सत्यमेव जयते

ANNUAL TECHNICAL INSPECTION REPORT
ON
PANCHAYATI RAJ INSTITUTIONS
FOR THE YEAR ENDED 31 MARCH 2011

GOVERNMENT OF UTTAR PRADESH

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PREFACE

This report has been prepared for submission to the Government of Uttar Pradesh in accordance with the terms of Technical Guidance and Supervision (TGS) of the audit of accounts of Panchayati Raj Institutions (PRIs) by the Comptroller and Auditor General of India as envisaged by the Eleventh Finance Commission.

This report has three chapters. CHAPTER-I contains a brief introduction of functioning of various levels of the PRIs in the state with the observations and comments on accounts, CHAPTER-II deals with the thematic audit on the "Working of District Planning Committees in Panchayati Raj Institutions in Uttar Pradesh" and CHAPTER-III deals with audit comments based on Transaction audit.

The cases mentioned in the report are those, which came to notice in the course of test audit/inspection of accounts during the year 2010-11. During the period from April 2010 to March 2011, accounting and other records of 2223 Panchayati Raj Institutions were inspected.

CHAPTER I

An Overview of The Panchayati Raj Institutions

1.1 Introduction

In keeping with the Seventy-third Constitutional amendment 1992, Uttar Pradesh *Kshetra Panchayat and Zila Panchayat Adhiniyam,* 1961 was amended in 1994 to establish a three-tier Panchayati Raj Institution system of elected bodies. The amended Act envisaged decentralisation of power to rural self-governing bodies, viz., *Gram Panchayat* (GP) at village level, *Kshetra Panchayat* (KP) at intermediate level and *Zila Panchayat* (ZP) at the district level which till then were vested with the State Government. The system of Panchayati Raj Institutions (PRIs) aimed at increasing participation of people in local governance and effective implementation of rural development programmes. The overall supervision, co-ordination, planning and implementation of developmental schemes vested with the ZP.

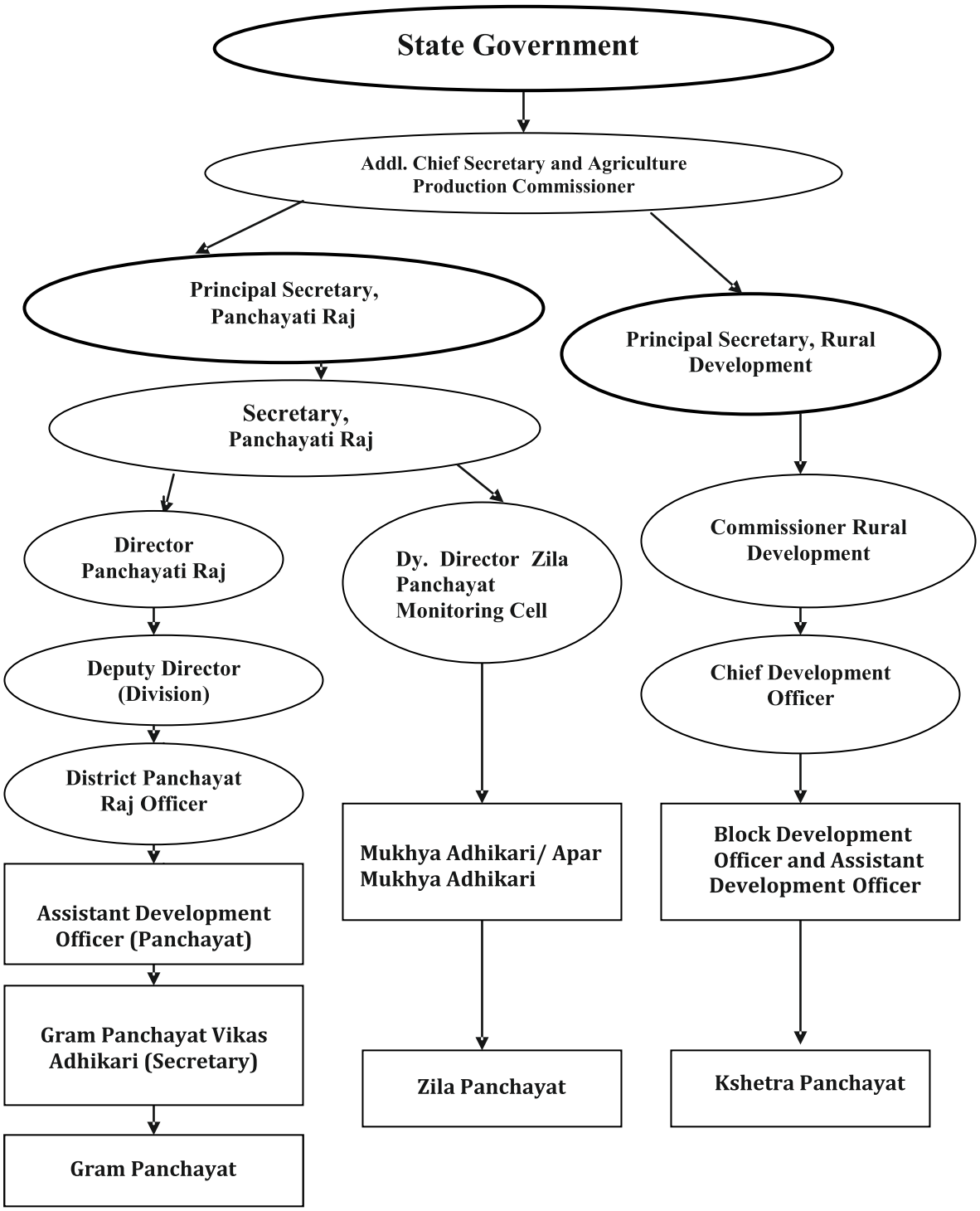
The total rural population of the State, as per Census 2011 (provisional), was 15.51 crore (13.17 crore as per census 2001). At the end of March 2011, there were 72 ZPs[1], 821 KPs and 51,914 GPs in the State.

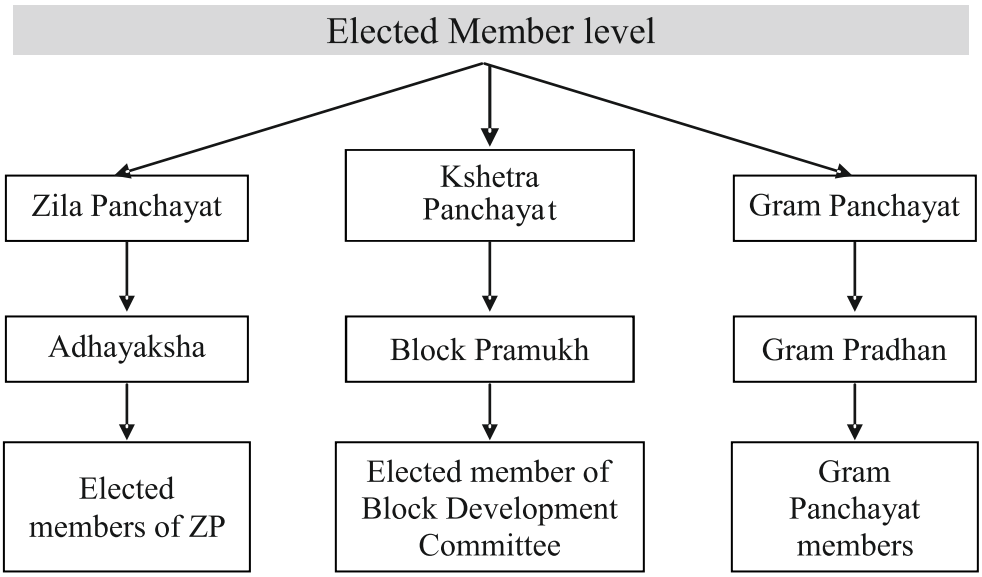
The last election to the elected bodies of the aforesaid PRIs was held during October-November 2010 in which 51,914 *Gram Pradhans* for GPs, 821 *Pramukhs* for *KPs* and 72 *Adhyakshas* for *ZPs* were elected.

[1]Zila Panchayat, Chattrapati Shahuji Maharaj Nagar was created in 2010.

