

CHAPTER-12

PREPARATION OF REPORTS AND ALLIED MATTERS

12.01 Introductory

12.01.01 The manner in which Audit Reports are to be prepared and related matters are explained in this Chapter.

12.01.02 As mentioned in earlier chapters audit of Local Bodies in Uttarakhand is conducted by the Comptroller and Auditor General under the provisions of either Section 20(1) of CAG's (DPC) Act, 1971 or the State Enactments.

12.01.03 In cases not covered in the previous paragraph, State Enactments provide for audit of Local Bodies by an Agency specified in the relevant Act and the rules made there under, Such State Audit Agencies come under the purview of and have to function in accordance with guidelines issued under the scheme of Technical Guidance and Supervision by the Comptroller and Auditor General Applicable to the Accounts and audit of Local Bodies.

12.01.04 Instructions contained in the following paragraphs and apply to audits conducted by the Accountant General under CAG's (DPC) Act 1971.

12.02 Reporting Procedure:

The audit of Local Bodies is performed by the Comptroller and Auditor General of India in terms of Section 20(1) of CAG's (DPC) Act. 1971 and he is not a sole auditor of Local Bodies. The Comptroller and Auditor General acts as the second auditor and hence will have to comment on the accounts certified by the State Audit Agency apart from making audit comments on the transactions of Local Bodies. In both the cases an Audit Report will have to be issued to the Head of Local Bodies audited.

12.03 Format and Contents of Audit Reports

12.03.01 The Audit Report may be prepared in the following format:-

Part I

- a) Names of President/s and Executive Officer/s of Local Bodies who were in charge during the period covered by audit.
- b) Names of members of Audit Party and their designations.
- c) Dates of Audit.
- d) Period covered during audit.

Part II Introductory

Part III Comments on Accounts

Part IV Comments on Transactions

12.03.02 Important particulars about the Local Bodies inspected may be given in **Part II Introductory** of the Report. The more important particulars may be given in the form of a statement to be enclosed to the report. A

specimen form of the statement is given in **Annexure 1 at the end of this Chapter.**

12.03.03 **Part III** of the Report may be arranged in the following manner:

- (i) Summary of Accounts for the year under audit.
- (ii) Forms of accounts.
- (iii) Comments on Accounts and subsidiary ledgers including misappropriations, if any, reflected in accounts which are normally shown under suspense accounts.
- (iv) Budgetary control.
- (v) Reconciliation.
- (vi) Internal audit.

12.03.04 In the case of audits where certification of annual accounts is involved, Part III of the Audit Report will have to be referred to in the audit certificate on the accounts audited.

12.03.05 Comments on Accounts are expected to contain the following points, though these are not to be considered as exhaustive:-

- (i) All points that vitiate the certification of accounts.
- (ii) Irregularities that come to notice while exercising checks on accounts.
- (iii) Inaccuracies in accounts and misclassification of transactions.
- (iv) Effectiveness of Budgetary control by officers of Local Bodies – Expenditure incurred without or in excess of allotment, savings of grants.
- (v) Absence or inadequacy of internal control and checks which reduce the degree of reliability of accounts, non-maintenance of basic records, delay in recovery or adjustment of advances etc..
- (vi) Omission to take remedial action on persistent irregularities.

12.03.06 **Part IV of the Report** containing results of audit of transactions may be arranged in the following manner:-

Section A

- (a) Introductory
- (b) Outstanding objections of previous reports in brief.
- (c) Schedule of persistent irregularities.

Section B-1 Consisting of major irregularities.

Section B-2 Consisting of irregularities which though not major, but requires attention of higher authorities and are required to be followed up by audit.

Section C Test Audit Note, containing minor irregularities to which a Schedule of Points Settled on the Spot should be attached. Procedural irregularities ,for which the head of the institution has held out assurances about following correct procedure in future, should be noted in the schedule.

- 12.03.07** Some of the points that can be included in **Section B-1 of Part IV of the Report** (Comments on Transactions) are as follows:
- (i) Cases of avoidable or infructuous expenditure, overpayments, losses, wastages, frauds, embezzlements or misappropriation of funds.
 - (ii) Inordinate delays and serious irregularities in execution of works and schemes resulting in denial of benefits to intended beneficiaries.
 - (iii) Non-fulfillment of objectives of any scheme or assistance.
 - (iv) Serious lapses in procedures followed in respect of tenders and contracts.
 - (v) Leakages of revenue.
 - (vi) Serious irregularities in stock and stores transactions.
- 12.03.08** **Section B-2 of Part IV of the Report** (Comments on Transactions) may include the following points:-
- (i) Points of lesser importance covering items(i) to (vi) at Paragraph **12.03.07** above.
 - (ii) Utilisation of assistance by Government. These would cover under-utilisation, diversion to purposes other than those indicated in sanctions, excess release or late receipt of grant or assistance.
 - (iii) Non availability of vouchers and subsidiary registers.
 - (iv) Incompleteness of certain registers and records.
 - (v) Overpayments which are not of considerable magnitude.
 - (vi) Irregularities in sanction, procedures, etc., which need to be set right under appropriate sanction or recovery.
 - (vii) Non-supply or non-maintenance of certain returns and defects in observance of prescribed procedures.
- 12.03.09** **Section C- Test Audit Note**, of the Report may include points of minor importance which can be set right by the head of the office himself, without reference to higher authorities. **Test Audit Note and Schedule of Points Settled on the spot** should be prepared in duplicate and duplicate copies thereof enclosed to draft Audit Report. Originals of these documents should be issued to the head of office audited, over the signature of the officer in charge of audit party. Acknowledgement of the head of the office for having received these documents should be obtained on the duplicate copy thereof to be sent along with the draft Audit Report.
- 12.03.10** The Audit Report comprising the documents and comments mentioned above should be drafted invariably by the supervising officer of the audit party. Before finalizing the draft report, replies of the Local Bodies must be duly taken into account and incorporated. If, however, facts stated in any paragraph are questioned, their correctness should be got rechecked before mention and in case replies are not acceptable, reasons as to why replies are not acceptable should be clearly specified in the Report.

- 12.03.11** The instructions contained in the foregoing paragraphs are generally applicable to Audit Reports of all tiers of Local Bodies except Gram Panchayats. Considering that (i) the transactions of a village level Panchayat are usually of a lesser magnitude; (ii) collections of numerous items of revenue are the responsibility of the Panchayat and (iii) its accounts are relatively simpler, a Check List for Model Audit Report on the accounts of Village Panchayat is suggested at **Annexure-2 at the end of this Chapter**. The Check List is only illustrative and not exhaustive.
- 12.03.12** The officer in charge of the Audit party should discuss the outstanding points from previous Audit Reports with the head of the office and make attempts to settle as many points as possible. Omissions/defects pointed out in the earlier reports which remain unrectified for many years should be specially discussed with the head of the office and should be brought out prominently in the Audit Report.
- 12.03.13** In respect of schemes implemented by the Local Bodies or any office falling under its jurisdiction, the following **proformae** indicating financial and physical transactions for the year under audit should be enclosed to the Audit Report. This is in addition to comments on specific irregularities noticed in the implementation of any scheme/schemes in Para 7 of the Comments on Transactions as the case may be. w.e.f. financial year 2017-18, new proforma for issue of IRs as approved by AG (as per Annexure-6) is to be adopted.

PROFORMA-1

Financial Transactions for the year.....

Sl. No.	Name of the Scheme	Opening Balance	Receipts			Disbursements	Closing Balance	
			Central Share	State Share	Total		With implementing officer	With Local Bodies

PROFORMA-2

Physical Transactions for the year.....

Sl.No.	Name of the Scheme	Annual Target	Achievements	Shortfall, if any	Reasons for Shortfall

NOTE:A. The following are some of the Centrally Sponsored Schemes implemented in Uttarakhand State:

1. Mahatma Gandhi National Rural Employment Guarantee Programme.(MNREGA)
2. Indira Awas Yojana(IAY)

B. Apart from these schemes some externally aided projects/schemes are implemented in one or more States.

12.04 Despatch of finalized Audit Report

12.04.01 In respect of units of Local Bodies test checked by the Accountant General, report in two parts may be prepared by the Accountant General as detailed below:-

- (a) The first part of the report called “Comments on Accounts” will comprise Accountant General’s comments on accounts of Local Bodies and

comments on audit/certification of accounts done by State Audit Agency. This part of the report may be given to State Audit Agency for further action and follow up.

- (b) The second part of the report will be transaction audit done by Accountant General as a part of percentage test check of Local Bodies. This part of the Report would be called “**Technical Inspection Report**”. It may be issued to the heads of Local Bodies with a copy to the State Audit Agency for information and follow up as if it is its own report. Accountant General may settle important paragraphs, according to monetary value/seriousness of the issue or any other appropriate criteria. The other paras of less importance may be followed up and settled by State Audit Agency with a compliance report to Accountant General.

