		Kayar		2.02	31.36	0.43	33.81	29.35	4.46	
72		Lateefpur-1		0.78	27.88	0.41	29.07	24.72	4.35	
73		Mawai		0.57	28.06	0.11	28.74	25.29	3.45	
74		Porai-Khurd		2.58	43.07	0.24	45.89	43.80	2.09	
75		Sethuwapara		1.50	23.64	0.30	25.44	21.74	3.70	
Total				59.84	1,133.80	12.06	1,205.70	1,049.77	155.93	
76	Mathura	Baldeo	Aagai	1.51	34.89	0.13	36.53	31.57	4.96	
77			Daghetta	4.31	91.77	0.71	96.79	75.99	20.80	
78			Islampur	0.79	21.78	0.09	22.66	17.73	4.93	
79			Madora	4.72	55.09	0.68	60.49	57.06	3.43	
80			Patloni	3.84	50.29	0.51	54.64	45.34	9.30	
81		Mathura	Aduki	0.62	76.90	0.24	77.76	62.61	15.15	
82			Bati	4.09	92.87	0.55	97.51	82.53	14.98	
83			Dhorera	0.01	32.08	0.47	32.56	17.21	15.35	

84			Junsati	2.58	66.91	0.37	69.86	60.22	9.64
85			Maholi	1.72	105.51	0.63	107.86	86.74	21.12
86			Narholi	4.61	63.07	0.42	68.10	56.00	12.10
87			Satoha	1.12	50.70	0.14	51.96	42.31	9.65
Total				29.92	741.86	4.94	776.72	635.31	141.41
88	Sambhal	Baniakhera	Akberpur Chitori	4.43	36.12	0.24	40.79	34.35	6.44
89			Baniyakhera	2.83	58.99	0.32	62.14	58.06	4.08
90			Chidiya Bhawan	4.08	56.83	0.50	61.41	47.97	13.44
91			Jaroil Hayatnagar	1.78	63.64	0.43	65.85	44.62	21.23
92			Kokawas	3.18	33.15	0.26	36.59	29.57	7.02
93			Moh. Saadikpur	2.41	37.03	0.36	39.8	36.33	3.47
94			Naveni Udyia	3.71	26.12	0.19	30.02	27.69	2.33
95			Raholi	5.42	54.51	0.29	60.22	60.18	0.04
96			Shyamshingh Bhoodi	0.51	34.68	0.08	35.27	21.82	13.45
97			Rajpura	Baybhood	0.33	19.09	0.22	19.64	14.96
98		Chaupur Danda		0.62	38.6	0.15	39.37	37.38	1.99
99		Harphari		0.31	20.52	0.13	20.96	16.44	4.52
100		Kesarpur		0.42	25.96	0.40	26.78	21.48	5.30
101		Mukutpur		0.27	16.8	0.13	17.2	15.54	1.66
102		Rjawali		0.4	24.06	0.19	24.65	22.98	1.67
103				Sikandarpur Khagi	0.28	17.81	0.10	18.19	14.54
Total				30.98	563.91	3.99	598.88	503.91	94.97
104	Shravasti	Gilaula	Auraiya-Tikai	0.02	34.16	0.32	34.50	29.03	5.47
105			Chandarkha-Bujurg	11.00	107.69	1.88	120.57	104.06	16.51
106			Gilaula	6.06	101.59	0.67	108.32	94.03	14.29
107			Kakandhu	5.52	65.21	1.50	72.23	62.97	9.26
108			Kort-Mubarak	4.03	66.29	0.63	70.95	61.92	9.03
109			Nibabhari	2.52	46.20	0.83	49.55	44.34	5.21
110			Ranipur-Kaji	0.28	27.19	0.07	27.54	23.10	4.44
111		Jamunaha	Bahorawa	2.28	50.62	0.33	53.23	45.42	7.81
112			Chamarpurwa	0.08	36.37	0.18	36.63	30.56	6.07
113			Fatehpur-Bangai	1.78	102.72	1.14	105.64	91.66	13.98
114			Jhirjhirwa	1.36	34.42	0.25	36.03	31.36	4.67
115			Laxmanpur-Gangapur	0.96	40.57	0.41	41.94	35.00	6.94
116			Parsohana	3.27	61.66	0.25	65.18	58.03	7.15
117			Sehariya	3.10	43.02	0.28	46.40	41.20	5.20
Total				42.26	817.71	8.74	868.71	752.68	116.03
118	Siddhartha Nagar	Bhanwapur	Andua-Shnichara	0.05	28.05	0.05	28.15	24.63	3.52
119			Beshkoher	1.29	79.22	0.25	80.76	70.15	10.61
120			Chaukhada	1.5	49.96	0.34	51.8	45.58	6.22
121			Gadawer	2.73	39.14	0.34	42.21	38.86	3.35
122			Judi-Kueya	0.45	40.7	0.1	41.25	38.12	3.13
123			Mahtinia-Bujurg	1.01	22.72	0.11	23.84	20.65	3.19
124			Pandia	1.32	23.81	0.05	25.18	22.08	3.1
125			Ramwapur-Raut	0.15	25.46	0.05	25.66	23.35	2.31
126			Shohna	0	35.87	0.24	36.11	31.15	4.96
127		Jogia Khas	Baijnatha	1.51	37.43	0.16	39.1	34.65	4.45
128			Devra-Bazar	1.04	37.19	0.23	38.46	34.15	4.31