1.2 Organisational set-up

The Administrative control of the three tiers of PRIs is shown below:





1.3 Sources of revenue

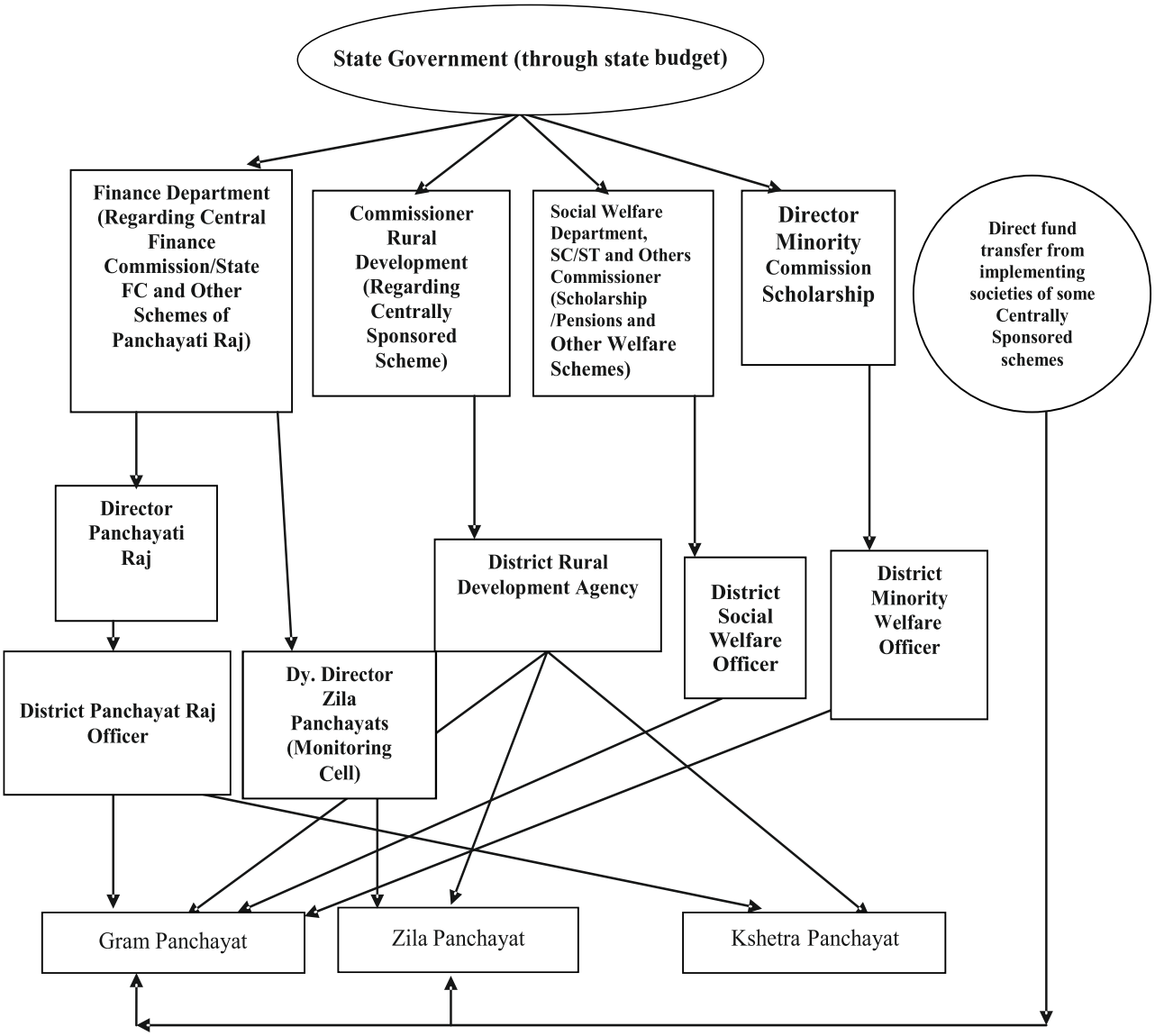
1.3.1 Flow of revenues

With the objective to augment resources of the PRIs, the Twelfth and Thirteenth Finance Commission and the State Finance Commission recommended the State Government to release grants to them. In all, the sources of revenue for the PRIs comprised:

- grants assigned under the recommendations of the Twelfth and Thirteenth Finance Commission;
- 5.5 *per cent* of net proceeds of State's net tax revenue as per recommendations of the Third State Finance Commission;
- grants received through District Rural Development Agency for execution of Centrally Sponsored Schemes;
- funds from Departments for the functions transferred to the PRIs;
- revenue earned by the PRIs out of their own resources such as taxes, rent, fees, etc.

1.3.2 Funds flow chart

The flow of funds to the PRIs at the grass root level is depicted in a chart as follows:



1.3.3 Aggregate receipts

The position of aggregate grants received by the PRIs under the recommendations of the Twelfth and Thirteenth Finance Commission, the State Finance Commission, grants for Centrally Sponsored Schemes and revenues realized from their own resources during 2006-11 is as under in **Table-1.**

Table 1: Aggregate receipts of the Panchayati Raj Institutions

(₹ in crore)

Year	Twelfth and Thirteenth Finance Commission	State Finance Commission	Centrally Sponsored Schemes	Own resources	Total
2006-07	585.60	1,169.05	1,698.37	73.90	3,526.92
2007-08	585.60	1,567.77	3,340.80	90.75	5,584.92
2008-09	587.28	1,281.68	8,679.89	91.80	10,640.65
2009-10	585.60	1,262.07	12,119.67	103.73	14,071.07
2010-11	911.29	2,376.94	10,737.28	128.82	14,154.33
Total	**3,255.37**	**7,657.51**	**36,576.01**	**489.00**	**47,977.89**

(Source: Director Panchayati Raj Lucknow, Deputy Director Zila Panchayat Monitoring Cell Lucknow, Commissioner Rural Development Lucknow)

It would be seen from the above table that there was increasing trend in receipts during 2006-11.

1.3.4 Devolution of State Finance Commission grant

Second Finance Commission recommended that 5 *per cent* of the net proceeds of total tax revenue should be devolved to the PRIs. Further, Third State Finance Commission recommended that 5.5 *per cent* of the net proceeds of total tax revenue should be devolved to the PRIs. The devolution of funds and actual release of funds to PRIs by the Government during the perioed 2006-11 is as under in **Table-2**.

Table 2: Net proceeds, vis-a-vis, devolution of funds

(₹ in crore)

Year	Net proceeds of total tax revenue of State Government	Funds to be devolved	Funds actually devolved	Shortfall /Excess	*Per cent*
2006-07	22,998	1,150	1,169	(+)019	(+) 02
2007-08	24,959	1,248	1,568	(+)320	(+) 26
2008-09	28,659	1,433	1,282	(-)151	(-) 11
2009-10	33,878	1,694	1,262	(-)432	(-) 26
2010-11	43,464	2,391	2,377	(-)14	(-)01
Total	**1,53,958**	**7,916**	**7,658**	**(-)258**	**(-)10**

(Source: Finance Accounts and Director Panchayati Raj Lucknow, Deputy Director Zila Panchayat Monitoring Cell Lucknow, Commissioner Rural Development Lucknow)

While there was an overall short devolution of ₹ 258 crore during the period 2006-11, the maximum shortfall was noticed during the year 2009-10 when only ₹ 1,262 crore was devolved against ₹ 1,694 crore. This deprived the PRIs to plan and undertake developmental activities in their respective areas.

1.4 Utilization of funds

1.4.1 Utilization of grants received under Twelfth and Thirteenth Finance Commission

The position of funds available under Twelfth and Thirteenth Finance Commission, utilization and non-utilization during the period 2006-11 is as under in **Table-3.**

Table 3: Utilization of Fund received under 12th& 13th Finance Commission

(₹ in crore)

Year	Total funds available	Funds utilized	Funds not utilized
2006-07	585.60	551.96	33.64
2007-08	585.60	556.52	29.08
2008-09	587.28	587.10	0.18
2009-10	585.60	580.25	5.35
2010-11	911.29	637.90	273.39
Total	**3,255.37**	**2,913.73**	**341.64**

(Source: Director, Panchayati Raj, Lucknow.)