12.04.02 The reports of State Audit Agency may contain a preface to the effect that “**This report has been prepared under the Accountant General’s technical guidance and supervision, audit standards and accounts certification guidelines prescribed by CAG of India under Section..... Of the State Act/Rules’.**

12.04.03 After completion of audit of Local Bodies by the State Audit Agency, reports would be submitted to the authority/authorities specified in the Local Bodies Act and respective State Governments. However, copies of Reports relating to District level Panchayats would be submitted to the Accountant General. In the case of Intermediate level Panchayats and Village level Panchayats, Accountant General would decide which Report should be sent to him based on the criteria of monetary value of expenditure/budget/any other suitable criteria. Irrespective of money value or any other criteria, serious irregularities noticed during audit particularly those relating to system defects, serious violation of or deviation from rules, frauds, embezzlements etc., shall be reported to Accountant General by the State Audit Agency along with necessary supporting documents as and when they come to notice.

12.04.04 After issue of Reports of the State Audit Agency and Reports prepared by the Accountant General under the TGS scheme to Local Bodies concerned, they should be placed before the elected body of Local Bodies and/ or any authority as prescribed by the State Government. Besides, a summary of the important points, appearing, in the consolidated report as mentioned in paragraph 12.05 below, may be given to the local press after clearance from CAG’s office. This summary should be released in particular, in the vernacular press for timely and wide dissemination of the audit findings.

12.04.05 The Accountant General may recommend to the State Government to issue suitable instructions or make rules for placing the audit report before the Local Bodies, within 30 days of submission of the reports, if

necessary, by calling a special meeting of the elected body.

12.05 Preparation and Issue of Consolidated Annual Report

12.05.01 Where the provisions of the State Act/Rules provide for submission of Audit Reports on Panchayats to the Legislature, the procedure laid down for processing draft paragraphs/reviews and including them in the Civil Audit Report with the approval of the Comptroller and Auditor General, should be followed.

12.05.02 After the financial year is over, a consolidated report is to be sent by Accountant General to the Finance Secretary/Secretary Rural Development/ Secretary Panchayati Raj or any other authority prescribed under the State Act by 30th June of the year. A copy of the Report may be sent to the Principal Director (LB), in the Headquarters office. This report should be prepared in two parts. The first part may include, **inter-alia**, the extent to which the State Audit Agency has followed the audit standards, certification guidelines, audit plan etc., prescribed by the Accountant General and suggest action points for improvement. The Second part of the consolidated report, may include audit comments including those under Section 14 CAG.'s DPC Act, 1971, on serious irregularities, systemic defects and recommendations for remedial action.

12.06 **Creation of Data Base:** To secure accountability and transparency, it would be necessary to make available data related to finances of all the PRIs and ULBs to Local Bodies connected, elected representatives, general public and to the Government. Accordingly, the audit findings should also be made available to all, once they become public documents. For this purpose, a report should be brought out in local languages also as may be required by the State Government, highlighting the important audit findings.

12.07 **Important Points:** Some of the important points noticed during audit of PRIs of some states in recent years are listed out in the **Annexure-3** at the end of this Chapter for guidance.

12.08 **List of Main Points:** During checking of records, an illustrative list of main points to be covered in audit of local bodies and also the linked records which should be seen is given in **Annexure-4** to this Chapter for guidance of audit parties.

12.09 **Report of Gram Panchayats:** A specimen form of the Inspection Report in respect of audited Gram Panchayat is given in **Annexure-5** at the end of this Chapter.

Annexure 1
(Referred to in Paragraph 12.03.02)

Some Particulars about PRI Inspected

1. Name of PRI
 - a. In case of District level Panchayat:-
Number of Gram Panchayats and Middle level Panchayats.
 - b. In case of Middle level Panchayat:-
Number of Gram Panchayats.
2. Geographical area.
3. Population.
4. Number of Elected members.
5.
 - a. Number of meetings held by the Panchayat
 - b. Number of Sub-committees, Standing committees, etc., constituted and the number of meetings held by each.
6. Staff Strength.
7. Assets of PRI
8. Own projects of PRI.
9. Number of Programmes / Schemes
 - a. Involving Social /Security.
 - b. Involving Employment generation programme.
 - c. Number of programmes completed during the year.
 - d. Number of beneficiaries.
10. Collection of revenue such as Taxes, Rates, Duties, Rent, Tolls, etc., in the year and outstanding arrears.
11. Total expenditure during the year
 - a. General.
 - b. Schemes (on each scheme)
12. Whether the annual plans and budget were discussed and passed by the elected body.

Annexure 2
(Referred to in Paragraph 12.03.11)

CHECK LIST FOR MODEL AUDIT REPORT ON

.....(Name of the Panchayat) FOR THE
YEAR.....

PART I- INTRODUCTORY

A.

Name/s of Panchayat Head/s (Sarpanch) who were in office during the audit period. Name/s of Auditor/s and his/their designation/s
Dates of Audit.
Period covered during audit.

B. Important Particulars about the Village Panchayat

1. Location of Panchayat Office
2. Geographical Area (Village-wise, if Panchayat has under its jurisdiction more than one village).
3. Population (Village-wise, if Panchayat has under its jurisdiction more than one village).
4. Number of elected members.
5. Number of meetings held during the year under audit.

PART II- COMMENTS ON ACCOUNTS AND RECEIPTS

A. Accounts, Registers and Periodicals, etc.,
Comments, if any, on the following points:-

1. Whether the accounts of the Panchayat are prepared in the prescribed forms correctly and submitted by the due dates to designated authorities regularly as per rules, after approval by the competent authority.
2. Whether cash book, vouchers and other prescribed registers and records are maintained/ closed properly.
3. Verify carefully the cheques, if any, drawn in the name of the President. Furnish a statement of irregular drawals, if any.
4. What is the cash balance available with the President on the date of audit? Whether the cash was physically verified. Whether it agrees with the balance in Panchayat accounts.
5. Whether proper accounts are maintained for the deposits remitted by contractors and employees.
6. Whether Register of Assets owned by the Panchayat is maintained as per Rules. Are steps taken to ensure proper maintenance and upkeep of assets?
7. Whether Stock Registers of Furniture Tools and plants, lights, books etc.,

- are maintained as per rules.
8. Whether physical verification of cash, stores and assets is conducted regularly and proper action taken as per rules regarding shortages/discrepancies, if any.
 9. Whether Bank/treasury reconciliation is being done regularly.

B Receipts

Comments, if any on the following points:-

1. Whether (a) taxes such as house/land tax, profession tax, etc., (b) license fees; (c) fees for grazing on lands, sanitation, private toilets, drainage, street lighting, wells and pump sets etc., (d) rents, rates and duties on markets, melas, bus/car stands, slaughter houses, cattle/sheep pounds, avenue trees, fish ponds, Endowments/Trusts etc., and (e) miscellaneous demands on drinking and irrigation water supply, trades/business, cremation charges, tolls on roads, bridges and ferries, auction sales of moveable or immovable properties, unserviceable articles etc., are levied/raised in accordance with the State Panchayat Act and the rules/ notifications issued thereunder and with appropriate approval of competent authority.
2.
 - (a) Whether assessment has been done properly in each case, as prescribed?
 - (b) Whether there is undue delay in finalizing the demand of any tax, fees, rents, etc., and furnishing the demand list?
 - (c) Whether any modification has been carried out in the levy of taxes etc., during the audit year. If so, are they in order and done under proper authority and whether they have been duly written up in the demand list?
 - (d) Whether any alteration has been made in the demand list in the middle of the audit year? If so, whether sanction of appropriate authority has been obtained?
 - (e) Whether total demand has been written correctly in the Demand Register in respect of each item for each half year?
 - (f) Whether periodical revision as prescribed has fallen due. Whether such revision has been made and enforced promptly?
3. Whether periodical lists of persons liable for paying taxes etc., has been written up as prescribed?
4. Whether any demand has become time-barred because of undue delay in raising it or in collecting it. If so, give details of such items with names and designations of persons responsible?
5. Whether auctions have been conducted as per rules and proper records maintained. Whether lease agreements are correctly executed and kept in safe custody. Whether adequate security deposits have been recovered from parties as prescribed?
6. **Collections**
 - (a) Whether all dues are collected regularly. Indicate lapses, if any. Whether proper receipts with printed serial number have been issued for all

- collected amounts duly signed by the official authorized to collect money. Whether receipt books (used and unused) are properly maintained and accounted for as per rules?
- (b) Whether all collections have been duly credited in the Panchayat accounts and written up promptly indicate cases of omission or commission?
 - (c) Whether collections are correctly and promptly recorded in Demand Collection & Balance Register. Whether this register is maintained and closed periodically as prescribed?
 - (d) Whether effective steps are taken to collect arrear demands?
 - (e) Whether the system of demands and collection of revenues in force is fool-proof and does not give room for any short demand, misappropriation or leakage of revenue?
 - (f) Whether revenues from the assets of the Panchayat are being realized properly?
7. Whether Government grants, local cess surcharge, judicial fines, entertainment tax, subsidies given by other local bodies and donations given by private persons for engineering works, House Tax, Matching grant, arrears of lease amounts, Stamp Duty, etc., have been collected and credited in the Panchayat accounts promptly. Whether there are any omissions in this respect. Indicate omissions with the names of the persons responsible.
8. **Remissions and Write off**
- (a) Whether approval of the Panchayat has been obtained for remissions and to write off time-barred items?
 - (b) Whether the approval of concerned officer has been obtained for each write-off item exceeding the prescribed limit?
 - (c) Whether the conditions laid down for remissions and write-off have been followed scrupulously? Whether any undue concession has been allowed in respect of remission or write-off?
 - (d) Enclose a statement of such items of unscrupulous remission and /or write-off, if any, with names and designations of persons responsible.