129			Jakhaulia	3.95	36.05	0.25	40.25	37.87	2.38	
130			Khetwal-Tiwari	2.19	30.86	0.29	33.34	30.33	3.01	
131			Nadwalia	2.16	57.41	0.12	59.69	58.39	1.30	
132			Sabui-Sabua	0.76	19.06	0.05	19.87	17.48	2.39	
133		Nawgarh	Basauni	0.57	23.85	0.05	24.47	23.87	0.60	
134			Durjanpur	2.92	24.88	0.10	27.90	25.09	2.81	
135			Khaleelpur	2.2	67.67	0.74	70.61	62.06	8.55	
136			Mahdeva-lala	3.36	31.32	0.35	35.03	31.95	3.08	
137			Rasoolpur	0.81	70.04	0.21	71.06	65.79	5.27	
Total				29.97	780.69	4.08	814.74	736.2	78.54	
138	Sonebhadra	Babhani	Arjhat	1.24	40.20	0.58	42.02	36.32	5.70	
139			Chainpur	3.46	43.76	0.61	47.83	38.9	8.93	
140			Hathiyar	3.15	91.19	0.68	95.02	91.01	4.01	
141		Ghorawal	Amaur	1.40	26.16	0.18	27.74	23.91	3.83	
142			Barwan	2.61	30.45	0.73	33.79	26.13	7.66	
143			Dewrikath	0.65	31.81	0.20	32.66	27.43	5.23	
144			Gurawal	0.94	45.2	0.18	46.32	39.04	7.28	
145			Kaneti	4.22	42.80	0.53	47.55	42.97	4.58	
146			Kharuawn	1.42	34.83	0.43	36.68	31.71	4.97	
147			Lohandi	1.24	45.40	0.27	46.91	40.57	6.34	
148			Morahi	2.15	33.52	0.47	36.14	31.78	4.36	
149			Parsauna	3.14	64.56	0.46	68.16	56.92	11.24	
150			Sarnga	4.55	42.01	0.65	47.21	41.78	5.43	
151			Sirsiyathakurai	2.09	105.82	0.95	108.86	94.9	13.96	
Total				32.26	677.71	6.92	716.89	623.37	93.52	
152	Unnao	Auraaas	Ahamdpur Kashimpur	1.69	29.77	0.03	31.49	27.04	4.45	
153			Bisaval	0.47	30.10	0.05	30.62	25.33	5.29	
154			Gohali	0.35	20.76	0.08	21.19	19.13	2.06	
155			Khadval	0.46	29.81	0.19	30.46	25.70	4.76	
156			Sahpur Tonda	3.99	48.49	0.21	52.69	45.14	7.55	
157			Ganj Moradabad	Atva	1.96	24.14	0.10	26.2	21.07	5.13
158		Esamailpur Ambahpara		2.47	17.24	0.09	19.8	16.73	3.07	
159		Jafarabad		1.01	19.74	0.09	20.84	17.74	3.10	
160		Khairahan		0.51	15.10	0.08	15.69	14.16	1.53	
161		Raneepur garnt		1.75	22.04	0.18	23.97	19.94	4.03	
162		Purwa		Bahraora-Bujurag	3.02	20.23	0.27	23.52	21.69	1.83
163				Chimiyani	4.46	100.10	0.99	105.55	88.18	17.37
164				Lakhmandemau	0.71	17.37	0.3	18.38	16.54	1.84
165				Navav	0.86	22.13	0.10	23.09	21.10	1.99
166				Taragharia	0.82	20.05	0.39	21.26	19.24	2.02
Total				24.53	437.07	3.15	464.75	398.73	66.02	
Grand Total (10 Districts)		26	166	326.17	6,851.16	57.31	7,234.64	6,209.03	1,025.61	

