

CHAPTER-I
AN OVERVIEW
OF THE FUNCTIONING, ACCOUNTABILITY
MECHANISM AND FINANCIAL REPORTING ISSUES OF
PANCHAYATI RAJ INSTITUTIONS

CHAPTER- I

An Overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Panchayati Raj Institutions

1.1 Introduction

The 73rd amendment (1992) to the Constitution accorded constitutional status to Panchayati Raj Institutions (PRIs) and established a system of uniform structure, regular election, regular flow of funds through the Finance Commission, *etc.* As a follow-up, the State Governments were required to entrust the PRIs with powers, functions and responsibilities to enable them to function as institutions of local self-government.

Accordingly, the Government of Maharashtra amended (1994) The Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961 (ZP&PS Act) and The Maharashtra Village Panchayats Act, 1958 (VP Act).

1.1.1 State Profile

As per the census of 2011, out of the total population of 11.24 crore in the State, 6.16 crore (55 *per cent*) was in rural areas. The demographic and developmental status of the State as per the census of 2011 is given in **Table 1.1.1**.

Table 1.1.1: Important statistics of the State

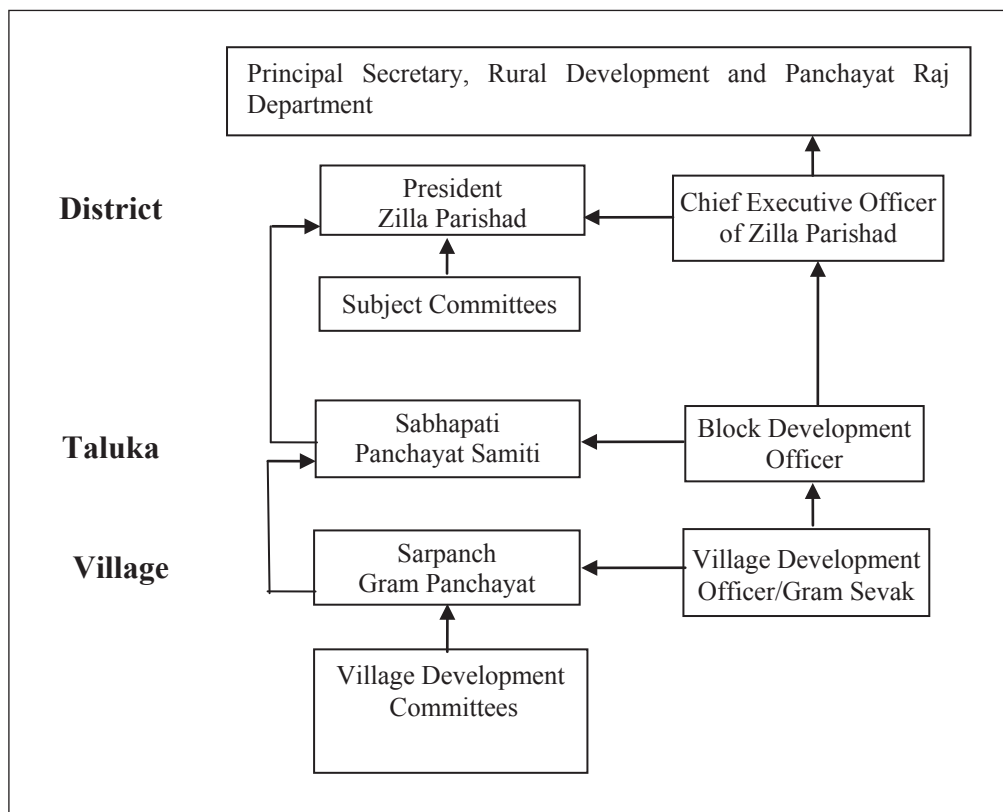
Indicator	Data
Population	11.24 crore
Population density	365/km ²
Gender ratio (Rural) female: male	952:1000
Rural population	6.16 crore
Literacy in <i>per cent</i> (Rural)	77.00
Number of PRIs	28,253
(i) District Panchayats (Zilla Parishads)	34
(ii) Block Panchayats (Panchayat Samitis)	351
(iii) Village Panchayats (Gram Panchayats)	27,868