PART III- COMMENTS ON TRANSACTIONS

1. **Expenditure**
- (a) Whether all items of expenditure have been approved by the Panchayat and sanctioned by appropriate authority?
 - (b) Whether proper vouchers with the signature of authorized person for all items of expenditure are available?
 - (c) Whether the expenditure was incurred:
 - (i) as per relevant rules in public interest;
 - (ii) as per the provisions of budget estimate; and
 - (iii) the amount was paid to the person entitled to receive it with his acknowledgement.
 - (d) Whether services rendered or supplies made by the payees have been properly placed on record and their quality and quantity have been ensured and there has been no overpayment?

- (e) Whether any wasteful/unprofitable or any avoidable expenditure was incurred?
- (f) Whether any item of expenditure was incurred excessively? Was payment made to an improper person or illegally? Furnish details of all items of irregular expenditure.

2. Establishment

- (a) Whether number of persons have been employed in accordance with the rules and sanction given by the appropriate authority;
- (b) Whether their pay and allowances are disbursed from time to time as prescribed;
- (c) Whether travel expenses of employees, members and the President have been duly approved by concerned authority and paid at the prescribed rates;
- (d) Whether there is Provident Fund scheme or pension schemes for the employees? If so, whether accounts have been maintained properly. Indicate defects, if any;
- (e) Whether Service records of employees are maintained correctly as prescribed.

3. Miscellaneous/ extra-ordinary expenditure etc.

- (a) Whether expenditure on contingencies is incurred as per rules and with proper authority.
- (b) Whether sanction of higher authorities has been obtained, wherever necessary, with respect of each item.
- (c) Whether court cases either filed by the Panchayat (or) filed by others against the Panchayat were avoidable.
- (d) Whether sanction of competent authority has been obtained for each item of expenses on law suits.

4. Works

- (a) Whether proper estimate for each work has been prepared? Has it been approved by competent authority?
- (b) Whether prescribed tender procedure has been followed?
- (c) If the work was entrusted on contract, whether proper agreement as per rules was signed with the contractor? Has the payment been made to the contractor and penalty levied where necessary, as per the agreement?
- (d) Whether proper officer took measurements before payment was made?
- (e) Whether actual labour charges did not exceed the value of the work done?
- (f)
 - (i) Whether the Panchayat itself had taken up any Panchayat work?
 - (ii) Whether the Panchayat had taken up works with government grants? If so, whether proper accounts have been rendered for them?
- (g) Whether there have been any time or cost over-runs and if so, reasons therefor and whether they were avoidable.

N.B:- Furnish a statement of works executed in the audit year with details of estimated value actual expenditure incurred and irregularity, if any, noticed.

5. Advances

- (a) Whether all advances have been sanctioned as per rules by competent authority.
- (b) Are they being recovered as prescribed? Indicate the items of advances still pending adjustment and comment on them, if necessary, after examining the reasons for non-adjustment.

6. Loans

- (a) Whether the Panchayat has obtained any loan? If so, whether the sanction of the Government has been obtained as per the relevant Act & Rules?
- (b) Whether annual instalments are paid regularly for the loans obtained?
- (c) Whether any loan has been disbursed to any private party from Panchayat funds with proper authority. If so, furnish details.
- (d) If loans were disbursed either to the President or Panchayat members specify them and examine whether competent authority approved them.
- (e) Whether proper loan documents have been executed as per rules in each case.
- (f) Whether loans disbursed by the Panchayat are being recovered regularly. Indicate details of over-due loans.

7. Schemes

- (a) Whether schemes are being implemented effectively and proper records maintained and reports/returns submitted in accordance with the scheme guidelines and prescribed procedures? Whether completion certificates and utilization certificates have been sent for each project or scheme?
- (b) Whether beneficiaries under each scheme have been identified and their names kept on record?
- (c) Whether records of assets are maintained and their utility to the beneficiaries as per norms is ensured by the Gram Panchayat.
- (d) Enclose a list of Schemes in Operation in the Panchayat showing Physical and Financial targets and achievements. Comment on shortfalls, if any, after analyzing the reasons therefor.

PART IV- OTHER POINTS

8. Miscellaneous

- (a) Whether Panchayat meetings are convened at least once in month. Whether annual budget, details of expenditure already incurred and to be incurred and monthly/ annual accounts are placed in the Panchayat meetings and their approvals are duly obtained? Is an effective system of Budgetary Control being followed?
- (b) Whether irregularities and defects pointed out in previous audit reports

and reviews have since been rectified? If not, point out those yet to be rectified.

- (c) Whether all amounts objected in audit have been recovered and remitted to the Panchayat Accounts or satisfactory explanations given to drop the objection.
- (d) Whether surcharged amounts have been collected and credited to Panchayat Accounts. If not, give a short note on the action taken to collect these amounts.
- (e) Whether internal audit of Panchayat, if prescribed, is being conducted regularly.

9. Financial Position of the Panchayat

- (a) Indicate the financial position of the Panchayat? Enclose Receipts and Payments Accounts with audit certificate and item wise Demand, Collection and Balance statements for the year /years under audit.
- (b) Findings of the audit.
- (c) If the financial position is not sound, can ways and means to improve it be suggested?
- (d) Comments on budgetary control to be included.

NOTE : In respect of items, if any, not covered above, audit instructions contained in the relevant Chapters of the Manual may be followed.

Annexure 3

(Referred to in Paragraph 12.7)

I-Accounts

Advances given to suppliers not adjusted in the accounts.

Unutilized funds not considered while releasing subsequent instalments.

- Funds released for work deposited in small savings schemes or fixed deposits without being utilized on the scheme.
- Scheme funds not utilized for a long time due to non-transfer of funds.
- Excess expenditure on administration met out of scheme funds.
- Non-detection of frauds due to failure of internal controls.
- Indiscriminate opening of a number of Bank Accounts for Centrally sponsored schemes resulting in misappropriations.
- Misappropriation of funds due to non-maintenance of accounts records in Village level Panchayats.

II-Stores

- Excess purchase of material-Avoidable Expenditure.
- Non-performance of equipments purchased at high cost.
- Cheques issued for huge amounts without any proof of supplies made or services rendered by the payees.
- Extra expenditure due to defective agreement.
- Loss due to excess printing of textbooks ignoring the available stock.
- Failure to assess the demand (requirements) correctly resulting in structures and equipment becoming excessive and unproductive.
- Arbitrary award of contract violating Financial Rules and prescribed procedures.
- Undue favour to private parties.

III-Works

- Unfruitful expenditure on construction of houses due to inordinate delay in completion.
- Works executed without executing formal agreement with contractors.
- Execution of ineligible works.
- Non-maintenance of assets, resulting in heavy loss.
- Assets created under scheme not put to use.
- Loss incurred due to unauthorized works.
- Loss due to defective construction of houses under housing scheme which collapsed before allotment to beneficiaries.
- Delay in execution of work resulting in cost escalation under road works.
- Failure to implement the work as per time schedule rendering expenditure on scheme unfruitful and denying benefits to intended beneficiaries.

IV-Implementation and Monitoring

- Defective reporting of progress of scheme work.
- Imbalance in physical and financial progress.
- Improper selection of beneficiaries.
- Release of subsidy to ineligible beneficiaries.
- Excess claim of Central assistance due to false reporting.
- Failure to implement the scheme in accordance with guidelines resulting in misutilisation of funds.
- Diversion of scheme funds for other works.
- Non-achievement of scheme objectives.
- Violation of guidelines resulting in excess payment of subsidy.
- Non-implementation of scheme due to inadequate provision of funds under the scheme.
- Wasteful expenditure due to improper planning.
- Delayed release of funds, affecting the progress of implementation of the scheme.

