

***SYSTEM OF ACCOUNTING AND CONTROL OF
FINANCE IN GRAM PANCHAYAT OF WEST
BENGAL- A CASE STUDY IN BURDWAN
DISTRICT***

DR. BANESWAR KAPASI

ASSISTANT PROFESSOR IN COMMERCE

NETAJI MAHAVIDYALAYA

ARAMBAGH, HOOGHLY

Rs. 1000/-

ISBN: 978-1-387-51710-7

First Edition: New Delhi, 2017

Copyright 2017, **DR. BANESWAR KAPASI**

All rights reserved

Printed by **ISARA SOLUTIONS**

B-15, Vikas Puri, New Delhi 110018

Preface

Gram panchayat is the basic unit of Panchayati Raj Institutions (PRI) and local governments in India. Generally, the village administration in India runs by gram panchayats to the some extent in addition to other administrative activities. In addition to that, gram panchayats perform different types of public welfare activities in villages. They implement different welfare schemes of the central government and state governments. A huge amount of public money is spent through the local governments like municipalities and gram panchayats. The expenditure budget of panchayats is noticeable and increasing day by day.

The accounting system of finances of the gram panchayats of West Bengal is purely format oriented. The accounts are prepared following the principles of cash basis and single entry system. Basically, cash book, subsidiary cash book, important ledgers are maintained. Computer oriented Gram Panchayat Management System (GPMS) has been introduced in recent past (2009). A minimum number of gram panchayats have implemented the GPMS successfully.

The accounting and control system of the gram panchayats of West Bengal are inefficient and inappropriate. Basically principles of cash basis are followed for accounting the fund of gram panchayats. The auditing system of the gram panchayats are also format oriented. There is a lack of proper control of finances. In this paper I intend to find out the system of accounting and control of gram panchayats in West Bengal. In this article an attempt has made to assess the prevailing accounting and controlling of finance of the gram panchayats in West Bengal.

ACKNOWLEDGEMENT

I owe a great deal to several persons and institutions whose exhaustive list is not possible to draw up here. I am very much thankful to the University Grant Commission for approving the minor research project and providing financial help. I am also thankful the Pradhan, Executive Assistant of 24 gram panchayats who have help us in this project to provide primary information necessary in this project. I am thankful to my respected teachers and my research guide, Professor Jaydeb Sarkhel, retired professor of the Department of Commerce, for his encouragement in my minor research project. I convey my thanks to all the respected teaching and non-teaching members of the Netaji Mahavidyalaya, Library staff of the Netaji Mahavidyalaya, and all those who helped in several ways to complete this research work. I am also grateful to all my esteemed colleagues specifically Prof. Tiloknath Ghosh, Prof. Ajay Sarkar, Dr. Kausik Chakraboprtty, Prof. Uday Nandi and Principal, Dr. Asim Kumar De who provided inspiration to me in the course of my project work. I am indebted to my mother, Madhabi Kapasi and father, Prabhat Kumar Kapasi for their love and affection which encourage me in my all efforts. Besides Piyali Kapasi, my wife, constantly took great care so that I got the right environment at home for my research. I am also indebted to my daughter Prathoma Kapasi (Sontoshi) as she lost a lot due to my preoccupation with the research work. In addition to that, all my family members and relatives have constantly supported me on this job. I must also thank all of them. Finally, I express my regards to the Almighty for bestowing upon me the courage to face the complexities of life and complete this project successfully.

Arambagh

(Baneswar Kapasi)

July, 2017

CONTENTS

SERIAL NUMBER	PARTICULARS	PAGES
	PREFACE	2
	ACKNOWLEDGEMENT	3
	CONTENTS	4
	LIST OF TABLES	5
	LIST OF ABBREVIATIONS	5
CHAPTER-1		
1.1	INTRODUCTION	7
1.2	OBJECTIVES OF THE PROJECT	8
1.3	REVIEW OF LETERATURE	8
1.4	DATA COLLECTION AND METHODOLOGY	9
1.5	ORGANISATION OF THE STUDY	10
CHAPTER-2 Overview of Gram Panchayats in West Bengal		
2.1	OVERVIEW OF GRAM PANCHAYATS IN WEST BENGAL	12
2.2	OVERVIEW OF BURDWAN DISTRICT	14
CHAPTER-3 Accounting System of Gram panchayats in West Bengal		
3.1	INTRODUCTION	18
3.2	MAINTENANCE OF ACCOUNTS OF GRAM PANCHAYATS	19
3.3	GRAM PANCHAYAT MANAGEMENT SYSTEM(GPMS)	25
3.4	DATA ANALYSIS	29
CHAPTER-4 AUDITING OF THE ACCOUNTS OF GRAM PANCHAYATS OF WEST BENGAL		
4.1	INTRODUCTION	50
4.2	SIGNATORIES OF CASH PAYMENTS	51
4.3	SIGNATORIES OF CHEQUE PAYMENTS	51
4.4	NATURE OF TENDER USED FOR PURCHASE OR WORKWORDER	52
4.5	ANALYSIS OF INTERNAL AUDIT REPORT	55
4.6	ANALYSIS OF EXTERNAL AUDIT REPORT	55
4.7	PROVISION FOR EXPENDITURE AUDIT	56
4.8	E-GOVERNANCE PERFORMANCE	57
4.9	UPOLOADING FORM 26 IN GPMS (ONLINE)	59
CHAPTER-5: SUMMARY, CONCLUSION AND RECOMMENDATIONS		
5.1	SUMMARY OF THE STUDY	65
5.2	SUMMARISED FINDINGS OF THE STUDY	65
5.3	LIMITATION OF AACOUNTING AND AUDIT SYSTEM OF THE GRAM PANCHAYATS OF WEST BENGAL	68
5.4	RECOMMENDATIONS	70
5.5	CONCLUSION	71

Tables

Sl.No	Particulars	Pages
1	Accounting System of Gram Panchayats	24
2	District wise status of Gram Panchayat of West Bengal	26
3	Comparative Grade of Rank of the Gram Panchayates of Burdwan District and Gram Panchayates of West Bengal	29
4	Comparative Grade of Gram Panchayats of Burdwan District and total Gram Panchayats of West Bengal	30
5	Block wise Synoptic Report Of GPMS Status Of Burdwan	32
6	Computer Software used by Gram Panchayats	35
7	Qualification of Accountant	36
8	Percentage of Qualification of Accountant	39
9	Cash Payment Limits	40
10	Percentage of cash payment and cheque payment	42
11	Nature of Tender used for Purchase	47
12	Percentage of Tenders in Different Option	49
13	Structure of Form -26	52
14	Synoptic Report of uploading 26 of the districts of West Bengal for Financial Year 2016-17	53
15	Upload 26 as on 31-3-2017 of February 2017	54
16	Sub divisional Synoptic Report Of GPMS Status Of Burdwan	56

List of Abbreviations

GP	Gram Panchayat
GPMS	Gram Panchayat Management System
WB	West Bengal
GOI	Government of India
PRI	Panchayati Raj Institution
GIS	Geographic Information System
ICT	Information and Communication Technologies

Chapter I

Introduction

Chapter 1

1.1 Introduction

India is a village based federal country with the central, state and local governments. Gram panchayats are the basic units of Panchayati Raj Institutions and local governments in India. Generally, the village administration in India runs by gram panchayats to the some extend in addition to other administrative mechanisms. In addition to that, gram panchayats perform different types of public welfare activities in villages. They implement different welfare schemes of the Central government and state government in addition to their own projects and functions.

A huge amount of public money is spent through the local governments like municipalities and gram panchayats. The expenditure budget of panchayats is noticeable and increasing day by day. Major social service schemes of the Central government and state government are implemented through the panchayat administrations. The nature of socio-economic development depends upon the successful functioning of gram panchayats in India.

A good accounting and controlling system strengthens the base and objectives of every institution. The same is true for the gram panchayats also. Without proper utilisation fund of the gram panchayats, it is not possible to develop the local economy in India. A good accounting system not only ensures the true application of public money, but also ensures social justice in village level.

1.2 Objectives of the Project: Gram panchayats are the basic units of public administration and wings of socio economic development of India. The main objectives of this project are reviewing the system of accounting and controlling of finance of gram panchayats of West Bengal and making recommendations to improve the system. The major objectives of this study are as follows:-

- (1) Assessing the present system of accounting of gram panchayats of the Burdwan district;
- (2) Assessing the present system of management of finance of the gram panchayats of Burdwan district;
- (3) Assessing the nature of controlling of finance of the gram panchayates of the Burdwan district; and
- (4) Assessing the financial audit system of the gram panchayats of Burdwan district and finding the strength and weakness of the audit system

1.3 Review of Literature:

Ministry of Panchayati Raj, GOI, (2012) prescribed the Model Panchayat Accounting Manual for successful implementation of accounting system in gram panchayats in India.

Mishra A.K, Akhtar Naved & Tarika Sakshi (2011); in their paper entitled “Role of the Panchayati Raj Institution in Rural Development (An analytical Study of Uttar Pradesh) analysed the role of the Panchayati Raj Institution in

Rural Development and the importance of financial management of Panchayati Raj Institutions for better functioning of Panchayati Raj Institutions.

Ministry of Panchayat Raj, GOI (2010) conducted a case study on Leepuram Gram panchayat for assessing the overall functioning of the gram panchayat.

Dutta Jayanta (2013) in his paper entitled “Financial Management of Panchayats-An Overview of West Bengal” analysed the functioning of panchayats in West Bengal and concluded with the statement that the panchayats should properly utilise their funds for pursuing ultimate objectives of PRIs.

1.4 Data collection and Methodology:

Primary and secondary data have been collected for the purpose of the study.

Primary data have been collected from the 24 gram panchayats of the Burdwan district. Similarly secondary data have been collected from the websites of the department of gram panchayats of West Bengal and other related websites.

From collecting primary data from the gram panchayats a questionnaire is set where 10 questions are relating to system of accounting of the gram

Panchayats and another 10 questions were set which were relating to controlling of finances.

After data collection and data compilation, the system of accounting and controlling finance is summarised. Finally, a comparative study of accounting and controlling system of finance of gram panchayats of the West Bengal and double entry accounting system is made.

Hypothesis of the Study

For conducting the study it is hypothesized that

- (1) Accounting system of the gram panchayats is not efficient as to the double entry system of accounts;
- (2) Auditing and controlling system of finance of the gram panchayats of West Bengal are not efficient.