Source: Information furnished by the Rural Development and Panchayat Raj Department in January 2020 and Census 2011

1.2 Organisational Setup of PRIs

The PRIs comprise three tiers *viz.*, Zilla Parishads (ZPs) at the district level, Panchayat Samitis (PSs) at the block level and Gram Panchayats (GPs) at the village level. The organisational setup of PRIs in Maharashtra is depicted in **chart 1**:

Chart 1: Organisational setup of PRIs



The Rural Development and Panchayat Raj Department, Government of Maharashtra (RDD), is the nodal department for PRIs at the State level. The Chief Executive Officer (CEO) in the ZP, the Block Development Officer (BDO) in the PS and the Village Development Officer (VDO)/ Gram Sevak in the GP, report functionally to the respective elected bodies and administratively to their next superior authority in the hierarchy of the State Government.

There were 27,868 GPs for 44,146 villages in Maharashtra as of March 2019. The VDO/ Gram Sevak, a village level functionary, functions as Secretary to the GP and is also responsible for maintenance of accounts and records at the GP level.

As against 27,868 GPs in the State, the sanctioned strength of VDOs/ Gram Sevaks was 22,820 only. The persons-in-position was 20,954 (92 per cent) with a shortage of 1,866 (eight per cent) VDOs/ Gram Sevaks as of March 2019.

1.3 Functioning of PRIs

1.3.1 There are 34 ZPs in the State out of 36 districts in Maharashtra. (two districts *viz.* Mumbai city and Mumbai Suburban do not have rural areas). The ZPs have their own Departments for education, public works, health, minor irrigation, rural water supply, social welfare, animal husbandry, agriculture, women and child welfare, finance, general administration, village panchayat, *etc.*

1.3.2 The ZPs are required to prepare a budget for the planned development of the districts and utilisation of the resources. The Government of India (GoI) schemes funded through the District Rural Development Agency (DRDA) and the State Government Schemes are also implemented by the ZPs. The ZPs are empowered to impose water tax, pilgrim tax and special tax on land and buildings, *etc.*

1.3.3 The intermediate tier of Panchayat at the Taluka level in Maharashtra is called the PS. There were 351 PSs in the State. The PSs do not have substantial own source of revenue and are fully dependent on the grants received from ZPs. The PSs undertake developmental works at the Block level.

1.3.4 The VP Act provides for the constitution of Gram Sabha, a body consisting of persons registered in the electoral rolls of the villages within the GP area. The GPs are empowered to levy tax on buildings, betterment charges, pilgrim tax, taxes on fairs/festivals/entertainment, taxes on bicycles, vehicles, shops, hotels, *etc.*

1.3.5 Gram Sabhas are required to meet periodically. They select beneficiaries for the Central/ State Government schemes, prepare and approve development plans and projects to be implemented by the GPs and grant permission for incurring expenditure by GPs on developmental schemes. They also convey their views on the proposals for acquisition of land by GPs.

1.3.6 The broad accountability structure in PRIs is shown in **Table 1.1.2**.

Table 1.1.2: Accountability structure in PRIs

PRIs	Functions assigned
CEO, Zilla Parishad	<ol style="list-style-type: none"> 1. Drawal and disbursal of fund 2. Preparation of annual budget and accounts 3. Supervision and control of officers of the ZP 4. Finalisation of contracts 5. Publishing statement of accounts of ZPs in the Government gazette
Chief Accounts and Finance Officer, Zilla Parishad	<ol style="list-style-type: none"> 1. Compilation of the accounts of ZP 2. Providing financial advice
Heads of Departments in ZPs	<ol style="list-style-type: none"> 1. According technical sanctions to the works and implement development schemes 2. Supervising the work of Class II officers
Block Development Officer, Panchayat Samiti	<ol style="list-style-type: none"> 1. Drawal and disbursal of funds 2. Execution and monitoring of schemes and maintenance of accounts and records
Gram Sevak, Gram Panchayat	<ol style="list-style-type: none"> 1. Secretarial function as Secretary to the Gram Sabha 2. Execution and monitoring of schemes and maintenance of accounts and records
Source: The Maharashtra Zilla Parishads and Panchayats Samitis Act, 1961 and The Maharashtra Village Panchayats Act, 1958	

