

20. ACCOUNTS AND AUDIT

20.14 Rationalization of Village Panchayat Accounts - Introduction of new system of Accounts - Forms and Registers to be maintained at the Village Panchayat Office

Rural Development (C.III) Department

G.O. (Ms) No. 92

Dated : 26.03.1997

Read :

1. D.O.Letter No.35131/C3/96-1, dated:20.09.1996.
2. From the Director of Rural Development, Chennai - 15, D.O.Ir.No.80412/PCA-1/96, dated:11.03.1997.

ORDER

In pursuance of Government directions, to set up a Committee to revise the existing accounting procedures of panchayat and panchayat union level and to suggest the accounting procedure for district panchayat level, the Director of Rural Development has constituted a committee to suggest revision of existing accounting procedure of Village Panchayat, Panchayat Union and District Panchayats in the context of three tier system of rural local bodies formed after the recent Panchayat Elections. The committee, after detailed discussions and consultations with both officials and non-officials, has finalized its report on the Rationalisation of Village Panchayat Accounts "along with a set of thirty one village panchayat Forms, to be maintained at the Village Panchayat office.

2. The Government after careful consideration have decided to accept the above said report of the committee. The accounting procedure in Annexure-1 and the Village Panchayat Accounting forms in Annexure-2 will come into effect from 01.04.1997.

3. This Government order will supersede all existing Government orders in regard to Village Panchayat Accounting procedures. Orders regarding technical supervision, preparation of estimates calling for tenders wherever necessary, check measurement etc. will remain in force.

4. The orders regarding rationalization of panchayat Union accounts and accounting procedure for newly formed District panchayat will be issued separately.

5. This orders issues with the concurrence of the Finance Department - vide its U.O.Ms.No.2-7-/ADS/(TP)/97/dated:25.03.1997.

(By order of the Governor)

S. NARAYAN

SECRETARY TO GOVERNMENT

ANNEXURE-I**Introduction**

At present, the panchayat union office functions as a 'Quasi bank' for all the Village Panchayats and there is a Village Panchayat Consolidated fund (LF-II) maintained at the Union office. The taxes, fees etc. collected by the Village Panchayats are remitted to panchayat union treasury. Government grants assigned revenues are adjusted initially to the panchayat Union General Fund (LF-I) and subsequently to the Village Panchayat consolidated Fund (LF-II) and apportioned among the various Village Panchayats. On the payments side the Panchayat Union commissioner (P.U.C.) who is the custodian of the Village Panchayat pay order Books (which are like cheque books) issues one book at a time to the Village Panchayat presidents. The Village Panchayat President, who is also the Executive Authority, issues these pay orders to third parties (or sometimes to self) for making payment for works done items purchased. These have to be presented at the panchayat union Treasury for receiving payment. There is pre-scrutiny of each and every pay order and the related voucher by the Extension officer (panchayats) and by the panchayat Union commissioner and only thereafter they are forwarded to the panchayat union treasury for making payment. Where works are involved, the pay Order and the related vouchers presented by the Village Panchayat president, are also scrutinised by the overseer/Union Engineer besides the Extension officer (Panchayat) and the Panchayat union commissioner.

Under the present system, the Village Panchayats are not free to be anything on their own, and are dependent upon the bureaucracy in the panchayat union office especially the extension officer (Panchayat) and panchayat union council there is also not much transparency in the functioning of the Village Panchayats as most of the relevant accounts and registers are maintained at the Block office. Although he collector has been designated as the Inspector of Village Panchayats, the reporting cum-monitoring mechanisms are weak and the collector is not able to discharge his role as 'Inspector' effectively. While giving Village Panchayats the freedom and the flexibility to transact their own business, it is also necessary to ensure greater transparency in their functioning or the benefit of not only the members of the panchayat but also the general public of the village.

After the introduction of the Tamil Nadu panchayats Act 1994, the Village Panchayat Presidents are no longer represented on the panchayat union council and there is no organic linkage between the Village Panchayats and Panchayat Union.

New system of Accounts.

It has now becomes necessary to delink the accounts of a Panchayat Unions and Village Panchayats, independently to permit the Village Panchayats to operate their funds subject to inspections and Audit.

To do away with the pre-scrutiny by the E.O.(P) and P.U.C. of each and every bill of the Village Panchayats before making payments. To permit the taxes, fees etc., that are collected to be remitted into a local Bank account in the name of the Village Panchayat instead of the panchayat union treasury.