Annexure 4

(Referred to in Paragraph 12.08)

Main points to be covered in the audit of records of Panchayati Raj Institution (PRIs) and linked records to be seen-

Sl. No.	Records to be seen	Points that can be covered	Linked records
1	Cash books	-Embezzlement of money:	
2	Cash receipts book	-Money received through cash receipts or self cheques from treasury/banks not entered/short-entered in cash book	
3	Counterfoils of cheques issued/cheques issue register	-Money due to PRIs collected without valid receipts/on forged receipts and not deposited in PRI account.	
		-Totalling mistakes in cash book- showing lower receipts and higher payments.	
		-Showing expenditure without vouchers or on the basis of forged vouchers.	Sl.No. 10,15,& 16
		-Cash found short during physical verification of cash balance.	
		-Showing transfer of money from one cash book to another but not entered in the other.	
		-Money drawn in excess of the sanction order by tampering entries in the sanctioned amount of order/cheque.	Sl.No.10,15, & 16
		-Cash payment made to other PRIs but not entered/short entered in their cash books.	Cash book of recipient PRIs
		-Amount shown as remitted into treasuries/banks through forged cash challan or challan not available or not found deposited during verification of the fact from records of the treasuries/banks.	Sl.No.5, 6 & 9
		-Amount of withdrawals as per records of treasuries/banks not entered in the receipts side of the cash book.	Sl.No.5 & 6
		-Delayed entries of receipts and withdrawals in cash book	
		-Closing balance of cash not carried forward/short carried forward to next	

		cash book/page of the same cash book.	
		-Non-depositing of amount lying un-disbursed for more than 3 months into treasury/banks.	
		-Delay in remitting receipts into the treasury/bank.	Sl.No.6 & 9
		-Erroneous refund of revenue/receipts	Sl.No.10,19,& 20
		-Imprest cash book-imprest allowed in excess of prescribed limits.	
		-Arithmetical mistakes in imprest vouchers and adjustments thereof.	Sl.No.10
		-Irregular investments of scheme funds in FDRs, KisanVikasPatras, etc.	Sl.No.34 (Register of valuables)
		-Investment of surplus funds without sanctions of the State Government	-do-
		-Funds drawn in excess of immediate requirement.	
		-Irregular payment exceeding prescribed limits in cash instead of by cheque with its impact.	Sl.No.10 & 15
		-Non-maintenance of separate cash books for each Centrally Sponsored Scheme (CSS) and diversion of funds meant for specific scheme/work/purpose to the others.	Sl.No.10,28 & 29
		-Irregular transfer of amount of CSS from SB accounts to PD accounts to improve ways and means position of the State Government.	Sl.No.5, 6 & 10
		-Loss of interest (additional funds) to CSS due to parking of funds in non-interest bearing PD account or current account of bank instead of SB account.	Sl.No.5 & 6
		-Entries in cash books not verified, cuttings/interpolations in entries not attested and cases of over-writing/erasing of facts and figures requiring further investigation.	
		- Cash book not closed regularly.	
		-Surprise checks of cash balance not conducted as per prescribed frequency in the Rules.	

		-Non-receipt/non-renewal of appropriate fidelity bond from cashier and irregular payment of special pay to him.	
		-Irregular refund of unauthorized deposits/borrowings to Sarpanch or other persons.	Sl.No.10
		-Irregularity committed by the Sarpanch from the date of declaration of results of election to the taking of the charge by winning candidate.	Sl.No.10, 15, 16, 34 & 42.
		-Irregular drawal of deductions (GPF, State Insurance, etc.) in cash and delayed deposit thereof as per Rules.	Sl.No.33
4	Stock Account (Register) of cash receipt books	-Not maintained at all/ or not maintained properly <i>i.e.</i> receipts, issues and balances of books not worked out correctly. -Proper acknowledgement not obtained from recipient of receipt books. -Office copies of issued receipt books and collected amount not received back from the recipients for long.	
5	PD Account pass Books	-Discrepancies between cash book and PD pass book not reconciled. -Balances not verified from Treasury Officer regularly.	Sl.No.1 & 7
6	Bank/Post Office Saving account pass books	-Irregular parking of funds in non-Nationalized banks.	Sl.No.1
		-irregular debits <i>e.g.</i> bank charges. Debit of other agencies, etc. made by banks/treasuries not rectified.	
		- Transfer of funds from one bank account to another in the middle of month without any utilization of funds, resulting in avoidable loss of interest.	
		- Irregular opening of multiple bank account of a scheme.	
		-Interest not credited by the banks in SB accounts or opening of current accounts or deposit of CSS funds in the small saving schemes in post office saving accounts leading to loss of interest.	Sl.No.1
7	Bank	-Non-preparation of monthly bank/PD	

	Reconciliation Statements	account reconciliation statements. Difference between balances of PD/bank pass book and cash books remaining un-reconciled.	Sl.No.1,5 & 6
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		-Time barred cheques (issued 6 month ago) not cancelled and amount not written back in Cash book/Ledger after examining the reasons for non-presentation thereof. Its impact on execution of works/beneficiaries may be analysed.	Sl.No.1, 3 & 29
		-Cheques/drafts deposited into treasury/bank account not collected and credited to the accounts of PRI for a long period.	Sl.No.1, 3, 8 & 9
8	Demand Draft receipt and issue register	-Delay in deposit of incoming DDs/Bank Drafts/Banker Cheques into the treasury/bank account resulting in loss of interest and belated utilization of the amount.	Sl.No.5,8 & 9
		-DDs/Bank Drafts/Banker Cheques prepared by PRIs lying unissued for a long time and without valid reasons resulting in loss of interest.	Sl.No.1
9	Cash challans	-Misclassification of remittances into Treasury, variation in the figures/dates as compared to those in cash book and absence of proper (stamped) acknowledgement of bank.	Sl.No.1
10	Bill register and Vouchers	-Mistakes in arithmetical calculation in the vouchers and sub-vouchers. -Requisite certificates not recorded e.g. regarding non-drawal of the claim previously.	Sl.No.1,15 and 16
	(i)Salary vouchers	-See Sl. No.33	
	(ii) Travelling Allowances (TA) Vouchers	-Payment of TA/DA to elected member of PRI at higher rates if free conveyance was provided.	Sl.No.1
		Irregular payment of TA/DA to elected member for the journeys within his jurisdiction.	
		-Over payment of TA/DA due to tours exceeding prescribed tour days or due to application of higher rates of TA/DA	

		--Non-approval of tour programmes and non-verification of journeys undertaken as per attendance register or log book of the vehicles or tour/inspection reports.	Sl.No.36 & 45
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		-Non-submission of tour/inspection reports with the TA bills of technical officers.	Sl.No.45
	(iii) Contingent vouchers	-Stock entries of articles purchased not made in the stock registers and register of POL & spares.	Sl.No.1, 34 & 36
		-Non-submission of DC bills in respect of AC bills for long period.	
		-Sanction accorded and payment made by Pradhan to provide immediate relief in the jurisdiction of PS in excess of the prescribed limit and approval/ratification not obtained in PS meeting.	
	(iv) Medical reimbursement vouchers	-Reimbursement of cost of inadmissible medicines/items/equipment, non-verification of claims by authorized Medical Officer, claims in respect of patients other than employee himself and dependents, purchase of excess medicines than required as per prescription.	
11	Annual action Plan	-District plan- Delayed preparation and shortfall in holding meetings of District Planning Committee.	
		-Non-preparation/delayed preparation of annual action plans (scheme-wise).	Sl.No.42
		-Irregular expenditure incurred on works not included in annual action plan.	Sl.No.1,13,15,& 16
		-Preparation of inflated annual Action Plan of Works without any linkage/reference to availability of funds	Sl.No.29 and 30
		-Priority not given to completion of incomplete works and works belonging to weaker sections.	Sl.No.13

12	Sanction files (scheme wise/work wise)	-Non-issuance of Administrative Sanction (AS), Technical Sanction (TS) and Financial Sanction (FS) or amendments therein by the competent authority.	
		-Issue of FS in excess of available funds	Sl.No.28 and 29
		-Estimates not prepared on the basis of rates of Gramin BSR or any other BSR/orders.	