1.3.7 Article 243G inserted through the 73rd Constitutional Amendment Act, 1992 envisaged devolution of powers and responsibilities upon Panchayats at the appropriate level in respect of 29 subjects mentioned in XI Schedule of the Constitution of India.

Of the 29 functions referred to in the XI Schedule of the Constitution of India to be devolved to PRIs, 14 functions¹ and 15,480 functionaries (being the manpower) were transferred to the PRIs. However, the remaining 15 functions which *inter alia* covered agriculture, fisheries, social forestry, education, family welfare functions were pending transfer to PRIs (March 2020).

Further, out of the 14 functions transferred, there was overlap in the discharge of these functions as the Government departments and parastatal agencies were also responsible for discharge of these functions apart from PRIs. The PRIs have limited role in discharging their functions and it was not consistent with the spirit of devolution.

1.3.8 The PRIs were allotted ₹ 21,124 crore (10.39 *per cent*) out of the State Government's total revenue receipts of ₹ 2,03,280 crore during 2018-19 (excluding State's share of Union taxes and duties and Grants-in-aid from GoI).

1.4 Formation of Various Committees

Article 243 ZD of the Constitution of India envisages formation of District Planning Committee (DPC) at district level in every State. The ZP&PS Act provides for formation of various committees *viz.*, Standing Committee, Finance Committee, Works Committee, Agriculture Committee, Social Welfare Committee, Education Committee, Health Committee, Animal Husbandry and Dairy Committee, Water Management and Sanitation Committee, *etc.* in every ZP.

The DPC at the district level and other committees at ZPs were duly constituted in the State.

1.5 Audit Arrangements

1.5.1 Audit by the primary auditor

The Director, Local Fund Accounts Audit (DLFA), under the administrative control of Finance Department, Government of Maharashtra is the statutory auditor for all the PRIs in the State. DLFA conducts audit of each department in ZPs apart from audit of PSs and GPs.

On completion of audit, DLFA prepares audit report in the format stipulated in Section 9 of Bombay Local Fund Act, 1930 (BLFA) and issues to the audited unit. DLFA also prepares annually, an Audit Review Report (ARR) containing important audit observations issued during the year to the PRIs. The ARR is placed in the State Legislature through RDD.

- DLFA had completed audit of all ZPs, PSs and 6,220 GPs out of 27,868 GPs during the year 2018-19 as of June 2020.

¹ 1. Minor irrigation, water management and watershed development 2. Animal husbandry, dairy and poultry 3. Rural housing 4. Drinking water 5. Roads, culverts, bridges, ferries, waterways and other means of communication 6. Non-conventional energy sources 7. Poverty alleviation programme 8. Adult and non-formal education 9. Libraries 10. Cultural activities 11. Health and sanitation, including hospitals, primary health centres and dispensaries 12. Women and child development 13. Social welfare, including welfare of the handicapped and mentally retarded 14. Public distribution system.