1.5 Organisation of the Project

The study has been divided into 5 chapters. Chapter 1 provides an introduction giving the basic ideas of the gram panchayats, purpose of the study and methodology of the study. In chapter 2 the overview of the gram panchayats of the west Bengal and the gram panchayats of Burdwan district has been discussed. In Chapter 3 the system of accounting of the gram panchayats of West Bengal has been discussed. In chapter 4, the system of auditing and control of finance of the gram panchayat of West Bengal has been discussed. And finally in chapter 5, the summary of findings, conclusions and recommendations of the study are discussed.

Chapter 2

Overview of the Gram Panchayats of West Bengal and Burdwan District

Chapter 2

Overview of Gram Panchayats in West Bengal

2.1 Introduction

West Bengal is on the eastern state of India, stretching from the Himalayas in the north, to the Bay of Bengal in the south. The state has a total area of 88,752 square kilometres (34,267 sq mi). The Darjeeling Himalayan hill region in the northern extreme of the state belongs to the eastern Himalaya. This region contains Sandakfu (3,636 m or 11,929 ft)—the highest peak of the state. The narrow Terai region separates this region from the North Bengal plains, which in turn transitions into the Ganges delta towards the south. The Rarh region intervenes between the Ganges delta in the east and the western plateau and high lands. A small coastal region is on the extreme south, while the Sundarbans mangrove forests form a geographical landmark at the Ganges delta.

The West Bengal is full of natural resources. The agricultural land of West Bengal is much productive and the Western part of this state is full of mineral resources and forest.

In West Bengal, at present, there is 3354 gram panchayats, 341 blocks and 333 panchayat samities. The total state is divided into three divisions, namely, Jalpaiguri division, Presidency division, and Burdwan division.

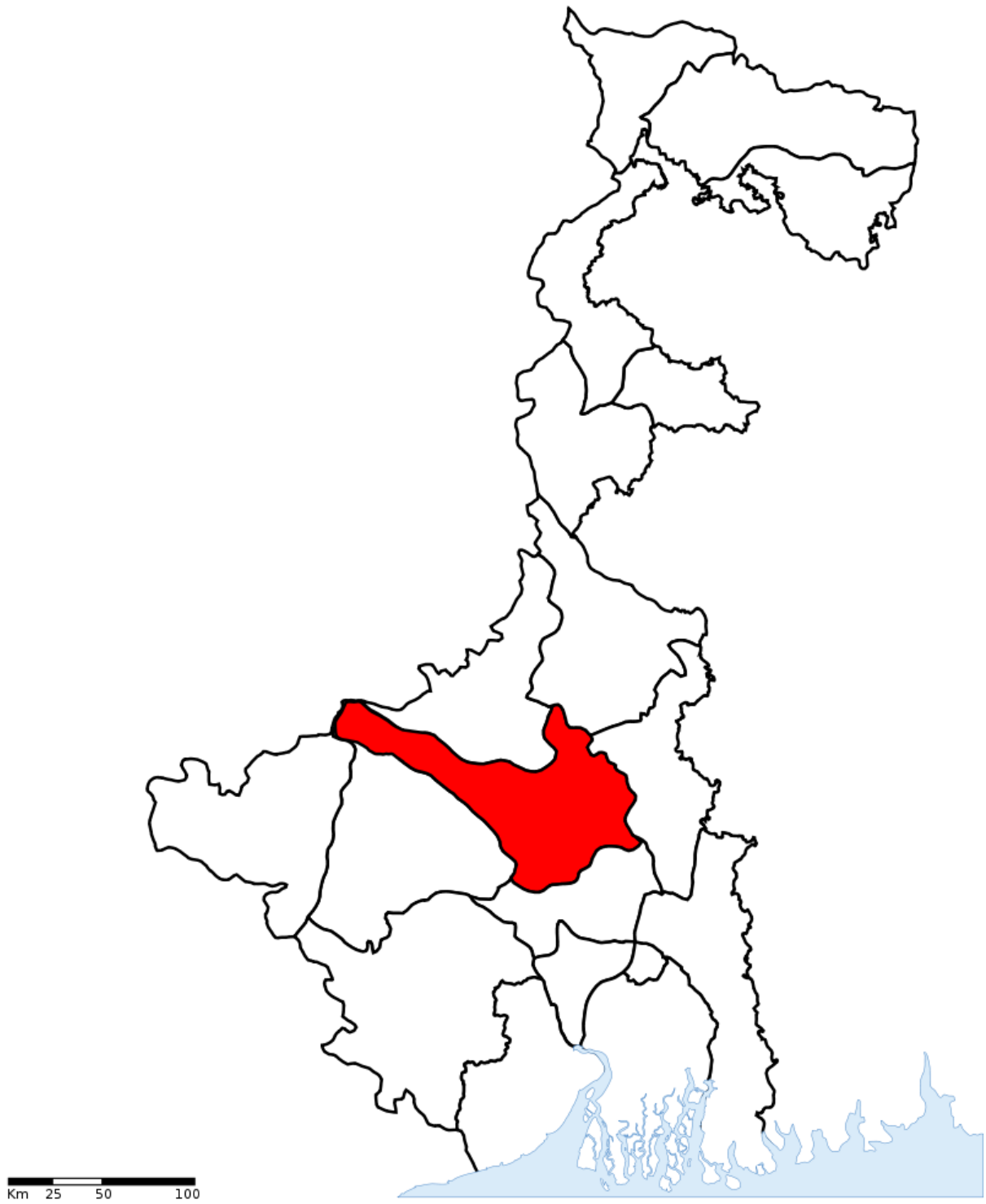
The Jalpaiguri division consists of six districts, 18 sub-divisions, 69 blocks, 61 panchayat samities and 717 gram panchayats. The presidency division includes five districts, 21 sub-divisions, 108 blocks, 104 panchayat samities and 1110 gram panchayats and the Burdwan division covers seven districts, 27 sub-divisions, 164 blocks, 158 panchayat samities and 1527 gram panchayats.

2.2 Overview of Burdwan District

Bardhaman district is a district in West Bengal. It is located in the middle-west part of West Bengal. It is also known as Burdwan or Barddhaman. On 7 April 2017, the district was bifurcated into Purba Bardhaman district and Paschim Bardhaman district. Total area of this district before bifurcation was 7,024 km² (2,712 sq mi). Total population of this district as per last census (2011) is 7,723,663. The district is well connected by NH19, Grand Trunk Road, Panagarh highways, Morgram Highway and NH 14. It is also connected by Burdwan and Asansol rail stations. It was bounded on the north by Birbhum and Murshidabad districts, on the east by Nadia District, on the southeast by Hooghly District, on the southwest by Bankura and Purulia districts, and on

the northwest by Dhanbad district of Jharkhand. The district had six subdivisions: Asansol, Sadar (North), Sadar (South), Durgapur, Kalna, and Katwa.

The Burdwan district is full of natural diversity. It is full of natural and mineral resources like coal and iron ore. The district also produced highest amount paddy and milk in West Bengal. In the Western part of this district, there is Industrial zone and in the eastern part of the district, there is agricultural zone. Paddy and potato are important crops of this district.



Chapter 3

Accounting System of Gram panchayats in West Bengal

Chapter 3

Accounting System of Gram panchayats in West Bengal

3.1 Introduction

Accounting system means the process and method followed in accounting functions. Generally, double accounting system, and accrual basis of accounting are widely accepted throughout the globe. As per double accounting rules, every sides of accounting aspects are to be recorded. As in every transaction two parties are involved, therefore at least two accounts affected in a single transaction. Double accounting rules ensure complete recording of all affected accounts of accounting event or financial events.

As per accrual basis of accounting, both the transactions, cash transactions and credit transactions are to be considered and recorded in the books of accounts. As per the doctrine of full disclosure, all the relevant transactions are to be recorded in the books of accounts irrespective of cash transaction and credit transaction.

As per Part II under Chapter I of the West Bengal *Panchayat (Gram panchayat Accounts, Audit and Budget) Rules, 2007* all the accounts and registers of a *gram panchayat* shall be kept either in Bengali or in English but for the gram panchayats within the administrative jurisdiction of the Darjeeling Gorkha Hill Council, the same may be kept either in Bengali or in English or in Nepali. All accounts should be kept in the registers, ledgers and cash books which would be bound, and their pages serially machine numbered and shall contain a certificate under the signature of the custodian. This certificate shall be given on the first page of every book of accounts, acutance, receipt and other books and registers maintained under these rules.

3.2 Maintenance of Accounts of *Gram Panchayat*

The major provisions of maintenance of accounts of gram panchayats are as follows

- (1) Every gram panchayat shall maintain a cash book in Form 1 and record therein all monetary transactions on the same day on which such transactions take place subject to the provisions of clause (a) of sub-rule (5).
- (2) The cash book shall be maintained on double column basis. The left or debit side of the cash book shall have two separate columns - one for cash transaction and other for transactions relating to savings bank account. On the right side or credit side there shall be two separate similar columns.

(3) Every gram panchayat shall adopt the system of double entry from the year in which these rules come into force. For this purpose a general ledger in Form 21 shall be maintained for each classified receipt or payment account in which all the entries of the cash book shall be posted date wise

For each entry in the debit or left side of the cash book, a corresponding entry shall be made in the credit or right side of the account in the general ledger for which the entry has been made in the debit side of the cash book. Similarly, for each entry in the credit or right side of the cash book, a corresponding entry shall be made in the debit or left side of the account in the general ledger for which the entry has been made in the credit side of the cash book:

Provided that for transaction between cash and bank, entry shall be recorded in the cash book only, both in cash and bank columns through contra entry.

(4) The state government may take up a programme for providing out of its own budget provisions or otherwise computers to the *gram panchayats* for adopting a computerized accounting system.