		-Non-issuance of estimates of quantity of material required for construction of the works with the TS and excess expenditure on use of material over the quantity prescribed.	Sl.No.15 and 34
		-Commencement of works without obtaining AS/TS/FS	Sl. No. 15 and 16
		-Extra expenditure due to deviation from original estimates.	Sl.No.17
		Double sanction of works already sanctioned/executed.	Sl.No.13
		-Release of entire sanctioned amount for works without obtaining completion certificates.	Sl.No.13 and 18
		-Non-release/delay in release of funds to Panchayat/executing agencies affecting the implementation/construction of works by the committee.	
13	Register of works	-Blocking of funds on incomplete works due to improper survey, improper selection of sites incorrect preparation of estimates, paucity of funds, disputed land, works abandoned/withdrawn midway, sanction of works involving	Sl.No.12, 42,43,45 and 48

		high level technical inputs, etc.	
		-Irregular payment of prorata/establishment/supervision charges to the executing agencies.	Sl.No.10, 15, 16 and 29
		-Reasons of time overrun/cost-overrun may be analysed	Sl.No.12
		-Diversion of CSS funds to State plan schemes, establishment, etc.	Sl.No.10,28 and 29
		-Non-utilisation/under utilization of funds/late submission of proposals for second instalment resulting in reduction of Central assistance affecting the development activities in the area.	Sl.No.12
		-Irregular expenditure on works not covered in scheme guidelines or uncovered area or on private/religious land.	Sl.No.12,42, 43,45 and 48
14	Register of Assets	-Postings not made up-to-date in the registers from sanctions, register of works and UCs/CCs.	Sl.No.12,13 & 18

		-Non-utilisation of assets e.g. assets created without requirement, damage caused due to faulty construction, construction of assets far from village, in disputed places, etc.	Sl.No.12,42,43,44,45 and 48
		-Construction of anicuts in catchment area of dams without obtaining permission/NOC from Irrigation Department.	Sl.No.12 and information to be obtained from Irrigation Department.
		-Non-recovery of expenditure incurred in excess of valuation of new/incomplete works.	Sl.No.15 to 18
		-Not conducting physical verification of assets as per the extant rules to ensure unauthorized sale/disposal of the assets by PRI.	
		-Non-maintenance of assets resulting in avoidable loss due to collapse/damage to the property.	
15	Purchase vouchers And Tender /quotation files	-Non-purchase of material from manufacturers or wholesale dealers.	Sl.No.1
		-Purchase of poor quality material or non-ISI material (e.g. girder, pipes, etc.)	
		-Irregular purchase of construction material without inviting competitive rates through limited tenders and not following proper tender procedures.	
		-Splitting of purchase orders/purchases of material in piecemeal to avoid invitation of open tenders or obtaining prior approval of higher authorities.	
		-Non-recovery of earnest money (with tenders), income tax and security deposit from the contractors.	Sl.No. 1& 2
		-Irregularities in invitation of tenders-providing lesser period of notice and publicity, non-publishing in newspapers having wide circulation.	
		-Non-approval of lowest tendered rate without recording reasons in writing or incorrect calculation of the lowest costs (aggregate) of materials -Discrepancies between figures of	

		original tender and those in comparative statement resulting in undue benefit to the contractor and loss to PRI.	
		Non-recovery of liquidated damages from the suppliers for the delayed supply of material as per approved terms of agreement.	Sl.No.1
		-Excess payment of escalation charges if provided in the agreement.	
		-Unnecessary purchase of material after completion of works.	Sl.No.16
		-Exemption from payment of octroi or concessional rate of sales tax not sought for and obtained from concerned departments.	
		-Certificate to this effect not obtained that the goods had been received in good condition/quality and in correct quantity according to specifications agreed upon.	
		-Avoidable expenditure on purchase of material in excess of requirement or due to exaggerated assessment of requirement.	
		-Expenditure on purchase made with a view to avoiding lapse of budget grant.	Sl.No.34
		-Arbitrary award of contract or undue favour shown to a tenderer or contractor.	
16	Muster rolls and muster rolls issue Register	-Employment/engagement of labourers before the date of issue of MRs resulting in irregular payment of wages.	
		-Evidence in the records regarding inspections done <i>i.e.</i> remarks/blanks in columns in muster rolls/MBs may be analysed.	
		-Delay in payment of wages to labourers.	Sl.No.1
		-Over-payment of wages (in cash or kind) e.g. more than the prescribed minimum wages paid to the labourers.	
		-Double payment of wages to the labourers shown working on other works/works of other departments during the same period.	

		-Irregular use of unauthorized/duplicate muster rolls.	
		--Non-maintenance of registers of muster rolls in Panchayat Samities.	
17	Measurement books (MBs)	-Visits by the PRI Engineer not undertaken at plinth, roof and completion stages to ensure quality of construction.	Sl.No.16 and 45
		-Item-wise measurement of works not entered in the MBs.	
		-Incorrect application of rates of BSR and arithmetical mistakes (calculation and totaling etc.) resulting in excess valuation of works e.g. rates of cement work were applied, in cases where lime was purchased.	Sl.No.15 & 34
		-Incorrect valuation of incomplete works/inadmissible items taken into account for valuation.	Sl.No.13,15,and 18
		-Wide variations in the cost/expenditure of similar works during same period requiring further probe.	Sl.No.13 & 18
		-Mistakes/omissions in measurement and valuation.	Sl.No.1 (estimate -s and layout design.
		-Irregular expenditure due to unauthorized increase in unit cost/BSR rates.	Sl.No.12, 15 & 16
18	Utilisation Certificates (UCs)/Completion Certificates (CCs)	-Expenditure incurred in excess of sanctioned amount.	Sl.No.15, 16, & 17
		-Misreporting of expenditure and valuation through UCs/CCs in excess of those as per vouchers and MBs.	Sl.No. 15,16 and 17
		-UCs/CCs pending issue/receipts.	Sl. No.13
		-Irregular release of next instalment without obtaining UC of the previous instalment.	Sl.No.12 & 13
		-Non-issuance of completion certificates by VAPS/JEN/Sarpanch within one	Sl.No.16 & 17

		month from completion of the work.	
19	Register of Assessment of Demand of Taxes (own income)	-Auction of empty gunny bags (wheat, cement etc.) and drums not undertaken and sales proceeds thereof not realized and credited to PRI funds.	
20	Demand, collection and balance (DCB) Register	-Non-realization/short realization of tax or non-tax(fees) revenue levied by PRI under Rules.	
		-Double refunds of revenue due to entries of first refund not having been made in cash book and DCB register.	Sl.No.1 & 2
21	Register of Revenue realized	-Non-recovery of octroi from licencees of country liquor.	
		-Irregular diversion of education cess on items/activities other than education.	Sl.No.1 & 10
		-Irregular crediting of revenue before realization thereof.	Sl.No.29 and 30.
		-Non-assessment/short-assessment of taxes levied by the PRIs	
		-Non-issue of demand slips in time as prescribed in the Act/Rules.	
		-Non-collection of taxes by patwaris as per the prescribed dates.	
		-Non-crediting/delay in crediting of taxes into the treasury/sub treasury by patwaris.	Sl.No.5
		-Excess payment of collection charges to patwaris.	
		-Non-levy and recovery of interest on the arrears of tax	
		-Remission/write-off of irrecoverable revenue without approval of the competent authority.	
		-Amount of taxes remaining uncollected and effective action for recovery not taken.	
		-Revenue written off by PRI without obtaining prior approval of the State Government.	
		-Appropriate disciplinary action not taken in cases where loss was caused due to fraud/forgery/defalcation/serious negligence on the part of any	

		employee/Government servant.	
		-Non-increase of own resources by 15 per cent every year by VAPS in PS and CEO in ZP.	
22	Cattle fair tax and Registration of sales.	-Non-receipt of money collected from fair and case receipt books from officers/employees. -Short collection of tax with reference to actual sales.	Sl. No. 1, 2 & 4
23	Cattle pound (kine house) register. Pass for release of animals, receipts , for auction of cattle.	-Non-recovery of fine and feeding charges at the prescribed rates and time. -Non-realisation/short realization of sale proceed of auctioned cattle. -Non-deposit/short-deposit of amount collected by pound keeper in Panchayat.	Sl.No.1, 2 & 4
24	Income from Immovable properties- Register of building and other Immovable Properties	-Acquisition or disposal of immovable property without previous approval of the State Government. -Non-realization of the amount of the highest bid on spot in case of sale of attached property. -Loss due to non disposal of property (property losing value due to natural decay) in time.	
		-Loss of rental revenue/short realization of revenue due to shops/quarters not having been allotted/occupied by the allottees and loss due to unsatisfactory efforts made for recovery.	
		-Irregular expenditure on repairs/maintenance of building by VAPS in excess the amount prescribed.	
25	Register of Deposits and Statement of loans	-Non maintenance of detailed account of loan.	
		-Non-recovery of loans (long/medium term) regularly and arrears of loan outstanding together with interest against beneficiaries/institutions.	
		-Non-utilisation of loans for intended purposes and non-fulfillment of conditions attached with the sanction of loans.	
		-End use of loans not ensured e.g. proof of purchase of material, etc.	