- As per Section 8 of the BLFA, DLFA was required to issue the audit report to the audited unit within three months from the last date of audit. Out of 860 audit reports of ZPs and PSs issued by DLFA during the year 2018-19 (July to June), 725 (84 *per cent*) audit reports were issued within the stipulated time. Similarly, out of 18,297 audit reports of GPs issued during the year 2018-19 (July to June), 15,946 (87 *per cent*) audit reports were issued within time.
- As of June 2019, 1,543 audit objections related to misappropriations, frauds, embezzlements involving money value of ₹ 88.83 crore were outstanding in ZPs/PSs for audits completed upto the year 2018-19. Similarly, in GPs, 33,944 audit objections involving money value of ₹ 343.06 crore were outstanding as of June 2019.
- The ARR is discussed by Panchayat Raj Committee constituted by State Legislature. The Panchayat Raj Committee has discussed ARR upto the year 2013-14. The ARR of PRIs for the year 2016-17 and 2017-18 submitted by DLFA to RDD in January 2019 and March 2020 respectively were yet to be presented to the State Legislature (September 2020).

1.5.2 Audit by the Comptroller and Auditor General of India

Audit of PRIs is conducted under Section 14 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Technical Guidance and Supervision (TGS) is also provided by Comptroller and Auditor General (C&AG) to DLFA.

The audit observations on financial irregularities and defects in initial accounts/records noticed during local audits but not settled on the spot are communicated to the heads of PRIs and departmental authorities through Inspection Reports. Audit observations outstanding for over six months are also brought to the notice of State Government for action.

The important audit observations arising out of audit of PRIs are processed for inclusion in the cluster based Audit Report of C&AG which is placed before the State Legislature under Article 151(2) of the Constitution of India.

Annual Technical Inspection Report (ATIR) on Local Bodies in the State containing an overview of the functioning, accountability mechanism and financial reporting issues of Local bodies is also submitted to Government of Maharashtra for placement in State Legislature as per provisions contained in Government of Maharashtra, Finance Department's Government Resolution (GR) dated 31 March 2011. ATIR for the year ended 31 March 2018 was placed in the State Legislature in September 2020.

1.6 Technical Guidance and Supervision by C&AG

Para 10.67 of the Thirteenth Finance Commission (December 2009) recommended that the C&AG should be entrusted with the responsibility of Technical Guidance and Supervision over maintenance of accounts and audit of the PRIs and the Urban Local Bodies. Accordingly, Finance Department vide GR of March 2011, entrusted TGS to C&AG. The GR *inter alia* provided for training of officers and employees of DLFA by C&AG, besides commenting on the audit report of DLFA.

As part of the technical guidance and supervision responsibility entrusted with C&AG, the officials of Accountant General in the State provide regular training to the officials of DLFA on double entry accounting system, maintenance of accounts in Model Accounting System, audit checks, e-Governance in Local Bodies, *etc.* The deficiencies in the audit reports noticed on test-check of the audit reports issued to PRIs and the ARR were brought to the notice of DLFA for improving the quality of reports. As part of TGS function, clubbing of paragraphs based on the similarity of the objections in the ARR, considering materiality of the objections for inclusion in the ARR, *etc.* was recommended (September 2019) to DLFA apart from comments made on the test-checked audit reports of DLFA for improving the quality of audit reports. The DLFA stated (October 2019) that the recommendations on ARR would be considered while preparing the next ARR.

1.7 Response to Audit Observations

1.7.1 Outstanding Inspection Reports of PRIs audited by Accountant General

As of December 2019, a total of 3,435 Inspection Reports (12,625 paragraphs) of PRIs audited by Accountant General were outstanding as shown in the **Table 1.1.3**.

Table 1.1.3: Status of outstanding inspection reports and paragraphs

Year	Inspection Reports	Paragraphs
Upto 2014-15	1775	4762
2015-16	286	1140
2016-17	157	674
2017-18	195	1327
2018-19	1022	4722
Total	3435	12625

1.7.2 Audit paragraphs included in Audit Reports/Annual Technical Inspection Report but pending for discussion by Public Accounts Committee

As of December 2019, of the 11 audit paragraphs pertaining to PRIs that appeared in Audit Reports of Local Bodies from 2012-13 to 2015-16, five paragraphs and one paragraph included in Annual Technical Inspection Report for the year 2016-17 were pending discussion by the Public Accounts Committee (PAC) as shown in the **Table 1.1.4**.