During the year 2009-10 ₹ 5.35 crore lapsed to Government account due to non drawal from the treasury at Directorate level. The analysis of above further revealed that during the year 2010-11 ₹ 273.39 crore remained unutilized.

1.4.2 Utilization of State Finance Commission Grant

The position of grants available under State Finance Commission, utilization and non-utilization for 2006-11 is as under in **Table-4.**

Table 4: Utilization of State Finance Commission Grant

(₹ in crore)

Year	Opening balances	Funds Received during year	Total Funds available	Funds Utilised (*per cent*)	Funds not utilised (*per cent*)
2006-07	373.69	1,169.05	1,542.74	724.01 (47)	818.73(53)
2007-08	818.73	1,567.77	2,386.50	1,065.30(45)	1,321.20 (55)
2008-09	1,321.20	1,281.68	2,602.88	1,280.71(49)	1,322.17(51)
2009-10	1,322.17	1,262.07	2,584.24	1,168.01(45)	1,416.23(55)
2010-11	1,416.23	2,376.94	3,793.17	1,098.84 (29)	2,694.34 (71)

(Source: Director, Panchayati Raj, Deputy Director, Zila Panchayat Monitoring Cell, Lucknow)

It would be seen from above that the pace of utilization of funds by the PRIs was slow as huge amounts were lying unspent at the close of each financial year and in 2010-11 it increased to the tune of ₹ 2,694.34 crore (71 *per cent*). Evidently, people were deprived of benefits of developmental activities of basic amenities like road, water supply and sanitation, etc.

1.4.3 Grants for implementation of Centrally Sponsored Schemes

PRIs were the works executing agencies of Centrally Sponsored Schemes at grass root level. The Government of India and the State Government released funds for their implementation. The position of grants received by the PRIs during the period 2006-11 for implementation of Centrally Sponsored Schemes is as under in **Table-5.**

Table-5: Grants for implementation of Centrally Sponsored Schemes.

(₹ in crore)

Names of Centrally sponsored schemes and periods	Grants received			Grant released
	Central	State	Total	
Sampoorna Gramin Rojgar Yojana (2006-08)	873.55	286.66	1,160.21	1,160.21
Swaran Jayanti Gram Swarojgar Yojana (2006-11)	1,589.29	520.00	2,109.29	2,109.29
Indira Awas Yojana (2006-11)	4,022.98	1,280.05	5,303.03	5,303.03
National Rural Employment Guarantee Yojana (2006-11)	16,020.52	1,683.16	17,703.68	17,703.68
Pradhan Mantri Gramin Sadak Yojana (2008-11)	5,795.78	-	5,795.78	5,795.78
Rural Drinking Water Scheme (2008-11)	2,342.58	1,720.64	4,063.22	4,063.22
National Health Insurance Scheme (2008-11)	281.78	110.31	392.09	392.09
Bio gas (2008-11)	3.95	-	3.95	3.95
Total	**30,930.43**	**5,600.82**	**36,531.25**	**36,531.25**

(Source: Commissioner, Rural Development Lucknow; Chief Executive Officer, RSBY, Lucknow)

1.4.4 Revenue realized from own resources

The PRIs generate revenues by charging rent, taxes, fees, etc., from the people. Accordingly, the Government fixed (2008-11) targets of revenue realization for them. The targets fixed by the Government and revenue realised there against during the period 2008-11 is as under in **Table-6**.

Table-6: Revenue realized from own resources.

(₹ in crore)

Panchayati Raj Institutions (number of ZPs and GPs)	2008-09		2009-10		2010-11	
	Target	Achievement (*per cent*)	Target	Achievement (*per cent*)	Target	Achievement (*per cent*)
Zila Panchayats (ZP) (72)	93.86	88.22 (94)	103.26	100.60 (97)	115.02	128.82 (112)
Gram Panchayats (GP) (51,914)	4.53	3.58 (79)	4.42	3.13 (71)	4.96	2.54 (51)
TOTAL	**98.39**	**91.80 (93)**	**107.68**	**103.73 (96)**	**119.98**	**131.36 (109)**

(Source: Director, Panchayati Raj and Deputy Director, Zila Panchayat Monitoring Cell, Lucknow)

Above table reveals that shortfall in revenue realization was in decreasing trend during 2008-11 in GPs. Further, 32 *ZPs* raised (2009-10) demands for ₹ 48.84 crore including ₹ 25.82 crore on account of arrears of rent, license fees, etc. from the tenants, licensees and contractors, etc. (***Appendix-1.1***). Out of this, ₹ 19.25 crore was only recovered and the remaining ₹ 29.59 crore was still lying unrecovered.

1.5 Overall financial position

The database on finances of the PRIs was not maintained. As a result, the overall financial position of the PRIs depicting the opening balances, receipts, expenditure and closing balances could not be ascertained.

During 2010-11, records of 2223 PRIs were test checked in audit. The financial position of institutions test checked during 2008-11 is as under in **Table-7.**

Table-7: Financial position of audited units during last three years.

(₹ in crore)

Year	Number of PRIs checked	Opening balances	Funds received	Total funds received	Expenditure (*per cent*)	Closing balances
***Zila Panchayats* (ZPs)**						
2007-08	52	319.41	589.80	909.21	484.00 (53)	425.21
2008-09	55	439.04	993.15	1,432.19	1,022.87 (71)	409.32
2009-10	55	381.80	682.90	1,064.70	646.94 (61)	417.76
***Kshetra Panchayats* (KPs)**						
2007-08	130	53.33	282.39	335.72	274.59 (82)	61.13
2008-09	300	156.36	532.09	688.45	503.09 (73)	185.36
2009-10	147[2]	86.13	248.56	334.69	246.26 (74)	88.43
***Gram Panchayats* (GPs)**						
2007-08	4525	87.28	376.92	464.20	346.73 (75)	117.47
2008-09	3003	71.85	363.89	435.74	307.84 (71)	127.90
2009-10	1891[3]	78.85	252.95	331.80	220.41 (66)	111.39

(Source: Register of AIR 2010-11)

An analysis of the above table revealed that PRIs underutilized the funds. The major defaulters were the *ZPs* where ₹ 417.76 crore was lying unutilized at the end of March 2010. As a result, funds continued to accumulate, indicating poor planning.

1.6 District Planning Committees

Under Sections 63 and 86 of the Uttar Pradesh *Kshetra Panchayat* and *Zila Panchayat Adhiniyam,* 1961, the *ZPs* were to prepare each financial year a development programme for the district as a whole incorporating the development plan for *KPs* and *GPs* and submit it for approval to the District Planning Committee which was to be constituted in terms of Uttar Pradesh District Planning Committee Act, 1999. Such committees were constituted in April 2008 and made functional from December 2009.

[2] Financial position of three out of 150 KPs was not prepared by the units, hence not included in the table.
[3] Financial position of 127 out of 2018 GPs was not prepared by the units, hence not included in the table.

1.7 Budgeting and Budgetary Process

Budgeting and budgetary process entails preparation and examination of the annual budget estimates and the subsequent control over expenditure to ensure that it was kept within the authorized grants or appropriations. With this objective, each Panchayati Raj Institution was to prepare the annual budget in terms of Uttar Pradesh *Kshetra Panchayat* and *Zila Panchayat Manual*[4]. It was, however, noticed that this was not prepared in any of the 2018 *GPs* and 150 *KPs* test checked during 2010-11.

1.8 Accounting arrangements

- **Adoption of account formats prescribed by the Comptroller and Auditor General of India**

The PRIs are maintaining their accounts in the formats prescribed under Uttar Pradesh Kshetra Panchayat and Zila Panchayat Act 1961. The Eleventh Finance Commission had recommended exercising control and supervision over maintenance of accounts of all the three tiers of PRIs by the CAG. The CAG and Ministry of Panchayati Raj, Government of India has recommended Model Accounting Structure for PRIs in 2009. The Accounting Software PRIAsoft prescribed by the Ministry of Panchayati Raj, Government of India has been adopted by the State Government and the State Government is in the process of implementing it in all the three tiers of PRIs.