(Source: Concerned GP)

Appendix 2.5

Details of Tax collected by ZPs but not appropriated to GPs (2011-16)

(Reference: Paragraph no. 2.7.1.3; page 26)

(₹ in lakh)

Sl. No.	Name of ZP	CP Tax collected		Tax on disposal of dead animal	
		Collected	Due but not transferred	Collected	Due but not transferred
1.	Agra	4.67	Not determined	64.89	32.45
2.	Ambedkar Nagar	129.85	Not determined	0.45	0.23
3.	Bulandshahar	138.47	Not determined	97.01	48.50
4.	Jaunpur	0.00	Not determined	0.73	0.36
5.	Mathura	19.75	Not determined	55.27	27.64
6.	Sambhal	36.93	Not determined	37.12	18.56
7.	Shravasti	50.66	Not determined	28.84	14.42
8.	Siddharth Nagar	105.34	Not determined	2.80	1.40
9.	Sonebhadra	74.46	Not determined	5.42	2.71
10.	Unnao	63.24	Not determined	113.15	56.58
Total		623.37		405.68	202.85

(Source: Concerned ZP)

Appendix 2.6

ZPs resources, expenditure and balance of resources (2011-16)

(Reference: Paragraph no. 1.10 and 2.7.2.2; page 8 and 28)

(₹ in crore)

Sl. No.	Name of ZP	Opening balance as on 1 st April 2011	Resources of test checked ZPs					Expenditure	Balance of resources as on 31 st March 2016
			Own sources	Funds received under CFC	Funds received under SFC	Interest earned	Total		
1.	Agra	5.59	12.08	26.21	62.01	2.16	108.05	93.00	15.06
2.	Ambedkar Nagar	4.10	4.72	24.33	54.23	2.09	89.47	77.17	12.30
3.	Bulandshahar	4.18	31.78	27.70	64.21	1.86	129.73	116.84	12.88
4.	Jaunpur	0.00	8.32	48.75	104.51	4.00	165.59	133.99	31.60
5.	Mathura	3.11	5.37	18.39	45.56	2.11	74.53	62.95	11.58
6.	Sambhal (2012-16)	0.00	5.75	17.13	39.94	1.43	64.25	51.87	12.37
7.	Shravasti	3.36	5.23	17.30	35.14	0.95	61.98	48.81	8.32
8.	Siddharth Nagar	8.79	4.53	28.97	64.67	1.57	108.53	102.61	5.92
9.	Sonebhadra	0.00	26.85	17.81	54.03	3.50	102.20	89.96	12.24
10.	Unnao	5.58	5.95	31.19	68.41	3.83	114.96	85.24	29.72
Total		34.71	110.58	257.78	592.71	23.50	1,019.29	862.44	151.99

(Source: Concerned ZP)

Appendix 2.7

Investment made in providing basic facilities by ZPs (2011-16)

(Reference: Paragraph no. 2.7.2.3; page 29)

(₹ in crore)