Table 1.1.4: Status of audit paragraphs pending for discussion by PAC

Year of Report	Number of audit paragraphs in the Report	Number of audit paragraphs discussed by PAC	Number of audit paragraphs pending for discussion by PAC
2012-13	01	00	01
2013-14	04	03	01
2014-15	02	01	01
2015-16	04	02	02
2016-17	01	00	01
Total	12	06	06

Accountability Mechanism and Financial reporting issues

1.8 Accountability Mechanism

1.8.1 Lokayukta

The Government of Maharashtra had established (October 1972) the institution of Lokayukta in Maharashtra based on the concept of Ombudsman in accordance with The Maharashtra Lokayukta and Upa-Lokayukta Act, 1971. The Lokayukta is an independent statutory functionary to investigate and make recommendation on complaints of allegations involving abuse of position and corruption against public servant.

As of March 2019, 562 complaints pertaining to PRIs were received by the Lokayukta. Of these, 417 complaints were disposed of by the Lokayukta while 145 complaints were pending for disposal. Majority of complaints pertained to grievances for non-receipt of pensionary benefits, compensation, etc.

1.8.2 Social Audit

As per Section 15(5)(d) of the National Rural Employment Guarantee Act, 2005 (NREGA), Social Audit of all works in the jurisdiction of GP is to be carried out by the Gram Sabha and prompt action has to be taken on the objections raised during Social Audit.

The Planning Department established (September 2013) Social Audit Unit (SAU) in Maharashtra. The SAU is headed by the Director who is assisted by one Assistant Director and three State Coordinators. Further, as per the guidelines of Ministry of Rural Development, the State Government established (January 2018) the Maharashtra State Society for Social Audit and Transparency (MS-SSAT) under Society's Registration Act, 1860. Both the Directorate and the Society are functioning pending transfer of activities of SAU to MS-SSAT by the State Government.

The Social Audit of Mahatma Gandhi National Rural Employment Guarantee Scheme is carried out with the help of Block and Village Resource Persons hired by SAU. The Social Audit Report of village is discussed in the Gram Sabha and submitted to the District Programme Coordinator (District Collector) for necessary action. The District Programme Coordinator is required to submit Action Taken Report (ATR) to SAU within one month of holding of Gram Sabha.

During 2018-19, social audit of 3,710 GPs was planned out of which audit of only 2,001 GPs was completed due to shortage of resource personnel and funds. As per the information furnished by SAU, ATRs from 10 districts in 2017-18, 16 districts in 2018-19 and 11 districts in 2019-20 (till September 2019) were pending from District Programme Coordinator.

The SAU should ensure that action is taken on findings expeditiously so that the utility of social audit as a tool to ensure accountability, is not undermined by lack of action on audit findings.

1.9 Internal Audit and Internal Control System in PRIs

An effective Internal Control System and strict adherence to statutes, codes and manuals minimises the risk of errors and irregularities and also helps to protect resources against loss due to waste, abuse and mismanagement.

The internal controls in PRIs were inadequate in view of non-reconciliation of cash book with pass book, daily/monthly closing of cash books not being done, non-attestation of entries in cash book by Drawing and Disbursing Officers, non-maintenance of separate cash books for various schemes, non-maintenance of accounts in the online portal, delay in preparation of annual accounts as discussed in paragraphs 1.11.4 and 1.11.5.

1.10 Submission of Utilisation Certificates

The Bombay Financial Rules, 1959 stipulates that utilisation certificates (UCs) for grants provided for specific purposes should be obtained by the departmental officers from the grantee institutions and after verification, the UCs should be forwarded to the concerned accounting offices *i.e.* Accountant General (Accounts and Entitlements), Maharashtra within 12 months from the date of their sanction unless specified otherwise.

