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E-Accounting Initiatives through Gram Panchayat Management System (GPMS) in Gram Panchayats in West Bengal-A Case Study on Burdwan District

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Abstract:
The accounting system of the Gram Panchayats of West Bengal has been change substantially from traditional system to electronic platform. The Gram Panchayats in West Bengal are practicing uniform and harmonized accounting system through Gram Panchayats 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.
In this study an attempt has been made to assess to practical aspect of Gram Panchayat Management System software in the Burdwan District in West Bengal.

Keywords: GPMS, Panchayat, Burdwan, E-Accounting

1. Introduction

India is a village based federal country. Gram panchayat is the basic unit 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.

A huge amount of public money is spent through the gram panchayats. The expenditure budget of panchayats is noticeable and increasing day by day. A good accounting and controlling system strengthens the base and objectives of every institution. The same is true for the gram panchayats also. For the purpose of easy, transparent and standardized accounting practices computer based accounting system has been introduced in West Bengal. The Panchayats & Rural Development Department of the Government of West Bengal has designed Gram panchayat Management Software and frame a department to monitor the system.

1.1. Objectives of the Study
Reviewing the system of accounting and reporting of the gram panchayats of the Burdwan District in West Bengal.

1.2. 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) analyzed 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" analyzed 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.

2. Data Collection and Methodology
Data have been collected from the gram panchayats of Burdwan district belonging to the south Damodar region. For the purpose of collection of data 10 gram panchayats have been taken for consideration. In addition to that data has been collected from the websites of the Department of Panchayats & Rural Development of the Government of West Bengal and Burdwan District. After data collection and data compilation, the system of accounting and reporting of finance is summarized. Finally, a study of accounting system of finance of gram panchayats of the Burdwan District has been made comparing with West Bengal in total.

2.1. Overview of Gram Panchayats in West Bengal
In West Bengal, at presents, 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. In Burdwan there is 31 blocks, 277 gram panchayats.

2.2. Accounting System of Gram panchayats in West Bengal
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 panchayat*s* 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.

2.2.1. Maintenance of Accounts of *Gram Panchayat*
(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 ofthe 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. Incase 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 grampanchayat 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 clossing 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 accountis 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 vouchersin 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 Gram Panchayat Management System (GPMS) has been introduced in recent past (2009). Most of gram panchayats have been implemented the GPMS successfully.

2.3. Gram Panchayat Management System (GPMS)

GPMS (Gram Panchayat Management System) is an e-Governance initiative of the Panchayats & Rural Development Department of the Government of West Bengal. The program is designed in-house by the Computerization Cell of the Department. The main objective of this software is to standardize the accounting system of the Panchayati Raj Institution and to make account keeping easy, transparent and comfortable to the users. The principal of Double Entry Cash Basis accounting system is followed in the software. In addition to accounting part GPMS also helps the Gram Panchayats in rendering a number of citizen centric services viz., issue of Birth & Death Certificates, Assessment of Tax on Land and Buildings, Issue of Trade Certificates etc.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 (Form 26) have also been made available at the website. 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.

3. Findings of the Study

From the following Table-1 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 leveled as poor and 13 GPs reported "not working" position as on 29-2-2016.

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

Table 1: Block wise Synoptic Report of GPMS Status of Burdwan
Source- Prepared by Computerization Cell, P & RD Department Cell, Dated-29-2-2016 at 1.08 PM
www.wbprdgpms.in/

As per the record of websites of GPMS, out of total 277 GPs, 254GPs scored "A" grade, 6GPs scored "B" grade, 4 GPs scored "C" grade and 13 GPs scored "D" grade
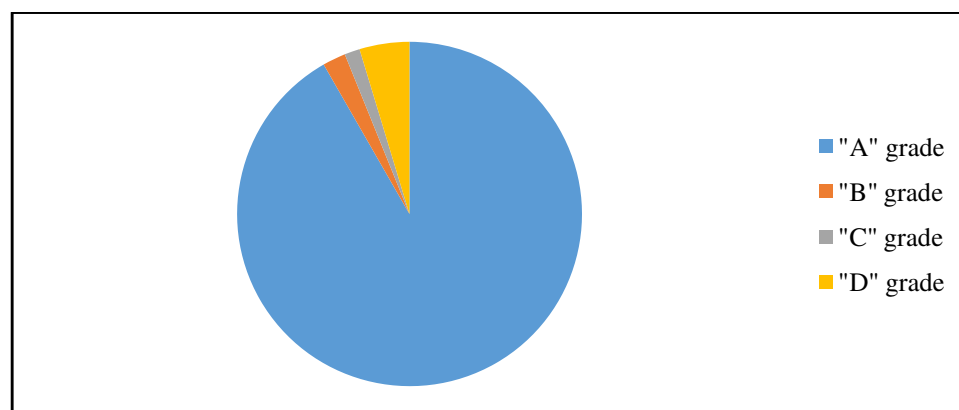