- **Non reconciliation of cash balances**

Section 84 (2) of Uttar Pradesh Zila Parishads and Kshetra Samities (Budget and General Accounts) Rules, 1965 provided that each item of receipts and expenditure should be compared with the treasury/ bank statements at the end of each month and differences, if any, should be reconciled. However, test check (2010-11) revealed that 7 *ZPs* and 18 *KPs* had an un-reconciled difference of ₹ 5.90 crore and ₹ 4.17 crore respectively (***Appendix-1.2***) as on 31 March 2010. The un-reconciled differences were fraught with risk of misuse/misappropriation of funds.

1.9 Audit arrangements

The Chief Audit Officer, Co-operative Societies and Panchayats, is the primary auditor for all the three tiers of the PRIs.

[4] Section 110 and 115

However, a large number of PRIs remained unaudited due to non-submission of records during 2008-11. The details of audit of PRIs proposed, PRIs actually audited and audit of PRIs in arrears are given in **Table-8.**

Table 8: Position of units proposed, audited and those lying in arrear.

Name of the PRIs	Proposed		Audited		Arrear (*per cent*)	
	Against current	Against arrear	Against current	Against arrear	Against current	Against arrear
2008-09						
ZPs	70	175	24	48	46 (66)	127 (73)
KPs	809	5430	36	90	773 (96)	5340 (98)
GPs	51,772	2,13,227	18,868	18,490	32,904 (64)	1,94,737 (91)
2009-10						
ZPs	70	169	29	58	41 (59)	111 (66)
KPs	810	6,091	73	291	737 (91)	5,800 (95)
GPs	51,977	2,24,725	23,988	28,670	27,989 (54)	1,96,055 (87)
2010-11						
ZPs	70	149	30	36	40 (57)	113 (76)
KPs	809	6,584	58	194	751 (93)	6,390 (97)
GPs	51,944	2,21,048	19,820	15,485	32,124 (62)	2,05,563 (93)

(Source: The Chief Audit Officer, Co-operative Societies and Panchayats, Lucknow)

As majority of the PRIs remained unaudited during the periods 2008-11, the financial data of these PRIs were not authenticated and thus not reliable.

1.10 Position of entrustment of Audit/Technical Guidance and Supervision to Comptroller and Auditor General of India

The Eleventh Finance Commission recommended exercising of Technical Guidance and Supervision over the proper maintenance of accounts of PRIs and their audit by the Comptroller and Auditor General of India. Consequently, the Government entrusted (October 2001) audit of local bodies to the Comptroller and Auditor General of India under section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Accordingly, audit of PRIs were conducted and 18099 Inspection Reports containing 13666 paragraphs were sent (2003-11) to the Chief Audit Officer for pursuance. However, these remained un-replied (December 2011).

During 2010-11, 55 *ZPs*, 150 *KPs* and 2018 *GPs* were test checked and 1302 paragraphs on poor financial management and financial irregularities resulting into infructuous and excess expenditures, diversion of funds and loss of revenue, etc., were communicated to the Head of the Offices, Director, Panchayati Raj and

Chief Audit Officer, Co-operative Societies and Panchayats. However, the compliance of these paragraphs was awaited (December 2011).

1.11 Other points

Second State Finance Commission made 245 recommendations mainly on the issues relating to timely release of the grants, enhancement in PRI's own resources, transfer of income of *Zila Panchayat* to *GPs*, resource mobilization of the PRIs, etc. The Government accepted 133 recommendations in *toto* and 70 partially but did not accept 42 which were mainly related to imposing property tax in rural areas, revision of rates of land revenue and enhancing income of PRIs through license, etc.

1.12 Conclusion

Thus, the budgeting and budgetary process was not followed and the accounting records were not maintained in the prescribed formats as a result of which true and fair view of income and expenditure of the PRIs were not available. The arrears in audit rendered the available financial data unreliable. The database at any of the three levels, viz., district, State and Central was also not developed despite funds for the same were available. The District Planning Committees were not functional even after lapse of 12 years of enactment of the District Planning Committee Act, 1999 as a result of which their developmental activities could not be planned and monitored at district level.

Chapter-II

Thematic Audit

2. Working of District Planning Committees in Panchayati Raj Institutions in Uttar Pradesh

2.1 Introduction

Article 243 ZD of the Constitution of India (Constitution) inserted vide 74th Constitutional Amendment Act in 1993 states that 'There shall be constituted in every State at the district level a District Planning Committee to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole'. In line with the above amendment the Government of Uttar Pradesh (the Government) enacted the Uttar Pradesh District Planning Committee Act, 1999 (Act) through Act no. 32 of 1999 in July 1999.

The Act provided that there shall be constituted a District Planning Committee (DPC) in each district to prepare District Development Plan (DDP) for whole of the district integrating the plans prepared by Panchayats and Urban Local Bodies (ULBs), and allocate funds to sectors and sub-sectors within outlines of the DDP. As sectors and sub-sectors for expenditure are operated in line/service departments, DPC was also to consider development plans of line/service departments. However, the Act did not provide for preparation and approval of annual plans of line departments clearly. The Act provided that the DPC will also assess the physical and natural resources available in the district and will prepare and approve integrated district development plan considering its judicious allocation amongst PRIs, ULBs and line departments keeping in view integrated development of the district and environmental protection. DPCs were required to meet at district headquarters at least once in three months on the date as decided by the President of the committee.

2.2 Organizational Structure

2.2.1 The DPCs having maximum 40 members were to be constituted with 4/5th number of members elected as prescribed from the elected members of Panchayats and ULBs.

2.2.2 The balance 1/5th numbers would include:

(i) President of the committee - The Minister nominated by the Government

(ii) Chairman Zila Panchayat

(iii) District Magistrate by virtue of his post

(iv) Other members as nominated by the Government

2.2.3 The permanent invitees would be:

(i) Members of Parliament and State Legislature representing the constituencies in the district.

(ii) Members of State Legislative Council elected by State Legislative Assembly or nominated by the Governor in the district which they opt.

2.2.4 It was also provided that

(i) Chief Development Officer (CDO) of the district would be Secretary of the committee by virtue of his post and would be responsible for maintenance of records and preparation of minutes of meetings.

(ii) District Economic and Statistical Officer (DEStO) of the district would be Joint Secretary of the committee by virtue of his post to help the committee in functioning.

2.2.5 DPCs in all the test checked districts viz Allahabad, Kushinagar, Ramabai Nagar and Unnao were constituted having 40, 35, 20 and 35 number of members respectively.

2.3 Duties and responsibilities of DPCs

Under the provisions of the Act, the DPCs were required to perform *inter-alia* the following duties and bear the responsibilities:

(i) To assess the local needs and objectives of the district within the framework of National and State plan objectives.

(ii) To collect, compile and update the information of facilities available in Gram Panchayats (GPs), Kshetra Panchayats (KPs) and Zila Panchayat (ZP) regarding human and natural resources and to prepare integrated and comprehensive five year or annual development plan for rural and urban areas of the district on the subjects enshrined in Uttar Pradesh Kshetra

Panchayat and Zila Panchayat Act, 1961 and Uttar Pradesh Nagar Palika Adhiniyam, 1916 or Uttar Pradesh Nagar Nigam Adhiniyam, 1959 respectively in order to address local needs.

(iii) To monitor, review and evaluate the projects being executed under decentralized governance of the district including centrally sponsored schemes and Members of Parliament and Members of State Legislative Assembly Local Area Development funds.

(iv) To submit progress report of the projects included in the district plans to the State Government regularly.

2.4 Fund Flow Mechanism

The Act provided that the Government would make district wise provision of funds in its Annual Financial Statement within the maximum limit of district financial outlay and would allot lump sum funds to the district after appropriation. Further, the Government directed (July 2009) all the District Magistrates that the plan outlay for the district development plans would be decided taking into account the resources from the state as well as internal resources of Zila Panchayat and ULBs. However, scrutiny of the records of DDPs of four test checked districts revealed that the resources of ZPs and ULBs were not taken into consideration while deciding the plan outlay of the DDPs.

2.5 Audit Objectives

The audit was conducted to assess whether:

(i) The Government had constituted DPCs as per provisions of article 243 ZD of the Constitution of India.

(ii) The DPCs were working effectively and efficiently in preparing, integrating and approving the district plans of Panchayats and data base of facilities and resources of the district for preparing district plans were available at district level.