As of December 2020, 945 UCs for grants amounting to ₹ 2,830.50 crore released till March 2018 by RDD were pending submission from the field offices. Out of the 945 pending UCs, 723 UCs amounting to ₹ 2,385.68 crore (84 *per cent*) were pending between one to two years, 74 UCs amounting to ₹ 246.67 crore (nine *per cent*) were pending between three to five years and 148 UCs amounting to ₹ 198.15 crore (seven *per cent*) were pending for more than five years.

1.11 Financial Reporting Issues

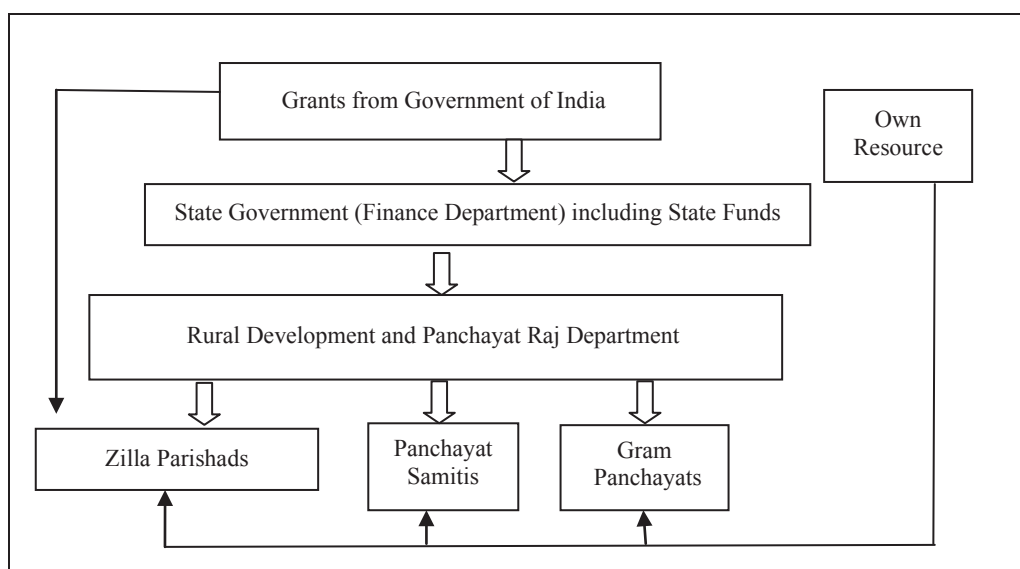
Financial Profile

1.11.1 Source of Funds

In addition to their own sources from tax and non-tax revenue *i.e.* fair tax, building tax, fees, rent from land and building, water charges, *etc.* and capital receipts from sale of land, the PRIs also receive funds from the State Government and GoI in the form of grants-in-aid/loans for general administration, implementation of developmental schemes/works, creation of infrastructure in rural areas, *etc.* Funds are also provided on the recommendations of the Central/ State Finance Commissions.

The fund flow mechanism is as shown in **Chart 2**.

Chart 2: Source of Funds



The receipts and expenditure of PRIs for the period 2014-15 to 2018-19 is shown in **Table 1.1.5**.

Table 1.1.5: Receipts and expenditure of PRIs during 2014-15 to 2018-19

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Own revenue	2239.92	2199.69	2453.59	2223.45	2780.44
Grants received from GoM	28472.39	31817.55	32348.81	32197.43	34989.69 ²
Finance Commission grants	1589.89	1501.84	1831.59	1523.92	1444.08
Other Central Grants	662.42	643.12	819.93	1113.47	474.74
Total receipts	32964.62	36162.20	37453.92	37063.27	39688.95
Total expenditure	31869.42	32822.49	34399.08	33071.07 ³	35415.51

Source: Information furnished by the RDD in January 2020

1.11.2 Recommendations of the State Finance Commission

Article 243(I) of the Constitution of India requires that the State Finance Commission (SFC) be appointed at the expiry of every fifth year.

The Fourth SFC constituted in February 2011 submitted its report along with the recommendations to Finance Department, GoM (October 2017).