And to provide for the direct to adjustment of the grants and assigned revenues due to Village Panchayats without routing the same through panchayat union accounts.

Under the revised systems of maintenance of Village Panchayat accounts now proposed, each Village Panchayat will have 3 bank accounts:-

1. Village Panchayat fund Account.
2. Village Panchayat Earmarked grants Account.
3. Village Panchayat Scheme fund Account.

20. ACCOUNTS AND AUDIT

These Accounts may be permitted to be opened in a branch of any co-operative bank, any branch of Regional Rural Banks, Post Office savings Bank Nationalised Bank, in the above order or priority, depending upon the convenience of the Village Panchayat, either in the same village or in the nearby village. There should be a separate Cash Book for each of these 3 accounts. Monthly reconciliation of the closing balances as per these 3 cash books and as per the 3 bank pass books should be done systematically by the President. All the accounts should be jointly operated by the president and the vice-President. In exceptional cases, where there is adversarial relationship between the President and the Vice-President the panchayat, may by a resolution authorities any other member other than the vice president to jointly operate the account along with the president. Provided that prior approval of the Inspector of panchayats (District collector) will be obtained for this.

3. Village Panchayat Fund Accounts:-

3.1 The following are the receipts that will go into this Accounts:-

TAXES

1. House Tax.
2. Profession tax, etc.

FEES

1. Fees on bus stand, cart stand, etc.
2. Private conservancy charges & cess pool fees.
3. Fees on village markets etc.

FINES

1. All fines & penalties levied by or on behalf of the Village Panchayat.

MISCELLANEOUS REVENUE

1. Fishery rentals
2. Income from avenues trees, topes and social forestry plantations.
3. Income from ferries.
4. Income from remunerative assets like shopping complexes, shandies, etc.
5. Income from investments.
6. Loans and advances to the Village Panchayat etc.

ASSIGNED REVENUES

1. Local Cess
2. Duty on transfer of property
3. Entertainment Tax.
4. Seigniorage fess on minor minerals-used in roads-/ buildings (other than granite)
5. 2-c Tree. Tax
6. Magisterial fines.
7. Fees for D&O Trade licenses, Building license & layout approvals, licenses under T.N.Places of Public Resort Act,1888- levied and collected by the P.U. and assigned to the respective Village Panchayats.

GOVERNMENT GRANTS

1. House Tax Matching Grant.
2. Hand pumps and Power pumps maintenance grant
3. Street lights maintenance grant for weaker panchayats.

OTHERS

Any other revenue under section 188 of the Tamil Nadu Panchyats Act, 1994.

From 1997-1998 onward each Village Panchayat will be getting a grant based on the recommendations of the State Finance commission (SFC) and all the above grants may be subsumed under the SFC grant - which will be the major grant. If the State Government were to stipulate that a part of the SFC grant be earmarked for specific purposes, then this part of the SFC grant should be credited to the 'Earmarked grants Account' and only the remaining "untied component" should be credited to the "VP fund Accounts".

3.2 Henceforth, the panchayat Assistant / Part time clerk should remit all the daily collections of taxes, fines and miscellaneous receipts, on the very next day into the village, Panchayat 'Fund Account' in the local Bank branch. However in cases, where the Bank branch is more than 5 kilometres away from the Village Panchayat, remittances may be permitted to be made once a week, if the total amount unremitted does not exceed Rs.1000/- at any time. There are 3 types of receipts for House Tax, for profession tax, and for Miscellaneous receipts. These can continue with a few modifications (new V.P. Form No.2, 4 & 5) Receipts should be issued only when payments are made in cash or by D.D. if payment are made by cheque, only and acknowledgement for the cheque should be initially given, and the receipt given has been realised no part of the receipt shall on any only after the cheque has account be kept back or appropriated directly for current expenditure.

3.3 Regarding assigned revenues and grants, consequent upon the delinking of the Panchayat Union and Village Panchayat Accounts, these should not be routed through the panchayat Union Fund (LF-I) any longer. Instead, the assigned revenues and grants payable to the Village Panchayats should be released directly to the Village Panchayat 'Fund Account' by the collector or the officer concerned who is releasing the funds. As regards 'duty on transfer of property 'Entertainment tax' and "magisterial fines", the release is presently being made directly to the Panchayat Union LFI by the District Registrar, Assistant Commissioner (CT) and the Chief Judicial Magistrate concerned. Under the proposed system, these officers should be asked to authorize the P.A.(PD) to the collector to draw and release the amounts. The P.A.(PD) should work out the shares of the various Panchayat Unions and Village Panchayats, and release their respective shares directly from the collectorate itself through D.D. In respect of Local cess, seigniorage fees on minor minerals, House tax matching grant (which will be subsumed under the SFC's Incentive - cum equalization fund), SFC grant and any other grant, the P.A. (PD) should again work out the shares of the various Village Panchayats, and release their respective shares directly from the collectorate itself through D.D.