(5) All receipt-vouchers and payment-vouchers shall be chronologically numbered by consecutive numerals in English, Bengali or Nepali on the basis of chronological sequence separately for each of the said two groups for each financial year and the voucher numbers so assigned shall be noted in the relevant columns of the cash book. Insertion of by-numbers or any alphabet for assigning a number to the voucher shall not be permissible. In case of computerized accounting, separate receipt- vouchers and payment-vouchers

shall be generated. For maintaining the cash book, the following procedures shall be followed:-

(a) The interest credited or bank charges debited to the *gram panchayat* fund by the bank or the post office as recorded in the pass book shall be entered on the receipts side or the payments side, as the case may be, of the cash book as soon as the pass book showing corresponding entries, is received;

(b) All cheques and bank drafts received in favour of the gram panchayat shall be noted in the cheque / draft receipt register in Form 2, thereafter such receipt of the fund shall be noted in the cash book and the relevant subsidiary cash book in the manner referred to in clause (d);

(c) The cash book shall be closed and balance struck on daily basis and its entries and balances shall be checked with reference to the pass book and other relevant records at the close of every month; a bank reconciliation statement shall be prepared at the end of each month in respect of each bank account and also fund analysis for the closing balance of the gram panchayat fund shall be made and recorded in the cash book at the end of each month;

(d) When for the purpose of maintenance of the accounts of the fund of a programme in a separate and transparent manner, a separate bank account is opened and subsidiary cash book is required to be maintained in accordance with the directions of the sponsoring authority, any fund received on account of such programme shall be entered first on the receipt side of the cash book and immediately thereafter, on the receipt side of the subsidiary cash book. But in

case of any payment from this fund, the payment shall be entered first on the payment side of the subsidiary cash book and the total amount of the payment for a day shall be entered on the payment side of the cash book. While posting such receipt and payment both in the cash book and the subsidiary cash book a cross reference of the folio number of the cash book shall be given in the subsidiary cash book against the related entry and folio number of the subsidiary cash book against each entry in the cash book. Each such subsidiary cash book shall be maintained in Form 1A;

(e) Payment by cheques shall be entered in the subsidiary cash book or in the cash book on the date on which it is signed by the custodian while actual delivery date of the cheque shall be noted on the “Remarks” column of the subsidiary cash book or the cash book if there is no subsidiary cash book on this account, as well as in the cheque book register in Form 3;

(f) Provisions relating to maintenance of cash book as provided in this sub-rule shall apply *mutatis mutandis* for maintenance of a subsidiary cash book. All vouchers relating to any payment out of *gram panchayat* fund shall be serially numbered in chronological order and numbers so assigned shall be noted in the relevant column of the related subsidiary cash book. Since the total amount of payment for a day in relation to a subsidiary cash book shall be entered on the payment side of the cash book, serial numbers of such vouchers need not be mentioned in column no. 11 of the cash book in Form 1, but subsidiary cash

book folio reference shall be included in the narration of the transaction in column no. 10 while mentioning the purpose;

(g) A note shall be kept in the cash book with respect to the undisbursed amount of cash drawn by self cheques at the end of the day;

(h) Subject to any decision of the gram panchayat in a meeting in this behalf, or in its absence, in conformity with the directions of the custodian, secretary of the *gram panchayat* shall be responsible for writing the cash book and for safe custody of all records and documents relating to *gram panchayat* fund including receipt-vouchers and payment-vouchers except those referred to in clause (i); the custodian himself shall in no circumstances write the cash book or keep receipt-vouchers or payment-vouchers in his personal custody: Provided that in the event of absence of the secretary or his inability to write cash book for any reason whatsoever, the *gram panchayat* or the custodian may direct any other employee of the *gram panchayat* to write the cash book and to perform all other functions incidental thereto;

(i) The executive assistant shall keep in his custody, the cheque books, cheque book register and pass books of the bank account or post office savings bank account or both and shall authenticate all entries in the cash book including subsidiary cash books on the strength of vouchers in support thereof and shall exercise the duties and responsibilities referred to in rule 55 of the West Bengal *Panchayat (Gram panchayat Administration) Rules, 2004*. The custodian himself shall in no circumstances keep the aforesaid instruments in his personal

custody: Provided that in the event of absence of executive assistant, the secretary shall perform the aforesaid functions of the executive assistant except for authentication of entries in the cash book and the subsidiary cash books which shall be done by the custodian himself;

(j) The custodian shall sign the cash book and subsidiary cash books on each day of transaction after verification of entries therein;

(k) A half yearly statement of receipts and payments and also an annual statement of receipts and payments of the *gram panchayat* shall be prepared on the basis of balances of cash book and classified accounts maintained in the general ledger.

(6) (a) The state government may, by a general or special order, direct a gram panchayat to adopt a computerized accounting system for maintenance of its accounts in such manner as may be laid down in the order.

(b) On adoption of the computerized accounting system referred to in clause (a), relevant print-outs generated by the system, shall be deemed to be authentic records of accounts and shall form part of the cash book, subsidiary cash book, ledgers and also the receipt and the payment vouchers and other records rendering it unnecessary to prepare manually any of these records: Provided that at the time of any inspection or audit, any or all such print-outs may be verified with reference to the data-base stored in the computer.

(c) The gram panchayat shall continue to prepare manually such records of accounts including registers as are required to be maintained under these rules but cannot be generated by such computerized system.

The accounting system of finances of the gram panchayats of West Bengal is purely format oriented. The accounts are prepared following the principles of cash basis and single entry system. Basically, cash book, subsidiary cash book, important ledgers are maintained. The Gram Panchayat Management System (GPMS) has been introduced in recent past (2009). A minimum number of gram panchayats have been implemented the GPMS successfully.

When a transaction takes place, at first it is posted in the cash book or subsidiary cash book according to the need of the panchayat. Simultaneously, the same transaction is posted to the related ledger or sub-ledger. At the end of every working day a bank reconciliation statement is prepared.

3.3 Gram Panchayat Management System (GPMS)

Gram Panchayat Management system (GPMS) is a software for recording financial transactions and other reports and information of the gram panchayats in the websites of the Department of Gram Panchayat of West Bengal. In 2008, an e-governance initiative has been taken with the objectives of

- (1) It based solutions for all major functions of GP;

- (2) Capacity building of GP;
- (3) Developing GP monitoring system
- (4) Developing integrated fund management system;
- (5) Developing social audit system and improved system for information dissemination;
- (6) Extensive use of GIS for planning and monitoring of GPs

The other objectives of this initiative are

- (a) A tool for good governance
- (b) Better accounting and expenditure control
- (c) improving internal management and efficiency of panchayats
- (d) Better documentation and retrieval of records for improved transparency and disclosure of information to the citizen
- (e) Faster and objective planning and decision making
- (f) GIS based output /outcome monitoring better and convergent delivery of services to citizens,

The main components of DRISTI are

- (a) Gram Panchayat Monitoring System (GPMS) for accounting, financial management and citizen services
- (b) Fund management system for upper two tiers of Panchayat
- (c) DIMI- Use of GIS for decentralized planning and monitoring

(d) Integration of above three components and making them available for citizens, CSO and other organizations for promoting transparency and social audit.

Use of ICT for better Financial Management of Gram Panchayats

For successful use of ICT, two software have been developed: Saral IFMS for accounts keeping of ZP and PS, and GPMS for gram panchayats with the following features;

- (a) Single point entry
- (b) Standardized head of accounts ;
- (c) Standardized final accounts
- (d) Rules have been revised for acceptance of computer generated outputs to be legally accepted
- (e) Monthly output to track expenditure and budgetary control

Outputs Generated from GPMS

The outputs generated features from GPMS are

- (a) Double column cash book
- (b) General ledger with sub ledgers
- (c) Debit and credit vouchers
- (d) Subsidiary cash book

- (e) Cheque issue and receipt registers
- (f) Receipts and payments accounts
- (g) Issue of birth and death certificate
- (h) Trade certificate
- (i) Managing revenue mobilisation of PRI particularly taxation

Institutionalization Efforts -

For successfully application of the projects following steps have been taken;

- (a) All the GPs and PS have been provided with at least one computer and peripherals.
- (b) Posts of Block Informatics Officer & Data Entry Operator in 341 Block/PS.
- (c) Post of District Information Analyst and Computer Assistant in 18 ZP/SMP.
- (d) New recruits in the post of Executive Assistants at GPs are having working knowledge in computer.
- (e) SIPRD and 5 ETCs have been strengthened for capacity building. Each ETC have computer Lab with 15 PCs

(f) Process re-engineering has taken place including framing of rules, common agreement with Account General regarding audit procedure in ICT environment.

3.4 DATA ANALYSIS

Data have been collected from secondary sources of the department of gram panchayat of West Bengal and primary data have been collected from 24 gram panchayats of the Burdwan district out of 277 GPs under purposive sampling method. The collected data have been tabulated in Excel and report generated.

ACCOUNTING SYSTEM FULLY COMPUTERISED OR NOT

Table-1

S.NO.	NAME OF GRAM PANCHAYATE	RESPONSE
1	NARUGRAM GRAM PANCHAYAT	FULLY COMPUTERISED
2	PALASHAN GRAM PANCHAYAT	FULLY COMPUTERISED
3	PAINTA II GRAM PANCHAYAT	FULLY COMPUTERISED
4	PAINTA -I GRAM PANCHAYAT	FULLY COMPUTERISED
5	GOTAN GRAM PANCHAYAT	FULLY COMPUTERISED
6	KAITI GRAM PANCHAYET	FULLY COMPUTERISED
7	PAHALLANPUR GRAM PACNHAYET	FULLY COMPUTERISED
8	UCHALAN GRAM PANCHAYET	FULLY COMPUTERISED

9	BARBAINAN GRAM PANCHAYET	FULLY COMPUTERISED
10	ARUI GRAM PANCHAYET	FULLY COMPUTERISED
11	SRIKHANDA GRAM PANCHAYAT	FULLY COMPUTERISED
12	KOSHIGRAM GRAM PANCHAYAT	FULLY COMPUTERISED
13	HIJALNA GRAM PANCHAYET	FULLY COMPUTERISED
14	SANKARI-II GRAM PANCHAYAT	FULLY COMPUTERISED
15	NATU GRAM PANCHAYAT	FULLY COMPUTERISED
16	SANKARI-1 GRAM PANCHAYAT	FULLY COMPUTERISED
17	BERUGRAM GRAM PANCHAYET	FULLY COMPUTERISED
18	KAIYAR GRAM PANCHAYET	FULLY COMPUTERISED
19	UKRID GRAM PANCHAYET	FULLY COMPUTERISED
20	SHYAMSUNDAR GRAM PANCHAYET	FULLY COMPUTERISED
21	RAINA GRAM PANCHAYET	FULLY COMPUTERISED
22	GOPALBERA GRAM PANCHAYET	FULLY COMPUTERISED
23	SEHARA GRAM PANCHAYAT	FULLY COMPUTERISED
24	SAGRAI GRAM PANCHAYAT	FULLY COMPUTERISED

From the above table 1 it is cleared that all the gram panchayats of have computerised their accounting system. Out of total selected above 24 gram panchayats, 24 uses computer in their accounting system. So, we can conclude that the gram panchayats of west Bengal successfully use computer in the accounting system. From the secondary data we can see that out of total 277 GPs of the Burdwan district, all the GPs have computerised their accounting system.

Out of total 3351 gram panchayats in West Bengal, all the gram panchayats have installed computer and GPMS.