Out of 118 recommendations, one recommendation⁴ having a direct financial burden was fully accepted (March 2018) while six recommendations (direct financial burden: three, indirect financial burden: one and administrative reforms: two) were partially accepted. The remaining 111 recommendations were rejected by the GoM.

The action taken by RDD on the accepted recommendations of the Finance

² The difference in the figures of grants furnished by RDD and the figures reflected in State Finance was pending reconciliation.

³ The difference in figures of revenue and expenditure for the year 2014-18 furnished during the year vis-à-vis the figures furnished during previous years was pending reconciliation.

⁴ Share of 50 per cent of the amount collected as Profession Tax to be devolved on the respective Local Bodies.

Commission was awaited (December 2020).

The Fifth SFC for the period 2020-25 constituted in March 2018 submitted its report along with the recommendations to Government in August 2019 which was placed in the State Legislature in December 2020.

1.11.3 Utilisation of the Central Finance Commission Grants

The Fourteenth Finance Commission (FFC) recommended grants of ₹ 15,035.68 crore to the PRIs in the State during 2015-16 to 2019-20. The grant included two components viz., General Basic Grant⁵ (GBG) and General Performance Grant (GPG)⁶. For receiving grants under GPG⁷, the GPs were required to fulfill conditions stipulated in GR issued (July 2015) by RDD.

The grants received by GoM under FFC and disbursed to the PRIs during the period 2018-19 is given in **Table 1.1.6**.

Table 1.1.6: Details of grants received and utilised in 2018-19

(₹ in crore)

Category of grants	Recommendations of FFC grants	Grants released by GoI	Grants released by GoM to PRIs	Grants utilized by PRIs as per UCs furnished	Balance grants to be utilised
Basic	3004.37	3004.37	3004.37	Information not furnished	Information not furnished
Performance	378.81	-	-	-	-
Source: Information furnished by RDD					

GoI did not release the performance grants during 2018-19 due to non-submission of list of eligible GPs by the RDD. This deprived the GPs from receiving the General Performance Grant amounting to ₹ 378.81 crore which could have been utilized for implementing welfare and development schemes of the Gram Panchayat.

1.11.4 Maintenance of Records

1.11.4.1 Cash Book

As per Rule 98(2)(ii) of Maharashtra Treasury Rules, 1968, all monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check. The cash book should be closed regularly and completely checked. During audit of PRIs by the Accountant General in 2018-19, cash books of 38 out of 1,022 (**Appendix 1.1**) test-checked units revealed a number of discrepancies such as daily/monthly closing of cash books not done, non-maintenance of separate cash books for various schemes, regular attestation of daily entries by Drawing and Disbursing Officers (DDOs) not done, etc.

⁵ The share of each Gram Panchayat under Basic Grant was required to be distributed with a weightage in the ratio of 90:10 for population (Census 2011) and area respectively.

⁶ GBG: ₹ 13,532.12 crore and GPG: ₹ 1,503.56 crore.

⁷ (i) Updated accounts of Gram Panchayats should be kept and should have been audited till 2014-15, further, it should show income/expenditure distinctly; and (ii) there must be an increase in revenue from its own sources from previous year.

1.11.4.2 Reconciliation of balances as per cash book with bank pass book

As per Rule 57 of Maharashtra ZPs and Panchayat Samitis Account Code, 1968, cash book was to be closed on the last working day of the month and the balances were to be reconciled with the bank pass book. During 2018-19, in 58 out of 1,022 (**Appendix 1.2**) test-checked units, reconciliation of balances as per cash book with bank pass book was not done.

1.11.5 Maintenance of Accounts by PRIs

The annual accounts of ZPs are inclusive of accounts of Panchayat Samitis within its jurisdiction. The annual accounts are required to be prepared on or before 10 July of the following financial year to which the accounts relate. The annual accounts approved by the ZPs is certified by DLFA. The certified annual accounts were also required to be placed before the State Legislature.