Sl. No.	Name of ZPs	Construction/maintenance of roads		Upkeep and maintenance of other basic facilities	
		Quantity (No. of roads)	Amount	Quantity (No. of roads)	Amount
1.	Agra	908	77.92	0	0
2.	Ambedkar Nagar	770	56.72	57	5.57
3.	Bulandshahar	1,304	81.64	0	0
4.	Jaunpur	1,351	109.36	0	0
5.	Mathura	1,272	47.86	33	2.22
6.	Sambhal	610	47.06	0	0
7.	Shravasti	496	32.23	27	1.57
8.	Siddharth Nagar	714	84.46	0	0.00
9.	Sonebhadra	561	67.86	7	0.61
10.	Unnao	398	40.98	0	0
Total		8,384	646.09	124	9.97

(Source: Concerned ZP)

Appendix 2.8

Basic facilities provided by test checked KPs (2011-16)

(Reference: Paragraph no. 2.7.2.3; page 29)

(₹ in lakh)

Sl. No.	Name of District	Name of KP	New water supply projects		Drinking and sanitation facilities		Sewage facilities		Street light		Construction/maintenance of roads		Other public facilities etc.	
			Qt.	Amt.	Qt.	Amt.	Qt.	Amt.	Qt.	Amt.	Qt.	Amt.	Qt.	Amt.
1	Agra	Achhnera	0	0	0	0	0	0	0	0	48	133.29	4	12.98
2	Agra	Etmadpur	0	0	0	0	0	0	0	0	46	225.45	0	0
3	Agra	Khandauli	0	0	13	40.30	0	0	0	0	33	173.75	5	29.25
4	Ambedkar Nagar	Baskhari	0	0	0	0	0	0	203	57.79	72	233.78	23	51.98
5	Ambedkar Nagar	Kathari	0	0	0	0	0	0	0	0	102	254.96	22	35.77
6	Bulandshahar	Agauta	0	0	0	0	0	0	0	0	37	164.9	1	2.88
7	Bulandshahar	Gulaothi	0	0	0	0	0	0	10	1.98	47	111	0	0
8	Bulandshahar	Sikarpur	0	0	0	0	0	0	0	0	57	221.98	2	16.30
9	Jaunpur	Baksha	2	0.44	0	0	2	2.07	106	20.19	107	342.74	4	1.37
10	Jaunpur	Karanjakala	0	0	0	0	19	34.80	0	0	205	637.10	0	0
11	Jaunpur	Mariyahun	0	0	6	18.19	0	0	0	0	97	320.65	0	0
12	Jaunpur	Shahganj	0	0	0	0	25	59.41	20	3.90	75	373.31	29	27.76
13	Mathura	Baldeo	0	0	2	8.69	0	0	0	0	55	248.68	3	5.07
14	Mathura	Mathura	0	0	0	0	0	0	0	0	74	387.21	1	1.03
15	Sambhal	Baniakhera	0	0	2	10.98	0	0	0	0	76	312.35	17	19.76
16	Sambhal	Rajpura	0	0	0	0	0	0	0	0	32	244.94	0	0
17	Shrawasti	Gilaula	0	0	0	0	0	0	0	0	100	463.78	0	0
18	Shrawasti	Jamunaha	0	0	0	0	4	7.45	0	0	87	275.31	2	5.25
19	Siddharth Nagar	Bhanwapur	3	5.03	6	7.03	0	0	15	8.40	52	324.30	0	0
20	Siddharth Nagar	Jogia Khas	0	0	9	91.81	0	0	0	0	25	125.95	0	0
21	Siddharth Nagar	Nawgarh	0	0	4	13.18	0	0	3	17.03	59	239.44	0	0
22	Sonbhadra	Babhani	0	0	10	79.95	0	0	0	0	4	28.97	15	14.39
23	Sonbhadra	Ghorawal	1	2.40	4	31.05	0	0	53	7.29	65	248.50	0	0.00
24	Unnao	Auraas	0	0	0	0	0	0	0	0	65	230.41	0	0
25	Unnao	Ganj Moradabad	0	0	0	0	0	0	0	0	38	224.90	0	0
26	Unnao	Purwa	0	0	0	0	0	0	0	0	46	205.32	0	0
Total			6	7.87	56	301.18	50	103.73	410	116.58	1,704	6,752.97	128	223.79