District	Total GP	Grade				Paperless	Not Installed
		A	B	C	D		
Bankura	190	14	2	0	174	133	0
Birbhum	167	50	2	1	114	167	0
Burdwan	277	15 6	7	4	110	277	0
Coochbehar	128	0	0	0	128	66	0
Dakshin Dinajpur	65	52	6	6	1	55	0
Darjeeling	134	0	0	0	134	11	0
Hooghly	207	60	0	3	144	207	0
Howrah	157	59	0	8	90	157	0
Jalpaiguri	146	11	1	1	133	124	0
Malda	146	91	32	21	2	79	0
Murshidabad	254	17 2	30	36	16	23	0
Nadia	187	8	0	0	179	110	0
North 24- Parganas	200	0	0	0	200	120	0
Paschim Midnapore	290	0	0	0	290	225	0

Purba Midnapore	223	0	0	0	223	223	0
Purulia	170	75	31	47	17	62	0
South 24- Parganas	312	24	11	13	264	79	0
Uttar Dinajpur	98	0	0	0	98	19	0
Total :-	3351	77	122	140	2317	2137	0

Entry Lag Behind Up to 15 Days ||

Excellent

Entry Lag Behind 16 To 30 Days || Good

Entry Lag Behind 31 To 60 Days || Poor

Entry Lag Behind More Than 60 Days ||

Not Working

As on 31-3-2017, out of total 3351 gram panchayats in West Bengal 2137 gram panchayats ranked as paperless gram panchayats which indicates 63.77% of gram panchayats ranked paperless. In case of Burdwan district, out of total 277 gram Panchayates, 277 gram Panchayates ranked as paperless gram panchayates which means 100% of gram Panchayates of the Burdwan district ranked and marked as paperless gram panchayates.

The gram panchayats are ranked as “A”, “B”, “C” and “D” based on data update in the GPMS. The panchayats updated entries behind 15 days lag ranked as “A”, 30 days lag ranked as “B” and so on. From the table 2 it is seen that out of total 3351 gram panchayates in West Bengal 772 gram panchayats ranked as “A” gram panchayat which indicates 23.03% of gram panchayat ranked as “A”.

Similarly, Out of total 3351 gram panchayats in West Bengal 122 gram panchayats ranked as “B” gram panchayat which indicates 3.06% of gram panchayat ranked as “B”. On the other hand out of total 3351 gram panchayats in West Bengal 140 gram panchayats ranked as “C” gram panchayat which indicates 4.17% of gram panchayates ranked as “C”. And finally, out of total 3351 gram panchayates in West Bengal 2317 gram panchayats ranked as “D” gram panchayat which indicates 69.14% of gram panchayates ranked as “C”

In Case of Burdwan District, out of 277 gram panchayats, 156 ranked as “A”, 7 gram panchayats ranked as “B”, 4 gram panchayats ranked as “C” and 110 ranked as “D” which indicates, 56.31% gram panchayates, ranked as “A”, 2.5% of gram panchayates ranked as “B”, 1.44% of gram panchayates ranked as “C” and 39.71% of gram panchayates ranked as ranked as “D”

Table 3 depicts the comparative rank of the total gram panchayats of West Bengal and total gram panchayats of the Burdwan district. Out of total 277 GPs of the Burdwan district, 277 ranked as paperless which indicates 100% paperless GPs of the Burdwan district where as out of total 3351 GPs of the West Bengal, just 2137 GPs ranked as paperless GPs which indicates 62.77% of total GPs of the West Bengal ranked as paperless GPs. Similarly, we can see the percentage of “A” grade GP of the Burdwan district is higher as compared to the percentage of “A” grade GPs of the West Bengal.

Table -3

**Comparative Grade of Rank of the Gram Panchayats of Burdwan District
and Gram Panchayats of West Bengal**

District	Total GP	Grade				Paperless	Not Installed
		A	B	C	D		
Burdwan	277	156	7	4	110	277	0
		56.31%	2.52%	1.44%	39.71%	100%	
Total WB	3351	772	122	140	2317	2137	0
		23.03%	3.6%	1.17%	69.14%	63.77%	

Entry Lag Behind Up to 15 Days || Excellent

Entry Lag Behind 16 To 30 Days || Good

Entry Lag Behind 31 To 60 Days || Poor

Entry Lag Behind More Than 60 Days || Not Working

So, from the above table-3, calculations analysis and following chart it is cleared that the performance of gram panchayates of Burdwan district is much better as compared the performance of gram panchayates of West Bengal including Burdwan district regarding online data entries lags and rate of paperless.

If we exclude the data of the Burdwan district from the data of West Bengal, the picture depicts more cleared. The variance of the performance between the

Burdwan District and the West Bengal excluding Burdwan district show a favourable performance of the Burdwan district as compare to all West Bengal performance excluding Burdwan district.

The percentage of “A” grade gram panchayates of the Burdwan district is 36% more as compare to the gram panchayates of West Bengal excluding the Gram panchayates of the Burdwan district.

Similarly, the percentage of “D” grade gram panchayates of the Burdwan district is 32% less as compare to the gram panchayates of West Bengal excluding the Gram panchayates of the Burdwan district.

Again the percentage of “Paperless” grade gram panchayates of the Burdwan district is 39% more as compare to the gram panchayates of West Bengal excluding the Gram panchayates of the Burdwan district.

Table-4

**Comparative Grade of Gram Panchayats of Burdwan District and total
Gram Panchayats of West Bengal**

	A	B	C	D	Paperless
Burdwan	156	7	4	110	277
WB	772	122	140	2317	2137

WB(Excluding Burdwan	616	115	136	2207	1860
Burdwan	56%	3%	1%	40%	100%
WB	23%	4%	4%	69%	64%
WB (Excluding Burdwan)	20%	4%	4%	72%	61%
var	36%	-1%	-3%	-32%	39%

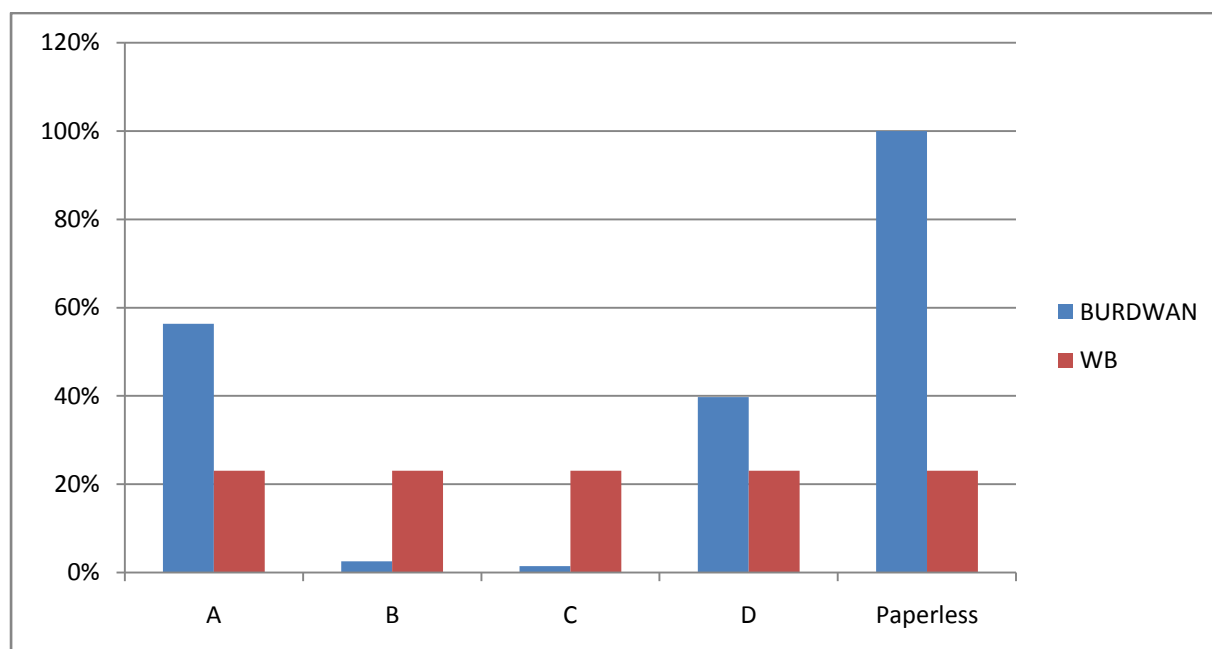
Entry Lag Behind Up to 15 Days || Excellent

Entry Lag Behind 16 To 30 Days || Good

Entry Lag Behind 31 To 60 Days || Poor

Entry Lag Behind More Than 60 Days || Not Working

Comparative Grade of Gram Panchayats of Burdwan District and total Gram Panchayats of West Bengal



Comparative Grade of Gram Panchayats

From the Table-4 it is seen out of total 277 gram panchayats in Burdwan district, 277 have installed GPMS and all these are now treated as paperless gram panchayats. Out of 277 gram panchayats 254 gram panchayats scored excellent, 6 gram panchayats ranked as good, 4 GPs levelled as poor and 13 GPs reported “not working” position as per 29-2-2016 in operating GPMS.

Table -5
Block wise Synoptic Report
Of GPMS Status Of Burdwan

Block	Total GP	Installed	Excellent	Good	Poor	Not Working	Paperless
ANDAL	8	8	8	0	0	0	8
AUSGRAM-I	7	7	5	1	0	1	7
AUSGRAM-II	7	7	5	1	0	1	7
BARABANI	8	8	8	0	0	0	8
BHATAR	14	14	10	1	1	2	14
BURDWAN-I	9	9	9	0	0	0	9
BURDWAN-II	9	9	9	0	0	0	9
DURGAPUR FARIDPUR	6	6	6	0	0	0	6
GALSI-I	9	9	9	0	0	0	9
GALSI-II	9	9	6	0	2	1	9
JAMALPUR	13	13	13	0	0	0	13
JAMURIA	10	10	10	0	0	0	10
KALNA-I	9	9	7	0	0	2	9

KALNA-II	8	8	8	0	0	0	8
KANKSA	7	7	7	0	0	0	7
KATWA-I	9	9	8	0	0	1	9
KATWA-II	7	7	4	1	0	2	7
KETUGRAM-I	8	8	8	0	0	0	8
KETUGRAM-II	7	7	7	0	0	0	7
KHANDAGHOSH	10	10	10	0	0	0	10
MANTESWAR	13	13	12	0	0	1	13
MEMARI-I	10	10	9	0	0	1	10
MEMARI-II	9	9	8	1	0	0	9
MONGALKOTE	15	15	14	1	0	0	15
PANDABESWAR	6	6	6	0	0	0	6
PURBASTHALI-I	7	7	5	0	1	1	7
PURBASTHALI-II	10	10	10	0	0	0	10
RAINA-I	8	8	8	0	0	0	8
RAINA-II	8	8	8	0	0	0	8
RANIGANJ	6	6	6	0	0	0	6
SALANPUR	11	11	11	0	0	0	11
Total -	277	277	254	6	4	13	277

Source- Prepared by Computerisation Cell, P & RD Department Cell, Dated-29-

2-2016 at 1.08 PM

Entry Lag Behind Up to 15 Days || Excellent

Entry Lag Behind 16 To 30 Days || Good

Entry Lag Behind 31 To 60 Days || Poor

Entry Lag Behind More Than 60 Days || Not

Working

From the table-5, it is seen that the performance of the gram panchayats of all the blocks of the Burdwan district more or less well. Out of total 277 gram panchayats 254 gram panchayats perform 100% excellent. From the table -5, it is noticed that all the gram panchayats of Andal, Barabani, Burdwan-I, Burdwan-II, Durgapur Faridpur, Galsi-I, Jamalpur, Jamuria, Kalna -2, Kanksa, Ketugarm-1, Ketugram-2, Khondoghsoh, Pandobashwar, Purbasthali-2, Raina-1, Raina-2, Raniganj and Salanpur blocks perform 100 percent excellent performance. Out of total 277 GPs of the Burdwan district, only 23 GPs ranked other than “A” ranked. Actually, out of total 277 GPs, 4 ranked as “B”, 6 GPs ranked as “C” and 13 GPs ranked as “C”.

