

Rural Development and Panchayat Raj (PR2) Department

G.O.Ms.No.175

Date: 14.11.2008

Read:

1. G.O.Ms.No.189, Rural Development Department, dated 14.9.1992.
2. G.O.Ms.No.244, Rural Development Department, dated 1.8.1997.
3. G.O.Ms.No.265, Rural Development Department, dated 21.12.1999.
4. G.O.Ms.No.59, Rural Development Department, dated 7.3.2000.
5. From the Commissioner of Rural Development and Panchayat Raj
Lr.No.77449/08/PR.I-1-4, dated 20.10.2008.

ORDER:

In the G.O. first cited the Government approved the draft format prepared by the Commissioner of Rural Development for Annual Settlement of Panchayat Accounts as in the case of Annual settlement of Revenue accounts in Jamabandhi. The Government also issued the following instructions to all Collectors in this regard for strict adherence :-

- (1) The Programme for the Annual Settlement of Accounts during April and May in each year should be drawn Panchayat union wise by the District Collector during March every year.
- (2) The Programme should be published in Local District Gazette before 31st March as in the case of Jamabandhi;
- (3) The Programme should be made known to the public by beating tom-tom in Village Panchayats;
- (4) Atleast a minimum of 7 Panchayats (but not exceeding 10 Panchayats) in a panchayat union should be fixed for each day according to the local circumstances to the Settlement Officer;
- (5) The Programme should be arranged in such a way that the accounts of all the Village Panchayats in a Panchayat union should be completed within a spell of five days time;
- (6) The last day of the Programme should be made as a public grievance day with regard to the developmental activities undertaken in the area and to the civic needs of rural folk; and
- (7) The District Collectors should be made responsible for 100% collection of Panchayat Taxes.

2. The Commissioner of Rural Development and Panchayat Raj has stated that the Annual Settlement of Panchayat Accounts was introduced at a time when there were no elected Local Bodies. The Panchayat Administration was managed by the Special Officers in the rank of Block Development Officers between 1991-96. However, consequent to the Constitution (73rd Amendment) Act, 1992 and the enactment of Tamil Nadu Panchayats Act, 1994, elected representatives have assumed office in the rural Local Bodies in the year 1996. In a democratic system there are certain inherent checks and balances in the form of elected Local Bodies consisting of elected representatives

who act as a watch dog in preventing misappropriation of Panchayat funds. In addition to this, the Audit of Village Panchayat Accounts has been elaborately strengthened over a period of time as is given below:

- (i) The system of Audit of Village Panchayat Accounts has been introduced and Deputy Block Development Officer has been designated as the Audit Officer;
- (ii) Whereas there was no separate District Level Officer earlier to exclusively supervise the audit of rural Local Bodies, a district level post of Assistant Director (Audit) has been created for monitoring the progress of audit of Village Panchayats accounts by the Audit Officer and to take follow up action on audit reports;
- (iii) Cent-Percent Audit is undertaken by the Audit Officer, i.e., the Deputy Block Development Officer and test audit of 10% of Village Panchayat accounts is taken up by Assistant Director of Rural Development (Audit). The Local Fund Audit and Accountant General also undertake test audit in Village Panchayats;
- (iv) The Grama Sabha functions as a forum of Social Audit of Village Panchayat accounts. It is conducted atleast four times in a year i.e., on 26th January, 1st May, 15th August and 2nd October. The Annual audit of Village Panchayat accounts of the previous year is completed by 30th September of the succeeding year and placed for scrutiny and review of Grama Sabha on 2nd of October every year; and
- (v) There is, however, no similar audit mechanism at various levels in the case of Revenue Accounts as is the case of Village Panchayat accounts and hence the Jamabandhi system is still in vogue in the Revenue Department.

3. The Commissioner of Rural Development & Panchayat Raj has also stated that in the present scenario, the Annual Settlement of Panchayat Accounts by the Jamabandhi Officers does not contribute any value addition for the betterment of Panchayat Administration. The Jamabandhi is attended only by the Panchayat Assistant and not by the Village Panchayat President who is the Executive Authority. Hence, Jamabandhi has merely degenerated into a ritual and only serves as a breeding ground for corruption. The duplication of effort and wastage of time in Jamabandhi can be avoided and the field officers better utilized in their regular works. In the above circumstances the Commissioner of Rural Development & Panchayat Raj has requested the Government to issue necessary orders dispensing with the Annual Settlement of Panchayat Accounts which has become redundant in the changed circumstances.

4. The Government have carefully examined the proposal of the Commissioner of Rural Development & Panchayat Raj and decided to accept it and accordingly order that the Annual Settlement of the Panchayat Accounts introduced in the G.O. first read above hereby dispensed.

(BY ORDER OF THE GOVERNOR)

K.ASHOK VARDHAN SHETTY,
PRINCIPAL SECRETARY TO GOVERNMENT.