(iii) The district plans for PRIs were being executed as approved by DPCs.

(iv) Efficient monitoring system existed in districts and was working effectively.

2.6 Audit Criteria

(i) Uttar Pradesh Kshetra Panchayat and Zila Panchayat Act, 1961

(ii) Uttar Pradesh District Planning Act, 1999

(iii) Uttar Pradesh District Planning Committee Rules, 2008

(iv) Circulars/guidelines of the State Planning Commission

2.7 Audit Scope and Methodology

The audit party test checked records of four ZPs[5] and 11 KPs[6] of the test checked districts selected on geographical basis on the criteria of being implemented Backward Region Grant Fund scheme (BRGF) in the district. The two districts (Unnao and Kushinagar) were BRGF districts whereas the remaining two (Ramabai Nagar and Allahabad) were non- BRGF districts. Records of three GPs in each test checked KP were scrutinized. During the course of audit the audit party covered the period from the year 2008 to 2011 and collected information from DEStOs of selected districts.

2.8 Audit Findings

2.8.1 The Government enacted the Act in the year 1999 after six years of passing the 74th Constitutional Amendment Act and framed rules only in January 2008 after more than eight years of passing of the Act for conducting elections of DPCs and prescribing the process for preparing and approving the district plans. DPCs in all the test checked districts viz Allahabad, Kushinagar, Ramabai Nagar and Unnao were constituted having 40, 35, 20 and 35 number of members respectively. Thus, the step to achieve the objectives of article 243 ZD of the constitution regarding preparation of integrated draft DDP for the district as a whole was taken after a lapse of 15 years of the passing the amendment and the process of preparation of integrated DDPs including PRIs and ULBs was only started in the year 2008.

2.8.2 The Act provided that the DPCs would collect data of physical and human resources available in the district and would prepare district plans utilizing the resources judiciously ensuring integrated development of the district by modifying

[5]ZPs Ramabai Nagar, Unnao, Allahabad and Kushinagar

[6]KPs Sarwankhera, Maitha and Rajpur in Ramabai Nagar, KPs Purva, Hasanganj, Bighapur in Unnao, KPs Phoolpur and Dhanupur in Allahabad and KPs Padrauna, Hata, Tamkuhi in Kushinagar

and integrating the five year or annual development plans prepared by PRIs and ULBs for rural and urban areas respectively. However, the Act while making provisions for allocation of funds to districts for district plans provided that the Government would allocate lump sum funds to districts within the district financial outlay in the annual financial statement. The proposals under the district plan were to be submitted within the district financial outlay as decided for the district from the state fund. Scrutiny of records of test checked districts revealed that DPCs approved DDPs as per predecided allocations for line departments and the financial outlay for the district did not include provisions/funds for PRIs and ULBs and also the resources of PRIs and ULBs were not included in the district financial outlay. Thus, financial outlay of the district did not integrate the finances of PRIs and ULBs while preparing the DDPs.

2.8.3 The Act envisaged for allocation of expenditure for outlays in sectors and subsectors within the DDP outlay and to prepare DDP integrating the plans of panchayats and ULBs in the district by DPCs. Further, the Government directed (July, 2009) the District Magistrates to include the projects proposed by PRIs and ULBs in the DDP as per availability of financial resources in these institutions so that their projects could be financed outside the state exchequer. Scrutiny of the records of test checked districts revealed that the consolidated statements of different types of works submitted by GPs to respective KPs and the KPs in turn submitted their consolidated statements of projects including the statements of GPs to the concerned ZP. The ZP submitted the consolidated statement of projects to the DPC showing quantity of different type of works with their estimated costs without mentioning name and site of the works. However, the DPCs included the statements in the district plan outlays but did not inform the PRIs regarding the action taken in this regard and PRIs executed their annual work plans as approved by their respective boards. Thus, the annual work plans of PRIs were not integrated with the district plan outlays and DPCs were ineffective in PRIs as the works executed by PRIs were in isolation with the DDPs. On being pointed out, the Apar Mukhya Adhikaris (AMAs) of concerned ZPs, the Block Development Officers (BDOs) of test checked KPs and Gram Panchayat Adhikaris (GPAs) of test checked GPs confirmed the facts in their replies (August-December, 2011).

2.8.4 The DEStOs of all test checked four districts did not maintain the prescribed database regarding natural and human resources of the district to support planning process. The Act did not prescribe time schedule for preparation and submission of annual plans by PRIs. However, the Government ordered and prescribed (July, 2009) time schedule for preparation of development plans at each level of PRIs for the year 2009-10. Scrutiny of records of test checked PRIs (GPs, KPs and ZPs) revealed that they prepared the consolidated statements of proposed projects (showing quantity of different type of works with their estimated costs without mentioning name and site of the works) adhering to the prescribed time schedule after having received the circular from DEStOs, and submitted to the respective DPCs. However, PRIs did not prepare integrated annual plans regularly and required data of natural and human resources were not available with them. PRIs prepared annual plans as per demands of members of respective boards and executed in isolation of the approved DDPs. Thus, the consolidated statement of projects were not integrated with DDPs and DPCs were ineffective in PRIs.

2.8.5 The Act provided for holding meetings of DPCs at least once in three months at District Headquarters. Scrutiny of records of DEStOs regarding holding meetings during the period 2008-11 in test checked districts revealed the following:

Name of the District	Meetings held during the year		
	2008-09	2009-10	2010-11
Allahabad	26/06/2008 30/01/2009	15/11/2009	--
Kushinagar	18/07/2008 28/01/2009	30/11/2009	--
Ramabai Nagar	15/07/2008 24/01/2009	30/11/2009	--
Unnao	--	01/08/2009 29/11/2009	--

It may be seen from the above that no meeting of the DPCs in all test checked four districts was held in the year 2010-11 whereas only three meetings were held in district Allahabad, Kushinagar and Ramabai Nagar during the period 2008-2011. In Unnao only two meetings were held during this period. Thus, DPCs were not regular in holding its meetings as prescribed in the Act. On being pointed out, the Government while admitting the audit observation stated (December 2011) that direction for holding meetings of DPCs regularly had been issued in August 2011.

2.8.6 (i) The financial outlay for district plans and total receipts of ZPs from internal resources of the test checked districts for the years 2008-2011 were as under:

(₹ in crore)

Year	Allahabad		Kushinagar		Unnao		Ramabai Nagar		Total	
	Outlay	Receipts of ZP	Outlay	Receipts of ZP	Outlay	Receipts of ZP	Outlay	Receipts of ZP	Outlay	Receipts of ZPs
2008-09	179.30	11.05	125.92	29.65	126.39	50.24	104.61	5.14	536.22	96.08
2009-10	179.30	13.92	125.92	37.05	126.39	21.07	104.61	6.76	536.22	78.80
2010-11	179.30	18.36	125.92	26.51	126.39	14.57	104.61	7.13	536.22	66.57
Total	**537.90**	**43.33**	**377.76**	**93.21**	**379.17**	**85.88**	**313.83**	**19.03**	**1608.66**	**241.45**

It may be seen from the above that the total financial outlay of test checked four districts for district plans during the period 2008-11 was ₹ 1608.66 crore and total resources of ZPs during the same period was ₹ 241.45 crore. The Government directed through its order (July 2009) to decide the financial outlay of the district plan of a district including the internal resources of ZPs and ULBs and the projects proposed by PRIs would be integrated with the projects in the DDPs of the same nature. The projects of PRIs and ULBs approved by DPCs and included in DDPs to the limits up to which they could be financed by the resources available with them because it was not possible to provide lump sum funds to PRIs in the present budgetary system. Scrutiny of records of DEStOs revealed that the DPCs approved DDPs accordingly. Thus, no projects of PRIs were integrated in the related plans under DDP. In discussion with DEStO, Allahabad, it was also transpired that the receipt and expenditure accounting heads under approved district outlay provide space neither for giving additional resources to PRIs for execution of their projects nor including the receipts and expenditure of PRIs as the accounts of PRIs were maintained as per provisions under UP Kshetra Panchayat and Zila Panchayat Act, 1961. The fact was also admitted (December 2011) by the Government in its reply. Thus, the provision of the Government orders was not implemented.