(Source: Concerned KPs)

Appendix 2.9

Basic facilities provided by test checked GPs (2011-16)

(Reference: Paragraph no. 2.7.2.3; page 29)

(₹ in lakh)

Sl. No.	Name of District	No of KPs	No of GP	Renovation of old drinking water facilities		Drinking and sanitation facilities		Street light		Construction/maintenance of roads		Other public facilities etc.	
				No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Agra	3	13	1,422	41.98	127	86.28	19	4.14	427	415.34	25	13.94
2	Ambedkar Nagar	2	15	864	24.74	173	88.60	103	36.46	294	182.32	118	58.35
3	Bulandshahar	3	14	650	7.89	157	80.17	69	5.37	415	252.50	36	13.26
4	Jaunpur	4	33	3,649	119.88	583	170.45	80	3.46	936	591.56	486	109.94
5	Mathura	2	12	1,507	29.66	12	2.61	347	11.99	483	570.34	57	18.14
6	Sambhal	2	16	184	5.86	46	37.89	55	4.24	327	481.53	16	12.41
7	Shrawasti	2	14	1,120	18.84	272	150.82	401	26.04	538	443.31	174	89.16
8	Siddharth Nagar	3	20	280	7.99	267	152.88	184	11.71	428	481.27	323	140.71
9	Sonbhadra	2	14	4,651	146.07	92	71.85	14	10.24	160	148.85	149	120.77
10	Unnao	3	15	1,174	27.34	323	101.24	60	4.76	217	228.67	121	25.26
Total		26	166	15,501	430.25	2,052	942.79	1,332	118.41	4,225	3,795.69	1,505	601.94

(Source: Concerned GPs)

Appendix 2.10

ZP wise status of intra GPs works carried out during 2011-16

(Reference: Paragraph no. 2.7.2.3; page 30)

(₹ in crore)

Sl. No.	Name of ZP	Period	No. of works	Amount spent
1.	Agra	2011-16	912	77.92
2.	Ambedkar Nagar	2011-16	825	62.18
3.	Bulandshahar	2011-16	1,292	80.96
4.	Jaunpur	2011-15	164	21.28
5.	Mathura	2015-16	35	0.96
6.	Sambhal	2011-16	542	42.47
7.	Shravasti	2015-16	64	2.88
8.	Siddharth Nagar	2011-16	356	32.86
9.	Sonebhadra	2011-16	561	67.85
10.	Unnao	2011-14	45	4.17
Total				394.14

(Source: Audit scrutiny and information provided by ZP)

Appendix 2.11

Deficiencies in tender processing

(Reference: Paragraph no. 2.7.2.3; page 30)

(Figures in numbers)

Sl. No.	Area of deficiency	Nature of deficiency	Files checked	Files with deficiencies (Per cent)	ZPs	Name of ZPs
1.	Work estimates	Estimates not sanctioned by appropriate authority.	175	66 (38)	3	Jaunpur, Siddharth Nagar and Unnao
2.		Deviation in estimate not sanctioned by appropriate authority.	175	36(21)	2	Mathura and Unnao
3.		Estimate signed without date.	175	175(100)	7	Agra, Ambedkar Nagar, Bulandshahar, Jaunpur, Mathura, Siddharth Nagar and Unnao
4.	Tender notice	Tender noticed not published in two newspapers.	175	25(14)	1	Mathura
5.		Minimum 21 days clear time for submission of tender was not provided.	175	72(41)	4	Ambedkar Nagar, Jaunpur, Mathura and Siddharth Nagar
6.		Tender documents without requisite documents but entertained.	175	113(65)	5	Ambedkarnagar, Jaunpur, Mathura, Siddharth Nagar and Unnao
7.		Tender form /notice to contractor does not contain validity period of tendered rate	175	75(43)	3	Jaunpur, Siddharth Nagar and Unnao
8.	Tender documents	Tender envelopes were not sealed but were pasted/stapled.	175	175(100)	7	Agra, Ambedkar Nagar, Bulandshahar, Jaunpur, Mathura, Siddharth Nagar and Unnao
9.		Tenders without due earnest money but entertained.	175	100(57)	4	Ambedkar Nagar, Jaunpur, Siddharth Nagar and Unnao
10.		Tenders submitted contained affidavit in lieu of requisite documents.	175	11(6)	1	Mathura
11.	Tender opening	Tender not opened by AMA/BDO themselves.	175	75(43)	3	Jaunpur, Bulandshahar and Unnao
12.		Tender not opened in presence of Engineer/Accountant.	175	5(3)	1	Unnao
13.		Tender envelop not contained signatures of all the concerned in same date of opening the tender.	175	5(3)	1	Unnao
14.	Tendered rate	Quoted rates were not written in words.	175	175(100)	7	Agra, Ambedkar Nagar, Bulandshahar, Jaunpur, Mathura, Siddharth Nagar and Unnao
15.		After opening tenders, quoted rates were not encircled.	175	91(52)	4	Jaunpur, Mathura, Siddharth Nagar and Unnao