COMPUTER SOFTWARE USED

Table -6

S.NO.	NAME OF GRAM PANCHAYATE	RESPONSE
1	NARUGRAM GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
2	PALASHAN GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
3	PAINTA -1 GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
3	PAINTA -II GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
4	SEHARA GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
5	GOTAN GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
6	KAITI GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
7	PAHALLANPUR GRAM PACNHAYET	GPMS, MS OFFICE, MGNREGA
8	UCHALAN GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
9	BARBAINAN GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
10	ARUI GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
11	SRIKHANDA GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
12	KOSHIGRAM GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
13	HIJALNA GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
14	SANKARI-II GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
15	NATU GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
16	SANKARI-1 GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
17	BERUGRAM GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
18	KAIYAR GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA

19	UKRID GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
20	SHYAMSUNDAR GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
21	RAINA GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
22	GOPALBERA GRAM PANCHAYET	GPMS, MS OFFICE, MGNREGA
23	SEHARA GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA
24	SAGRAI GRAM PANCHAYAT	GPMS, MS OFFICE, MGNREGA

It is mandatory for all the gram panchayats of West Bengal to use GPMS software to report the monthly summary of expenditure in the Form 26 and Form 27. It is online linked application software. Anyone can see the expenditure status of any gram panchayats in West Bengal. Those gram panchayats successfully installed GPMS, they reports the requisites in the prescribed forms. In general, the gram panchayats of the Burdwan district uses general office software, MGNREGA software and GPMS. From the previous table we can see, out of 24 gram panchayats, all of them use GPMS, and MS for their daily office functions.

QUALIFICATION OF ACCOUNTANT

Table -7

S.NO.	NAME OF GRAM PANCHYATE	RESPONSE
1	NARUGRAM GRAM PANCHAYAT	B.A General
2	PALASHAN GRAM PANCHAYAT	B. Sc(Hons)
3	PAINTA -1 GRAM PANCHAYAT	B.A General
4	PAINTA -II GRAM PANCHAYAT	Madhyamik/School Final
5	GOTAN GRAM PANCHAYAT	Madhyamik/School Final
6	KAITI GRAM PANCHAYET	M.A English, B.ED
7	PAHALLANPUR GRAM PACNHAYET	B. Sc(Hons)
8	UCHALAN GRAM PANCHAYET	Madhyamik/School Final
9	BARBAINAN GRAM PANCHAYET	B.A
10	ARUI GRAM PANCHAYET	B.A
11	SRIKHANDA GRAM PANCHAYAT	B.A
12	KOSHIGRAM GRAM PANCHAYAT	B.A
13	HIJALNA GRAM PANCHAYET	B.A
14	SANKARI-II GRAM PANCHATET	M.A(ECON), BED
15	NATU GRAM PANCHAYAT	M.SC
16	SANKARI-1 GRAM PANCHAYAT	M.COM
17	BERUGRAM GRAM PANCHAYET	B.A
18	KAIYAR GRAM PANCHAYET	H.S
19	UKRID GRAM PANCHAYET	B.A
20	SHYAMSUNDAR GRAM PANCHAYET	B.A
21	RAINA GRAM PANCHAYET	B.A
22	GOPALBERA GRAM PANCHAYET	HS, BJMS
23	SEHARA GRAM PANCHYAT	B.SC
24	SAGRAI GRAM PANCHYAT	B.A

Sources: Own Computation from primary data

CHART

Comparative Degree of Accountants of Gram Panchayats of Burdwan District

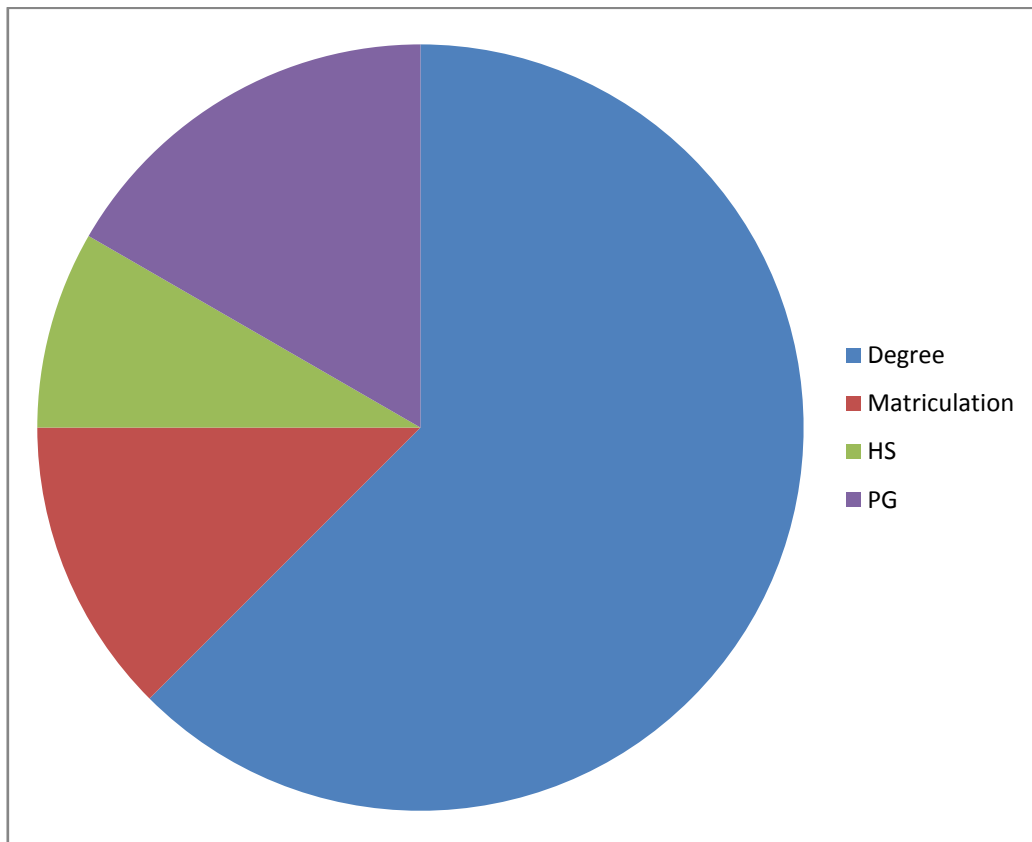


Table -8**Percentage of Qualification of Accountant**

QUALIFICATION	NO.	Percentage
Degree	15	63%
Matriculation	3	13%
HS	2	8%
PG	4	17%
Total	24	100%

Source: Own computation from primary data

From the above table and chart it is seen 63% of the accountants' have degree (BA/BSC/B.COM), 13% of the accountants passed matriculation examination, 8% of the accountant passed Higher Secondary examination and 17% of the accountant passed post graduate degree. Most of them have no technical education of computer but most of them have a little knowledge on the basic functioning of computer. A great support is available from GPMS team

CASH PAYMENT LIMIT

Table-9

S.NO.	NAME OF GRAM PANCHYATE	RESPONSE
1	NARUGRAM GRAM PANCHAYAT	Rs. 500
2	PALASHAN GRAM PANCHAYAT	NIL/ Fully Cheque
3	PAINTA II GRAM PANCHAYAT	Rs. 500.00
4	PAINTA -I GRAM PANCHAYAT	Rs 2000.00
5	GOTAN GRAM PANCHAYAT	NIL/ Fully Cheque
6	KAITI GRAM PANCHAYET	Rs. 500.00
7	PAHALLANPUR GRAM PACNHAYET	RS 2000.00
8	UCHALAN GRAM PANCHAYET	Rs. 500.00
9	BARBAINAN GRAM PANCHAYET	Rs. 500.00
10	ARUI GRAM PANCHAYET	Rs. 500.00
11	SRIKHANDA GRAM PANCHAYAT	Rs. 500.00
12	KOSHIGRAM GRAM PANCHAYAT	Rs. 500.00
13	HIJALNA GRAM PANCHAYET	Rs. 2000.00
14	SANKARI-II GRAM PANCHAYAT	NIL/ Fully Cheque
15	NATU GRAM PANCHAYAT	NIL/ Fully Cheque
16	SANKARI-1 GRAM PANCHAYAT	Rs. 500.00

17	BERUGRAM GRAM PANCHAYET	Rs. 2000.00
18	KAIYAR GRAM PANCHAYET	Rs. 500.00
19	UKRID GRAM PANCHAYET	Rs. 500.00
20	SHYAMSUNDAR GRAM PANCHAYET	Rs. 2000.00
21	RAINA GRAM PANCHAYET	Rs. 2000.00
22	GOPALBERA GRAM PANCHAYET	Rs. 500.00
23	SEHARA GRAM PANCHAYAT	Rs. 2000.00
24	SAGRAI GRAM PANCHAYAT	Rs. 2000.00

regarding functioning of GPMS software. A telephonic helpline always work to support the gram Panchayats regarding GPMS related matters. Sometimes their physical support is available when they are demanded by the respective gram panchayats. The accounts are maintained by the secretary of the gram panchayat. Generally, separate accountant is not appointed to maintain the books of accounts of the gram panchayats.