Figure 1: Gradation of Gram Panchayats of Burdwan

District	Total GP	Grade				Paperless	Not Installed
		A	B	C	D		
Bankura	190	57	1	0	132	133	0
Birbhum	167	18	2	0	147	88	0
Burdwan	277	254	6	4	13	277	0
Coochbehar	128	67	24	14	23	52	0
Dakshin Dinajpur	65	28	0	0	37	55	0
Darjeeling	134	75	6	2	51	8	0
Hooghly	207	207	0	0	0	207	0
Howrah	157	106	8	0	43	157	0
Jalpaiguri	146	67	0	1	78	124	0
Malda	146	92	14	11	29	79	0
Murshidabad	254	186	5	5	58	23	0
Nadia	187	109	1	0	77	110	0
North 24-Parganas	200	157	4	0	39	119	0
Paschim Midnapore	290	132	18	11	129	214	0
Purba Midnapore	223	66	0	0	157	223	0
Purulia	170	151	1	0	18	62	0
South 24-Parganas	312	99	6	6	201	79	0
Uttar Dinajpur	98	41	3	2	52	19	0
Total :-	3351	1912	99	56	1284	2029	0
Source- Prepared by Computerization Cell, P & RD Department Cell, Dated-29-2-2016 at 1.12 PM							
A-Entry Lag Behind up to 15 days B-16 days to 30 days C-31 days to 60 days D-More than 60 days or not installed www.wbprdgpms.in/							

Table 2: Comparative Synoptic Report of GP Status

Particulars	"A" Grade	"B" Grade	"C" Grade	"D" Grade	Paperless	Total
Burdwan	254	6	4	13	277	277
West Bengal	1912	99	56	1284	2029	3351
Burdwan	92%	2%	1%	5%	100%	
West Bengal	57%	3%	2%	38%	61%	

Table 3

From the Table-3 it is seen that 92% GPs of Burdwan scored A grade where as 57% GPs of the total West Bengal including Burdwan scored A grade as on 29-2-2016. Similarly, 100 GPs ranked as paperless in Burdwan whereas only 61% GPs ranked as paperless in total West Bengal including Burdwan. It is also noted 38% GPs in West Bengal ranked as D grade where only 5% GPs in Burdwan ranked as D grade.

3.1. Form 26 Report
As on 29th February, 2016, out of total 277 GPs in Burdwan 256 GPs have uploaded form 26 up to January 2016, 11 GPs uploaded form 26 up to December 2015, 6 GPs have uploaded form 26 up to November,2015 and2 GPs have uploaded form 26 up to October, 2015 and September, 2015.

January 2016	December-2015	November-2015	October-2015	September-2015
256	11	6	2	2
92.42%	3.9%	2.17%	.7%	.7%

Table 4: Form 26 Last Update as on 29/2/2016

3.2. Entry Update
Entry up to date means completion of all the requisites posting in GPMS. Following Table-4 indicates the gram panchayats completed entry as on 29/2/2016. Out of total 277 GPs 7 GPs have completed entry up to February, 2016, 22 GPs have completed entry up to January, 2016, 198 GPs have completed entry up to December, 2015, 34 GPs have completed entry up to November, 2015, 7 GPs have completed entry up to October 2015,3 GPs have completed entry up to September 2015, 4 GPs have completed entry up to August 2015, one GP has completed entry up to June 2015 and one GP has completed entry up to December 2014.

February-2016	January-2016	December-2015	November-2015	October-2015	September-2015	Augest-2015	June 2015	December-2014
7	22	198	34	7	3	4	1	1

Table 5: Entry Update as on 29/2/2016

4. Conclusion

From the above analysis it is clear that as a part of e-governance initiative, appropriate and adequate initiative have taken for computerizing the accounting system and making the result to the stake holder of the society in the means of uploading the accounting reports in the websites of the Panchayats & Rural Development Department of the Government of West Bengal. In general, a good numbers of GPs have successfully installed GPMS in West Bengal. The success rate of installation and reporting in GPMS of the Burdwan district is very good as compared to the West Bengal in total.

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