16.	Processing the tender	Date of preparing comparative chart was not mentioned.	175	9(5)	3	Jaunpur, Mathura and Siddharth Nagar
17.		Signatures of the members of the works committee approving the tender not found in the same date.	175	100(57)	4	Jaunpur, Mathura, Siddharth Nagar and Unnao
18.	Placing work order	Work orders not issued within one week of approval.	175	32(18)	3	Mathura, Siddharth Nagar and Unnao
19.	Making agreement	Agreement with the contractor was not made within 21 days of issue of the work order.	175	32(18)	4	Jaunpur, Mathura, Siddharth Nagar and Unnao
20.		Major details of the contract not mentioned on agreement stamp paper but on plain paper.	175	50(29)	3	Ambedkar Nagar, Unnao and Mathura
21.	Security/performance guarantee	Non/short recovery of performance guarantee	175	100(57)	4	Jaunpur, Mathura, Siddharth Nagar and Unnao
22.		Non release of security deposits/performance guarantee.	175	23(13)	2	Mathura and Unnao

(Source: Audit scrutiny)

Appendix 2.12

List of records not maintained by GPs

(Reference: Paragraph no. 2.7.2.3; page 33)

Sl. No.	Name of records	Purpose for which to be maintained
1.	Pass Book	This pass book is other than bank pass book for recording receipts from the Government and their expenses by PRIs.
2.	Demand and recovery register	Depicts assessment and realisation of revenue.
3.	Security registers	For recording the amount of security taken from the concerned.
4.	Public works register	Exhibit details of works and payment there against.
5.	Muster roll register	Control receipt and consumption of muster rolls.
6.	Security deposit register	For recording the amount of security deposit kept contractor/work wise.
7.	Stock book	Facilitates stock taking of material procured and issued on the works/sister units.
8.	Internal Audit register	Show status of audit conducted and details audit paragraphs.
9.	Guard file	For keeping audit reports.

(Source: Audit scrutiny)

Appendix 3.1

Detail of labourers whom double payment was made on muster rolls

(Reference: Paragraph no. 3.2; page 39)

(Amount in ₹)