3.4. The Village Panchayat will have total autonomy in the operation of Village Panchayat Fund accounts and the panchayat can accord administrative sanction for both capital and maintenance works without any limit. No expenditure can be incurred or payments made by the Executive Authority (President) unless he obtains the prior administrative sanction of the Village Panchayat (by way of a resolution duly passed) even if the necessary budget provision has been made. If in an emergency the president makes a payment without the panchayat's prior resolution, he should get it ratified at the very next meeting of the Village Panchayat; failure to do should be viewed as a serious lapse. The only cases where the President can make payment without the Village Panchayat's prior administrative sanction are:-

1. Payment of salaries to the existing staff (duly appointed) of the Village Panchayat.
2. Payment of electricity charges.
3. Refunds of taxes, return of deposits of contractors etc. which the village Panchayat is obliged to do.

20. ACCOUNTS AND AUDIT

4. Payments under a degree of order 06 civil court.
5. Contributions payable to any body under the directions of the Government.

3.5 Every payment charged to this fund should be supported by a bill or a Voucher, prepared and signed in ink, and should bear an order of the President to pay the specified amount, which should be expressed both in figures and words. An endorsement of payment should be made on every bill noting the number and date of the cheque and the same should be attested by the President. Acknowledgement of the person (with date) to whom or on whose behalf the payment is made should be obtain on the voucher, All payments should be made only by cheque, the only exception to this are small payments which may be paid in cash by the President (after drawing a self cheque for amount not exceeding Rs.300/- at a time) These drawals by self cheque should be treated as "advances to the President" and they should be entered in the "Advances Recoverable Register" (New V.P.Form No.12) and their adjustment watched.

3.6. While making payments, entries should be mad not only in the VP fund Cash Book (New V.P. Form No.11) but also in the 'classified Register of Payments' (New V.P.Form No.13) in which the entries are made head - of - expenditure wise and from which the amounts allocated under each head, amount spent and balance can be readily obtained. This is necessary to ensure financial discipline so that budgetary/administrative sanctions are not exceeded.

3.7. Civil works will be carried out only by calling for tenders / quotations except in the cases of those scheme works where engaging of contractors is prohibited. An, endorsement of payments for civil works should be made by the President only after they are measured and check measured by the Engineers concerned. Small works not exceeding Rs.2000 at a time and not exceeding Rs.5000 in a year may be permitted to be executed by the President with the approval of the Village Panchayat but without any estimates and measurements and subject to production of vouchers only.

3.8. Barring the exceptional cases discussed above, in all other cases payments, should be made only after the preparation or detailed estimates and the recording of measurements and check measurements by the engineers concerned.

3.9. All the vouchers, bank pass books, cheque books, registers and other records relating to the "VP fund Account" (including those relating to capital and maintenance works executed through this fund) should be maintained at the Village Panchayat office itself and should be produced at the time of inspections and Audit.

3.10. The Dy. BDO is hereby given the responsibility exercised by the Extension officer (Panchayats) and redesignated as Dy.BDO (Pts.) One of the main duties of the Dy.BDO (Pts.) will be to bring to the notice of the Inspector any irregular resolution of the village Panchahyat or cases of defalcation of panchayat funds for taking appropriate action under the Act. The Dy.BDO (Pts.) should inspect all the panchayat in his jurisdiction at least once in a quarter. The Dy.BDO (Pts.) should complete the annual Audit of all the Village Panchayat between the 1st may and the 31st of July of the following year.

Earmarked grants Account:

4.1. The Tenth Finance Commission's grant to rural Local Bodies which can be spent only on capital works and not on maintenance/establishment is a typical example of an earmarked grants. The grant for funeral expenses of Adi-Dravidas is another. As a general rule, all grants in the form of "tied funds" (other can centrally sponsored scheme funds) should go into the "Earmarked grants account" while all grant in the form of "untied funds" should go into the "V.P. fund account". The grants will be released by the Collector directly the Village Panchayats without routing the same through Blocks.