2.8.6 (ii) Scrutiny of records of test checked 11 KPs and 23 GPs of selected four districts revealed that a sum of ₹ 76.57 crore and ₹ 16.94 crore respectively were available with them including their internal resources out of which ₹ 58.56 crore and ₹ 12.15 crore respectively were expended by them on different developmental activities during the period 2008-2011 ***(Appendix-2.1 and 2.2)*** in isolation of

approved DDPs. On being pointed out, Block Development Officers (BDOs) of the KPs and Gram Panchayat Adikari (GPA) of the GPs accepted the fact that they executed the projects with the resources available with them and were not approved by the DPCs. Thus, the very objective of DPC was not fulfilled and spirit of the Article 243 ZD was not implemented.

2.8.7 Scrutiny of the records of ZP, Allahabad revealed that 689 projects under State Finance Commission Grant executed by the ZP during the period 2010-11 were not approved by DPC. The projects under Twelfth Finance Commission Grant sanctioned by the Government were also not approved by the DPC. On being pointed out, the Apar Mukhya Adhikari (AMA) stated (October 2011) that the ZP did not receive the approved annual plan from DPC and accordingly ZP executed the projects sanctioned by its body. Thus, the projects included in district plan by DPC were neither executed nor monitored by the DPC.

2.8.8 Scrutiny of the records of ZP Kushinagar and Unnao revealed that the ZPs did not submit its annual plan to respective DPCs for the period 2008-2011 except the projects under Backward Region Grant Fund (BRGF) scheme. The plan of ZP Unnao for the years 2008-10 and the perspective plan for the year 2010-11 including the projects of KPs and GPs under BRGF scheme only were approved by the DPC. It is to be mentioned that the BRGF scheme envisaged for approval and release of funds by the Government for only those projects which had got approval of respective DPCs and as the state had no DPCs till May 2008, it was unable to get an allocation of ₹ 510.28 crore for the year 2006-07 by Government of India under the scheme. The AMAs confirmed (November 2011) the fact in their replies. Thus, the provisions of the Act were not adhered to by the ZPs and DPCs.

2.8.9 The Act provided for reviewing and monitoring the execution of district plans by DPCs. On being asked regarding review and monitoring of projects approved by DPC, the DEStO, Kushinagar stated (November 2011) that regular monitoring was being done in the meetings of DPC and in the meetings held in chairmanship of District Magistrate. The reply was not tenable as the meetings of DPC were not held regularly as pointed out in the para 2.8.5. However, neither

DPCs monitored execution of projects by PRIs and ULBs nor the PRIs and ULBs did send any report/return on development works to DPCs. Since the meetings were not held as prescribed in the Act the monitoring by DPC of the district plan was not effective and DPCs did not monitor the PRIs at all.

2.8.10 The Act envisaged for preparing annual plans for GPs including the name of projects and their estimated costs and send them to respective KPs for integration in the plans of KP and in turn the KP would submit the integrated plan to the ZP for integrating with plans of ZP and onward submission to the DPC. Scrutiny of records of KP Phoolpur, Allahabad and its three selected GPs revealed that no plans for 2008-10 were prepared by GPs whereas the consolidated statement of projects of GPs for the year 2010-11stating the quantities, nature and cost of the works (construction of Roads, Primary Schools and Panchayat Bhawans etc.) in spite of stating the name of individual works was submitted to the KP. However, GPAs of test checked GPs stated (November 2011) that no instructions regarding preparation of plans for integration in DDP were received. Thus, the working of DPC in respect of KP and GPs was not effective.

2.8.11 Scrutiny of records of KP Dhanupur, Allahabad, KP Sarwankhera and KP Maitha, Ramabai Nagar revealed that the KPs submitted their annual plans to respective DPCs for the years 2009-11, 2008-11 and 2008-11 respectively stating the same quantity, nature and cost of the projects without mentioning the details and names of the projects. This showed that the KPs and its GPs were not serious about their annual plans and projects to be approved by the DPCs. On being pointed out, the BDO Dhanupur stated (November 2011) that the DPC did not consider their projects proposed for the year 2009-10 consequently the same annual plan was submitted for the year 2010-11 whereas the BDO of KP Sarwankhera stated (August 2011) that the DPC did not allocate any funds for its projects for the year 2008-09 and 2009-10, therefore the same plan for the year 2010-11 was submitted. The BDO of KP Maitha stated (August 2011) that the projects under Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) were only being sent to ZP for onward submission to the DPC for approval. This showed lack of coordination and understanding regarding

provisions of the Act and Government orders between the KP and the DPC. Thus, the functioning of DPCs was ineffective.

2.8.12 Scrutiny of records of the KPs Padrauna and Hata, Kushinagar revealed that the KPs did not submit integrated annual plans including the plans of its GPs for the period 2008-11 to the ZP for onward submission to the DPC. On being pointed out, the BDOs stated (November 2011) that they had no instructions for preparation of annual plan for approval of the DPC. Thus, the DPC was not effective in the KPs.

2.9 Conclusion

The Government was unable to get an allocation of ₹ 510.28 crore from Government of India under BRGF scheme for the year 2006-07 as DPCs were constituted only in May, 2008 after lapse of fifteen years of passing of the 74th constitutional amendment providing for their constitution. The DEStOs of test checked districts did not maintain data of physical and human resources available in the districts and detailed annual plans were not prepared by PRIs. Consolidated statements of projects submitted by PRIs were included in the district plan outlays as per directions of the Government without financial implications. PRIs executed projects approved by their respective boards in isolation to approved DDPs. DPCs did not hold their meetings regularly and did not monitor execution of DDPs effectively whereas there was no monitoring in PRIs. DPCs approved consolidated statements of projects submitted by PRIs without integrating their financial resources. Thus, ₹ 241.45 crore available with four test checked ZPs remained out of the ambit of DDPs. The Act did not envisage to consider the resources available with KPs and GPs while approving the DDPs and ₹ 93.51 core remained out of district financial outlay available with test checked 11 KPs and 23 GPs during the period 2008-11. Thus, the working of DPCs were little effective in PRIs and the very purpose of Article 243 ZD of the Constitution was not fulfilled.

2.10 Recommendations

- The Government should issue directions/circulars to PRIs for preparation of detailed annual plans mentioning names and estimated expenditure work wise and submit to DPCs.
- DPCs should integrate the financial resources and annual plans of PRIs into the district financial outlay and DDPs respectively to have a integrated comprehensive DDP for the district.
- PRIs should be directed to execute only those projects which had been incluled in approved DDPs and its effective monitoring by DPCs should be ensured.
- The finances and accounting of PRIs should be integrated with annual financial statement of the Government and its accounting by providing a separate panchayat window in the annual financial statement of the State Government as has already been recommended by 13th finance commission.

The matter was reffered to the Government (January 2012), replies were awaited (January 2012).

Chapter-III

Audit of Transactions

3.1 Suspicious and sub-standard work

Suspicious and sub-standard construction of drain incurring an expenditure of ₹ 4.06 lakh.

Financial rule[7] provides that payment for all works done which are measurable and for all supplies are made on the basis of measurements recorded in measurement-books (MB). As all payments for work or supplies are based on the quantities recorded in the measurement-book, it is incumbent upon the person taking the measurement to record the quantities clearly and accurately.

The Block Development Officer, Kshetra Panchayat Jarwal (BDO) sanctioned (August 2009) an estimate of ₹ 4.99 lakh for construction of 495 metre (m) long drain[8] under National Rural Employment Guarantee Scheme (NREGS). According to the estimate 59,184 bricks @ ₹ 3,700 per thousand for ₹ 2,18,981 and 443 bags of cement @ ₹ 280 per bag for ₹ 1,24,040 along with other construction material were required for the work.

Scrutiny of records of BDO revealed (December 2010) that 490 m long drain was constructed (October-December 2009) incurring an expenditure of ₹ 4.06 lakh[9]. The measurement recorded for supply of 20,000 bricks were counted as 40,000 in the first measurement and payment of ₹ 1.48 lakh was made resulting overpayment of ₹ 74,000. The measurement recorded vide MB no. 23 second part page 2 had entries for start and completion of the work as 16.12.2009 and 30.12.2009 respectively whereas the date of measurement had been recorded as 05.12.2009 i.e. date of measurement was before the start of the work. Further, consumption of 46,731 bricks and 383 bags of cement was shown against the actual supply of only 20,740 bricks and 375 bags of cement.