SI No.	Name of labourers	Father's Name	Address of labourers	Working Days	Rate	Amount
Construction of Water Bound Macadam road (29.08.13 to 05.09.13)						
1.	Mamber	Ali Ullaha	Dubepur, Sonbhadra	07	142	994
2.	Siraaj	Ali Ullaha	Dubepur, Sonbhadra	07	142	994
3.	Rakiboon	Ali Ullaha	Dubepur, Sonbhadra	07	142	994
4.	Aalam	Sattar	Dubepur, Sonbhadra	07	142	994
5.	Sitara	Aalam	Dubepur, Sonbhadra	07	142	994
6.	Bakshi	Nara Ullaha	Dubepur, Sonbhadra	07	142	994
7.	Rahmad	Buddhu	Dubepur, Sonbhadra	07	142	994
8.	Balwant	Kalendra	Dubepur, Sonbhadra	07	142	994
9.	Nasima	Daade	Dubepur, Sonbhadra	07	142	994
10.	Tusmi	Wasim	Dubepur, Sonbhadra	07	142	994
11.	Bifnee	Ramkesh	Dubepur, Sonbhadra	07	142	994
12.	Lakshmeena	Ramkesh	Dubepur, Sonbhadra	07	142	994
13.	Jitendra	Paalkija	Dubepur, Sonbhadra	07	142	994
14.	Saanun	Abulesh	Dubepur, Sonbhadra	07	142	994
15.	Naajli	Atthar	Dubepur, Sonbhadra	07	142	994
16.	Nirjaatan	Abulesh	Dubepur, Sonbhadra	07	142	994
17.	Chaanu	Saukat	Dubepur, Sonbhadra	07	142	994
18.	Rozadin	Bhobhal	Dubepur, Sonbhadra	07	142	994
19.	Mumtaj	Naasir	Dubepur, Sonbhadra	07	142	994
20.	Kanhaiyya	Ram Prasad	Dubepur, Sonbhadra	07	142	994
21.	Suvrott	Ashlesh	Dubepur, Sonbhadra	07	142	994
22.	Rehana	Dukkhi	Dubepur, Sonbhadra	07	142	994
23.	Ayesha	Ashraf	Dubepur, Sonbhadra	07	142	994
24.	Nandu	Gopal	Dubepur, Sonbhadra	07	142	994
25.	Bahadur	Nanhai	Dubepur, Sonbhadra	07	142	994
26.	Kuraisha	Haneef	Dubepur, Sonbhadra	07	142	994
27.	Sumitra	Bahadur	Dubepur, Sonbhadra	07	142	994
28.	Tazmaa	Mustaffa	Dubepur, Sonbhadra	07	142	994
29.	Russina	Noor Hasan	Dubepur, Sonbhadra	07	142	994
30.	Sattar	Abbas	Dubepur, Sonbhadra	07	142	994
31.	Muniya	Sattar	Dubepur, Sonbhadra	07	142	994
32.	Ajay	Rozadin	Dubepur, Sonbhadra	07	142	994
33.	Hasmuddin	Babu	Dubepur, Sonbhadra	07	142	994
34.	Jadawati	Sahadur	Dubepur, Sonbhadra	07	142	994
35.	Hansraj	Jaakir	Dubepur, Sonbhadra	07	142	994

36.	Salma	Jaakir	Dubepur, Sonbhadra	07	142	994
37.	Kalui	Bhonu	Dubepur, Sonbhadra	07	142	994
38.	Samim	Raju	Dubepur, Sonbhadra	07	142	994
39.	Farukkh	Sattar	Dubepur, Sonbhadra	07	142	994
40.	Jallu	Ali Ullaha	Dubepur, Sonbhadra	07	142	994
41.	Chandan	Shri Gopal	Dubepur, Sonbhadra	02	142	284
42.	Mukhtaar	Abbas	Dubepur, Sonbhadra	02	142	284
43.	Muradan	Aziz	Dubepur, Sonbhadra	02	142	284
44.	Ashraf	Sohraab	Dubepur, Sonbhadra	02	142	284
45.	Abdul	Muradan	Dubepur, Sonbhadra	02	142	284
46.	Hasnain	Nasima	Dubepur, Sonbhadra	02	142	284
47.	Noorjhan	Mukhtar	Dubepur, Sonbhadra	02	142	284
48.	Noorjhan	Shakir	Dubepur, Sonbhadra	02	142	284
Total						42,032
Chauka Karya in Chorahat (05.11.13 to 10.11.13)						
1.	Mohan Mistri	Jay Shree	Sultanpur	6	250	1500
2.	Chotu	Bholu	Bareilly Fathepur	6	250	1500
3.	Sonu	Alimuddin	Chaurahat	2	250	500
4.	Raju	Ramjan	Chaurahat	6	150	900
5.	Puli	Jaudi	Fathepur	6	150	900
6.	Patalu	Nandu	Fathepur	6	150	900
7.	Balla	Radhe Shyam	Fathepur	6	150	900
8.	Sonu	Jokhu	Fathepur	6	150	900
9.	Girija	Kallu	Semara	6	150	900
10.	Ramroop	Basantu	Nathupur	6	150	900
11.	Chandan	Ramkisun	Nathupur	6	150	900
12.	Rahim	Jaijue	Chaurahat	6	150	900
13.	Bauli	Ramroop	Nathupur	6	150	900
14.	Pintu	Fenku	Katesar	6	150	900
15.	Ravi	Munna	Fathepur	6	150	900
16.	Benchu	Lalta	Fathepur	6	150	900
17.	Ajay	Chhangur	Nathupur	6	150	900
18.	Ghurelal	Bhola	Fathepur	6	150	900
19.	Kishori	Nakhadu	Sultanpur	6	150	900
20.	Ashok	Bachharam	Ratanpur	6	150	900
21.	Kallu	Ganesh	Nathupur	6	150	900
Total						19,700
CC road and sewer line in Gopalpur (02.04.14 to 07.04.14)						
22.	Raju Prasad	Mahinder	Hamidpur	6	250	1500
23.	Rajinder	Mohu	Hamidpur	6	250	1500
24.	Ajay	Ramji	Hamidpur	6	250	1500
25.	Surendar	Nirjue	Hamidpur	6	250	1500