4.2 In order to avoid multiplicity of Accounts at the Village Panchayat level, different types of "earmarked grants", will all go into this one account and their will be a single cash book for this account (New V.P. Form No.23). In order to ensure that there is no internal diversion from one grant-head to another a "Register of classified Receipts and payments" (New V.P. Form No.24 is

being prescribed. In this register, there are separate folios for each type grant and details of the amount received, the amount spent and balance are entered for each grant separately.

4.3. The "Earmarked grants Account" will also be operated by the President of the Village Panchayat which should be able to accord administrative sanction without any limit for both capital and maintenance works undertaken out of these funds (unless the Government has stipulated that the sanction of some other authority is required); all the relevant vouchers, registers and other records should be maintained only at the Village Panchayat office, and the Audit of this account will be done by the designated officer through the Dy.BDO(Pts.) and the panchayat officers. Wherever civil works are to be carried out it will be only by calling for tender/quotations as in the case of VP fund works.

5. Scheme fund Account:

5.1. The 'Scheme fund Account' already exists in our state and each Village Panchayat is operating this account in a Post Office Savings Bank and its share of JVT funds is deposited in it. The JVT guidelines permit the village Panchayats to open an account either in a Nationalised Bank or in a Post office savings Bank. As difficulties have been experienced in operating the Post office savings Bank Account, the Village Panchayats can open the accounts in a branch of Nationalised Bank or of Co-Operative central Bank or in a post office savings Bank depending upon their convenience, within the same village or in a neighboring village. The JVT guidelines stipulate that this account should be operated jointly by the Village Panchayat President and one other member authorised by the Village Panchayat. Since the Vice-President of the Village Panchayat is indirectly elected from among the members of the Village Panchayat, in this state, we have issued instructions to the effect that the "Scheme fund Account" should be operated jointly by the President and Vice - President.

5.2. Funds under the following centrally sponsored schemes will go into this Accounts:-

1. JVT
2. IAY
3. CRSP
4. Any other scheme that may be entrusted to the Village Panchayats from time to time.

There will only be a single 'Scheme fund Account' and the funds released for the above mentioned schemes will all go into this one Account and there will be a single Cash Book for this Account (New V.P. Form No.26) while all Village Panchayats will receive funds under JVT, only some will receive funds under IAY or CRSP in a year. A "Register of classified Receipts and Payments" (New V.P. Form No.27) should be maintained for this Account also. In this register, there are separate folios for each scheme and the details of the funds received both in cash and in kind (as centralized purchases of steel, cement, doors, windows, bitumen etc.) at the district level are common under these schemes) - the funds spent and balance are entered for each scheme separately.

5.3. In the case of JVT and other centrally sponsored schemes, funded through DRDA, while the Village Panchayats can choose works within their allotted funds (subject to the guidelines) the plan has to be approved by the DRDA Governing Body. In order to avoid delays in granting administrative sanction by the Collector, it may be laid down that if the orders are not received within 30 days from the date of receipt of proposals from the Village Panchayats, administrative sanction is deemed to be given. In order to avoid delays in transit, Village Panchayats may be permitted to send their proposals directly to the Collector, marking a copy to the ABDO (Schemes).

5.4. There will be a major difference in the operation of the "Scheme fund Account" and the other 2 Accounts. Apart from the fact that the Village Panchayat cannot accord administrative sanction for the works at its level, in as much as the works under JVT, IAY, CRSP etc are supposed to be executed through the Village Panchayat, (here it is performing as 'agency function') it may not be appropriate for the Village Panchayat itself to pass orders for payment. Also, the reporting and monitoring of the works will be cumbersome, if the records are scattered over several Village Panchayats. So in respect of the scheme Account while the Bank account will be maintained at the Village Panchayat level and operated jointly by the President and the Vice-

20. ACCOUNTS AND AUDIT

President, no payment will be made unless the work has been duly measured and check measured by the engineers concerned and the bill has been passed by the ABDO. In other words, the President and Vice President cannot issue a cheque unless these formalities have been completed. The Estimates and Allotment Registers, M-Books, Voucher and the files concerned will be maintained at the Block office under the custody of the ABDO. However, for the use of the Village Panchayat a register called 'Scheme works Register' (in the new V.P. Form No 28) is being prescribed. When a bill is passed by the ABDO, he will forward the same alongwith the M-Book to the Village Panchayat Presidents who will make the payment and then return the voucher along with M-Book to the ABDO for safe custody and for the production of records to LF Audit. This procedure is currently in vogue and need not be disturbed.