Each GP prepares independent annual accounts which is required to be submitted to Panchayat Samiti on or before 1st June of next year after certification. The accounts are also placed before Gram Sabha for approval and orders given by Gram Sabha are to be recorded and followed by Sarpanch and Secretary of Gram Panchayat.

1.11.5.1 Arrears in preparation of Annual Accounts

As on September 2020, annual accounts of all ZPs for the year 2015-16 were prepared and certified. Annual accounts of one ZP⁸ for the year 2016-17, eight ZPs⁹ for the year 2017-18 and 23 ZPs¹⁰ for the year 2018-19 were pending certification.

The certified annual accounts of all ZPs for the year 2014-15 were placed in the State Legislature in June 2019. Certified annual accounts for the year 2015-16 was in the process of submission to State Legislature while annual accounts for the year 2016-17 and 2017-18 were not placed pending receipt of annual accounts of all the ZPs.

1.11.5.2 Format of Accounts

RDD, made it compulsory (October 2013) for all ZPs and GPs to maintain their annual accounts in Model Accounting System (MAS) formats I to VIII as prescribed by the Ministry of Panchayati Raj.

The PRIs were maintaining their accounts in MAS format I to III only *i.e.*, format for Receipts and Payments (MAS-I), Major Head wise consolidated abstract (MAS-II) and Monthly Reconciliation Statement (MAS-III). The formats IV to VIII which dealt with 'Receivables & Payables', 'Immovable Properties', 'Movable Properties', 'Stock & Inventories' and 'Demand, Collection & Balances' were not maintained by any of the ZPs and GPs.

⁸ Palghar.

⁹ Aurangabad, Beed, Buldhana, Dhule, Gondia, Latur, Nagpur, Yavatmal.

¹⁰ Ahmednagar, Akola, Amravati, Aurangabad, Beed, Bhandara, Buldana, Dhule, Gadchiroli, Gondia, Hingoli, Jalna, Latur, Nagpur, Nanded, Nashik, Osmanabad, Palghar, Parbhani, Raigad, Ratnagiri, Washim, Yavatmal.

1.11.5.3 Non-maintenance of annual accounts in PRIASoft

The Ministry of Rural Development in coordination with National Informatics Centre had created a web portal namely Panchayati Raj Institution Accounting Software *i.e.*, 'PRIASoft' for online maintenance of accounts of PRIs. PRIs had to enter the accounting information on regular basis in PRIASoft. The overall responsibility for ensuring that the PRIs entered the data in PRIASoft rested with the Chief Executive Officer of ZP.

As per the online data uploaded in system (September 2020), annual accounts of all ZPs were maintained in PRIASoft for the year 2014-15. The status of maintenance of annual accounts in PRIASoft is given in **Table 1.1.7**.

Table 1.1.7: Maintenance of annual accounts in PRIASoft

Year of accounts	Number of ZPs whose accounts were prepared and certified	Number of ZPs which maintained accounts in PRIASoft
2014-15	33	33
2015-16	34	18
2016-17	33	3
2017-18	26	1
2018-19	11	0
Total	137	55

Source: Information compiled from online system

Thus, out of 137 annual accounts prepared and certified, only 55 annual accounts (40 *per cent*) were maintained in PRIASoft.

1.11.6 Issues related to abstract contingent and detailed contingent bills

As per the Maharashtra Treasury Rules, 1968, the drawing and disbursing officers were required to submit Detailed Contingent (DC) bills (comprising vouchers in support of final expenditure) drawn against Abstract Contingent (AC) bills, within 30 days to the office of the Accountant General (Accounts and Entitlements), Maharashtra.

As of December 2020, DC bills in respect of 87 AC bills involving ₹ 1.57 crore pertaining to the RDD were outstanding. Out of 87 pending DC bills, 72 DC bills amounting to ₹ 0.96 crore (61 *per cent*) were pending between one to two years, 13 DC bills amounting to ₹ 0.55 crore (35 *per cent*) were pending between three to five years and two DC bills amounting to ₹ 0.06 crore (four *per cent*) were pending between six to 23 years.