Table -10

Percentage of cash payment and cheque payment

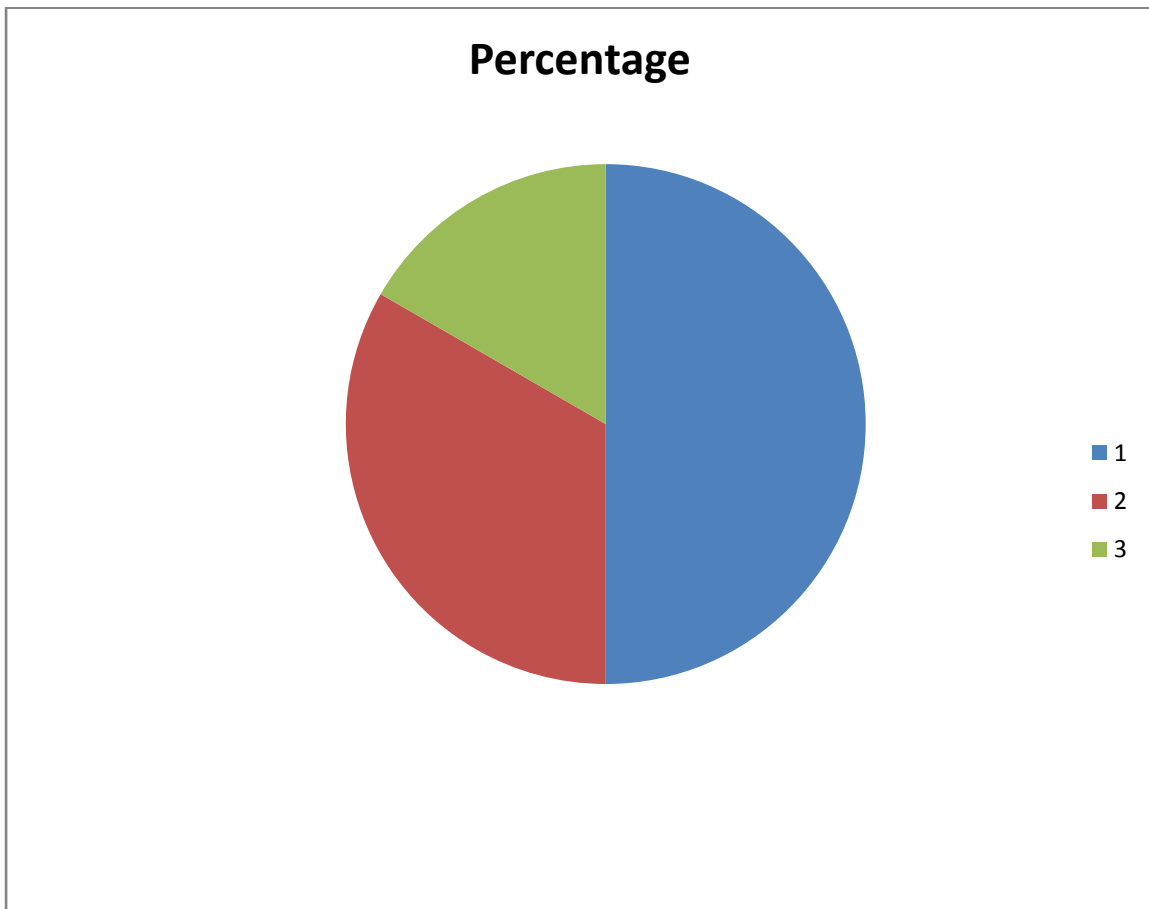
Cash Payment	NO.s	Percentage
Rs. 500.00	12	50%
Rs. 2000.00	8	33%
0	4	17%

Sources: Own computation from primary data

From the above table and following chart it is seen that there is no strict rules regarding cash payment for expenditure. Although, 50% of gram Panchayates of Burdwan district made cash payment up to Rs. 500.00 in cash and beyond that limit they made cheque payment. Similarly, 33% of the gram Panchayats of the Burdwan district made cash payment up to Rs 2000.00 and beyond such amount they use cheque for payment expenditure. 17% of the gram Panchayats of the Burdwan district reported that they do don't use while in payment and they made their payment 100% in cash.

CHART

COMPARATIVE PERCENTAGE OF CHEQUE PAYMENTS AND CASH PAYMENT LIMIT



1- Cash Payment Limit Rs 500.00

2- Cash Payment Limit Rs 2000.00

3- Only Cheque Payment

Chapter 4

Auditing of the Accounts of the Gram Panchayat of West Bengal

Chapter 4

Auditing of Accounts of the Gram Panchayats of West Bengal

4.1 Introduction

Auditing of the accounts of the gram panchayats of West Bengal is done by internal auditor and external auditor. The audit report of the gram panchayat is also format oriented. The audit quality has been assessed on the basis of following basis

- (a) Signatories of Cash Payment
- (b) Signatories of Cheque Payment
- (c) Nature of Tender used of purchase or works order
- (d) Analysis of internal audit report
- (e) External audit agency
- (f) Internal audit agency
- (g) Analysis of external audit report
- (h) Provision of internal cheque
- (i) Provision of expenditure audit
- (j) General disclosure of audit report

4.2 Signatories of Cash Payment

Signatories of cash payments depend upon the expenses of own fund and external fund, Schematic expenses and non-schematic expenses. In case of expenses out of own fund, general responsible signatories are secretary, Pradhan and executive assistant. On the other hand, in case of expenses of government fund, the signatories of cash payment are executive assistant and Pradhan of the gram panchayat.

In the case of cash payment of schematic expenses the responsible signatories are Nirman Sayahak, Pradhan, executive assistant and secretary. On the other hand cash payment for non-schematic expenses, the responsible signatories are Pradhan, executive assistant and secretary.

4.3 Signatories of Cheque Payment

As like cash payment, signatories of cheque payments depend upon the expenses of own fund and external fund, Schematic expenses and non-schematic expenses. In case of expenses out of own fund, general responsible signatories are secretary, Pradhan and executive assistant. On the other hand, in case of expenses of government fund, the signatories of cheque payment are executive assistant and Pradhan of the gram panchayat.

In the case of cheque payment of schematic expenses the responsible signatories are Nirman Sayahak, Pradhan, executive assistant and secretary. On the other

hand cheque payment for non-schematic expenses, the responsible signatories are Pradhan, executive assistant and secretary.

4.4 Nature of Tender used of purchase or works order

Tender is the system of inviting suppliers for supplying goods or selecting contractors for works. Different methods are available for issuing tenders. Traditional tenders are invited in papers forms and invited forms are open in front of all competitors. At present time, online tenders are invited from qualified competitors. E-tenders are widely accepted because of it wide accessibility and transparency.

NATURE OF TENDER USED FOR PURCHASE

Table -11

S.NO.	NAME OF GRAM PANCHYATE	RESPONSE
1	NARUGRAM GRAM PANCHAYAT	Hard Copy
2	PALASHAN GRAM PANCHAYAT	Hard Copy
3	PAINTA II GRAM PANCHAYAT	E-Tender
4	PAINTA -I GRAM PANCHAYAT	Hard Copy
5	GOTAN GRAM PANCHAYAT	Hard Copy(Processing)
6	KAITI GRAM PANCHAYET	Hard Copy
7	PAHALLANPUR GRAM PACNHAYET	Hard Copy(Processing)
8	UCHALAN GRAM PANCHAYET	E-Tender

9	BARBAINAN GRAM PANCHAYET	Hard Copy(Processing)
10	ARUI GRAM PANCHAYET	Hard Copy up to Rs 50000.00, Above 50k E-tender
11	SRIKHANDA GRAM PANCHAYAT	Hard Copy
12	KOSHIGRAM GRAM PANCHAYAT	Hard Copy
13	HIJALNA GRAM PANCHAYET	Hard Copy
14	SANKARI-II GRAM PANCHAYAT	Hard Copy
15	NATU GRAM PANCHAYAT	Hard Copy up to Rs 500000.00, Above 500k E-tender
16	SANKARI-1 GRAM PANCHAYAT	Hard Copy
17	BERUGRAM GRAM PANCHAYET	Hard Copy
18	KAIYAR GRAM PANCHAYET	Hard Copy
19	UKRID GRAM PANCHAYET	Hard Copy
20	SHYAMSUNDAR GRAM PANCHAYET	Hard Copy
21	RAINA GRAM PANCHAYET	Hard Copy
22	GOPALBERA GRAM PANCHAYET	Hard Copy
23	SEHARA GRAM PANCHAYAT	Hard Copy
24	SAGRAI GRAM PANCHAYAT	Hard Copy up to Rs 500000.00, Above 500k E-tender

Table -12

Percentage of Tenders in Different Option

Tender Type	No.s	Percentage
Hard Copy	16	67%
hard Copy+ Processing for E-tender	3	13%
Hard copy up to Rs. 50,000.00	1	4%
Hard copy up to Rs. 50,000.00	2	8%
E-tender	2	8%
Total	24	100%

From the above two tables it is seen out of twenty four gram Panchayates, 16 gram panchayats follow traditional method while issuing tender for purchase or works order, two gram Panchayates issue e-tender for purchase or issuing works order, one gram panchayat reported that the use paper form up to the value of work or purchase up to Rs 50,000.00 and two gram Panchayates reported that they issue e-tender beyond purchasing or works order worth of Rs 500,000.00. So, from the above calculation it is seen that only eight percent of gram Panchayates of the Burdwan district successfully issue e-tender, thirteen percent of gram Panchayates under process for converting their tender method from physically to e-tender.

4.5 Analysis of Internal Audit Report

Internal audit means auditing through internal staff of an organisation. It helps to find out mistakes initially. As, mistakes are detected initial stage, the chances of correction is higher. In majority of cases reports of internal audit discuss in the members meeting.

4.6 Analysis of External/Statutory Audit Report

External audit means auditing through external auditor of an organisation. In majority of cases, external audit agencies are CAG. External or statutory audit is conducted occasionally in the most of gram panchayat. Reports of statutory audit discuss in the members meeting.

Provision of Internal Check

Internal check is the method where the work is distributed such a way that work of one person is checked by other person. In this system any particular job is not assigned to a particular person, rather a particular job breaks into different components and separate person are assigned to the different parts of the job in such way that work of one person is checked by other person.

In majority of gram panchayats, there is a provision of internal check as we see in the case of discussing signatories in case of cheque or cash payment.

In all the situations, there are more than one signatory which assure the presence of internal cheque.