26.	Uma Shanker	Sonai Sharma	Hamidpur	6	150	900
27.	Shankar	Lallu	Hamidpur	6	150	900
28.	Shiv Ratan	Bharllu	Hamidpur	6	150	900
29.	Ram Khelawan	Jidat	Hamidpur	6	150	900
30.	Rahul	Shyam Mohan	Hamidpur	6	150	900
31.	Saleem	Rojan Ali	Hamidpur	6	150	900
32.	Badaru	Sulaman	Hamidpur	6	150	900
33.	Guddu	Ramjit	Hamidpur	6	150	900
34.	Kamlesh	Klvaru	Hamidpur	6	150	900
35.	Dilip	Jhute	Hamidpur	6	150	900
36.	Nagender	Ram chander	Hamidpur	6	150	900
37.	Monu	Janardhan	Hamidpur	6	150	900
38.	Amit	Abhinandan	Hamidpur	6	150	900
39.	Shiv Bart	Ramphal	Hamidpur	6	150	900
40.	Rakesh	Durjan	Hamidpur	6	150	900
41.	Ram Chander	Pujan	Hamidpur	3	150	450
Total						19,950
Grand Total						81,682

(Source: Block Development Officer KP, Nagar, Sonbhadra)

Appendix 3.2

Status of sanctioned, released and expenditure of fund for construction Gram Panchayat Sachivalaya in ZP, Fatehpur

(Reference: Paragraph no. 3.3; page 40)

(₹ in lakh)

Sl. No.	Name of Gram Panchayat Sachivalaya	Sanctioned Amount	Sanctioned Order no./Date	Released Amount	Released Date	Expenditure	Status
1	Mubarakpur Gariya	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	13.00	Substandard
2	Hardashpur Gariya	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	11.00	Work not started
3	Belapur	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	11.50	Substandard
4	Jahangir Nagar	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	0.00	Work not started
5	Rawatpur	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	13.50	Substandard
6	Owng	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	13.50	Substandard
7	Pandeypur	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	11.50	Substandard
8	Gurgoula	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	12.50	Incomplete
9	Tenduli Lakhipur	14.72	2986/33-P.M.U/2010-605/10 dated 24.11.2010	14.72	17.02.2011	12.50	Incomplete
10	Ghanshyampur	14.72	2986/33-P.M.U/2010-605/10 dated 24.11.2010	14.72	17.02.2011	5.50	Incomplete
11	Anjana Kabir	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	7.50	Incomplete
12	Makhadoompur Kala	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	12.50	Incomplete
13	Kulli	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	12.50	Incomplete
14	Rari	14.72	2931/33-P.M.U/2010-605/10 dated 14.09.2010	14.72	10.12.2010	12.00	Incomplete
15	Kalana	14.72	2986/33-P.M.U/2010-605/10 dated 24.11.2010	14.72	17.02.2011	10.72	Incomplete
Total		220.80		220.80		159.72	

(Source : Apar Mukhya Adhikari, ZP Fatehpur)