		-Loans outstanding against liquidated firms/NGOs	
		-Acceptance of balance of loans from the loanees not obtained.	
		-Disagreement of balance of loans with reference to DCB Register.	Sl.No.20
		-Inadequate security obtained with the application of loan.	
		-Non-issuance of demand notice promptly.	
		-Non-levy/Non-recovery of penal interest against the defaulters.	
		-Non-recovery of excess loan released to the loanees.	
26	Statement of assets and Liabilities	-Old liabilities remaining unsettled for a long period.	Sl.No.29 and 30
		-Irregular allowance of depreciation on the assets.	Sl.No.29 & 30
		-Assets as per stock register, register of immovable properties, etc. not included in the statement.	Sl.No.24 & 34
27	Register of Advances	-Irregular sanction of advances without valid purpose	Sl.No.1, 10 and 12
		-Non-recovery of advances from Ex-Pradhan/Sarpanch, retired employees/Government servants, suppliers etc. beyond three months together with interest as per the prescribed rate.	Sl.No.1,10 & 12
		-Irregular adjustment of advances without proper vouchers/UCs	
		-Advances made not entered in the register escaping recovery/adjustment thereof.	Sl. No.1 & 10
		-Non-recovery of advances made on behalf of the District Collector for providing relief from natural calamities.	
28	Annual Budget and Budget control register	-Liabilities created without budget provision.	Sl. No. 29 & 30
29	General Ledger	-Non-posting of transaction from cash book regularly or variations in making	Sl.No.1,28

		entries.	
		-Lapsed deposits not treated as revenue and refunded irregularly.	Sl.No.10,25 &30
30	Accounts – Quarterly return of accounts	-Not prepared at all or not prepared in prescribed format.	
	(i)Abstract of annual Accounts	Non-submission/delayed submission to next higher authority.	
	(ii)Statement of grants-in-aid received and spent	-Incorrect classification of receipts/expenditure.	Sl.No.12 & 28
		-Discrepancies noticed during verification of entries under different heads with reference to budget control register/cash books/ ledgers.	Sl. No. 1, 28, & 29
		-Minus balances/excess expenditure over receipts of funds/income under a scheme/head of account not regularized.	
		-Saving due to non-utilization/non-refund of unutilized funds affecting execution of works depriving the people of the intended benefits.	Sl. No. 29
		-Advances shown as expenditure.	Sl. No. 27 & 29
		-Amount irregularly spent in a year included in the expenditure of the preceding financial year.	Sl. No. 10, 18 & 29
		-Amount of closed schemes not merged in new Schemes or not refunded to Government but lying unutilized with PRIs.	Sl. No. 29
		-Discrepancies in closing balance of previous quarter/year and opening balances of next quarter/year.	
		-Amount on a scheme intimated to the Govt. through UCs as having been spent but lying unspent with the PRIs.	Sl. No. 18
		-Difference between balance of cash/bank/P.D.A/c/Advances outstanding as per Accounts and those as per basic records i.e. cash books and ledgers.	Sl. No.1, 5 & 27
31	Sanctioned	-Avoidable expenditure on staff posted	Sl.No.33

	strength file	in excess of sanctioned strength.	
		-Nugatory expenditure on pay and allowances to the employees remaining idle/rendered without work/equipment/vehicle e.g. driverwithout vehicle computer operator without computer -Post remaining vacant over a long period due to non/tardy implementation of a scheme.	Sl. No. 33, 34 Sl. No. 33
32	Service books (including leave accounts), personal files and recruitment files.	-Irregular appointment of employees on the basis of forged documents of date of birth, qualification, etc.	
33	Salary vouchers and Pay bill Register	-Irregular appointment/promotion of ineligible employees not fulfilling, requisite conditions.	
		-Irregular appointment of staff by Panchayats without obtaining sanction of competent authority.	
		-Appointment of persons for filling up vacancies on urgent and temporary basis in Panchayats without prior approval of District Establishment Committee and in PS/ZP without prior approval of State Government. Continuance of such employees beyond 6 months without concurrence of the competent authority.	
		-Irregular payment of deputation allowance to deputationist (s) not repatriated to parent department after expiry of prescribed period as per extant rules.	
		-Payment of time barred salary/TA (more than 3 years old) claims without prior sanction of CEO.	Sl.No.10(ii)
		-Incorrect calculation and deduction of income tax (TDS) from the employees.	
		-Expenditure on establishment exceeding the norms.	
		-Over payment of pay and allowances due to:	
		Incorrect pay fixation Incorrect grant of increment/selection	

		Grade -Irregular payment of HRA to employees who were allotted quarters or for whom the quarters were constructed.	
		-Drawal of pay in excess of sanctioned pay as per service book, during dies-non	
		period and excess payment of leave salary during HPL/EOL/Leave not due.	
		-Application of incorrect rate of allowances/bonus	
		-Non-fulfillment of conditions governing sanction of special pay/personal pay/allowances.	
		-Annual verification of service books not done with reference to Acquittance rolls/salary vouchers.	
		-Alteration of date of birth without obtaining sanction of competent authority and authentic documentary proof.	
		-Entries on first page of service book not attested every five years.	
		-Options regarding pay scales, nominations for DCRG, list of family members, etc. not obtained and pasted in service book.	
		-Leave account- incorrect credit of leave and entry of leave availed not made in the leave account.	
34	Stock register (with indents and issue vouchers)	-Non maintenance of register of valuables, stock registers for permanent and consumable articles and materials for works separately.	Sl. No. 10 & 15
		-Physical verification of stock/store articles not conducted annually.	
		-Recovery of cost of shortage of articles/materials or loss of articles due to pilferage, breakage, theft, decay etc not effected from officials responsible for handling the stores or in-charge of supervision.	
		-Avoidable expenditure on computer jobs got done from the market/photo copies obtained from market even	Sl. No. 1, 10 & 29

		though computers/photo copiers were available in PRIs.	
		-Excessive expenditure on repairs/maintenance of machines/equipment.	Sl. No. 1 & 10
		-Avoidable expenditure on repairs during warranty period of machines/equipment.	
		-Issue of articles without indents or with improper indents. Proper acknowledgement of issued articles not obtained from recipients.	
		-Irregular purchase and issue of store items to non-officials/officers for private use and non-recovery of the costs particularly from ex-Pradhans/ex-Sarpanch/retired officers.	
		-Articles/equipment lying idle/unutilized for a long period resulting in unfruitful expenditure/blocking of funds.	
35	Disposal unserviceable/obsolete/surplus store Articles	-Materials lying without disposal for a long period, whose useful life is over.	Sl.No.34
		-Non-disposal of articles by public auction or by not forming a prescribed committee.	Sl. No.34
		-Sale proceeds not collected or not credited to the PRI fund.	Sl.No.2 & 34
36	Records of vehicles (i) Log book (ii) Register of expenditure, on POL and spares/parts (iii) Inventory of tolls and equipment	-Average mileage per litre of fuel not worked out at the close of the month and not reviewed by CEO/VAPS.	
		-Not conducting half yearly physical verification of the spare parts and non-recovery of loss, if any from the concerned employee (s).	
		-Non-submission of Half Yearly Progress Report of kilometers covered and expenditure incurred on maintenance of vehicles by PS to ZP.	

		-Brief particulars of purpose of journey and mileage readings not entered by the authorized person(s) using the vehicle.	
		-Expenditure on journeys outside jurisdiction of PS or ZP without permission from the Director except for servicing or for transporting authorized persons to some neighboring blocks.	
		-Non-recovery of charges/expenditure on journeys undertaken for private use and for the purposes other than the authorized ones.	
		-Vehicles driven by a person other than authorized driver irregularly and resulting in monetary loss to PRI e.g. due to accident, violation of traffic rules, etc.,	Sl No.1, 10 & 40
		-Sanction of competent authority not obtained for expenditure on maintenance in excess of prescribed limits per annum by VAPS and on special repairs.	
37	Disposal of Unserviceable Vehicles	-Non-formation of committee for condemnation of unserviceable vehicles.	
		-Condemnation of vehicles (fit for use, though completed their stipulated life and covered the prescribed distance) without approval of Competent authority.	Sl. No.36
		-Condemnation of vehicles without orders of Development Commissioner, where vehicles have not covered the prescribed distance and life. -Non-crediting of sales-tax to Government account and sale proceeds to PRI fund	Sl. No.36 Sl. No. 1, 2, 34 & 36
		-Requisite certificates not given by the committee.	
		-Action for fixing responsibility for the accident not initiated and follow up action has not been taken.	
38	Trunk call (Telephone)	-Non-recovery of charges for private Calls	Sl. No. 1 & 2