5.5 A question has been raised as to whether the President and Vice President cannot issue a cheque without the passing of the bill by the ABDO, as the Banker will not be aware as to whether or not all the formalities were followed before the issue of the cheque. As all the relevant records, including the bills and M-Books, pertaining to scheme fund works are maintained only the Block office, the president and Vice president cannot issue a cheque in isolation and in the absence of the records. If they were to do it should be construed as a case of defalcation.

6. Simplification of the procedure for the passing of Village Panchayat Budget.

6.1 The Village Panchayat budget should be in the new form V.P. form 31

6.2 The Dy.BDO is notified as the 'prescribed officer' under section 192 of the Tamil Nadu Panchayats Act, 1994. If the Dy.BDO (Pts.) does not communicate his remarks within 15 days of the receipt of the draft budget proposals, it will be construed that he has no remarks to offer and the Village Panchayat will be free to proceed further.

6.3. The draft budget should be prepared before the 31 December of the financial year immediately proceeding the year for which the budget is being passed, the Village Panchayat should pass its budget before 28 February and a copy of the approved budget must be sent to the Collector/ Inspector within 7 days of the passing of the budget, with a copy to the Dy.BDO (Pts.)

6.4 The budget should be placed before the Grama Sabha, before 31st March. The Audited accounts of the Village Panchayat should be placed before the Grama Sabha before 30 September of the year following the financial year.

7. Ensuring greater transparency in and better monitoring of village panchayat transactions:-

A Consolidated Monthly statement of classified Receipts and payments for all the 3 accounts (in new V.P. Form No.30) should be compulsorily placed before the Village Panchayat at its monthly meetings by the President and after approval, the same should be sent to the Inspector (with a copy to the Dy.BDO (Pts.) within 7 days of the meeting of the Panchayat.

8. Simplification of Forms and Registers:

As per the Manual on Panchayat Administration (Please see pages 534, and 535 of part II of the Manual) as many as 60 Village Panchayat form (Called V.P. forms) have been prescribed to be maintained at the Village Panchayat level itself. These have now been revised into 31 forms listed below.

The revised set of 31 V.P. forms are indicated below. Specimen formats may be seen in Annexure-II.

FORMS AND REGISTERS TO BE MAINTAINED AT THE VILLAGE PANCHAYAT OFFICE

1. V.P.Form No.1 : House Tax Demand Notice
2. V.P.Form NO.2 : House Tax Receipt
3. V.P.form No.3 : House Tax (Arrear & Current)Demand Register (Note : A revised form is being prescribed, in which through a fly leaf system, the DCB details each assessee for 5 years, for both arrears and current demand, are shown in a single register. It obviates the need to rewrite the register every year bringing forwarded the arrear cases - which is not properly done at present. It will reduce the work load and at the same time. keep track of the arrears of each assessee.)
4. V.P.Form NO.4 : Profession Tax Receipt.
5. V.P.Form No.5 : Profession Tax (Arrear & Current) Demand Register.
6. V.P.Form No.6 : Miscellaneous Receipt.
7. V.P.Form No.7 : Taxes and Miscellaneous items collection Register.
8. V.P.Form No.8 : Grants and Assigned revenues Receipts register.
9. V.P.Form No.9 : V.P. fund chitta.
10. V.P.Form No.10 : Miscellaneous Demand, collection and Balance Register.
11. V.P.Form No.11 : Cash Book (Village Panchayat Fund Accounts)
12. V.P.Form No.12 : Advances Recoverable Register
13. V.P.Form No.13 : Register of classified payments (or) Bills passed Register.
14. V.P.Form No.14 : Acquaintance Register
15. V.P.Form No.15 : Register of Estimates and allotments (VP fund account)
16. V.P.Form No.16 : Master Register of village panchayat assets.
 - V.P.Form No.16 (a) : Drinking water wells,
 - V.P.Form No.16 (b) : Hand Pumps
 - V.P.Form No.16 (c) : Power Pumps
 - V.P.Form No.16 (d) : Street Lights
 - V.P.Form No.16 (e) : Roads & culverts
 - V.P.Form No.16 (f) : Village ponds and ooranies
 - V.P.Form No.16 (g) : Remunerative buildings,
 - V.P.Form No.16 (h) : Other Buildings
 - V.P.Form No.16 (i) : Avenue trees, Orchards & Social forestry plantations.
 - V.P.Form No.16 (j) : Vested Porombokes
 - V.P.Form No.16 (k) : Tools and plants.
 - V.P.Form No.16 (l) : Invesments.