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[7] Para 434 and 435(d) of Financial Handbook Volume-VI.

[8] From Masjid to the house of Ram Awadh in Adampur.

[9] Material: ₹ 3,47,627 and labour: ₹ 58,600 [(i) Payment for first running bill for supply of material bricks, brick ballast ₹ 1,63,525, vide MB no. 23 first part page 1-3 dated nil (ii) supply of cement, coarse sand and fine sand ₹ 1,05,654 vide MB no. 23 first part page 4-5 dated nil, (iii) labour charges ₹ 34,300 vide MB no. 23 first part page 6-8 dated 5.11.2009, (iv) supply of bricks and brick ballast ₹ 32,888 vide MB no. 23 first part page 9 dated 24.12.2009, (v) supply of fine sand, coarse sand, cement, 20 mm stone grit, steel bar ₹ 45,560 vide MB no. 23 first part page 10-11 dated nil, (vi) labour charge ₹ 24,300 vide MB no. 23 second part page 2-5 dated 5.12.2009]

Thus, the entries in the MBs and recorded consumption therein of material in excess of supply rendered the executed work suspicious and sub-standard.

On being pointed out in audit, BDO replied (December 2010) that the errors would be corrected. The reply was not tenable as the entries in the MBs were checked by BDO before making the payments.

Hence, an irregular expenditure of ₹ 4.06 lakh was made on suspicious and sub-standard work.

The matter was reported to the Government (February 2011); the reply had not been received (January 2012).

3.2 Irregular Expenditure

Irregular expenditure of ₹ 10.04 lakh on purchase of *Thelia* from Twelfth Finance Commission Grant

Twelfth Finance Commission (TFC) guidelines envisage (June 2005) that the grants released to Panchayati Raj Institutions (PRIs) may be utilised for promotion and maintenance of drinking water and sanitation facilities. But where there were no drinking water and sanitation assets under a Panchayat, the funds could be utilised for the maintenance of other civic amenities[10]. However, there was no provision to benefit individuals for any purpose under the scheme.

Scrutiny (December 2010) of records of Kshetra Panchayat Sirauli Gauspur district Barabanki (KP) revealed that KP approved (November 2007) the purchase and distribution of *Thelia*[11] to individual beneficiaries of BPL families of Scheduled Caste for disposal of garbage and for earning of their livelihood utilizing TFC grants against the provision and financial rule[12]. Further scrutiny revealed that, out of 163 *Thelias* 150 were received through bill no. 11 dated 27.06.2008 and 13 *Thelias* through bill no. 16 dated 20.07.2008. The *Thelias* were distributed to the selected beneficiaries in a function organised on 03 June 2008 i.e. 24 days before the purchase of the *Thelias.*

[10]Approach road, Primary education, Primary health, Street light, Maintenance of community assets such as Kabristan and Crematorium.
[11]Trolley with three cycle wheel.
[12] Purchase for ₹ one lakh and above was to be made through tender process.

On being pointed out in audit, BDO accepted (July 2011) that the purchase of *Thelias* was not permissible. Thus, an irregular expenditure of ₹ 10.04 lakh was incurred by the BDO defying the TFC guidelines.

The matter was referred to the Government (October 2011), reply had not been received (January 2012).

3.3 Unfruitful expenditure

Unfruitful expenditure of ₹ 9.53 lakh on construction of incomplete road

Ayukt Gram Vikas, Uttar Pradesh (AGV), vide his circular (October 2006) had directed that there should be provision for at least two 900 mm hume pipe culverts for every one Kilometer (Km.) of village roads as per IRC:SP-20 standards. Scrutiny (July 2010) of records of Kshetra Panchayat Bangra, District Jhansi (KP) revealed that technical sanction for an estimate for ₹ 9.59 lakh from State Finance Commission Grants for construction of 3.30 Km. long link road from Deori Singhpura along the river Sukhnai to Jyor-Jatara Tigaila was accorded (October 2006) by the Executive Engineer, Rural Engineering Services, Division Jhansi (EE). While according the sanction, the EE put the condition that work of three culverts, which were said to be under construction under Sampurna Gramin Rojgar Yojna as stated in report of the estimate, would necessarily be completed before coming rainy season so that the link road would not be damaged. Administrative and financial sanction was accorded (November 2006) by the Block Development Officer (BDO) and the work order to the lowest tenderer was issued (November 2006). The earthwork on the road was completed by December 2006. However, the culverts were not constructed till July 2010 and later. The BDO stated (July 2011) that there was no need for construction of the said culverts. Thus, the road was constructed in contravention of the directions of AGV as well as the conditions specified by the EE, i.e. without constructing any culvert as against the required six culverts as per norms. In absence of the culverts, the road was incomplete and could not be utilized in all seasons for the purposes (transportation of farmers' produces to market as stated in the report) for which its construction was conceived.

Thus, the expenditure of ₹ 9.53 lakh incurred on construction of incomplete link road was unfruitful.

The matter was reported to the Government (February 2011); the reply had not been received (January 2012).

3.4 Avoidable expenditure on construction of rural link roads

Non-observance of PWD specification prescribed for construction of rural link roads resulted in avoidable expenditure of ₹ 14.24 lakh.

Uttar Pradesh Public Works Department (PWD) specified (June 2007) that if provision is made for premix carpeting (PC) for rural link roads, PC and seal coat will be executed directly applying prime coat[13] over top coat / Water Bound Macadam (WBM) surface i.e. first coat painting (P-1) will not be required.

Scrutiny of records of Zila Panchayat Kaushambi (ZP) revealed (December 2010) that five rural link roads with total surface area of 15,414 square meter were constructed between June 2009 and June 2010 by laying P-1 between WBM and PC in contravention of PWD specification. The total expenditure incurred on P-1 was ₹ 18.80 lakh whereas execution of prime coat as per PWD specifications would cost ₹ 4.56 lakh. Thus the ZP incurred an avoidable expenditure of ₹ 14.24 lakh defying the specifications (***Appendix-3.1***).

On being pointed out in audit, the Apar Mukya Adhikari stated (December 2010) that P-1 was laid as per the earlier prevalent norms but now specification of only prime coat over WBM for PC roads is being adopted. The reply is self explanatory that ZP did not follow the PWD specification, effective during the construction of the roads, and incurred avoidable expenditure of ₹ 14.24 lakh. Thus, non-following the revised specification prescribed by PWD for the construction of rural link roads by the ZP, resulted in avoidable expenditure of ₹ 14.24 lakh.

[13] With low settling emulsion in specified quantity (75 kg per 100 square metre). As the rate of low settling emulsion which is generally less than the rate of maxphalt was not available because the unit did not take supply of low settling emulsion, value of required low settling emulsion was calculated at the rate of maxphalt used in the work.

The matter was referred to the Government (September 2011); reply had not been received (January 2012).

ALLAHABAD
THE

U P SINGH SISODIA
Deputy Accountant General (LB A & A)
Uttar Pradesh

COUNTERSIGNED

MUKESH P SINGH
Principal Accountant General (Civil Audit)
Uttar Pradesh

ALLAHABAD
THE

Appendix-1.1

(Reference; Paragraph no: 1.4.4 page no:7)

Arrear in tax collections in Zila Panchayats (2009-10)

(₹ in lakh)