	Register		
		-Non-recovery of calls made in excess of prescribed norms in respect of telephone at the residence.	Sl. No. 1 & 2
39	Register of Service postage stampsdispatch register.	-Short receipt of stamps on the Receiptsside and excess usage of stamps shownon the payment side.	Sl. No. 10
		-Shortage of stamps found during physical verification	
40	Court case files	-Payment of fees beyond prescribed limit to legal counsel without obtaining approval of the competent authority.	Sl. No. 1 & 10
		-Non-recovery of loss due to ex-parte decision against the Government/PRI's attributable to Government servant/employees of PRI.	Sl. No. 1 & 10
		-Court decision against Government/PRI's due to negligence and deliberate mistakes/omissions made by employees/Government servants in the contract/agreement, service books, appointment orders etc.	
		-Efforts not made to get the stay orders (against the Govt./PRI's) vacated.	
41	Register of application for inspection of records/grant of Copies	-Non-realization/short realization of various fees from the applicants at the rates prescribed from time to time.	Sl. No. 1 & 2
		-Non-issue/delay in issue of copies and high percentage of rejected applications.	
42	(i) Gram Sabha Proceedings (minutes) register	-Meetings not held on due dates and no reasons are ascribed. Physical and financial programmes not approved by Gram Sabha but executed by the Panchayat.	
	(ii) Register of minutes of General Body (PS & ZP) and Standing	-Identification of ineligible beneficiaries under various schemes like IAY, MNREGA etc.	

	Committees		
		-Doubtful payment/expenditures and Physical/financial improprieties pointed out in Gram Sabha meetings.	
		-Unattested over writings/cuttings in the register.	
		-Any other irregularities pointed out but remaining unattended by the Panchayat.	
		-Non-implementation of important decision/resolutions passed in the meetings.	
		-Non-inclusion of report of the vigilance committee and compliance report of Panchayat thereon in the Proceedings of Gram Sabha.	
43	Social Audit file	-Non-submission of compliance report of social audit in Gram Sabha	Sl. No.42
		-Non-submission of details of expenditure incurred on certain works for social audit as per Village works guide or other rules.	Sl. No. 1, 12,& 13
		-Non –submission of results (poor quality of work/assets lying unutilized, excess expenditure, non-existent works/assets etc.) of social audit to vigilance and monitoring committee of PS by the Panchayat Secretary.	
44	Development Register	-Development register not up-dated and discrepancies found with reference to register of assets and register of works.	Sl. No. 13 & 14
45	Monitoring-Periodical reports/returns	-Periodical reports (MPRs/HPRs/APRs) not sent by due dates.	
		-Misreporting of facts in the MPRs etc.	Sl. No. 1,12, 13, 28 & 29
		-Physical progress not commensurate with the financial progress.	Sl. No. 13 & 17
		-Inspection of works not done by the technical officers and administrative officers as per the norms prescribed.	
		-Records of inspections not maintained or maintained improperly/in an incomplete manner and non-submission of tour reports.	

		-Shortfall in inspection of Panchayats by Panchayat Extension Officer, VAPS and CEO and that of PS by VAPS and CEO in comparison to the prescribed norms.	
46	Evaluation reports	-Follow up action/remedial action not taken for removal of deficiencies/shortcomings noticed in evaluation reports of schemes/programmes.	
47	Annual Administrative Report	-Non-preparation/non-submission of the Report by Panchayats to Panchayat Samities by the prescribed date every year.	
		-Incorrect reporting about activities with reference to basic records.	
48	(i) Reports of Vigilance committees. (ii) Assembly question files. (iii) Special Physical Verification reports. (vi) Complaints and enquiry files.	-Non-submission of compliance reports by PRIs. -Physical/financial improprieties pointed out therein (with results of further probe and details to be highlighted).	

Annexure 5

(Referred to in Paragraph 12.09)

OFFICE OF THE ACCOUNTANT GENERAL, (AUDIT), UTTARAKHAND, DEHRADUN

**INSPECTION REPORTS ON THE ACCOUNTS OF THE -----
-----GRAM PANCHAYAT (UNDER-----
-----PANCHAYAT SAMITI IN -----
(DISTRICT) FOR THE YEAR-----.**

P A R T - I

The accounts of the -----
Gram Panchayat under -----Panchayat
Samiti (District-----) were audited by Shri/Smt.-----
Sr.Auditor/Auditor between -----and -----.

B. Profile

The profile of the Gram Panchayat has been given in Annexure-I to this Note.

C. Administration

The following were the Pradhan/Sarpanch and Up-Pradhan/Sarpanch during the specified periods:

I Pradhan/Sarpanch

	Name	Period
(a)		
(b)		
(c)		

II Up-Pradhan/Up-Sarpanch

	Name	Period
(a)		
(b)		

P A R T –II

SECTION-A

1. Give Paras on outstanding objections on previous reports and a schedule of persistent irregularities.
2. **Grants**
 - A. Statement showing amount of grants received from the Government, Zila Parishad, Panchayat Samiti and other sources and expenditure incurred therefrom has been given in Annexure-2. Physical target and achievement under each Programme/Scheme are indicated in Annexure-3.
(Salient observations on individual grant with reference to Annexure-2 with money value should be reproduced here- in separate paras).
 - B. **Appropriation Register of Grants**
 - (i) Appropriation of grants is maintained and irregularities in maintenance of Appropriation Register of grants are mentioned below:

OR

- (ii) Appropriation Register of grants is not maintained and effect of non-maintenance of Appropriation Register of grants is noted below:

P A R T –II

SECTION-B

1. **Volume of Transation**

The volume of transactions during the year under audit was as detailed below:

	Amount (in ₹.)
Opening Balance as on 01.04.-----	
Add. Receipts during the year Total Receipts	
Less: Expenditure during the year Closing Balance as on 31.03.-----	

2. Cash Balance

The Cash Book Balance of G.P. as on 31.03.-----has been reconciled with that as per the Treasury/Bank Pass Books/ Statements. Statement (enclosed) of reconciliation gives details the position of uncashedcheques and uncreditedchallans are enumerated below (next page).

Or

The Cash Book Balance as on 31.03.-----has not been reconciled with that as per the Treasury/Bank Pass Books/Statements.
Audit comment is in Para ----- of the Inspection Report.

3. Reconciliation Statement

(Amount in ₹.)

Balance as per Cash Book:

Add:

- (i) :
- (ii) :
- (iii) :
- (iv) :

Deduct:

- (i) :
- (ii) :
- (iii) :
- (iv) :

Balance as per Treasury/Bank Pass Book/Statement :

(ii) Irregularities in Cash Book

Liquid cash exceeding an amount of ₹.....under sub-rule.....of Rule.....was retained by the G.P. as per details below:

4. Budget

- (a) The Gram Panchayat did not prepare/approve neither any budget estimates for the year under audit not any action was taken under Ruleof the(specify the State Act/Rules)by the(mention competent officer/authority). Consequently, the expenditure of ₹_____incurred by the Gram Panchayat is unauthorized as per Section..... of the(specify the State Act/Rules).

Alternative

There was delay in preparation and approval of the Budget by the Gram Panchayat for the year under audit in violation of Rules.....toof the(Specify state Act/Rules).....as indicated below:

Particulars	Prescribed date	Actual date
Adoption of draft budget at a special meeting of the Gram Panchayat		
Submission of draft budget to PanchayatSamiti for their views		
Submission of draft budget in the meeting of the Gram Sabha		
Final approval and adoption of budget		
Date of forwarding to the Panchayat Samiti/ZP		

a. Observation on Budgetary Control

Under the following heads of accounts actual expenditure exceeding budget provision has not been set right through revised/supplementary budget or by re-appropriation.

Heads of accounts	Estimated expenditure (₹)	Actual expenditure (₹)

b.

(i) Position of collection from ponds, ferries, markets, lands, pounds, tanks etc., leased out has also been indicated below:

				Arrear	Curr ent	Total	Arrear	Curr ent	Total		

1	2	3	4	5	6	7	8	9	10	11	12

(ii) Irregularities in leasing/renting out of properties.

c. Income from own sources:

(i) A statement showing position of arrears and current demand, collection thereof and outstanding demand during 2002-03 in respect of tax, rates, fees, duty, toll etc. are given below:-

Sl. No.	Nature of income	Demand (₹)			Collection (₹)			Balance (₹)	Percentage of collection
		Arrear	Current	Total	Arrear	Current	Total		
1	2	3	4	5	6	7	8	9	10

(ii) The demand and Collection Register is not maintained. As such audit is not in a position to verify the demand, collection and outstanding balances of the various demands.

(iii) Irregularities in maintenance of Demand and Collection Register, Stock Book of Receipts etc. are given below.