Note : The no. of assets under each category will very few so having separate register for each is unnecessary and will needlessly increase number of registers. Therefore, a consolidated register with 10 pages for each category of assets is being prescribed. The details of all the assets of the Village Panchayat will be available in this one volume)

20. ACCOUNTS AND AUDIT

17. V.P. Form No.17 : Register of Maintenance
V.P. Form No.17(a) : Hand Pumps Maintenance
V.P. Form No.17(b) : Power pumps Maintenance
V.P. Form No.17(c) : Monthly survey of burning / non- burning street lights.
V.P. Form No.17 (d) : street light maintenance
V.P. Form No.17 (e) : Maintenance / upgradation roads.
- Note : These are the items of maintenance work that need to be done at the Village Panchayat Level. For the same reasons as indicated in the 'note' under V.P. form No. 17, a consolidated register with 20 pages for each category is being prescribed. The details of all the maintenance works done in a Village Panchayat will be available in this one volume.
18. V.P. Form No. 18 : Stock Register of Street Lights materials, hand pump spare parts, public health materials and other consumable items.
19. V.P. Form No.10 : Voucher
20. V.P. form No.20 : Stock Register of Money Value forms M-Books, contract forms, etc.,
V.P. Form No.20 (a) : House Tax receipt books
V.P. Form No.20 (b) : Profession Tax receipt books.
V.P. Form No.20 (c) : Miscellaneous receipt books.
V.P. Form No.20 (d) : M-Books
V.P. Form No.20 (e) : Contract forms
V.P. Form No.20 (f) : Security deposits.
V.P. form No.20 (g) : Stock Register of stationary items.
- (Note : A consolidated register with 15 pages for each type of form/book Prescribed)
21. V.P. Form No.21 : Dead stock Register
22. V.P. Form No.22 : Stock Register of central, steel, Bitumen, Doors, Windows and other Materials used in civil works.
23. V.P. Form No.23 : Cash Book (Earmarked Grants account)
24. V.P. Form No.24 : Register of classified Receipts and Payments. (Earmarked Grants Accounts)
25. V.P. Form No.25 : Register of Estimates and Allotment (Earmarked Grants Account)
26. V.P. Form No.26 : Cash Book (Scheme fund Account)
27. V.P. form No.27 : Register of classified receipts & Payments. (Scheme fund Account)
28. V.P. Form No.28 : Scheme works Register.
29. V.P. Form No.29 : Scheme Beneficiaries Register
V.P. Form No.29(a) : IRDP
V.P. Form No.29 (b) : IAY (Group Houses)

20. ACCOUNTS AND AUDIT

- V.P.Form No.29 (c) : CRSP (Individual Household latrines)
V.P.Form No.29 (d) : Any Other.

(Note : As the Number of under each category are few, a Consolidated register is being prescribed)

30. V.P.Form No.30 : Monthly statement of classified Receipts & expenditure for all the 3 Accounts to be sent to the Inspector after the approval of the Village Panchayat.
31. V.P.Form No.31 : Model Form for preparation of the Village Panchayat Budget.

9. Suggested responsibilities of the B.D.O/P.U.C:-

After the delinking of the Village Panchayat Accounts and the P.U. Accounts as suggested above, the BDO/P.U.C. will stand divested of all his responsibilities with regard to Village Panchayat administration. The BDO/P.U.C will hereafter confine himself to Panchayat Union administration and the implementation of Noon Meal Programme, Small Savings, Social Welfare Schemes Eye camps, and execution of works entrusted to panchayat Unions under DDP and MPLAD.

Recently as per G.O. (Ms) No. 50 R.D. Department dated:24.02.1997, Government have appointed two Makkal Nala Paniyalargal one male and one female for each Village Panchayat and have prescribed certain duties and responsibilities for them. It is suggested that the services of these two personnel may also be utilized by the Village Panchayat Presidents for the proper recording of the day to day transactions of the Village Panchayats.

10. Date of coming into effect of the new system of Accounting for Village Panchayats

The new system of Accounts together with the 31 V.P.Forms will be brought into effect from 01.04.1997.

S. NARAYAN

SECRETARY TO GOVERNMENT