4.7 Provision of Expenditure Audit

Expenditure audit means judging the relevance of expenditure and output out of expenditure. Expenditure has to be an output towards society. Expenditure audit assure the degree of relevance of expenditure.

In the majority of gram panchayats there is a provision of expenditure audit and PAO (Panchayat Accounts Officers) is the statutory person to do the so.

In the gram panchayats of south damodar region, the post of PAO is vacant for the time being. As a result the process of expenditure audit is restricted for that period of time.

General Disclosure of Audit Report

General disclosure of audit means how audit report discloses to the stake holder or public. In majority of cases audit report discuss in the members special meeting. In few cases, audit report publishes in notice form or in the manual of the gram panchayat.

Control of Finances

The controlling of finances has been started in the recent past. The major area of controlling the finance is payment made through account payee cheque. GPMS has been introduced in all the gram panchayats of West Bengal. GPMS standardizes the accounting and audit system. There is a need of third party checking of processing vouchers. In some cases it is seem that amount of

voucher amount is not justifiable. Expect this case there is no scope of falsification of accounts or diversification of fund.

4.8 E-governance Performance

Every gram panchayats is responsible to upload monthly statement of fund position in Form 26 and half yearly/annual statement of receipts and payments in Form 27.

The abstract of the Form 26 is

Table -13

Structure of Form -26

SL.N O	CLASSIFICA TION OF FUND	BALAN CE OF FUND AT THE BEGINI NG OF THE MONTH	FUND RECEI VE DURIN G THE MONT H	TOTAL FUND AVAILABLE(3+4)	PAYME NT MADE DURIN G THE MOTN	FUND BALAN CE AVILAB EL (5-6)	PAYMENT COMMITM ENT	NET BALAN CE	REMAR KS
1	2	3	4	5	6	7	8	9	10

TABLE -14														
SYNOPTIC REPORT OF UPLOADING 26 OF THE DISTRICTS OF WEST BENGAL														
FINANCIAL YEAR - 2016-2017														
SL. NO.	DISTRICT	NO. OF GP	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
1	BANKURA	190	190	190	190	190	190	190	190	190	190	189	187	0
2	BIRBHUM	167	167	167	167	167	167	167	167	167	167	165	147	0
3	BURDWAN	277	277	277	277	277	277	277	277	277	277	276	268	0
4	COOCHBEHAR	128	128	128	128	128	127	127	126	126	121	107	91	0
5	DAKSHIN DINAJPUR	65	64	64	64	64	63	63	63	63	63	63	60	0
6	DARJEELING	134	75	75	71	65	61	59	58	46	44	34	22	1
7	HOOGLY	207	207	207	207	207	207	207	207	207	207	207	202	1
8	HOWRAH	157	157	157	157	157	157	157	156	156	156	156	155	1
9	JALPAIGURI	146	145	145	145	145	145	143	141	141	140	134	116	1
10	MALDA	146	146	146	146	146	146	146	146	146	145	142	132	0
11	MURSHIDABAD	254	254	254	254	254	254	254	254	253	250	235	207	4
12	NADIA	187	185	185	185	185	185	185	185	184	180	178	170	1
13	N. 24- PARGANAS	200	199	199	199	198	196	194	192	189	182	167	148	1
14	w. IDNAPORE	290	290	290	290	290	290	290	289	289	289	287	277	3
15	PURBA MIDNAPORE	223	223	223	223	223	223	223	223	223	221	217	216	1
16	PURULIA	170	170	170	170	170	170	169	168	168	162	142	114	0
17	S. 24- PARGANAS	312	297	293	289	286	283	278	268	266	251	233	192	1
18	UTTAR DINAJPUR	98	98	98	98	98	98	98	98	97	96	94	86	0
TOTAL UPLOADED :		335	327	326	326	325	323	322	320	318	314	302	279	15
		1	2	8	0	0	9	7	8	8	1	6	0	

Source: official website of GPMS West Bengal: Visited as on 31-3-2017

4.9 Uploading of 26 in the GPMS (Online)

GPMS is an online portal where the required information is uploaded for e-governance and public interest. The data of the above table is collected on 31-3-2017 from the websites of the department of gram panchayat of West Bengal. Regarding uploading of from 26 the position of the Burdwan district is very good as compare to other district of the state.

Tabel-15		
Upload 26 as on 31-3-2017 of February 2017		
SL. NO.	DISTRICT	Ratio of FEB
1	BANKURA	98%
2	BIRBHUM	88%
3	BURDWAN	97%
4	COOCHBEHAR	71%
5	DAKSHIN DINAJPUR	92%
6	DARJEELING	16%
7	HOOGLY	98%
8	HOWRAH	99%
9	JALPAIGURI	79%
10	MALDA	90%
11	MURSHIDABAD	81%
12	NADIA	91%

13	N. 24-PARGANAS	74%
14	w. IDNAPORE	96%
15	PURBA MIDNAPORE	97%
16	PURULIA	67%
17	S. 24-PARGANAS	62%
18	UTTAR DINAJPUR	88%
TOTAL UPLOADED :		
Sources: Own computation from primary data		83%

Table 15 represents the ratio of 26 uploaded of the February as on 31-3-2017. Out of total 3351 gram panchayats, 2790 gram panchayats have uploaded their form 26 as on 31-3-0217 which represents 83% total gram panchayats have uploaded their form 26 of February as on 31-3-2017. In case of Burdwan district, out of total 277 gram panchayats 268 gram panchayats have uploaded their form 27 as on 31-3-2017 which represents 97% of the gram panchayats of Burdwan District have uploaded their form 26 as on 31-3-2017. So, from this analysis it is clear that the performance of the Burdwan district in respect to uploading form 26 is much better as compare to the average ratio of all the districts of West Bengal

Table-16

**Sub divisional Synoptic Report Of
GPMS Status Of Burdwan**

Block	Total GP	Installed	Excellent	Good	Poor	Not Working	Paperless
Subdivision - Asansol							
BARABANI	8	8	8	0	0	0	8
JAMURIA	10	10	9	1	0	0	10
RANIGANJ	6	6	5	1	0	0	6
SALANPUR	11	11	10	1	0	0	11
Sub Total -	35	35	32	3	0	0	35
Subdivision - Bardhaman North							
AUSGRAM-I	7	7	0	0	0	7	7
AUSGRAM-II	7	7	0	0	0	7	7
BHATAR	14	14	0	1	1	12	14
BURDWAN-I	9	9	8	0	1	0	9
BURDWAN-II	9	9	8	0	1	0	9
GALSI-II	9	9	0	0	0	9	9
Sub Total -	55	55	16	1	3	35	55
Subdivision - Bardhaman South							
JAMALPUR	13	13	13	0	0	0	13
KHANDAGHOSH	10	10	10	0	0	0	10
MEMARI-I	10	10	0	0	0	10	10
MEMARI-II	9	9	0	0	0	9	9
RAINA-I	8	8	8	0	0	0	8
RAINA-II	8	8	7	1	0	0	8

Sub Total -	58	58	38	1	0	19	58
Subdivision - Durgapur							
ANDAL	8	8	8	0	0	0	8
DURGAPUR FARIDPUR	6	6	6	0	0	0	6
GALSI-I	9	9	9	0	0	0	9
KANKSA	7	7	6	0	1	0	7
PANDABESWAR	6	6	6	0	0	0	6
Sub Total -	36	36	35	0	1	0	36
Subdivision - Kalna							
KALNA-I	9	9	0	0	0	9	9
KALNA-II	8	8	0	0	0	8	8
MANTESWAR	13	13	0	0	0	13	13
PURBASTHALI-I	7	7	0	0	0	7	7
PURBASTHALI-II	10	10	0	0	0	10	10
Sub Total -	47	47	0	0	0	47	47
Subdivision - Katwa							
KATWA-I	9	9	0	0	0	9	9
KATWA-II	7	7	6	1	0	0	7
KETUGRAM-I	8	8	8	0	0	0	8
KETUGRAM-II	7	7	7	0	0	0	7
MONGALKOTE	15	15	14	1	0	0	15
Sub Total -	46	46	35	2	0	9	46
Total -	277	277	156	7	4	110	277

Prepared By Computerisation Cell, P&RD

Department

Report Generated On - 31/03/2017 At

9 : 55 AM 02/04/2017 At 8 : 38

AM

Entry Lag Behind Up to 15 Days || Excellent

Entry Lag Behind 16 To 30 Days || Good

Entry Lag Behind 31 To 60 Days || Poor

Entry Lag Behind More Than 60 Days || Not

Working

Chapter 5

Summary, Conclusion and Recommendation

Chapter 5

Summary, Conclusion and Recommendation

5.1 Summary of the Study

The gram panchayats are the local government in Indian villages. They play a vital role for the socio-economic development of the rural economy. In addition to that they implement the different development projects for poverty alleviation, developments and maintenance of village roads, local employments etc as and when undertaken by the central and states governments in India.

A huge amount of public money is expended through the gram panchayats in India. For proper utilisation of public money a sound accounting and control system is essential. Without a sound accounting system it is hardly possible to cater the purpose of Panchayati Raj Institution.

5.2 Summarised Findings of the Study

particulars	Findings
(1) Accounting System	Computerised single Entry System
(2) Journal	Not systematically followed
(3) Ledger	Partially Mentioned
(4) Trial Balance	Not Prepared
(5) Cash book	Double Column Cash book Regularly Prepared

(6) Bank Reconciliation Statement	Prepared
(7) Income Expenditure	Not Prepared in all gram panchayats
(8) Balance Sheet	Not Regularly prepared
(9) Cash Flow Statement	Not Prepared
(10) Accounting Basis	Cash Basis
(11) Internal Control	Absent
(12) Internal Check	Present
(13) Internal Audit	Provision is there PAO
(14) Statutory Audit	External Auditor CAG
(15) Audit Report	Format Oriented
(16) Accountant	Not Specialised
(17) Reporting	Not Regularised
(18) Accounting Standard	Absent
(19) Budgeting	Format Oriented
(20) Stock/Stores Leger	Not maintained

The Gram Panchayats in West Bengal are practicing uniform and harmonised accounting system through Gram Panchayates Management System (GPMS) software. Most of the Gram Panchayats have converted their accounting system from manual to computer based accounting system. All the Gram Panchayats are using PGMS software for recording their day to day transactions. It is compulsory to record all the transactions and upload result in the respective webpage so as to it available to the general public.

GPMS (Gram Panchayat Management System) is a part of the e-Governance initiatives of the Panchayats & Rural Development Department of the Government of West Bengal. It is a program designed in-house by the Computerization Cell of the Department. The prime focus of this software is to standardize the accounting system of the PRIs and to make account keeping easy, transparent and comfortable to the users. Double Entry Cash Basis accounting system is followed in the software.