Sl. No.	Name of Zila Panchayat	Opening Balance	Demand during the year	Total	Recovery during the year	Balance on 31.03.2010
1	Agra	14.47	22.59	37.06	20.33	16.73
2	Aligarh	-	324.75	324.75	70.45	254.30
3	Auraiya	-	4.99	4.99	-	4.99
4	Azamgarh	207.72	75.36	283.08	118.90	164.18
5	Balrampur	118.08	13.11	131.19	129.79	1.40
6	Bareli	207.05	222.55	429.60	131.29	298.31
7	Deoria	136.78	59.70	196.48	80.50	115.98
8	Etawah	30.73	70.64	101.37	68.13	33.24
9	G B Nagar	108.41	71.00	179.41	61.55	117.86
10	Ghazipur	191.58	63.86	255.44	16.55	238.89
11	Gonda	-	54.45	54.45	40.15	14.30
12	Gorakhpur	161.59	28.40	189.99	35.96	154.03
13	J P Nagar	123.17	92.00	215.17	94.71	120.46
14	Jalaun	26.04	17.13	43.17	10.26	32.91
15	Jhansi	-	49.29	49.29	-	49.29
16	Kanpur (Dehat)	203.28	134.07	337.35	153.34	184.01
17	Kanpur Nagar	179.18	36.05	215.23	62.33	152.90
18	Kausambi	37.20	101.99	139.19	64.13	75.06
19	Lakhimpur Khiri	121.55	126.26	247.81	131.88	115.93
20	Mahamaya Nagar	38.68	15.64	54.32	13.78	40.54
21	Mahoba	46.27	34.90	81.17	35.26	45.91
22	Mathura	21.14	76.57	97.71	77.80	19.91
23	Mau	45.91	34.35	80.26	34.35	45.91
24	Moradabad	4.23	11.78	16.01	3.15	12.86
25	Muzaffar Nagar	-	162.52	162.52	66.47	96.05
26	Pilibhit	32.78	54.00	86.78	36.22	50.56
27	Saharanpur	127.76	97.66	225.42	94.56	130.86
28	Shahajahnapur	136.77	59.69	196.46	80.49	115.97
29	Sidharth Nagar	60.59	53.34	113.93	48.22	65.71
30	Sitapur	163.86	104.76	268.62	123.92	144.70
31	Shrawasti	26.70	25.34	52.04	17.58	34.46
32	Unnao	10.09	3.61	13.70	3.10	10.60
	Total	**2581.61**	**2302.35**	**4883.96**	**1925.15**	**2958.81**

(Source : Register of AIR 2010-11)

Appendix-1.2

(Reference: Paragraph no. 1.8; page no: 9)

Non-reconciliation of cash balances as on 31 March 2010

(₹ in lakh)

Zila Panchayats					
Sl. No.	**Units**	**As per Cash Book**	**Amount reconciled (uncashed cheques etc.)**	**As per Pass Book**	**Amount not reconciled**
1	Aligarh	246.38	80.26	327.02	0.38
2	Banda	1415.73	115.81	1648.70	117.16
3	Chitrakoot	1473.63	-	1853.24	379.61
4	Deoria	441.44	43.87	487.65	2.34
5	Etawah	219.06	-	276.68	57.62
6	Rampur	153.03	-	183.61	30.58
7	Shahajahanpur	487.65	-	485.31	2.34
				TOTAL	**590.03**

Kshetra Panchayats						
Sl. No.	**District**	**Units**	**As per Cash Book**	**Amount reconciled**	**As per Pass Book**	**Amount not reconciled**
1	Aligarh	Tappal	23.21	-	38.05	14.84
2	Badaun	Jagat	38.23	-	9.48	28.75
3	Basti	Basti Sadar	33.22	0.22	40.46	7.02
4	Etawah	Saifai	26.29	-	30.12	3.83
5	Ghazipur	Jamania	7.98	-	8.18	0.20
6	Ghazipur	Kashimabad	92.64	-	107.94	15.30
7	J.P. Nagar	Hasanpur	38.39	-	55.13	16.74
8	Lakhimpur Khiri	Ramiya Behar	93.84	-	133.33	39.49
9	Shahajahanpur	Dadraul	23.46	-	28.09	4.63
10	Shahajahanpur	Kant	15.58	-	17.68	2.10
11	Shahajahanpur	Tilhar	33.72	-	36.75	3.03
12	Shrawasti	Jamunaha	55.50	-	53.33	2.17
13	Shrawasti	Sirsiya	42.70	-	62.16	19.46
14	Sitapur	Khairabad	33.50	-	53.31	19.81
15	Sitapur	Parsandi	56.72	-	100.28	43.56
16	Sultanpur	Gauriganj	70.04	-	121.69	51.65
17	Unnao	Hilauri	139.39	-	144.06	4.67
18	Unnao	Safipur	82.52	-	222.64	140.12
					Total	**417.37**

(Source: Register of AIR 2010-11)

Appendix-2.1

(Reference: Paragraph no. 2.8.6; page no:19)

Statement showing funds available and funds expended by KPs during the period 2008-11

(₹ in crore)

Sl. No.	Name of KPs	Funds available	Funds expended
1	Purva, District Unnao	4.21	2.74
2	Hasanganj, District Unnao	7.64	4.26
3	Bighapur, District Unnao	11.13	8.22
4	Sarwankhera, District Ramabai Nagar	2.03	1.41
5	Rajpur, District Ramabai Nagar	3.99	2.86
6	Maitha, District Ramabai Nagar	3.50	2.92
7	Phoolpur, District Allahabad	2.63	1.73
8	Dhanupur, District Allahabad	3.36	2.41
9	Padrauna, District Kushinagar	15.36	12.67
10	Hata, District Kushinagar	11.35	10.50
11	Tamkuhi, District Kushinagar	11.37	8.84
	Total	**76.57**	**58.56**

Appendix-2.2

(Reference: Paragraph no. 2.8.6; page no:19)

Statement showing funds available and funds expended by GPs during the period 2008-11

(₹ in crore)

Sl. No.	Name of GPs	Funds available	Funds expended
1	Bara Hardo, District Unnao	1.24	0.99
2	Tendha, District Unnao	0.74	0.45
3	Oosiya, District Unnao	0.76	0.53
4	Magrayar, District Unnao	0.84	0.44
5	Malikpur, District Ramabai Nagar	0.34	0.15
6	Manda, District Ramabai Nagar	0.82	0.60
7	Lalpur, District Ramabai Nagar	0.91	0.65
8	Raipalpur, District Ramabai Nagar	0.61	0.42
9	Autraura, District Allahabad	0.49	0.37
10	Kapsa, District Allahabad	0.37	0.35
11	Mailahan, District Allahabad	0.47	0.35
12	Maharajpur, District Allahabad	0.34	0.23
13	Jaraon, District Allahabad	0.42	0.34
14	Kiraon, District Allahabad	0.41	0.26
15	Rahsunkhudura, District Kushinagar	0.60	0.40
16	Pipra Jatampur, District Kushinagar	1.27	1.05
17	Matihaniya Khurd, District Kushinagar	0.61	0.38
18	Bakhnaha, District Kushinagar	0.60	0.54
19	Ahirauli Raja, District Kushinagar	0.60	0.42
20	Dhadha Bujurg, District Kushinagar	1.39	1.16
21	Tamkuhi, District Kushinagar	1.06	0.72
22	Bihar Bujurg, District Kushinagar	0.59	0.47
23	Mahuwava Bujurg, District Kushinagar	1.46	0.88
	Total	**16.94**	**12.15**

Appendix-3.1

(Reference: Paragraph no. 3.4; page no:28)

Avoidable Expenditure

Sl. No.	Name of roads	Scheme	Date of completion	Constructed Area (sqm)	Expenditure on P-1 (₹) Incurred dated	Quantity of Bitumen required for prime coat (MT)	Rate of Bitumen per MT (₹)	Total cost of bitumen required for Prime Coat (7) x (8) (₹)	Avoidable Expenditure (6) – (9) (₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	PC work from village Sanchara Mithepur to Nihalpur	Twelfth Finance Commission	05.06.2010	3900	477813.57 24.06.2010	2.925	38000	111150.00	366663.57
2.	Special repair work on Samda Manjhanpur Road	Twelfth Finance Commission	13.06.2009	2964	370882.80 02.07.2009	2.223	45500	101146.50	269736.3
3.	PC work on Kathara Pucci road to Ghislai ke Pura Road	Backward Region Grant Fund	17.03.2010	1350	159269.84 20.04.2010	1.013	38000	38494.00	120775.84
4.	PC work on Khara to Bhendwa Road	Twelfth Finance Commission	04.05.2010	3900	472061.07 09.06.2010	2.925	38000	111150.00	360911.07
5.	PC work on PMGSY link Road to Bhadesar	Backward Region Grant Fund	17.04.2010	3300	400019.40 18.06.2010	2.475	38000	94050.00	305969.40
			Total	**15414**	**1880046.68**			**455990.50**	**1424056.18**