Annexure 6
(Referred to in Paragraph 12.03.13)

निरीक्षण प्रतिवेदन संख्या वर्ष

यह निरीक्षण प्रतिवेदन द्वारा उपलब्ध करायी गयी सूचना के आधार पर तैयार किया है। कार्यालयाध्यक्ष द्वारा उपलब्ध करायी गयी किसी त्रुटिपूर्ण अथवा अधूरी सूचना के लिए कार्यालय महालेखाकार (लेखापरीक्षा) उत्तराखण्ड, देहरादून की कोई जिम्मेदारी नहीं होगी।

कार्यालय के माह से तक के लेखा अभिलेखों पर निरीक्षण प्रतिवेदन जो श्री सहायक लेखापरीक्षा अधिकारी द्वारा दिनांक से तक श्री वरिष्ठ लेखापरीक्षा अधिकारी/लेखापरीक्षा अधिकारी के पर्यवेक्षण में सम्पादित किया गया।

भाग-I

1. **परिचयात्मक:** इस इकाई की विगत लेखापरीक्षा श्री सहायक लेखापरीक्षा अधिकारी द्वारा दिनांक से तक श्री वरिष्ठ लेखापरीक्षा अधिकारी/लेखापरीक्षा अधिकारी के पर्यवेक्षण में सम्पादित की गयी थी। जिसमें माह सेतक के लेखा अभिलेखों की जांच की गयी थी। वर्तमान लेखापरीक्षा में माह से तक के लेखा अभिलेखों की जांच की गयी।

2. (i) इकाई के क्रियाकलाप एवं भौगोलिक अधिकार क्षेत्र:
(इकाई द्वारा संचालित योजनाओं सहित क्रियाकलाप तथा भौगोलिक अधिकार क्षेत्र बताया जाय)

(ii) (अ) विगत तीन वर्षों में बजट आबंटन एवं व्यय की स्थिति निम्नवत है:

वर्ष	प्रारम्भिक अवशेष		स्थापना		गैर स्थापना		आधिक्य (+) ₹	बचत (-) ₹
	स्थापना ₹	गैर स्थापना ₹	आवंटन ₹	व्यय ₹	आवंटन ₹	व्यय ₹		

(ब) केन्द्र पुरोनिधानित योजनाओं के अन्तर्गत प्राप्त निधि एवं व्यय विवरण निम्नवत है:

वर्ष	योजना का नाम	प्रारम्भिक अवशेषर	प्राप्तर	व्यय अधिक्य(+) र	बचत(-) र

(यदि लेखापरीक्षा अवधि तीन वर्ष से अधिक हो तो सम्पूर्ण अवधि का बजट आवंटन एवं व्यय विवरण अंकित किया जाय)

(iii) इकाई को बजट आवंटन (स्रोत बताया जाय) द्वारा किया जाता है। गैर स्थापना व्यय को सम्मिलित न करते हुए इकाई श्रेणी (जिस श्रेणी के अन्तर्गत इकाई आती है, उसे इंगित किया जाय) की है। विभाग का संगठनात्मक ढांचा निम्नवत है:

(संगठनात्मक ढांचा सचिव से प्रारम्भ कर निचले स्तर तक प्रदर्शित किया जाय)

(iv) **लेखापरीक्षा का कार्यक्षेत्र एवं लेखापरीक्षा विधि:** लेखापरीक्षा में (अनुपालन लेखापरीक्षण दिशा निर्देशों के अनुसार जिन-जिन इकाईयों की लेखापरीक्षा सम्पादित की गयी उन्हें अंकित किया जाय) को आच्छादित किया गया। समस्त स्वाधीन आहरण एवं वितरण अधिकारियों के निरीक्षण प्रतिवेदन पृथक-पृथक जारी किये जा रहे हैं। यह निरीक्षण प्रतिवेदन (जिस इकाई की लेखापरीक्षा सम्पादित की गयी हो उसे अंकित किया जाय) की लेखापरीक्षा में पाये गये निष्कर्षों पर आधारित हैं। माहको विस्तृत जांच हेतु चयनित किया गया।..... (जिस योजना का चयन किया गया उसका नाम अंकित किया जाय) का विस्तृत विश्लेषण किया गया। प्रतिचयन (प्रतिचयन विधि का नाम अंकित किया जाय) के आधार पर किया गया।

(v) लेखापरीक्षा भारत के संविधान के अनुच्छेद 149 के अधीन बनाये गये नियंत्रक-महालेखापरीक्षक के (कर्तव्य, शक्तियां तथा सेवा की शर्तें) अधिनियम, 1971 (डी पी सी एक्ट, 1971) की धारा, लेखा तथा लेखापरीक्षा विनियम, 2007 तथा लेखापरीक्षण मानकों के अनुसार सम्पादित की गयी।

भाग-॥'अ'

(इस भाग में नियमितता से संबंधित मामले/विशिष्ट विषयों के मामले एवं औचित्य से संबंधित महत्वपूर्ण लेखापरीक्षा निष्कर्ष सम्मिलित किये जायं)

भाग-॥'ब'

(इस भाग में नियमितता तथा औचित्य दोनों से संबंधित प्रासंगिक लेखापरीक्षा निष्कर्ष सम्मिलित होंगे। यदि सम्भव हो, तो लेखापरीक्षा निष्कर्षों को उनके महत्व तथा विशिष्टता के आधार पर घटते क्रम में बनाया जाय)

भाग-III

(इस भाग में विगत निरीक्षण प्रतिवेदनों के अनिस्तारित प्रस्तरों का विवरण निम्न प्रारूप में अंकित किया जाय)

विगत निरीक्षण प्रतिवेदनों के अनिस्तारित प्रस्तरों का विवरण

निरीक्षण संख्या	प्रतिवेदन	भाग-II 'अ' प्रस्तर संख्या	भाग-II 'ब' प्रस्तर संख्या
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(इसके अतिरिक्त लेखापरीक्षा दल द्वारा विगत निरीक्षण प्रतिवेदनों के अनिस्तारित प्रस्तरों की अनुपालन आख्यानिम्न प्रारूप में दो प्रतियों में प्राप्त कर अपनी टीका सहित भाग-III के नीचे लगाकर निरीक्षण प्रतिवेदन के साथ मूल रूप में संलग्न कर मुख्यालय को प्रेषित की जाय। मुख्यालय पर संबंधित क्षेत्र द्वारा अनुपालन आख्या विचारोपरान्त वर्गाधिकारी को प्रस्तुत की जायेगी। निरीक्षण प्रतिवेदन निर्गत करते समय निस्तारित प्रस्तरों को भाग-III में से हटा दिया जाय। मात्र अनिस्तारित प्रस्तरों को भाग-III में रखा जाय)

विगत निरीक्षण प्रतिवेदनों के अनिस्तारित प्रस्तरों की अनुपालन आख्या:

निरीक्षण प्रतिवेदन संख्या	प्रस्तर संख्या लेखापरीक्षा प्रेक्षण	अनुपालन आख्या	लेखापरीक्षा दल की टिप्पणी	अभ्युक्ति
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भाग-IV

इकाई के सर्वोत्तम कार्य

(इस भाग में इकाई द्वारा निष्पादित सबसे अच्छे कार्य (यदि कोई हों) जो लेखापरीक्षा के दौरान संज्ञान में आये हैं, उनका वर्णन किया जाय)

भाग-V

आभार

1. कार्यालय महालेखाकार (लेखापरीक्षा) उत्तराखण्ड, देहरादून लेखापरीक्षा अवधि में अवस्थापना संबंधी सहयोग सहित मांगे गये अभिलेख एवं सूचनाएं उपलब्ध कराने हेतु तथा उनके अधिकारियों एवं कर्मचारियों का आभार व्यक्त करता है। तथापि लेखापरीक्षा में निम्नलिखित अभिलेख प्रस्तुत नहीं किये गये:

- (i)
- (ii)
- (iii)

2. सतत् अनियमितताएं:

- (i)
- (ii)

3. लेखापरीक्षा अवधि में निम्नलिखित अधिकारियों द्वारा कार्यालयध्यक्ष का कार्यभार वहन किया गया

क्रम सं०	नाम	पदनाम
(i)		
(ii)		
(iii)		

लघु एवं प्रक्रियात्मक अनियमितताएं जिनका समाधान लेखापरीक्षा स्थल पर नहीं हो सका उन्हें नमूना लेखापरीक्षा टिप्पणी में सम्मिलित कर एक प्रति

.....
..... को इस आशय से प्रेषित कर दी जायेगी कि अनुपालन आख्या पत्र प्राप्ति के एक माह के अन्दर सीधे वरिष्ठ उप महालेखाकार/उप महालेखाकार (संबंधित क्षेत्र का नाम) को प्रेषित कर दी जाय।

वरिष्ठ लेखापरीक्षा अधिकारी/लेखापरीक्षा अधिकारी

लेखापरीक्षा दल संख्या-

शिविर -