All the Districts in West Bengal now have considerable numbers of Gram Panchayats using the software on a regular basis. As a direct consequence, improvements, both qualitative and quantitative, in Gram Panchayat Accounting are now clearly visible. It is also open for public in general, especially for people who are interested in electronic Governance.

To make the accounting in Gram Panchayats even more transparent, monthly statements of accounts have also been made available at the website in the form number 26. The concerned Gram Panchayats themselves upload these reports directly to the website. Efforts are on to make the audit reports also available for public viewing.

5.3 Limitations of Accounting and Audit System of Gram Panchayats

From the above findings we can summarised the limitations of gram panchayat accounting system of West Bengal

(1) **Single Entry System:** The single entry accounting system is followed in gram panchayats accounting. As per single entry system all aspects of accounts are not recorded. Rather, very important part of accounts is recorded in this system.

(2) **Absence of Internal Check:** No trial balance is prepared at the end of the working day, week, month or year. As a result, the chance of checking arithmetical accuracy within the accounting system is nil.

(3) **Accountant:** The accounts are prepared by secretary of gram panchayats and qualified accountant is not recruited for the accounting purposes. Professional qualification and technical knowledge of the accountants are poor.

(4) **Cash Basis:** The accounts are prepared following the principles of cash basis. But to exhibit a true and fair position of the financial position of the gram panchayat, the credit transactions need to be considered.

(5) **Auditing:** The audit report is format oriented and the chances of expressing actual audit report is limited. The audit report is not accessible to the general public of the gram panchayat.

(6) **Balance Sheet:** No systematic balance sheet is prepared by the most of the gram panchayats in West Bengal. As a result there is no true and fair position of the assets of the gram panchayat is available. In addition to that there is a chance of inoccupation of public property by selfish public. But if balance sheet is prepared and list of all the social assets are recorded then the chances of misuses and inoccupation of public property will be reduced.

(7) **Cash book:** Double cash book is prepared by the gram panchayats in West Bengal. No general journal is prepared in the case of gram panchayat accounting. As a result there is a chance of not recording all transactions and financial event of the gram panchayat.

(8). **Accounting Standard:** There is no accounting standard so far as like corporate accounting standard but there is some guidelines regarding book keeping.

(9) **Budgeting:** Format oriented budget is prepared traditionally.

(11) **Store Leger:** Stores ledgers are temporarily maintained.

(12) **Bank Reconciliation Statement:** Bank reconciliation statement is regularly prepared to check the cash balance and bank balance in the attached format with the cash book. No separate bank reconciliation statement is prepared.

(13) **Reporting:** The reporting of accounting information is not standardised

(14) **Use of Computer:** Computer is used partially for book keeping but GPMS is not successfully implemented.

5.4 Recommendations

From the above analysis, discussion we have some recommendations regarding system of accounting and control of finance of the gram panchayats of West Bengal which are as follows

(1) **Introduction of Double Entry Rules of Accounting:** Double entry rules of accounting ensure recording of all transaction of the organisation. If accounting system is based on these principles, better accounting may be possible.

(2) **Introduction of Standard Costing:** Standard costing helps in control the cost of every project. If it is implemented, better cost control can be done.

(3) **Introduction of Public Audit:** In public audit system, full utilisation of public money is possible. If it is implemented, better performance can be expected.

5.5 Conclusion

The gram panchayats are the local government in Indian villages. They play a vital role for the socio-economic development of the rural economy. In addition to that they implement the different development projects for poverty alleviation, developments and maintenance of village roads, local employments etc as and when undertaken by the central and states governments in India.

A huge amount of public money is expended through the gram panchayats in India. For proper utilisation of public money a sound accounting and control system is essential. Without a sound accounting system it is hardly possible to cater the purpose of Panchayati Raj Institution.

The accounting and control system of the gram panchayats of West Bengal are inefficient and inappropriate. Basically principles of cash basis are followed for accounting the fund of gram panchayats. The accounting system is generally format oriented. There is a lack of proper control of finances. GPMS have been successfully installed in all the gram panchayats of the Burdwan district. The rate of success of GPMS functioning is also very strong in the case of Burdwan district. There is a provision of audit and controlling of finances in the system of gram panchayats. But due to different reasons the audit system is not up to the requirement and sufficient in the state. Forensic audit system can be introduced and implemented in the auditing system of the gram panchayats of the West Bengal.

References:**Books:**

- (1) Basu Swapna; Contemporary Political and Administration Issues in India, Mitram
- (2) Mukherjee Sakte, Mukherjee Indranai: Political and Administrative Issue in India, Worldpress
- (3) Johari J S; The Constitution of India; Sterlig
- (4) Das Hari; The Political System of India; Anmol
- (5) Avasthi Avasthi; Public Administration in India; Laxmi
- (6) Hajela T N; Public Finance; Ane Books Pvt Ltd
- (7) Bhatia H L; Public Finance, Vikash Publishing Houses Pvt Ltd
- (8) Basu Rumki; Public Administration in India: Sterling
- (9) Masgrave B, Rechard; Public Finance in Theory and Practice; Macgraw Hill Education
- (10) Tyagi B P: Public Finance; Jayprakash Nath and co.
- (11) Basu Asit; Paschim Banga Panchyat Babsta; West Bengal State Book Board
- (12) Chatterjee Biswanath; Paschim Banga Panchyat Babstar Ruporekha; Pragati Publisher

Journals

- (1) Ministry of Panchayati Raj, GOI, (2012) Model Panchayat Accounting Manual.
- (2) John Jacob (2012), “A Study on Effectiveness of Panchayati Raj Institutions in Health Care System in the State of Kerala”
- (3) DUTTA JAYANTA (2013) “Financial Management of Panchayats-An Overview of West Bengal’ ijird.com March, 2013, Vol 2 Issue 3
- (4) Ghatak & Ghatak, (2002)'Recent Reforms in Panchayat System in West Bengal', E&PW, Jan 5-11,2002, pages 45-58
- (5) Government of Rajasthan, '*Administrative Reforms Commission, Reports on Panchayati Raj in Rajasthan*', Vol-II, 2001
- (6) *Report of different Finance Commissions*
- (9). Datta, P. and Pramanick S., Panchayats and People. The West Bengal Experience. Kolkata. Sarat Book House.
- (8.) Government of West Bengal, Annual Administrative Report, PRD Deptt.
- (9) Government of West Bengal, West Bengal. Panchayat Act, 1973.
- (10) Jha, S. (2002). Strengthening Local Governments: Rural Fiscal Decentralization in India. Economic and Political Weekly, June 29, 2611-2623
- (11) Rajaraman,I.,(2003). A Fiscal Domain for Panchayats. New Delhi. Oxford University Press.
- (12) Singh, S (2004). Panchayati Raj Finances in Madhya Pradesh, New Delhi. Concept Publishing House

Websites Visited:

- (1) <http://www.ingaf.in/>
- (2) www.wbprd.gov.in/
- (3) www.wbfin.nic.in
- (4) <https://wbfin.wb.nic.in>
- (5) [*http://westbengal.gov.in*](http://westbengal.gov.in)
- (6) <https://deowestbengal.wordpress.com>
- (7) www.wbpublibnet.gov.in

Annexure:1

LIST OF GP PHYSICALLY VISITED FOR DATA COLLECTION

S.NO.	NAME OF GRAM PANCHYATs
1	NARUGRAM GRAM PANCHAYAT
2	PALASHAN GRAM PANCHAYAT
3	PAINTA II GRAM PANCHAYAT
4	PAINTA -I GRAM PANCHAYAT
5	GOTAN GRAM PANCHAYAT
6	KAITI GRAM PANCHAYET
7	PAHALLANPUR GRAM PACNHAYET
8	UCHALAN GRAM PANCHAYET
9	BARBAINAN GRAM PANCHAYET
10	ARUI GRAM PANCHAYET
11	SRIKHANDA GRAM PANCHAYAT
12	KOSHIGRAM GRAM PANCHAYAT
13	HIJALNA GRAM PANCHAYET
14	SANKARI-II GRAM PANCHATET
15	NATU GRAM PANCHAYAT
16	SANKARI-1 GRAM PANCHAYAT
17	BERUGRAM GRAM PANCHAYET
18	KAIYAR GRAM PANCHAYET
19	UKRID GRAM PANCHAYET
20	SHYAMSUNDAR GRAM PANCHAYET
21	RAINA GRAM PANCHAYET
22	GOPALBERA GRAM PANCHAYET
23	SEHARA GRAM PANCHYAT
24	SAGRAI GRAM PANCHYAT

Annexure:2

QUESTIONNAIRE USED FOR PRIMARY DATA COLLECTION

**SYSTEM OF ACCOUNTING AND CONTROL OF FINANCE OF THE GRAM PANCHAYATS
IN WEST BENGAL-A CASE STUDY FOR BURDWAN DISTRICT**

QUESTIONNAIRE FOR DATA COLLECTION

NAME OF GRAM PANCHAYAT:.....

NAME OF PANCHAYAT SAMITI:.....

POST OFFICE:.....

Part-A

ACCOUNTING

- 1. ACCOUNTING: FULLY COMPUTERISED/PARTLY COMPUTERISED**
- 2. NAME OF COMPUTER SOFTWARE: GPMS/OTHER.....**
- 3. ACCOUNTANT (QUALIFICATION/TRAINING).....**
- 4. PAYMENT / CASH PAYMENT LIMIT.....**
- 5. BUDGET TIME (FREQUENCY).....**
- 6. REPORTING OF FINANCIAL RESULT.....**
- 7. HARD COPY OF CASH BOOK/B.R.S.....**
- 8. REGULAR JOURNAL IS MAINTAINED.....**
- 9. BALANCE SHEET IS PREPARED/NOT.....**
- 10. INCOME & EXPENDITURE ACCOUNT IS PREPARED OR NOT.....**

Part-B

AUDITING

1. SIGNATORIS OF CASH PAYMENT.....
2. SIGNATORIES OF CHEQUE PAYMENT.....
3. NATURE OF TENDER FOR PURCHASE (E-TENDER/HARD).....
4. EXTERNAL AUDIT AGENCY.....
5. I NTERNAL AUDIT AUTHORITY.....
6. ANALYSIS OF INTERNAL AUDIT REPORT.....
7. ANALYSIS OF EXTERNAL AUDIT REPORT.....
8. INTERNAL CHEECK.....
9. EXPENDITURE AUDIT.....
10. GENERAL DISCLOSURE OF AUDIT REPORT.....

DATE-----SIGNATURE